

We followed and approved the restructuring of the relations between Allianz and Münchener Rückversicherungs-Gesellschaft (Munich Re). We acknowledged the dismantling of the cross-holdings and the fact that the principles of cooperation, which had applied for decades, were rescinded.

We obtained a status report on the lawsuit filed in connection with the settlement of the World Trade Center loss. We critically examined the effects of the tax bill presented by the German Federal Government on the life insurance business. In addition, we welcomed the Board of Management's decision to relaunch the stock purchase plan for employees of the Allianz Group in 2003. More than 33,000 employees in 22 countries have accepted this offer and acquired a total of about 965,000 Allianz shares at preferential conditions.

Committees of the Supervisory Board of Allianz AG

As of December 31, 2003

CHAIRMAN OF THE SUPERVISORY BOARD

Dr. Henning Schulte-Noelle

DEPUTY CHAIRMAN OF THE SUPERVISORY BOARD

Norbert Blix

AUDIT COMMITTEE

Dr. Manfred Schneider (Chairman)

Dr. Gerhard Cromme

Prof. Dr. Rudolf Hickel

Frank Ley

Dr. Henning Schulte-Noelle

PERSONNEL COMMITTEE

Dr. Henning Schulte-Noelle (Chairman)

Norbert Blix

Dr. Gerhard Cromme

STANDING COMMITTEE

Dr. Henning Schulte-Noelle (Chairman)

Norbert Blix

Dr. Gerhard Cromme

Peter Haimerl

Dr. Manfred Schneider

MEDIATION COMMITTEE

Dr. Henning Schulte-Noelle (Chairman)

Norbert Blix

Hinrich Feddersen

Prof. Jürgen E. Schrempf

Corporate Governance and Declaration of Compliance We discussed in depth the implementation of the recommendations of the German Corporate Governance Codex and the effects of the U.S. Sarbanes-Oxley Act on the Allianz Group. In December 2003, the Board of Management and the Supervisory Board signed the annual Declaration of Compliance with the German Corporate Governance Codex. This statement confirms that the Allianz Group complies with the recommendations of the code, with two exceptions.

In the December meeting, we examined the efficacy of our work in the absence of the Board of Management. The subjects of our examinations were, in particular, the timely transmission of comprehensive information to the Supervisory Board, its composition and organization, and the flow of information between the committees and the plenary meeting.

More detailed information on corporate governance within the Allianz Group can be found in the report on pages 10 to 13 of the present Annual Report. That report was jointly approved by the Board of Management and the Supervisory Board. Detailed information on this subject is also available at the Allianz website at www.allianzgroup.com/corporate-governance. Information on the measures taken to implement the provisions of the Sarbanes-Oxley Act can also be found at that location.

Activities of the committees The members of the Supervisory Board formed the Audit Committee, the Standing Committee, the Personnel Committee and the Mediation Committee as called for by the German Codetermination Act. The current composition of the committees is shown on the accompanying list.

At its four meetings held in the course of the year, the Standing Committee primarily addressed the capital increase with shareholder subscription rights as well as questions of corporate governance. The Personnel Committee also convened four times.

It dealt with personnel matters of the members of the Board of

Management and the structure and amount of the remuneration of the Board of Management, as well as the determination of the variable and stock-related remuneration components. There was no need for the Mediation Committee to convene.

The Audit Committee held five meetings in the course of 2003. In the presence of the auditors, it discussed the annual financial statements of Allianz AG and of the Group, the audit reports and the 20-F filing required in the U.S.A. It also examined the quarterly reports and dealt with the assignment of the mandate to the Auditor and setting prior-

ities for the Audit. Other subjects of the deliberations of the Audit Committee were ascertaining the independence of the Auditor and the implementation of further dispositions of the Sarbanes-Oxley Act. The Supervisory Committee appointed the chairman of the Audit Committee, Dr. Manfred Schneider, as Audit Committee Financial Expert in accordance with the purpose of this law.

The Supervisory Board was regularly informed about the work of the Committees.

Annual accounts and consolidated financial statements KPMG Deutsche Treuhand-Gesellschaft AG Wirtschaftsprüfungsgesellschaft, Munich, audited the financial statements of Allianz AG and the Allianz Group as well as the respective management reports and issued their certification without any reservations. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS). The independent auditors have confirmed that the consolidated financial statements and the management report meet the conditions required to exempt the company from its obligation to prepare consolidated financial statements in accordance with German law.

The financial statements and the auditor's reports submitted by KPMG were made available to all members of the Supervisory Board in due time. These documents were discussed in depth by the Audit Committee on March 5, 2004, as well as by the Supervisory Board at a meeting held for this purpose on March 17, 2004. The independent auditors participated in these discussions. They presented the results of the audits and were available to provide supplementary information.

On the basis of our own review of the financial statements of Allianz AG and the Allianz Group, the corresponding management reports and the recommendation for appropriation of profit, we concurred with the findings of the audit by KPMG and approved the financial statements of Allianz AG and the Allianz Group prepared by the Board of Management. The Supervisory Board hereby adopts the individual accounts. We consent to the appropriation of earnings as proposed by the Board of Management.

Members of the Supervisory Board and the Board of Management The five-year mandate of the members of the Supervisory Board elected in 1998 ended with the General Meeting on April 29, 2003. A new Supervisory Board was elected for the term of office from 2003 to 2008. For reasons of age, Dr. Klaus Liesen was not available for re-election. In addition, Ms. Roswitha Schiemann as well as Messrs. Dr. Uwe Haasen, Horst Meyer, Uwe Plucinski, Reinhold Pohl, Jörg Thau and Dr. Bernd W. Voss departed from the Supervisory Board.

Mr. Jürgen Dormann resigned his mandate as member of the Supervisory Board with effect from the end of the Annual General Meeting on May 5, 2004. Mr. Dormann's seat on the Board will be filled by Dr. Albrecht Schäfer as elected substitute member.

We thanked the departing members for their constructive and trusting collaboration in our body during the past term of office. Our special thanks go to Dr. Liesen, who was a member of the Supervisory Board for almost two decades and presided as its judicious and highly respected chairman for seven years.

At the constitutive meeting of the new Supervisory Board in April 2003, Dr. Henning Schulte-Noelle was elected as its chairman and Mr. Norbert Blix as its deputy chairman.

For reasons of age, Dr. Horst Müller retired from the Board of Management on December 31, 2003. He had been responsible for Group Financial Risk Management. This function will be assumed at Group level by Dr. Perlet in addition to his present responsibilities. We expressed our thanks to Dr. Müller for the committed work he performed for many years at Dresdner Bank and, since 2001, also at Allianz.

In our capacity as members of the Supervisory Board, we would like to take this opportunity to thank all members of the Allianz Group companies for their personal effort and commitment.

Munich, March 17, 2004

For the Supervisory Board:



Dr. Henning Schulte-Noelle
Chairman

Supervisory Board

DR. HENNING SCHULTE-NOELLE since April 29, 2003

Chairman

Former Chairman of the Board of Management Allianz AG

NORBERT BLIX

Deputy Chairman since April 29, 2003

Employee, Allianz Versicherungs-AG

DR. WULF H. BERNOTAT since April 29, 2003

Chairman of the Board of Management E.ON AG

DR. DIETHART BREIPOHL

Former member of the Board of Management Allianz AG

BERTRAND COLLOMB

Président du Conseil d'Administration Lafarge

DR. GERHARD CROMME

Chairman of the Supervisory Board ThyssenKrupp AG

JÜRGEN DORMANN until May 5, 2004

Chairman and CEO, ABB Ltd.

CLAUDIA EGGERT-LEHMANN since April 29, 2003

Employee, Dresdner Bank AG

HINRICH FEDDERSEN

Member of the Federal Steering Committee

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PETER HAIMERL

Employee, Dresdner Bank AG

PROF. DR. RUDOLF HICKEL

Professor of finance

PROF. DR. RENATE KÖCHER since April 29, 2003

Chairman Institut für Demoskopie Allensbach

FRANK LEY

Employee, Allianz Lebensversicherungs-AG

KARL NEUMEIER since April 29, 2003

Employee, Allianz Versicherungs-AG

HERBERT PFENNIG since April 29, 2003

Employee, Dresdner Bank AG

SULTAN SALAM since April 29, 2003

Employee, Dresdner Bank AG

DR. MANFRED SCHNEIDER

Chairman of the Supervisory Board Bayer AG

MARGIT SCHOFFER since April 29, 2003

Employee, Dresdner Bank AG

DR. HERMANN SCHOLL

Chairman of the Supervisory Board Robert Bosch GmbH

PROF. JÜRGEN E. SCHREMPF

Chairman of the Board of Management Daimler Chrysler AG

MEMBERS WHO RESIGNED DURING THE PERIOD

all as of April 29, 2003

DR. UWE HAASEN

Former member of the Board of Management Allianz AG

DR. KLAUS LIESEN

Chairman

Chairman of the Supervisory Board E.ON AG

HORST MEYER

Employee, Euler Hermes Kreditversicherungs-AG

UWE PLUCINSKI

Employee, Dresdner Bank AG

REINHOLD POHL

Employee, Allianz Immobilien GmbH

ROSWITHA SCHIEMANN

Branch Manager, Allianz Versicherungs-AG

JÖRG THAU

Employee, Allianz Private Krankenversicherungs-AG

DR. BERND W. VOSS

Deputy Chairman

Member of the Supervisory Board Dresdner Bank AG

Board of Management

MICHAEL DIEKMANN

Chairman of the Board of Management,
since April 29, 2003

DR. PAUL ACHLEITNER

Group Finance

DETLEV BREMKAMP

Europe II

JAN R. CARENDI

since May 1, 2003,
Americas

DR. JOACHIM FABER

Allianz Dresdner Asset Management

DR. REINER HAGEMANN

Europe I,
Director responsible for Labor Relations

DR. HELMUT PERLET

Group Controlling, Accounting,
Taxes, Compliance

DR. GERHARD RUPPRECHT

Group Information Technology,
Life Insurance Germany

DR. HERBERT WALTER

since March 19, 2003,
Allianz Dresdner Banking

DR. WERNER ZEDELIUS

Growth Markets

MEMBERS WHO RESIGNED DURING THE PERIOD

DR. BERND FAHRHOLZ

until March 25, 2003,
Allianz Dresdner Banking

DR. HORST MÜLLER

until December 31, 2003,
Group Financial Risk Management

DR. HENNING SCHULTE-NOELLE

until April 29, 2003,
Chairman of the Board of Management