

Invitation to the
Annual General
Meeting of
Allianz AG
on 12 July 2000.

2000

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Invitation to the Annual General Meeting

Dear Sir or Madam,

You are invited to attend the **Annual General Meeting of Allianz Aktiengesellschaft** to be held on **Wednesday, 12 July 2000, at 10.00 a.m.** in the ICM – International Congress Centre Munich, Messengelände, 81823 Munich.

Agenda

1. Report of the Board of Management

Submission of the approved financial statements, the management report and the report of the Supervisory Board as well as the consolidated financial statements and the consolidated annual report for the 1999 fiscal year.

2. Appropriation of the net earnings

The Board of Management and the Supervisory Board recommend that the net earnings of 354,437,500 euros be appropriated as follows:

- Distribution of a dividend of 1.25 euros on each of the no-par value shares entitled to dividends; any amount attributable to treasury shares will be carried forward.
- 47,850,000 euros will be allocated to other revenue reserves.

3. Approval of the activities of the Members of the Board of Management in respect of the 1999 fiscal year

The Board of Management and the Supervisory Board recommend that the activities of the Board of Management be approved.

4. Approval of the activities of the Members of the Supervisory Board in respect of the 1999 fiscal year.

The Board of Management and the Supervisory Board recommend that the activities of the Supervisory Board be approved.

5. Authorized unissued capital I and amendment of the Articles of Incorporation

The Board of Management and the Supervisory Board recommend that the following be resolved:

- a) The authorization of the Board of Management to increase the capital stock subject to the approval of the Supervisory Board (authorized unissued capital I), granted by the Annual General Meeting on 5 October 1995 with respect to item 5 on the agenda and valid up to 30 September 2000, is to be cancelled.
- b) The Board of Management is authorized, on one or more occasions up to 11 July 2005 and with the approval of the Supervisory Board, to increase the capital stock of the company by up to a total of 200,000,000 euros through the issue of new registered shares against cash contribution (authorized unissued capital I). The shareholders shall be entitled to subscription rights. However, the Board of Management is authorized, with the approval of the Supervisory Board, to exclude residual amounts from the shareholders' subscription rights.

- c) §2, section 3 of the Articles of Incorporation is to have the following wording:

"The Board of Management is authorized, on one or more occasions up to 11 July 2005 and with the approval of the Supervisory Board, to increase the capital stock of the company by up to a total of 200,000,000 euros through the issue of new registered shares against cash contribution (authorized unissued capital I). The shareholders shall be entitled to subscription rights. However, the Board of Management is authorized, with the approval of the Supervisory Board, to exclude residual amounts from the shareholders' subscription rights."

6. Securing the right to subscribe for profit participation certificates

In the event of a capital increase with subscription rights for shareholders, the profit participation certificates issued by the company provide for the right of holders of such certificates to subscribe for further profit participation certificates from a corresponding increase of capital represented by profit participation certificates. The Board of Management and the Supervisory Board recommend that the following be resolved in order to secure these subscription rights:

- a) The authorization to secure the subscription rights of holders of profit participation certificates granted by the Annual General Meeting on 5 October 1995 and expiring on 30 September 2000 is to be cancelled.

- b) In order to secure the subscription rights of holders of profit participation certificates the Board of Management is authorized, up to 11 July 2005 and with the approval of the Supervisory Board, to issue profit participation certificates in the total nominal amount of 10,000,000 euros with conditions corresponding to those issued by the company to date. These conditions, which have been adjusted to reflect the conversion of the profit participation certificates to euros, provide for a payment per certificate with a nominal value of 5.12 euros of 240% of the dividend paid by the company on a no-par-value share, but of no less than 5% of the nominal value. Holders may cancel profit participation certificates for the first time as of 31 December 2001. If holders give notice of cancellation, the repayment price corresponds to the weighted average of the issue prices of all profit participation certificate issues (composite price). If the company cancels, the redemption sum will amount to 122.9% of the price of the Allianz share. Profit participation certificates confer no voting rights, no right of conversion into Allianz shares and no right to liquidation proceeds.
- c) In the event of an increase of the capital stock with subscription rights for the shareholders, the capital represented by profit participation certificates shall be increased accordingly pursuant to the profit participation certificate conditions. Holders of profit participation certificates will receive the right to subscribe for new certificates at conditions comparable to those applying to shareholders in the capital increase. Shareholders have no right to subscribe for the new profit participation certificates. Any certificates not subscribed for will be sold at the best possible price.

7. Authorization to repurchase own shares

The Board of Management and the Supervisory Board propose the following:

- a) The current authorization to purchase own shares, granted by the Annual General Meeting on 7 July 1999 and valid up until 31 December 2000, will be cancelled.
- b) The company is authorized to buy back own shares up to a total of 10% of the current capital stock. The purchase may be made via the stock exchange or through a tender offer to all shareholders. In the event of the purchase being made via the stock exchange, the purchase price per share paid by the company (without incidental costs) may not be more than 10% above or below the price established on the trading day by the opening auction in Xetra trading (or a comparable successor system). In the event of a tender offer, the tender price or the upper and lower limits of the offered purchase price range per share (without incidental costs) may not be more than 20% above or below the closing price in Xetra trading (or a comparable successor system) on the third trading day prior to the offer being made public. The volume of the tender offer can be limited. If this is oversubscribed, shares will be accepted on a quota basis. Odd lots (up to 100 shares) per shareholder may receive preferential treatment.

The authorization for the purchase of own shares is valid until 31 December 2001. It can be exercised by the company, its group companies or by third parties for their account in whole or in several partial amounts, in pursuit of a single or multiple purpose. The authorization may not be used by the company for the purpose of trading its own shares.

- c) The Board of Management is authorized, subject to the approval of the Supervisory Board, to sell up to 1,000,000 own shares, acquired as a result of this authorization, in other ways than via the stock exchange or through an offer to all shareholders, provided that these shares are sold at a price that is not considerably below the market price of company shares at the time of the sale.
- d) The Board of Management is authorized, subject to the approval of the Supervisory Board, to offer own shares, acquired as a result of this authorization, to third parties in connection with company mergers or acquisitions of companies or of participations in companies.
- e) The Board of Management is authorized, subject to the approval of the Supervisory Board, to use own shares, acquired as a result of this authorization, for the introduction of company shares at foreign stock exchanges at which they are not listed. The price at which these shares are introduced at other stock exchanges, may not be more than 5% below the market price of company shares (without incidental costs).
- f) The Board of Management is furthermore authorized, subject to the approval of the Supervisory Board, to redeem own shares, acquired as a result of this authorization, without any further resolution by the Annual General Meeting.
- g) The authorizations under c), d), e) and f) can be exercised once or several times, in whole or in part, individually or jointly and the authorizations under c), d) and e) can also be exercised by group companies or by third parties acting for their account.

- h) The shareholders' subscription rights to these own shares are excluded insofar as these shares are used in accordance with the above authorizations under c), d) and e).

8. Elections to the Supervisory Board

By resolution of the Munich Local Court of 1 March 2000 Dr. Diethart Breipohl has been appointed member of the Supervisory Board of the company following Bernd Pischetsrieder's resignation from said body. As the appointment by the court is valid up to the Annual General Meeting of the company on 12 July 2000, the Supervisory Board recommends that

Dr. Diethart Breipohl, Icking,
former member of the Board of Management of
Allianz Aktiengesellschaft

be elected to the Supervisory Board as a shareholders' representative for the remainder of Bernd Pischetsrieder's original term – that is to say up to conclusion of the ordinary Annual General Meeting in 2003.

At the same time

Dr. Uwe Haasen, Munich,
former member of the Board of Management of
Allianz Aktiengesellschaft

and

Ernst Wunderlich, Grünwald,
former member of the Board of Management of
Allianz Aktiengesellschaft

are recommended as substitute members for the above shareholders' representative. They are to become members of the Supervisory Board in the above order in the event that the person recommended as a member of the Supervisory Board representing the shareholders or a substitute member taking his place on the Supervisory Board resigns prior to completion of the regular term of office and the Annual General Meeting has not elected a successor prior to such resignation. The term of office of the substitute members who succeed to the Supervisory Board will terminate at the end of the Annual General Meeting in which a successor is elected for the Supervisory Board member that has been replaced, but no later than at the time at which the retiring member's regular term of office would have expired.

A substitute member who succeeded to the Supervisory Board for an interim period before the end of his term resumes his original place in the order of succession of substitute members.

The Annual General Meeting is not bound by any election recommendations. The Supervisory Board is constituted in accordance with § 96 section 1 and § 101 section 1 AktG (Aktiengesetz – German Stock Corporation Law) as well as § 7 section 1 sentence 1 no. 3 MitbestG (Mitbestimmungsgesetz – German Law on Codetermination).

9. Amendments to the Articles of Incorporation

The draft bill on registered shares and the facilitation of the exercise of voting rights (NaStraG) provides for alterations to the German Stock Corporation Law whereby the exercise of shareholders' voting rights at the Annual General Meeting is to be facilitated. Under present legislation voting by proxies requires a written proxy. Under the draft NaStraG banks and shareholders' associations will be exempted from the "in-writing" requirement. The written form is to continue to apply to other proxies, although, this notwithstanding, it will be possible to provide for facilitation in the Articles of Incorporation. A corresponding provision of the Articles of Incorporation is to be adopted now, so that after the draft NaStraG has been passed into law such a facilitation is already available for next year's Annual General Meeting. Furthermore, the Articles of Incorporation shall be amended with regard to the present requirement to provide at least three days prior notice of participation at the Annual General Meeting to such a notice period as may be provided for in NaStraG.

The Board of Management and the Supervisory Board therefore recommend that the following resolution be adopted:

- a) § 10 section 2 of the Articles of Incorporation will be reworded as follows:
 - "2. Notice of participation at each Annual General Meeting must be submitted to the Board of Management no later than on the last day of the statutory notification period unless the Board of Management determines a later deadline for notification. The deadline shall be published together with the notice convening the General Meeting in the company's designated journals."

In § 10 section 3, 2nd half sentence, the words “in writing” shall be deleted. § 10 section 3 will thus be reworded as follows:

“3. Only those shareholders shall be entitled to participate that are listed in the register of shareholders and have given notice of participation within the prescribed time; they may be represented by a proxy.”

The following section 4 will be inserted after § 10 section 3 of the Articles of Incorporation:

“4. A proxy may be granted in writing or through electronic means to be stipulated by the company when a proxy holder chosen by the company is given the voting rights by the proxy giver. Details of the granting of such proxies will be announced in the company’s designated journals along with the notice of the Annual General Meeting.”

The present section 4 of § 10 will be renumbered section 5.

- b) The Board of Management is instructed to submit the amendment to § 10 section 2 of the Articles of Incorporation for entry in the Commercial Register as soon as an amendment of the German Stock Corporation Law comes into force that provides for a deadline for notice of participation prior to the third day before the General Meeting. The Board of Management is furthermore instructed to submit the other amendments to § 10 of the Articles of Incorporation for entry in the Commercial Register as soon as an amendment to the German Stock Corporation Law comes into force that permits the inclusion in the Articles of Incorporation of a provision facilitating the manner of granting proxies.

Participation in the Annual General Meeting

All registered shareholders are entitled to participate in the Annual General Meeting, personally or by proxy appointed in writing, if they have given notice of their intention to participate, addressed to the Board of Management at Allianz AG, Königinstrasse 28, 80802 Munich, Germany, by no later than Friday, 7 July 2000. Those persons entitled to participate will be provided with admission cards. For technical reasons the right to participate in the Annual General Meeting and the exercise of voting rights are limited to shareholders entered in the share register on or before 9 June 2000.

The speech of the Chairman of the Board of Management and the Annual Report can be called up on the Internet (www.investor-relations.allianz.com).

Munich, June 2000

The Board of Management

Board of Management's reports to the Annual General Meeting on items 5 to 7 of the agenda pursuant to § 203 section 2 sentence 2 and/or § 221 section 4 sentence 2 and/or § 71 section 1 no 8 in conjunction with § 186 section 4 sentence 2 and § 186 section 3 sentence 4 AktG:

1. Item 5 of the agenda: Authorized unissued capital I (exclusion of subscription rights with respect to residual amounts)

Item 5 of the agenda provides for a new authorization to issue shares against cash contribution in the total amount of up to 200,000,000 euros nominal value. Shareholders will be granted the right to subscribe for these new shares each time use is made of the authorization to increase the capital. However, the Board of Management is entitled to exclude subscription rights in respect to residual amounts. This exclusion makes it possible to exercise the authorization using round figures and thereby facilitate the capital increase. Residual amounts are to be sold for a price that is not considerably below the market price.

2. Item 6 of the agenda: Securing the right to subscribe for profit participation certificates (exclusion of subscription rights on issuance of profit participation certificates)

The company issued profit participation certificates to which the shareholders had subscription rights in the first issue in 1986. In capital increases with shareholders' subscription rights, holders of profit participation certificates are entitled to acquire new certificates with similar conditions. To provide holders of profit participation certificates with this opportunity in future a renewal of the authorization is necessary. At the same time the shareholders' right to subscribe for the new profit participation certificates must be

excluded in order to honour the subscription rights of existing holders of profit participation certificates. Any non-subscribed certificates will be sold at the best possible price.

3. Item 7 of the agenda: Own shares (exclusion of subscription rights on sale of own shares)

§ 71 section 1 no. 8 AktG offers stock corporations the possibility, based on the authorization of the Annual General Meeting, of acquiring own shares up to a total of 10% of their capital stock. Agenda item 7 contains the recommendation to grant such authorization, limited to a period of just under 18 months. This is to enable the Board of Management, in the interests of the company and its shareholders, to acquire own shares, via the stock exchange or through a tender offer, up to a total of 10% of the company's current capital stock. Shares bought back by the company can be resold via the stock exchange or through a public offer to all shareholders. These selling possibilities ensure the shareholder's right to equal treatment when the shares are reissued.

Moreover, the company can also sell its own shares outside of the stock exchange without a public offer to all shareholders, if the share price is not considerably below the market price at the time of the sale. With this authorization, which is equivalent to a subscription rights exclusion, use is made of the approved possibility of facilitating the subscription rights exclusion set forth in § 71 section 1 no. 8 AktG subject to the appropriate application of § 186 section 3 sentence 4 AktG. In the interests of the company this is meant above all to enable us to offer company shares to institutional investors, both at home and abroad, and to extend the circle of shareholders. With this requested authorization, the company

should be able to quickly and flexibly react to favourable stock market situations. This will sufficiently safeguard the shareholders' pecuniary and voting right interests. If the company sells its own shares, the authorization to the subscription rights exclusion, based on § 186 section 3 sentence 4 AktG, is limited to 1,000,000 shares. This ensures that, taking into account all other existing authorizations to the subscription rights exclusion in accordance with § 186 section 3 sentence 4 AktG, the limit of 10% of the capital stock stated in this rule will not be exceeded. The shareholders' concerns about dilution of capital are addressed by the stipulation that shares are only permitted to be sold at a price that is not considerably below the prevailing market price. The selling price for the company's own shares will be finally determined shortly before the shares are sold. In determining the price the Board of Management will endeavour to keep the discount on the market price as low as possible, giving due consideration to current market circumstances. The discount must on no account be more than 5%.

The authorization is also meant to give Allianz AG the possibility of having its own shares available as a quid quo pro in connection with company mergers or acquisitions of companies or participations in companies. International competition and the globalization of business increasingly demand this form of financing acquisitions. This authorization is to give the company the necessary freedom of action to be able to respond quickly and flexibly to attractive offers to acquire companies or participations, thus justifying the recommended exclusion of subscription rights. When determining the ratio at which shares are to be exchanged, the Board of Management will ensure that the interests of the shareholders are appropriately safeguarded. As a rule, when determining the value

of the shares offered in return, the Board of Management will be guided by the market value of the Allianz share. A systematic link to a market price is not envisaged, particularly in order not to call into question formerly negotiated results on the grounds of market price fluctuations. Allianz AG currently also has the authorized Capital III at its disposal for the acquisition of companies or participations in companies. The decision in respect of the type of shares to be procured for the financing of such transactions is to be made by the Board of Management with the approval of the Supervisory Board. Here solely the interests of the shareholders and the company are to be taken into consideration.

Furthermore, the authorization is to open up the possibility of using the company's own shares for introduction in foreign stock markets where the company is not yet listed. Allianz AG is engaged in intense competition on the international financial markets. To have the possibility of obtaining equity capital on the market at reasonable conditions any time is of great importance to the future development of business. Introducing the share in foreign stock exchanges serves this purpose, because it widens the shareholder base abroad and enhances the share's attractiveness as an investment.

In addition to the stock market, the company is also to obtain the possibility of buying back its own shares by means of a tender offer. In this variant any shareholder who is willing to sell shares in the company can decide how many shares he wants to sell and, if a price range is determined, at what price he wants to sell them. If the number of shares tendered at the fixed price exceeds the number of shares the company wishes to buy back, acceptance

of the offers to sell must be on a quota basis, with the possibility of giving preference to small tenders or portions of tenders up to a maximum of 100 shares. This serves the purpose of avoiding fractional amounts in determining the quotas to be bought back and small residual amounts, which facilitates the technical process of the transaction.

The Board of Management will inform the next Annual General Meeting on how the authorizations are utilized.

Munich, June 2000

The Board of Management

Information on item 8 of the agenda: Elections to the Supervisory Board

List of other mandates

Dr. Diethart Breipohl, Icking,
former member of the Board of Management of Allianz
Aktiengesellschaft

Membership in German Supervisory Boards, formed according to German legal requirements:

- Bayerische Hypo- und Vereinsbank AG, Munich
- Beiersdorf AG, Hamburg
- Continental AG, Hannover
- Karstadt AG, Essen
- Metallgesellschaft AG, Frankfurt
- KM Europa Metal AG, Osnabrück

Membership in other comparable Boards:

- Crédit Lyonnais, Paris
- Les Assurances Générales de France (AGF), Paris

Substitute members

Dr. Uwe Haasen, Munich,

former member of the Board of Management of Allianz
Aktiengesellschaft

Memberships in German Supervisory Boards, formed according
to German legal requirements:

- United Systems AG, Munich (Chairman)
- CBP GmbH, Munich

Ernst Wunderlich, Grünwald,

former member of the Board of Management of Allianz
Aktiengesellschaft

Memberships in German Supervisory Boards, formed according
to German legal requirements:

- Madaus AG, Cologne
- Steag Electronic Systems AG, Essen

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