

Investor Relations

Dresdner Bank presents turnaround programme

Dresdner Bank's turnaround programme is starting to take shape. Dr. Bernd Fahrholz, Chairman of the Board of Managing Directors, presented the key points of the programme and its five sub-projects to the press on Thursday, saying: "Our main aim is to be operating profitably by next year and to record an operating profit." In order to achieve this, Dresdner Bank has set up the "Turnaround 2003" programme with the following concrete goals:

- Operating income for 2003 to reach 2002 levels at least.
- Administrative expenses to be reduced to €6.5 billion in 2003, as against €8.7 billion in 2001.
- Loan loss provisions to be halved.

The five sub-projects of the programme are as follows:

Corporates & Markets: The largest cost savings will be implemented in this division. A total of 2,000 jobs will have to be cut, with 1,200 of these being at the investment bank Dresdner Kleinwort Wasserstein alone. As a result, the Bank has had to conclude termination agreements with more than 900 employees in the past few days. Up to 250 jobs will be cut in Corporate Banking, as well as a total of 650 at subsidiaries.

Institutional Restructuring unit: All non-strategic lending will be bundled in this new division, thereby substantially reducing the burden on the Corporates & Markets division. The aim is to free up risk capital of around €3 billion by 2004. The unit will handle a total lending volume of up to €30 billion.

Private and Business Clients: This division has achieved above-average performance on the market. As resolved in May 2000, 300 branch offices have already been amalgamated and 2,500 jobs cut, with a further 1,600 redundancies to

follow. In addition, further potential savings have been identified, including 300 job cuts as a result of the new measures.

Divisionalisation: A number of Corporate Centre functions are being transferred to the divisions and to the Allianz Group Centre, with the aim of increasing the individual divisions' responsibility for their profits. This will be accompanied by 200 job cuts in the Corporate Centre and 400 in Corporate Services and Transaction Banking.

Streamlining of the corporate structure: The primary aim is to reduce complexity by further aligning the legally independent units with the divisions, thereby creating greater transparency and responsibility for profits by the end of 2003.

The responsibilities for implementing the turnaround programme have been clearly defined. A three-tier project organisation, comprising a steering committee, a project office and project teams, will ensure that the individual sub-projects are kept under tight control, and that the Bank achieves the goals it has set itself.

“Dresdner Bank started curbing costs two years ago. All of the cost reduction measures introduced since then have been successful. However, this has not been enough to return the Bank to profitability. The new programme will help us to achieve the turnaround. We will reach our target of an additional €700 million in savings, as announced on 1 August,” said Dr. Fahrholz.

Munich, September 26, 2002

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