

**Financial Press Conference of Allianz AG
on March 20, 2003**

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2002: Year of groundwork

- 1 Turnaround programs initiated and implemented
- 2 Internal processes rationalized, risk management further improved
- 3 Withdrawal from unprofitable business
- 4 Premiums and prices adjusted to new, greater risks
- 5 Internal growth driven forward and market shares gained

Goal: Regaining operational profitability

- 1 Combined ratio in insurance business below 100% already in 2003
- 2 Improved results in banking also in difficult capital market environment
- 3 Asset management: flexibility in reacting to developments in the capital markets with innovative products and a diverse range of investment styles

2002: Contradictory developments

Negative factors

- 1 Natural catastrophes (flood, storm), asbestos
- 2 Collapse of the capital markets, weak economy and insolvencies
- 3 Negative impact of political framework conditions (backlog of reform in Germany), threat of Iraq conflict

2002: Contradictory developments

Positive factors

- 1 Start of pension reform
- 2 Flight to quality in insurance business
- 3 Strong demand for pension products
- 4 Profitable growth in Asia and Eastern Europe
- 5 Price rise for raw material risk
- 6 Awareness of risk management increases

2002: Back to basics

Dresdner Bank

- 1 Administrative expenses of Dresdner Bank brought down by 12.3%
- 2 Risk assets reduced substantially from 189.8 to 142.8 billion €

2002: Back to basics

Integrated financial services provider

- > High growth rates in integrated sales
- > Coordination of bank and insurance activities between German subsidiaries will continue to be strengthened

2002: Back to basics

Corporates & Markets

- > More agile regional structure for corporate bank
- > Massive cost reduction at Dresdner Kleinwort Wasserstein
- > Transfer of non-strategic and unprofitable loan portfolios to the Institutional Restructuring Unit

2002: Back to basics

Life insurance business

> Operating growth strengthened worldwide

Germany:

Market share in new business increased from 15.1% to 18.3%.
Company retirement provision grows by 37% in new business

Europe:

Trend toward strengthened private retirement provision across eurozone

USA:

Premium volume at Allianz Life doubled

Asia:

Expansion of sales activities increases new business

2002: Back to basics

Property insurance business

- > **Combined ratio improved:** by 3.1% to 105.7%. Adjusted for special negative factors to 101.7%

- > **Restructuring of industrial insurance business:**
 - Improved combined ratio for AGR und Allianz Marine & Aviation
 - New products
 - Customer-oriented initiative for risk management

2002: Back to basics

Asset Management:

- > Operating result significantly improved
- > Net inflows of 43 billion €
- > PIMCO Total Return biggest mutual fund in the world (US \$ 68 billion)
- > DIT Euro Bond Total Return Fund „powered by PIMCO“:
Inflows of more than 1.5 billion € from startup in spring to end of 2002
- > China: License for first fund management joint-venture with foreign participation

2002: Back to basics

Conclusion

„The risks should not be allowed to distort the perspective for opportunities in this crisis. We are unanimous in the Board of Management that we are ideally positioned to take advantage of these opportunities for the Allianz Group. Crisis signifies turning point. We have established the basis for better times to come.“