

France

		2003	2002	2001 ^{*)}
Gross premiums	€ mn	5,367	4,941	5,392
Premiums earned (net)	€ mn	4,453	4,066	4,083
Claims ratio	%	79.8	84.5	83.0
Expense ratio	%	24.4	26.4	29.3
Earnings after taxes	€ mn	293.6	383.0	30.9
Investments	€ mn	22,123	20,468	20,579
Employees		13,345	13,797	14,313

^{*)} 2001 including Allianz Marine & Aviation

In the **current fiscal year**, AGF is expected to expand business in line with the market by 3.5 percent. Leaner and more efficient workflows should help to bring down the expense ratio once again. The continuation of the reassessment of the portfolio adjustments started last year as well as additional rate increases are expected to further improve the claims ratio.

ITALY

— We are represented in the Italian market by our property and casualty insurers RAS Group and Lloyd Adriatico.

— Together, these companies jointly increased revenues by 3.6 percent to 5.1 billion euros.

— We therefore rank number three in Italy.

Premium income of the RAS Group grew 3.5 percent to 3.8 billion euros. Lloyd Adriatico – which mainly sells automobile insurance – increased revenues by 3.8 percent to 1.3 billion euros. Rate adjustment in automobile insurance and generally good new business continued to fuel the growth of our Italian companies. At the same time they maintained their selective underwriting policy.

The strong surge in business at our Italian direct insurer Genialloyd continued to gather momentum as its growth rate jumped by over 54 percent to 170 million euros. At present, almost 40 percent of its premium volume is generated through the Internet, which once again strengthens Genialloyd's position as Italy's undisputed leader in this market segment.

The **claims ratio** of our Italian companies continued to improve to 65.0 (69.3) at Lloyd Adriatico and to 73.1 (76.8) percent at RAS. This is the result of our risk-oriented underwriting policy and our continued efforts to eliminate bad risks from our portfolio, aided by the market-wide decline of loss figures. The lower claims ratio at RAS also reflects a revised rate structure and portfolio restructurings in liability insurance.

Rigorous cost management kept the **expense ratio** of RAS Group at previous year's level of 23.9 (23.9) percent, despite weaker growth and continued investments aimed at strengthening brand awareness. Higher IT expenses pushed the expense ratio of Lloyd Adriatico to 19.8 (18.9) percent. However, even with

this figure, cost management at RAS Group is still one of the best in the Italian insurance industry.

RAS Group

		2003	2002	2001
Gross premiums	€ mn	3,793	3,663	3,396
Premiums earned (net)	€ mn	3,389	3,295	3,063
Claims ratio	%	73.1	76.8	79.7
Expense ratio	%	23.9	23.9	23.7
Earnings after taxes	€ mn	278.1	741.8	284.9
Investments	€ mn	7,782	7,975	7,735
Employees		5,105	5,029	5,300

Lloyd Adriatico

		2003	2002	2001
Gross premiums	€ mn	1,323	1,275	1,189
Premiums earned (net)	€ mn	1,256	1,195	1,118
Claims ratio	%	65.0	69.3	68.5
Expense ratio	%	19.8	18.9	19.2
Earnings after taxes	€ mn	124.3	100.6	109.7
Investments	€ mn	2,667	2,427	2,250
Employees		1,260	1,316	1,321