

Investor Relations

Allianz Group – Performance in the first three quarters of 2001

Global premium income up by 8 percent – net income of 1.3 billion euros – projected net income of 1.7 billion euros for fiscal 2001

The Allianz Group increased premium income worldwide by 8 percent during the first nine months to nearly 55 billion euros. Net income amounted to 1.3 billion euros. The Dresdner Bank Group contributed 314 million euros to this result from the point of first-time consolidation on July 23 to September 30. The impact of the terrorist attacks in the USA exerted a major influence on the earnings of the Allianz Group to September 30.

The Allianz Group currently anticipates claims expenses for own account at around 1.5 billion euros. Late notifications of claims, in particular relating to business interruption claims, have resulted in a correction to the overall claims estimate. The projection of net income in the order of 1.7 billion euros for fiscal 2001 remains unchanged.

The Allianz Group is publishing complete threequarterly financial statements for the first time. This year, it was not possible - aside from premium income - to compile comparative figures in relation to the same period in fiscal 2000 because a substantial number of major group companies have hitherto not published quarterly financial statements.

Earnings before taxes and goodwill amortization amounted to 3.3 billion euros for the first nine months of 2001. Goodwill amortization charges were 544 million euros, of which 43 million euros are accounted for by the Dresdner Bank Group, and a further 149 million euros arise from the acquisition of PIMCO, Nicholas-Applegate and Zwolsche Algemeene. The tax charge amounted to 205 million euros, and minority interests in earnings were nearly 1.2 billion euros. After taxes, amortization of goodwill, and minority interests, the Allianz Group achieved a net income of 1.3 billion euros until September 30. Earnings per share are 5.40 euros.

Global **premium income** for the Allianz Group increased by 8 percent during the first nine months from 50.9 to 54.9 billion euros. After adjustments for consolidation and currency effects, a growth of 6.2 percent was achieved. IAS accounts do not include sales for investment-based life insurance products and under these rules, growth in gross premium income increased by 6.4 percent to 45.5 billion euros.

Premium income for **property and casualty insurance** across the group went up by 8.7 percent to 32.1 billion euros. This growth was driven in particular by the companies in Great Britain, Spain and France, and by the Eastern European countries and the Asia-Pacific region. The loss ratio increased to 80.9 percent as a consequence of expenses for claims resulting from the terrorist attacks in the USA. Without the effects of the attacks on the World Trade Center, the **loss ratio** would have improved by 2.9 percentage points over the whole of fiscal 2000 to 75.0 percent. The **expense ratio** remained virtually on a par with that of fiscal 2000 (27.3 percent).

Total premium income for **life and health insurance** at the Allianz Group rose by 7.1 percent to 23.3 billion euros. More than 40 percent originated from investment-based products. Sales of these products advanced by 16.5 percent to 9.4 billions euros, despite poor sentiment in the capital markets. The sale of investment-based products was particularly strong in Italy and the USA. Premium income in the **IAS accounts** rose by 1.5 percent to 13.9 billion euros.

On September 30, 2001, the Allianz Group had **assets under management** of 1,120 billion euros following first-time consolidation of Dresdner Bank. As a result of price falls on the capital markets, this only represents a slight increase of 1.3 percent on the pro forma comparative value of 1,107 billion euros determined on December 31, 2000. The group's own investments amounted to 522 billion euros and this figure includes investments of the Dresdner Bank Group totaling 211 billion euros. Investments held for third parties were 576 billion euros. These included 203 billion euros from asset management at the Dresdner Bank Group. 77 percent of investments for third parties were attributable to business with institutional customers, while 23 percent are held for private customers.

Banking business was reported for the first time as the fourth segment in the financial statements of the Allianz Group during the third quarter, alongside life/health, property/casualty, and asset management. Earnings after taxes in the banking business amounted to 302 million euros for the first nine months. This includes realized gains to the amount of 392 million euros. The performance in this segment is overwhelmingly determined by the Dresdner Bank Group. The weak phase in capital markets impacted on earnings performance of the Dresdner Bank Group during the first nine months and exerted a particularly negative effect during the third quarter. Apart from a fall in income in client services, high administrative expenses and costs associated with restructuring affected earnings.

In the course of the public takeover bid made to shareholders of Dresdner Bank during the period from May 31, 2001 to July 13, 2001, the Allianz Group acquired 325,191,201 shares in Dresdner Bank. By September 30, 2001, a further 944,593 shares had been purchased. This corresponds to a holding of 56.9 percent in the capital stock of Dresdner Bank. Combined with the shares held prior to the takeover bid, the holding of the Allianz Group in Dresdner Bank on September 30 amounted to 77.7 percent. Forward sale agreements to be concluded next year will enable Allianz Group to acquire a further stake of approximately 18.9 percent of Dresdner Bank.

On the basis of current forecasts of approximately 1.5 billion euros for the claims burden on the Allianz Group as a result of the terrorist attacks in the USA, we anticipate **net income** in the region of 1.7 billion euros for fiscal 2001. An increase of around 7 percent is projected for **premium income**.

The Allianz Group employed 181,635 **employees** worldwide on September 30. The increase is mainly a result of the inclusion of the Dresdner Bank Group.

Munich, November 14, 2001

The complete quarterly report is available on the Internet by clicking on www.allianz.com.

Cautionary Note Regarding Forward-Looking Statements

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 business and 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.