Allianz Group

Trimming the ship

Analysts' Conference
March 2003

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Agenda

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Michael Diekmann - Board member Allianz AG

A. Trimming the ship

Analysts' Conference

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Taking stock: A world-class franchise

P/C	Leading insurer with core strengths in Germany, Italy, France, Spain and CEE
L/H	Leading position in private and corporate pension business in Germany and strong positions in Italy and the U.S.
Asset Management	Top 5 global asset manager with outstanding fixed income capabilities
German banking	Traditionally strong franchise with retail distribution and cross-selling capabilities
Distribution	Leading European distribution network (tied agents, bank ownership / cooperation, third party) and 200,000 points of sale for life business in the U.S.
Brand	Strong brand reputation in most important countries
Motivation	Organization in shake-up mode
Profitable growth	Well-positioned to capitalize on growth opportunities (long-term savings, flight to quality, hard non-life markets)

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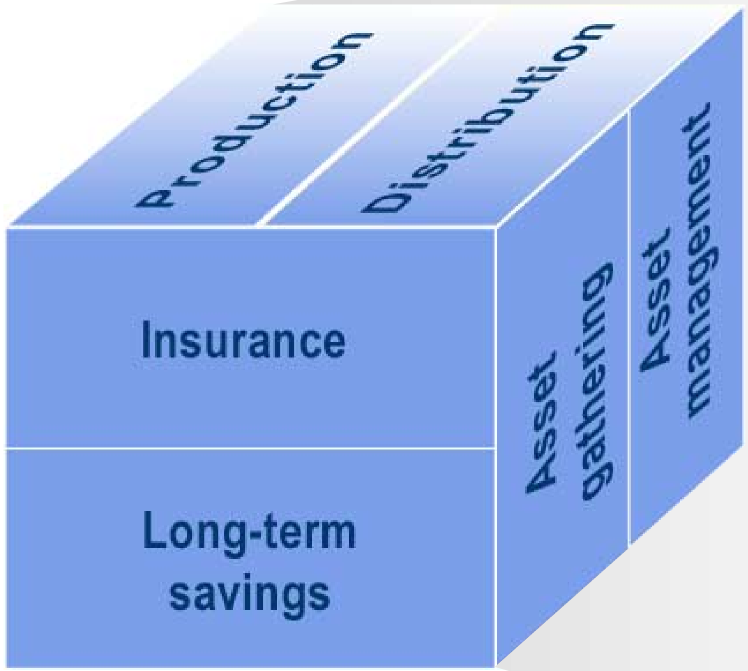
Our strategy is sound ...



Our strategic priorities

1. Optimizing EVA
2. Strengthening P/C
3. Growing long-term savings
4. Broadening distribution
5. Building on investment and capital markets expertise

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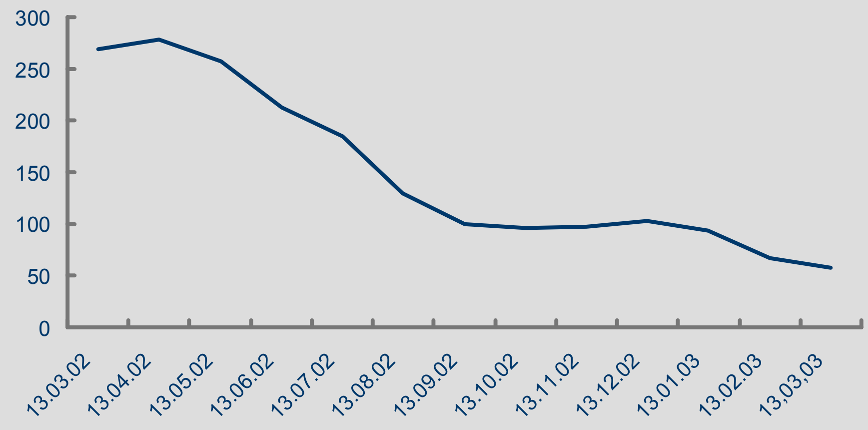
... but implementation needs improvement

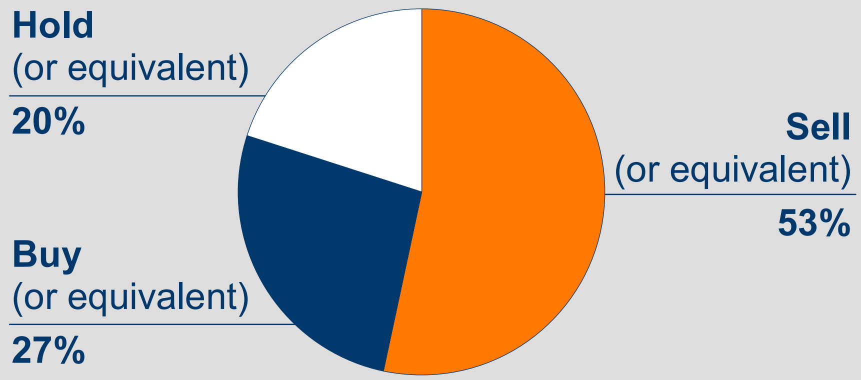
What went wrong?

1. **Bull market investment returns weakened our operating discipline**
2. **Excess capital allowed development of excessively broad business mix**
3. **High equity gearing caused significant reduction in our surplus position**

Disappointing share price performance*



Majority of sell recommendations**



*) Source: Datastream International
**) Source: Own estimates

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Our challenges

Issues to address	My personal emphasis
1. Operational performance in selected insurance areas like AGF or AGR 2. Bank profitability and realization of synergies 3. Life profitability and risks 4. Level of impairments and equity gearing 5. Relative capital strength and rating position	▪ Operational discipline ▪ Capital and portfolio management ▪ Reduction of equity exposure ▪ People management

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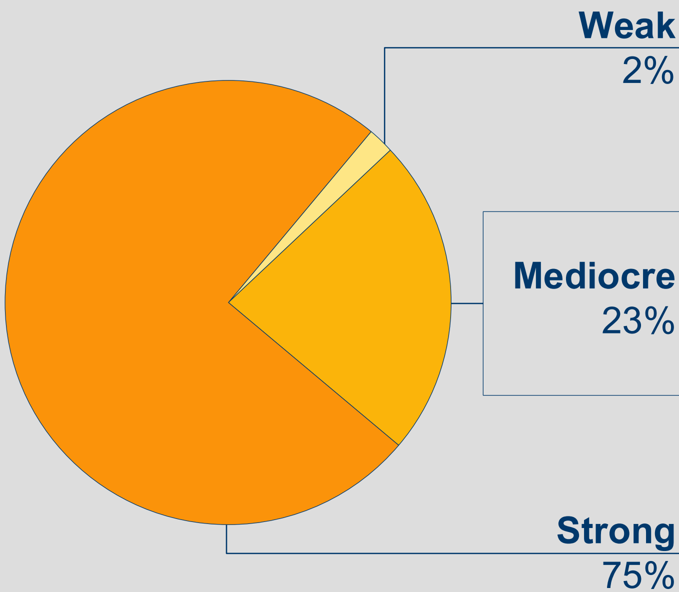
Operational discipline: P/C

P/C net premiums earned 2002

EUR 36.5bn



Company	Adjusted combined ratio* (in %) 2001	2002	2003e
AGR	136.0	126.3	< 100.0
FFIC**	112.7	99.2	< 97.0
AGF	112.3	110.9	103.0
Rest of Group	100.4	98.5	< 98.0
Group	**104.4**	**101.7**	**< 100.0**

*) Adjusted for WTC, asbestos, floods
**) Ongoing business

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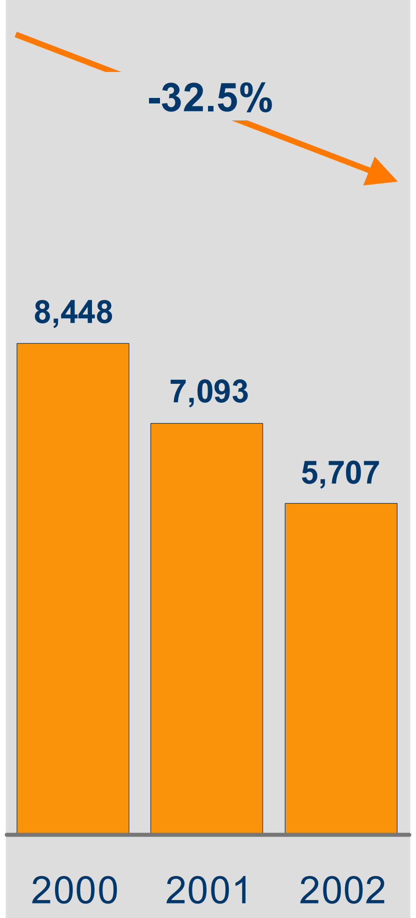
Operational discipline: FFIC

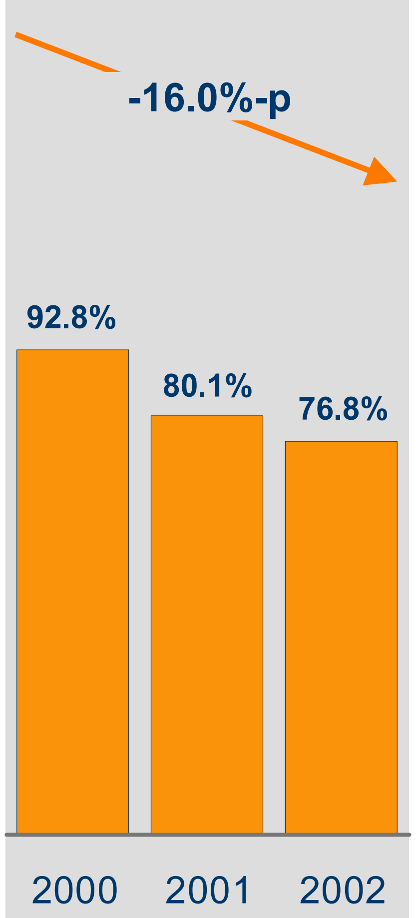
Status

- **New management team in place**
- **Exit of underperforming businesses**
  - Surety
  - National accounts
  - Diversified risk
  - Medical malpractice
- **Capacity management**
- **Asbestos reserves strength-ened by EUR 762m following external actuarial review**
- **More defensive portfolio-management**
  - Shift from active towards passive investment style
  - Lower equity ratio

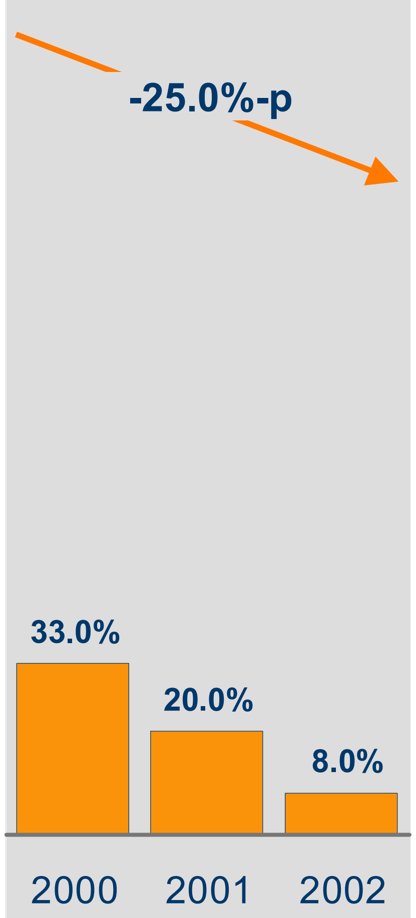
Headcount



Accident year claims ratio



Equity ratio



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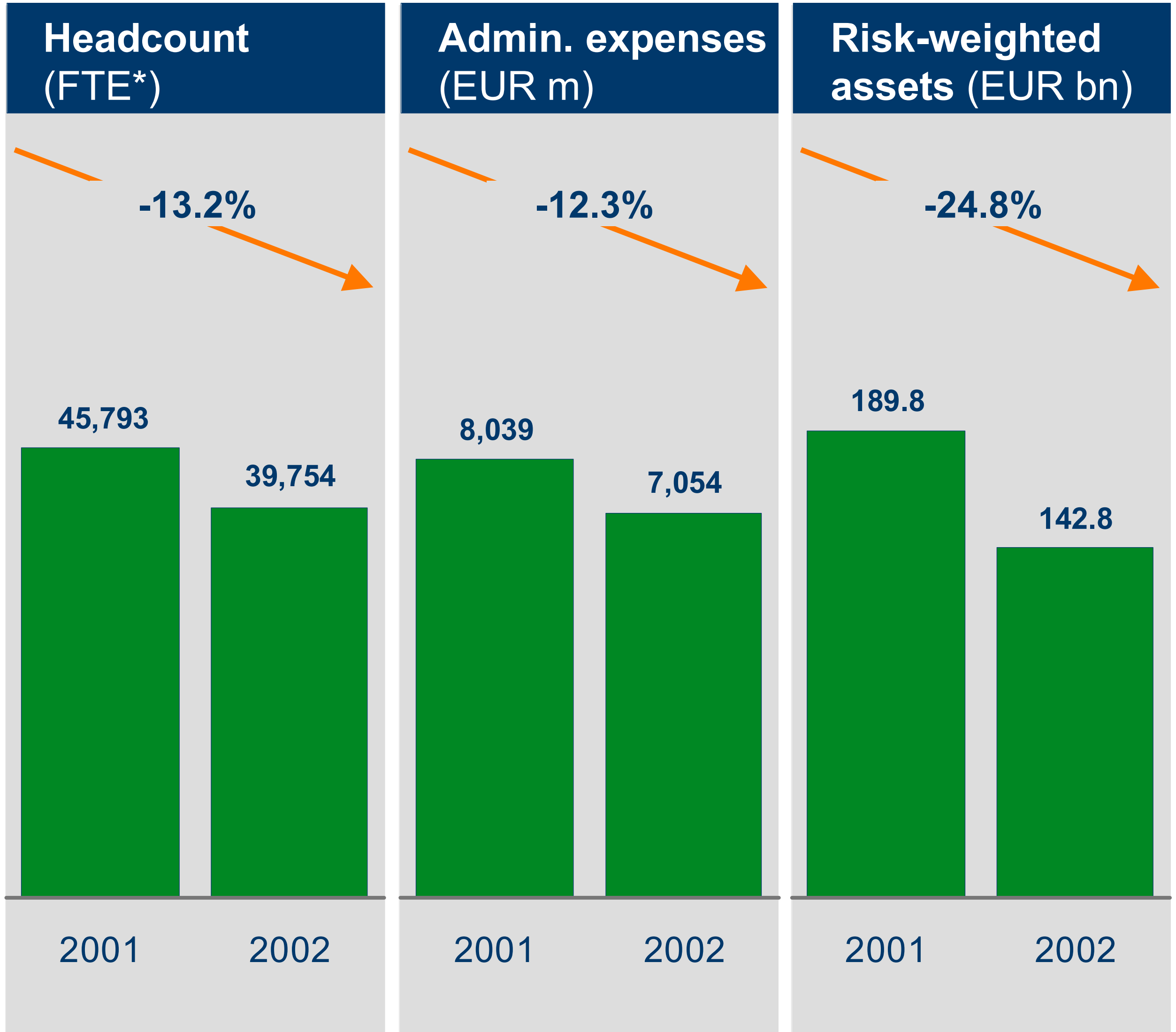
Operational discipline: Dresdner

Status

- **New management team in place**
- **Turnaround program up and running**
  - Divisionalization
  - Fixing of business models
  - IRU
  - Complexity reduction
- **Significant reduction of costs and RWA**
- **IRU launched and operational**
- **Merger and deconsolidation of real estate business into Eurohypo**
- **Separation and merger of German asset management operations**



*) Full time equivalent

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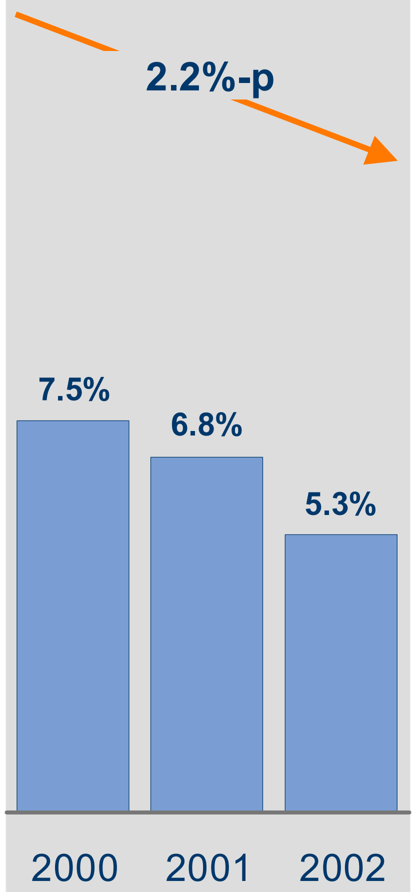
Operational discipline: Allianz Leben*

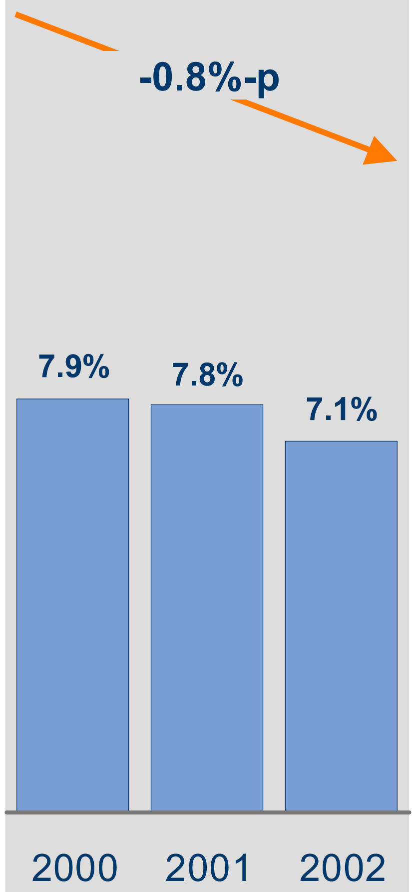
Status

- Reduction of policyholders' dividend
- Improved statutory expense ratio
- Diversification into unit-linked business
- Reduction of equity ratio from 23.7% to 12.3%
- Bank distribution optimized (more than 950 insurance specialists in Dresdner Bank branches)
- Technical interest rate ("Rechnungszins") reduced by regulator to 3.25%

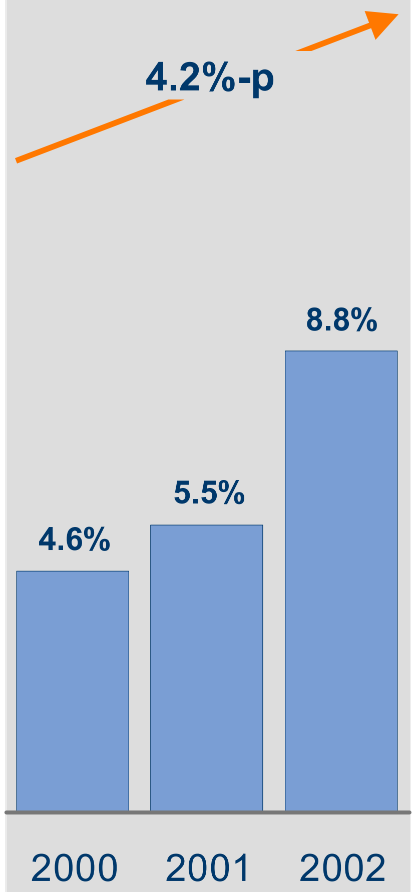
Policyholders' dividend



Statutory expense ratio



Shareholders' participation rate



*) All figures German GAAP

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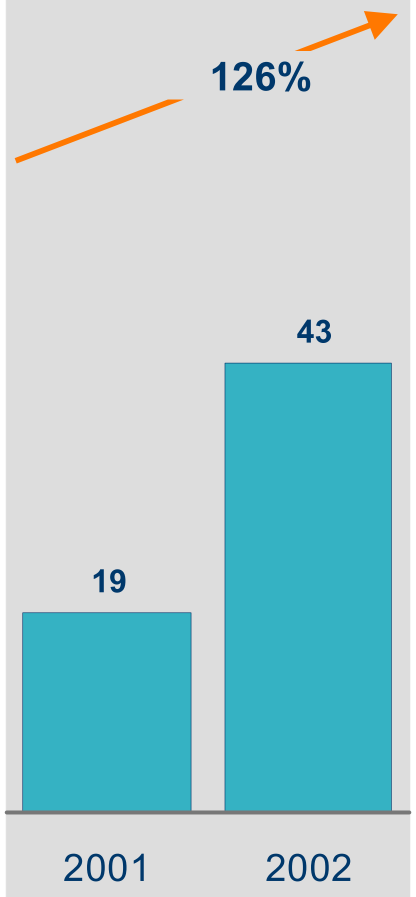
Operational discipline: ADAM*

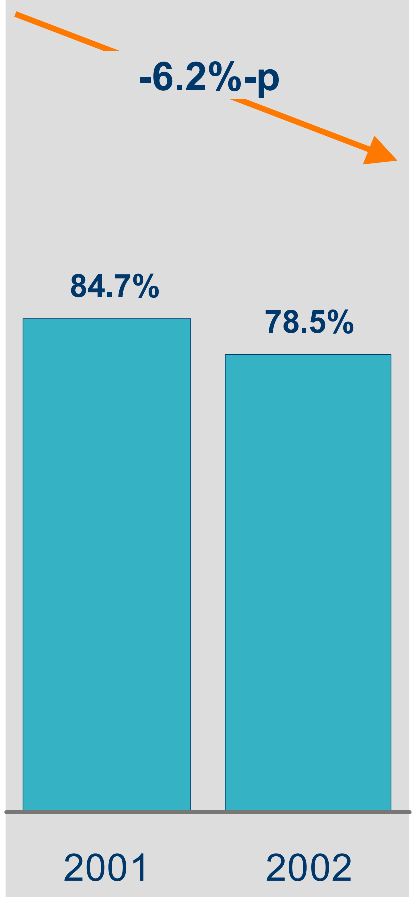
Status

- **Well-diversified business model ...**
- **... made ADAM one of the few global asset managers with significant positive net inflows (EUR 43bn)**
- **Merger of Allianz' and Dresdner Bank's asset management operations**
- **Various business successes**
  - U.S.: PIMCO increased AuM by over 30% to USD 322bn
  - Germany (Institutional): dbi enhanced market share; with AuM EUR 61bn ranked #1
  - Germany (Retail): dit Euro Bond Total Return (powered by PIMCO) best selling fixed-income fund (> EUR 2.5bn net inflow in 11 months)

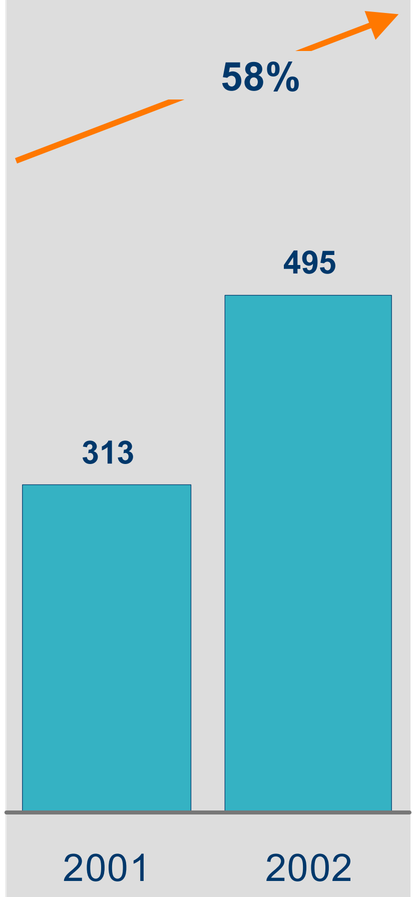
Net inflow** (EUR bn)



Cost-income ratio



Operating result (EUR m)



*) Dresdner Bank asset management included since July 2001
**) Third party funds only

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Capital and portfolio management

Reduction of equity exposure and volatility	▪ Sale of equities and implementation of hedges to reduce equity gearing and volatility ▪ Since beginning of 2003, implementation of about EUR 10bn* in hedges ▪ New agreement with Munich Re
Focused portfolio management and capital allocation	▪ Allocate capital according to strict internal risk-based capital model ▪ Divest or run-off unprofitable and non-strategic segments ▪ Capitalize on growth opportunities
Capital raising	▪ Strengthen capital position and secure rating in environment of continued high uncertainty ▪ Approx. EUR 5.0bn capital raising - Discounted rights issue (EUR 3.5 - 4.0bn) - Non-dilutive hybrid capital (up to EUR 1.5bn)

*) Underlying

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People management

Purpose of the organization is success

- Strong culture
- High loyalty and commitment
- Rich potential pipeline
- Sophisticated training concept
- Consistent performance management
- “Walk the talk”

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Today's agenda: All challenges will be addressed

1	Operational performance in selected insurance areas like AGF or AGR	Helmut Perlet
2	Bank profitability and realization of synergies	Helmut Perlet Jan Kvarnström
3	Perception of life profitability and risks	Gerhard Rupprecht Mark Zesbaugh
4	Level of impairments and equity gearing	Paul Achleitner
5	Relative capital strength and rating position	Paul Achleitner

Taking stock: A world-class franchise

P/C	Leading insurer with core strengths in Germany, Italy, France, Spain and CEE
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Motivation	Organization in shake-up mode
Profitable growth	Well-positioned to capitalize on growth opportunities (long-term savings, flight to quality, hard non-life markets)

What you can expect from us

Strong core business

- Extremely strong franchise
- Concentrate capital in our most profitable segments

Focus on operational discipline

- Improve the strong
- Turnaround the weak

Well managed capital base

- Strong capital relative to peers
- Reduced gearing

... and my personal commitment to “trim the ship”

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Helmut Perlet - Board member Allianz AG

B. Group financial results 2002

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Difficult economic environment and exceptional burdens put heavy strains on result ...

- **Extremely difficult economic and capital market environment**
  - Impairments on investments “available for sale” EUR 5.5bn - bottom line impact: EUR 2.7bn
  - Dresdner Bank net revenues from banking significantly reduced (- EUR 1.7bn)
  - Loan-loss provisions increased to EUR 2.2bn (+ EUR 0.3bn)
- **Exceptional burdens strain result, particularly in third quarter**
  - Floods in Central Europe (EUR 710m)
  - A&E* reserve strengthening (EUR 762m) at FFIC**

*) Asbestos & environmental
**) Fireman’s Fund Insurance Company

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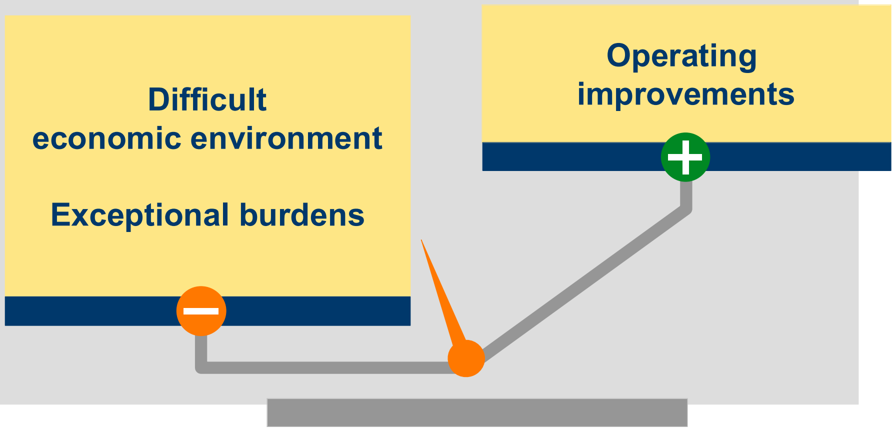
... and outweigh operating improvements

- **Operating improvements, e.g.**
  - Adjusted* combined ratio down 2.7% to 101.7%
  - Life insurance premiums up 18.9%
  - Dresdner Bank administrative expenses down 12.3%**
  - EUR 43bn net inflows in Asset Management



Net income 2002
EUR -1.2bn

*) Adjusted for WTC-damages in 2001, Central European floods and A&E reserve strengthening at FFIC in 2002
**) Compared to pro forma figures for 2001

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Key figures and ratios (1)
(in EUR bn)

	2000	2001	2002	∆ 2002 / 2001
Net income	3.5	1.6	-1.2	-175.0%
Extraordinary effects*	1.1	-	-	-
Adjusted net income	2.4	1.6	-1.2	-175.0%
EPS_R (in EUR)	14.10	6.66	-4.81	-172.2%
EPS_A before goodwill depreciation (in EUR)	11.74*	9.98	-0.02	-100.2%
ROE_R	10.6%	4.8%	-4.4%	-9.2%-p
ROE_A before goodwill depreciation	8.8%	7.2%	0.0%	-7.2%-p
Total revenues**	70.0	81.0	92.5	14.2%
Statutory premiums	68.7	75.1	82.6	9.9%
3rd party assets under management	336.4	620.5	560.6	-9.7%
Shareholders' equity	35.6	31.7	21.8	-31.2%

*) Tax effects
**) Total revenues = Statutory premiums + net interest income + net fee and commission income + net trading income (banking and asset management)

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Key figures and ratios (2)
(in EUR m)

	2000	2001	2002	Δ 2002 / 2001
Profit before tax and goodwill	5,408	2,635	-52	-102.0%
Property / Casualty	4,176	2,758	7,924	187.3%
Life / Health	1,763	558	83	-85.1%
Banking	116	297	-1,296	-536.4%
Asset Management	134	-91	143	
Consolidations	-781	-887	-6,906	
Goodwill depreciation	-495	-808	-1,162	43.8%
Taxes	-176	840	735	-12.5%
Minorities	-1,277	-1,044	-688	-34.1%
Net income	3,460	1,623	-1,167	-171.9%

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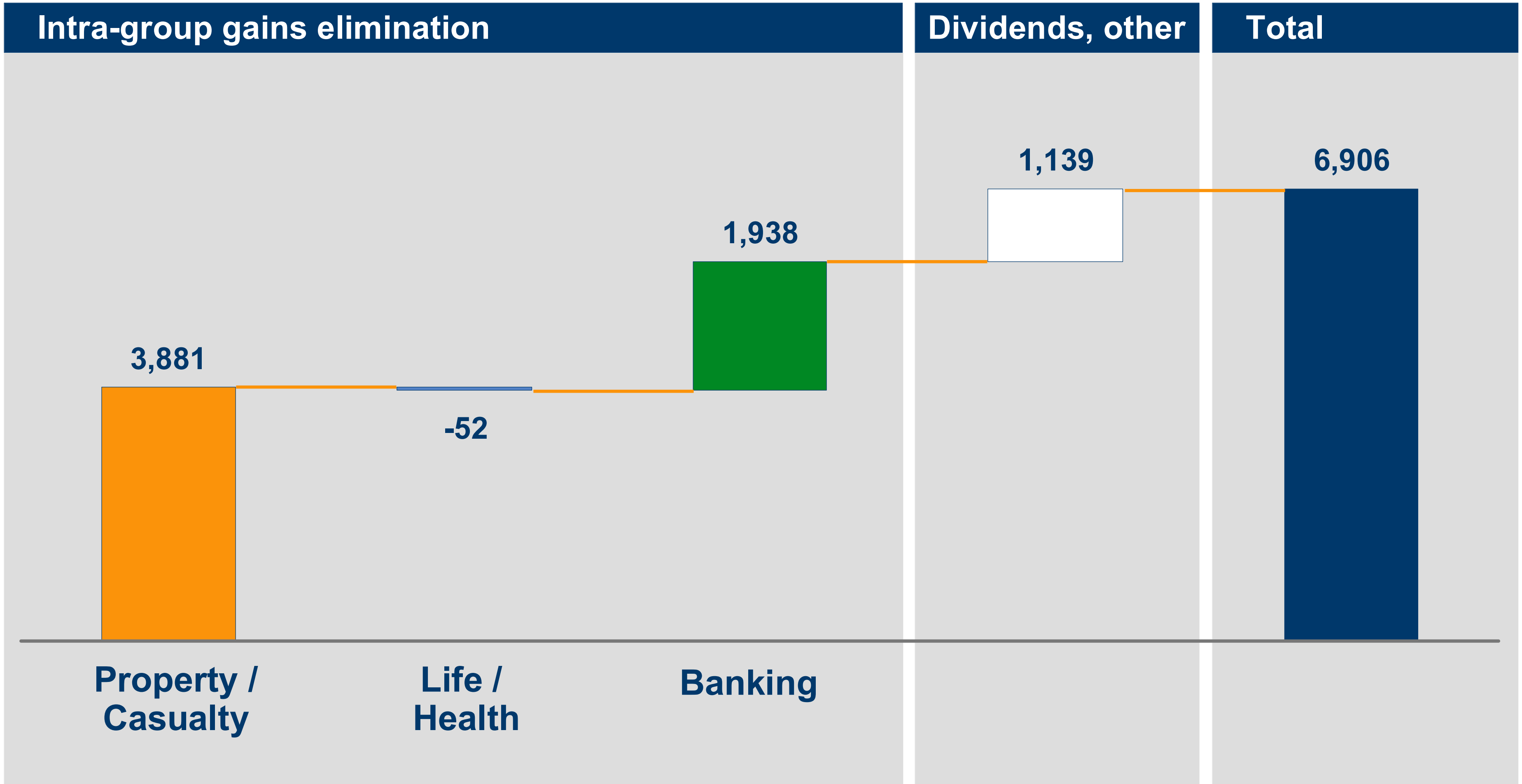
Breakdown of consolidations
(in EUR m)



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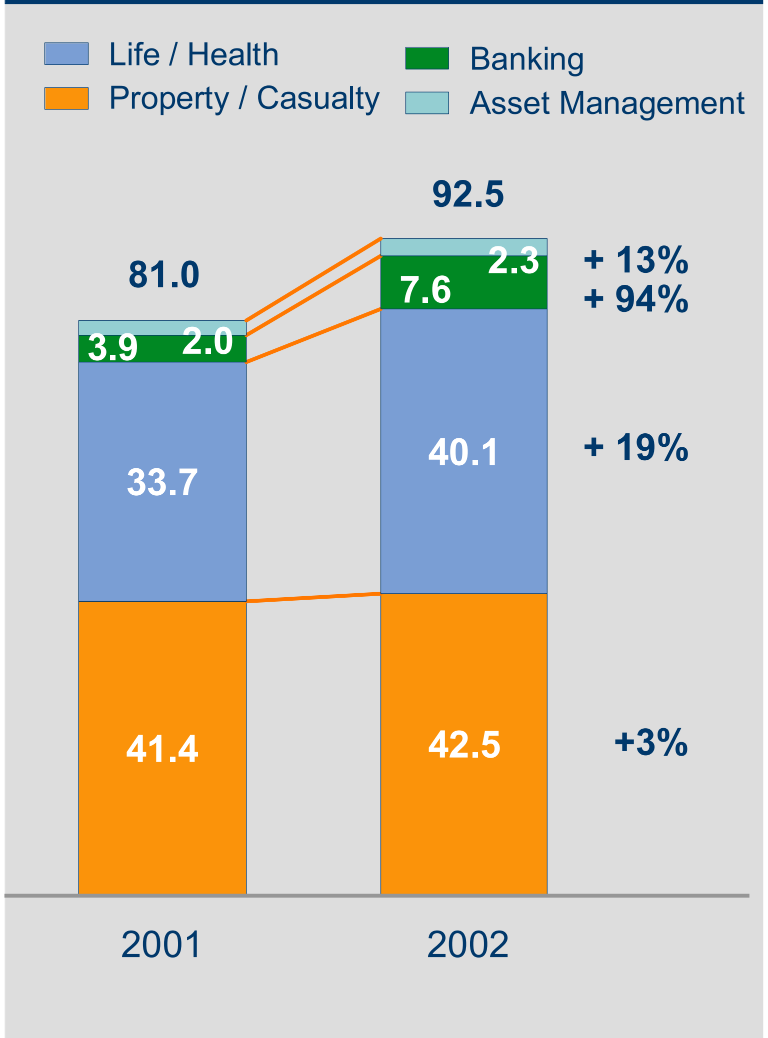
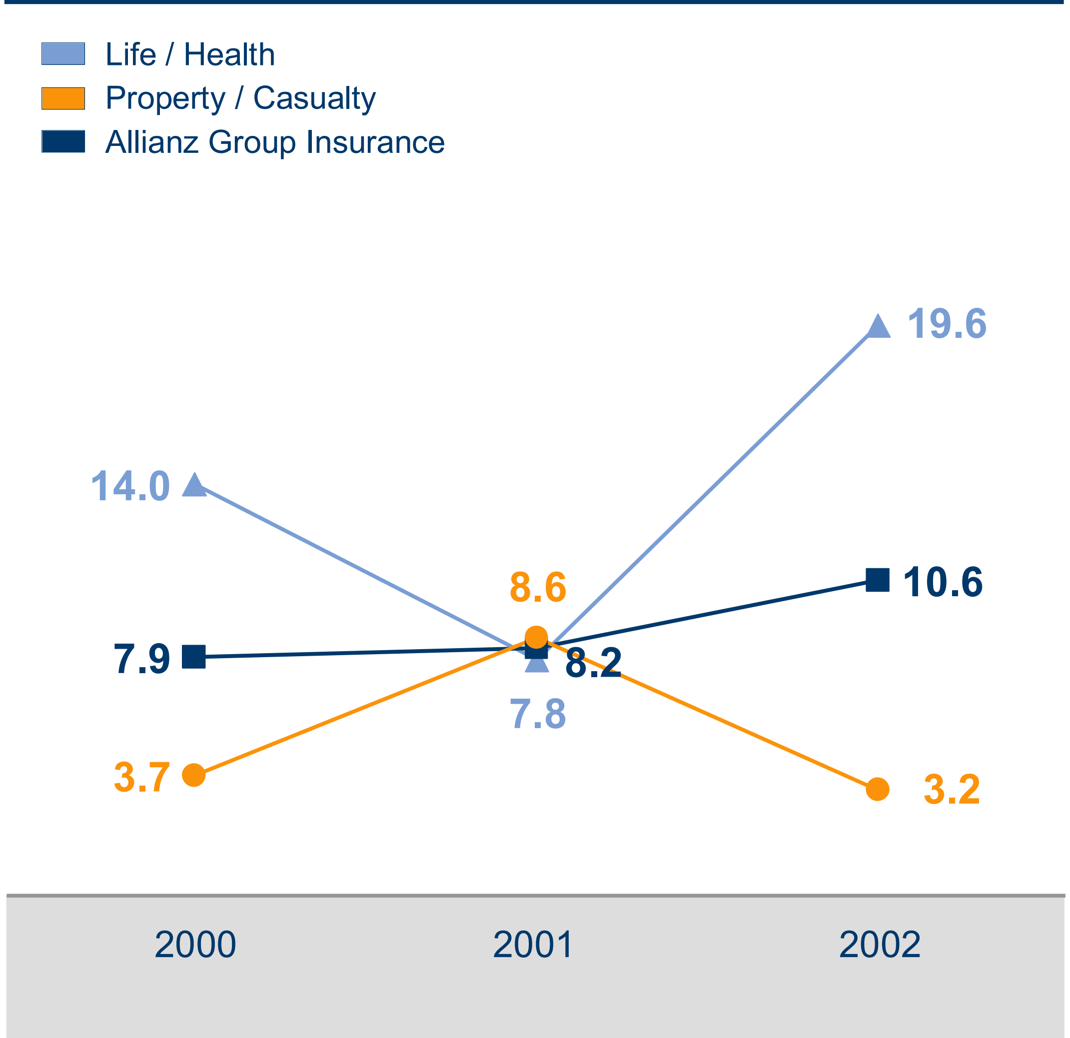
Group: Strong internal growth in Life 19.6%

Total revenues* (in EUR bn)



Internal growth insurance (in %)



*) All figures fully consolidated

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P/C: Key figures and ratios
(in EUR m)

	2001	2002	Δ 2002 / 2001
Gross premiums written	42,137	43,294	2.7%
Investment result	7,543	11,734	55.6%
Investment result adjusted*		7,854	4.1%
Claims ratio	81.1%	78.2%	-2.9%-p
Expense ratio	27.7%	27.5%	-0.2%-p
Combined ratio	108.8%	105.7%	-3.1%-p
Combined ratio adjusted**	104.4%	101.7%	-2.7%-p
Net income	**2,364**	**7,207**	**204.9%**
Assigned capital (AC) (e.o.p., a/min, in EUR bn)	15.4	17.5	13.7%
Return on Ø AC (a/min.)	15.2%	20.9%*	5.7%-p
Normalized return on Ø AC (a/min.)	4.8%	9.2%	4.4%-p

*) After elimination of intra-group transfer of shares / real estate (EUR 3.9bn)
**) Adjusted for WTC-damages in 2001, Central European floods and A&E reserve strengthening at FFIC in 2002

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Most P/C combined ratios considerably improved
(in %)

Combined ratio	2001	2002	Comments
SGD (German P/C Group)	97.7	101.5	Floods in Bavaria and new „Länder“ raised ratio by 5.1%-p
Allianz AG	113.2	104.1	Adjusted for floods 101.0%
AGF France	112.3	110.9	Expense ratio down to 26.4% (2001: 29.3%)
RAS Group Italy	103.4	100.7	Lower frequency in Motor
Lloyd Adriatico	87.7	88.2	Lloyd still at excellent level of previous year
Cornhill	103.8	98.3	Improved due to Motor (2%-p) and reorganization of AGR business
Allianz Spain	99.9	97.6	Claims ratio improved by lower claims frequency and tariff increases, expense ratio down to 20.6%
Allianz Suisse ex. ART	107.0	100.6	Cost efficiencies realized through common IT platform, expense ratio down by 2.9%-p
Allianz Austria	106.0	104.5	Lower small claims frequency largely offset severe flood damage which added 2.2%-p
Fireman’s Fund	114.3	128.6	Combined ratio ongoing business 99.2%
Allianz Australia	107.8	104.2	Tight expense control lowered expense ratio by 1.7%-p

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AGR: Reorganizing Allianz's international corporate business* (in EUR m)

Approach

Build global center of competence

- Full accountability for the International Corporate Business (ICB)
- Harmonized and stringent underwriting rules
- Improvement of local knowledge and standards
- Tight supervision of underwriting
- Global portfolio management

AGR virtual

AGR Executive management team

AGR Re

ICB of Group companies

- Reinsurance carrier for Allianz ICB

Performance 2002

Gross premiums	2,362
Net premiums earned	1,056
Underwriting result	-281
Expense ratio	31.2%
Claims ratio	95.1%
Combined ratio	**126.3%**

Objectives 2003

Further increase of operating performance after start-up year

- Improve claims ratio by 9%-p
- Improve reinsurance efficiency by 14%-p
- Improve expense ratio by 8%-p

Combined ratio < 100%

*) All figures refer to total, virtual entity

AGF: Measures for improvement enacted

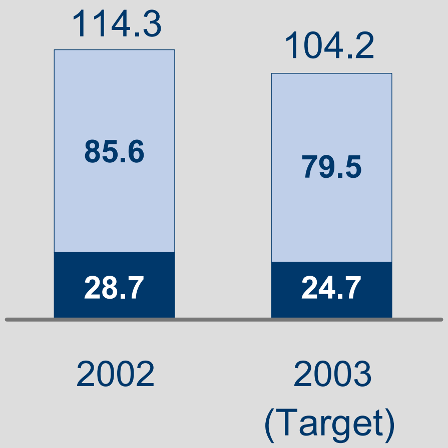
Claims ratio
Expense ratio

Approach

Combined ratio (in %)

Tied agent's unit

- Focus on Motor business
- Tight claims management
- Continuous cost reduction



Brokerage channel (local + global)

- Strong tariff adjustments in property and in liability
- Reshuffling of all local brokerage personal lines business
- Continuous cost reduction

Status

- ✓ IT migration completed in 2001
- ✓ Tariff increase performed in 2002 (personal and commercial lines) and enhanced in 2003
- ✓ Claims management reorganisation plan launched in 2002

Objectives for 2003

- Achieve 103.0% combined ratio for entire P/C business
- Adjust pricing through further tariff increase, while limiting loss of profitable business
- Implement new claims manage-ment organisation and processes
- Achieve further IT cost reduction

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L/H: Key figures and ratios
(in EUR m)

	2001	2002	Δ 2002 / 2001
Statutory premiums	33,687	40,066	18.9%
IFRS premiums	20,145	20,663	2.6%
Investment result	8,544	7,445	-12.9%
Expenses (as % of investments)	1.75	1.66	-0.09%-p
Statutory expense ratio (in %)	12.1	10.0	-2.1%-p
Net income	**229**	**19**	**-91.7%**
Total investments (in EUR bn)	213	221	3.8%
Assigned capital (AC) (e.o.p., a/min, in EUR bn)	7.0	8.2	17.1%
Return on Ø AC (a/min.)	3.3%	0.2%	-3.1%-p
Normalized return on Ø AC (a/min.)	12.8%	11.4%	-1.4%-p

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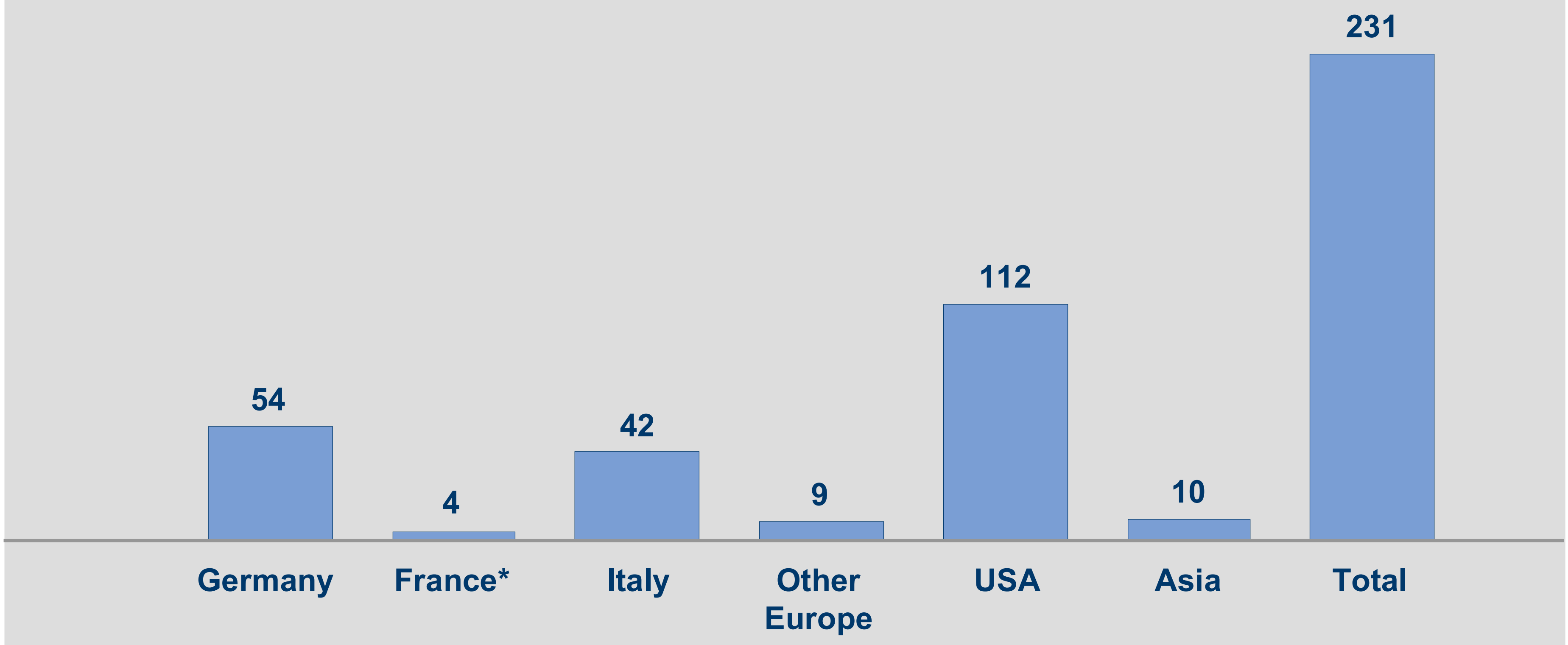
Life: Value of new business written after minorities
(in EUR m)

Value of new business at issue after cost of assigned capital



	Germany	France*	Italy	Other Europe	USA	Asia	Total
Margin in % of annualized premiums	6.3	1.8	9.9	4.8	13.6	1.2	**6.9**

*) France includes French Life participations of AGF

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Banking: Key figures and ratios
(in EUR m)

	2002 Segment	2002 Dresdner Bank	2001 (pro forma) Dresdner Bank***	Δ 2002 / 2001
Net revenues	7,566	7,278	8,940	-18.6%
Net loan-loss provisions	-2,222	-2,218	-1,893	17.2%
Loan loss provisions as % of Ø RWA	1.24%	1.31%	0.90%	45.6%
Administrative expenses	-7,314	-7,054	-8,039	-12.3%
Operating cost-income ratio*	96.7%	96.9%	89.9%	7.0%-p
Profit before tax and goodwill	-1,296	-1,231		
Net income	**-1,358**	**-1,278**		
Risk-weighted assets end of period (BIS), (in EUR bn)	152.3	142.8	189.8	-24.8%
Core capital ratio (BIS)	n/a	6.0%	5.5%	0.5%-p
Total capital ratio (BIS)	n/a	10.6%	11.4%	-0.8%-p
Assigned capital (AC), (e.o.p., a/min, in EUR bn)	11.1**	10.8**		
Return on Ø AC (a/min.)	-9.7%	-9.4%		
Normalized return on Ø AC (a/min.)	-13.3%	-12.9%		

*) Administrative expenses as percentage of net revenue ***) Full year stand-alone figures
**) Based on economic capital

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Dresdner Bank: Reconciliation between Allianz Group banking segment and Dresdner Bank stand-alone result

in EUR m

Dresdner Bank: Coverage of risk elements slightly improved

(in EUR bn)

	2001	2002
Non-accruals	10.5	10.0
90 days past due	1.9	0.8
Troubled debt restructuring	0.6	0.4
Non-performing loans (NPL)	**13.0**	**11.2**
Potential problem loans (PPL)	**2.9**	**2.4**
Total risk elements (NPL/PPL)	**15.9**	**13.6**
Allowances for loan losses	**7.6**	**6.6**
Allowances to NPL	**58.0%**	**59.3%**
Allowance to risk elements	**47.5%**	**48.7%**

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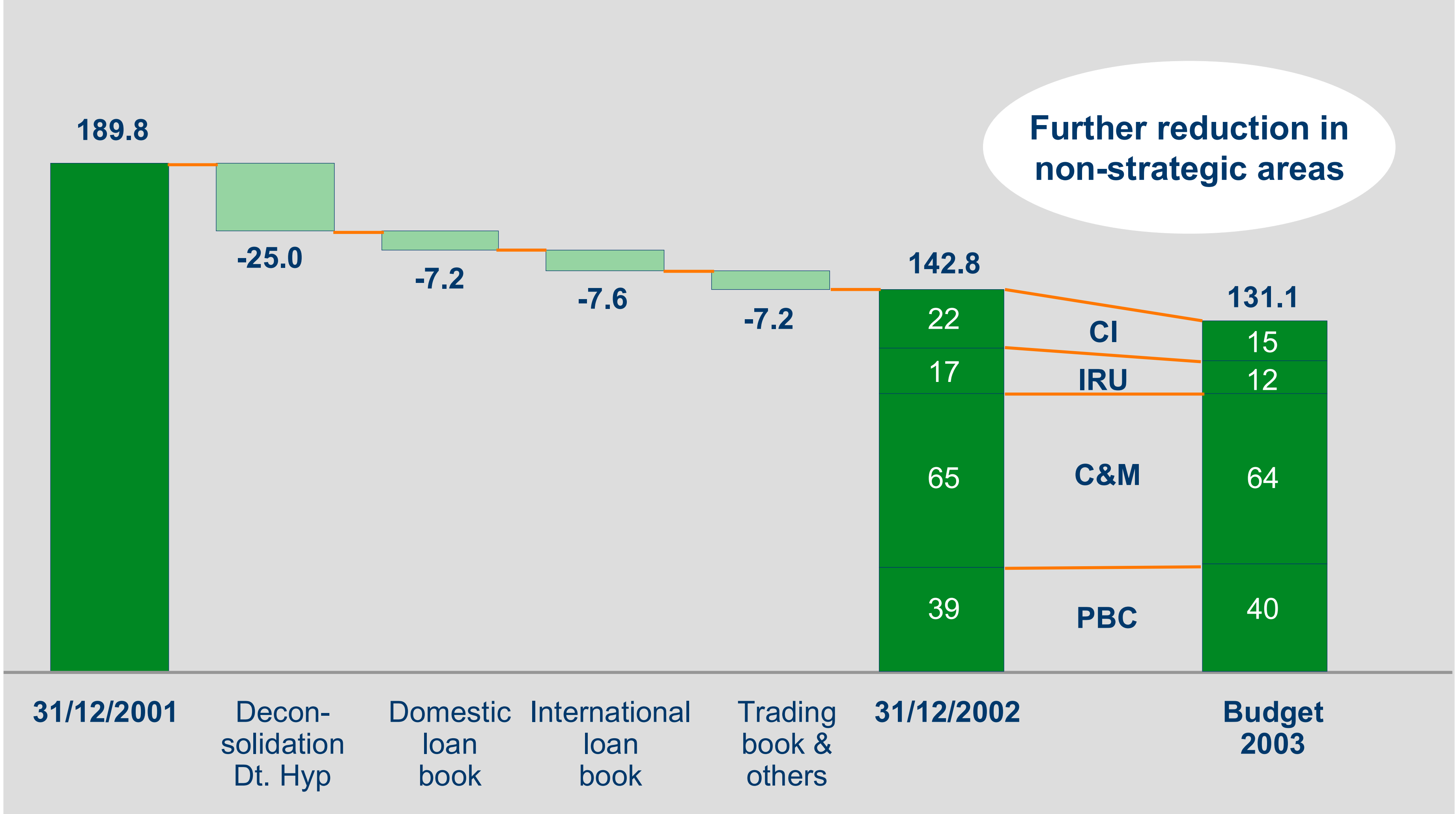
Dresdner Bank: Significant reduction of RWA by EUR 47bn

Risk-weighted assets (in EUR bn)



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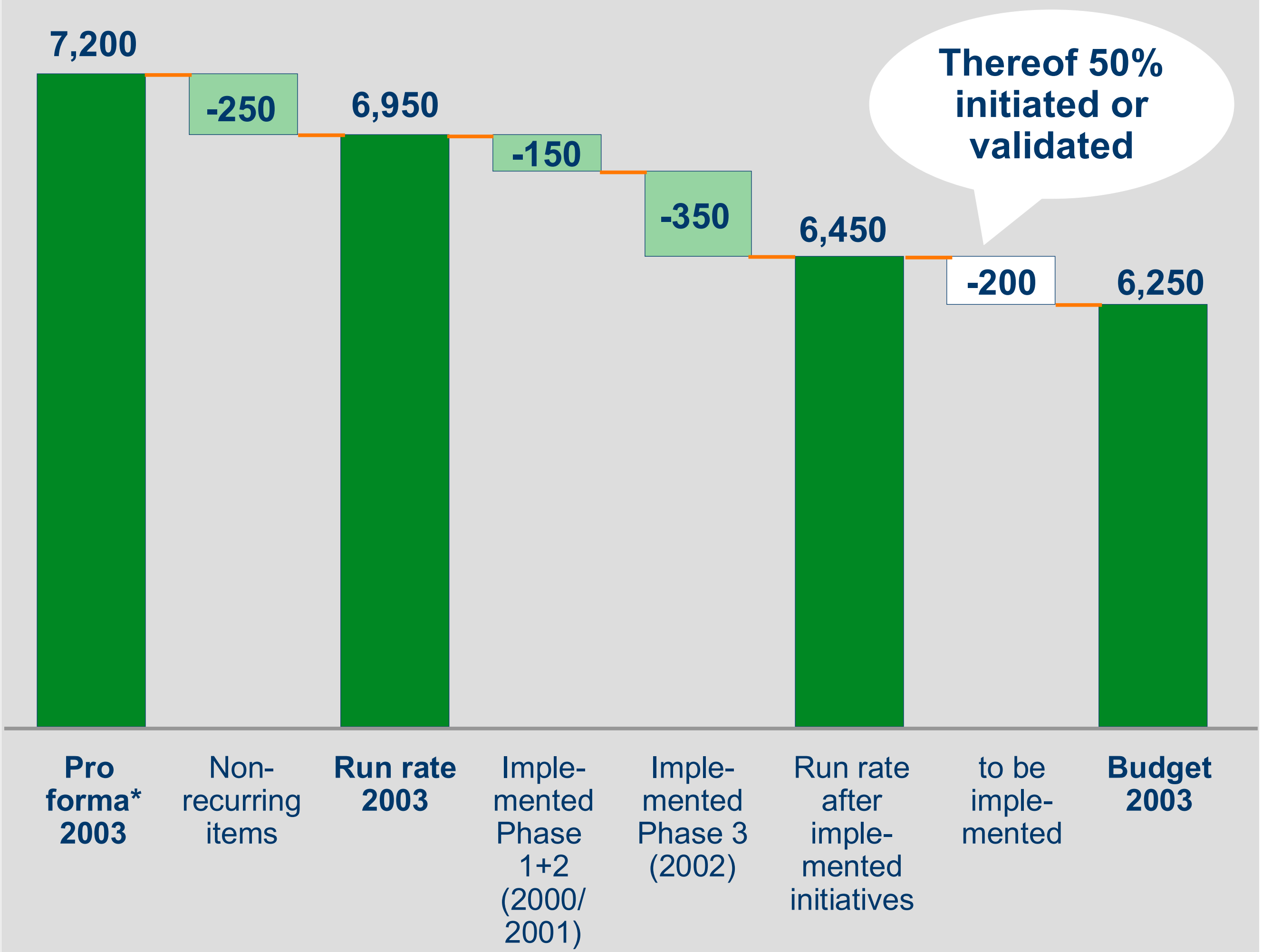
Bulk of cost reductions for 2003 already executed
(in EUR m)



Headcount reduction 2003 (in FTE**)

Dec. 2002	39,754
Headcount reduction	-2,165
Budget	37,589

*) After deconsolidations
**) Full-time-equivalents, without apprentices

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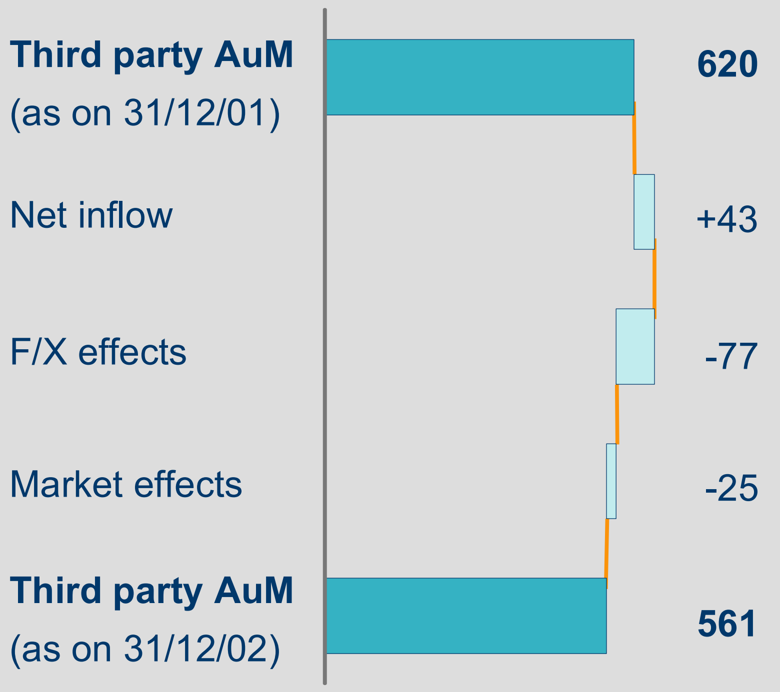
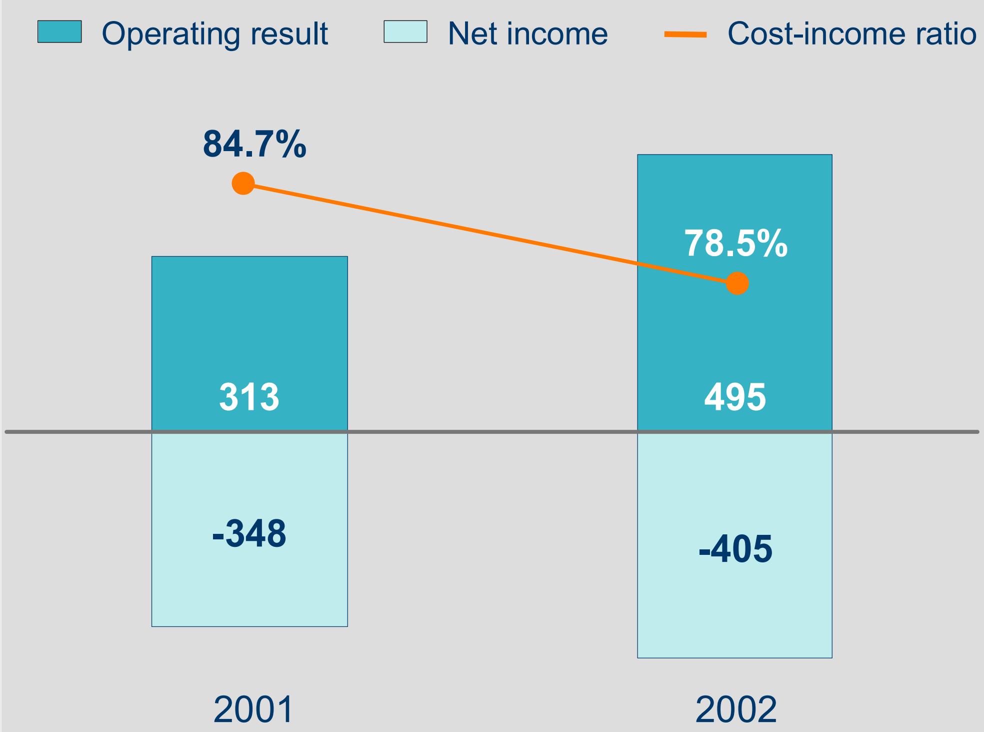
Asset Management: Strong net inflows in difficult capital market environment

Assets under management (in EUR bn)



Evolution of result (in EUR m)



	2001	2002
Assigned capital (AC) (e.o.p., a/min, in EUR bn)	1.6	1.4
Return on Ø AC (a/min.)	-22.4%	-29.6%
Normalized return on Ø AC (a/min.)	18.6%	27.3%

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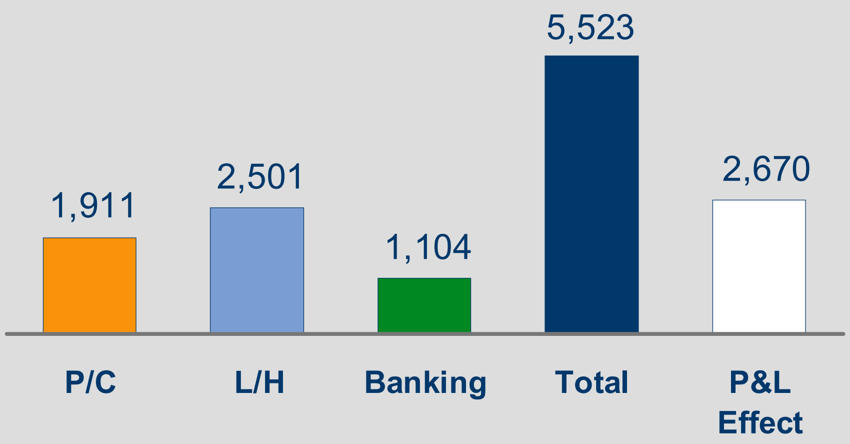
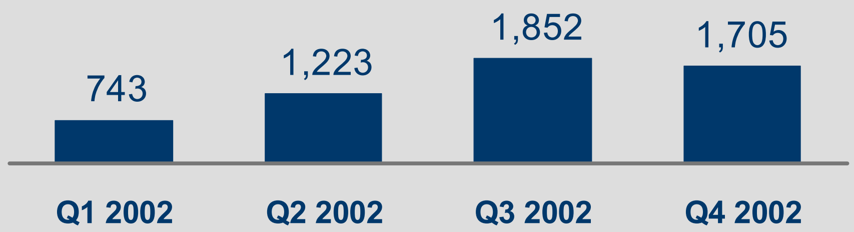
Impairments on securities “available for sale”
(in EUR m)

Impairments 2002



- P&L effect reflects impairment impact after policyholder participation, taxes and minorities
- Segment Asset Management only included in total due to immateriality (EUR 6m)

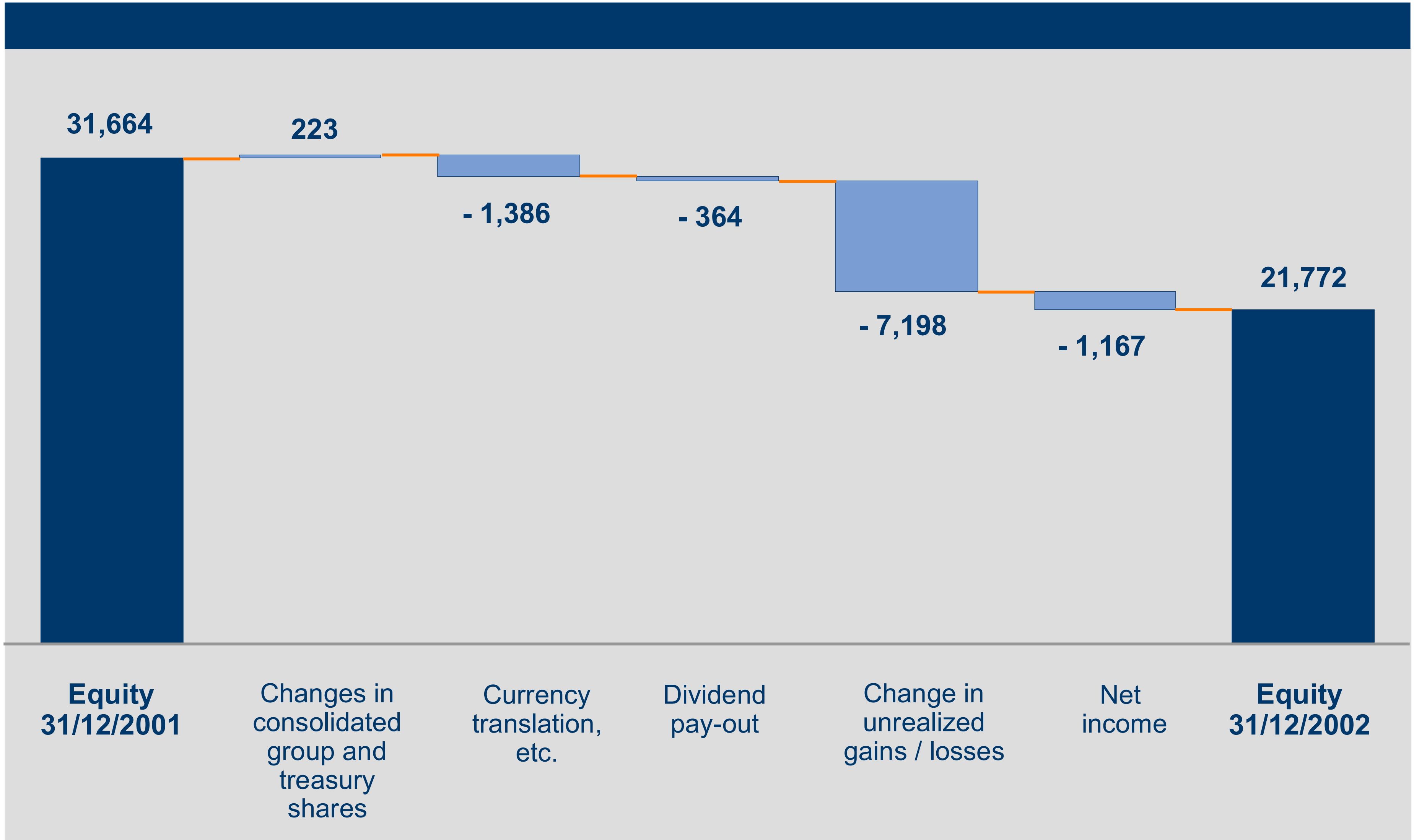
Impairments - Quarterly basis



- In case of flat or falling equity markets, further significant impairments would be necessary in 2003

Allianz Group

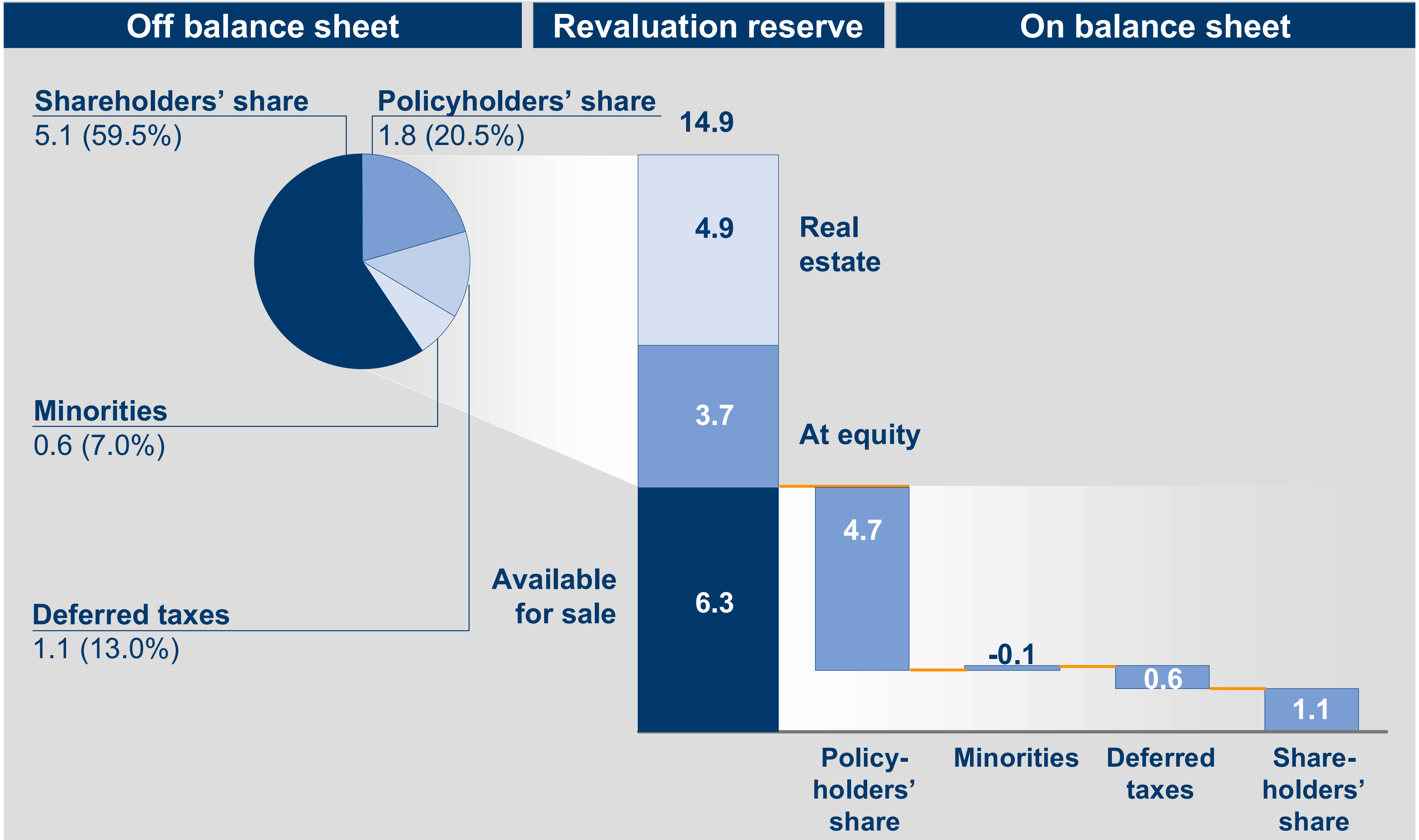
Shareholders' equity decreased by nearly EUR 9.9bn
(in EUR m)



Allianz Group

Revaluation reserve around EUR 14.9bn

(in EUR bn)



Allianz Group

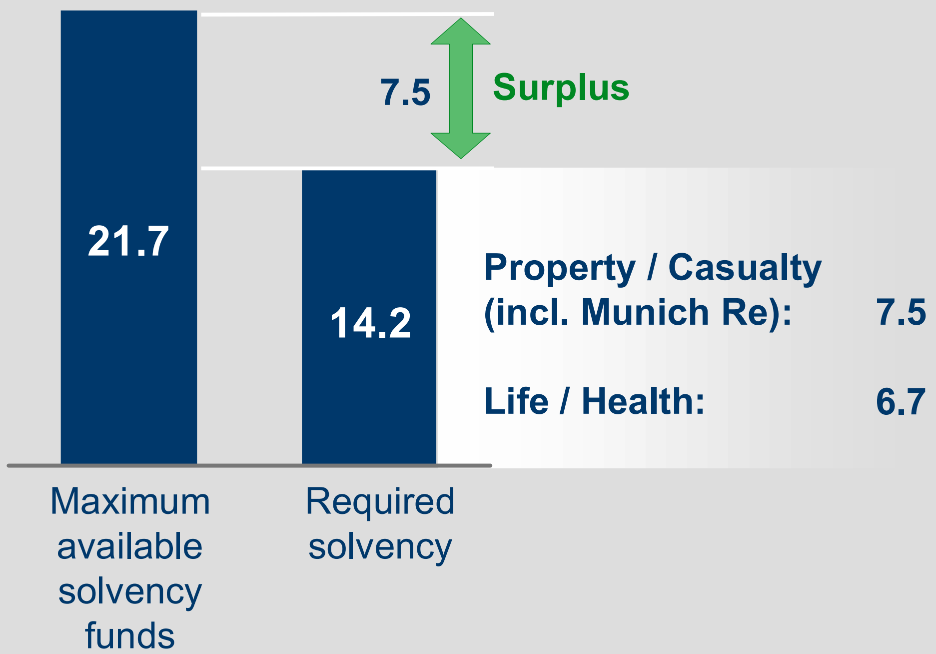
Solvency ratio of Allianz Group at 153% ...

(in EUR bn)

Solo solvency

All individual companies are well-capitalized

Group solvency



Allianz Group

... however, current capitalization does not fully meet internal requirements (in EUR bn)

Allocated economic risk capital Allianz Group (internal stochastic model; confidence level 99.96%)	
Property / Casualty	20.6
Life / Health	7.0
Banking	11.1
Asset Management	1.8
Private Equity	3.0
Total	**43.5**

Available risk-bearing funds	
Shareholders' equity	21.8
Minority interests	8.1
Hybrid capital	5.6
Supplementary capital at Dresdner Bank	6.5
Off balance sheet revaluation reserves*	5.7
Discount in loss reserves, other	4.2
PVFP not accounted in IFRS equity	2.0
Other	1.7
Subtotal	**55.6**
Goodwill	-13.8
Total	**41.8**

Gap of EUR -1.7bn

*) On real estate and on participations which are consolidated "at equity" (the part belonging to shareholders and minorities)

Back up

Allianz Group

P/C premiums by region

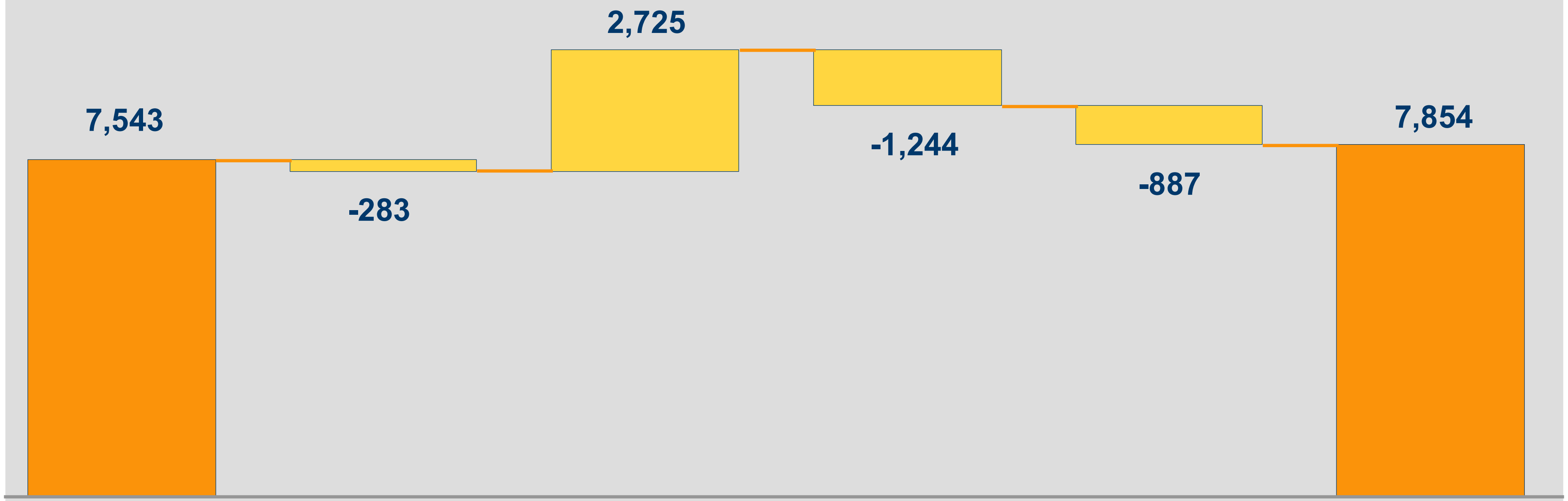
in EUR bn		% of total
Germany	12.3	28.6
France	4.9	11.4
Italy	4.9	11.4
UK	2.7	6.3
Spain	1.5	3.5
Switzerland	1.2	2.8
Other Europe	2.1	4.9
NAFTA	6.0	14.0
Asia-Pacific/Africa	1.7	3.9
South America	0.8	1.9
AGR Re	1.1	2.5
Credit	1.6	3.7
Travel/Assist.	0.8	1.9
AMA	1.4	3.2
Group P/C		**100.0**

in %	Market share* 2002	Internal growth
Germany	17.2	1.6
France	11.4	9.7
Italy	15.2	7.7
UK	4.7	9.5
Spain	6.9	16.6
Switzerland	8.3	-3.7
Netherlands	8.2	7.2
Austria	14.0	0.9
Ireland	14.0	23.7
Belgium	4.9	-7.5
USA	1.2	-9.1
Group P/C		**3.2**

*) Market shares: Own estimates (local GAAP)

Allianz Group

P/C investment income increased by EUR 0.3bn
(in EUR m)

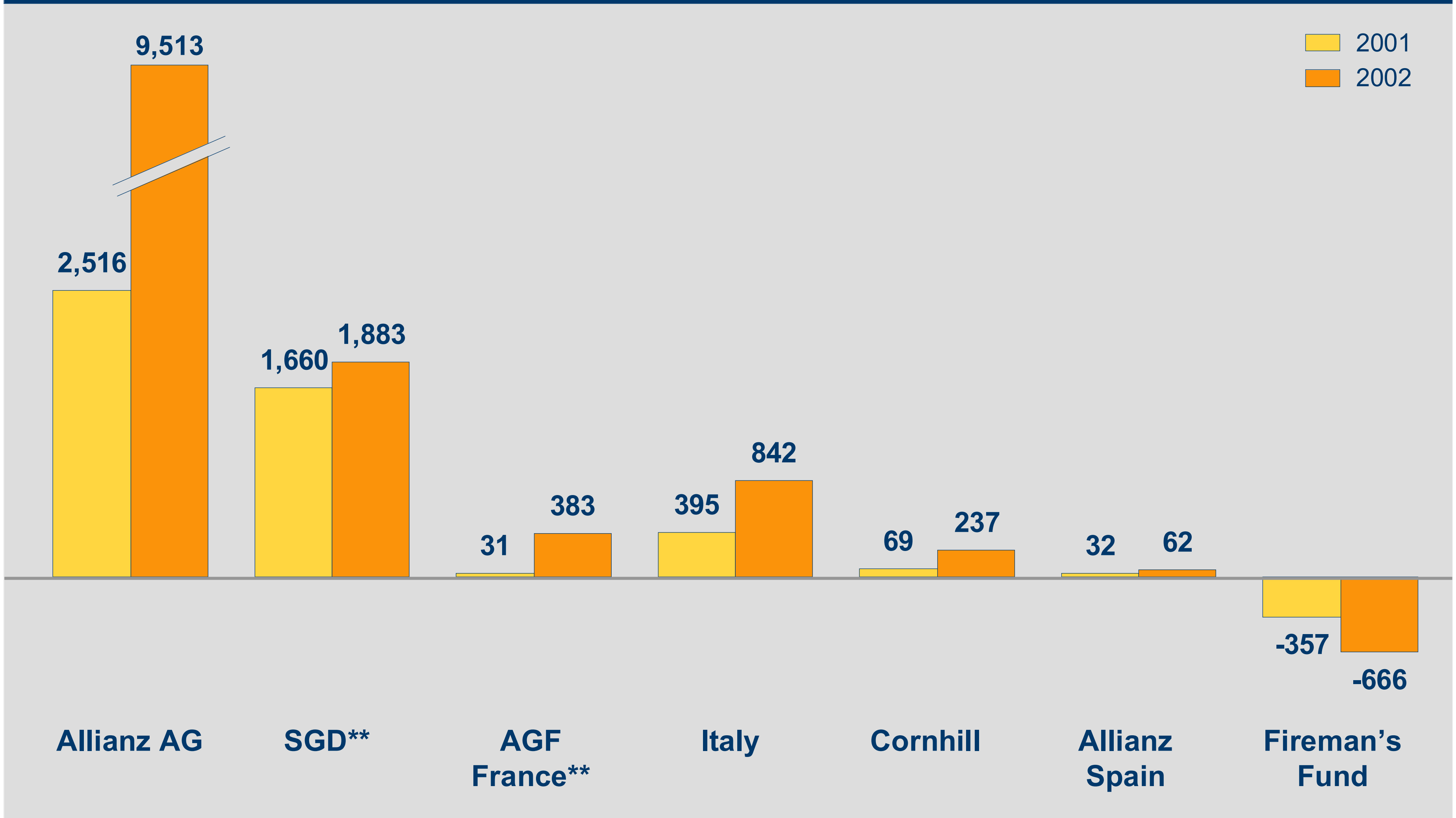


	Net investment income 2001	Current earnings*	Realized gains / losses**	Trading income	Write-ups / -downs	Net investment income 2002
2001	4,747	2,206	1,451	-861	7,543	
2002	4,464	4,931	207	-1,748	7,854	
Change	**-283**	**2,725**	**-1,244**	**-887**	**311**	

*) Net of expenses
**) Adjusted for gains from intra group transfer of shares / real estate (EUR 3.9bn)

Allianz Group

P/C earnings contribution by company / region (1)*
(in EUR m)

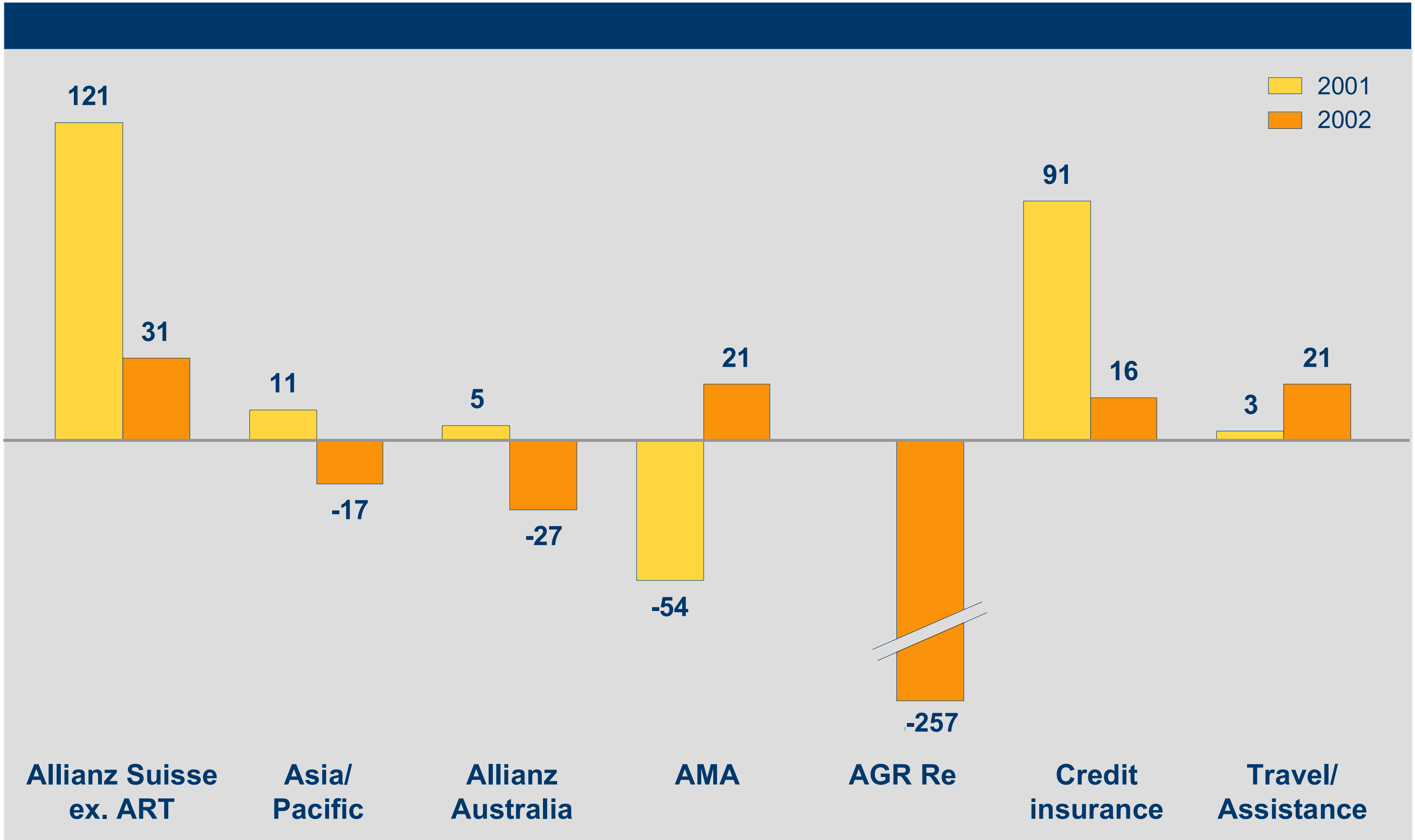


*) Before consolidation across countries, after tax, before goodwill and minorities
**) From 2002 on excluding Allianz Marine & Aviation

Allianz Group

P/C earnings contribution by company / region (2)*

(in EUR m)



*) Before consolidation across countries, after tax, before goodwill and minorities

Allianz Group

L/H statutory premiums by region

in EUR bn		% of total
Germany	12.6	31.5
Italy	7.7	19.2
France	4.3	10.8
Switzerland	1.2	3.0
Spain	0.6	1.5
Other Europe	1.6	4.0
USA	9.5	23.7
South America	0.2	0.5
Asia-Pacific/Africa	2.3	5.8
Group L/H		**100.0**

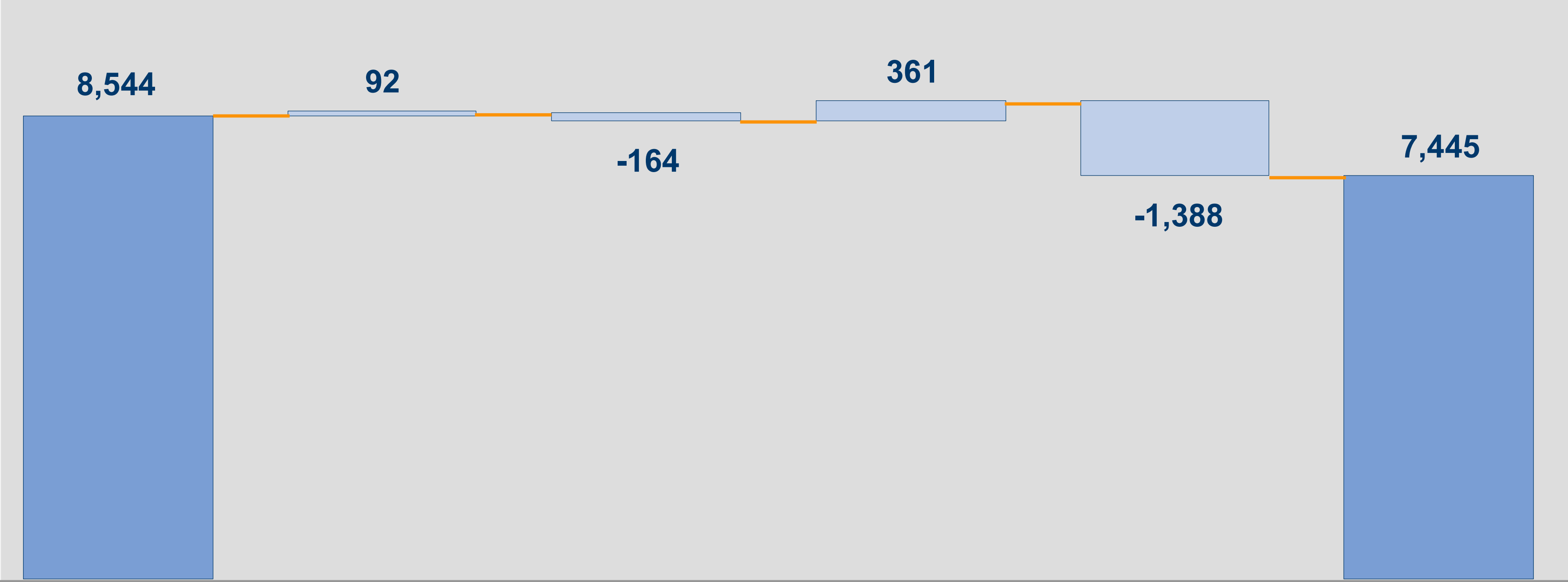
in %	Market share* 2002	Internal growth
Germany	14.9	7.8
Italy	13.7	29.8
France	4.7	-12.0
Switzerland	4.8	-1.5
Spain	1.9	7.7
Belgium	3.1	-2.2
Netherlands	1.9	2.3
USA	0.7	103.9
Group L/H		**19.6**

*) Market shares: Own estimates (local GAAP)

Allianz Group

L/H investment income decreased by EUR 1.1bn

(in EUR m)



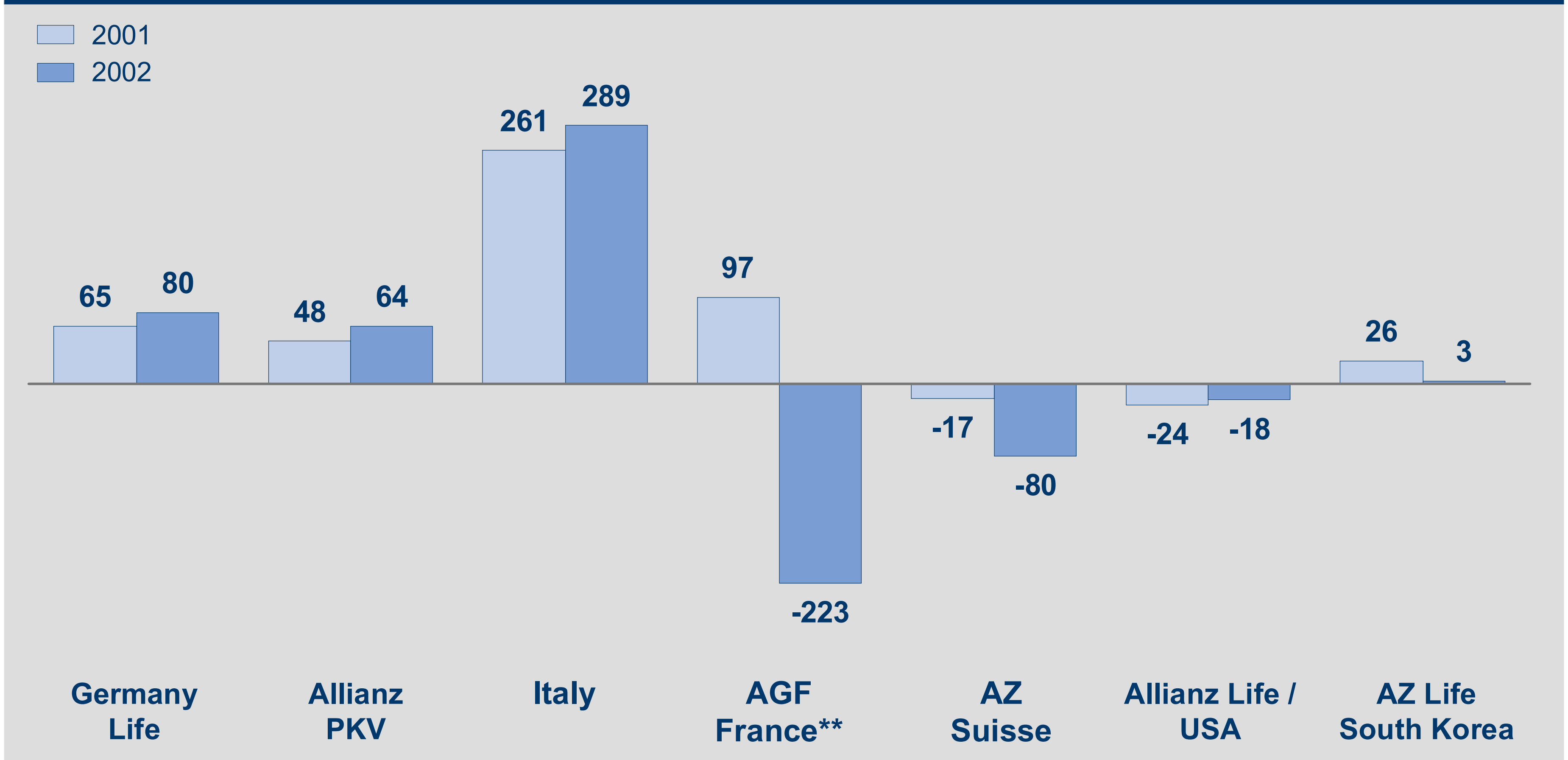
	Net investment income 2001	Current earnings*	Realized gains / losses	Trading income	Write-ups / -downs	Net investment income 2002
2001		10,517	-934	-117	-922	8,544
2002		10,609	-1,098	244	-2,310	7,445
Change		**+92**	**-164**	**+361**	**-1,388**	**-1,099**

*) Net of expenses

Allianz Group

L/H earnings contribution by company / region*

(in EUR m)



*) Before consolidation across countries, after tax, before goodwill and minorities and extraordinary tax items

**) Adjusted for minorities in investment funds, earnings decreased from EUR 213m to EUR 42m

Allianz Group

Banking: Contribution by segment*

(in EUR m)

Profit after tax before goodwill and minorities

	Private & Business Clients 2001**	Private & Business Clients 2002	Corporates & Markets 2001**	Corporates & Markets 2002	Banking segment 2001**	Banking segment 2002
Net interest income	801	1,778	841	1,624	2,363	3,827
Net fee an commission income	600	1,384	618	1,191	1,290	2,658
Net trading income	27	36	361	1,062	244	1,081
Net revenues	**1,428**	**3,198**	**1,820**	**3,877**	**3,897**	**7,566**
Net loan-loss provisions	-233	-562	-361	-1,592	-588	-2,222
Risk-weighted assets, end of period (BIS, in EUR bn)	44	41	98	81	199.3	152.3
Loan-loss provisions as % of Ø RWA	1.02%	1.27%	0.91%	1.73%	n/a	1.24%

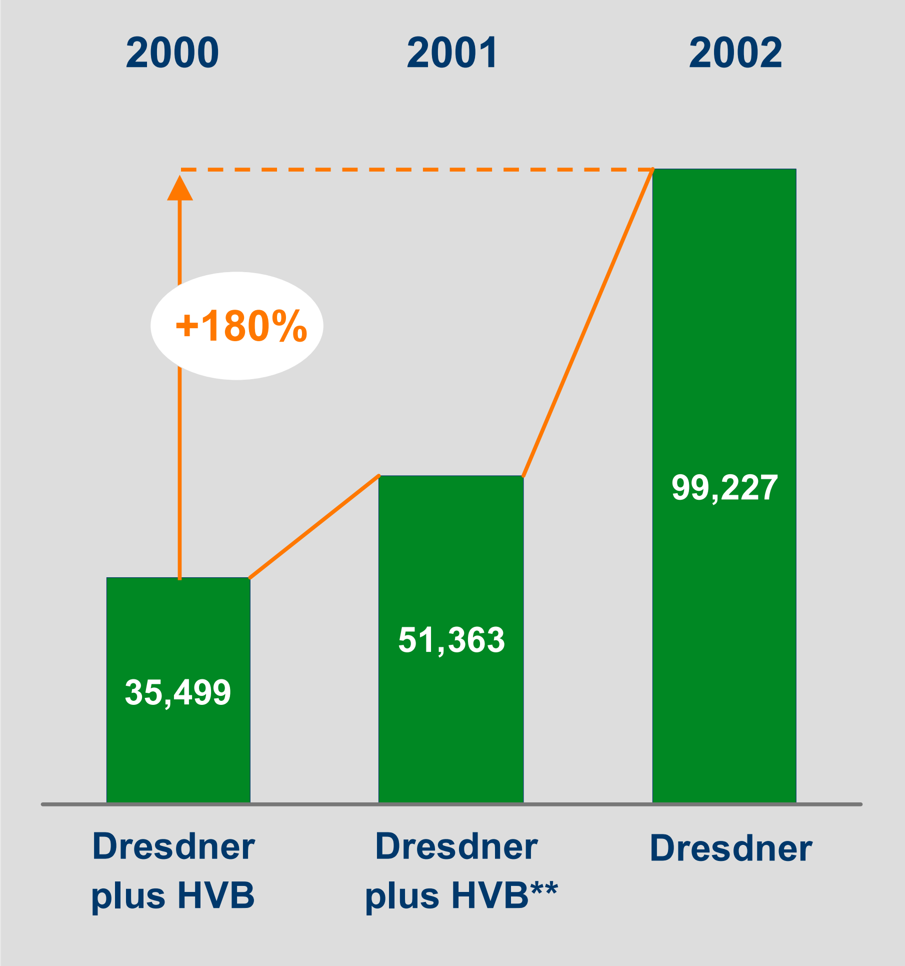
*) According to 2002 segment definition
**) Dresdner Bank consolidated from July 2001 onwards

Allianz Group

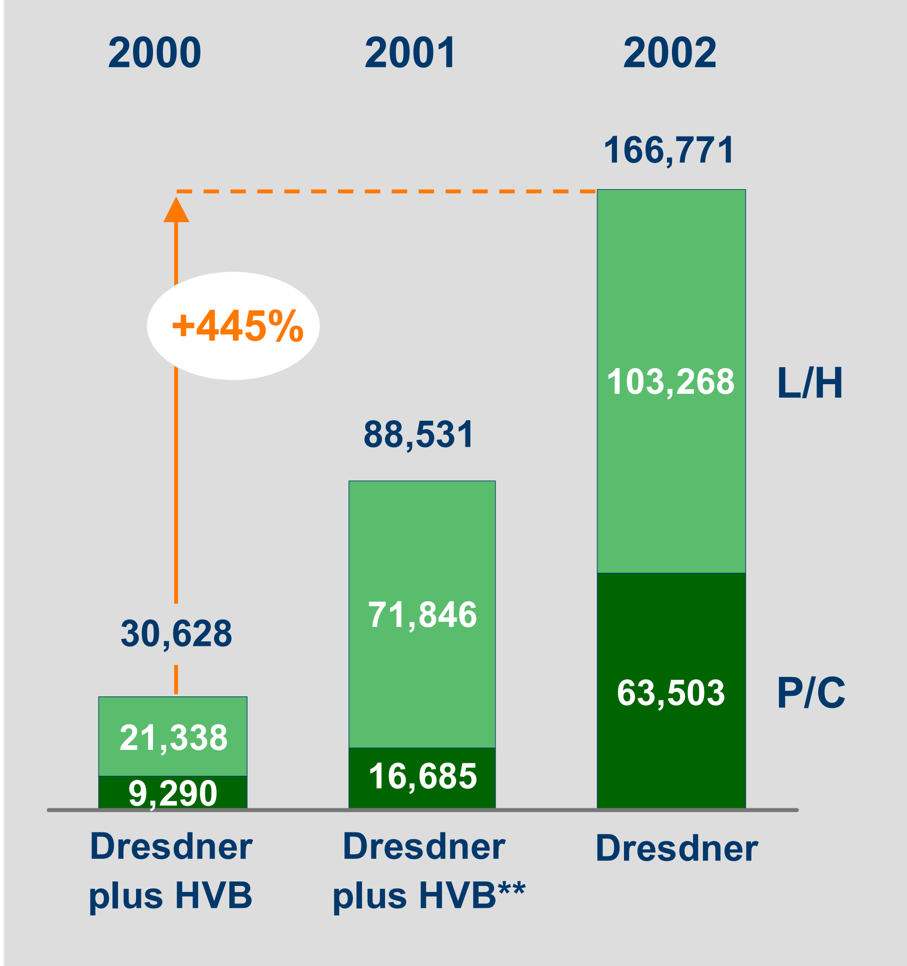
Dresdner Bank: Productivity has tripled in less than two years

New business life plus non-life

Business value (in EUR m)*



Number of contracts



*) Internal valuation, almost similar to sum of annual premiums
**) HVB included until end of cooperation in 07/2001

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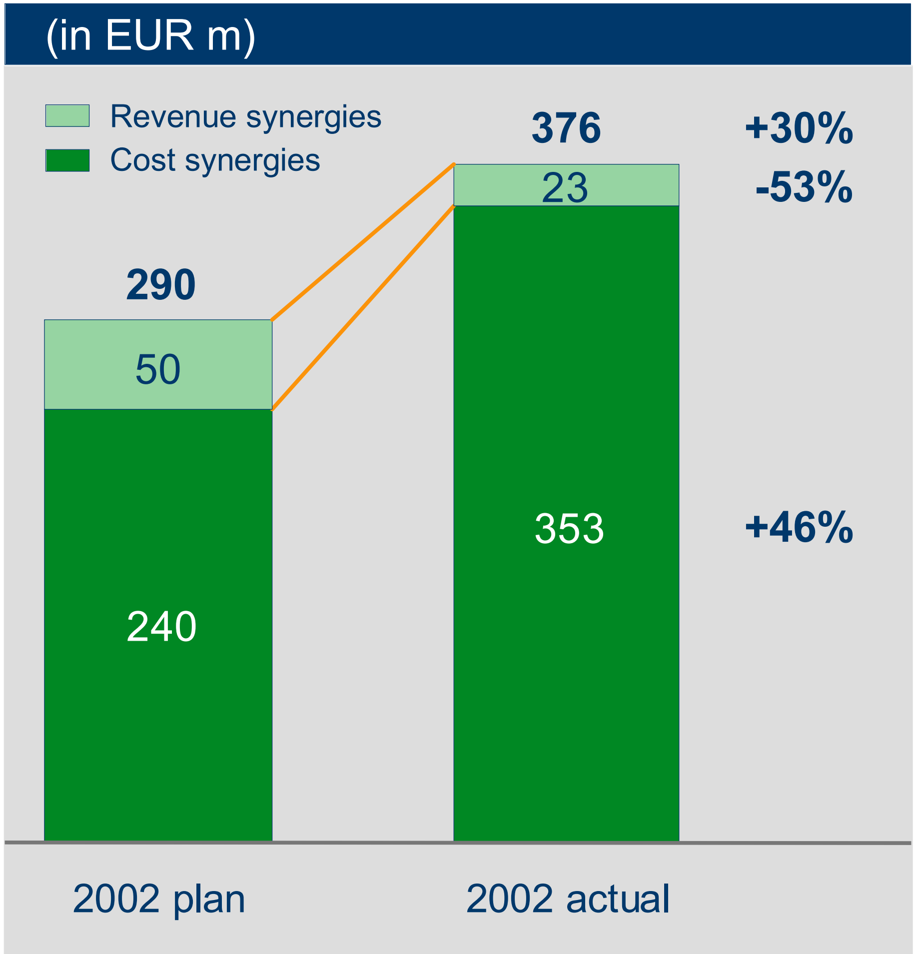
Dresdner Bank: Synergies ahead of plan



- **Cost synergies ahead of plan**
- **Revenue synergies delayed due to weak market environment**
- **Total synergies exceed budget by 30%**

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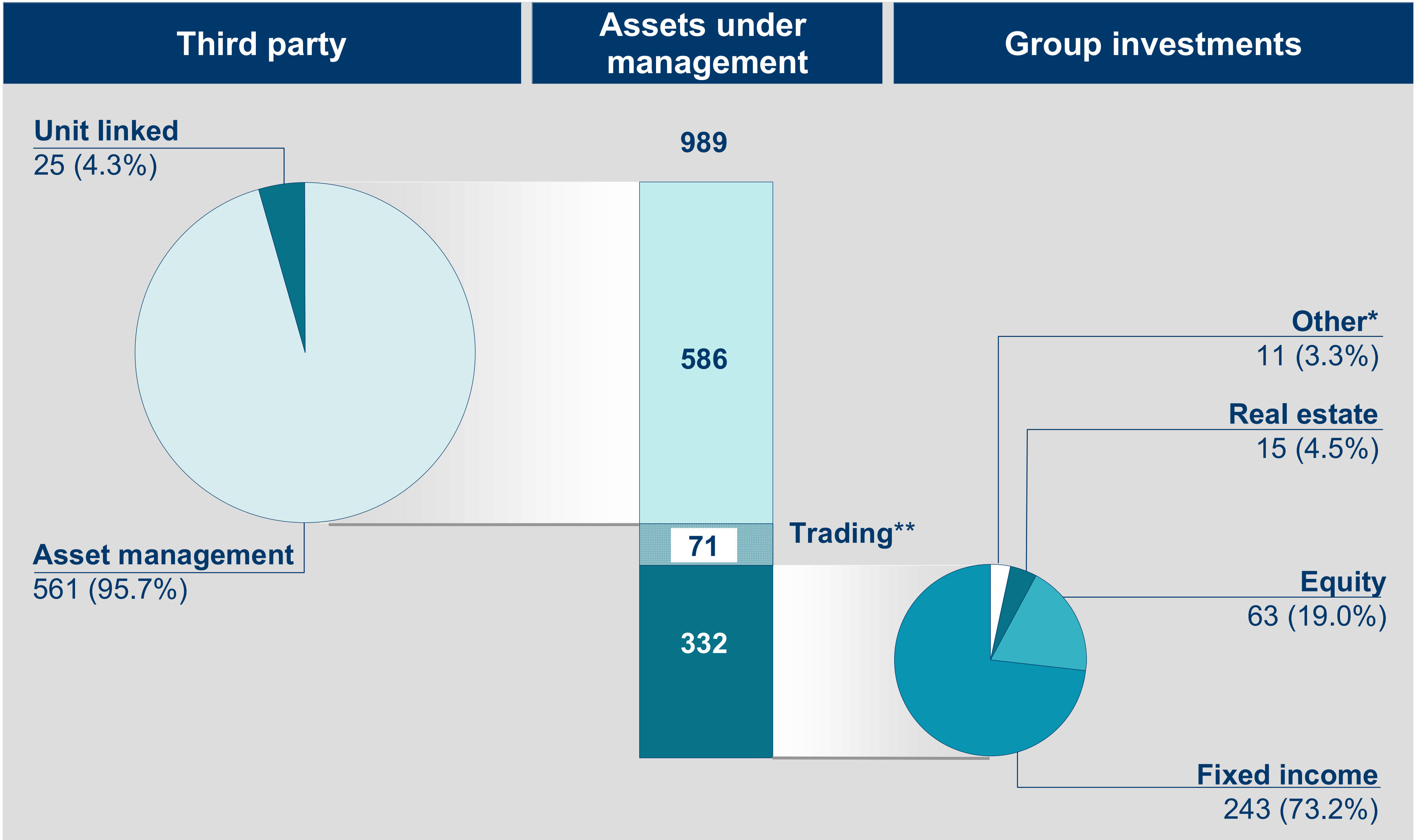
Assets under management
(in EUR bn)



*) E.g. funds held by others under reinsurance contracts, bank deposits, derivative financial instruments
**) Net of trading assets (EUR 124.9bn) and trading liabilities (EUR -53.6bn)

Allianz Group

Despite adverse market conditions, ADAM managed to achieve stable profits through improved profitability

Asset management

Results (in EUR m)	2001	2002
Assets under management (in EUR bn)	1,126*)	989
of which 3rd party assets	620	561
Net revenues	2,042**)	2,302
Costs	1,729***)	1,807
Operating result	313**)	495
Cost-income ratio in %)**	**84.7**	**78.5**

Result drivers

Revenues: Lower than expected due to falling equity markets and devaluation USD vs. EUR

Costs: Quick reaction to market environment through major expense initiatives (including considerable headcount reduction)

Targets 2005

3rd party AuM growth p.a.	10 - 15%
Target revenue growth p.a.	8 - 10%
Increase of costs p.a.	3 - 5%

Targets remain unchanged

- Individual p.a. growth rates might deviate from target corridor but overall lead to expected bottom-line growth

All synergy initiatives "on target"

*) Formerly EUR 1,172bn restated, now net of trading liabilities
**) Includes Dresdner asset management units since July 2001
***) Integration costs 2001 were ~ EUR 82m

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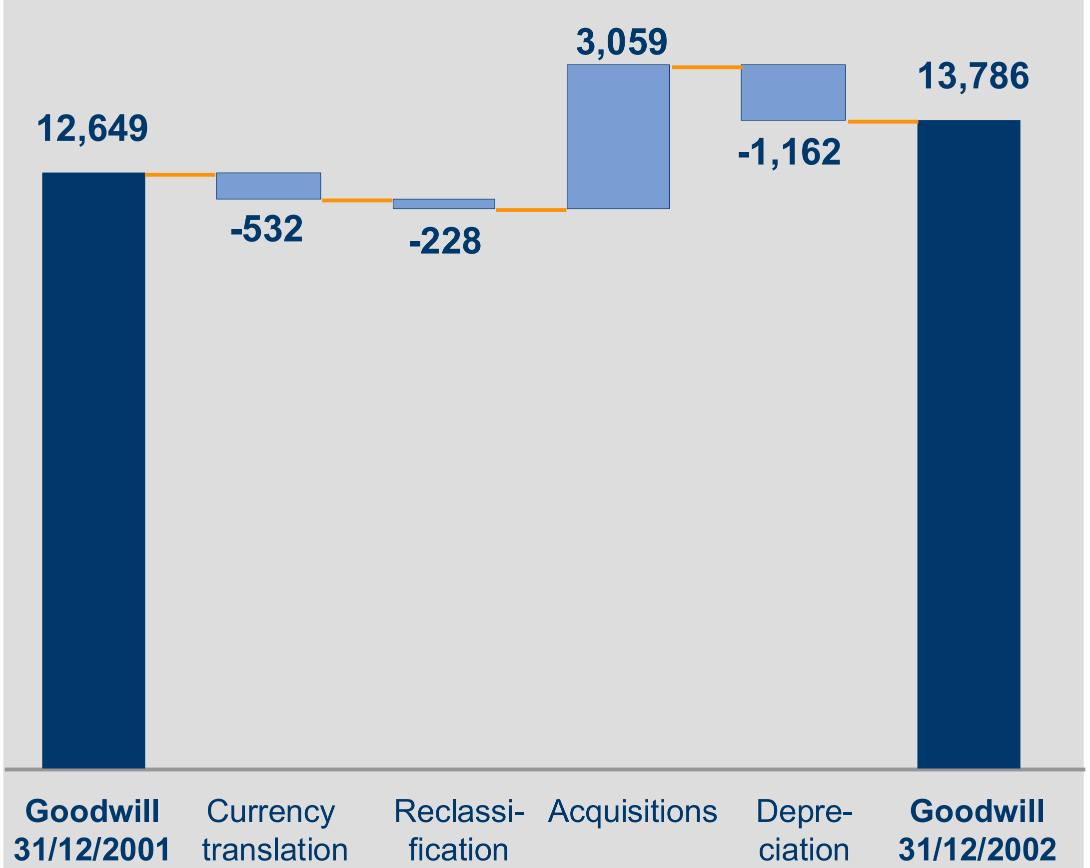
Goodwill
(in EUR m)



Goodwill acquired	
Dresdner Bank	2,002
Allianz Leben	633
Frankfurter Versicherung	57
Bayer. Versicherungsbank	94
Slovenská Poist'ovna a.s.	138
Others	135
Total	**3,059**

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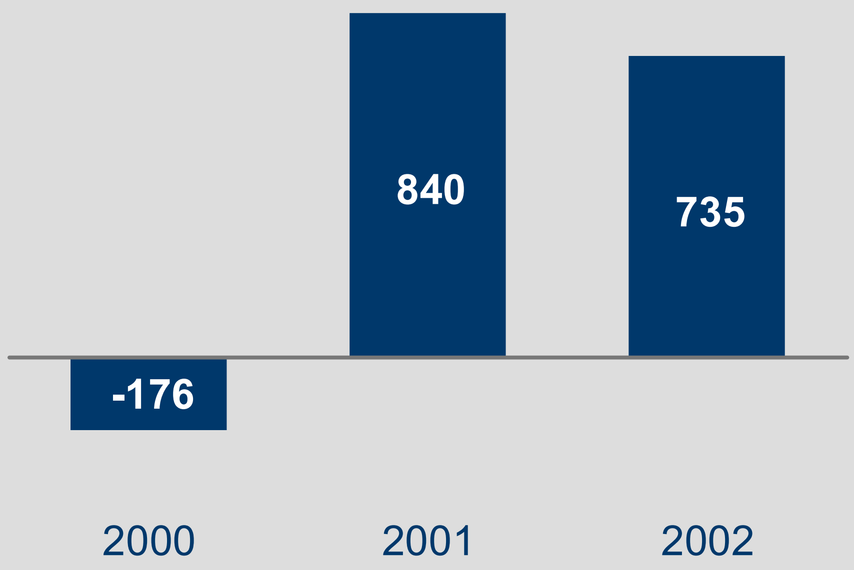
Taxes
(in EUR m)

Tax charges (-) / benefits (+)



Current income taxes	-844
Deferred income taxes	+1,653
Income taxes	+809
Other taxes	-74
Tax benefit	**+735**

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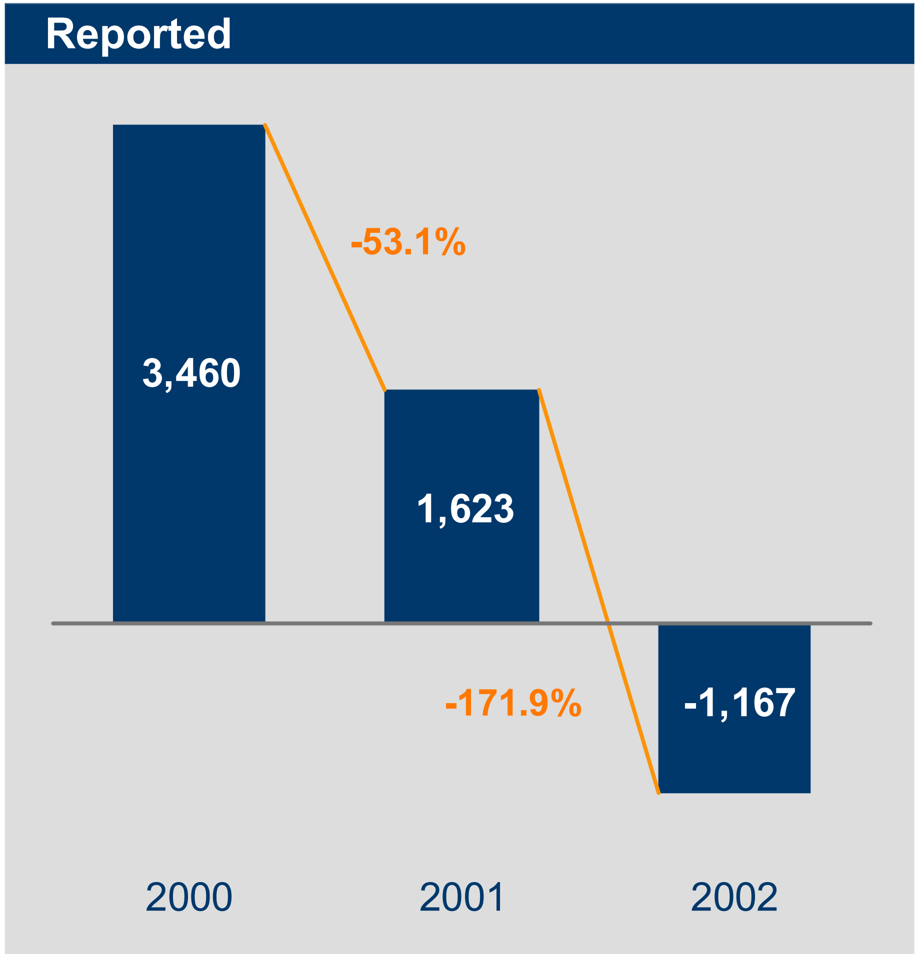
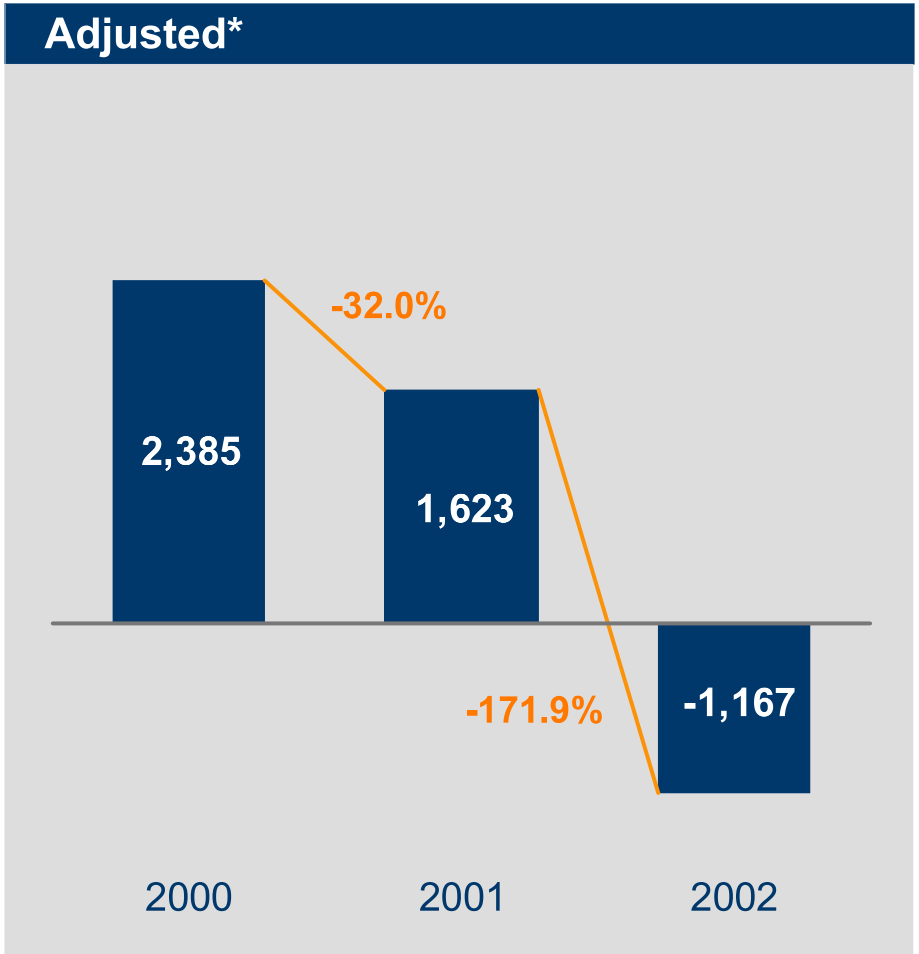
Decrease in profit after tax and minorities
(in EUR m)





*) 2000 adjusted for tax effect

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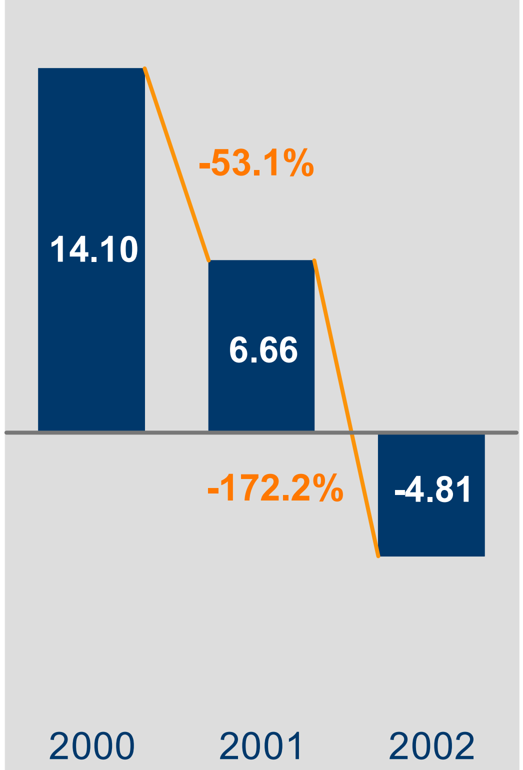
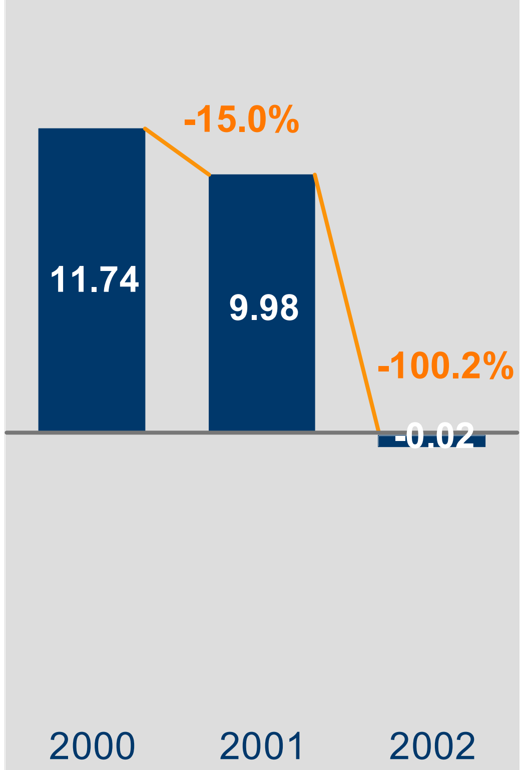
Decrease in EPS
(in EUR)

Basic EPS_R



EPS_A before goodwill depreciation*



*) 2000 adjusted mostly for tax effect

Number of shares	Unweighted outstanding	Weighted outstanding
# of shares at beginning of year	**241,189,535**	**241,189,535**
Capital increase	-	-
Change in treasury shares	1,650,054	1,580,156
Employees' shares	137,625	19,115
# of shares at end of year	**242,977,214**	**242,788,806**
Exchange of participation certificates	6,148,110	
# of shares Jan. 16, 2003	**249,125,324**	

Equity increased by EUR 386m

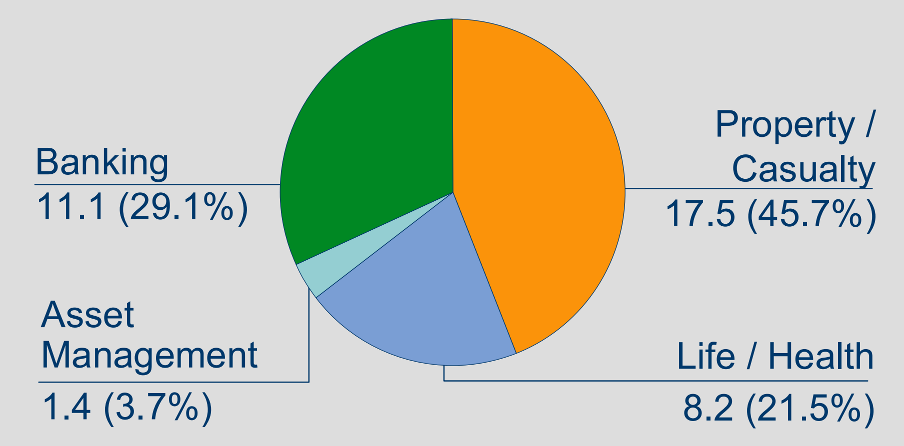
Allianz Group

Value management: Assigned capital and ROE_N

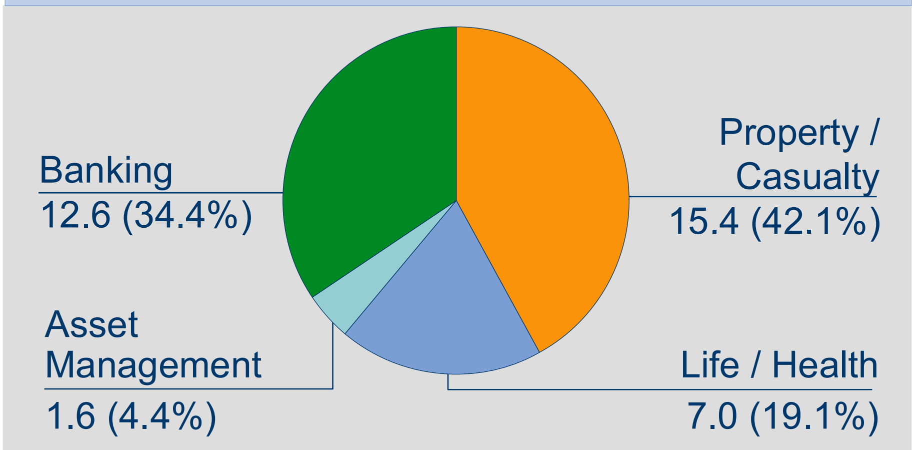
(in EUR bn)

Assigned capital after minorities

2002 (Total: EUR 38.2bn)

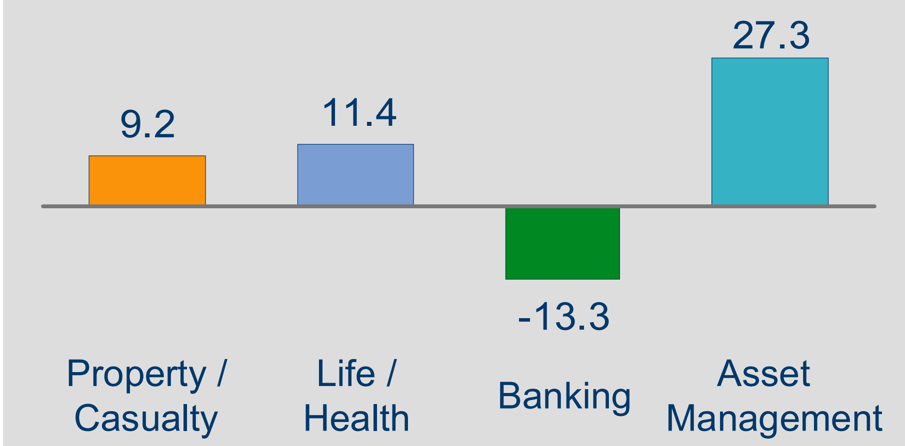


2001 (Total: EUR 36.6 bn)

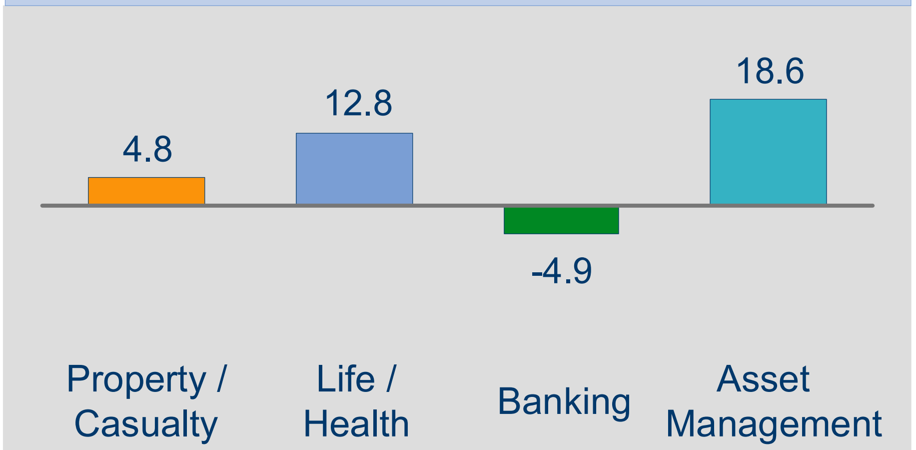


Normalized ROE after minorities (in %)

2002



2001



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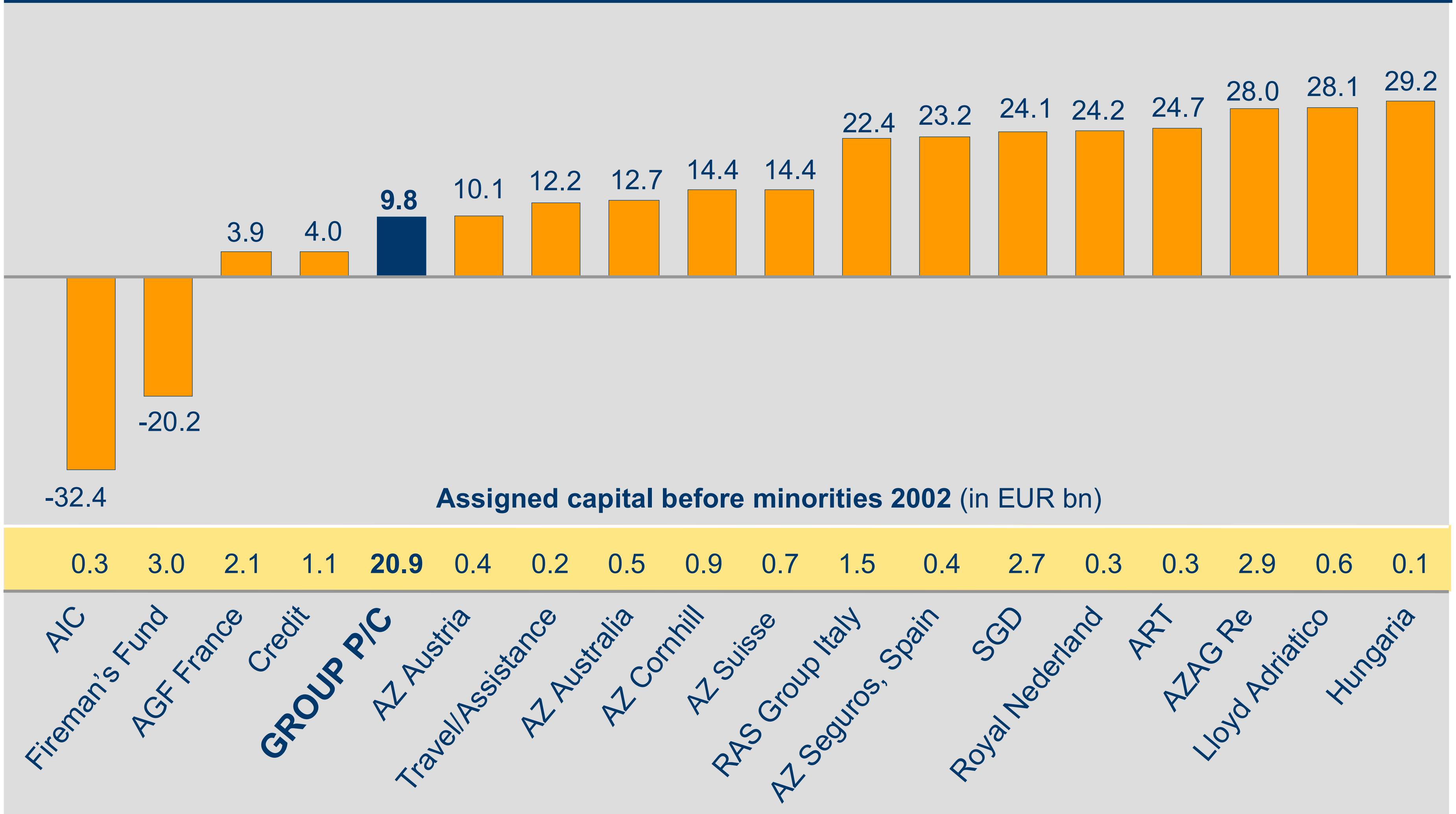
Value management: ROE_N of major P/C operations

(in %)

Before minorities



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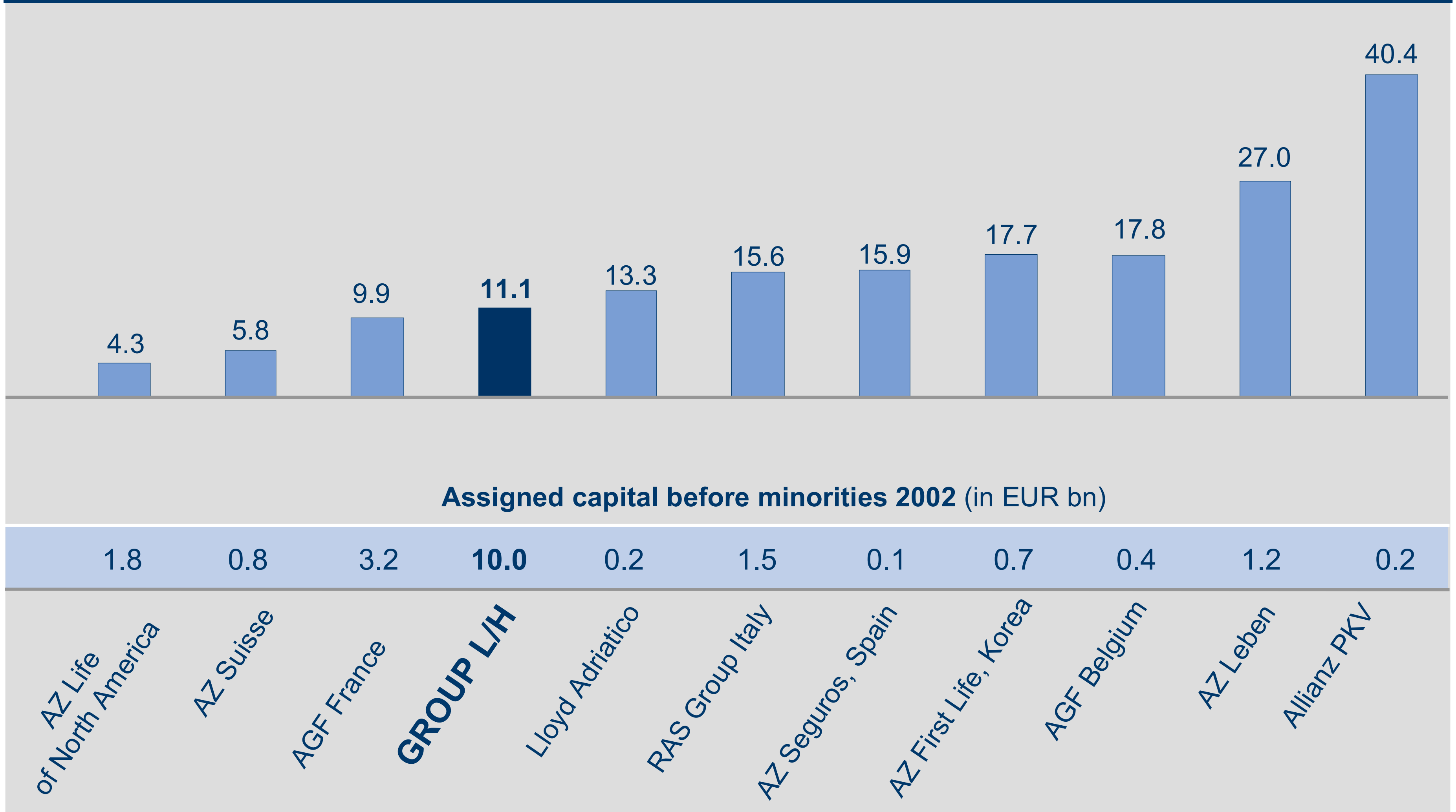
Value management: ROE_N of major L/H operations

(in %)

Before minorities



Embedded value of Allianz's life operations

Allianz Group

The Allianz embedded value framework for life business

Before minorities	
Embedded value (EV)	Assigned capital (AC) + Present value of future profits (PVFP) – Cost of assigned capital (CAC)
Assigned capital (AC)	Capital tied in to life business (S & P capital adequacy model; up to 3 times required solvency margin)
Present value of future profits (PVFP)	Future local statutory shareholder profits discounted at risk discount rate (RDR); generally excludes value of unrealized gains on policy reserves*
Cost of assigned capital (CAC)	Future differences between cost of capital and expected investment return on assigned capital, discounted at risk discount rate (RDR)
Risk discount rate (RDR)	Cost of capital (CAPM basis; long term view of risk free rates; equity risk premium 3.5%; beta = 0.9)
Value of new business (VNB)	Present value of future profits (PVFP) – Cost of assigned capital (CAC) at issue date

*) Value of unrealized gains on assets backing policy reserves is included in IFRS equity or shown in later reconciliation

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Overview of economic assumptions used for projections
(in %)

Embedded value 2002 economic assumptions for selected countries

	Risk discount rate (after tax)	Return on government bonds (pre tax)*	Equity return (pre tax)	Tax rate	Shareholders' participation
Germany	8.15	4.4	8.5	0.00	8.7
France	8.15	4.4	8.5	35.43	n.a.***
Italy	8.15	4.6	8.5	40.00	10.0 - 20.0
USA	8.15	4.2	8.5	35.00	n.a.
Korea	9.30**	5.5	10.0	0.00 (losses)	10.0

*) Allowance is made for credit spreads on corporate bonds and expected defaults

**) For lines with negative PVFP, the earned rate on investments is used

***) Bonus rates in France have been set at a level which reflects the company's bonus plans, and which are no longer on the minimum profit sharing basis. The bonus strategy is set on a basis which can be sustained (by existing unrealized capital gains and profit-sharing reserves) for the run off of in-force and 10 years of new business

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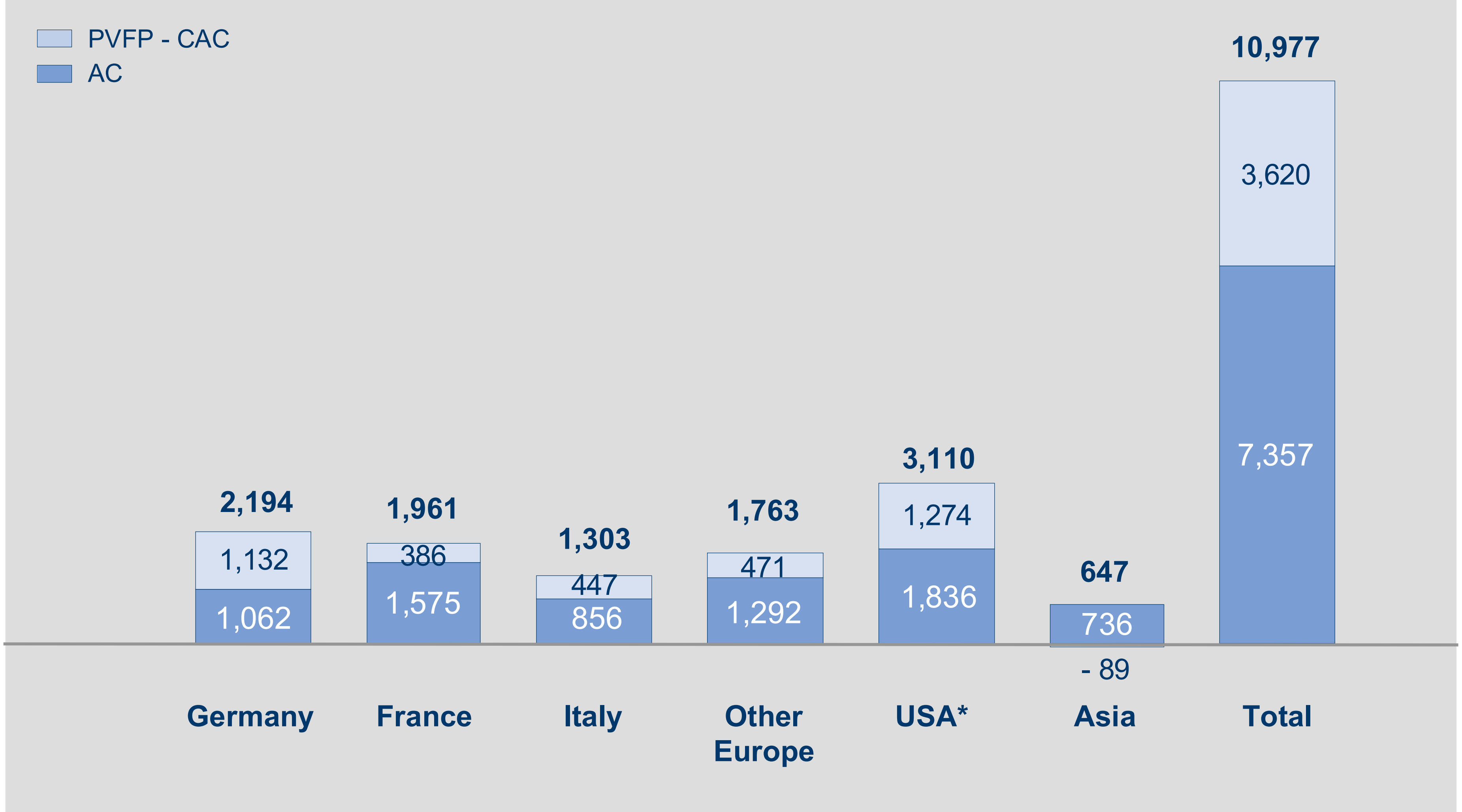
Life: Embedded value after minorities

(in EUR m)

Per region and by components



*) In USA, cost of assigned capital is only applied on EUR 1,277m, which is the statutory equivalent for an A-rating requirement

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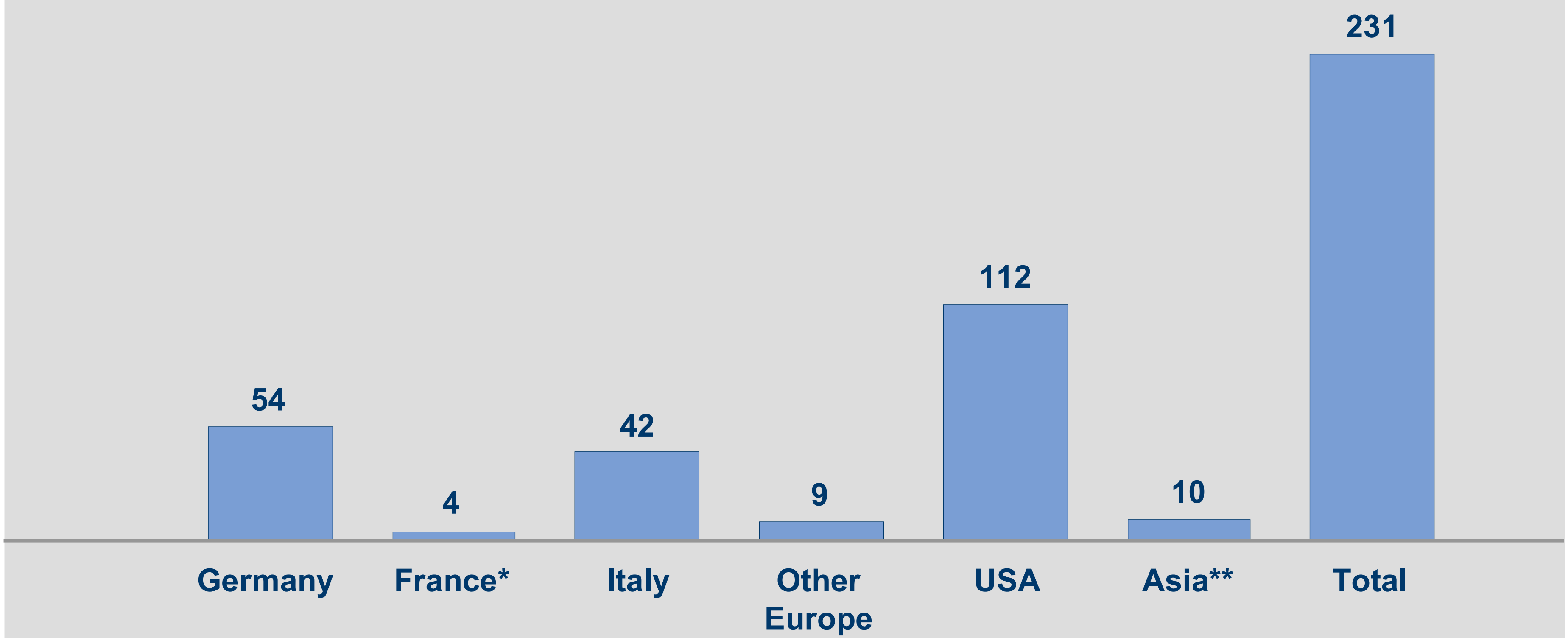
Life: Value of new business written after minorities
(in EUR m)

Value of new business at issue after cost of assigned capital



	Germany	France*	Italy	Other Europe	USA	Asia**	Total
Margin in % of annualized premiums	6.3	1.8	9.9	4.8	13.6	1.2	**6.9**

*) France includes French Life participations of AGF

**) Excluding the effect of retrospective regulatory change in Korea in late 2002 which reduced the value of NB by EUR 18m

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Movement analysis of embedded value after minorities (in EUR m)

EV published	**9,559**
Initial adjustments*	583
Revised start value	**10,142**
Unwinding of discount rate	874
Non-economic variances and assumption changes	-251
In-force operating profit	**623**
New business value added	231
Total operating profit	**854**
Investment profit	
Investment variances and assumption changes	-1,383
Other	-32
Capital movements	
Increase in assigned capital	845
Statutory profits and change in value of unrealized gains	552
End value	**10,977**

*) Initial adjustments comprises changes in models and inclusion of life entities into the calculation (63), changes in FX rates (-457) and new operating entities and changes in minority shareholdings (975)

Allianz Group

Value of new business (NB) for Allianz's share in selected countries (in EUR m)

Country	Value of NB before CAC	Value of NB after CAC	Annual premium	Single premium	NB margin* before CAC	NB margin* after CAC
Germany	66.2	53.5	710.2	1,424.8	7.8%	6.3%
France	35.3	4.2	49.3	1,821.8	15.3%	1.8%
Italy	76.7	41.9	238.3	1,848.1	18.1%	9.9%
USA	201.4	112.2	86.7	7,414.4	24.3%	13.6%
Korea	38.6	10.7	777.1	70.0	4.9%	1.4%

*) NB margin calculated as value of NB at issue divided by annual premium + 10% single premium

Allianz Group

Sensitivities on value of in-force for Allianz's share in selected countries (in EUR m)

PVFP-CAC

Name of country	Base case	- 1 %-p in total investment yield	- 1 %-p in equity yield	- 1 %-p in risk discount rate	Using statutory solvency capital
Germany	1,132	-128	-18	195	0
France	386	-75	-34	155	197
Italy	447	-155	-19	70	124
USA	1,274	-431	-37	171	140
Korea	-43	-147	-26	36	99

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Comparison of PVFP to IFRS equity

DAC/VOBA	Shareholder share of IFRS amounts in DAC/VOBA exceed statutory levels included in PVFP
Technical reserves	Aggregate IFRS life technical reserves exceed statutory reserves used in PVFP
Valuation of assets	Aggregate values of unrealized capital gains not valued in PVFP to the amount they exceed value of unrealized gains in IFRS equity
Tax differences	Allowance for tax on the above

Allianz Group

Reconciliation of PVFP to IFRS equity

(in EUR m)

PVFP - CAC	**3,620**
- Shareholder value of IFRS DAC / VOBA	3,017
+ Difference in life mathematical reserves	1,337
+ Tax and other differences	178
Subtotal: additional value to IFRS recognized within PVFP - CAC	**2,118**
+ Asset valuation differences	208
Additional value not accounted in IFRS equity*	**2,326**

*) Excluding goodwill

Review of embedded value methodology

Tillinghast-Towers Perrin have reviewed the methodology and assumptions used to determine the PVFP and the CAC at 31 December 2002, and the value added by 2002 new business, for the eight main operating countries of the Allianz Group (Germany, France, USA, Italy, Korea, Switzerland, Belgium, Spain). They have concluded that the methodology and assumptions used are reasonable

The economic assumptions and allowance for capital used in the principal results are those adopted in Allianz‘s internal performance measurement framework. They lie outside the range typically adopted for published embedded value reporting, but overall they result in prudent estimates of value

Tillinghast-Towers Perrin have also performed limited high-level checks on the results of the calculations and have discovered no material issues for the eight main operating countries. They have not, however, performed detailed checks on the models and processes involved

The estimates of value are based on common actuarial practice with regard to embedded value methodology and assumptions. It is not an attempt to develop “fair value” or to interpret proposed IFRS accounting standards

Allianz Group

Paul Achleitner - Board member of Allianz AG

C. Securing our capital base

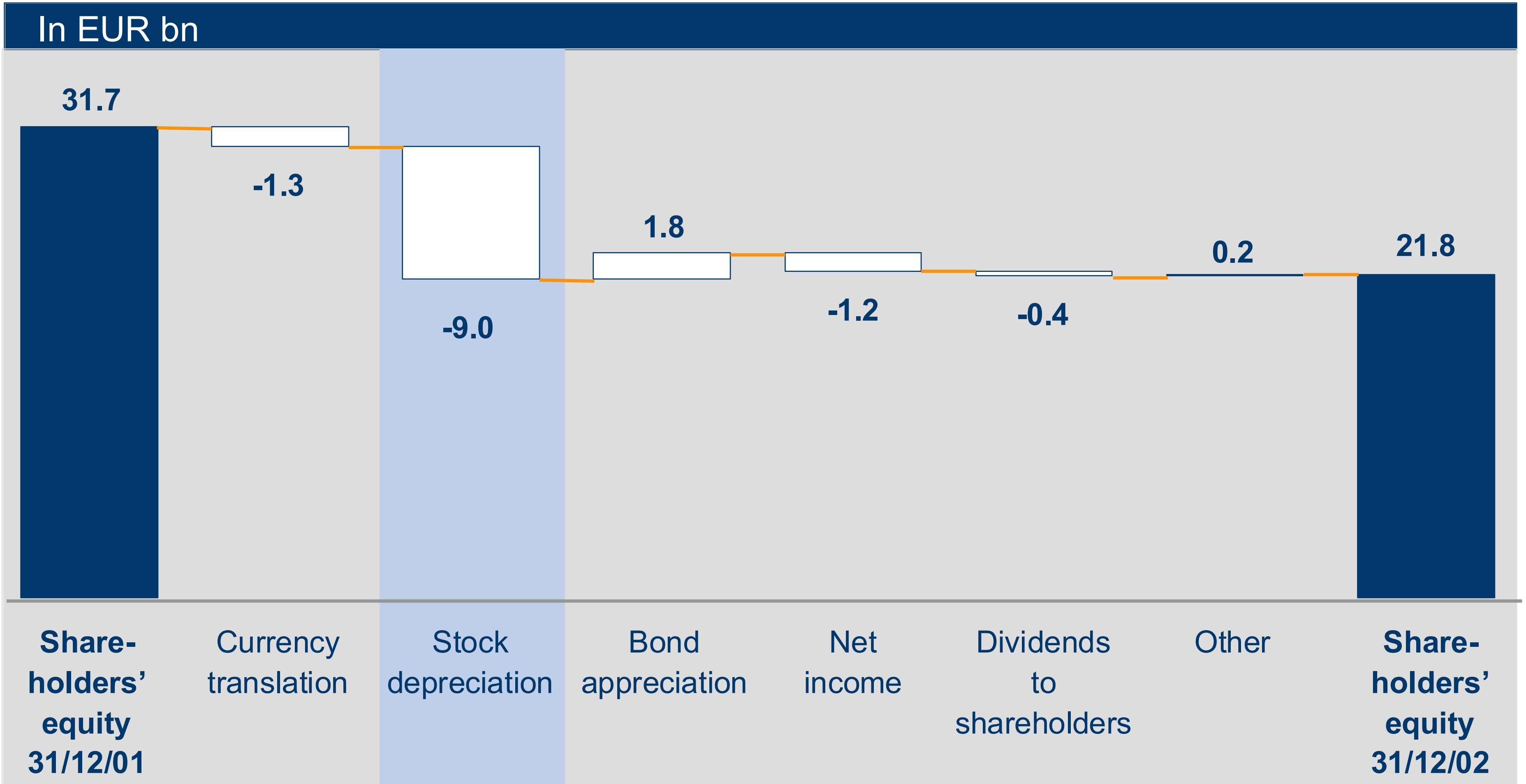
Analysts' Conference

March 2003

Topics

Allianz Group

1 Significant decline of shareholder's equity in 2002 mainly due to weak equity markets

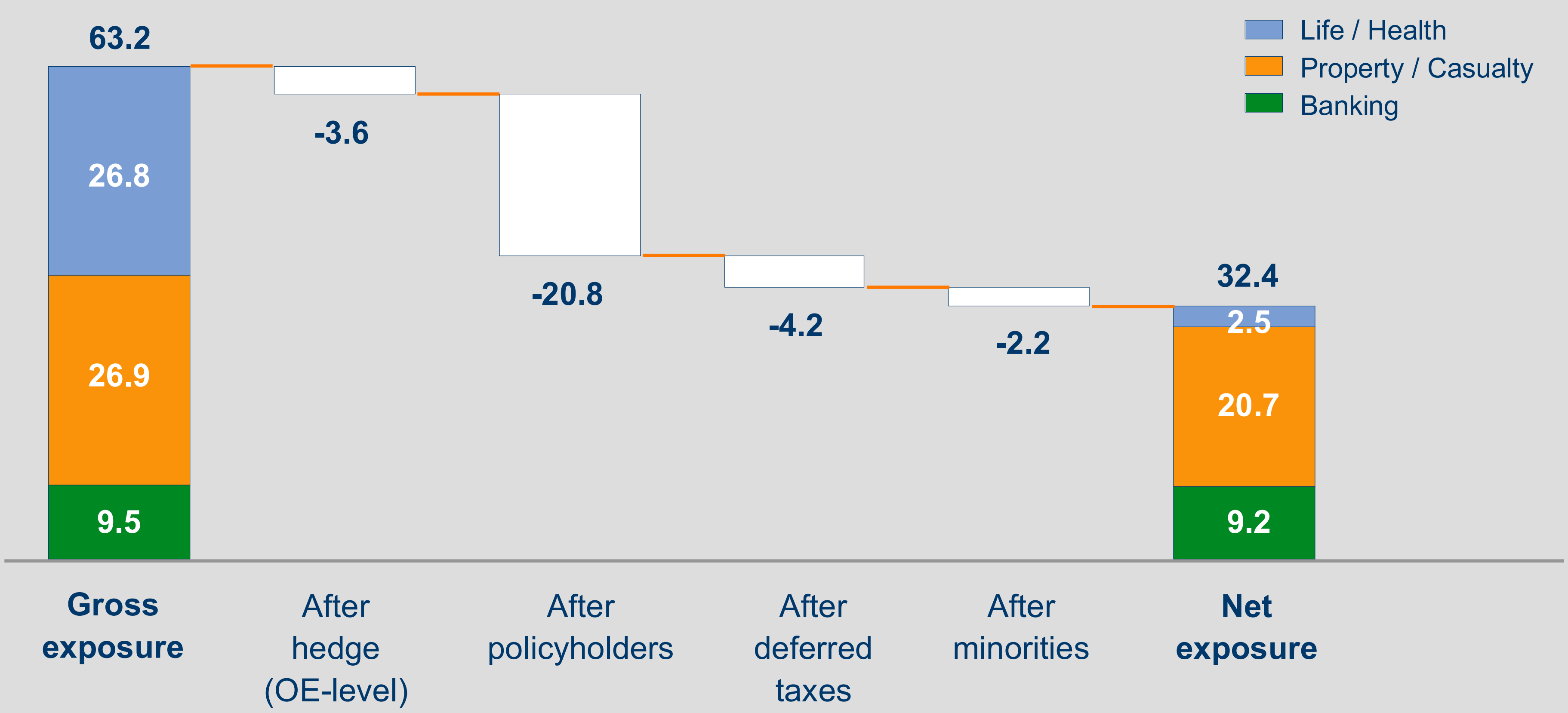


Equity losses partly offset by gains in fixed income

Allianz Group

1 Our shareholder relevant net equity exposure

Reconciliation: Gross vs. net equity figures (in EUR bn, 31/12/2002)



Allianz Group

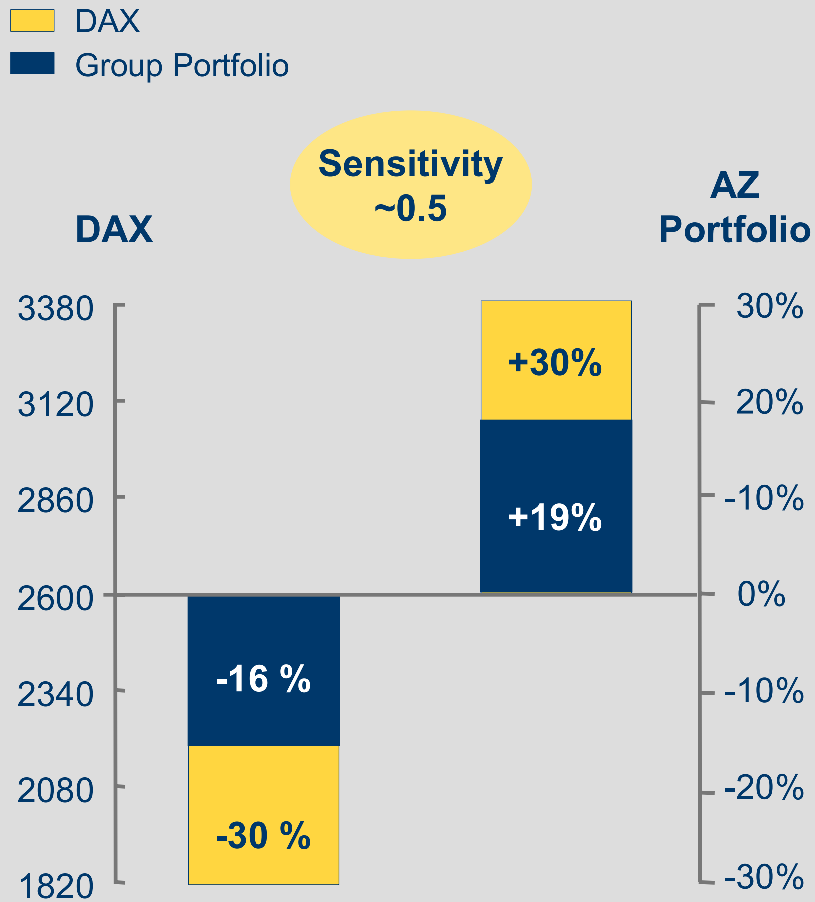
1 Structure of equity portfolio and recent hedging limit volatility and reduce downside risk substantially

Portfolio protection

- **Portfolio structure**
  - Cash sales of EUR 0.3bn since 31/12/2002
  - Participations with low current equity markets correlation of EUR 6.9bn
- **Hedging measures**
  - Substantial hedging measures of EUR ~10bn of underlyings since 31/12/2002
  - Hedging measures of EUR 3.6bn on OE-level in place

Sensitivity of portfolio vs. DAX

Scenario analysis, as of 19/03/2003*



*) 4:00pm

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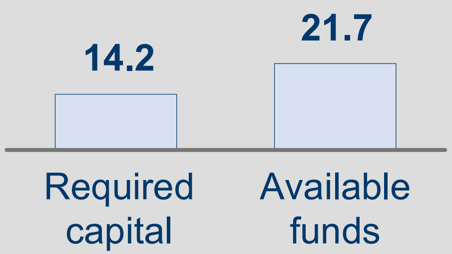
2 Current capitalization well above solvency requirements, but below internal demands (in EUR bn)

Solvency

153%



- ✔ Very solid Group solvency at a solvency ratio of 153%
- ✔ Solvency on individual company level even stronger

Regulatory constraint

Rating

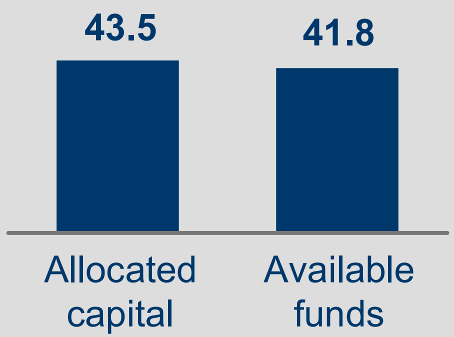
S&P	**AA-**	negative outlook
Moody's	**Aa2**	negative outlook

- ✔ Strong rating relative to peers
- ✔ Targets are moving - capital needs to be within "target zone"

Rating constraint

Economic capital

~1.7



- ✘ Capital shortfall of EUR 1.7bn according to internal risk based model

Relevant steering figure

We manage our capital base according to our economic capital requirements and consider solvency and rating as constraints

Allianz Group

3 Launching a capital improvement program to secure financial strength and strong rating relative to peers

Capital improvement program	Comment
▪ **Substantially reducing volatility by hedging** – Group-level (macro hedge) – OE-level (subsidiaries)	✓ **Substantial hedging measures in place**
▪ **Further reducing equity exposure**	✓ **Midterm objective: ≤ shareholders' surplus**
▪ **Economic capital savings** – Discontinuation / scale-down / RWA reduction – Divestiture of sub-performing / non-core businesses – Selective use of reinsurance	✓ **In progress or under review**
▪ **Capital raising program of EUR ~5.0bn** – Rights issue of EUR 3.5bn to EUR 4.0bn – Hybrid capital of max. EUR 1.5bn	✓ **Rights issue fully underwritten**

4 Rigorous and disciplined capital allocation approach

Criteria for allocating capital

- **Required economic capital**
  - Up to now measured with S&P methodology
  - Currently, switching to internal risk-based model which reflects e.g. investment risk more appropriately
  - Internal model run in parallel for flagship companies
- **Performance**
  - Measurement of risk adjusted performance
  - Companies and business lines not meeting hurdle target of currently 8.15% over the medium will be exited

Capital allocation process

- **Thorough review of capital allocation currently conducted across the Group**
- **Allocation process integrated in annual planning process**
  - Bottom-up calculation of required capital and performance
  - Group-level capital allocation decision
  - Capital allocation within companies done by local committees
- **Economic capital released will be re-deployed in core business**

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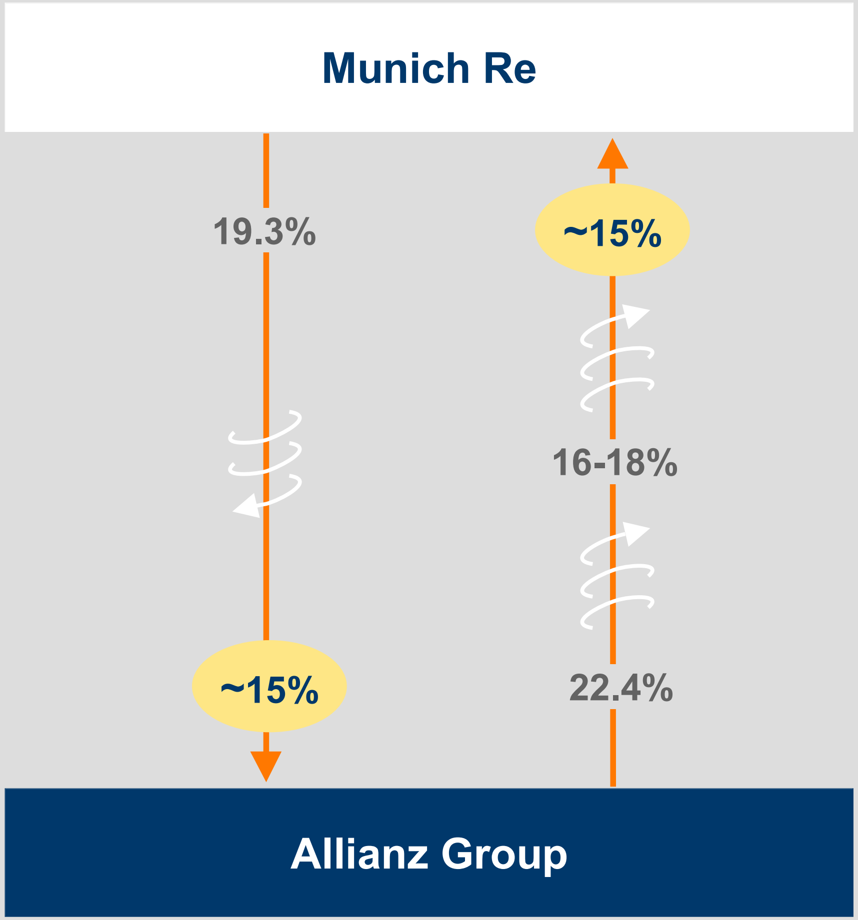
4 Reduction of cross-shareholdings with Munich Re

- **Munich Re**
  - Supporting rights issue by participating via “Operation Blanche” thereby reducing its stake to ~15%
- **Allianz Group**
  - Reducing its stake of 22.4% in two steps to ~15%
  - In a first step, Allianz will partly repay the MILES securities in Munich Re shares contributing to reduce its stake to 16-18% in the course of this year
- **No further at-equity consolidation neither at Munich Re nor at Allianz**
- **The existing long-term partnership of the two groups will continue on the aforementioned basis**



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4 New arrangement with Pacific Life

May 2000

- Allianz acquired majority holding in PIMCO
- Pacific Life retained minority stake in PIMCO
- Allianz and Pacific Life entered into Initial Put/Call Arrangement: Put exercisable since Mai 2000, Call exercisable since January 2003, Put/Call price directly depended on PIMCO profits

2003

- Continuing co-operation and retaining existing shareholder structure favorable to both parties
- Adjustment of Initial Arrangement with respect to this common understanding

	Initial Arrangement	New Arrangement
Dividend payments	▪ Directly depended on development of PIMCO profits e.g. distributions in 2002 of USD 147m	▪ Directly depends on development of PIMCO profits but subject to cap of USD 98m (cap is reduced by USD 2m each year)
Put/Call price	▪ Valuation according to a specific pricing formula based on PIMCO profits	▪ 2% maximal annual deviation from the base price (USD 2,054m) which was fixed according to the initial pricing formula
Put/Call exercise date		
▪ Partial stake	—	▪ Up to USD 250m each quarter
▪ Entire stake	▪ **Put:** End of each calendar quarter since May 2000 ▪ **Call:** Apr. 30, July 31, Oct. 31 or Jan. 31 commencing Jan. 31, 2003	▪ **Put/Call:** End of each month commencing Apr. 31, 2004 and settlement within 6 month thereafter

Summary

Exposure	▪ Exposure already lower than perceived ▪ Active hedging programs
Requirement	▪ Solvency and rating secured ▪ Economic capital need of EUR ~2.0bn ▪ Breaking speculative cycle / volatility
Raising	▪ External equity / hybrid issue of EUR ~5.0bn ▪ Divestitures and share disposals
Protection	▪ Stringent capital allocation process ▪ Market sensitive reduction of equity quota

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Gerhard Rupprecht - Chairman Allianz Lebensversicherungs-AG

D. Allianz Leben: The safe side of life

All figures based on HGB (German GAAP)

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March 2003

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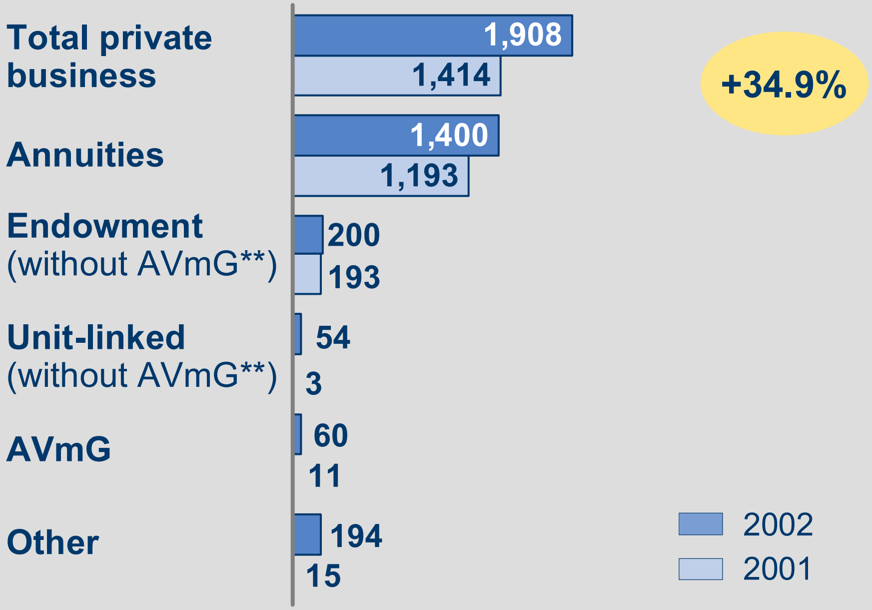
Allianz Leben: Germany's no. 1 life insurer

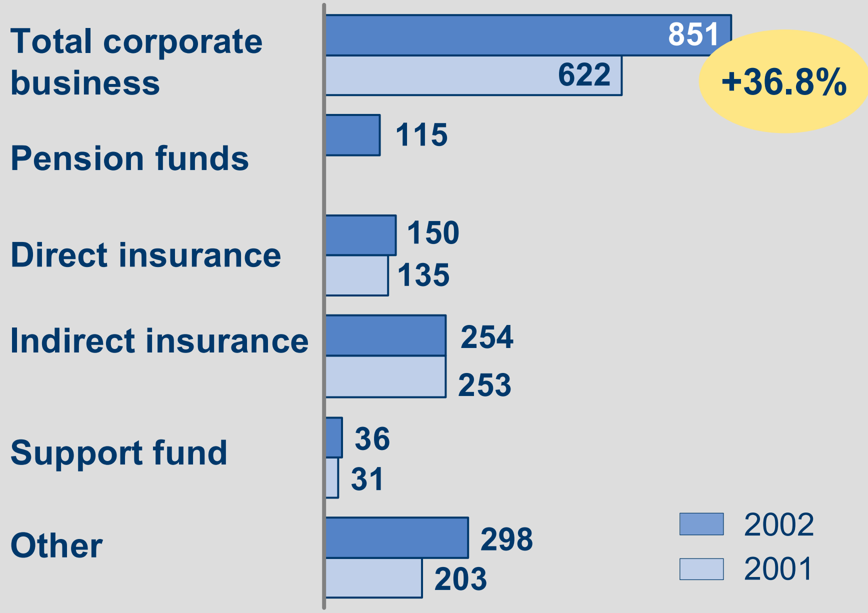
Key facts & figures 2002

Statutory premiums:	EUR 9,648m	(+7.8%)
Contracts in force:	10.4m	(+2.4%)
Market share by in-force premiums*:	14.6%	(+0.2%-p)
Market share by new premiums*:	18.3%	(+3.2%-p)

Private new business (EUR m)

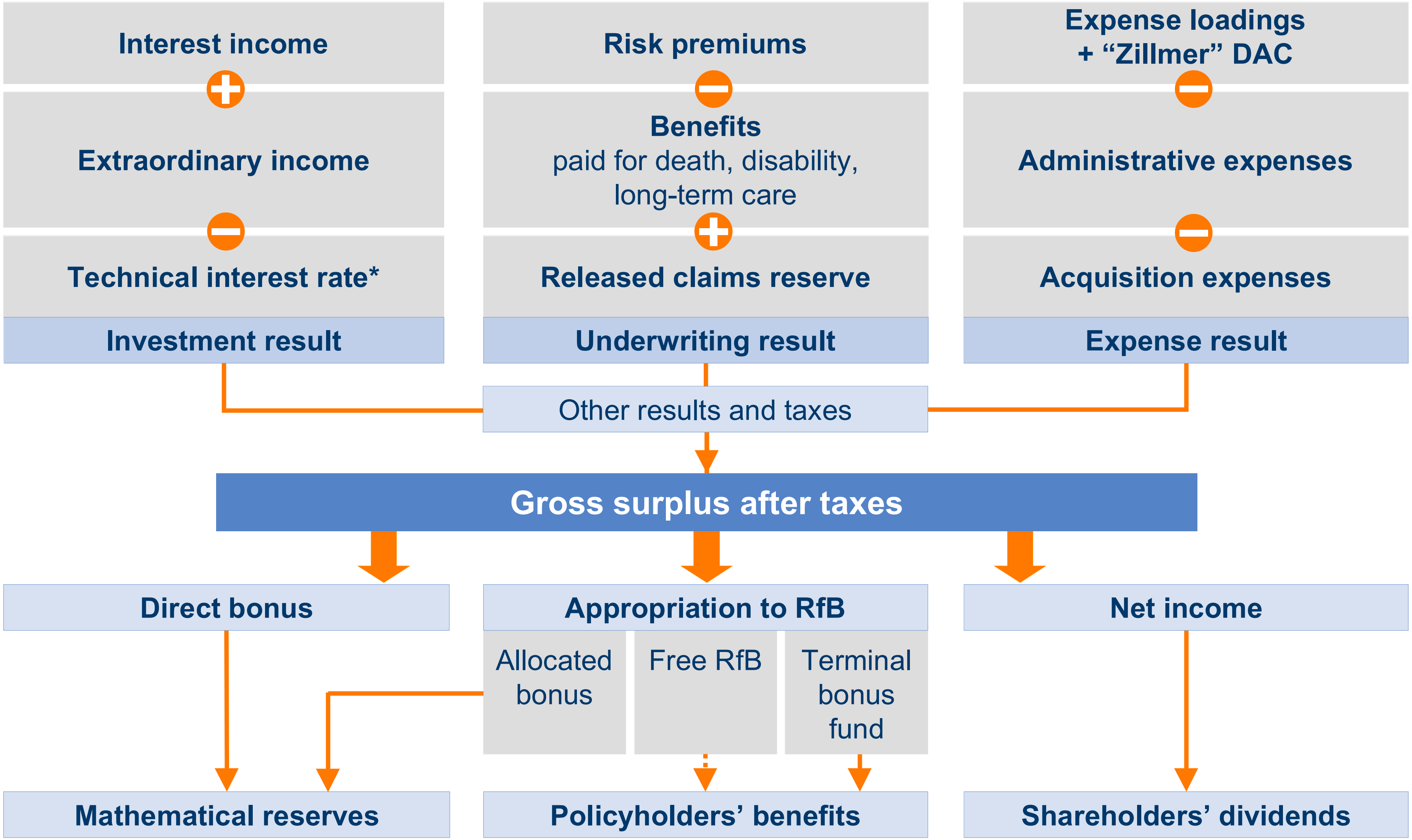


Corporate new business (EUR m)



*) Source of market data: GDV preliminary
**) German law on retirement savings

Where the gross surplus comes from ...
... and where it goes to



*) On average 3.5% on mathematical reserves

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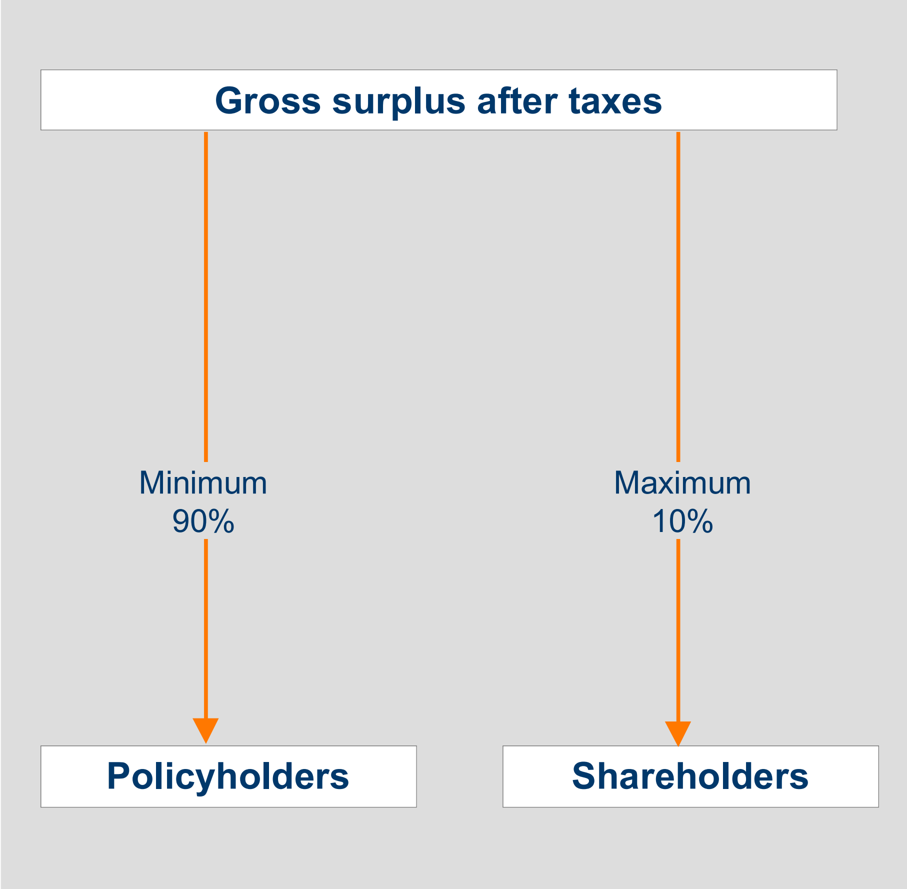
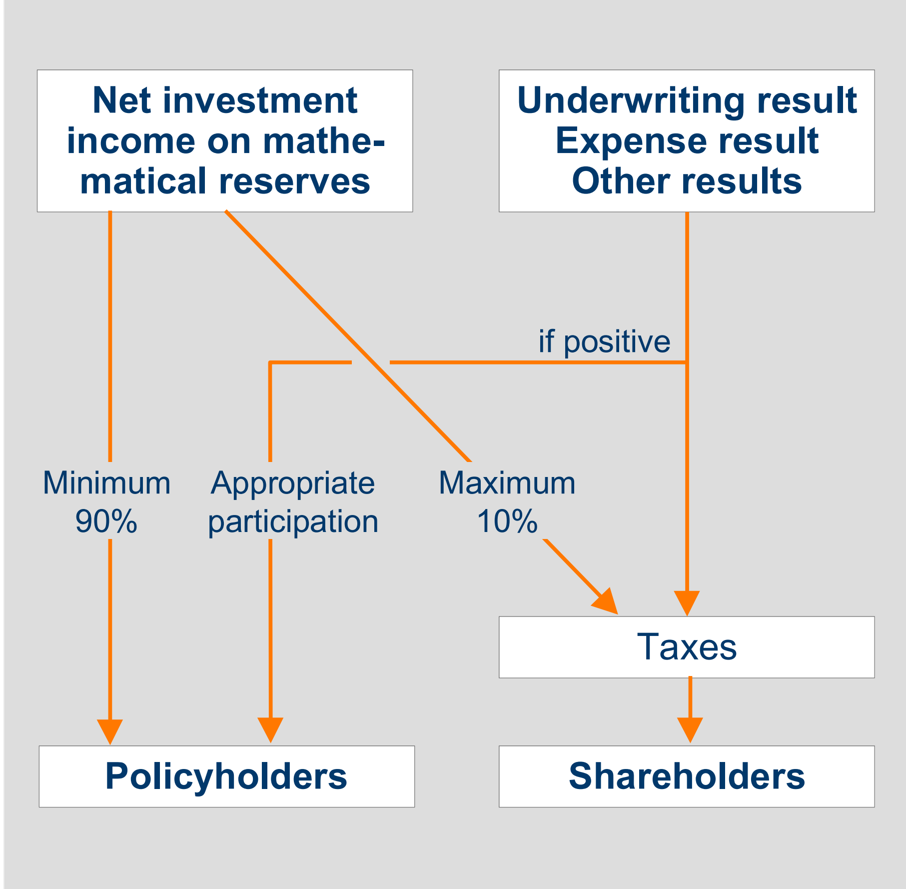
German features of profit participation

Contracts effected before July 1994



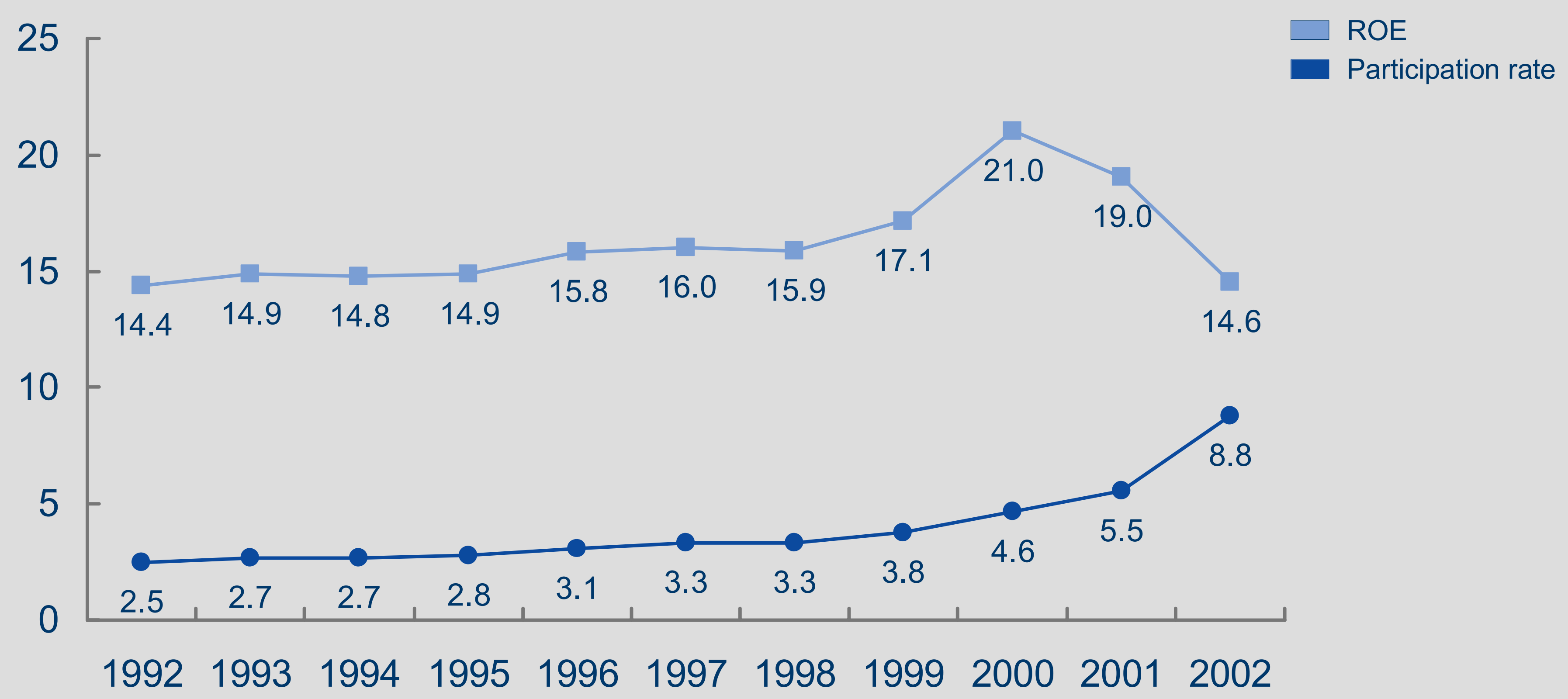
Contracts effected after July 1994



- **Simple, but inflexible rule**
- **Allows shareholders' participation rate above 10% of gross surplus**

Shareholders' participation: Significant increase in the last decade

Shareholders' participation rate and ROE after tax 1992 - 2002 (in %)



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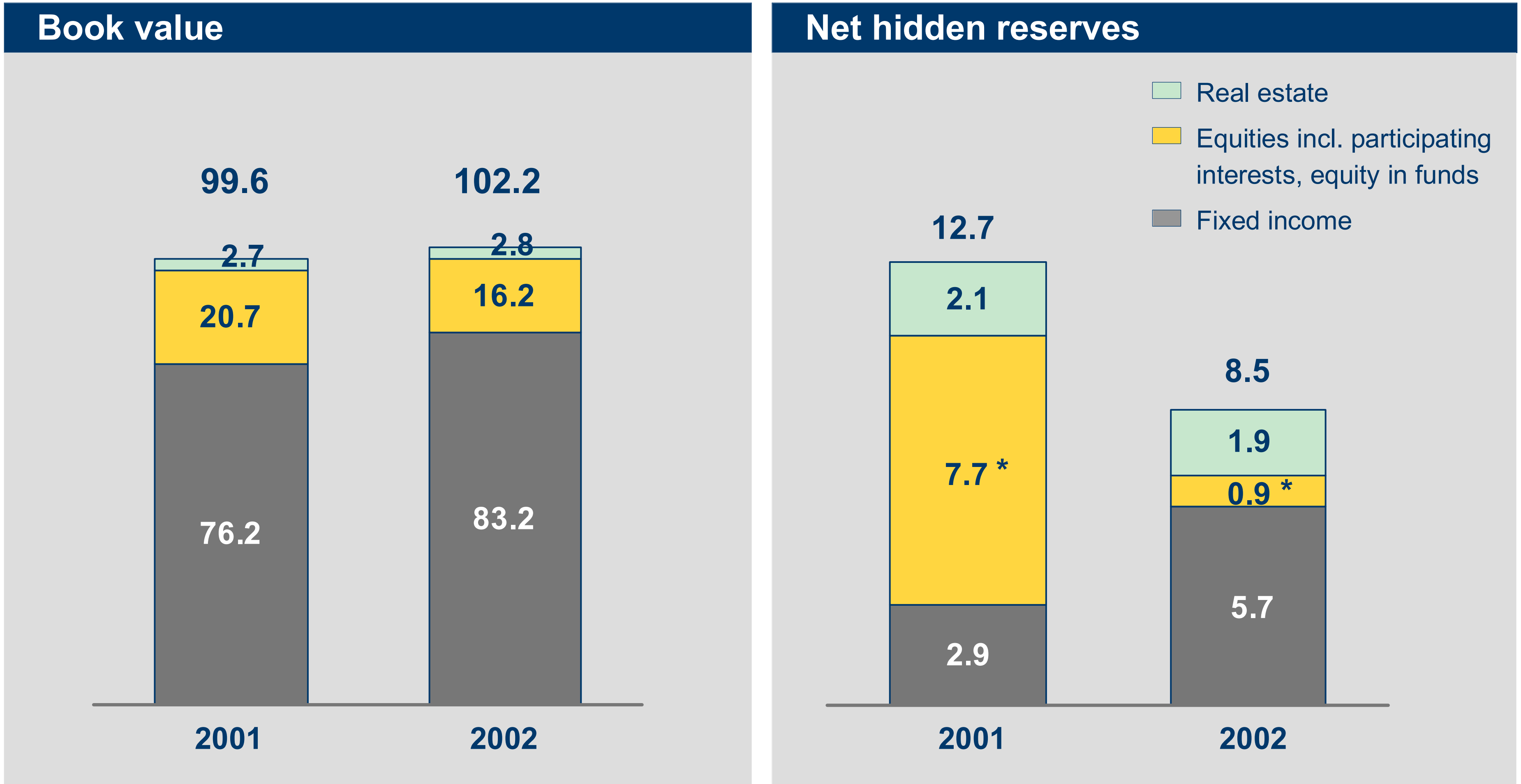
Investment portfolio: Still well-reserved

(in EUR bn)



Equity ratio at market value after hedging: 12.3%

*) Net after hidden losses (2001: EUR 0.2bn, 2002: EUR 1.4bn)

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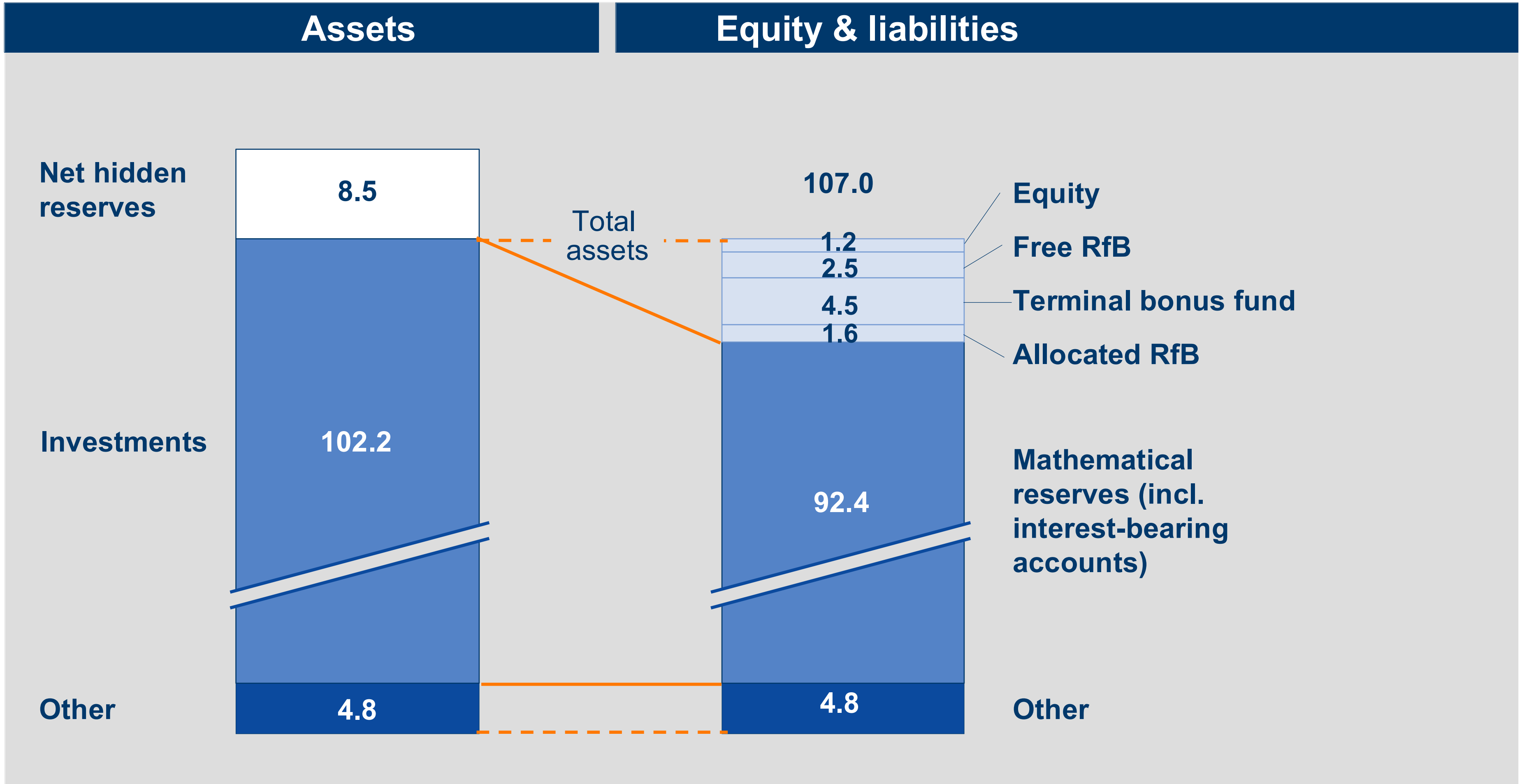
Solid cover for liabilities
(in EUR bn)



5.2% current average yield on investments translates into **5.7% on mathematical reserves**

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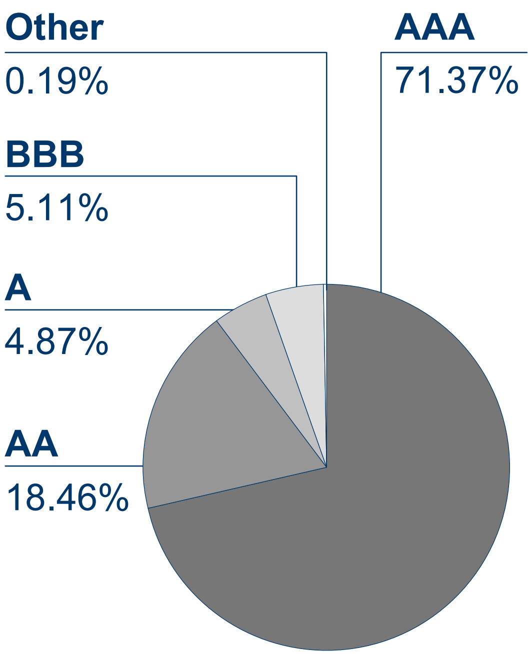
Strict fixed-income guidelines limit the credit risk

Rating structure Bonds + tradable loans

Market value: EUR 69.4bn



Guidelines

Credit limits

- Definition of
  - individual benchmark
  - specific credit limits per fund and directly-held portfolio
- Consistent monitoring and reporting system
- Downgrading activates mandatory limit check, and below BBB sale of paper*

*) Defined exemption: Small high-yield fund

Issuer limits

- A or better: Max. 20% per bond issue
- BBB: Max. 10% per bond issue
- In addition: Limits per issuer to further reduce exposure to default

- **Sophisticated risk management system**
- **Continuous review and improvement of tools**

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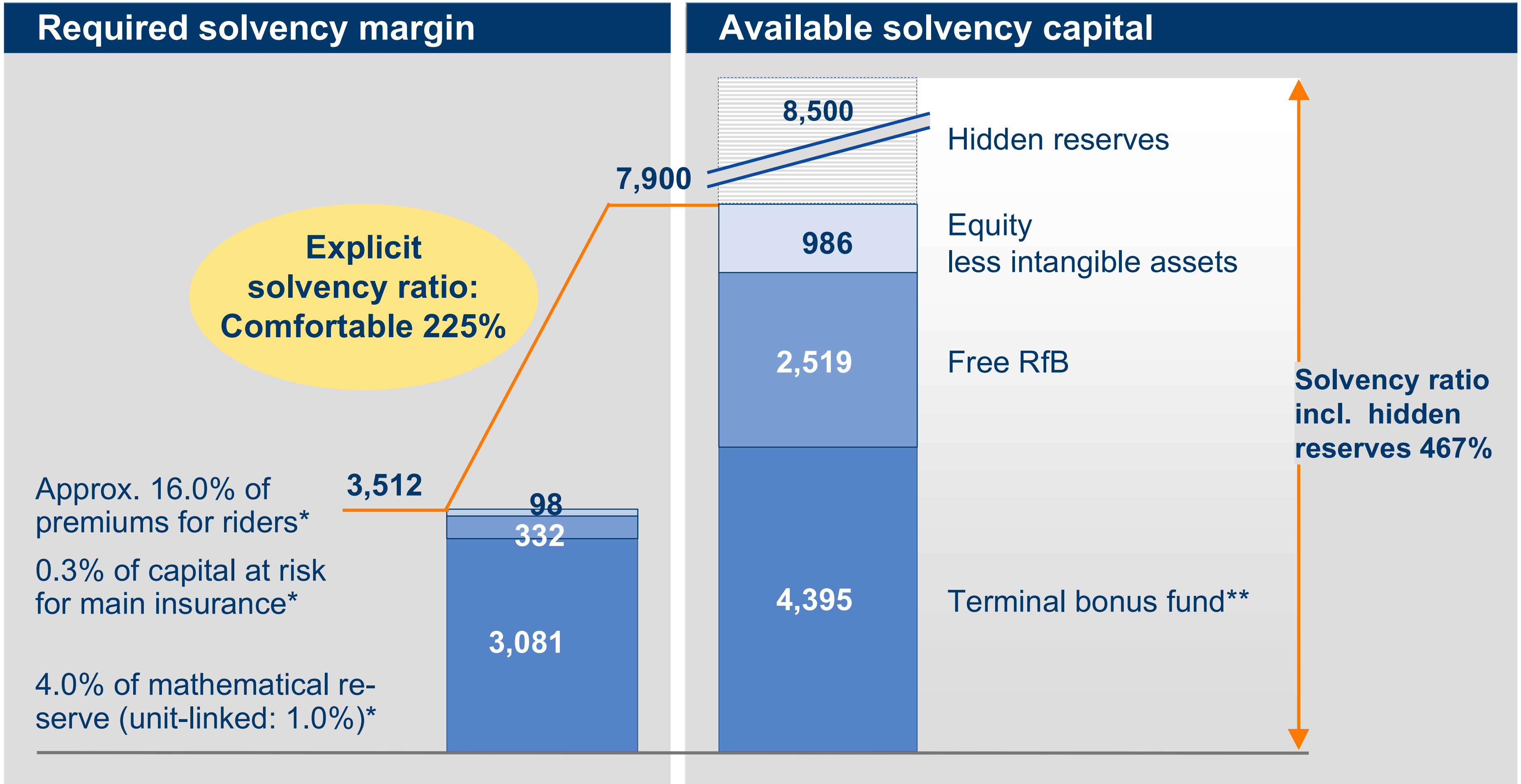
Policyholders provide the required solvency
(in EUR m)



- **Terminal bonus fund and free RfB more than sufficient to meet solvency requirements**
- **If necessary, BaFin may grant the use of implicit resources to meet solvency margin**

*) Net of reinsurance
**) Net of fund for profit participation on annuity products issued before 1994 (EUR 87m)

Introduction of mandatory stress test by BaFin

- **At least quarterly examination of whether assets provide sufficient cover for liabilities, if ...**

Market value:	Equities	Securities
Scenario A	**-35%**	**-10%**
Scenario B	**-20%**	**-5%**
Fixed-income portfolio: Discounts for credit risks		

- **Consequences if test is not passed:**

Scenario A: Information to Board of Management

Scenario B: In addition information to Supervisory Board and BaFin together with a set of measures to resolve the situation

Allianz Leben has passed both tests

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Measures to be adopted in case a German life insurer gets into financial difficulties

By law, BaFin is given far-reaching powers to intervene:

1. **Financial reorganization under supervision of BaFin**
   Various options: Injection of new capital, appointment of a trustee, etc.
2. **Search for an insurer willing to buy the company**

Should these measures fail:

3. **Takeover of portfolio by Protektor Lebensversicherungs-AG**
   "Security net" established for difficulties caused by falling equity markets

Should interest rates decrease below technical interest rate for business in force:

The last resort: Reduction of benefits

According to § 89 (2) VAG*, "BaFin can, if necessary, reduce the obligations of a life insurance company from its insurance contracts in accordance with its assets."

*) Versicherungsaufsichtsgesetz (German insurance supervisory law)

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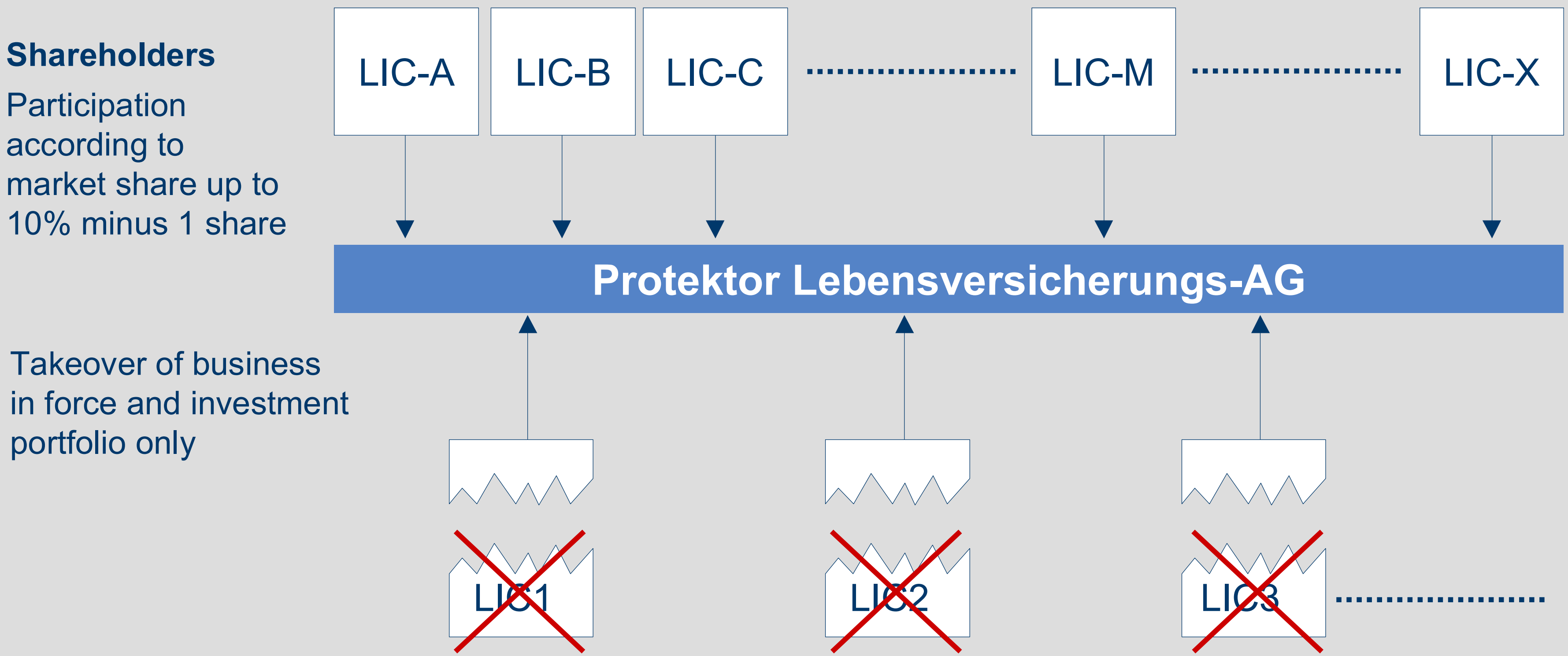
Rescue company Protektor established by life insurance industry

Tasks: 1. Fulfill commitment to pay policyholders guaranteed benefits
2. Protect reputation of life insurance industry



LIC = Life insurance company

Business objectives: **Earn cost of capital**
Sell portfolios after reorganization

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Allianz Leben: Takeaways

Key messages

- Comprehensive product range to provide state-of-the-art solutions for private and corporate customers
- Distribution through three well-established channels - tied agents, banks and brokers - secures access to customers
- Sound financials and excellent risk-management expertise to weather stormy capital market conditions
- Low expense ratios and high stability of business in force constitute a solid foundation to maintain profitability

Outlook

- German pension market will continue to grow considerably for years to come
- Trend towards well-known life insurance companies with a reputation for high quality will continue

Allianz Leben is set to capitalize on high-growth market opportunities and strives for sustained bottom-line results by leveraging its strengths

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Mark Zesbaugh - Chief Executive Officer Allianz Life

E. Allianz Life:
Promising growth engine

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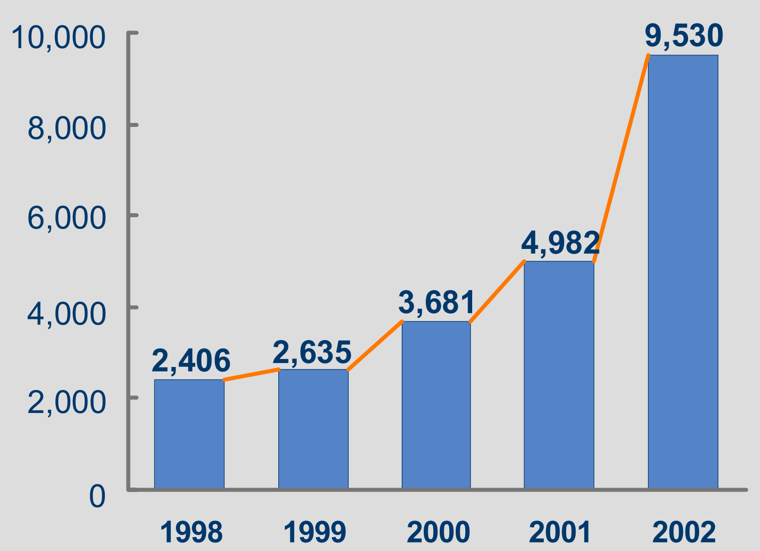
Introduction: 2nd largest L/H entity of Allianz Group

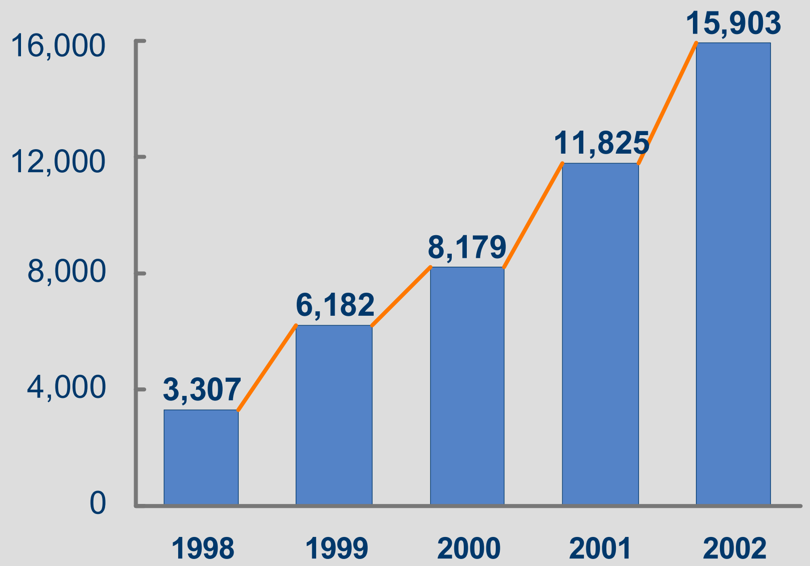
Key facts & figures

- **Acquisition of North American Life and Casualty in 1979, merged with Life USA in 1999**
- **Top 40 US life company (out of 1,200 total, ranked by 2001 statutory premiums)**
- **0.7% market share by statutory premiums**
- **Profile**
  - Strong market position in fixed annuities
  - Strong growth in variable annuities

Statutory premiums 1998 - 2002 (in EUR m)



Investments 1998 - 2002 (in EUR m)



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Key figures and ratios
(in EUR m)

IFRS	2000	2001	2002	Δ 2002/2001
Income statement				
Statutory premiums	3,681	4,982	9,530	91%
Gross premiums written	1,465	1,478	1,411	-5%
Revenues [1]	1,654	1,536	1,394	-9%
Net income	117	-44	-37	16%
Net income without realized gains/losses [2]	30	27	45	67%
Balance sheet				
Investments	8,179	11,825	15,903	34%
Separate account assets	7,237	6,403	5,198	-19%
Intangible assets (DAC + VOBA [3])	1,200	1,498	1,764	18%
Shareholders' equity	1,714	1,751	2,627 [4]	50% [4]
Normalized ROE after tax	**9.3%**	**6.6%**	**4.9%**	**-1.7%-p**
PVFP - CAC	940	1,078	1,274	18%

1) Revenues = IFRS net premiums earned + net investment income
2) Amount is equivalent to net income, less realized gains/losses, less the change in reserves and DAC directly attributed to the realized gains/losses
3) VOBA = Value of business acquired (from the purchase of Life USA)
4) Including capital increase of EUR 1,259m in 2002

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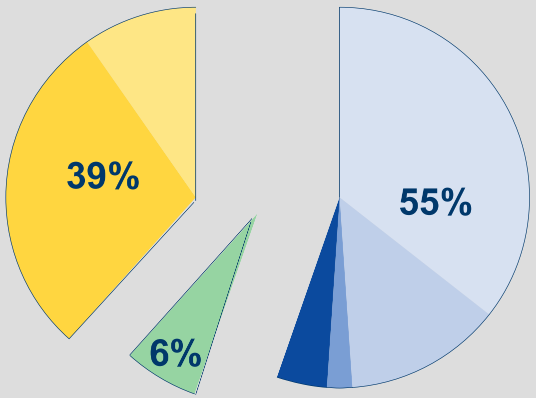
Products: 3 major market segments
(in EUR m)

2002 Revenue split



	Revenues	Stat. premiums
Fixed Annuities (non EIA)	550	3,002
Equity-Indexed Annuities	203	3,630
Long-Term Care	37	157
Universal Life	65	71
Variable Life & Annuities	96	1,873
Life Re	444	438
Health Excess of Loss	149	304
Other*	-150	55
Total	**1,394**	**9,530**

Markets	Line of business	Main product features / attributes
Individual fixed	**1. Fixed Annuities** **2. Equity-Indexed Annuities** **3. Long-Term Care** **4. Universal Life**	▪ Single & flexible premium options ▪ Flexible resets on crediting rates and caps ▪ 3% lifetime minimum guarantee ▪ Various product rider options
Individual variable	**5. Variable Life & Annuities**	▪ Performance dependent on underlying funds ▪ Guaranteed living benefits
Corporate	**6. Life Re** **7. Health Excess of Loss**	▪ Risk-sharing partnerships ▪ Underwriting expertise

*) US Allianz broker/dealer and other lines of business in run-off

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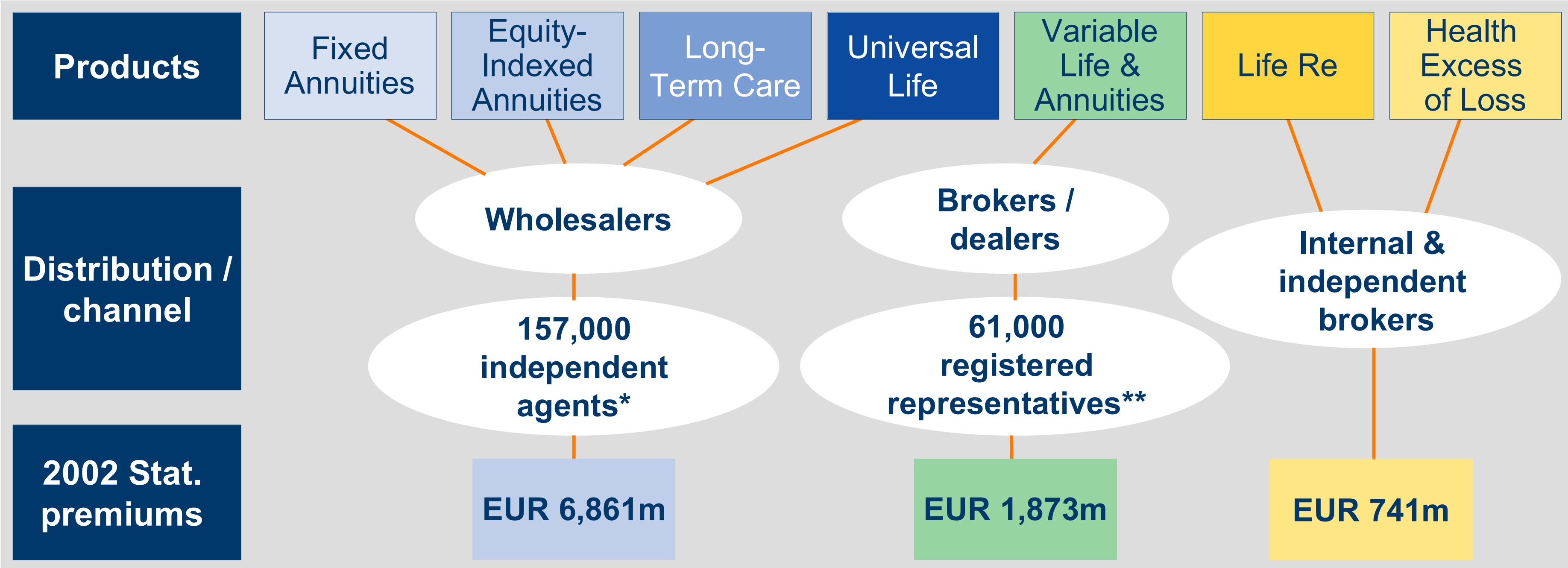
Distribution: Key to strong growth



Captive access, ownership of wholesale distribution

- 15 wholesalers (Allianz Life ownership of 40% - 100%)
- 46% of independent agent production is through these 15 wholesalers

Distribution loyalty

- The independent agents and registered reps are our customers
- 48-hour service challenge, underwriting hotline, FAS Team (Fast accurate service), web-enabling technology, transfer and exchange unit

*) Independent Agents are licensed to sell non-securities based insurance products
**) Registered Reps are licensed to sell securities products which require a higher level of certification

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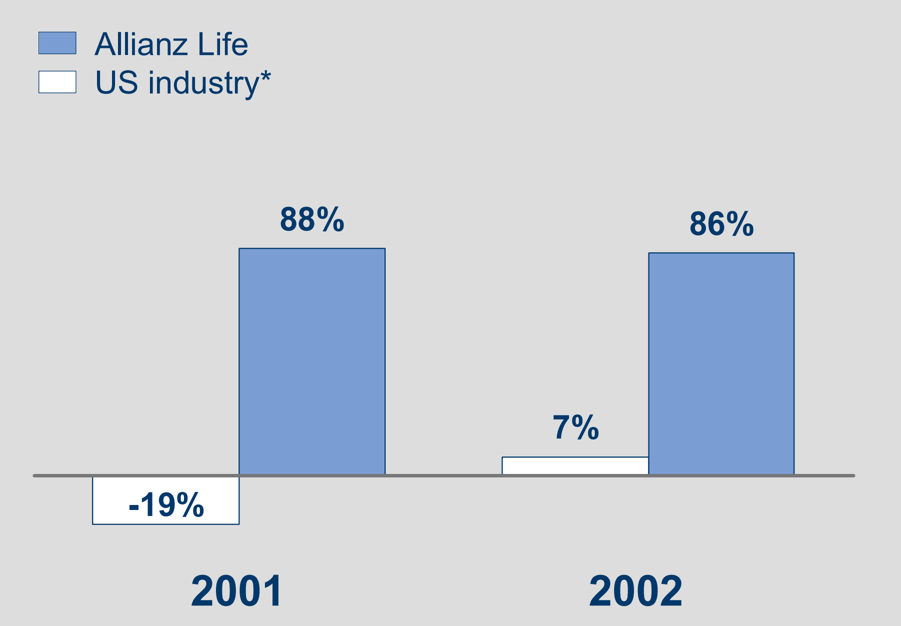
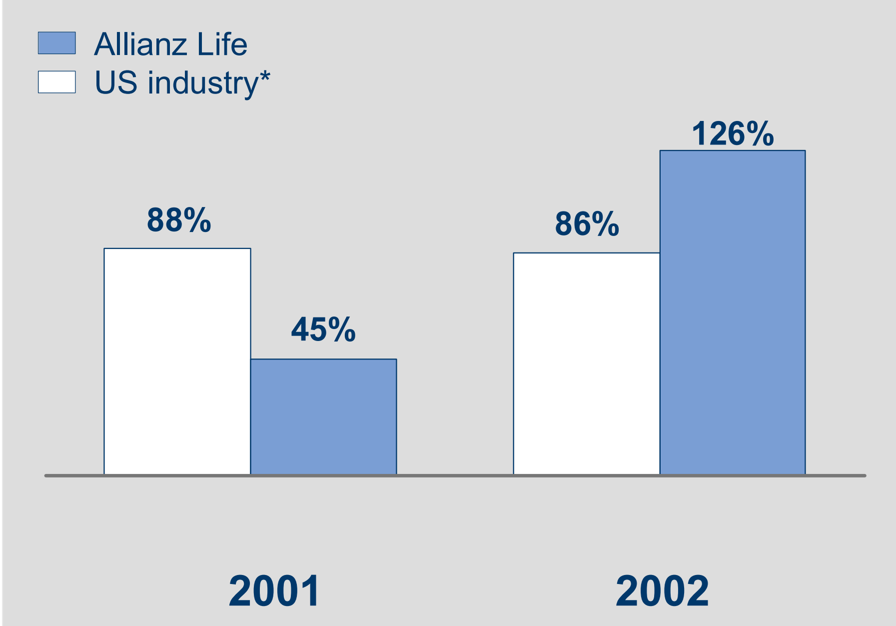
Growth: Value-added products well-positioned for the flight to quality and stability

Variable Annuities: Statutory premium growth



Fixed Annuities: Statutory premium growth



0.5%	1.5%	**AZ Life Market share**	3.7%	6.0%
33	19	**AZ Life Market rank**	7	3
111	119	**Total Industry Market size** (in USD bn)	74	104

*) Source: LiMRA

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Risk management (1): Risks identified and well-managed

Risks	Management
Interest rate	Immunized duration-matched portfolio, annual statutory cash flow testing over a 30 year horizon
Mispricing	Management levers include crediting rates, cap rates, and commissions, re-pricing actions as necessary
Guarantees	Allianz Life has always maintained and continues to maintain full priced-for interest margins (proposed legislation pending)
Deferred acquisition costs (DAC)	Recoverability protected by surrender charges, commission chargebacks, and monthly spread management
Liquidity	94% of bond portfolio publicly traded, highly liquid bonds
Option counterparty	Agreements written with rating triggers and trust arrangements
Credit	High-quality asset portfolio, AA- average credit rating

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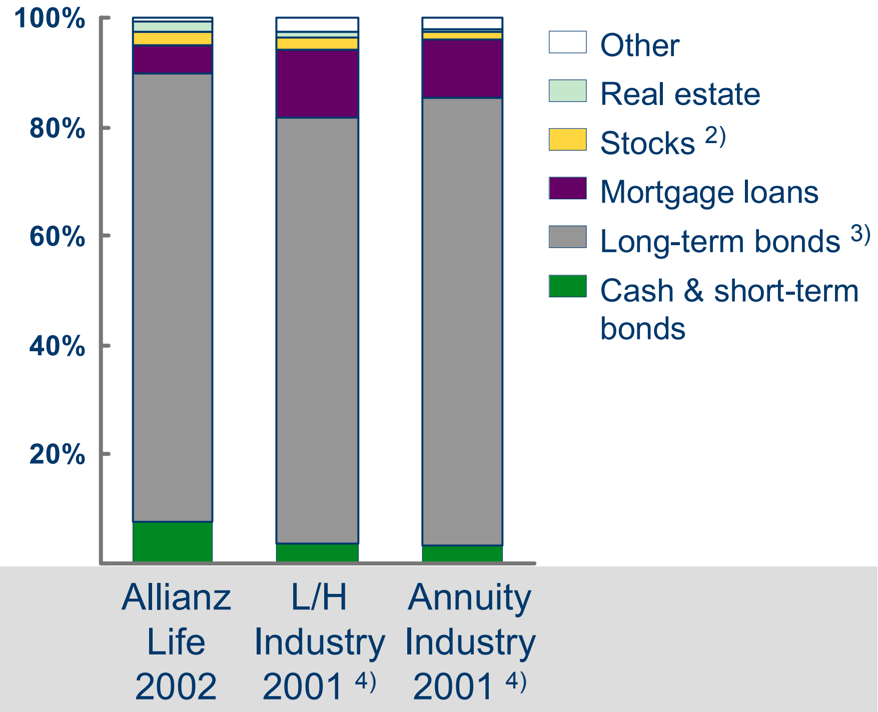
Risk management (2): Conservative investment portfolio

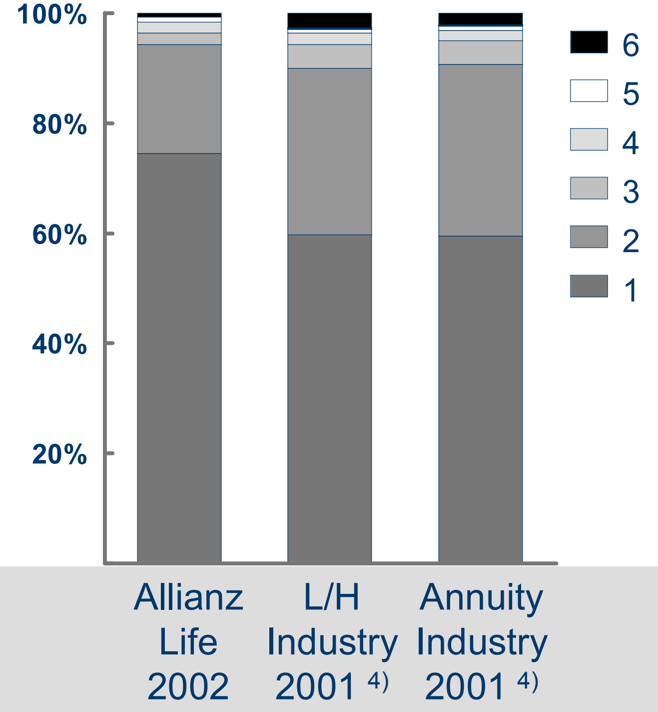
Philosophy

- High quality, AA- average rating
- Immunized portfolio, duration matched

Allocation of investable general account assets (total volume: EUR 15.3bn) 1)



Bond portfolio characteristics 1) NAIC ratings 1 through 6



Approximate S&P equivalents: 1 (AAA, AA, A), 2 (BBB), 3 (BB), 4 (B), 5 (CCC, CC, C), 6 (D)

1) Based on statutory asset valuations
2) Excludes affiliate stock
3) Includes dollar rolls and forward commitments
4) Source: Conning Research

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Outlook: Building on strength - achieving scale

Market trends / environment	Allianz Life profile
Continued "flight to quality"	▪ Diligent risk management ▪ Highly rated ▪ Superior reputation
Changing demographics: Increasing demand for retirement products	▪ Strong position in fixed annuities ▪ Diversification into variable annuities ▪ Product innovation
Distribution: Consumers seeking a trusted financial advisor, not looking to go direct	▪ Distribution loyalty ▪ Superior service ▪ Gaining brand recognition
Management: High demand for expertise and skills	▪ Experienced management team ▪ Action-oriented culture ▪ Demonstrated ability to execute established plans

Allianz Life - an emerging force in the North American life market

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Jan E. Kvarnström - Chief Executive Officer of IRU

F. Institutional Restructuring Unit (IRU)

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March 2003

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Why the IRU?

- The IRU of Dresdner Bank has been established to free up risk capital
- The IRU sets the focus on the separation and exit of non-performing and non-core assets, as identified by the core business areas
- Core business areas to focus on operational profitability
- IRU may develop into group center of excellence

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Organizational principles

- **The IRU has an exit-driven approach:**
  - Distinct focus on non-core and non-performing assets
  - Well-defined objectives and responsibilities
  - Tailor-made processes and systems
  - Fast decision making
  - Specialist recruiting
  - Transparency and credibility
- **After a data check, management authority for the assets lies with IRU**
- **Transferred assets remain in the legal entities (Dresdner Bank AG, subsidiaries)**
- **The assets are initially transferred at book value, including all provisions, and being prepared for fast implementation of exit action plans**

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IRU at a glance

- **EUR 30.9bn of exposures, of which EUR 22.9bn utilized lines and funded assets**
  - EUR 14.9bn of usage are performing transactions
  - EUR 8.0bn of usage are potential problem loans (PPL) and non-performing loans (NPL) according to SEC form 20F (guide 3)
- **IRU is taking on the PPL and NPL of Corporates & Markets**
- **IRU is also taking over a substantial volume of performing loans**
- **IRU was set up effective 1 January, 2003 and the organization is up and running**

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Portfolio structure
(in EUR bn)

	Dresdner Bank	IRU	IRU in %
Loan volume limit	**183.9**	**29.7** *	**16.2**
Loan volume usage	**123.1**	**22.2** *	**18.0**
– PPL	2.4	1.1	45.8
– NPL	11.2	6.9	61.6
RWA	**142.7**	**17.4**	**12.2**
Risk capital	**11.0**	**2.9**	**26.4**
Specific provisions (balance)	**5.5**	**3.6**	**65.5**
– PPL	0.3	0.1	33.3
– NPL	5.2	3.5	67.3
General provisions	**0.8**	**0.2 (est.)**	**n.m.**
Country risk provisions	**0.4**	**0.3 (est.)**	**n.m.**

*) Not including private equity exposures (EUR 1.2bn and 0.7bn resp.)

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Usage breakdown by quality and region

Usage in EUR bn split according to booking locations (as of January 1, 2003)

	Germany	Rest of Europe	North America	Latin America	Asia	Private equity	Total
Non-performing loans	4.0	1.0	1.0	0.6	0.3		**6.9**
Potential problem loans	0.5	0.2	0.2	0.2	0.0		**1.1**
Other non-investment grade loans	4.6	2.1	1.7	3.0	0.6		**12.0**
Investment grade	0.5	0.5	0.5	0.4	0.3		**2.2**
Private equity						0.7	**0.7**
Total	**9.6**	**3.8**	**3.4**	**4.2**	**1.2**	**0.7**	**22.9**

- **The major part of the assets consists of performing loans**
- **58% of the NPL are attributable to Germany**

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The IRU "Werkstatt"

Transfer process

Asset transfer and corporate restructuring

Assess

Manage

Action plans

Exit

Special accounts	North America	Europe I	Europe II	Germany	Latin America	Asia	Private equity
	ICU North America; NSB North America	ICU Europe; NSB UK	NSB Rest Europe	ICUs Germany; Real Estate	ICU; NSB	ICU; NSB	

ICU = Intensive Care Unit; NSB = Non-Strategic Book

Exit process

E X I T

IRU portfolio management, corporate finance, legal

Exit management

- **"Action plans" reviewed by the IRU executive committee.**
- **All types of exit options are available for IRU.**
- **Actual choice depending on pricing, P&L impact, legal constraints, liquidity and complexity of execution.**

Conventional exit types

- Outright sale of a single loan or a loan portfolio
- Reduce limits, increase margins, strengthen collateral, cancel prolongations
- Rearranging syndication arrangements
- Work-out of loans, including legal procedures, selling collateral and close down

Advanced exit types

- Securitization of loans
- Credit derivatives (like credit default swaps, portfolio insurance)
- Restructure a company, consuming less risk capital and moving back to the core bank (loan hospital)
- Joint ventures for long-term work-out asset portfolios
- Debt equity swaps

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Are loan provisions sufficient?

Loans are adequately provisioned as of 31 December 2002

- The loans are adequately provisioned as of 31 December 2002, on the assumption that there is no further deterioration of world economies
- Most of the PPL and NPL are provisioned or secured by collateral
- The IRU is in the process of confirming the collateral valuations, expected to be in the range of EUR 6-9bn
- Private equity exposures have to be reassessed after some venture companies' books have closed

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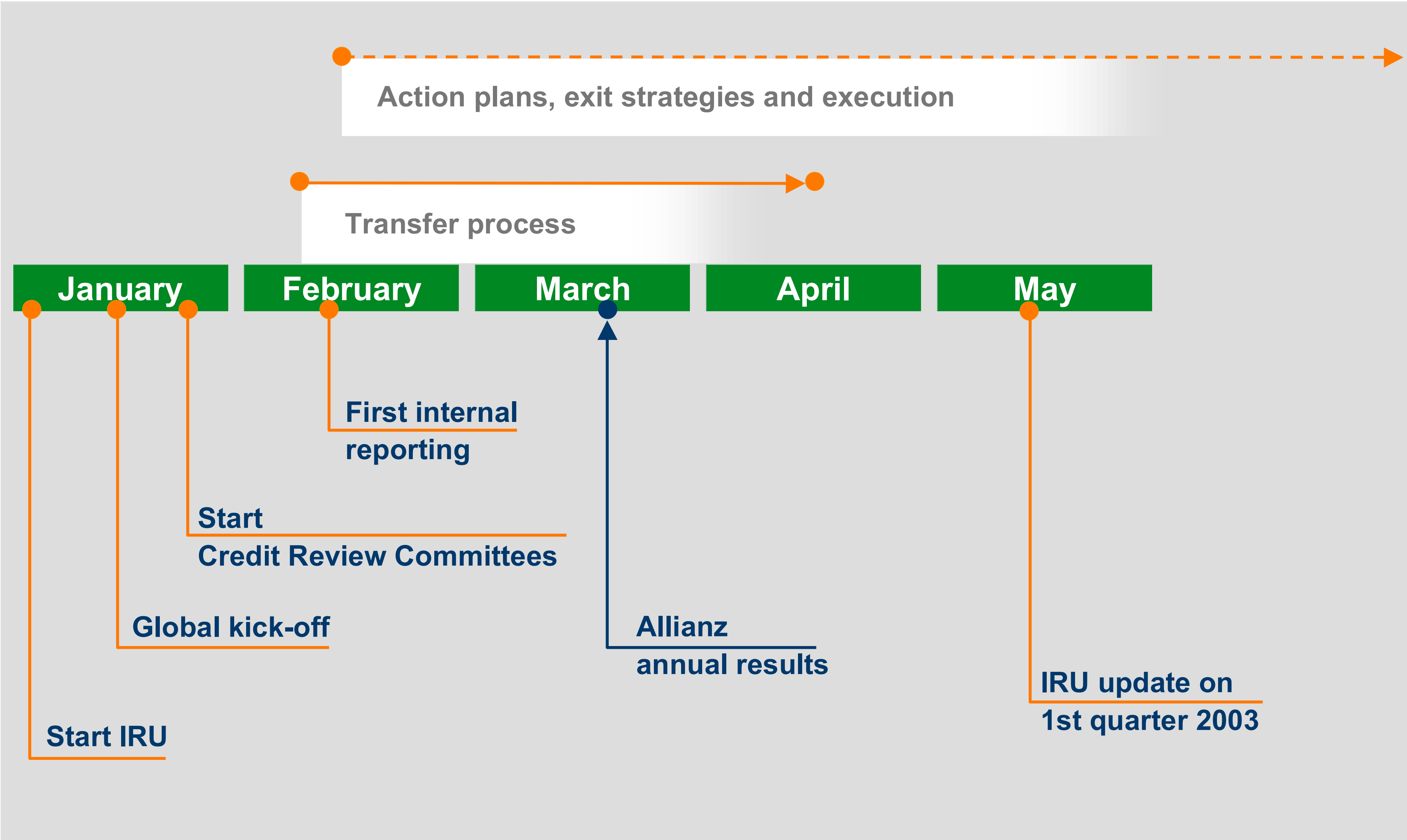
Time table



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Targets

- **Exit exposures of EUR 10bn before end of 2004**
- **Free up nearly EUR 3bn of risk capital in the medium term**
- **Thereof EUR 1bn before end of 2004**

During the whole process - careful considerations of value vs. time

G. Appendix

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Index (1)

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Glossary (1)

ACP:
Allianz Capital Partners

ADAM:
Allianz Dresdner Asset Management

A&E:
Asbestos & Environmental

AFS:
Securities available for sale

AGM:
Annual General Meeting

AGR:
Allianz Global Risks

ART:
Allianz Risk Transfer

Assets under management (AuM):
Sum of investments marked-to-market which is managed by the Group with responsibility for the performance of the investments

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Glossary (2)

Assigned capital:
Capital assigned to subsidiaries for core business

AVmG:
German Law on Retirement Savings

BAFin:
Federal Financial Supervisory Authority

BIS:
Bank for International Settlement

CAC:
Cost of assigned capital

CAGR:
Compounded average growth rate

Capital ratios (BIS):
Ratios calculated by banks conducting international business, in accordance with the Basel Capital Accord drawn up under the guidance of the Bank for International Settlements

- **Tier I ratio:** Relation of core capital to risk-weighted assets. Core capital (Tier I capital) mainly consists of shareholders' equity and minority interest, hybrid capital plus other adjustments

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Glossary (3)

- **Total capital ratio:** Relation of Tier I plus Tier II capital to risk-weighted assets. Tier II capital (supplementary capital) comprises profit-participation certificates, subordinated liabilities and revaluation reserves on securities and other adjustments

CIR:
Cost-income ratio

Claims ratio:
Claims and claims adjustment expenses as % of net premiums earned

Claims reserve ratio:
Balance sheet net claims reserve as % of net premiums earned

Combined ratio:
Sum of claims and expense ratio

C&M:
Corporates & Markets

DAC:
Deferred acquisition costs

dbi:
dresdnerbank investment management

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Glossary (4)

dit:
Deutscher Investment-Trust

DVFA:
Deutsche Vereinigung für Finanzanalyse und Asset Management
(German Society of Investment Analysis and Asset Management)

Embedded Value (EV):
Sum of assigned capital and difference between present value of future profits (PVFP) and cost of assigned capital

e.o.p.:
End of period

EPS_A:
Same as EPS_R, but adjusted for the impact of extraordinary items

EPS_R:
Earnings per share reported. IFRS profit after tax and minorities divided by average number of shares (with calculation of dilution, should the Group have issued convertibles or options on its own shares)

ETA:
Employment Termination Agreement

EVA (Economic Value Added)
Product of assigned capital and the difference between normalized ROE and the cost of capital

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Glossary (5)

Excess capital:
Difference between net asset value and assigned capital

Expense ratio:
Commissions, other acquisition expenses, general and administrative expenses as % of net premiums earned

FTE:
Full-time equivalents

Goodwill:
Difference between a subsidiary's purchase price and its shareholders' equity at the time of purchase

GPW (gross premiums written)
Total premiums for insurance contracts (including investment products) written during a specific period, without deducting ceded premium

HGB:
German GAAP

IFRS:
International Financial Reporting Standards (formerly IAS)

Interest coverage ratio:
Profit before taxes, goodwill and interest expenses divided by interest expenses

Glossary (6)

Investment result ratio:
Net investment income as % of net premiums earned

Investment return:
Net investment income as % of average investments (without unit-linked investments)

IRU:
Institutional Restructuring Unit

L/H:
Life and health insurance

LoB:
Line of business

NAV (Net asset value):
IFRS shareholders' equity + discounted loss reserve + revaluation reserve on investments + other subsidiaries' specific adjustments (all adjustments to IFRS shareholders' equity are net of deferred taxes and policyholders' share, if applicable)

Normalized ordinary profit:
IFRS profit + change in discounting of loss reserves + normalized investment income - reported investment income +/- excess capital credit/charge + other subsidiaries' specific adjustments (all adjustments to IFRS profit are net of deferred taxes and policyholders' share, if applicable)

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Glossary (7)

NPL:
Non-performing loans

NPV:
Net present value

OE:
Operating entity

Operating ratio:
Difference between combined ratio and investment result ratio

PBC:
Private and Business Clients

P/C:
Property and casualty insurance

PD:
Probability of default

PPL:
Potential problem loans

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Glossary (8)

Pre-tax margin as % of investments:
Profit before tax and goodwill as % of investments (including unit-linked investments)

PVFP:
Present value of future profits

RfB:
Reserve for premium refunds

R/I:
Reinsurance

ROE_A:
Same as ROE_R, but adjusted for the impact of extraordinary items

ROE_N:
Normalized return on equity; normalized ordinary profit as % of average assigned capital

ROE_R:
Return on equity (reported); IFRS profit after tax and minorities as % of average IFRS shareholders' equity

RWA (Risk-weighted assets):
All assets of the bank multiplied by the respective risk-weight according to the risk rate of each type of asset

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Glossary (9)

Statutory premiums:
Premium income under local GAAP

Survival ratio:
Claims reserves divided by claims payments

TAC:
Total adjusted capital

Tax ratio:
Tax expenditure as % of profit before tax and goodwill (effective tax ratio); tax expenditure adjusted for extraordinary tax effects as % of profit before tax and goodwill (adjusted tax ratio)

Tied agent:
An agent that works exclusively for one insurance company

U/W:
Underwriting

VAG:
German insurance supervisory law

Value-at-Risk (VaR):
Potential loss which may occur during a pre-defined period of time, based on a given confidence level and certain assumptions regarding changes of market parameters

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Investor Relations contacts

Oliver Schmidt Head of Investor Relations	Tel. +49 (0) 89 3800-3963 e-mail: oliver.schmidt@allianz.com	**Christian Lamprecht**	Tel. +49 (0) 89 3800-3892 e-mail: christian.lamprecht @allianz.com
Susanne Arheit	Tel. +49 (0) 89 3800-3324 e-mail: susanne.arheit@allianz.com	**Stefan Engelke**	Tel. +49 (0) 89 3800-18124 e-mail: stefan.engelke@allianz.com
Peter Hardy	Tel. +49 (0) 89 3800-18180 e-mail: peter.hardy@allianz.com	**Daniela Meintzschel** IR events	Tel. +49 (0) 89 3800-17975 e-mail: daniela.meintzschel @allianz.com
Andrea Reichenberger	Tel. +49 (0) 89 3800-6677 e-mail: andrea.reichenberger @allianz.com	**Fax:** **e-mail:** **Internet** (English): **Internet** (German):	+49 (0) 89 3800-3899 investor.relations@allianz.com www.allianz.com/investor-relations www.allianz.com/ir

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Financial calendar 2003/2004

29 April 2003	Annual General Meeting
16 May 2003	Financial report first quarter of 2003
14 August 2003	Financial report first half 2003
14 November 2003	Financial report first three quarters 2003
18 March 2004	Financial press conference for the 2003 fiscal year
19 March 2004	Analysts' conference on fiscal year 2003 in Munich
22 March 2004	Analysts' conference on fiscal year 2003 in London
05 May 2004	Annual General Meeting 2004
17 May 2004	Financial report first quarter of 2004
16 August 2004	Financial report first half 2004
15 November 2004	Financial report first three quarters of 2004

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