

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 12 March, 8 April (constituent meeting), 17 September and 25 November of fiscal year 2003. In addition, extraordinary Supervisory Board meetings were held on 25 March, 28 May and 13 August.

In its three regular 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. In these meetings, the Supervisory Board also discussed the planned change of auditors from PwC Deutsche Revision Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, to KPMG Deutsche Treuhand-Gesellschaft AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, and the changes to the Articles of Association proposed to the Annual General Meeting on 8 April 2003. The Board of Managing Directors presented the "New Dresdner" Programme to the Supervisory Board in the extraordinary meeting on 13 August 2003. The Supervisory Board examined the Programme in detail, focusing in particular on the added value for its shareholder and customer-focused product design. The Board of Managing Directors provided updates on the Programme's progress in subsequent meetings.

In addition, the Supervisory Board reviewed the activities of the Bank's Institutional Restructuring Unit and the reduction of the Bank's non-strategic portfolio, as well as with the planned transfer of electronic payments to Deutsche Postbank AG and the sale of the Bank's custody business to Deutsche Bank AG. The Supervisory Board was informed of the proposed cooperation with Deutsche Wertpapierservice Bank AG in the area of securities settlement. The Supervisory Board adopted its revised by-laws in the meeting on 25 November and approved the changes to the by-laws for the Board of Managing Directors resolved by the latter.

The Board of Managing Directors submitted regular reports on the extent to which Group risk exposure limits had been utilised. The Supervisory Board also examined aspects of risk control within the Group, as in the past, and addressed fundamental corporate planning issues, and in particular the key figures used for long-term planning.

As the German Corporate Governance Code primarily addresses listed companies, and Dresdner Bank AG was delisted with effect from 11 July 2002, the Supervisory Board and the Board of Managing Directors have not issued a declaration of compliance with the Code due to the Bank's integration with the Allianz Group; however, Dresdner Bank AG's corporate governance concept includes the key principles of the Code.

The Supervisory Board has formed the following committees: the Executive Committee, the Credit and Risk 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 seven occasions in fiscal year 2003 to discuss human resources issues concerning the Board of Managing Directors and to prepare individual agenda items for forthcoming Supervisory Board meetings. The Credit and Risk Committee met four 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 twice in fiscal year 2003. It considered structural, organisational, social and other internal issues. At the 2003 meeting of the Accounts Committee, the Dresdner Bank single-entity and consolidated financial statements as at 31 December 2002 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 with individual members of the Board of Managing Directors, and in particular with 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 2003 financial statements and management report of Dresdner Bank AG, prepared in accordance with the HGB (German Commercial Code), and the 2003 consolidated financial statements and group management report of the Dresdner Bank Group, prepared in accordance with the IASs, were audited by KPMG Deutsche Treuhand-Gesellschaft AG 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 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 2003, as presented by the Board of Managing Directors. The final results of this examination did not result in any objections. At its meeting on 8 March 2004, the Supervisory Board therefore approved the single-entity financial statements and the consolidated financial statements. The single-entity 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 dependent 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 dependent companies report.

The term of office of all members of the Supervisory Board ended at the end of the Annual General Meeting on 8 April 2003. The ten shareholder representatives were elected to the Supervisory Board in the course of this Annual General Meeting. Michael Diekmann, Igor Landau and Dr. Hartmut Mehdorn were elected to the Supervisory Board for the first time. Newcomers to the Supervisory Board among the employee representatives were Oda-Renate Krauß, Brunhilde Nast, Margit Schoffer, Christian Höhn and Jürgen Rose. Michael Diekmann was elected as the Chairman of the Supervisory Board in the latter's constituent meeting on

8 April 2003, and Peter Haimerl was elected as the Deputy Chairman. The new Supervisory Board no longer includes Dr. Henning Schulte-Noelle, Dr. Martin Frühauf and Michel Pébureau (shareholder representatives) and Reinhard Dröner, Manfred Karsten, Ainis Kibermanis, Bernd Kriegeskorte and Uwe Plucinski (employee representatives). We would like to thank all former members for their many years of constructive cooperation.

The following changes to the Board of Managing Directors took place in fiscal year 2003: the Supervisory Board accepted the resignations of Dr. Bernd Fahrholz and Heinrich Linz as members of the Board of Managing Directors and, in the case of Dr. Fahrholz, as Chairman of the Board of Managing Directors. Dr. Fahrholz resigned with effect from 25 March 2003 and Mr. Linz with effect from 31 May 2003. Dr. Horst Müller retired from the Board of Managing Directors of Dresdner Bank AG with effect from 31 December 2003. The Supervisory Board thanks all gentlemen leaving the Board of Managing Directors in fiscal year 2003 for their successful work in a difficult economic period for the Bank.

Dr. Herbert Walter was appointed as a member and Chairman of the Board of Managing Directors with effect from 25 March 2003. In addition, Karl Ralf Jung and Andrew Pisker were appointed as member of the Board of Managing Directors with effect from 25 March 2003, Otto Steinmetz was appointed with effect from 1 June 2003 and Wulf Meier with effect from 1 March 2004.

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

Frankfurt/Main, 8 March 2004

THE SUPERVISORY BOARD



Michael Diekmann
Chairman