

OTHER INFORMATION

43 Other information

General information about the parent company

The parent company of the Group is Allianz AG, Munich. The company is an "Aktiengesellschaft" (public stock corporation) incorporated in Germany. It is recorded in the German Commercial Register under its registered address at Koeniginstrasse 28, 80802 Munich. Besides serving as holding company for the Group, Allianz AG also acts as reinsurance carrier for the Group.

Number of employees

At the end of 2003, the Group employed a total of 173,750 (2002: 181,651) people. 82,245 (2002: 86,768) were employed in Germany and 91,505 (2002: 94,883) abroad. The number of employees undergoing training decreased by 1,525 (2002: 657) to 6,063 (2002: 7,588).

Personnel expenses

	2003 € mn	2002 € mn	2001 € mn
Salaries and wages	8,832	9,664	6,819
Social security contributions and employee assistance	1,548	1,532	1,208
Expenses for pensions and other post-retirement benefits	634	811	405
Total	11,014	12,007	8,432

Stock related remuneration

The Group applies the fair value recognition provisions of FAS 123 in accounting for its stock related remuneration plans. Refer to Note 4 for further discussion of the Group's accounting and valuation policies.

Stock purchase plans for employees

Shares in Allianz AG are offered to qualified employees in Germany and abroad within pre-defined timeframes at favorable conditions. In order to be qualified, employees must have been employed in continuous service, or had a position as an apprentice, for a period of 6 months prior to share offer and notice of termination of employment must not have been served. Share purchase plans also include restrictions relating to the amount that the employee can invest in purchasing shares. All participating enterprises in Germany and abroad impose restrictions on the disposal of shares, though the length of time varies from a minimum of 1 year to a maximum of 5 years, depending on the country involved. The shares are freely disposable

after the expiration of the minimum holding period. The number of shares sold to employees under these plans was 944,625 in 2003 (2002: 136,222; 2001: 361,235). The difference between the exercise price and the market price of Allianz shares of € 16 mn in 2003 (2002: € 5 mn; 2001: € 27 mn) was reported as part of compensation expense.

Stock-based compensation plans in the Group

Group equity incentive plans

Group Equity Incentives support the orientation of senior management, and in particular the Board of Management, toward the long-term increase of the value of the company.

In 1999, Allianz AG introduced Stock Appreciation Rights (SAR) through which part of total remuneration is directly tied to the development of the Allianz share price. In 2003, Restricted Stock Units (RSU) with a 5-year vesting period were issued for the first time. The relative volume of SAR issued in 2003 was reduced accordingly.

Allianz senior management worldwide is entitled to participate in these Group equity incentives. In fiscal 2003, more than 550 senior managers in 28 countries and 74 companies received a corresponding offer.

Awards were granted by the respective companies in accordance with uniform group-wide conditions. The grant price for SAR and RSU applicable for the award is calculated on the basis of the average daily closing price of the Allianz share in Xetra trading on the 10 trading days following the Annual General Meeting of Allianz AG. The grant price for fiscal 2003 was € 65.91.

The number of SAR and RSU offered is set individually for each participant and is determined on the basis of the grant price, the economic development of the value of Allianz AG and the respective responsible company in accordance with the Economic Value Added (EVA®) concept, a capital-cost-based target performance of the Allianz share and individual elements such as fixed remuneration and performance.

The volume of the rights granted, and thus the potential gain for the participant depends essentially on the economic performance.

Of the Group equity incentives, half of the value determined at the grant date is allocated to SAR and RSU, respectively. Depending on the different values calculated per SAR and RSU at the grant date, participants in the plan receive a different number of SAR and RSU.

In fiscal 2003, the following number of SAR and RSU was granted to senior managers of the Allianz Group worldwide:

SAR	1,508,209 units
RSU	542,141 units