

# **Group financial results for the first nine months 2001**

Analysts' conference call

November 14, 2001

Helmut Perlet

## First nine months 2001: key figures and ratios

in € mn		2000	1-9/2001
Adjusted net income		2,385	1,323
Property/casualty		2,225	1,362
Life/health		641	271
Asset management		- 87	- 191
Banking		48	303
EPS <sub>Reported</sub>	(€)	14.10	5.40
EPS <sub>Adjusted</sub> before goodwill depreciation	(€)	11.74	7.62
Statutory premiums	(€ bn)	68.7	54.9
Third party assets under management	(€ bn)	336	576
Shareholders' equity	(€ bn)	35.6	28.7

## First time consolidation Dresdner Bank

in € bn		Allianz share
Net asset value Dresdner Bank (30.06.)	14.6	
1st Application IAS 39	12.8	
Roll forward (23.07.)	- 0.7	
Adjustment "old" goodwill	- 2.1	
FV adjustments according to Allianz standards	- 1.3	
<b>Net asset value Dresdner Bank</b>	<b>23.3</b>	<b>13.2</b>
Goodwill		3.4
Trade name		0.7
<b>Considerations paid</b>		<b>17.3</b>

in € mn		Allianz share
Dresdner Bank IAS profit (Q3 2001 non cum.)	95	
Profit 23.07. - 30.09.	104	77
Realized gains from financial assets		350
P-GAAP adjustments		- 70
Goodwill depreciation		- 43
<b>Dresdner Bank profit contribution (Q3 2001 non cum.)</b>		<b>314</b>

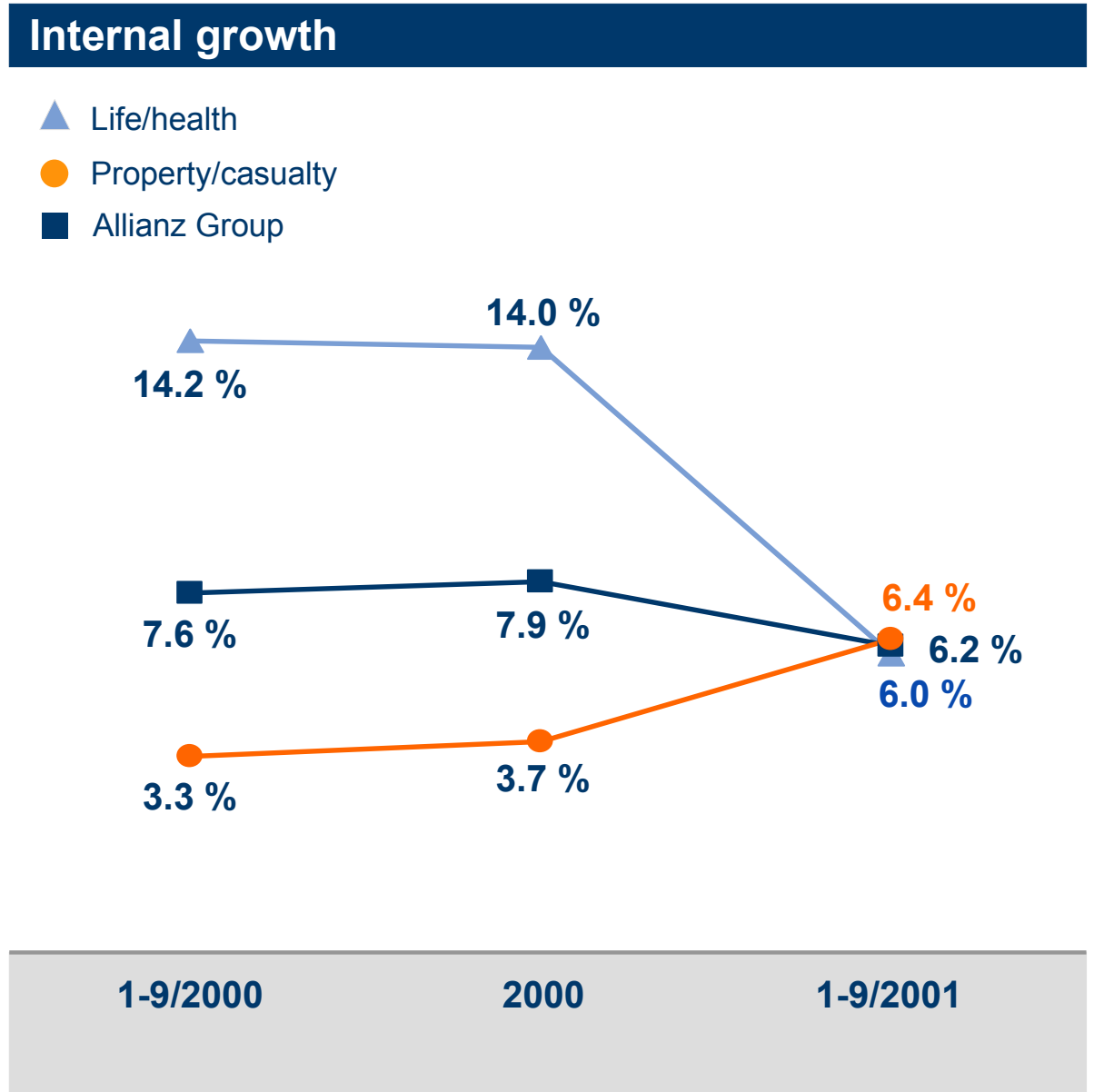
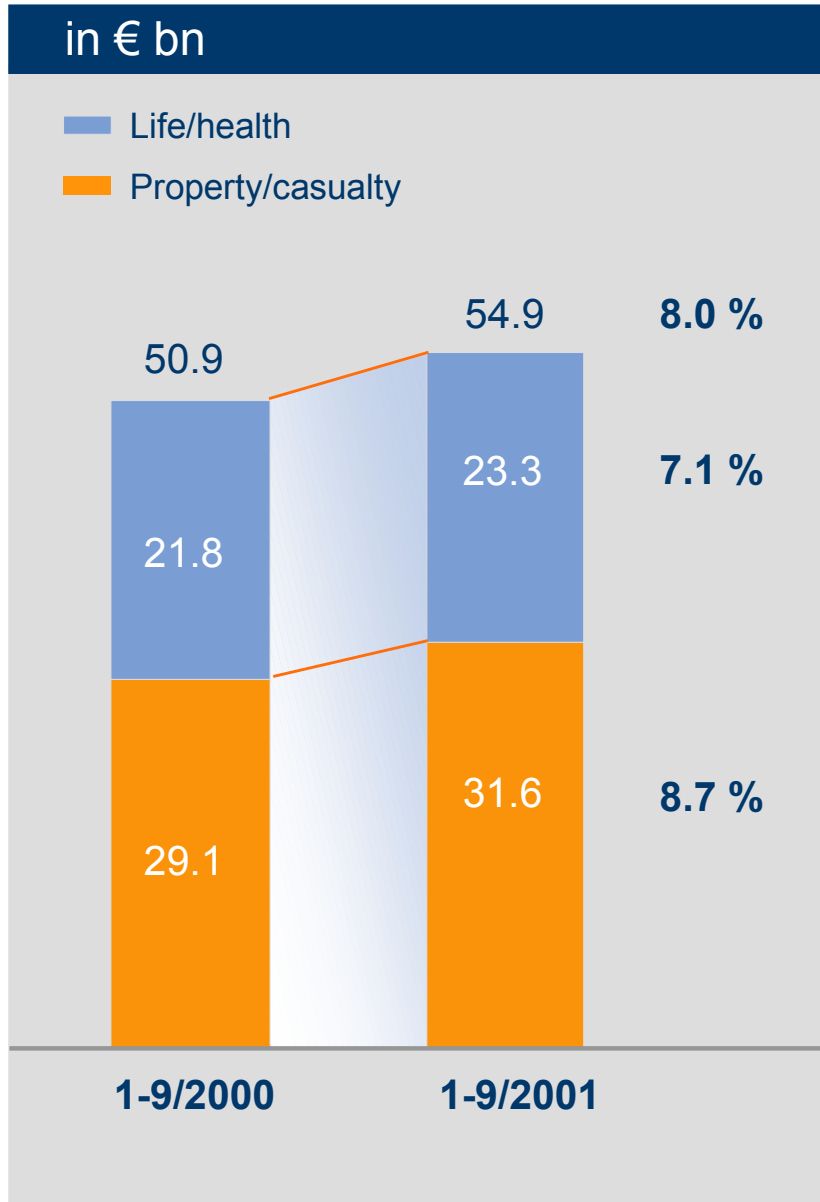
# Cost reduction program Dresdner Bank

## Key facts

- **Cost reduction program Dresdner Bank includes old projects (May 2000) and new initiatives**
- **Objective: Reduction of administrative expenses by approx. € 1.3 bn p.a. as of 2003\* (around 15 % of administrative expenses 2001e)**
  - FTE (full time equivalent) decrease of 7,800
    - 5,000 due to old programs
    - 2,800 due to new programs (1,500 from restructuring DKW and 1,300 from other initiatives - i.e. Corporate Center)
    - Reduction by 3,150 FTE already accomplished
    - Hiring freeze
    - Strict controlling of execution
- **Decrease in revenue by approx. € 150-200 mn p.a. after full implementation**
- **Restructuring costs around € 700 mn, thereof € 300 mn already provisioned**
- **Increase in pre-tax ROE by approx. 5 %-p.**

\*) Full exploitation of cost reduction starting from 2004

## Total premiums increased by 8.0 %



# P/C premiums: significant growth in all countries

in € bn		Growth in %	
		Total	Internal
Germany	10.2	3.9	3.9
France	3.9	9.0	9.0
Italy	3.1	7.8	7.8
UK	1.9	20.0	22.0
Switzerland	1.1	10.3	6.9
Austria	0.7	2.7	2.7
USA	4.5	6.8	1.6
Asia-Pacific	1.0	62.4	20.5
Eastern Europe	0.7	37.1	22.4
South America	0.7	8.0	20.0
Speciality*	1.8	9.4	9.4

\*) Travel / assistance, credit

## P/C loss ratio severely impacted by WTC attack

in %	2000	1-9/2001	Combined ratio (in %)	2000	1-9/2001	Net income 1-9/2001*
Combined ratio	104.9	108.2	SGD (Germany)	97.6	97.7	976
Loss ratio	77.9	80.9	Allianz AG	97.6	119.1	1,431
Expense ratio	27.0	27.3	AGF France	114.1	111.7	173
Investment result ratio	26.6	23.0	Italy	99.3	97.8	224
Operating ratio	78.3	85.2	Cornhill	116.9	106.0	33
Profit before tax and goodwill (€ mn)	4,176	2,276	Allianz Suisse	104.2	105.0	31
Adjusted net income (€ mn)	2,225	1,362	Allianz Spain	104.9	101.2	27
			Allianz Elementar	118.7	104.5	27
			USA	119.5	123.3	-657

\*) In € mn, after tax, before goodwill depreciation and minorities

# Impact of WTC losses

in € bn	
<b>WTC losses</b>	
Property*	1.38
Aviation	0.05
Liability	0.02
Others	0.05
<b>Total</b>	<b>1.50</b>

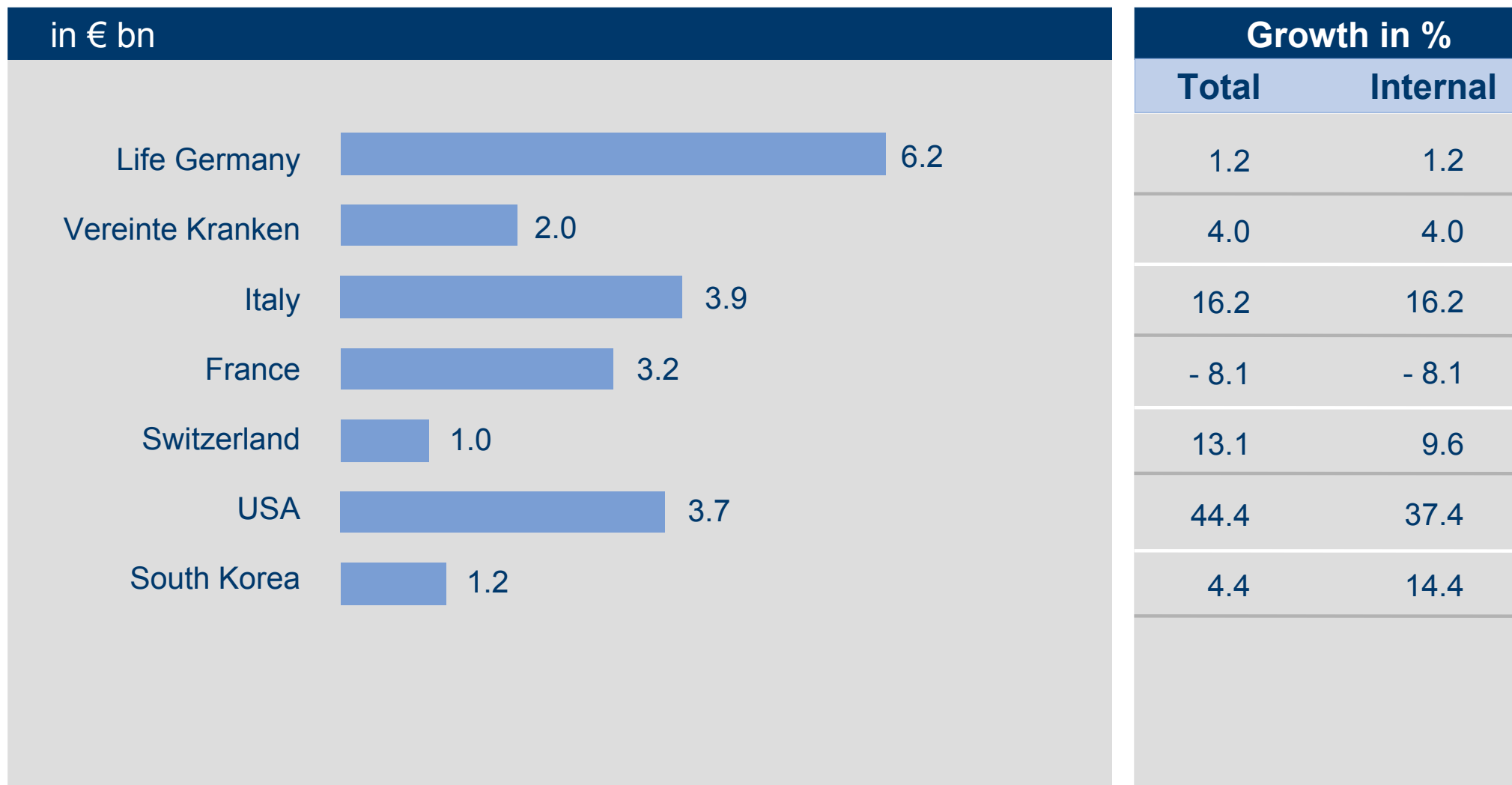


Impact on loss ratio (in %)	
<b>Loss ratio</b>	<b>80.9</b>
WTC impact	-5.9
<b>Loss ratio ex WTC</b>	<b>75.0</b>

\*) Around half of property claims due to business interruption, according to current estimates



## L/H premiums: restoring growth



## L/H impacted by lower capital gains taking

	2000	1-9/2001	Net income (in € mn)**	
<b>Stat. expense ratio</b>	12.1 %	12.4 %	<b>Allianz Leben</b>	233
<b>Expense</b> as % of investments	1.55 %	1.17 %*	<b>Vereinte Kranken</b>	28
<b>Investment results</b> as % of investments	6.8 %	3.5 %*	<b>AGF France</b>	156
<b>Pre-tax margin</b> as % of investments	0.78 %	0.31 %*	<b>Italy</b>	192
<b>Investments (€ bn)</b>	<b>235</b>	<b>230</b>	<b>Allianz Suisse</b>	- 13
<b>Profit before tax</b> <b>and goodwill (€ mn)</b>	<b>1,763</b>	<b>712</b>	<b>Allianz Life / USA</b>	- 12
<b>Adjusted net income</b> <b>(€ mn)</b>	<b>641</b>	<b>271</b>	<b>South Korea</b>	29

\*) Not annualized

\*\*) After tax, before goodwill depreciation and minorities

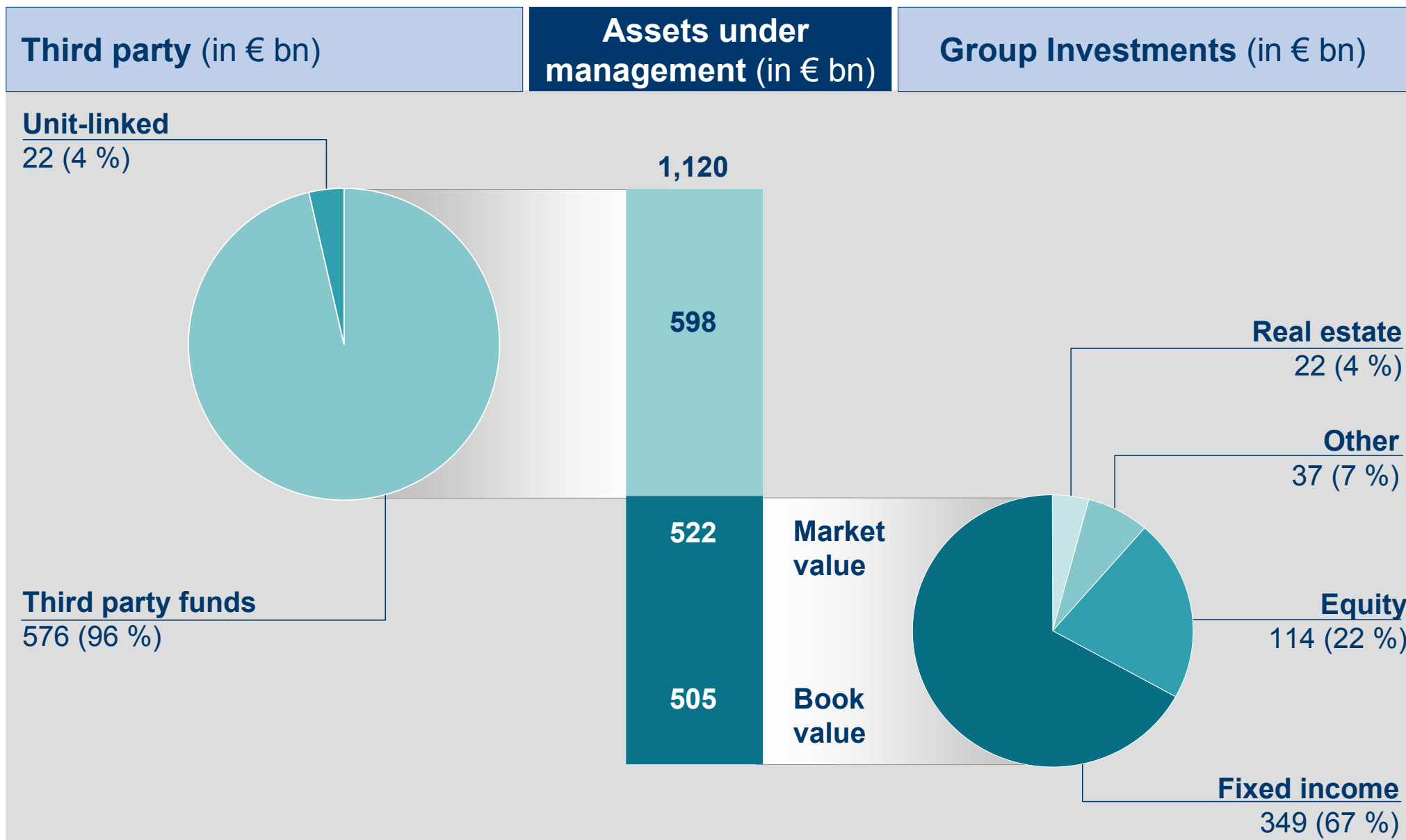
# Banking

in € mn	1-9/2001
Net interest spread	1,055
Net trading income	166
Fees and commission income	550
Administrative expenses	- 1,565
Other revenues/costs	-124
<b>Operating result</b>	<b>82</b>
Net loan loss provisions	- 209
Results from investment securities	1,047
<b>Profit before goodwill and taxes</b>	<b>920</b>
Goodwill depreciation	- 20
Taxes	- 71
Minorities	- 527
<b>Net income</b>	<b>302</b>

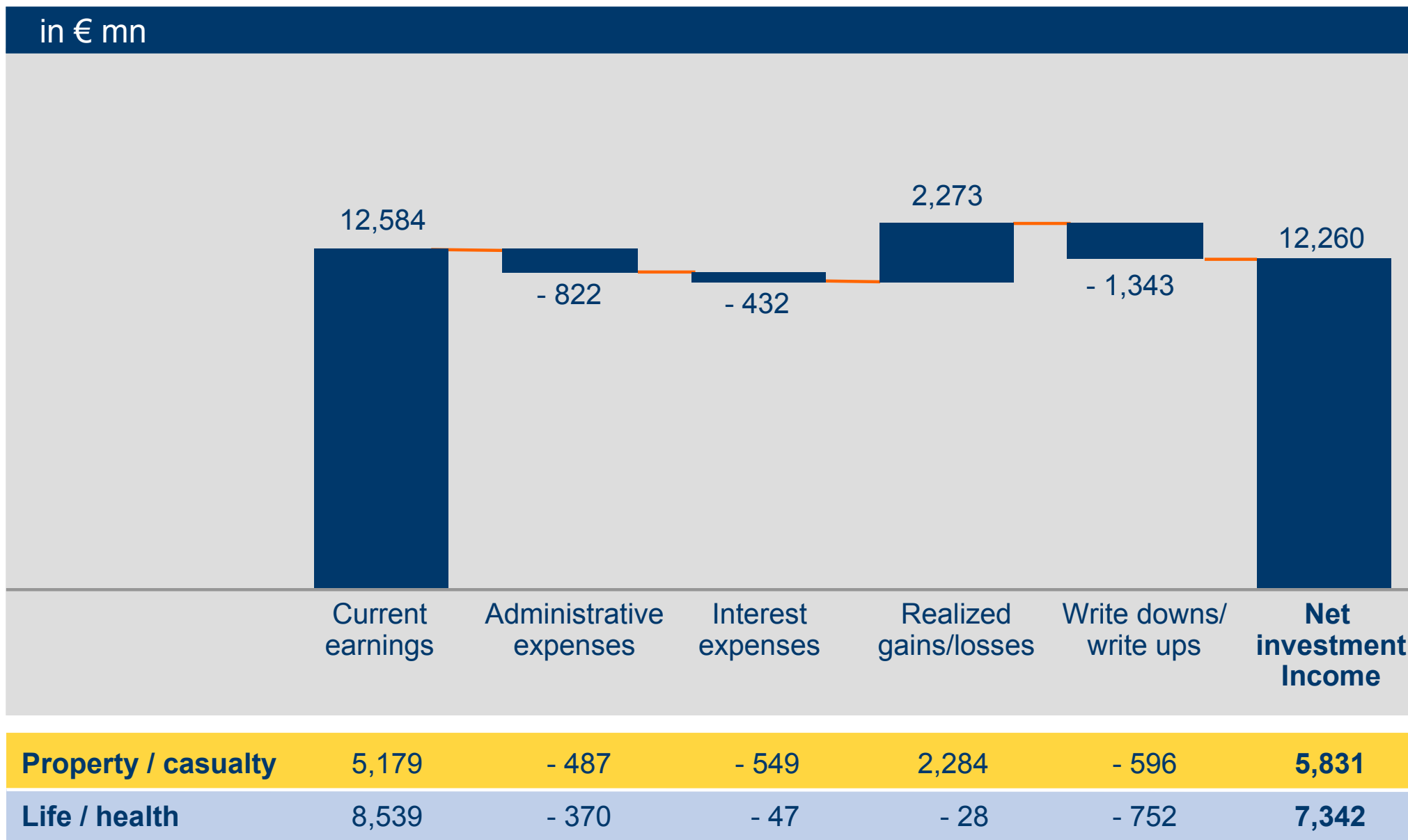
# Asset management

in € mn	2000	1-9/2001
<b>Reported income after tax and goodwill</b>	- 87	- 191
<b>Acquisition related costs</b>	239	277
<b>Goodwill, taxes and minorities</b>	221	236
<b>Operating profit</b>	373	322
<b>Third party assets under management (€ bn)</b>	336	576
<b>thereof Dresdner Bank (€ bn)</b>		203

# Assets under management topped 1,000 bn €

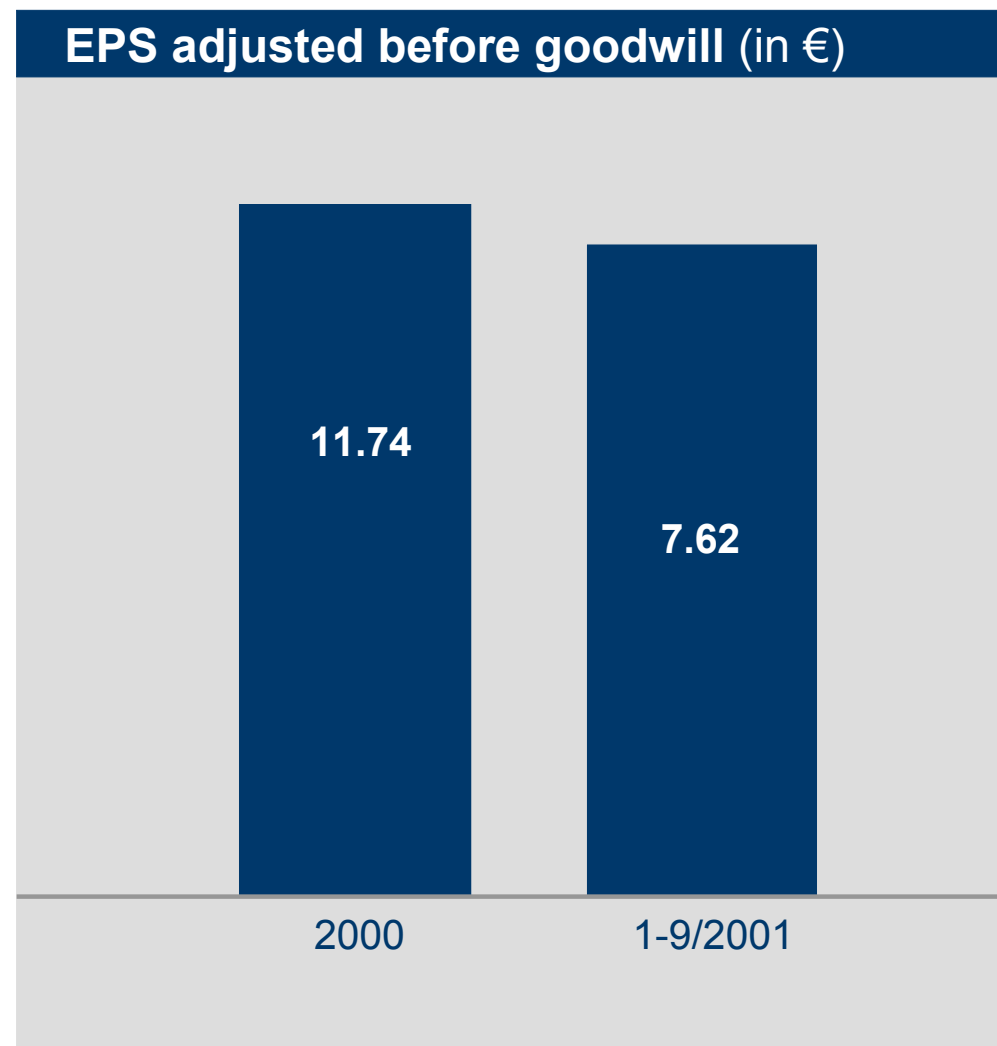


# Investment income of insurance operations

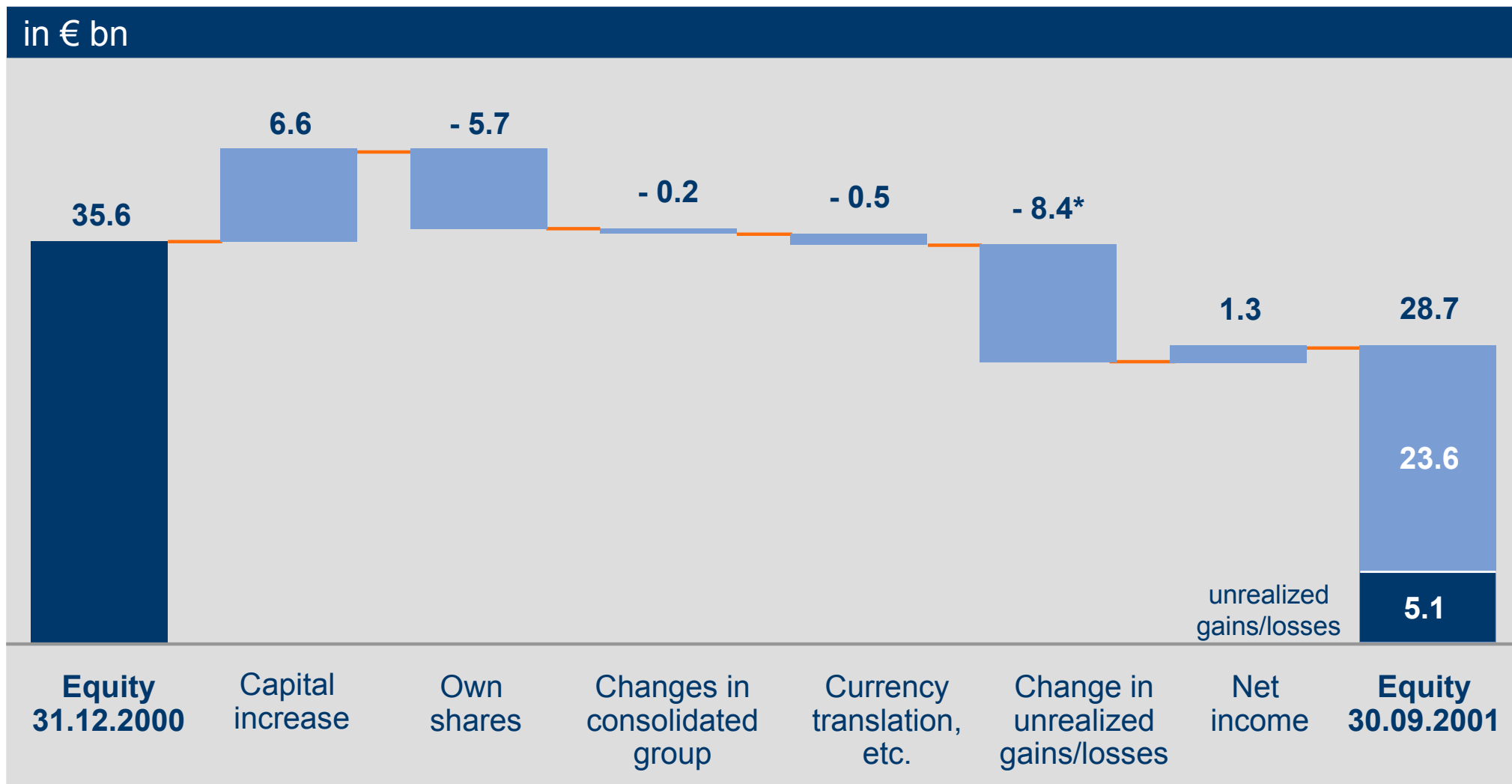


## EPS

EPS	2000	1-9/2001
<b>Net income (€ mn)</b>	3,460	1,323
<b>Average number of shares</b>	245,401,507	244,907,793
<b>Earnings per share (€)</b>	<b>14.10</b>	<b>5.40</b>
<b>Earnings per share adjusted (€)</b>	<b>9.72</b>	<b>5.40</b>



# Shareholders' equity decreased by € 6.9 bn



\*) Includes € 1.3 bn of unrealized gains Dresdner Bank reclassified to retained earnings



# Disclaimer

**All rights reserved, Copyright 2001 Allianz AG**

The content and structure of this presentation are protected by copyright. No information (data, text, image or otherwise) contained herein, regardless of the manner in which it is conveyed, may be used or reproduced in whole or in part in any form without the express prior written permission of Allianz AG ("Allianz"). Allianz makes reasonable efforts to provide accurate and current information, including information provided by third parties. Allianz believes that the information herein and its sources are reliable, but make no express or implied guarantees or representations about their accuracy, reliability, completeness or timeliness. Use of the information is at the user's sole risk. Allianz reserves the right to make changes at any time. Certain of the statements contained herein may be statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, potential, or continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (I) general economic conditions, including in particular economic conditions in the Allianz Group's core business and core markets, (II) performance of financial markets, including emerging markets, (III) the frequency and severity of insured loss events, (IV) mortality and morbidity levels and trends, (V) persistency levels, (VI) interest rate levels, (VII) currency exchange rates including the Euro – U.S. dollar exchange rate, (VIII) changing levels of competition, (IX) changes in laws and regulations, including monetary convergence and the European Monetary Union, (X) changes in the policies of central banks and/or foreign governments, (XI) the impact of our acquisition of Dresdner Bank, including related integration issues, and (XII) general competitive factors, in each case on a local, regional, national and / or global basis.

The matters discussed in this release may also involve risks and uncertainties described from time to time in Allianz AG's filings with the U.S. Securities and Exchange Commission. Allianz AG assumes no obligation to update any forward-looking information contained in this release.

These materials are not an offer of securities for sale in the United States of America, Canada, Australia or Japan.