Allianz Group

Helmut Perlet - Board member Allianz AG

Group financial results for the first quarter 2003

Analysts' Conference call

May 16, 2003

Allianz Group

Operating improvements still outweighed by negative impact of capital markets

Capital market impact

- Impairments on securities „available for sale“ EUR 2.3bn; bottom-line impact EUR 0.8bn

Further operating improvements

- Considerable growth
- Combined ratio below 100%
- Significant efficiency gains
- Equity exposure reduced

Net loss EUR -0.5bn

Allianz Group

Q1 operating improvements show first success of our “Back-to-Basics” initiatives

Initiative	Status
▪ Improve underwriting profitability in P/C insurance	▪ Combined ratio down 5.7%-p to 97.7%*
▪ Continue strong internal growth in L/H	▪ Statutory premiums increased by 24%*
▪ Turnaround Dresdner Bank	▪ Strong operating revenues in Q1 2003 (EUR 1.9bn) ▪ Administrative expenses reduced by 11.2%**
▪ Strengthen competitive position in Asset Management	▪ Net inflows EUR 8bn ▪ CIR down 4.5%-p to 71.9%*
▪ Decrease dependency on stock market volatility	▪ Share of equity investments decreased to 16% in Q1 2003

*) Compared to Q1 2002
**) Including Dt. Hyp., administrative expenses are reduced by 13.4%

Allianz Group

Key figures and ratios - Overview

(in EUR m)

	2002	Q1 2002	Q1 2003	Δ 03 / 02
Total revenues * (EUR bn)	**92.5**	**25.4**	**27.6**	**2.2**
Profit before tax and goodwill amortization	**-52**	**2,409**	**152**	**-2,257**
Property / Casualty	7,924**	5,865***	198	-5,667
Life / Health	83	126	165	39
Banking	-1,296	-149	-235	-86
Asset Management	143	51	55	4
Consolidations	-6,906**	-3,484***	-31	3,453
Goodwill amortization	-1,162	-284	-305	-21
Taxes	735	126	-247	-373
Minorities	-688	-320	-120	200
Net income	**-1,167**	**1,931**	**-520**	**-2,451**
Earnings per share (EUR)	-4.81	7.96	-2.10	-10.06
Shareholders' equity (EUR bn)	**21.8**	**32.9**	**19.7**	**-13.2**

*) Total revenues = Statutory premiums + (net interest income + net fee and commission income + net trading income) from Banking and Asset Management

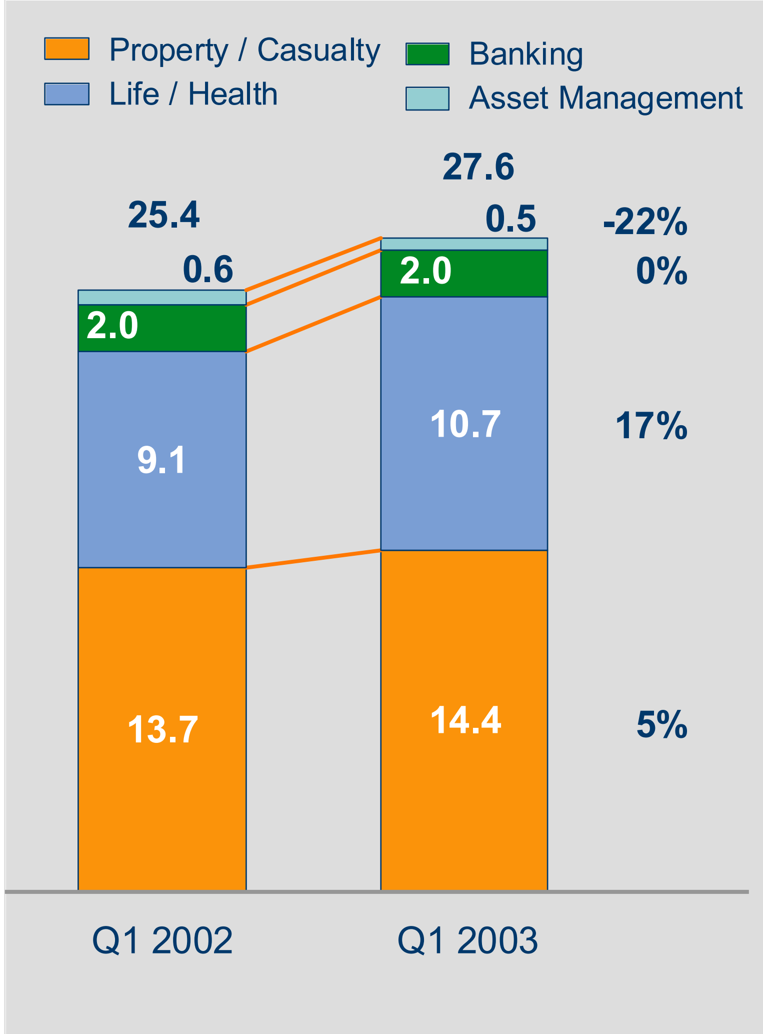
**) Including EUR 3.9bn intra-group transactions

***) Including realized gains of EUR 3.3bn from intra-group transfer of shares

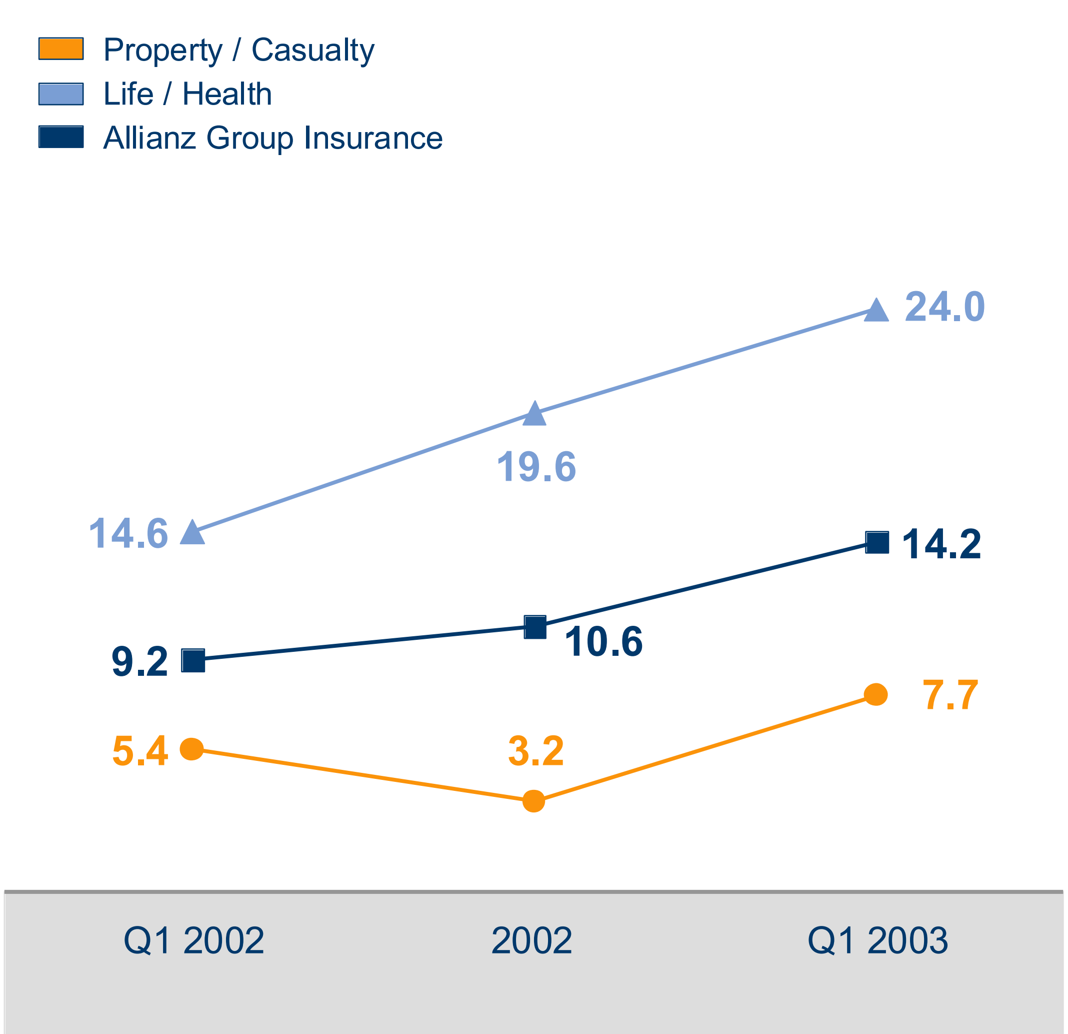
Allianz Group

Group: Strong internal growth of 24% in Life

Total revenues * (in EUR bn)



Internal growth insurance (in %)



*) All figures fully consolidated

Allianz Group

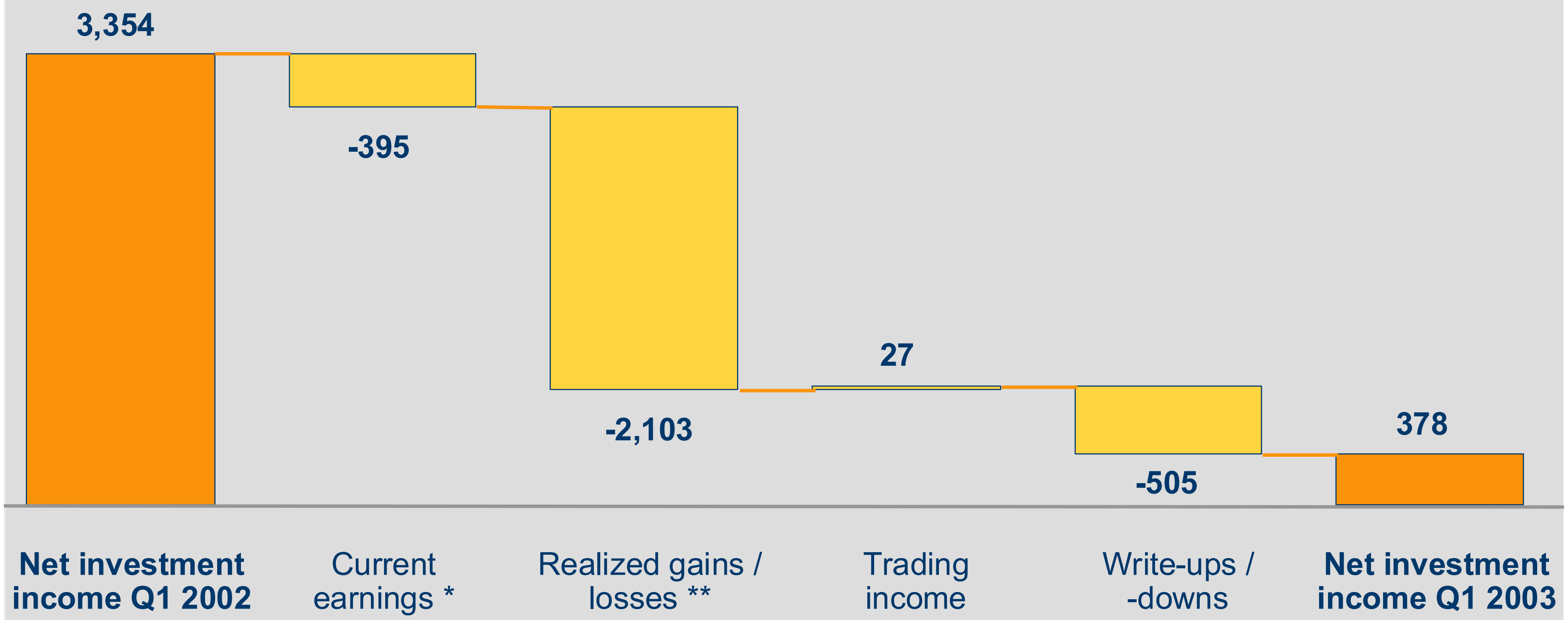
P/C: Key figures and ratios
(in EUR m)

	2002	Q1 2002	Q1 2003	Δ 03 / 02
Net income	7,207	5,612	27	-99.5%
Gross premiums written	43,294	13,916	14,573	4.7%
Investment result	11,734	6,666	378	-94.3%
Investment result adjusted	7,854*	3,354*	378	-88.7%
Claims ratio	78.2%	76.2%	72.6%	-3.6%-p
Expense ratio	27.5%	27.2%	25.1%	-2.1%-p
Combined ratio	105.7%	103.4%	97.7%	-5.7%-p
Combined ratio adjusted	101.7%**	103.4%	97.7%	-5.7%-p

*) After elimination of intra-group transfer of shares / real estate (2002: EUR 3.9bn); Q1 2002: EUR 3.3bn
**) Adjusted in 2002 for Central European floods and A&E reserve strengthening at FFIC

Allianz Group

P/C investment income depressed by significant write-downs
(in EUR m)



	Current earnings *	Realized gains / losses **	Trading income	Write-ups / -downs	Net investment income
Q1 2002	796	2,681	115	-237	3,354
Q1 2003	401	578	142	-742	378
Change	**-395**	**-2,103**	**27**	**-505**	**-2,976**

*) Net of expenses
**) Adjusted for gains from intra-group transfer of shares / real estate (EUR 3.3bn)

Our restructuring programs continue to make good progress

	Initiatives	Progress
Fireman's Fund Fireman's Fund Insurance Company	▪ Continued price increases ▪ 2003 Expense Savings Plan launched – Re-negotiation and leveraging of all spending and contractual obligations – Shared services execution	▪ Combined ratio improved by 12.6%-p to 100.8% ▪ Combined ratio ongoing business 98.1% ▪ Expense ratio improved to 28.1% from 30.5%
AGF	Consequent application of restructuring measures in P/C business: ▪ Significant tariff increases ▪ Strict underwriting criteria for new business ▪ Portfolio cleaning for existing contracts	▪ For P/C (excluding Health), combined ratio has improved by 5.6%-p to 104.2% ▪ P/C combined ratio improved across all lines of business ▪ Further improvement of loss ratio necessary
Allianz Global Risks	▪ Improved NatCat accumulation control ⇨ more efficient reinsurance program ▪ Ongoing improvement of terms and conditions ▪ Continuing implementation of unified underwriting approach	▪ Combined ratio AGR Re 102.8% ▪ Combined ratio of virtual entity AGR 94.8%

Allianz Group

Most P/C combined ratios considerably improved

(in %)

Combined ratio	Q1 2002	Q1 2003	Comments
SGD (German P/C Group)	98.2	87.5	Substantial decrease of property claims and lower level in large claims
Allianz AG	105.8	101.4	In line with group development
RAS Group Italy	99.9	97.4	Improvement in claims ratio Motor TPL* keeps going on
Lloyd Adriatico	91.1	95.4	Seasonality in Motor TPL*
Cornhill	103.8	94.9	Good performance of Motor and lower claims in Allianz Cornhill Broker commercial business
Allianz Spain	97.0	94.8	Lower expense ratio due to efficiency gains (-2.3%-p).
Allianz Suisse ex. ART	98.4	99.1	–
Allianz Austria	101.2	100.1	–
Allianz Australia	102.9	96.4	Expense reduction and favorable claims reduction in all lines of business
Credit	109.6	81.6	Improvement through higher tariffs and stricter underwriting policy

*) Motor third party liability

Allianz Group

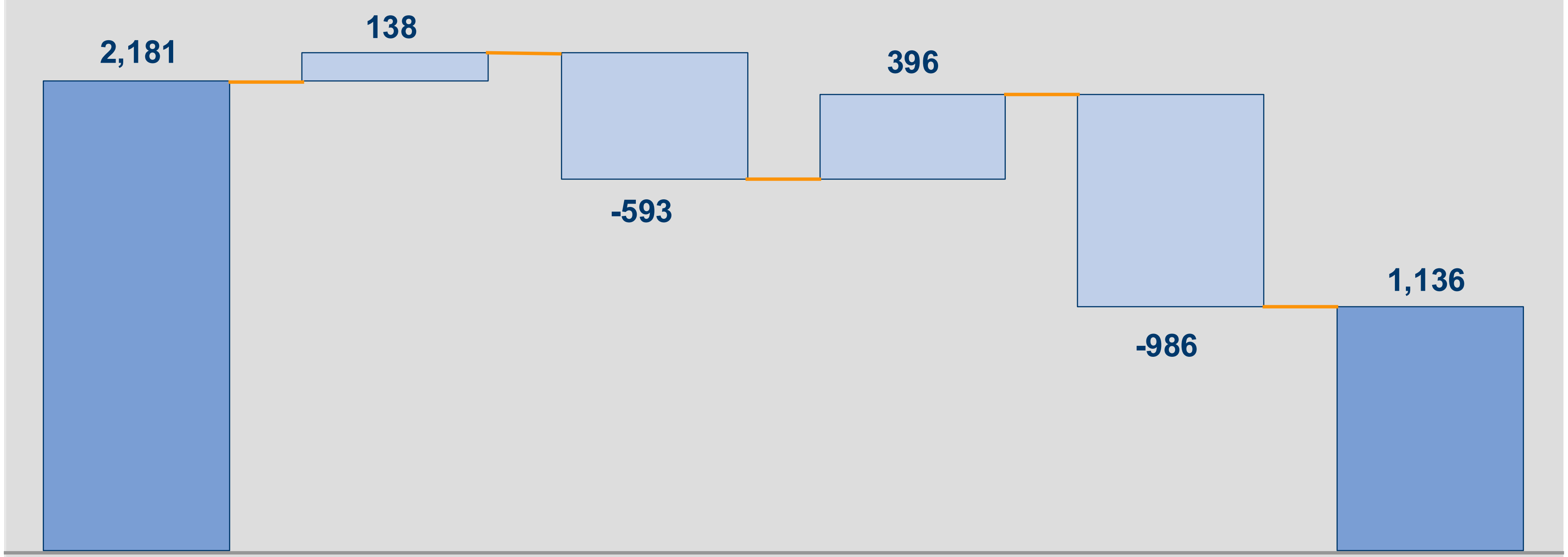
L/H: Key figures and ratios
(in EUR m)

	2002	Q1 2002	Q1 2003	Δ 03 / 02
Net income	19	14	-13	**-192.9%**
Statutory premiums	40,066	9,089	10,656	17.2%
IFRS premiums	20,663	5,212	5,007	-3.9%
Investment result	7,445	2,181	1,136	-47.9%
Expenses (as % of investments)	1.66	1.68	1.84	0.16%-p
Statutory expense ratio (in %)	10.0	10.5	9.7	-0.8%-p
Total investments (in EUR bn) *	221	216	220	1.9%

*) Excluding unit-linked products

Allianz Group

L/H investment income decreased by EUR 1.0bn
(in EUR m)



	Net investment income Q1 2002	Current earnings *	Realized gains / losses	Trading income	Write-ups / -downs	Net investment income Q1 2003
Q1 2002	2,421	132	-194	-178	2,181	
Q1 2003	2,559	-461	202	-1,164	1,136	
Change	**138**	**-593**	**396**	**-986**	**-1,045**	

*) Net of expenses

Allianz Group

L/H: Key developments

	Explanation
Premiums	▪ Strong growth in statutory premiums mainly driven by investment oriented products in USA (46.2%), Italy (54.6%), and Germany (36% in new business) ▪ IFRS premiums reduced due to lower production of traditional products in Switzerland, France, and Italy
Expenses	▪ Statutory expense ratio lowered, as higher acquisition costs are over-compensated by lower administration expenses and economies of scale
Investments	▪ Reduction in investment income driven almost entirely by substantial impairments (EUR 1.3bn), particularly in Germany and France
Tax	▪ No deferred taxes on German Life losses

Allianz Group

Banking: Key figures and ratios
(in EUR m)

	Q1 2003 Segment	Q1 2002 Dresdner Bank*	Q1 2003 Dresdner Bank*	∆ 03 / 02
Net interest income	690	911	611	-32.9%
Net fee and commission income	694	785	670	-14.7%
Net trading income	619	219	612	179.5%
Operating revenues	2,003	1,915	1,893	-1.2%
Administrative expenses	-1,579	-1,708	-1,479	-13.4%
Net loan-loss provisions	-355	-321	-351	9.4%
Operating profit	**69**	**-114**	**63**	**n.m.**
Net income	**-424**	**-110**	**-353**	**220.9%**
Operating cost-income ratio **	78.8%	89.2%	78.1%	-11.1%-p
RWA end of period (BIS), (in EUR bn)	144.2	187.0	134.1	-28.3%
Core capital ratio (BIS)	n/a	5.5%	6.3%	0.8%-p
Total capital ratio (BIS)	n/a	11.4%	11.1%	-0.3%-p

*) Dresdner contribution to Allianz banking segment
**) Administrative expenses as percentage of operating revenues

Allianz Group

Banking: Key developments Dresdner Bank

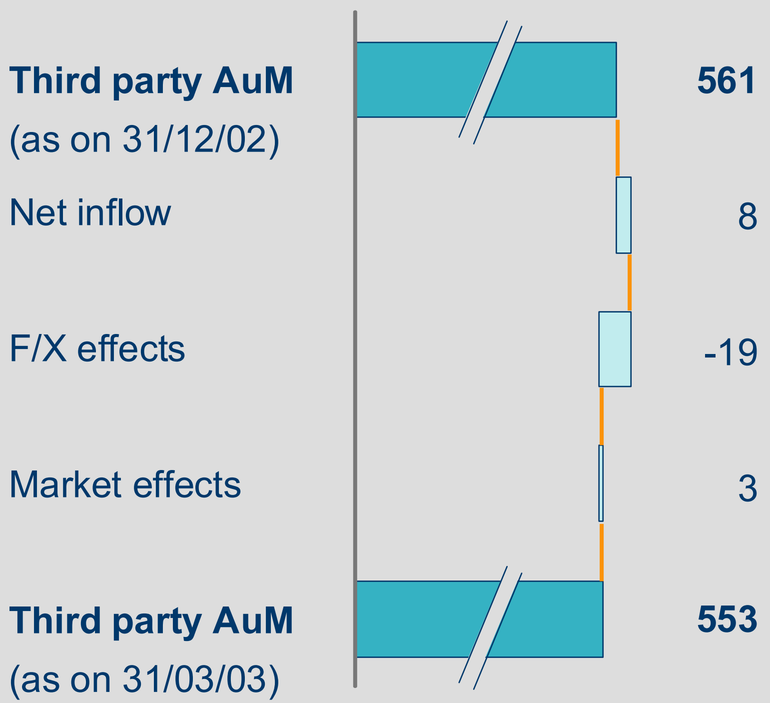
	Explanation
Revenues	▪ Operating revenues increased by 5% * despite weak capital markets ▪ Strong increase in trading income compensated decrease in net interest income
Growth Initiatives	▪ Distribution of life insurance products by PBC +29% ** ▪ Net inflow of funds from ADAM + EUR 1.9bn, tripled compared to QI 2002
Cost Cutting	▪ Cost cutting program keeps momentum ▪ Administrative expenses decreased by 11% *
Risk-weighted Assets/ Core Capital	▪ RWA further reduced by EUR 8.4bn since end of 2002 ▪ Core Capital ratio improved to 6.3% ▪ In May, IRU completed successful auction of a EUR 511m loan portfolio
Restructuring	▪ Disposal of non core assets under way ▪ EUR 19m restructuring costs from integration of Advance Bank (further EUR 35m for rest of Advance Group outside of Dresdner Bank)
Taxes	▪ Impairments on shares and goodwill amortization were not tax-deductible ▪ No recognition of deferred tax assets regarding foreign tax losses

*) Adjusted for deconsolidations Dt. Hyp
**) Without Riester products

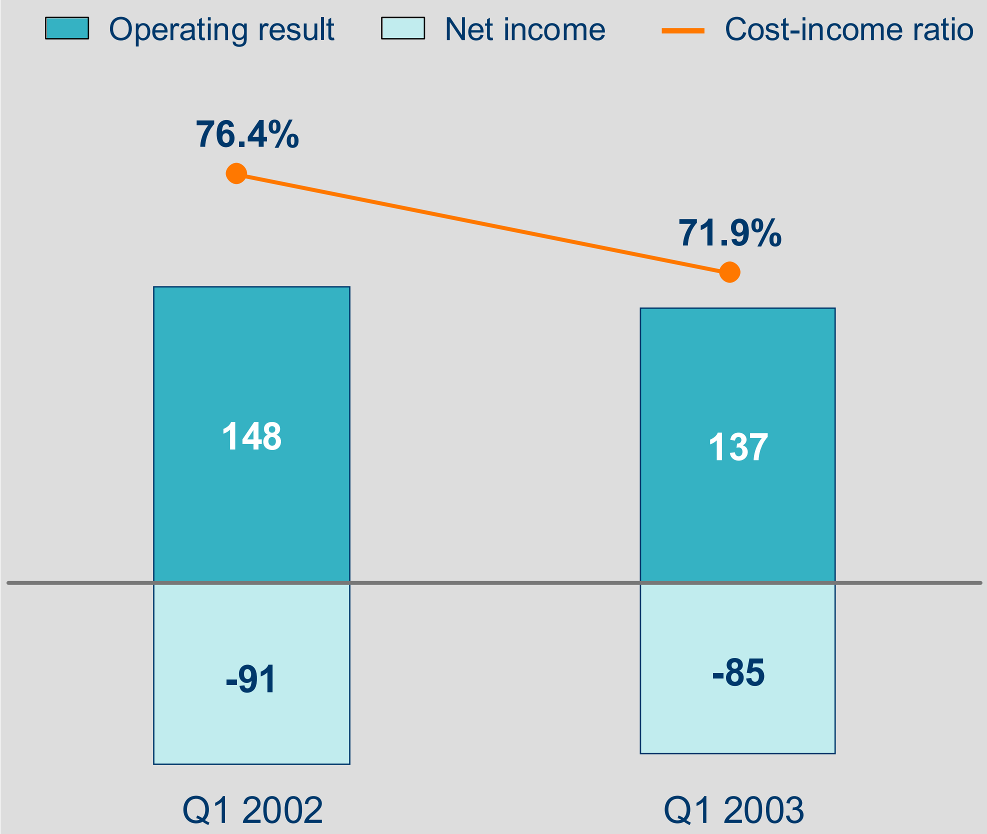
Allianz Group

Asset Management: Operating improvements pushed down cost-income ratio markedly

Assets under management (in EUR bn)



Evolution of result (in EUR m)

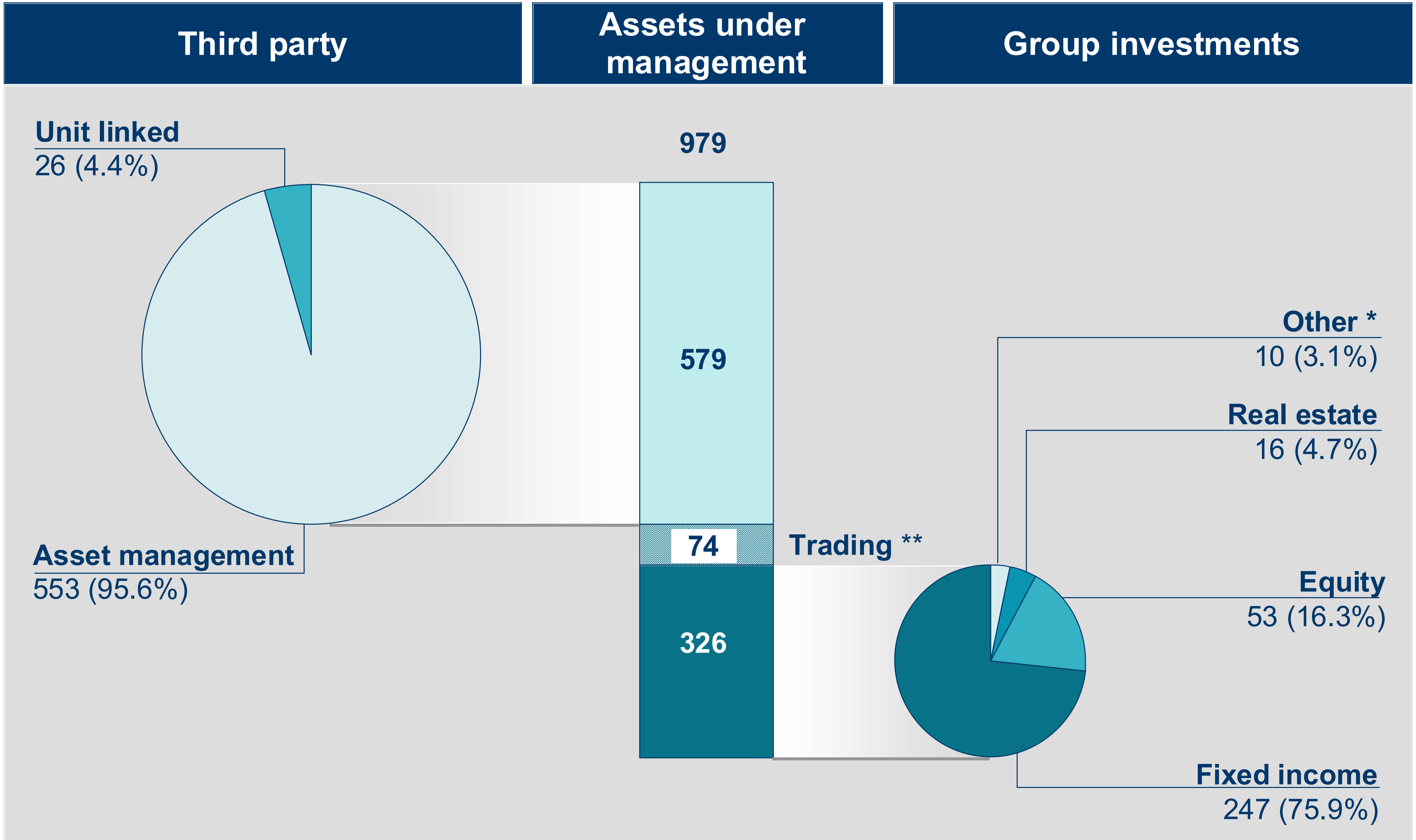


Allianz Group

Asset Management: Key developments

	Explanation
Assets under management	▪ Positive net inflows of EUR 8bn despite difficult capital market environment ▪ Negative exchange rate impact on USD assets ▪ Fixed income benefited - contrary to Equity - from strong inflows and market appreciation ▪ dit retail funds with net inflows of EUR 1.7bn (market share 16%), significant contribution of Dresdner Bank and Allianz agents
Expenses	▪ Cost control measures show positive impact: Expense reduction of 25% was higher than decline in revenues (22%)
Market position	▪ dit retail business ranks third in net asset inflows in Germany (dit Euro Bond Total Return fund has gathered within one year more than EUR 3bn, of which EUR 1.6bn in current year)

Assets under management
(in EUR bn)



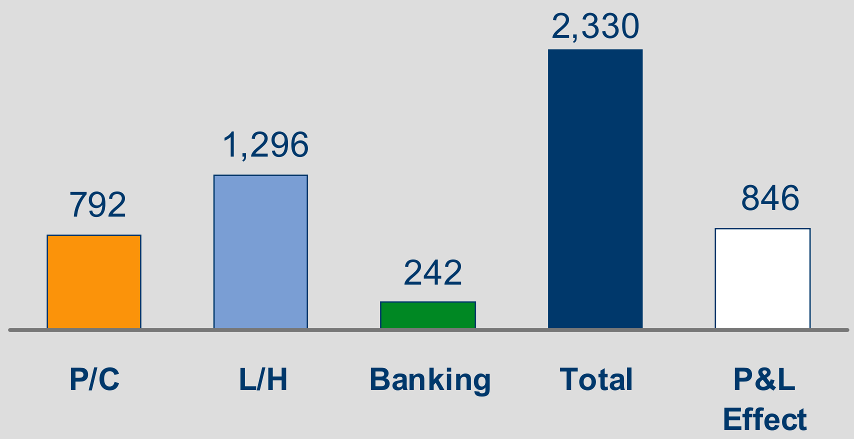
*) E.g. funds held by others under reinsurance contracts, bank deposits, derivative financial instruments
**) Net of trading assets (EUR 136bn) and trading liabilities (EUR -62bn)

Allianz Group

Impairments on securities "available for sale"

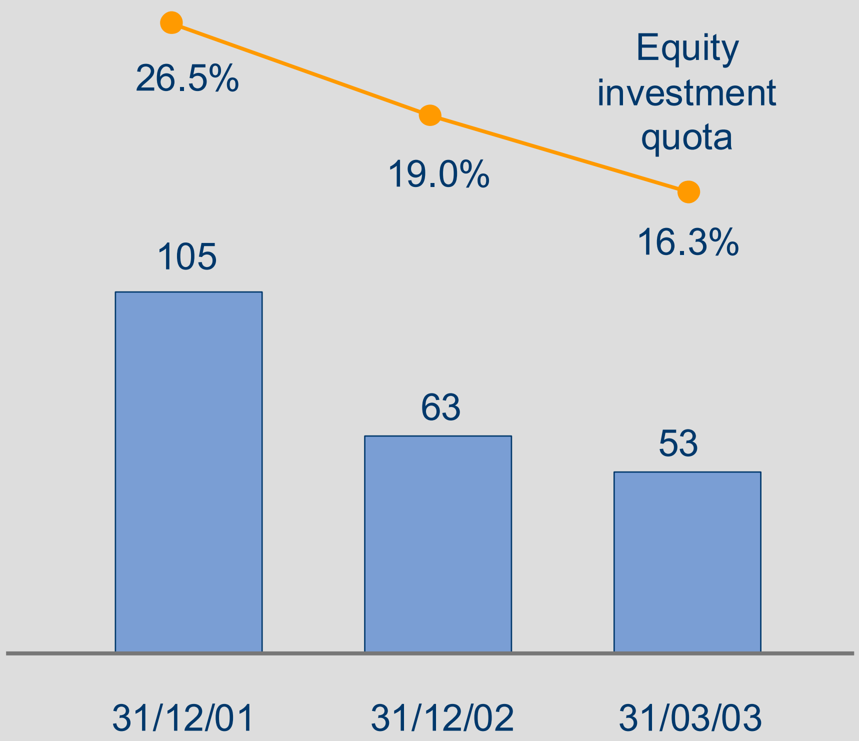
(in EUR m)

Impairments Q1 2003



- P&L effect reflects impairment impact after policyholder participation, taxes and minorities
- In case of flat or falling equity markets, further significant impairments would be necessary in 2003

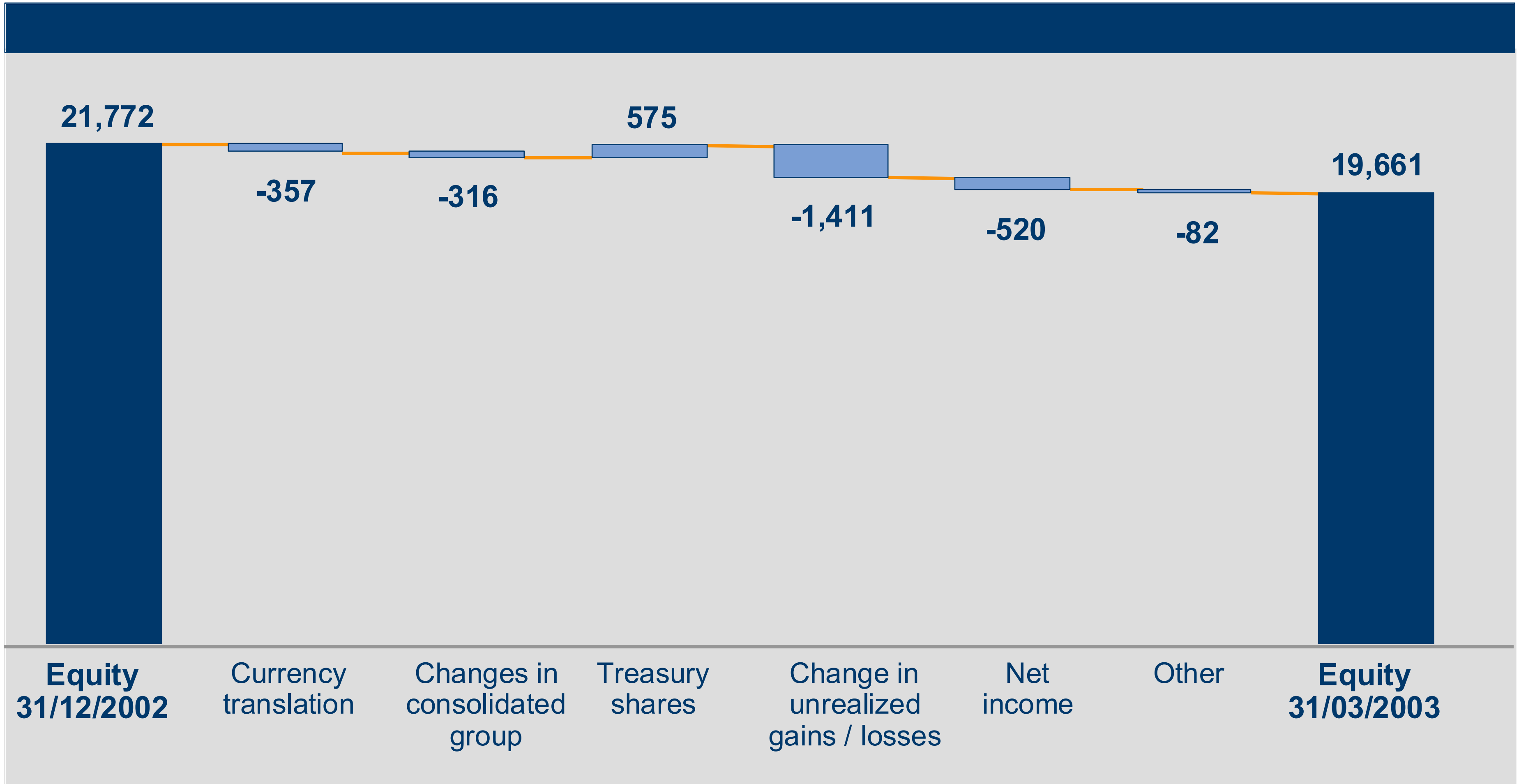
Equity exposure (EUR bn)*



*) Before policyholder participation, minorities, taxes, and hedge

Allianz Group

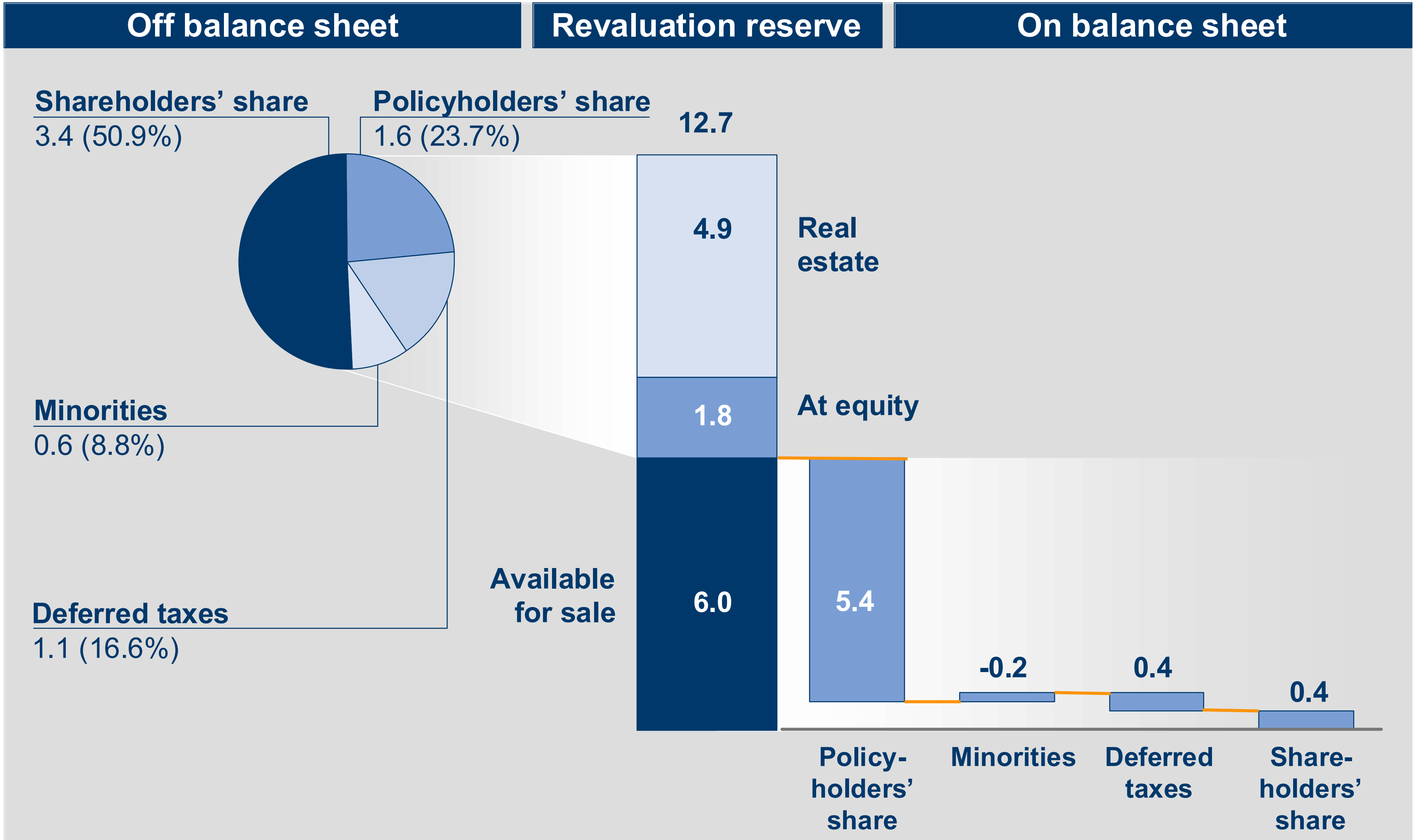
Shareholders’ equity
(in EUR m)



Allianz Group

Revaluation reserve around EUR 12.7bn

(in EUR bn)



Allianz Group

Despite the progress made, significant work remains to be done

Status

- First quarter shows significant operating improvements
- However, “all-clear” would be premature, situation remains serious
- IFRS result will continue to be dependent on capital market development in 2003

The way ahead

- Risk-adequate pricing will remain under close scrutiny
- Banking: Break-even operating profit for whole year still questionable
- All turnaround cases (Dresdner Bank, AGF, AGR, FFIC) will continue to be subject to tight operational discipline and monitoring
- Equity exposure will be further reduced
- Entire portfolio of group companies will be managed for performance

Allianz Group

Disclaimer

These assessments are, as always, subject to the disclaimer provided below.

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) the extent of credit defaults (vii) interest rate levels, (viii) currency exchange rates including the Euro-U.S. dollar exchange rate, (ix) changing levels of competition, (x) changes in laws and regulations, including monetary convergence and the European Monetary Union, (xi) changes in the policies of central banks and/or foreign governments, (xii) the impact of acquisitions, including related integration issues, (xiii) reorganization measures and (xiv) 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 terrorist activities and their consequences. The matters discussed herein may also involve risks and uncertainties described from time to time in Allianz AG's filings with the U.S. Securities and Exchange Commission. The company assumes no obligation to update any forward-looking information.

No duty to update
The company assumes no obligation to update any information contained herein.

Back up

Banking: Dresdner Bank (stand-alone)

(in EUR m)

	Banking			AM	DreBa Group	
	Q1 2003 DreBa Allianz*	Adjust-ments	Q1 2003 DreBa Stand-alone	AM	Q1 2003 Dresdner Bank Stand-alone	Q1 2002 Dresdner Bank Stand-alone
Net interest income	611	+10	621	+1	622	903
Net commission income	670	+1	671	+53	724	957
Net trading income	612	-6	606	+1	607	235
Operating revenues	1,893	+5	1,898	+55	1,953	2,094
Administrative expenses	-1,479	-2	-1,481	-49	-1,530	-1,927
Net loan-loss provisions	-351	0	-351	0	-351	-321
Operating profit	**63**	**+3**	**66**	**+6**	**72**	**-154**
Net income	-353	+186	-167	-6	-173	1,528
Operating Cost-income ratio **	78.1%		78.0%	89.1%	78.3%	92.0%
RWA end of period (BIS), (in EUR bn)	134.1		134.1	0.3	134.4	187.0
Core capital ratio (BIS)	6.3%				6.3%	5,5%
Total capital ratio (BIS)	11.1%				11.1%	11.4%

*) Dresdner contribution to Allianz banking segment
**) Administrative expenses as percentage of Operating revenues