

Conditions of Profit Participation Certificates (Genussscheine) April 2003

(As amended October 1986 with additional amendments on October 1987, March 1990, October 1990, March 1992, May 1994, June 1995, March 1997, March 1998, November 1998, May 2000 and April 2003)

Section 1

Profit Participation Certificates

(1) Allianz Aktiengesellschaft (hereinafter called the "Company") has issued Profit Participation Certificates ("Genussscheine"), on the basis of an authorisation of the Annual General Meeting of Shareholders and with the approval of the Supervisory Board, in the aggregate principal amount of € 31,225,164.80 (excluding profit participation certificates that have been terminated or cancelled), subject to the conditions set forth hereafter.

(2) The Profit Participation Certificates are made out to bearer and are divided into 6,098,665 Certificates of € 5.12 nominal value each.

(3) The Profit Participation Certificates are represented by individual certificates of € 5.12 nominal value each as well as collective certificates of € 51.20, € 256, € 10,240-, and € 1,922,616.32 nominal value each. The Certificates bear the facsimile signatures of two members of the Board of Management of the Company and are provided with an embossed stamp of the Company. The Profit Participation Certificates also bear the manual signature of an authorised controller. Each Profit Participation Certificate is provided with twenty distribution coupons as well as one renewal coupon.

Section 2

Distribution

(1) Each Profit Participation Certificate of € 5.12 nominal value entitles the shareholder to receive an annual distribution, ranking prior to the shareholders' share in profit, which corresponds to 240 p.c. of the dividend paid on one no-par-value share for the past financial year, the minimum amount, however, to be no less than 5 p.c. p.a. of the nominal value of a Profit Participation Certificate. Such claims in respect of the annual minimum distribution of 5 p.c. of the nominal value do not depend on the financial results of the Company.

(2) The Profit Participation Certificates are entitled to participate in distributions as from the beginning of the respective issue year.

(3) The distribution payment on the Profit Participation Certificates is made in arrears on the first bank working day after the day of the Annual General Meeting of Shareholders to which the financial statements of the past financial year were submitted.

Payment shall be effected against surrender of the distribution coupons at one of the Paying agents pursuant to Section 14.

A bank working day is a day, as defined by the conditions, on which banks at the place of fulfilment settle payments. If interest is to be calculated for a period of less than one year, as of May 19, 2000 it shall be calculated on the basis of the actual number of days elapsed divided by the number of days (365 or 366 days) in the respective annual period.

(4) Upon the making of a payment in respect of a distribution coupon or upon redemption of the Profit Participation Certificate or upon presentation of the renewal coupon, the Company and the Paying agents pursuant to Section 14 are authorised but not obliged to verify the right thereto of the person presenting them.

(5) The right to claim payments in respect of distribution coupons will expire four years after the due date for payments of such coupons.

(6) The right under Section 804 paragraph 1 sentence 1 German Civil Code (Bürgerliches Gesetzbuch) in respect of lost or destroyed distribution coupons is excluded (Section 804 paragraph 2 German Civil Code).

Section 3

No Shareholders' Rights

Profit Participation Certificates confer no shareholders' rights and, in particular, no voting rights, no participatory rights and no claim to a share of the proceeds in the event of the Company's liquidation.

Section 4

Subscription Rights in the case of an Increase of Profit Participation Capital

(1) If the Profit Participation Capital is increased by the Company without the share capital being increased at the same time, the holders of Profit Participation Certificates shall be granted a subscription right to that part of new Profit Participation Certificates which corresponds to the proportion of the aggregate principal amount of the previous Profit Participation Capital to share capital. In so far as the granting of such subscription rights has not already been approved by resolution of the Annual General Meeting of Shareholders on October 1, 1986, this subscription right is subject to the approval of the General Meeting of Shareholders of the Company as well as to the exclusion or the restriction of other legal subscription rights, if any. If the subscription right of the shareholders to new Profit Participation Certificates is excluded, the holders of Profit Participation Certificates shall be neither entitled to a subscription right nor to any other claim under this section.

(2) If the General Meeting of Shareholders does not approve the granting of subscription rights to the holders of Profit Participation Certificates, or if other legal subscription rights cannot be excluded or restricted to the required extent, the holders of Profit Participation Certificates shall be offered at the option of the Company, all other rights being excluded,

a) a cash settlement at the Company's reasonable discretion (Section 315 German Civil Code), to compensate for the disadvantage incurred by the increase of the Profit Participation Capital,

b) or a right of conversion in the ratio of ten no-par-value shares of the Company for eight Profit Participation Certificates of € 5.12 nominal value each, unless the holder rejects this alternative within a reasonable period to be fixed by the Company. The holder of a Profit Participation Certificate shall, however, receive at least the equivalent of the redemption price calculated in accordance with Section 6, paragraph 2. In the case of an increase of share capital from reserves which occurs between the issue date of these Profit Participation Certificates and the time of increase of the Profit Participation Capital, for which no new Profit Participation Certificates were issued pursuant to Section 5 paragraph 1, the conversion ratio shall be adjusted according to Section 216 paragraph 3 German Stock Corporation Law (Aktiengesetz). The same applies accordingly in case of capital reductions.

Section 9 paragraph 2 to paragraph 4 shall apply accordingly.

Holders of Profit Participation Certificates shall, however, have no claims with respect to the aforementioned provisions if the subscription rights of the holders of Profit Participation Certificates are excluded in order to offer Profit Participation Certificates to employees and agents of the Company or associated enterprises.

The same applies, when the subscription right is excluded, in so far as fractional amounts are issued to round up the aggregate principal amount of the Profit Participation Capital.

(3) If subscription rights are granted for new Profit Participation Certificates by way of a convertible or a bond issue with warrants, the provisions of this Section shall apply accordingly. The details will be fixed at the Company's reasonable discretion (Section 315 German Civil Code). If the subscription right of the shareholders is excluded, the holders of Profit Participation Certificates shall be not entitled to a subscription right or to any other right under this Section.

(4) Decisions of the Company within the framework of this Section shall become valid upon publication pursuant to Section 13.

Section 5

Subscription Rights

in the Case of an Increase of Share Capital

(1) If after the day of issue of these Profit Participation Certificates an increase of the share capital of the Company has been resolved and implemented with subscription rights of the shareholders to new shares, the holders of these Profit Participation Certificates shall be granted subscription rights to additional Profit Participation Certificates out of Profit Participation Capital to be increased accordingly, on comparable conditions to be fixed at the Company's reasonable discretion (Section 315 German Civil Code). In so far as the granting of such subscription rights has not already been approved by resolution of the Annual General Meeting of Shareholders on October 1, 1986, this subscription right is subject to the approval of the General Meeting of Shareholders of the Company as well as to the exclusion or the restriction of other legal subscription rights, if any.

(2) If the General Meeting of Shareholders does not approve the granting of subscription rights to the holders of Profit Participation Certificates, or if other legal subscription rights cannot be excluded or restricted to the required extent, Section 4 paragraph 2 shall apply accordingly.

(3) If the subscription right of the shareholders to new shares is excluded in the case of an increase of the share capital, the holders of Profit Participation Certificates shall be neither entitled to a subscription right nor to any other right under this Section.

(4) If after the day of issue of these Profit Participation Certificates subscription rights are granted to new shares by way of a convertible or a bond issue with warrants, the provisions of this Section shall apply accordingly. The details shall be fixed at the Company's reasonable discretion (Section 315 German Civil Code). If the subscription right of the shareholders is excluded, the holders of Profit Participation Certificates shall be neither entitled to a subscription right nor to any other right under this Section.

(5) In the case of an increase of the share capital of the Company from reserves, the Company may, in lieu of issuing new Profit Participation Certificates pursuant to paragraph 1, provide for an appropriate increase of the distribution (Section 216 paragraph 3 German Stock Corporation Law).

(6) Decisions of the Company within the framework of this Section shall become valid upon publication pursuant to Section 13.

Section 6

Optional Redemption

(1) The holder of a Profit Participation Certificate is entitled to put for redemption every five years one or more of his Profit Participation Certificates for the first time for December 31, 2001 by giving notice not later than 12 months prior to the respective call date.

(2) In the case of a put for redemption by the holder of a Profit Participation Certificate the redemption price for all Profit Participation Certificates which originate from this issue as well as for Profit Participation Certificates issued pursuant to Section 5 paragraph 1, shall correspond to the weighted average of the issue prices of these issues. Accordingly, the redemption prices for the issues on October 1986, October 1987, March 1990, October 1990, March 1992, May 1994, June 1995, March 1998 and April 2003 are uniformly € 72.39.

Upon each issue of new Profit Participation Certificates, the Company shall publish the new redemption price according to Section 13. The redemption price is payable on the first bank working day after the day on which the profit participation relationship is terminated. The Profit Participation Certificate put for redemption must be presented at one of the paying agents pursuant to Section 14, together with all distribution coupons not yet payable as well as with the renewal coupon but without the distribution coupon falling due in the year after the put.

For any missing distribution coupons or renewal coupons, the holder of the Profit Participation Certificate has to pay an amount to be fixed at the Company's reasonable discretion (Section 315 German Civil Code), at least, however, the amount which would correspond to the minimum distribution on the missing distribution coupons.

(3) The issue prices of Profit Participation Certificates which are issued according to Section 4 paragraph 1 of these conditions as well as of Profit Participation Certificates, the conditions of which differ from the present issue, are not included in the calculation pursuant to paragraph 2. The redemption price of these issues will be determined according to the redemption terms fixed for the respective issue.

(4) The Company is entitled to call for redemption the Profit Participation Certificates by giving notice not later than six months prior to the end of the financial year, for the first time for December 31, 2006. In the case of such notice the holder of a Profit Participation Certificate shall receive for each Profit Participation Certificate in the nominal amount of € 5.12 originating from the present issue and the issues pursuant to Section 5 paragraph 1, resp., a cash compensation corresponding to 122.9 p.c. of the average official price (Einheitskurs) of the no-par-value shares at the Munich Stock Exchange for the last three months prior to the termination of the profit participation relationship,

but not less than the amount calculated pursuant to paragraph 2. If the share capital of the Company has been increased from reserves between the day of issue of these Profit Participation Certificates and the effectiveness of the notice of redemption, and no new Profit Participation Certificates pursuant to Section 5 paragraph 1 have been issued, the cash compensation shall be increased according to Section 216 paragraph 3 German Stock Corporation Law. It shall be correspondingly decreased in the case of capital reductions. Paragraph 2 shall apply accordingly as to maturity and payment of the cash compensation.

(5) If Profit Participation Certificates issued according to Section 4 paragraph 1 of these conditions as well as Profit Participation Certificates the conditions of which differ from the conditions of the present issue are called by the Company for redemption, the redemption terms fixed for the respective issue shall apply.

(6) If a holder of a Profit Participation Certificate and the Company give notice of redemption for the same date, the provisions pursuant to paragraph 4 shall apply.

(7) The notice pursuant to paragraph 4 and all other decisions of the Company within the framework of this Section shall become valid upon publication pursuant to Section 13.

Section 7 Changes in Taxation

(1) In the event that in the Federal Republic of Germany a legal provision is enacted, changed or applied such that the Company will be liable for corporation tax in respect of distributions or such that the Profit Participation Capital can no longer be deducted as a liability at the nominal value in respect of the property tax, the Company shall be entitled to redeem the Profit Participation Certificates pursuant to Section 6 Paragraphs 4 to 7 already prior to December 31, 2006. In this case notice may be given no less than three months prior to the end of a financial year but not before the end of the financial year in which distributions can be effected by the Company for the last time without taxes being levied thereon.

(2) In the case of a call for redemption pursuant to Paragraph 1 the holder of a Profit participation Certificate shall receive a cash compensation, according to Section 6 Paragraph 4 or 5, resp.

(3) The call pursuant to Paragraph 1 as well as any other decisions of the Company within the framework of this Section shall become valid upon publication pursuant to Section 13.

Section 8 Majority Holding/Inter-Company Agreements

(1) If an enterprise acquires a majority holding in the company (Section 16 Paragraph 1 German Stock Corporation Law), the Company, upon receipt of the notification pursuant to Section 20 Paragraph 4 German Stock Corporation Law, shall without undue delay announce this majority holding according to Section 13. Within three months after the announcement, each holder of a Profit Participation Certificate shall have the right to have redeemed one or more of his Profit Participation Certificates by giving notice no less than three months prior to the end of the current financial year of the Company. If the period between the date of announcement according to Section 13 and the end of the current financial year is less than four months the notice given pursuant to the preceding sentence will become valid at the end of the following financial year.

(2) The conclusion of controlling agreements or profit transfer agreements (Section 292 German Stock Corporation Law) as well as integration (Section 319 and following German Stock Corporation Law) in which outside shareholders of the Company have a claim to adequate compensation according to Section 304 or Section 320 Paragraph 5 German Stock Corporation Law shall be published according to Section 13. During the period of three months after the announcement, the holders of Profit Participation Certificates have a call right according to Paragraph 1.

(3) In the case of a redemption pursuant to Paragraph 1 or 2, the holder of a Profit Participation Certificate shall receive cash compensation according to Section 6 Paragraph 4 or 5, respectively.

Section 9 Conversion into Shares

(1) In the case of a call for redemption by the Company according to Section 6 Paragraph 4 or Section 7 as well as in the case of a put for redemption by holders of Profit Participation Certificates according to Section 8 Paragraph 1 or 2, the Company is entitled to provide for conversion into shares in the ratio of ten no-par-value shares of the Company for eight Profit Participation Certificates of € 5.12 nominal value each in lieu of the cash compensation, unless the holder of the Profit Participation Certificate rejects within a reasonable period to be fixed by the Company. The holder of a Profit Participation Certificate shall, however, receive at least the equivalent of the redemption amount calculated in accordance with Section 6 Paragraph 2. In the event of an increase of the share capital of the Company from reserves between the date of issue of the Profit Participation Certificates and the date the redemption has come into effect, for which no new Profit Participation Certificates pursuant to Section 5 Paragraph 1 were issued, the conversion ratio has to be adjusted according to Section 216 paragraph 3 German Stock Corporation Law. The same applies accordingly in the case of capital reductions.

(2) The Company shall be entitled to convert Profit Participation Certificates into ordinary shares on behalf of those holders of Profit Participation Certificates who have not presented their Profit Participation Certificates within twelve months after the redemption has come into effect, and after having served notice three times to sell such shares for the account of the holders. The notice must be published three times in accordance with Section 13 at intervals of at least a month. The sale shall be effected one year after the last publication of notice at the official price (Einheitskurs) at the Munich Stock Exchange.

(3) The proceeds of this sale of ordinary shares as well as all other amounts due to holders of Profit Participation Certificates not presented may be deposited with the Amtsgericht (lower court) of Munich at the risk and cost of holders of such Profit Participation Certificates with the waiver of the right to withdraw such deposit. Upon such deposit all claims of the holder of Profit Participation Certificates against the Company cease. The deposit shall be published pursuant to Section 13.

(4) Decisions of the Company which are within the framework of this Section shall become valid upon publication pursuant to Section 13, which shall also contain further details of the conversion procedure. The Profit Participation Certificate presented for redemption has to be surrendered together with all distribution coupons not yet payable as well as the renewal coupon. Depending on the entitlement to dividends of the exchanged shares, the Company may provide for the surrender of the distribution coupon which would fall due in the year after the redemption; Section 6 Paragraph 2 applies accordingly.

Section 10

Ranking of the Profit Participation Rights

(1) The claims of the holders of Profit Participation Certificates shall rank pari passu with the claims of other creditors of the Company.

(2) In the case of liquidation, the holders of Profit Participation Certificates shall be entitled to repayment of an amount according to Section 6 Paragraph 2 or 3 for each Profit Participation Certificate of € 5.12 nominal value which shall be settled pari passu with the claims of other non-preferred creditors of the Company. The Profit Participation Certificates do not confer any participation in liquidation proceeds.

Section 11

Continuation

The existence of the Profit Participation Certificates shall not be affected by a merger or a change in the legal form of the Company or by a change in its share capital.

Section 12

Acquisition by the Company

The Company is entitled to acquire Profit Participation Certificates and cancel them if necessary.

Section 13

Announcements

(1) Announcements of the Company regarding the Profit Participation Certificates shall be published in the "Bundesanzeiger" (German Federal Gazette) as well as in at least one newspaper authorised by each stock exchange where the Profit Participation Certificates of the Company are listed for trading and official quotation.

(2) Individual notices to each holder of a Profit Participation Certificate are not required. To be legally valid and timely, publication made in the "Bundesanzeiger" shall be sufficient.

Section 14

Paying agents

(1) The names of those paying agents appointed to make payments on distribution coupons will be published annually. Such publication may be made simultaneously with the announcement regarding dividend payments. The respective paying agents shall equally be in charge of presentations of renewal coupons when due and repayments pursuant to Section 6 paragraph 2.

Principal paying agent is Dresdner Bank Aktiengesellschaft, Frankfurt am Main. Changes in respect of paying agents will take effect upon their publication.

(2) Dresdner Bank shall be liable for making, not making or accepting statements and for taking or not taking steps as the principal paying agent only if, and in so far as it has not acted in accordance with sound business practices. It is exempt from the restrictions of Section 181 German Civil Code.

Section 15

Cancellation of Profit Participation Certificates

In the case of termination of the Profit Participation Rights by way of redemption or by liquidation, the Company is entitled to declare cancelled those Profit Participation Certificates which have not been presented within twelve months after the maturity of payments. Condition precedent is that the Company has on no less than three occasions, at one month interval at least, announced such cancellation by publication according to Section 13. It may deposit with the Amtsgericht (lower court) of Munich an amount equivalent to the value of the Profit Participation Certificates declared cancelled subject to the waiver of the right to withdraw such deposit; such deposit will be at the risk and cost of such holders of these Profit Participation Certificates. Upon such deposit all claims of the holders of Profit Participation Certificates against the Company and against third parties that are liable for its obligations shall cease. Section 9 paragraph 2 to paragraph 4 apply accordingly.

Section 16

Governing Law/Court of Venue

(1) The conditions of Profit Participation Certificates as well as all the rights and duties arising therefrom shall be governed exclusively by the laws of the Federal Republic of Germany. Place of fulfilment is Munich.

(2) Exclusive court of venue for all litigation arising from legal relationships established in these conditions of Profit Participation Certificates is Munich unless stipulated otherwise by mandatory legal provisions.

Section 17

Interpretation Clause

Should any of the provisions in the conditions of Profit Participation Certificates be or become invalid, the validity of the remaining provisions shall not be affected. For any hiatus arising therefrom, an interpretation in keeping with the meaning and the purpose of the conditions of Profit Participation Certificates shall apply.

Allianz Aktiengesellschaft

Munich, April 2003

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