



DIVISION OF
MARKET REGULATION

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

April 10, 2003

David B. Harms, Esq.
Sullivan & Cromwell
125 Broad Street
New York, NY 10004

Re: Allianz AG
File No. TP 03-57

Dear Mr. Harms:

In your letter dated April 10, 2003, as supplemented by conversations with the staff, you request on behalf of Allianz Aktiengesellschaft (Company or Allianz) an exemption from Rules 101 and 102 of Regulation M under the Securities and Exchange Act of 1934 (Exchange Act) in connection with the rights offering (Rights Offering) by Allianz and the related underwritten offering by Allianz (Underwritten Offering, together with the Rights Offering, the Offerings). You seek an exemption to permit Dresdner Bank, a separate subsidiary of the Company, to conduct specified transactions outside the United States in Allianz Shares during the distributions. Specifically, you request, that Dresdner Bank be permitted to continue to engage in market-making, derivatives market making and hedging, and unsolicited brokerage activities as described in your letter.¹ You also seek an exemption to permit Dresdner Kleinwort Wasserstein Securities LLC (DrKW Securities), Dresdner Bank's affiliated U.S. broker-dealer, to engage in unsolicited brokerage activities as described in your letter. We have attached a copy of your correspondence to avoid reciting the facts set forth therein. Unless otherwise noted, each defined term in our response has the same meaning as defined in your letter.

Response:

Based on the facts and representations that you have made in your letter, but without necessarily concurring in your analysis, the Commission hereby grants the Company an exemption from Rules 101 and 102 of Regulation M to permit Dresdner Bank, DrKW Securities

¹ The unsolicited brokerage activities of Dresdner Bank include the unsolicited brokerage activities of its affiliate Dresdner Kleinwort Wasserstein Securities Limited (DrKW Securities Ltd.) in the United Kingdom.

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Ltd., and DrKW Securities to engage in the transactions described in your letter. In particular, in your correspondence you make the following key representations:

- in the United States, the Offerings will only be made in private transactions to qualified institutional buyers as defined in Rule 144A under the Securities Act of 1933;
- during the year ended March 31, 2003, the worldwide average daily trading volume of the Company was approximately €250 million (or approximately US \$273 million at March 31, 2003 exchange rates) and the public float was in excess of US \$150 million;
- during 2002, the United States accounted for only slightly more than 1% of the worldwide average daily trading volume in Allianz Shares;
- the principal market for Allianz Shares is Germany and trading on the Frankfurt Stock Exchange (FSE) accounted for 98.5% of the worldwide average daily trading volume during 2002;
- Dresdner Bank operates as a separate subsidiary of the Company, and there are established "Chinese Wall" procedures to prevent price-sensitive information from passing between the sales/trading areas of Dresdner Bank, DrKW Securities Ltd., and DrKW Securities and other areas of the Company;
- Dresdner Bank conducts its market making activities and its derivative market-making and hedging activities outside the United States;
- Dresdner Bank has confirmed that the activities for which it is requesting relief will be conducted in the ordinary course of its business and in accordance with applicable German and other local laws, which permit such activities;
- the withdrawal of a significant market maker in Allianz Shares and derivatives in the primary market for those shares could have harmful effects in the home market (and indirectly in the U.S. market) for Allianz Shares, including an imbalance of buy and sell orders which could cause greater volatility and reduced liquidity;
- in the United States, Dresdner Bank conducts a securities business through DrKW Securities, a separate subsidiary, which is registered with the Commission as a broker-dealer and is a member of the NASD and the NYSE; and,
- DrKW Securities will not engage in market making, derivatives market making and hedging activities, but rather will only engage in unsolicited brokerage activities in the normal course of its business with its customers.

This exemption is subject to the following conditions:

1. None of the Dresdner Bank transactions described in your letter shall occur in the United States;
2. In the United States, the Offerings will only be made in private transactions to qualified institutional buyers as defined in Rule 144A under the Securities Act of 1933;

