





## Report of the Supervisory Board

**The Supervisory Board performed its duties in accordance with the law and the Articles of Association and continuously supervised the activities of the Bank's management. It was informed in writing and verbally by the Board of Managing Directors in a regular, comprehensive and timely manner on the intended business strategies, fundamental issues concerning the future management of the Bank and corporate planning, the position and development of the Bank and the Group, and key transactions. The Supervisory Board also regularly discussed these matters with the Board of Managing Directors.**

The Supervisory Board met on 13 February, 9 April, 25 September, and 28 November of fiscal year 2002. In its meetings, the Supervisory Board was informed by the Board of Managing Directors with regard to the course of business, significant lending commitments and investments, and other matters of material importance to the Group. The Supervisory Board also discussed the intended squeeze-out of minority shareholders in exchange for an appropriate cash payment by way of resolution by the Annual General Meeting on 24 May 2002. Later in the fiscal year, the Supervisory Board discussed the restructuring of corporate holdings and the "Turnaround 2003"-Programme, which is designed to further increase profitability in a difficult economic environment. The key points of this programme are cutting costs by reducing employee capacity by shedding a further 3,000 or so jobs, continuing the divisionalisation of support areas and the establishment of an Institutional Restructuring Unit (IRU), whose task is to streamline the Bank's loan portfolio by phasing out those exposures that no longer form part of the Bank's strategic focus, or on which impairment losses must be charged. Subjects of discussion at the meeting on 28 November were the new structure of the Corporates & Markets division and its corporate banking advice models resolved by the Board of Managing Directors, and the further development of the Private and Business Clients division. In addition, in connection with the integration of Dresdner Bank into the Allianz Group, the Supervisory Board discussed the incorporation of Dresdner Bank's German asset management units into Allianz Dresdner Asset Management Deutschland GmbH and the integration of the IT service companies of Dresdner Bank and Allianz.

The Board of Managing Directors submitted regular reports on the extent to which Group risk exposure limits had been utilized. The Supervisory Board also again conducted an in-depth examination of aspects of risk control within the Group and dealt with fundamental corporate planning issues, and in particular the key figures used for long-term planning.

The Supervisory Board also considered the German Corporate Governance Code, which is primarily intended for listed companies. As Dresdner Bank AG was delisted with effect from 11 July 2002, the Supervisory Board agreed with the proposal by the Board of Managing Directors that, given its integration into the Allianz Group, it is not necessary for Dresdner Bank AG to declare its compliance with the Code individually, even though Dresdner Bank AG's corporate governance concept includes its key principles.

The Supervisory Board has formed the following committees: the Executive Committee, the Credit Committee, the Operations Committee, the Accounts Committee, and the Mediation Committee in accordance with section 27 (3) of the Mitbestimmungsgesetz (German Co-determination Act).

The Executive Committee met on four occasions in fiscal year 2002 to discuss human resources issues concerning the Board of Managing Directors and the preparation of individual agenda items for forthcoming Supervisory Board meetings. The Credit Committee met three times to address lending issues and business transactions falling within its area of responsibility as defined by the law and the Articles of Association; decisions on such issues were also taken by circulating documents and by passing resolutions outside meetings. Additional discussions were held with the Board of Managing Directors on the Bank's loan portfolio structure, risk management, and exposures subject to particular risks. The Operations Committee of the Supervisory Board met three times in fiscal year 2002. It considered structural, organisational, social, and other internal issues. At the 2002 meeting of the Accounts Committee, the Dresdner Bank single-entity and consolidated financial statements as at 31 December 2001 were discussed. A meeting of the Mediation Committee was not required.

The Chairman of the Supervisory Board reported regularly to the plenary meeting on the work of the Supervisory Board Committees. In addition to the meetings of the Supervisory Board and its Committees, the Chairman of the Supervisory Board also met frequently with the Board of Managing Directors as a whole, as well as individual members of the Board of Managing Directors, in particular the Chairman of the Board of Managing Directors. These meetings served to discuss business policy issues as well as the position and development of the Bank.

The 2002 financial statements and management report of Dresdner Bank AG, prepared in accordance with the HGB (German Commercial Code), and the 2002 consolidated financial statements and group management report of the Dresdner Bank Group, prepared in accordance with the IASs, were audited by PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt/Main, the auditors elected by the Annual General Meeting. They granted an unqualified audit opinion.

The auditors' reports were distributed to all members of the Supervisory Board in good time before the meeting of the Supervisory Board convened to adopt the accounts. The reports were discussed during this plenary meeting as well as during the preparatory meeting of the Accounts Committee. The auditors who signed the single-entity and consolidated financial statements were present at both meetings. They gave an account of both their audit as a whole and of the major individual items which were specified at the time of their engagement, and also provided detailed answers to questions from the members of the Supervisory Board. The Supervisory Board duly noted and approved the results of the audit. The Supervisory Board examined the single-entity and consolidated financial statements, the management report and the group management report as at 31 December 2002, as presented by the Board of Managing Directors. The final results of this examination did not result in any objections. At its meeting on 12 March 2003, the Supervisory Board therefore approved the annual financial statements and the management report. The financial statements are thereby adopted.

In addition, the Board of Managing Directors presented the Supervisory Board with the dependent companies report in accordance with section 312 of the Aktiengesetz (German Public Companies Act) and with the auditors' report on the latter. The auditors issued the following opinion on the basis of the audit, which did not result in any objections:

"On the basis of our audit performed in accordance with professional standards, we confirm that

1. the factual statements in the report are correct,
2. the consideration given by the company in relation to the transactions specified in the report was not unreasonably high,
3. there are no circumstances which would justify, in relation to the acts specified in the report, a materially different opinion than that of the Board of Managing Directors."

The Supervisory Board examined the dependant companies report and approved both the report and the audit report on it. The final results of the Supervisory Board's examination did not give rise to any objections to the declaration made by the Board of Managing Directors at the end of the dependant companies report.

The following changes to the composition of the Supervisory Board took place in the course of fiscal year 2002: Dr. Alfons Titzrath resigned as a member of the Supervisory Board at the close of the Annual General Meeting held on 24 May 2002; he was succeeded by Dr. Helmut Perlet, who was appointed to the Supervisory Board by the Annual General Meeting. Dr. Hans-Jürgen Schinzler retired from the Supervisory Board with effect from 28 November 2002. He was succeeded by Dr. Bernd Pischetsrieder, who was appointed to the Supervisory Board by way of a court ruling on 29 November 2002. The Supervisory Board would like to thank Dr. Titzrath and Dr. Schinzler for their long, valuable and constructive participation in the Supervisory Board. The court appointment of Dr. Bernd W. Voss as a member of the Supervisory Board was confirmed by a resolution of the Annual General Meeting on 24 May 2002.

The following changes to the Board of Managing Directors took place in fiscal year 2002: The Supervisory Board complied with the requests of Messrs Leonhard H. Fischer, Klaus-Michael Geiger and Joachim Mädler to be relieved of their duties as members of the Board of Managing Directors, Mr Fischer with effect from 31 October 2002, Mr Geiger with effect from 28 November 2002 and Mr Mädler with effect from 31 December 2002. The Supervisory Board thanks the gentlemen leaving the Board of Managing Directors in fiscal year 2002 for their successful commitment to the Bank in a difficult economic period.

Mr Jan E. Kvarnström and Dr. Friedrich Wöbking were appointed as members of the Board of Managing Directors with effect from 1 December 2002 and 1 January 2003 respectively.

The Supervisory Board would like to thank all employees for their hard work and dedication.

The term of office of the current Supervisory Board ends as of the Annual General Meeting on 8 April 2003. I would like to thank all the members for the commitment they have shown and for their energetic and constructive contribution to the best interests of the Bank. I would particularly like to thank those members who are retiring as of this year's Annual General Meeting.

Frankfurt/Main, 12 March 2003

THE SUPERVISORY BOARD



Dr. Henning Schulte-Noelle  
Chairman