

Interim Report

First half of 2002

CONTENTS **To go directly to any chapter, simply click >> on the headline or the page number.**

OVERVIEW 2

SEGMENT REPORTING

Property and Casualty Insurance **5**

Life and Health Insurance **15**

Banking **21**

Asset Management **24**

OUTLOOK 25

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE
FIRST HALF OF 2002 27**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 38

In the first half of 2002, Allianz Group reported net earnings of 1.6 billion euros. That is an increase of 15.1 percent compared to the same period of the previous year. Our business performance was characterised by different developments:

- The weakness of the capital markets, which became even more pronounced in the second quarter of the current year, resulted in increased write-downs on our equity portfolios and decreasing revenues in the banking business. In addition, loan loss provisions in the lending business remain at very high levels.
- At the same time, our measures aimed at improving our competitive position produced positive results. Total premium income from the insurance business increased 12.1 percent to 42.1 billion euros. Our financial strength proved to be very beneficial in this respect. Compared to the first quarter of 2002 and fiscal 2001 as a whole (adjusted for World Trade Center claims), we were able to substantially improve the claims ratio by 1.6 and 2.1 percentage points respectively to 74.6 percent.
- The cost situation improved substantially in many countries. Dresdner Bank was able to reduce its administrative expenses by 558 million euros – a solid 13.5 percent.
- But these improvements were unable to compensate the negative impact of the capital markets. We therefore reported a loss of 356 million euros in the second quarter.

OVERVIEW

Earnings

Total earnings before taxes and amortization of goodwill for the first six months of the current year amounted to 2.7 billion euros. Compared to the corresponding prior-year period, this is a decrease of 6.1 percent. Amortization of goodwill increased 249 million euros from 318 million euros to 567 million euros. This increase is due to the consolidation of Dresdner Bank Group as of July 23, 2001 as well as the acquisition of shares of Allianz Lebensversicherungs-AG. Tax income amounted to 275 million euros, compared to a tax charge of 695 million euros in the first half of 2001. This was due to the fact that capital gains could mostly be realized tax-free.

After deduction of minority interests, which increased from 545 million euros to 879 million euros, we generated net income of 1.6 billion euros in the first half of 2002. This translates into earnings per share of 6.49 (5.57) euros.

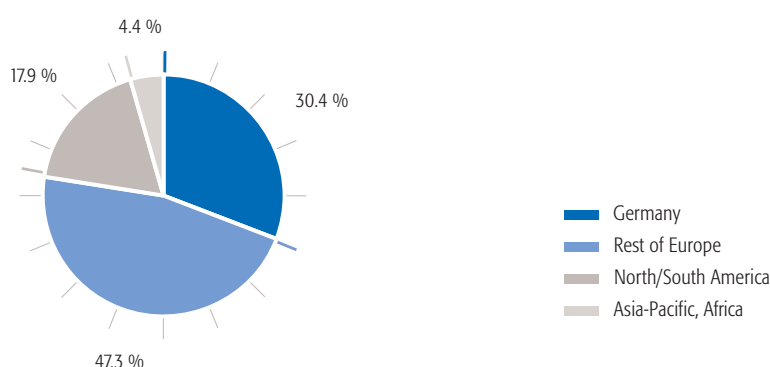
Premium income from the insurance business

Total premium income from the insurance business increased stronger than expected by 12.1 percent to 42.1 billion euros in the first half of 2002. Changes in the scope of consolidation, which produced income of 58 million euros, had no significant impact. The same applies to exchange rate fluctuations, which contributed 19 million euros. Disregarding consolidation and exchange rate effects, total premium income increased by 11.9 percent.

In IAS accounts, gross premium income grew by 5.7 percent to 33.1 billion euros, after deduction of income from investment-oriented life insurance products, which increased by 2.8 billion euros or 44 percent to just under 9 billion euros.

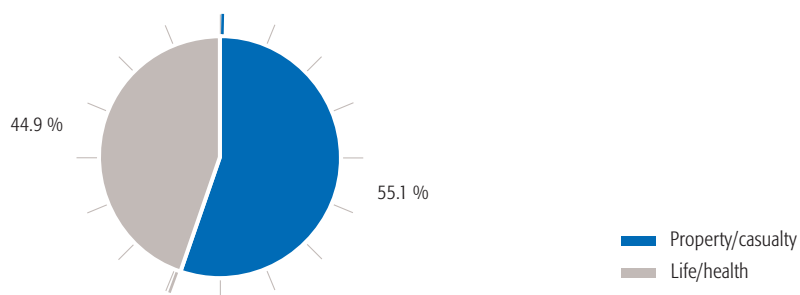
Total premium income by region

(€ 42.1 bn)



Total premium income by business segments

(€ 42.1 bn)



Banking

Net income from banking, i.e. total income from interest, commissions and trading, amounted to 3.8 billion euros. Compared to pro forma income for the first half of 2001, that is a decrease of 19 percent. The pronounced weakness of the capital markets and the continued absence of a recovery of the economy, which resulted in a large number of insolvencies, left profound traces on the earnings performance of the banking segment, despite cost reductions that were significantly higher than expected.

Asset Management

Assets under management in the Allianz Group amounted to 1,101 billion euros on June 30, 2002. This included 577 billion euros invested for third parties. Based on exchange rates at the end of 2001, these increased by 0.8 percent in the first half of 2002. However, mainly due to the weaker dollar with respect to the euro, this translates figures into a 7.0 percent decrease in euro accounts. Net earnings from asset management came to 1.2 billion euros.

Shareholders' equity

On June 30, 2002, the shareholders' equity of the Allianz Group amounted to 28.7 billion euros. This figure takes into account 23,441,108 treasury shares, which reduce shareholders' equity and were acquired at a cost of 5.9 billion euros. Compared to the end of 2001, our equity decreased by 3.0 billion euros. This is mainly attributable to lower unrealized gains and losses due to substantially lower share prices.

Market capitalization

The market capitalization of Allianz AG, adjusted for treasury shares, amounted to 49.7 billion euros at the end of June, 2002. Compared to a market capitalization of 64.2 billion euros at the end of 2001, this was a decrease of 22.6 percent. Our share price thus underperformed the DJ Euro STOXX Insurance index (– 21.4 percent) and the DJ Euro STOXX 50 index (– 17.7 percent).

Employees

The number of employees world-wide increased slightly by 518 to 180,464 in the first half of 2002. This is mainly due to the expansion of distribution capacities in Germany and the first-time consolidation of recently acquired companies.

Property and casualty insurance

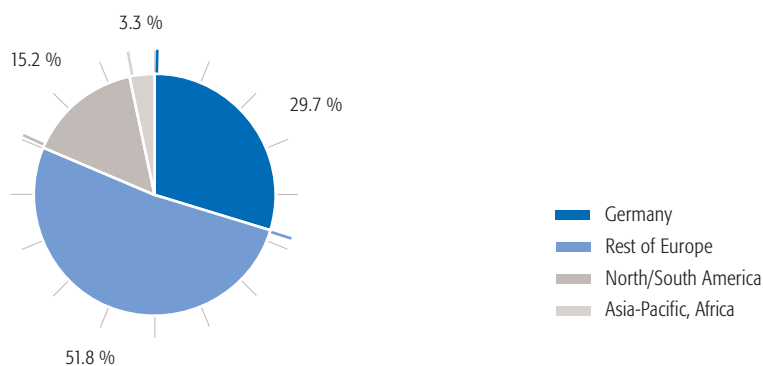
Premium income from property and casualty insurance rose 5.6 percent to 23.6 billion euros. Most of this increase was generated by our activities in Europe and Australia. This segment's share of total premium income decreased by 3.4 percentage points to 55.1 percent.

Transactions between segments are not consolidated in the following breakdowns by business segments and geographical regions. In order to provide a transparent picture of operational developments, we have adjusted the results reported for individual regions for amortization of goodwill and for minority interests.

Premium income performance, which was only slightly affected by changes in consolidation and exchange rate fluctuations, reflected the beneficial effect of higher premiums and successful implementation of restructuring activities in the area of commercial and industrial insurance.

Premium income by region – property/casualty

(€ 23.6 bn)



The claims ratio showed a slight improvement of 0.2 percentage points to 74.6 percent as compared with the first half of 2001, which was positively impacted by a reinsurance contract at Fireman's Fund. However, compared with the first quarter of 2002, the claims ratio showed a substantial improvement of 1.6 percentage points. Disregarding the impact of World Trade Center claims, we were also able to achieve a decrease of 2.1 percentage points as compared with the whole of 2001. Restructuring measures, in particular in the area of international industrial insurance, and continued improvement in the claims frequency in various countries contributed to this positive performance. We also benefited from the fact that outlays resulting from major claims were lower in the course of the first six months of the current year than a year earlier. In the area of credit insurance, however, the high number of insolvencies due to the fragile economic situation in many countries had a very negative impact upon income performance. In Germany, claims resulting from storms, hail and floods have already reached the order of magnitude recorded for the entire preceding year.

At 27.6 percent, the expense ratio showed very little change over the corresponding prior-year figure. Higher investments in the expansion of our sales force capacity, in particular in Germany, could be compensated through increases in productivity within other group companies.

On the whole, we achieved a combined ratio of 102.2 percent. This ratio measures claims and expenses as percent of net premiums earned. As a result, we have made considerable progress toward achieving our goal of reaching a level of 100 percent by the year 2004 at the very latest. We have already managed to reduce the combined ratio to under 100 percent in many countries. In the U.S. and France, we still have not reached this target, but measures that have been implemented are now starting to take effect in these countries.

Investment income jumped from 4.5 billion euros to 9.2 billion euros. In addition to the fact that realized gains were low in the first six months of the previous year, income in the amount of 3.3 billion euros resulting from intercompany sales of shares explains this substantial increase. This income does not affect group earnings since it will be eliminated upon consolidation. Additional gains were realized primarily from changes in our shareholdings in Germany and the sale of a real estate company in Italy.

At 7.9 billion euros, earnings before taxes and amortization of goodwill were up substantially from the comparable figure of 2.8 billion euros for the first half of 2001.

Amortization of goodwill came to 177 million euros. After deduction of taxes in the amount of 17 million euros and 794 million euros for minority interests, first-half earnings amounted to 6.9 billion euros. Restated to eliminate the effect of the intercompany stock transactions mentioned above, earnings amounted to 3.6 (1.6) billion euros.

Property and casualty insurance		6/30/2002	6/30/2001	6/30/2000
Gross premiums	€ mn	23,569	22,316	20,341
Claims ratio	%	74.6	74.8	77.4
Expense ratio	%	27.6	27.4	27.6
Half year net income	€ mn	6,865	1,639	1,352
Investments	€ mn	140,694	131,749	121,128
Insurance reserves	€ mn	89,434	85,967	84,662

GERMANY

Premium income of the Allianz Sachgruppe Deutschland (SGD), which includes all property and casualty insurance activities of Allianz companies in Germany, rose 2.4 percent to 6.1 billion euros in the first six months of 2002. These figures do not include the results of Allianz MAT Globus Versicherungs-AG, which was sold to Allianz AG in early 2002. Together with AGF MAT in France, it makes up the recently created Allianz Marine&Aviation insurance group.

Automobile insurance, an area in which we were able to achieve further necessary rate adjustments and restructure our fleet business, was primarily responsible for the increase in premium income of the SGD. But we were also able to increase premium income in fire, property, casualty and accident insurance. As a result of these measures, our policy portfolio decreased in the course of the year by 1.8 percent to a total of 43 million policies.

The claims ratio improved from 67.9 to 67.0 percent, which primarily reflected a positive trend in the area of automobile insurance and the decline in major claims. To a great extent, this compensated the substantial increase in natural catastrophe claims resulting from storms and floods. We have received over 213,000 claims this year, a fourfold increase over last year.

The expense ratio rose to 29.1 percent from 27.2 percent a year earlier due to an increase in sales activities in connection with the integration of Dresdner Bank, the recruitment of customer service personnel and additions to the ranks of junior field representatives.

Capital gains from the disposal of shares of HypoVereinsbank and Mannesmann AG increased investment income substantially from 0.6 billion euros to 1.5 billion euros.

Earnings for the first six months of the year totaled 967 million euros, up from 359 million euros a year earlier.

Allianz Sachgruppe Deutschland		6/30/2002	6/30/2001	6/30/2000
Gross premiums	€ mn	6,067	6,082	5,744
Claims ratio	%	67.0	67.9	73.5
Expense ratio	%	29.1	27.2	25.2
Earnings after taxes	€ mn	967	359	452
Investments	€ mn	20,986	23,835	23,587

Excluding Allianz Marine&Aviation as of 2002

As of June 30, 2002, Allianz Versicherungs-AG acquired the interests in Bayerische Versicherungsbank AG and Frankfurter Versicherungs-AG previously held by Munich Re.

Allianz AG's premium income from reinsurance activities grew 3.8 percent to 3.2 billion euros. We achieved substantial growth in virtually all areas in this segment, primarily due to tariff increases. This made it possible to more than offset the decrease in premium income resulting from the fact that group internal reinsurance in the international industrial business was transferred to Allianz Global Risks Rückversicherung AG (AGR Re).

In the first half of the year 2002, AGR Re posted gross premium income in the amount of 439 million euros. In international industrial insurance, we were able to improve our gross claims ratio from 121 percent to 84 percent. Allianz Marine&Aviation's revenues were up some 80 percent to 285 million euros, essentially due to further premium adjustments.

The claims situation of Allianz AG substantially improved in the first six months of the year under review due to a generally favorably overall environment. The claims ratio decreased from 75.4 percent to 72.4 percent.

Investment income increased to 7.0 billion euros, for the most part due to realized gains in connection with changes in the shareholding portfolio in Germany.

This resulted in earnings after taxes in the amount of 7.2 billion euros for the first half of 2002.

Allianz AG		6/30/2002	6/30/2001	6/30/2000
Gross premiums	€ mn	3,969	3,126	3,025
Claims ratio	%	72.4	75.4	72.6
Expense ratio	%	29.7	26.9	25.7
Earnings after taxes	€ mn	7,191	1,510	791
Investments	€ mn	86,451	67,463	55,896

Including Allianz Global Risks and Allianz Marine&Aviation as of 2002

FRANCE

In France, we achieved growth in premium income of 12.6 percent to just under 3 billion euros, which also reflected the positive impact of rate increases across the entire market. In particular, substantial increases in the premiums of major accounts and in business with corporate clients as well as in the Marine&Aviation segment had a positive effect upon performance.

Moderate rate adjustments in automobile and household insurance also contributed to the improvement in premium income.

The claims ratio deteriorated to 83.6 percent, mainly due to major claims in commercial insurance.

The improvement of 2.0 percentage points in the expense ratio reflects the favorable impact of several completed IT projects and higher premiums.

Earnings after taxes increased from 333 million euros a year ago to 470 million euros due to the increase in investment income.

France		6/30/2002	6/30/2001	6/30/2000
Gross premiums	€ mn	2,975	2,643	2,479
Claims ratio	%	83.6	81.9	84.5
Expense ratio	%	25.6	27.6	26.5
Earnings after taxes	€ mn	470	333	459
Investments	€ mn	21,550	17,501	17,496

ITALY

In Italy, we were once again able to achieve a strong increase in premium income, which was up 7.9 percent to 2.4 billion euros. The RAS Group contributed a solid 1.7 billion euros to this performance and the Lloyd Adriatico Group 0.6 billion euros. As in the preceding year, growth in premium income was essentially driven by adjustments in automobile insurance rates. With premium income up 54 percent, our direct insurance company, Lloyd 1885, which started to operate under the name Genialloyd as of June 1, 2002, continued to show strong growth.

The claims ratio improved by 2.7 percentage points to 75.5 percent due to the fact that the claims frequency declined once again.

The expense ratio remained essentially unchanged at 23.3 percent.

Investment income increased due to the sale of a company to which RAS had transferred most of its real-estate used by third parties last year. This resulted in a profit in the amount of 713 million euros which is taxed at a reduced rate.

Earnings after taxes rose substantially, climbing to 751 million euros from 169 million euros a year earlier.

Italy		6/30/2002	6/30/2001	6/30/2000
Gross premiums	€ mn	2,379	2,204	2,058
Claims ratio	%	75.5	78.2	81.7
Expense ratio	%	23.3	23.2	22.3
Earnings after taxes	€ mn	751	169	140
Investments	€ mn	10,327	9,938	9,680

SWITZERLAND

With premium income of 0.9 billion euros, our Swiss subsidiaries generated growth of 7.1 percent for the first half of 2002. In particular, several major property insurance policies and an increase in the demand for automobile insurance had a favorable impact upon income performance. Due to attractive offers in the area of automobile insurance, more customers are opting for full coverage instead of basic coverage. Another reason for the high increase in premium income was the fact that reinsurance business is now recognized during the same period.

The claims ratio improved by 3.3 percentage points to 74.4 percent. At 24.4 percent, the expense ratio was 2.4 percentage points lower than a year ago. This reflects the initial positive effects of restructuring measures adopted in the context of integrating our subsidiaries with Allianz Suisse.

Due to weakness in the capital markets, investment income was down considerably from the previous year's figure. Our Swiss subsidiaries ended the first half of 2002 with a loss of 14 million euros.

Allianz Suisse		6/30/2002	6/30/2001	6/30/2000
Gross premiums written	€ mn	892	833	787
Claims ratio	%	74.4	77.7	74.9
Expense ratio	%	24.4	26.8	29.6
Earnings after taxes	€ mn	- 14	65	109
Investments	€ mn	3,565	4,200	4,084

GREAT BRITAIN

Premium income of our Cornhill subsidiary in the U.K. increased by 14.4 percent to 1.4 billion euros. This improved performance was due in particular to higher premiums in commercial property insurance as well as in the entire automobile business, which is very cyclical in the U.K. The claims ratio declined from 73.2 percent to 71.3 percent although the first half of 2002 was negatively affected by several major claims in commercial property insurance. The expense ratio also improved, going from 31.7 percent to 30.0 percent.

However, a decrease in investment income cancelled out the positive effect of the improvement in the combined ratio.

Earnings after taxes came to 34 million euros, which was essentially the same as last year's 35 million euros.

Cornhill		6/30/2002	6/30/2001	6/30/2000
Gross premiums	€ mn	1,416	1,238	1,071
Claims ratio	%	71.3	73.2	83.9
Expense ratio	%	30.0	31.7	33.2
Earnings after taxes	€ mn	34	35	- 22
Investments	€ mn	2,802	2,522	2,311

SPAIN

Premium income of our Spanish subsidiaries was up 17.1 percent to 0.8 billion euros. This performance was driven by automobile insurance, which accounted for a solid two-thirds of total premium income. However, other categories in the area of private insurance and commercial and industrial insurance also performed well. The new sales force structure put in place last year was a decisive factor here, as was the resulting increase in the productivity of field representatives.

Premium adjustments combined with a stable claims frequency in automobile insurance led to an improvement in the claims ratio from 77.5 percent to 76.2 percent. The expense ratio also improved, going from 22.6 percent to 21.1 percent.

Together with the increase of investment income, first-half earnings grew to 32 million euros, up from 24 million euros a year earlier.

Spain		6/30/2002	6/30/2001	6/30/2000
Gross premiums	€ mn	815	696	580
Claims ratio	%	76.2	77.5	83.3
Expense ratio	%	21.1	22.6	23.7
Earnings after taxes	€ mn	32	24	24
Investments	€ mn	1,485	1,565	1,436

CENTRAL AND EASTERN EUROPE

We increased our premium income in Central and Eastern European countries 18 percent to close to 600 million euros.

In terms of local currency, the premium income of our Hungarian subsidiary showed a 32 percent increase over the previous year to 263 million euros. Allianz Hungária continues to maintain its position as market leader.

In Poland, our Allianz Polska subsidiary repeated last year's performance and generated premium income in the amount of 67 million euros. Thoroughgoing restructuring of our automobile insurance activities had a dampening effect upon premium income but at the same time also resulted in a noticeable improvement in the claims ratio.

Our Prague subsidiary was able to increase premium income 6.4 percent to 119 million euros. In this context, performance in industrial and private property insurance was especially encouraging.

NAFTA REGION

In the U.S., we are continuing to forge ahead with the restructuring of Fireman's Fund. We were able to achieve substantial rate increases in the business segments we continue, which made it possible to compensate for most of the loss in revenues from discontinued businesses. Premium income declined 7.4 percent to a total of 2.3 billion euros.

Premium income of the Allianz Insurance Company increased 5.1 percent to 353 million euros, and our Canadian subsidiary's premium income rose 4.3 percent to 279 million euros.

The combined ratio of our companies in the NAFTA region deteriorated noticeably, going from 106.9 percent a year earlier to 113.6 percent. This reflected two major claims in the surety business, which we have since abandoned. In addition, the combined ratio was favorably impacted by a stop-loss contract in the year 2001. As a result, the progress we have made in the continued businesses is not yet obvious to outsiders. However, compared to fiscal 2001, Fireman's Fund was able to reduce the accident year claims ratio by 8.1 percentage points to 78.2 percent, which shows that we are moving in the right direction and that restructuring measures are taking effect.

Investment income was severely impacted by write-downs on securities.

Our subsidiaries in the NAFTA region incurred a total loss of 365 million euros.

NAFTA Region		6/30/2002	6/30/2001	6/30/2000
Gross premiums	€ mn	3,045	3,272	2,933
Claims ratio	%	82.7	78.4	81.2
Expense ratio	%	30.9	28.5	29.7
Earnings after taxes	€ mn	- 365	- 47	154
Investments	€ mn	18,879	19,858	18,152

SOUTH AMERICA

The performance of our insurance subsidiaries in South America is currently suffering the unfavorable impact of economic turbulence and a loss of confidence in political leadership, especially in Argentina and Venezuela. Depreciation of local currencies against the euro resulted in a substantial drop of premium income by 89 million euros to 411 million euros.

The restructuring plan we introduced last year has already produced positive results in many areas. In particular in Chile, we were able to achieve a substantial 13 percentage point improvement in the combined ratio, which dropped to 95 percent.

Total earnings came to 40 million euros.

ASIA-PACIFIC REGION

In the Asia-Pacific region, premium income showed an increase of 36 percent to 737 million euros in the first six months of the current year, to which Allianz Australia contributed a total of 525 million euros. This company's 25 percent growth in premium income resulted primarily from the portfolio acquired from HIH Insurance.

Our Taiwanese property insurer, Allianz President General Insurance, posted premium income of 57 million euros. This represented an increase of 21.6 percent, which primarily reflected the acquisition of major new clients referred by international brokers.

In January 2002, we successfully completed the acquisition of Malaysia British Assurance Berhad (MBA Group). Allianz now holds a 98 percent stake in this company, which generated premium income of 61 million euros. This company's name was changed to Allianz General Insurance Malaysia Berhad in March, and in addition to a rebranding campaign we are now focusing our efforts on the integration of this company with the Allianz Group.

In view of the weak performance of the capital markets, which had an especially severe effect upon our Australian subsidiary, our activities in the Asia-Pacific region resulted in an after-tax loss of 11 million euros for the first six months of the year.

Following our entry into the Indian market in the form of an insurance joint venture in May 2001, this company developed better than was originally anticipated. With gross premium income of 41 million euros, Bajaj Allianz General Insurance is now India's largest private property insurance company.

Allianz General Insurance Company Korea, a wholly-owned Allianz AG subsidiary, received a full license to enter the property insurance business on June 14, 2002, and started to sell property insurance policies on July 1, 2002.

CREDIT INSURANCE

The credit insurance activities of the Allianz group companies EULER and HERMES were merged with retroactive effect from the beginning of this year to form EULER & HERMES S.A., which is headquartered in Paris. EULER & HERMES is the world's largest insurer in this market segment.

At 809 million euros, first-half premium income was down 7.8 percent from the comparable 2001 figure. This was for the most part due to the fact that fee income from services was booked as premium income last year but is now carried under other income. Restated to eliminate this effect, premium income showed a slight increase of 0.8 percent. The reduction in the business volume of our policyholders due to the overall economic environment and the effect of exchange rates had a dampening effect upon income performance.

The claims ratio rose 9.2 percentage points to 79.2 percent, which was due to the high number of insolvencies, particularly among major customers.

Despite increased investment income, after-tax earnings therefore fell to 40 million euros, compared to 74 million euros in the previous year.

Credit insurance		6/30/2002	6/30/2001	6/30/2000
Gross premiums	€ mn	809	877	836
Claims ratio	%	79.2	70.0	49.6
Expense ratio	%	39.2	41.3	37.7
Earnings after taxes	€ mn	40	74	77
Investments	€ mn	2,450	2,794	2,748

TRAVEL INSURANCE AND ASSISTANCE SERVICES

Revenue of the Mondial Assistance Group rose by a total of 10.7 percent to 519 million euros.

The travel insurance segment was able to increase its premium income 7.9 percent to 412 million euros. Revenue from assistance services, which is not recognized as premium income in IAS accounts, was up 107 million euros – an increase of 23 percent.

This growth of revenue is essentially attributable to the successful expansion of the travel insurance business in Great Britain as well as the first-time consolidation of the travel assistance providers World Care Assist (Australia) and Auto Assist (Thailand). At the same time, our activities in this segment continue to be noticeably depressed by the downturn in the international travel market after the terrorist attack of September 11, 2001.

The claims ratio in the travel insurance business improved by 1.8 percentage points to 62.6 percent, while the expense ratio increased from 27.5 percent to 29.9 percent. Together, travel insurance and assistance services reported after tax earnings of 5 (18) million euros.

Travel insurance and assistance services		6/30/2002	6/30/2001	6/30/2000
Gross premiums	€ mn	412	382	324
Claims ratio	%	62.6	64.4	64.5
Expense ratio	%	29.9	27.5	43.8
Earnings after taxes	€ mn	5	18	24
Investments	€ mn	449	418	487

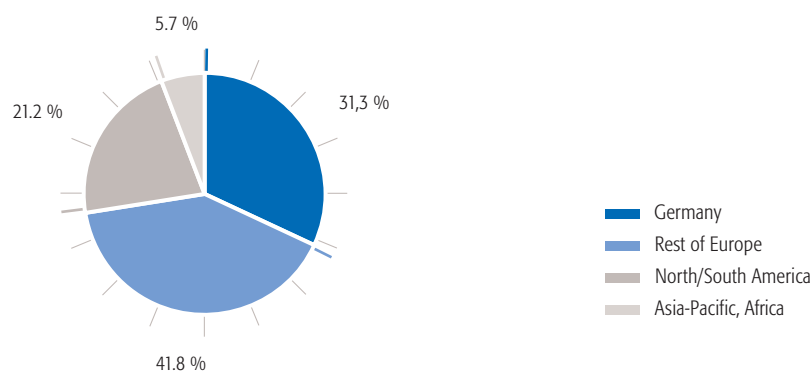
Life and health insurance

In life and health insurance, total premium income increased 21.3 percent to 18.9 billion euros. 47.5 percent of this total derived from investment-related products, mainly unit-linked life insurance. Particularly in the U.S. and in Italy, we were able to substantially increase sales of these products and to achieve overall growth of 44 percent. In addition to the expansion of distribution channels, this success was also driven by the extended range of funds offered by Allianz Dresdner Asset Management.

Disregarding minor consolidation and exchange rate effects, the life and health segment reported 21.0 percent growth.

In IAS accounts, which recognize only the cost and risk elements as revenue from investment-oriented life insurance products, premium income increased by 6 percent to slightly over 9.9 billion euros. The strongest contributions came from our companies in Germany and in Korea.

Total premium income by region – life/health
(€ 18.9 bn)



The expense ratio – in relation to total revenue including investment-oriented products – improved from 13.1 percent to 10.4 percent. In IAS accounts, the expense ratio decreased from 22.8 percent to 20.8 percent.

Against the backdrop of weak international capital markets, investment income was lower than in the comparable period of 2001, declining 7.4 percent to 5.2 billion euros. This was due to higher write-downs on our equity portfolios.

As a result, earnings before taxes and amortization of goodwill fell 34 percent to 495 million euros.

After amortization of goodwill of 86 million euros, taxes of 80 million euros and minority interests of 126 million euros, net income in the first half of 2002 amounted to 203 million euros.

Life and health insurance		6/30/2002	6/30/2001	6/30/2000
Total sales	€ mn	18,931	15,610	15,090
Gross premiums	€ mn	9,950	9,383	9,070
Expense ratio	%	20.8	22.8	21.0
Half year net income	€ mn	203	263	427
Investments	€ mn	214,897	212,815	203,482
Insurance reserves	€ mn	216,389	211,223	200,882

GERMANY

The life insurance business in Germany developed positively in the first half of 2002. In new business, income was up 29 percent from the previous year. Sales were boosted by distribution through the branches of Dresdner Bank, which were able to sell four times as many contracts as in the same period in the preceding year when HypoVereinsbank was still one of our distribution partners.

In the first six months of the current year, premium income increased 7.1 percent to 4.5 billion euros, mainly due to the successful sale of contracts with non-recurring premiums.

By the end of June 2002, Allianz Leben and Vereinte Leben had redeemed about 480,000 Riester contracts, of which over 320,000 had already been signed in the previous year. In this product segment, we were able to achieve a market share of over 20 percent. Nonetheless, we are not yet satisfied with number of contracts closed. The sale of Riester products in the first half was depressed by the recommendations of consumer organizations and by politicians to wait for new offers in company retirement plans. Additional concerns were raised by the debate over the complexity of administrative procedures in connection with these products, particularly with respect to obtaining the tax advantages.

Due to substantial new business, the expense ratio decreased from 17.2 percent to 13.9 percent.

Net earnings in the first half of 2002 fell to 125 million euros, compared to 175 million euros in the previous year. This was attributable to the persistent weakness in the stock markets.

Allianz Lebensversicherungs-AG, Vereinte Lebensversicherung AG, Deutsche Lebensversicherungs-AG

		6/30/2002	6/30/2001	6/30/2000
Total sales	€ mn	4,498	4,199	4,202
Gross premiums	€ mn	4,414	4,199	4,202
Expense ratio	%	13.9	17.2	11.4
Earnings after taxes	€ mn	125	175	229
Investments	€ mn	107,186	110,341	107,484

Since the beginning of this year, additional subsidies are granted for company pension plans. Employees can pay up to 2,160 euros per year (4 percent of the upper limit for the assessment of retirement insurance contributions) into a direct insurance plan, a pension institution or a pension fund, subject to deferred taxation. Our corporate customers are showing great interest in the pension institution. At present, we are also marketing the new Allianz Dresdner Pension Fund, which was approved in May of 2002. With this fund we have completed our range of company retirement insurance products and we are now the first insurer to cover all modalities of old age provision in Germany.

In the area of private health insurance, premium income increased 6.7 percent to 1.4 billion euros. To a great extent, this growth was due to rate adjustments required by higher health care costs.

The German health care system is in need of urgent reforms. Against this background, Vereinte Krankenversicherung, in cooperation with scientists, developed a model for a future health insurance system based on capital coverage and thus resistant to changes in demography. The corresponding health care system would be organized according to the principles of market economy. Vereinte also explores new ways in product development: With the VSi-product providing full coverage and integrated health management, it introduced a new generation of innovative health insurance products on April 1 of this year.

The measures aimed at improving health care and health management, which were introduced last year, reduced the claims ratio from 74.3 percent to 72.2 percent. The expense ratio continued to improve slightly from 10.4 percent to 9.9 percent.

Earnings after taxes increased significantly from 14 million euros in the preceding year to 31 million euros in the first half of 2002.

Vereinte Krankenversicherung AG will change its name to Allianz Private Krankenversicherungs-AG at the beginning of 2003.

Vereinte Krankenversicherung AG		6/30/2002	6/30/2001	6/30/2000
Gross premiums	€ mn	1,425	1,335	1,284
Claims ratio	%	72.2	74.3	73.7
Expense ratio	%	9.9	10.4	10.7
Earnings after taxes	€ mn	31	14	26
Investments	€ mn	11,269	10,931	10,214

FRANCE

Total premium income of the AGF Group increased by a moderate 3.8 percent to 2.1 billion euros. Growth was slowed by the fact that the sale of investment-oriented life insurance, which accounts for almost two thirds of our company's revenue, stagnated because of the very difficult situation in the financial markets. In traditional business, AGF posted a premium growth of 5.1 percent to 758 million euros, boosted in particular by new products and a major group pension contract. This enabled us to strengthen our leading position in this important market segment.

Investment income was considerably lower than in the previous year, due mainly to lower realized gains. As a result, earnings after taxes dropped from 102 million euros to 7 million euros.

France		6/30/2002	6/30/2001	6/30/2000
Total sales	€ mn	2,141	2,063	2,411
Gross premiums	€ mn	758	721	696
Expense ratio	%	49.8	46.4	43.6
Earnings after taxes	€ mn	7	102	296
Investments	€ mn	42,109	42,823	41,500

ITALY

Our companies in Italy increased their total premium income 39 percent to 3.9 billion euros. Sales were again boosted by the bancassurance business, which we were able to expand by 37.7 percent and which now accounts for 75 percent of total revenue. The driving force were our bancassurance joint ventures with Unicredito as well as Banca Antoniana Veneta Popolare Vita. The demand for investment-oriented products with guaranteed capital also increased. Our agencies and financial advisers were particularly successful in selling unit-linked products with recurring premiums.

In IAS accounts, premium income increased 1.9 percent to 583 million euros.

Earnings after taxes rose from 180 million euros to 245 million euros, which is primarily attributable to a realized gain of 186 million euros from the sale of a real estate company.

Italy		6/30/2002	6/30/2001	6/30/2000
Total sales	€ mn	3,850	2,769	2,569
Gross premiums	€ mn	583	572	698
Expense ratio	%	28.9	27.1	25.4
Earnings after taxes	€ mn	245	180	211
Investments	€ mn	15,660	15,076	14,653

SWITZERLAND

Revenue of our Swiss companies increased 1.7 percent to 716 million euros. The main reason for this restrained growth was our restrictive underwriting policy for collective life insurance, which contributes two thirds of our revenues in Switzerland.

We were able to achieve growth in individual life insurance, particularly in unit-linked life insurance. In this segment, we were very successful in expanding our “personal financial services”, which were boosted by an aggressive product and distribution strategy.

Depressed by the persistent weakness in the stock markets, income from investments fell clearly below last year's figure. As a result, we posted an after-tax loss of 35 million euros in the first half of 2002.

Allianz Suisse		6/30/2002	6/30/2001	6/30/2000
Total sales	€ mn	716	704	668
Gross premiums	€ mn	331	307	279
Expense ratio	%	18.6	27.7	28.9
Earnings after taxes	€ mn	- 35	3	17
Investments	€ mn	8,424	8,095	7,739

USA

Our U.S. life insurance subsidiary Allianz Life once again reported brisk growth. Total premium income rose 68 percent to 3.8 billion euros. This dynamic expansion was fuelled by the continued build-up of our distribution capacities and their focus on annuity and investment products. New business clearly surpassed our already ambitious plan figures. We are thus successfully accomplishing our strategic objective of substantially strengthening our position in the U.S. life insurance market.

In IAS accounts, premium income amounted to 717 million euros, 4.2 percent lower than in the previous year.

The expense ratio improved from 48.6 percent to 43.7 percent. The upgrade of our IT systems over the past years and the higher business volume are now beginning to produce economies of scale.

Investment income was heavily depressed by write-downs on equity portfolios.

As a result, we posted an after-tax loss of 16 million euros in the first six months of the current year.

Allianz Life		6/30/2002	6/30/2001	6/30/2000
Total income	€ mn	3,831	2,274	1,820
Gross premiums	€ mn	717	748	672
Expense ratio	%	43.7	48.6	48.7
Earnings after taxes	€ mn	- 16	23	73
Investments	€ mn	12,974	9,998	6,927

ASIA-PACIFIC REGION

In this region, total premiums grew 25 percent to 1.1 billion euros. An essential share of this amount was contributed by our biggest company in the region, Allianz Life Insurance Korea, which changed its name from Allianz First Life in April of 2002. Although our company is operating under difficult market conditions it was able to strengthen its market position and increase its premium income by almost 18 percent to 923 million euros.

Since the year 2000, we are represented in Thailand with the life insurer Allianz CP Life insurance, a joint venture with the local CP Group. Together with our Thai partners, we last year acquired a majority stake in the established life insurance provider Ayudhya CMG Life Assurance. After the transfer of the former life insurance activities of Allianz CP Life, the new company, Allianz Ayudhya CP Life Insurance Company, will have a market share of over 10 percent, which will put it in third place in the Thai insurance market. Gross premium income for the full year 2002 is projected at about 220 million euros. Together with Bank of Ayudhya, a major shareholder in this joint venture and one of Thailand's leading banks, we intend to expand the bancassurance business in Thailand.

In March of this year, Allianz Life Taiwan increased the number of its bank distribution partners by a cooperation agreement with Taipei Bank. This bank operates a network of 80 branches throughout the country. At present, Allianz Life Taiwan thus cooperates with four banks. With a 280 percent increase in new business, Allianz Life posted the highest growth rate among the country's twenty leading insurers. Total premium income came to 66 million euros.

Since October of 2001, Allianz is also represented in the Indian life insurance market through a joint venture with Bajaj. Our premium income amounted to 3 million euros.

Banking

The market environment of our banking business further deteriorated in the second quarter of this year. The pronounced weakness in the capital markets persisted, accompanied by increasing volatility. While the long-awaited economic recovery did not materialize, the number of insolvencies continued to rise. In this context, the Allianz Group's banking business had to cope with greater challenges than expected.

Banking	6/30/2002	
Net interest and current income	€ mn	1,979
Net fee and commission income	€ mn	1,455
Trading income	€ mn	371
Other income/expenses	€ mn	– 346
Administrative expenses	€ mn	– 3,688
Loan loss provisions	€ mn	– 1,068
Half year net income	€ mn	– 1,058
Loans and advances to customers and banks	€ bn	283
Liabilities to customers and banks	€ bn	294

In view of weak markets and a sluggish economy, we – like many other financial institutions – were faced with a decrease of our operating income in the second quarter of 2002. Income was down 9.2 percent compared to the first quarter. This downturn, which affected fee and commission income and, in particular, trading income, clearly shows the strong dependence of our banking activities on the development of the capital markets.

Additional cost cutting measures were not sufficient to counteract this negative development. Administrative expenses at Dresdner Bank during the period under review were down 558 million euros or 13.5 percent compared to the comparable prior-year figure. This demonstrates that the cost cutting measures we introduced early-on are indeed effective.

Allocations to loan loss provisions exceeded budget figures due to higher write-down requirements, particularly for selected individual risks and our business in Latin America. For the 10 biggest individual risks and Latin America alone, write-downs in the amount of 452 million euros were required.

Earnings before taxes and amortization of goodwill amounted to – 1,297 million euros. After amortization of goodwill, taxes and minority interest, this translates into a loss of 1,058 million euros to which Dresdner Bank Group contributed 1,024 million euros.

Private customers & business customers

Despite difficult market conditions, earnings in the private customers & business customers segment developed comparatively positively. At Dresdner Bank, they amounted to 1,663 million euros, 6 percent less than in the corresponding prior-year period.

Private customers & business customers	6/30/2002 € mn
Total income	1,681
Loan loss provisions	– 126
Total expenses	– 1,527
Earnings after taxes	28

At the same time, we were able to reduce the cost basis due to restructuring measures that continue to be applied at all levels. This segment generated an after-tax net income of 28 million euros.

Corporates & Markets

In Corporates & Markets, earnings remained clearly below our expectations because of the unfavorable situation in the capital markets.

To counteract this trend, Dresdner Bank introduced a number of measures. The Global Debt and Global Equities units were combined in the newly created “Capital Markets” division to make better use of cross-selling opportunities and generate earnings synergies in the customer business. At the same time, cost reduction measures have been reinforced across all business segments and regions. This made it possible to further reduce already budgeted administrative expenses by over 200 million euros. These efforts are focused on investment banking and the equity business, and on Asia and North America. Nonetheless, these measures were unable to compensate for substantially lower earnings. The continued need for write-downs in the lending business, particularly in Latin America and in the telecommunications industry, also had a negative impact. In addition, we had to absorb write-downs in our private equity portfolio. Altogether, we thus reported an after-tax loss of 738 million euros.

Corporates & Markets	6/30/2002 € mn
Total income	1,771
Loan loss provisions	– 800
Total expenses	– 1,709
Earnings after taxes	– 738

To strengthen the earnings performance of Dresdner Bank, a comprehensive restructuring package was decided. This package consists of three parts:

1. The withdrawal from the lending business outside Europe, which is not of strategic importance to Dresdner Bank, was already launched in 2000. The remaining credit portfolio will be handled separately by an independent profit center. This step will release up to 3 billion euros of risk capital, which can then be allocated to other purposes within the Allianz Group.
2. The restructuring of the divisions of Dresdner Bank, which was commenced in 2000, is to be continued with renewed vigor. The Bank's Corporate Center will be down-sized massively. The Private Customers & Business Customers and Corporates & Markets divisions will take over previously centralized service functions. Other tasks will be transferred to the Allianz Group Center. This will result in an even clearer delimitation of earnings and will give increased results responsibility to both operating divisions. In addition, employee compensation, particularly in Corporates & Markets, will be linked more tightly to the earnings contribution of their division.
3. In addition to these measures, which already have considerable savings potential in terms of operating and personnel expenses, further cost reduction steps will be taken. Together with initiatives announced earlier, this brings the cost reduction target to slightly under 2 billion euros. The majority of these cost reduction programs will begin to produce palpable results in 2003.

These measures will not weaken the distribution strength of the bank.

Asset management

Our assets under management amounted to 1,101 billion euros on June 30, 2002. This is a decrease of 71 billion euros or 6.1 percent over the end of fiscal 2001. In addition to sharply lower stock prices, third-party investments managed by PIMCO and Nicholas Applegate in the U.S. were affected by the rise of the euro with respect to the U.S. dollar, which had negative effects when investment portfolios were converted to euros.

Assets under management	Current values 6/30/2002 € bn	Current values 12/31/2001 € bn
Group's own investments	498	527
Investments for unit-linked life insurance	25	25
Investments for third parties	577	620
Assets under management	1,101	1,172

The Group's own investments decreased 29 billion euros or 5.5 percent to 498 billion euros, mainly due to substantially lower stock prices.

In euro accounts, investments for third parties (which are not shown in the consolidated balance sheet) diminished by 43 billion euros or 6.9 percent to 577 billion euros. Based on the exchange rates at the end of last year, this would have amounted to an increase of 4.9 billion euros. Approximately two thirds of the assets are invested in interest-bearing securities and one third in equities. 70 percent of investments for third parties come from the institutional customer business and 30 percent from the private customer business.

In the mutual fund business in Germany, the dit EURO BOND TOTAL RETURN FUND "powered by PIMCO" deserves particular mention. In the first four months after its introduction on April 2, 2002, this fund already generated about 900 million euros in net capital inflow. The fund's investment style is based on its U.S. model, the PIMCO Total Return Fund, which generated an average annual return of around 9 percent during the period from 1991 to 2001 and outperformed the relevant index in nine of these years.

The asset management segment generated earnings of 149 million euros before taxes and amortization of goodwill. This includes write-downs in the amount of 94 million euros on capitalized loyalty bonuses for the management of the PIMCO group, which were paid as part of the purchase price. Retention payments to employees and management of PIMCO and Nicholas Applegate, which were agreed upon at the time of the acquisition, amounted to 91 million euros. Disregarding these items, operative pre-tax earnings of 334 million euros were achieved.

Amortization of goodwill amounted to 200 million euros. A tax refund produced income of 27 million euros and minority interests in earnings came to a total of 120 million euros. The asset management segment thus recorded a loss of 144 million euros in the first half of 2002, of which 53 million euros are attributable to the second quarter. Compared to a loss of 91 million euros in the first three months, this is a definite improvement which exceeds our original expectations.

Outlook

Our previous earnings expectations for the full year 2002 in the amount of 3 billion euros – following earnings of 1.6 billion euros in 2001 – were based on the assumption that the stock market would stabilize at the level reached at the beginning of the year. But since the beginning of the second quarter, capital markets have clearly deteriorated. This has put considerable strains upon the investment and banking business. Given the present situation, our earnings projections for the year 2002 can therefore not be maintained, at least not with the quality originally expected.

Against the backdrop of the persistent weakness and volatility of the stock markets it is not possible to forecast our earnings performance for fiscal 2002. At the same time, we want to keep the flexibility to decide if and under which conditions capital gains from investments should be realized.

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 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 acquisitions (e.g., Dresdner Bank), including related integration issues, and (xii) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of the events on, and following, September 11th.

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.

CONTENTS **To go directly to any chapter, simply click >> on the headline or the page number.**

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet **28**

Consolidated Income Statement **30**

Movements in Shareholders' Equity **31**

Cash Flow Statement **32**

Segment Reporting **34**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting Regulations **38**

Supplementary Information on the Consolidated Balance Sheet **38**

Supplementary Information on the Consolidated Income Statement **42**

Other Information **48**

To read the notes, simply click >>> on the number.

Consolidated Balance Sheet as of June 30, 2002 and as of December 31, 2001

ASSETS	>>> Note	6/30/2002 € mn	12/31/2001 € mn
A. Intangible assets	2	18,523	16,911
B. Investments in affiliated enterprises, joint ventures and associated enterprises		10,282	10,247
C. Investments	3	325,635	345,302
D. Investments held on account and at risk of life insurance policyholders		25,407	24,692
E. Loans and advances to banks	4	68,752	61,274
F. Loans and advances to customers	5	241,942	239,693
G. Trading assets		117,589	128,422
H. Cash funds and cash equivalents		16,984	21,240
I. Amounts ceded to reinsurers from insurance reserves	6	29,190	30,999
J. Deferred tax assets		9,639	8,415
K. Other assets		56,528	55,730
Total assets		920,471	942,925

EQUITY AND LIABILITIES

	>> Note	6/30/2002 € mn	12/31/2001 € mn
A. Shareholders' equity		28,695	31,664
B. Minority interests in shareholders' equity	7	9,567	17,349
C. Participation certificates and subordinated liabilities	8	12,072	12,207
D. Insurance reserves	9	299,650	299,512
E. Insurance reserves for life insurance where the investment risk is carried by policyholders		25,422	24,726
F. Liabilities to banks		130,368	135,402
G. Liabilities to customers		173,575	177,323
H. Certificated liabilities		124,901	134,670
I. Trading liabilities		50,718	44,538
J. Other accrued liabilities	10	12,639	14,117
K. Other liabilities	11	43,294	41,900
L. Deferred tax liabilities		8,929	8,898
M. Deferred income		641	619
Total equity and liabilities		920,471	942,925

Consolidated Income Statement for the Period from January 1 to June 30, 2002
and from January 1 to June 30, 2001

	➤➤ Note	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
1. Premiums earned (net)	12	26,905	25,093
2. Interest and similar income	13	14,675	9,212
3. Income (net) from affiliated enterprises, joint ventures and associated enterprises		3,210	734
4. Other income from investments	14	4,146	4,179
5. Trading income	15	472	- 34
6. Fee and commission income, and income from service activities	16	3,896	1,658
7. Other income		1,616	1,191
Total income (1. to 7.)		54,920	42,033
8. Insurance benefits (net)	17	- 25,271	- 23,947
9. Interest and similar expenses	18	- 5,440	- 1,305
10. Other expenses for investments	19	- 4,876	- 3,213
11. Loan loss provisions	20	- 1,087	- 31
12. Acquisition costs and administrative expenses	21	- 12,203	- 7,397
13. Amortization of goodwill		- 567	- 318
14. Other expenses		- 3,297	- 3,214
Total expenses (8. to 14.)		- 52,741	- 39,425
15. Earnings from ordinary activities before taxes		2,179	2,608
16. Taxes	22	275	- 695
17. Minority interests in earnings	7	- 879	- 545
18. Net income		1,575	1,368
		€	€
Earnings per share	23	6.49	5.57
Earnings per share after elimination of amortization of goodwill	23	8.83	6.87

Consolidated Income Statement for the Period from April 1 to June 30, 2002
and from April 1 to June 30, 2001

		4/1-6/30/2002 € mn	4/1-6/30/2001 € mn
1. Premiums earned (net)		13,194	12,504
2. Interest and similar income		7,234	5,036
3. Income (net) from affiliated enterprises, joint ventures and associated enterprises		1,442	496
4. Other income from investments		1,207	1,745
5. Trading income		328	- 430
6. Fee and commission income, and income from service activities		1,884	661
7. Other income		956	723
Total income (1. to 7.)		26,245	20,735
8. Insurance benefits (net)		- 12,565	- 11,792
9. Interest and similar expenses		- 2,194	- 690
10. Other expenses for investments		- 2,638	- 1,690
11. Loan loss provisions		- 751	- 21
12. Acquisition costs and administrative expenses		- 6,220	- 3,641
13. Amortization of goodwill		- 283	- 165
14. Other expenses		- 1,540	- 1,377
Total expenses (8. to 14.)		- 26,191	- 19,376
15. Earnings from ordinary activities before taxes		54	1,359
16. Taxes		150	- 400
17. Minority interests in earnings		- 560	- 298
18. Net income		- 356	661

Movements in Shareholders' Equity

	Capital paid in € mn	Revenue reserves € mn	Unrealized gains and losses € mn	Consolidated unappropriated profit € mn	Share- holders' equity € mn
12/31/2000	7,994	13,728	13,448	433	35,603
Currency translation adjustments		566	32		598
Changes in the scope of consolidation		146			146
Treasury stock		- 247			- 247
Unrealized investment gains and losses			- 2,065		- 2,065
Net income for the period		1,368			1,368
Reclassification of unappropriated profit		433		- 433	-
Miscellaneous		- 245			- 245
6/30/2001	7,994	15,749	11,415	-	35,158
12/31/2001	14,769	8,209	8,276	410	31,664
Currency translation adjustments		- 895	- 9		- 904
Changes in the scope of consolidation		484			484
Treasury stock		- 87			- 87
Unrealized investment gains and losses			- 3,883		- 3,883
Net income for the period		1,575			1,575
Reclassification of unappropriated profit		46		- 46	-
Shareholders' dividend				- 364	- 364
Miscellaneous		210			210
6/30/2002	14,769	9,542	4,384	-	28,695

Cash Flow Statement

	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
Net income for the period	1,575	1,368
Change in unearned premiums	2,430	2,514
Change in aggregate policy reserves ¹⁾	2,029	3,241
Change in reserve for loss and loss adjustment expenses	1,279	416
Change in other insurance reserves ²⁾	- 64	- 1,437
Change in deferred acquisition costs	- 554	- 192
Change in funds held by others under reinsurance business assumed	1,140	- 85
Change in funds held under reinsurance business ceded	- 287	- 112
Change in accounts receivable/payable on reinsurance business	244	593
Change in trading securities ³⁾	17,023	- 793
Change in loans and advances to banks and customers	- 9,450	- 3,450
Change in liabilities to banks and customers	- 8,825	- 10
Change in certificated liabilities	- 9,152	1,447
Change in other receivables and liabilities	296	1,859
Change in deferred tax assets/liabilities ⁴⁾	- 702	- 154
Adjustment for investment income/expenses not involving movements of cash	- 2,370	- 1,175
Adjustments to reconcile amortization of goodwill	567	318
Other	- 2,788	- 71
Cash flow from operating activities	- 7,609	4,277
Change in securities available for sale	5,139	- 1,491
Change in investments held to maturity	247	62
Change in real estate	1,303	- 105
Change in other investments	1,575	- 1,281
Change in investments held on account and at risk of life insurance policyholders	- 1,604	- 1,028
Change in cash and cash equivalents from the acquisition of consolidated affiliated companies	- 9,119	- 1,144
Change in aggregate policy reserves for life insurance products according to SFAS 97	4,324	3,347
Other	578	- 950
Cash flow from investing activities	2,443	- 2,590
Change in participation certificates and subordinated liabilities	- 135	- 68
Cash inflow from capital increases	-	-
Dividend payouts	- 409	- 425
Other from shareholders' equity and minority interests ⁵⁾	1,541	- 1,379
Cash flow from financing activities	997	- 1,872
Effect of exchange rate changes on cash and cash equivalents	- 87	30
Change in cash and cash equivalents	- 4,256	- 155
Cash and cash equivalents at beginning of period	21,240	4,209
Cash and cash equivalents at end of period	16,984	4,054

¹⁾ Not including aggregate policy reserves for life insurance products in accordance with SFAS 97

²⁾ Not including change in the reserve for latent premium refunds from unrealized investment gains and losses

³⁾ Including trading liabilities

⁴⁾ Not including changes in deferred tax assets/liabilities from unrealized investment gains and losses

⁵⁾ Not including changes in revenue reserves from unrealized investment gains and losses

IAS rules have been used to prepare the data for the cash flow statement. First-time compliance with regulations specific to the banking sector required changes in the cash flow statement. The headings for the previous year were adjusted accordingly. The cash flow statement excludes the effects of the consolidation of major new acquisitions – in the first half of 2002 in particular the purchase of additional shares of Allianz Lebensversicherungs-AG, Stuttgart, of Bayerische Versicherungsbank AG, München, of Frankfurter Versicherungs-AG, Frankfurt/Main, as well as of Dresdner Bank Group, Frankfurt/Main. These acquisitions increased the value of investments held (excluding funds held by others) by € 856 (29) mn, goodwill by € 2,739 (1,091) mn, and the net total of other assets and liabilities by € 5,523 (24) mn. Cash outflow related to these acquisitions amounted to € 9,118 (1,144) mn. Outflow for taxes on income amounted to € 1,002 mn, compared to an inflow of € 306 mn in the prior-year period.

Consolidated Balance Sheet by Business Segments

ASSETS	Property/Casualty		Life/Health	
	6/30/2002 € mn	12/31/2001 € mn	6/30/2002 € mn	12/31/2001 € mn
A. Intangible assets	3,584	2,943	3,719	4,005
B. Investments in affiliated enterprises, joint ventures and associated enterprises	45,961	40,387	5,616	6,043
C. Investments	83,034	91,712	181,373	180,076
D. Investments held on account and at risk of life insurance policyholders	–	–	25,407	24,692
E. Loans and advances to banks	7,595	5,079	2,138	1,010
F. Loans and advances to customers	3,014	2,837	25,334	24,843
G. Trading assets	1,134	1,373	808	775
H. Cash funds and cash equivalents	2,743	2,617	2,117	2,351
I. Amounts ceded to reinsurers from insurance reserves	17,817	19,209	17,545	17,927
J. Deferred tax assets	5,588	5,060	2,126	1,911
K. Other assets	23,660	22,840	18,124	17,634
Total segment assets	194,130	194,057	284,307	281,267

EQUITY AND LIABILITIES

EQUITY AND LIABILITIES	Property/Casualty		Life/Health	
	6/30/2002 € mn	12/31/2001 € mn	6/30/2002 € mn	12/31/2001 € mn
A. Participation certificates and subordinated liabilities	1,019	573	–	–
B. Insurance reserves	89,434	90,432	216,389	215,217
C. Insurance reserves for life insurance where the investment risk is carried by policyholders	–	–	25,422	24,726
D. Liabilities to banks	6,403	6,303	2,448	2,143
E. Liabilities to customers	–	–	–	–
F. Certificated liabilities	16,554	14,727	201	229
G. Trading liabilities	235	448	549	50
H. Other accrued liabilities	5,491	5,387	946	967
I. Other liabilities	22,033	21,624	21,344	19,963
J. Deferred tax liabilities	6,146	5,920	1,988	1,958
K. Deferred income	117	84	404	406
Total segment liabilities	147,432	145,498	269,691	265,659

Banking		Asset Management		Consolidation Adjustments		Group	
6/30/2002	12/31/2001	6/30/2002	12/31/2001	6/30/2002	12/31/2001	6/30/2002	12/31/2001
€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
3,621	3,183	7,061	6,780	538	–	18,523	16,911
3,331	2,079	112	116	– 44,738	– 38,378	10,282	10,247
70,232	85,133	1,384	1,362	– 10,388	– 12,981	325,635	345,302
–	–	–	–	–	–	25,407	24,692
58,334	54,271	1,653	1,646	– 968	– 732	68,752	61,274
224,534	222,916	553	561	– 11,493	– 11,464	241,942	239,693
115,257	125,741	409	539	– 19	– 6	117,589	128,422
12,176	16,244	1,073	550	– 1,125	– 522	16,984	21,240
–	–	–	–	– 6,172	– 6,137	29,190	30,999
1,783	1,350	142	94	–	–	9,639	8,415
17,858	14,977	2,117	2,589	– 5,231	– 2,310	56,528	55,730
507,126	525,894	14,504	14,237	– 79,596	– 72,530	920,471	942,925

Banking		Asset Management		Consolidation Adjustments		Group		
6/30/2002	12/31/2001	6/30/2002	12/31/2001	6/30/2002	12/31/2001	6/30/2002	12/31/2001	
€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	
11,154	11,757	22	22	– 123	– 145	12,072	12,207	
–	–	–	–	– 6,173	– 6,137	299,650	299,512	
–	–	–	–	–	–	25,422	24,726	
121,728	131,454	1,099	1,554	– 1,310	– 6,052	130,368	135,402	
172,005	175,228	3,450	2,981	– 1,880	– 886	173,575	177,323	
115,423	122,713	372	435	– 7,649	– 3,434	124,901	134,670	
49,946	44,052	1	2	– 13	– 14	50,718	44,538	
5,544	7,130	658	633	–	–	12,639	14,117	
11,535	8,798	1,086	1,413	– 12,704	– 9,898	43,294	41,900	
749	980	46	40	–	–	8,929	8,898	
118	129	2	–	–	–	641	619	
488,202	502,241	6,736	7,080	– 29,852	– 26,566	882,209	893,912	
						Equity^{*)}	38,262	49,013
						Total equity and liabilities	920,471	942,925

^{*)} Shareholders' equity and minority interests

Consolidated Income Statement by Business Segments for the Period from January 1 to June 30, 2002
and from January 1 to June 30, 2001

	Property/Casualty		Life/Health	
	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
1. Premiums earned (net)	17,954	16,624	8,951	8,469
2. Interest and similar income	2,464	3,040	5,858	5,544
3. Income (net) from affiliated enterprises, joint ventures and associated enterprises	6,854	1,107	433	301
4. Other income from investments	1,939	1,940	2,076	2,230
5. Trading income	49	211	57	- 267
6. Fee and commission income, and income from service activities	871	748	92	139
7. Other income	1,069	734	332	405
Total income (1. to 7.)	31,200	24,404	17,799	16,821
8. Insurance benefits (net)	- 13,829	- 12,866	- 11,441	- 11,095
9. Interest and similar expenses	- 729	- 602	- 255	- 226
10. Other expenses for investments	- 1,380	- 1,251	- 2,870	- 1,953
11. Loan loss provisions	- 14	-	- 5	-
12. Acquisition costs and administrative expenses	- 5,249	- 5,036	- 2,109	- 2,167
13. Amortization of goodwill	- 177	- 161	- 86	- 69
14. Other expenses	- 2,146	- 1,844	- 624	- 630
Total expenses (8. to 14.)	- 23,524	- 21,760	- 17,390	- 16,140
15. Earnings from ordinary activities before taxes	7,676	2,644	409	681
16. Taxes	- 17	- 564	- 80	- 196
17. Minority interests in earnings	- 794	- 441	- 126	- 223
18. Net income	6,865	1,639	203	262

Banking		Asset Management		Consolidation Adjustments		Group	
1/1-6/30/2002	1/1-6/30/2001	1/1-6/30/2002	1/1-6/30/2001	1/1-6/30/2002	1/1-6/30/2001	1/1-6/30/2002	1/1-6/30/2001
€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
-	-	-	-	-	-	26,905	25,093
6,801	812	73	95	- 521	- 279	14,675	9,212
286	10	13	-	- 4,376	- 684	3,210	734
180	13	21	-	- 70	- 4	4,146	4,179
371	20	1	2	- 6	-	472	- 34
1,606	6	1,452	969	- 125	- 204	3,896	1,658
171	22	57	42	- 13	- 12	1,616	1,191
9,415	883	1,617	1,108	- 5,111	- 1,183	54,920	42,033
-	-	-	-	- 1	14	- 25,271	- 23,947
- 4,892	- 702	- 54	- 37	490	262	- 5,440	- 1,305
- 622	- 8	- 5	-	1	- 1	- 4,876	- 3,213
- 1,068	- 31	-	-	-	-	- 1,087	- 31
- 3,840	- 93	- 1,109	- 128	104	27	- 12,203	- 7,397
- 104	4	- 200	- 92	-	-	- 567	- 318
- 290	- 26	- 300	- 923	63	209	- 3,297	- 3,214
- 10,816	- 856	- 1,668	- 1,180	657	511	- 52,741	- 39,425
- 1,401	27	- 51	- 72	- 4,454	- 672	2,179	2,608
339	- 53	27	52	6	66	275	- 695
4	11	- 120	- 92	157	200	- 879	- 545
- 1,058	- 15	- 144	- 112	- 4,291	- 406	1,575	1,368

1 Accounting regulations

The consolidated financial statements have been prepared in conformity with International Accounting Standards (IAS), as permitted by § 292a of the German Commercial Code (HGB). All standards currently in force for the period under review have been adopted in the presentation of the consolidated financial statements.

IAS does not provide specific guidance concerning the reporting of insurance transactions in annual financial statements. In such cases, as envisioned within the IAS Framework, the provisions of U.S. Generally Accepted Accounting Principles (U.S. GAAP) have been applied. The preparation of consolidated financial statements requires the Group to make estimates and assumptions that affect items reported under the headings in the consolidated balance sheet and income statement, and contingent liabilities. The actual values may differ from those reported. The most important of such items are the reserve for loss and loss adjustment expenses, the aggregate policy reserves, and the loan loss allowance. In addition, management must make certain estimates and assumptions regarding the fair value of financial assets and liabilities, as well as the impairment of assets where recovery of the carrying amount is deemed unlikely.

The present interim report follows the same accounting and valuation principles as the most recent annual financial statements.

The consolidated financial statements were prepared in euros (€).

SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED BALANCE SHEET

2 Intangible assets

Intangible assets comprise the following:

	6/30/2002 € mn	12/31/2001 € mn
Goodwill	13,860	12,649
Other intangible assets	4,663	4,262
Total	18,523	16,911

Changes in goodwill for the period under review were as follows:

	€ mn
Gross amount capitalized 12/31/2001	14,963
Accumulated amortization 12/31/2001	– 2,314
Value stated as of 12/31/2001	12,649
Translation differences	– 384
Value stated as of 1/1/2002	12,265
Additions	2,390
Reclassification	– 228
Amortization	– 567
Value stated as of 6/30/2002	13,860
Accumulated amortization 6/30/2002	– 2,881
Gross amount capitalized 6/30/2002	16,741

The reclassification concerns the goodwill in associated companies, which is recognized as part of the shareholdings in associated companies.

Major additions include:

- € 1,537 mn from the increase of the shareholding in Dresdner Bank AG by 18.0 % to 96.5 %.
- € 633 mn from the increase of the shareholding in Allianz Lebensversicherungs-AG by 40.5 % to 91.0 %.
- € 57 mn from the increase of the shareholding in Frankfurter Versicherungs-AG by 49.98 % to 99.97 %.
- € 94 mn from the increase of the shareholding in Bayerische Versicherungsbank AG by 45.0 % to 90.0 %.

3 Investments

	6/30/2002 € mn	12/31/2001 € mn
Securities held to maturity	7,234	7,688
Securities available for sale	304,473	322,192
Real estate used by third parties	11,655	12,004
Funds held by others under reinsurance contracts assumed	2,273	3,418
Total	325,635	345,302

Securities available for sale

	Amortized cost		Unrealized gains/losses		Market values	
	6/30/2002 € mn	12/31/2001 € mn	6/30/2002 € mn	12/31/2001 € mn	6/30/2002 € mn	12/31/2001 € mn
Equity securities	62,382	69,896	3,387	11,567	65,769	81,463
Government bonds	111,758	110,142	1,789	2,152	113,547	112,294
Corporate bonds	82,765	84,481	1,524	1,876	84,289	86,357
Other	40,557	41,126	311	952	40,868	42,078
Total	297,462	305,645	7,011	16,547	304,473	322,192

	Realized gains		Realized losses	
	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
Equity securities	3,029	3,498	2,286	2,398
Government bonds	269	362	192	197
Corporate bonds	418	114	154	164
Other	25	29	25	22
Total	3,741	4,003	2,657	2,781

Realized gains and losses have been calculated on the basis of average values.

Investment strategy within the Allianz Group is primarily geared to the long-term. Forward sale agreements and securities lending are used to hedge unrealized gains.

4 Loans and advances to banks

	6/30/2002 € mn	12/31/2001 € mn
Loans and advances to banks	69,130	61,528
Less loan loss allowance	378	254
Loans and advances to banks after loan loss allowance	68,752	61,274

5 Loans and advances to customers

	6/30/2002 € mn	12/31/2001 € mn
Loans and advances to customers	250,095	247,503
Less loan loss allowance	8,153	7,810
Loans and advances to customers after loan loss allowance	241,942	239,693

6 Amounts ceded to reinsurers from insurance reserves

	6/30/2002 € mn	12/31/2001 € mn
Unearned premiums	1,827	1,663
Aggregate policy reserves	11,592	12,207
Reserves for loss and loss adjustment expenses	15,517	16,784
Other insurance reserves	208	298
Subtotal	29,144	30,952
Insurance reserves for life insurance where the investment risk is carried by policyholders	46	47
Total	29,190	30,999

7 Minority interests in shareholders' equity/earnings

This item essentially concerns our subsidiaries AGF Group, Paris, the RAS Group, Milan, PIMCO Group, Delaware.

The interests of minority shareholders include the following:

	6/30/2002 € mn	12/31/2001 € mn
Other reserves		
Unrealized gains and losses	346	3,114
Share of earnings	879	1,044
Other equity components	8,342	13,191
Total	9,567	17,349

8 Participation certificates and subordinated liabilities

	6/30/2002 € mn	12/31/2001 € mn
Participation certificates	2,250	2,508
Subordinated liabilities	9,822	9,699
Total	12,072	12,207

9 Insurance reserves

	6/30/2002 € mn	12/31/2001 € mn
Unearned premiums	14,574	12,391
Aggregate policy reserves	200,542	197,689
Reserves for loss and loss adjustment expenses	65,274	66,648
Reserves for premium refunds	17,831	21,589
Premium deficiency reserves	545	517
Other insurance reserves	884	678
Total	299,650	299,512

10 Other accrued liabilities

	6/30/2002 € mn	12/31/2001 € mn
Reserves for pensions and similar obligations	5,770	5,629
Accrued taxes	2,138	2,478
Miscellaneous accrued liabilities	4,731	6,010
Total	12,639	14,117

11 Other liabilities

	6/30/2002 € mn	12/31/2001 € mn
Funds held under reinsurance business ceded	8,517	8,929
Accounts payable on direct insurance business	7,502	7,610
Accounts payable on reinsurance business	1,928	2,103
Other liabilities	25,347	23,258
Total	43,294	41,900

SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

12 Premiums earned (net)

	Property/Casualty ¹⁾		Life/Health ¹⁾		Total	
	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
Gross premiums written	23,209	21,999	9,939	9,376	33,148	31,375
Premiums ceded in reinsurance	- 3,299	- 3,284	- 614	- 561	- 3,913	- 3,845
Change in unearned premiums (net)	- 2,305	- 2,393	- 25	- 44	- 2,330	- 2,437
Premiums earned (net)	17,605	16,322	9,300	8,771	26,905	25,093

¹⁾After eliminating intra-Group transactions between segments

13 Interest and similar income

	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
Income from		
Securities held to maturity	248	298
Securities available for sale	6,924	6,605
Real estate used by third parties	533	470
Lending and money market transactions	6,359	1,254
Leasing agreements	75	40
Other interest-bearing instruments	536	545
Total	14,675	9,212

Net interest margin from banking business¹⁾

	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
Interest and current income	6,798	812
Interest expenses	- 4,763	- 696
Net interest margin	2,035	116
Less loan loss allowance	1,068	31
Net interest margin after loan loss allowance	967	85

¹⁾After eliminating intra-Group transactions between segments

14 Other income from investments

	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
1. Realized gains on		
Securities held to maturity	-	-
Securities available for sale	3,741	4,003
Real estate used by third parties	243	76
Other investment securities	50	1
Subtotal	4,034	4,080
2. Income from revaluations of		
Securities held to maturity	-	16
Securities available for sale	106	83
Real estate used by third parties	2	-
Other investment securities	4	-
Subtotal	112	99
3. Total	4,146	4,179

15 Trading income

Trading income includes contributions to earnings amounting to € 110 mn from derivative financial instruments used by insurance companies for which hedge accounting is not applied. These include gains on derivative financial instruments embedded in exchangeable bonds issued amounting to € 183 mn. Trading income also includes losses totaling € 73 mn from other derivative activities of insurance companies.

Trading income amounting to € 472 (- 34) mn includes income from trading activities of the banking business^{*)} totaling € 371 (20) mn. This is comprised as follows:

	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
Trading in interest products	222	12
Trading in equity products	- 22	4
Foreign exchange/precious metals trading	218	3
Other trading activities	- 47	1
Total	371	20

^{*)}After eliminating intra-Group transactions between segments

16 Fee and commission income, and income resulting from service activities

Out of the total fee and commission income, and income resulting from service activities, € 1,521 (23) mn are attributable to banking business.*)

Net fee and commission income from banking business*)

	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
Fee and commission income	1,521	23
Fee and commission expenses	- 146	- 11
Total	1,375	12

*)After eliminating intra-Group transactions between segments

Net fee and commission income comprises income from:

	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
Securities business	529	-
Loan business	6	-
Underwriting business (new issues)	62	-
Other	778	12
Net fee and commission income	1,375	12

17 Insurance benefits

Insurance benefits in property/casualty^{*)} comprise the following:

	Gross		Ceded in reinsurance		Net	
	1/1-6/30/2002	1/1-6/30/2001	1/1-6/30/2002	1/1-6/30/2001	1/1-6/30/2002	1/1-6/30/2001
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
Claims						
Claims paid	- 14,925	- 14,408	2,283	2,292	- 12,642	- 12,116
Change in reserves for loss and loss adjustment expenses	- 313	179	- 144	- 227	- 457	- 48
Subtotal	- 15,238	- 14,229	2,139	2,065	- 13,099	- 12,164
Change in other reserves						
Aggregate policy reserves	- 196	- 206	16	- 3	- 180	- 209
Other	- 68	- 32	- 9	2	- 77	- 30
Subtotal	- 264	- 238	7	- 1	- 257	- 239
Expenses for premium refunds	- 128	- 142	16	28	- 112	- 114
Total	- 15,630	- 14,609	2,162	2,092	- 13,468	- 12,517

^{*)}After eliminating intra-Group transactions between segments

Insurance benefits in life/health^{*)} comprise the following:

	Gross		Ceded in reinsurance		Net	
	1/1-6/30/2002	1/1-6/30/2001	1/1-6/30/2002	1/1-6/30/2001	1/1-6/30/2002	1/1-6/30/2001
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
Benefits paid	- 8,146	- 7,603	637	349	- 7,509	- 7,254
Change in reserves						
Aggregate policy reserves	- 2,754	- 2,351	- 129	305	- 2,883	- 2,046
Other	- 143	- 122	114	6	- 29	- 116
Subtotal	- 11,043	- 10,076	622	660	- 10,421	- 9,416
Expenses for premium refunds	- 1,383	- 2,014	1	-	- 1,382	- 2,014
Total	- 12,426	- 12,090	623	660	- 11,803	- 11,430

^{*)}After eliminating intra-Group transactions between segments

18 Interest and similar expenses

	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
Interest expenses for		
Deposits	- 1,351	- 104
Certificated liabilities	- 3,188	- 339
Subtotal	- 4,539	- 443
Other interest expenses	- 901	- 862
Total	- 5,440	- 1,305

Interest expenses include € 4,245 (0) mn attributable to the Dresdner Bank Group.

19 Other expenses for investments

	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
Realized losses on		
Securities held to maturity	- 1	- 12
Securities available for sale	- 2,657	- 2,781
Real estate used by third parties	- 12	- 2
Other investments	- 54	- 5
Subtotal	- 2,724	- 2,800
Depreciation and write-downs on		
Securities held to maturity	- 18	- 3
Securities available for sale	- 1,966	- 235
Real estate used by third parties	- 162	- 173
Other investments	- 6	- 2
Subtotal	- 2,152	- 413
Total	- 4,876	- 3,213

20 Loan loss provisions

	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
Additions to allowances including direct write-offs	- 1,513	- 42
Less amounts released	383	1
Less recoveries on loans previously written off	43	10
Loan loss provisions	- 1,087	- 31

21 Acquisition costs and administrative expenses

	Property/Casualty ^{*)}		Life/Health ^{*)}	
	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
Acquisition costs				
Payments	- 3,443	- 3,872	- 1,830	- 1,879
Change in deferred acquisition costs	217	814	521	505
Subtotal	- 3,226	- 3,058	- 1,309	- 1,374
Administrative expenses	- 2,187	- 2,106	- 711	- 701
Underwriting costs (gross)	- 5,413	- 5,164	- 2,020	- 2,075
Less commissions and profit-sharing received on reinsurance business ceded	507	644	116	109
Underwriting costs (net)	- 4,906	- 4,520	- 1,904	- 1,966
Expenses for management of investments	- 291	- 480	- 209	- 225
Total acquisition costs and administrative expenses	- 5,197	- 5,000	- 2,113	- 2,191

	Banking ^{*)}		Asset Management ^{*)}	
	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
Personnel expenses	- 2,229	- 69	- 632	- 77
Operating expenses	- 1,598	- 24	- 434	- 36
Total acquisition costs and administrative expenses	- 3,827	- 93	- 1,066	- 113

^{*)} After eliminating intra-Group transactions between segments

Acquisition costs and administrative expenses in insurance business include the personnel and operating expenses of the insurance business allocated to the functional areas "Acquisition of insurance policies", "Administration of insurance policies" and "Management of investments". Other personnel and operating expenses are reported under "Insurance benefits (claims settlement expenses)" and "Other expenses".

In Banking, all personnel and operating expenses are reported under "Acquisition costs and administrative expenses".

22 Taxes

Taxes shown in the income statement comprise the taxes actually charged to individual Group enterprises and changes in deferred tax assets and liabilities.

	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
Current taxes	- 470	- 571
Deferred taxes	777	- 100
Subtotal	307	- 671
Other taxes	- 32	- 24
Total	275	- 695

23 Other information

Number of employees

The Group had a total of 180,464 (179,946) employees as of the balance sheet date. 87,486 (87,589) of these were employed in Germany and 92,978 (92,357) in other countries. The number of employees undergoing training decreased by 484 to 7,762.

Personnel expenses

	1/1-6/30/2002 € mn	1/1-6/30/2001 € mn
Salaries and wages	4,542	2,710
Social security contributions and employee assistance	823	615
Expenses for pensions and other post-retirement benefits	384	211
Total	5,749	3,536

Hedge accounting

With the settlement of several forward sales agreements made in view of restructuring our shareholdings, the volume of derivatives used for hedge accounting has decreased significantly in comparison to fiscal 2001.

Derivatives used for fair value hedges are accounted for at a fair value of €24 mn. Ineffectiveness resulted in a loss of €1 mn.

In addition, swaps for cash flow hedges had a negative fair value of €1 mn.

Foreign currency hedging instruments with a fair value of €236 mn were used as hedges of a net investment in a foreign entity. This increased „other reserves“ by €115 mn.

Earnings per share

The earnings per share figure is calculated by dividing the consolidated net income for the period under review by the weighted average number of common shares outstanding.

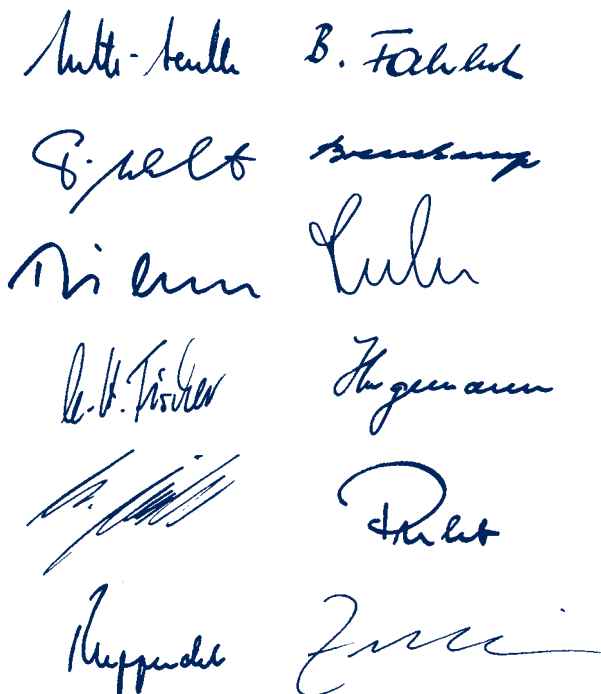
		6/30/2002	6/30/2001
Net income for the period	€ mn	1,575	1,368
Weighted average number of shares		242,707,303	245,544,671
Number of shares (not including shares held by the company)		242,986,892	244,963,900
Earnings per share	€	6.49	5.57
Earnings per share after elimination of amortization of goodwill	€	8.83	6.87

The weighted average number of shares does not include 23,720,697 (205,329) treasury shares. A diluted earnings per share figure was not calculated because there were no dilutive securities outstanding.

On January 15, 2002, 1,797,357 own shares were sold to DAD Transaktionsgesellschaft mbH in connection with the takeover offer to shareholders of Dresdner Bank AG.

Munich, August 6, 2002

Allianz Aktiengesellschaft
The Board of Management



Allianz AG
Königinstrasse 28
80802 München
Telephone +49 89 38 00 00
Telefax +49 89 34 99 41
www.allianz.com/investor-relations