



# Allianz Group Interim Report Third Quarter and First Nine Months of 2011



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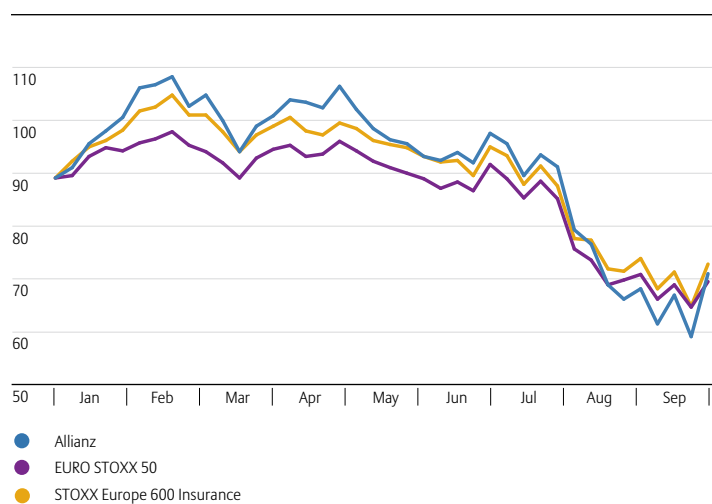
Bratislava, Slovak National Theatre,  
Hviezdoslavovo námestie

In the fall of 2010, we launched the “One” campaign, which focuses on sharing the knowledge and experience of real people in authentic situations. The campaign will be active in more than 20 countries around the world by the end of this year. This report includes a selection of images that have already appeared.

# Allianz Share

## Development of the Allianz share price since January 1, 2011

indexed on the Allianz share price in €



Source: Thomson Reuters Datastream

Up-to-date information on the development of the Allianz share price is available at [www.allianz.com/share](http://www.allianz.com/share).

## Basic share information

Security Codes	WKN 840 400 ISIN DE 000 840 400 5
Bloomberg	ALV GY
Reuters	ALVG.DE

## Contact Investor Relations

We strive to keep our shareholders up-to-date on all company developments. Our Investor Relations team is pleased to answer any questions you may have.

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# Allianz Group Key Data

		Three months ended September 30,			Nine months ended September 30,		
		2011	2010	Change from previous year	2011	2010	Change from previous year
<b>INCOME STATEMENT</b>							
Total revenues <sup>1</sup>	€ mn	24,070	24,522	(1.8)%	78,549	80,478	(2.4)%
Operating profit <sup>2</sup>	€ mn	1,906	2,055	(7.3)%	5,866	6,089	(3.7)%
Net income	€ mn	258	1,268	(79.7)%	2,244	4,028	(44.3)%
<b>SEGMENTS<sup>3</sup></b>							
<b>Property-Casualty</b>							
Gross premiums written	€ mn	10,832	10,600	2.2%	35,277	34,545	2.1%
Operating profit <sup>2</sup>	€ mn	1,111	1,122	(1.0)%	3,103	2,981	4.1%
Combined ratio	%	97.6	97.1	0.5 pts	97.9	97.9	0.0 pts
<b>Life/Health</b>							
Statutory premiums	€ mn	11,806	12,553	(6.0)%	39,054	42,033	(7.1)%
Operating profit <sup>2</sup>	€ mn	520	655	(20.6)%	1,901	2,314	(17.8)%
Cost-income ratio	%	96.5	96.0	0.5 pts	96.2	95.7	0.5 pts
<b>Asset Management</b>							
Operating revenues	€ mn	1,326	1,256	5.6%	3,902	3,560	9.6%
Operating profit <sup>2</sup>	€ mn	537	521	3.1%	1,593	1,503	6.0%
Cost-income ratio	%	59.5	58.5	1.0 pts	59.2	57.8	1.4 pts
<b>Corporate and Other</b>							
Total revenues	€ mn	129	146	(11.6)%	417	412	1.2%
Operating profit <sup>2</sup>	€ mn	(233)	(270)	(13.7)%	(661)	(676)	(2.2)%
Cost-income ratio (Banking)	%	96.9	104.1	(7.2) pts	92.5	105.1	(12.6) pts
<b>BALANCE SHEET</b>							
Total assets as of September 30, <sup>4</sup>	€ mn	634,864	624,945	1.6%	634,864	624,945	1.6%
Shareholders' equity as of September 30, <sup>4</sup>	€ mn	43,564	44,491	(2.1)%	43,564	44,491	(2.1)%
Non-controlling interests as of September 30, <sup>4</sup>	€ mn	2,273	2,071	9.8%	2,273	2,071	9.8%
<b>SHARE INFORMATION</b>							
Basic earnings per share	€	0.43	2.80	(84.6)%	4.55	8.68	(47.6)%
Diluted earnings per share	€	0.34	2.78	(87.8)%	4.42	8.62	(48.7)%
Share price as of September 30, <sup>4</sup>	€	70.86	88.93	(20.3)%	70.86	88.93	(20.3)%
Market capitalization as of September 30, <sup>4</sup>	€ bn	32.2	40.4	(20.3)%	32.2	40.4	(20.3)%
<b>OTHER DATA</b>							
Total assets under management as of September 30, <sup>4</sup>	€ bn	1,592	1,518	4.9%	1,592	1,518	4.9%
thereof: Third-party assets under management as of September 30, <sup>4</sup>	€ bn	1,222	1,164	5.0%	1,222	1,164	5.0%

1 Total revenues comprise statutory gross premiums written in Property-Casualty and Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).

2 The Allianz Group uses operating profit as a key financial indicator to assess the performance of its business segments and the Group as a whole.

3 The Allianz Group operates and manages its activities through four segments: Property-Casualty, Life/Health, Asset Management and Corporate and Other. For further information please refer to note 4 of our condensed consolidated interim financial statements.

4 2010 figures as of December 31, 2010.



# Executive Summary

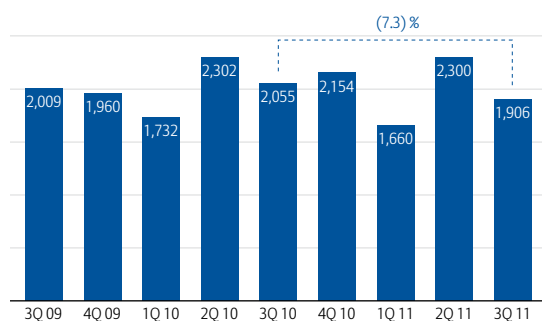
- Revenues amounted to € 24.1 bn.
- Operating profit of € 1,906 mn demonstrates strong fundamentals.
- Net income of € 258 mn impacted by losses from financial market turmoil.
- Solvency ratio solid at 179%.<sup>1</sup>

## Allianz Group Overview

- The Group's results are reported by business segment: Property-Casualty insurance, Life/Health insurance, Asset Management and Corporate and Other activities.
- Although the majority of profits are still derived from our insurance operations, contributions from our Asset Management business have grown steadily over recent years.

**Operating profit**  
in € mn

**€ 1,906 mn**



## Key Figures

	Three months ended September 30,			Nine months ended September 30,		
	2011 € mn	2010 € mn	2009 € mn	2011 € mn	2010 € mn	2009 € mn
Total revenues	24,070	24,522	22,005	78,549	80,478	71,895
Operating profit	1,906	2,055	2,009	5,866	6,089	5,084
Net income	258	1,268	1,390	2,244	4,028	3,617 <sup>2</sup>
Solvency ratio in % <sup>1,3</sup>	179	173	164	179	173	164

## Summary: third quarter of 2011

### Effects of Sovereign Debt Crisis and Related Deterioration in Equity Markets

Market conditions strongly deteriorated during the third quarter of 2011. The Eurozone's sovereign debt crisis worsened and stock markets fell significantly worldwide. Like the rest of our industry, we are not immune to these developments, which impacted both results and asset values, particularly in our Corporate and Other segment.

Given these conditions, we incurred significant investment losses of € 2.6 bn<sup>4</sup> during the third quarter of 2011. We estimate that the operating impact of these losses of € 1,304 mn<sup>4</sup> in our Life/Health business led to a decrease of around € 224 mn<sup>5</sup> in the net investment result. Non-operating losses totaled € 1,244 mn across the segments, € 839 mn of which were reflected in our Corporate and Other segment. ▶

<sup>1</sup> Solvency according to the E.U. Financial Conglomerates Directive. Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request; Allianz SE has not submitted an application so far. The solvency ratio excluding off-balance sheet reserves would be 171% (2010: 164%, 2009: 155%).

<sup>2</sup> Net income from continuing operations.

<sup>3</sup> 2010 and 2009 figures as of December 31.

<sup>4</sup> Includes both impairments and income from financial assets and liabilities carried at fair value through income (net).

<sup>5</sup> Includes both impairments and income from financial assets and liabilities carried at fair value through income (net) with estimated policyholder participation rates.

The losses include additional impairments of Greek sovereign bonds of € 198 mn. The impact of these impairments on net income was € 122 mn, nearly all of which related to the € 145 mn of impairments included as non-operating within the segments.

Losses from our corporate investments in financial sector assets, like our participations in Commerzbank, The Hartford, Unicredit, China Pacific Insurance Group and Banco Popular, were a key driver of the non-operating result. In total, these losses were approximately € 817 mn for the quarter.

In addition, most of these assets are held in jurisdictions where equity gains or losses are neither taxable, nor tax-deductible. This resulted in an increase of about 25 percentage points in our effective tax rate for the quarter.

### Management's assessment of 2011 third quarter result

Total revenues amounted to € 24.1 bn. On an internal basis<sup>1</sup> revenues grew by 0.2%. Life/Health investment oriented product sales decreased while Property-Casualty and Asset Management revenues grew.

Operating profit decreased by 7.3% to € 1,906 mn, largely attributable to the lower investment result in our Life/Health business. Property-Casualty operating profit was stable and Asset Management again showed operating profit growth.

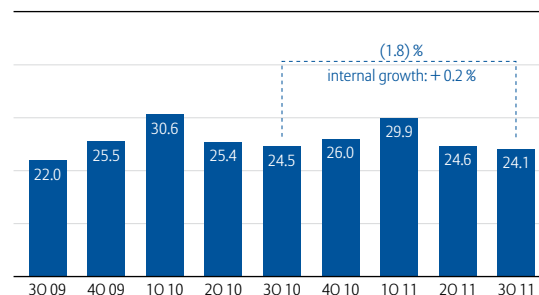
The effects described above, and to a lesser extent the higher effective tax rate, strongly impacted our net income for the quarter. Overall, our net income fell by € 1,010 mn to € 258 mn.

## Total Revenues<sup>2</sup>

### 2011 to 2010 third quarter comparison

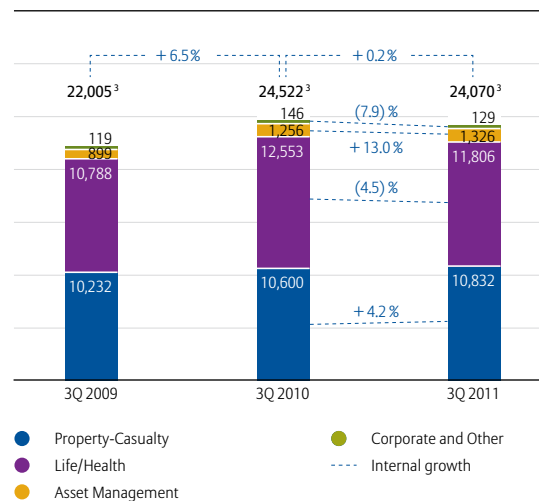
#### Total revenues

in € bn



#### Total revenues – Segments

in € mn



<sup>2</sup> Total revenues comprise statutory gross premiums written in Property-Casualty and in Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).  
<sup>3</sup> Total revenues include € (23) mn, € (33) mn and € (33) mn from consolidation for 3Q 2011, 2010 and 2009, respectively.

<sup>1</sup> Internal total revenue growth excludes the effects of foreign currency translation as well as acquisitions and disposals. For further information please refer to the "Reconciliations" chapter.

**Property-Casualty** gross premiums written grew by 4.2% on an internal basis. Volume and pricing effects were both positive at 3.4% and 0.8%, respectively. Most of the growth stemmed from our crop business in the United States.

**Life/Health** statutory premiums declined by 4.5% on an internal basis. Sales of investment-oriented products decreased, particularly in Asia and the United States, while traditional business held firm.

**Asset Management** generated internal growth of 13.0%, mainly due to an increase in average assets under management. Net inflows for the first nine months of this year totaled € 43 bn. As of September 30, 2011, total assets under management amounted to € 1,592 bn.

Total revenues from our Banking operations (reported in our **Corporate and Other** segment) amounted to € 129 mn, and decreased by 7.9% on an internal basis. This was due to a lower net fee result in Germany and a decline in operating income from financial assets and liabilities carried at fair value through income (trading income).

## 2011 to 2010 first nine months comparison

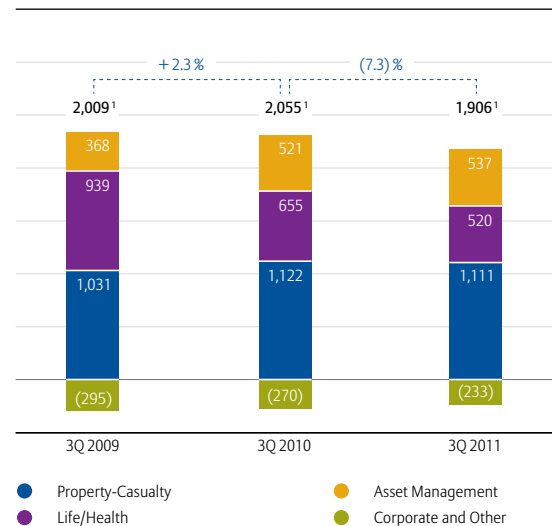
**Total revenues** amounted to € 78,549 mn. Compared to the first nine months of 2010, total revenues declined by around 1.6% on an internal basis. The decline was driven by lower investment-oriented Life/Health product sales while revenues in all other segments increased.

## Operating Profit

### 2011 to 2010 third quarter comparison

#### Operating profit – Segments

in € mn



**Property-Casualty** operating profit amounted to € 1,111 mn and remained at the previous year's level. Our underwriting result declined by € 70 mn, mainly due to higher losses from natural catastrophes and other claims. This was largely balanced by a higher operating investment income – which was up € 48 mn – and other income, which rose by € 11 mn. Our combined ratio stood at 97.6%.

**Life/Health** operating profit decreased by € 135 mn to € 520 mn, because of a lower investment result, which was largely due to the impact of the financial crisis. The result of impairments and income from financial assets and liabilities carried at fair value deteriorated by € 1,336 mn to a loss of € 1,304 mn. We estimate the impact on operating profit of these losses, net of policyholder participation, to be around minus € 224 mn.

**Asset Management** continued to deliver outstanding performance. Operating profit grew by 3.1% to € 537 mn (10.6% on an internal basis), mostly as a result of higher assets under management. The cost-income ratio remained at 59.5%.

<sup>1</sup> Includes € (29) mn, € 27 mn and € (34) mn from consolidation for 3Q 2011, 2010 and 2009, respectively.

Corporate and Other operating loss decreased by € 37 mn to € 233 mn, driven by improvements in our Banking and Alternative Investments businesses.

## 2011 to 2010 first nine months comparison

We generated operating profit of € 5,866 mn, compared to € 6,089 mn for the first nine months of 2010. The € 413 mn decrease in Life/Health operating profit was partly compensated for by Property-Casualty (up € 122 mn), Asset Management (up € 90 mn) and Corporate and Other (up € 15 mn).

## Non-operating Result

### 2011 to 2010 third quarter comparison

The escalating sovereign debt crisis and related deterioration in equity markets had a profound effect on our non-operating result, which declined by € 1,139 mn to a loss of € 1,262 mn. The most pronounced effects are reflected in our non-operating investment result, which decreased by € 1,253 mn. This decrease is mainly due to losses from investments in financial sector assets, predominantly held in the Corporate and Other segment.

Realized gains and losses (net) decreased from € 382 mn to € 314 mn, mainly due to € 106 mn lower realizations from debt securities. Realized gains and losses (net) from equities of € 246 mn were slightly higher than in the previous year. These included gains of € 167 mn (3Q 2010: € 113 mn) from the sale of shares in the Industrial and Commercial Bank of China (ICBC) and a revaluation gain of € 99 mn from EUROPENSIONES S.A., our joint venture with Banco Popular in Spain.

Non-operating income from financial assets and liabilities carried at fair value through income (net) amounted to a net loss of € 313 mn, a deterioration of € 286 mn. Of this, the revaluation losses on The Hartford warrants amounted to € 213 mn (3Q 2010: € 29 mn).

Impairments (net) increased by € 899 mn to € 931 mn, largely reflecting the downturn of equity markets. We recorded equity impairments of € 715 mn, an increase of € 695 mn, mainly driven by investments in financial sector assets. Impairments on debt securities increased by € 199 mn, of which € 145 mn was attributable to Greek sovereign bonds.

Acquisition-related expenses decreased by € 43 mn to € 37 mn largely due to lower PIMCO B-unit expenses<sup>1</sup>. We purchased a further 900 B-units in the third quarter of 2011 and have now acquired 89.0% of all outstanding B-units. In total, 16,515 B-units are still outstanding. The decline in expenses was mainly driven by the following components:

- The value of the outstanding B-units increased due to higher operating profit. The increase of acquisition-related expenses per B-unit outstanding was more than offset by the 45% decline in the total number of outstanding B-units compared to September 30, 2010. This resulted in an overall decrease of € 39 mn in distribution expenses and expenses for the fair value adjustments to the provision for future repurchases of B-units.
- The premium to acquire 900 B-units in the third quarter of 2011 resulted in expenses of € 4 mn, about the same as in the previous year (861 B-units were purchased in the third quarter of 2010).

### 2011 to 2010 first nine months comparison

Our non-operating result deteriorated by € 1,661 mn to a loss of € 2,122 mn. This was largely driven by significantly higher impairments (net) (up € 1,172 mn) and lower realized gains (down € 480 mn).

<sup>1</sup> When PIMCO was acquired, B-units were created entitling senior management to profit participation. Under the B-unit plan, Allianz has the right to call, while PIMCO senior management has the right to put, those B-units over several years. Fair value changes due to changes in operating earnings are reflected in acquisition-related expenses. The marginal difference between a higher call versus the put price upon any exercise, and distributions received by the senior management B-unit holders, are also included.

## Income Taxes

### 2011 to 2010 third quarter comparison

**Income tax** decreased by € 278 mn to € 386 mn. The effective tax rate amounted to 60.0% (3Q 2010: 34.4%). The effective tax rate increased by around 25 percentage points, primarily due to high non tax-effective losses on equities.

### 2011 to 2010 first nine months comparison

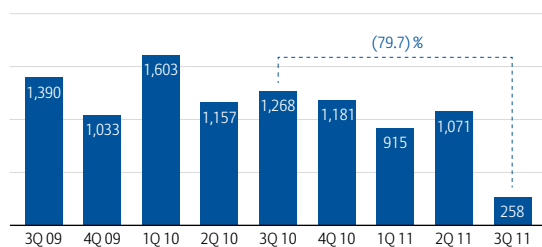
**Income tax** amounted to € 1,500 mn compared to € 1,600 mn for the first nine months of 2010.

## Net Income

### 2011 to 2010 third quarter comparison

#### Net income

in € mn

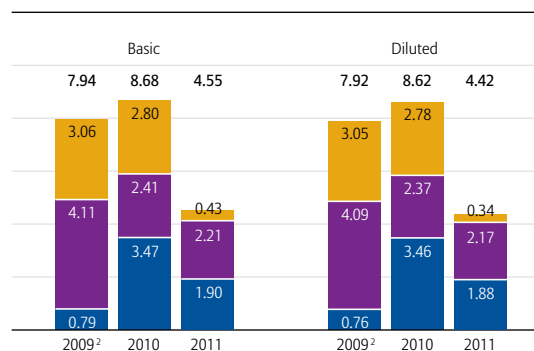


As a result of the market and sovereign debt crisis, **net income** was severely impacted, in a large part due to market-related losses reflected in the investment result, and to a lesser extent by a higher effective tax rate because of non tax-effective losses. Overall, our net income fell by € 1,010 mn to € 258 mn.

**Net income attributable to shareholders** amounted to € 196 mn.

#### Earnings per share<sup>1</sup>

in €



- 1Q
- 2Q
- 3Q

### 2011 to 2010 first nine months comparison

**Net income** stood at € 2,244 mn compared to € 4,028 mn in the previous year. This development was largely due to the market-related losses reflected in the investment result. The lower non-operating investment result, which deteriorated by € 1,985 mn to a loss of € 1,059 mn, was only moderately compensated by a lower tax charge.

<sup>1</sup> For further information please refer to note 38 of our condensed consolidated interim financial statements.

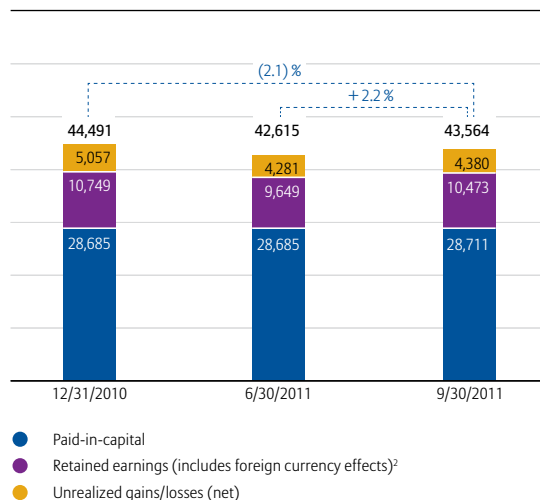
<sup>2</sup> Earnings per share from continuing operations.



## Shareholders' Equity

### Shareholders' equity<sup>1</sup>

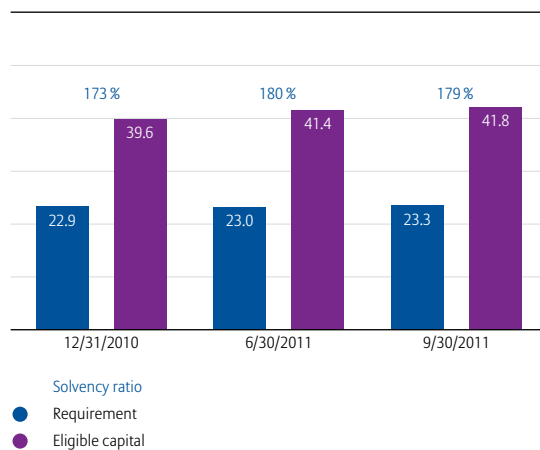
in € mn



Please refer to the “Balance Sheet Review” chapter for further information on the development of shareholders' equity.

### Conglomerate solvency<sup>3</sup>

in € bn



Please refer to the “Balance Sheet Review” chapter for further information on the development of conglomerate solvency.

1 This does not include non-controlling interests.  
 2 This includes foreign currency translation effects of € (2,585) mn, € (3,250) mn and € (2,339) mn as of September 30, 2011, June 30, 2011 and December 31, 2010, respectively.  
 3 Solvency according to the E.U. Financial Conglomerates Directive. Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request; Allianz SE has not submitted an application so far. The solvency ratio excluding off-balance sheet reserves would be 171% (June 30, 2011: 171%, December 31, 2010: 164%).

**Total revenues and reconciliation of operating profit to net income (loss)**

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>Total revenues<sup>1</sup></b>	<b>24,070</b>	<b>24,522</b>	<b>78,549</b>	<b>80,478</b>
Premiums earned (net)	15,723	15,742	46,906	46,515
<b>Operating investment result</b>				
Interest and similar income	5,174	4,731	15,418	14,479
Operating income from financial assets and liabilities carried at fair value through income (net)	(356)	177	(587)	510
Operating realized gains/losses (net)	592	608	1,659	1,370
Interest expenses, excluding interest expenses from external debt	(137)	(121)	(390)	(389)
Operating impairments of investments (net)	(1,016)	(37)	(1,469)	(266)
Investment expenses	(247)	(177)	(657)	(569)
<b>Subtotal</b>	<b>4,010</b>	<b>5,181</b>	<b>13,974</b>	<b>15,135</b>
Fee and commission income	2,057	1,961	6,082	5,671
Other income	39	22	103	87
Claims and insurance benefits incurred (net)	(11,813)	(11,353)	(35,134)	(34,116)
Change in reserves for insurance and investment contracts (net) <sup>2</sup>	(2,557)	(3,867)	(9,155)	(10,610)
Loan loss provisions	(13)	(12)	(62)	(33)
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(4,895)	(4,977)	(14,885)	(14,673)
Fee and commission expenses	(619)	(636)	(1,925)	(1,864)
Operating restructuring charges	—	—	(1)	(1)
Other expenses	(14)	(10)	(45)	(42)
Reclassification of tax benefits	(12)	4	8	20
<b>Operating profit</b>	<b>1,906</b>	<b>2,055</b>	<b>5,866</b>	<b>6,089</b>
<b>Non-operating investment result</b>				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(313)	(27)	(462)	(129)
Non-operating realized gains/losses (net)	314	382	846	1,326
Non-operating impairments of investments (net)	(931)	(32)	(1,443)	(271)
<b>Subtotal</b>	<b>(930)</b>	<b>323</b>	<b>(1,059)</b>	<b>926</b>
Income from fully consolidated private equity investments (net)	(15)	(48)	(47)	(100)
Interest expenses from external debt	(252)	(225)	(716)	(667)
Acquisition-related expenses	(37)	(80)	(172)	(388)
Amortization of intangible assets	(23)	(78)	(64)	(112)
Non-operating restructuring charges	(17)	(11)	(56)	(100)
Reclassification of tax benefits	12	(4)	(8)	(20)
<b>Non-operating items</b>	<b>(1,262)</b>	<b>(123)</b>	<b>(2,122)</b>	<b>(461)</b>
<b>Income (loss) before income taxes</b>	<b>644</b>	<b>1,932</b>	<b>3,744</b>	<b>5,628</b>
Income taxes	(386)	(664)	(1,500)	(1,600)
<b>Net income (loss)</b>	<b>258</b>	<b>1,268</b>	<b>2,244</b>	<b>4,028</b>
<b>Net income (loss) attributable to:</b>				
Non-controlling interests	62	4	191	110
Shareholders	196	1,264	2,053	3,918

1 Total revenues comprise statutory gross premiums written in Property-Casualty and in Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).

2 For the three months ended September 30, 2011, expenses for premium refunds (net) in Property-Casualty of € 19 mn (2010: € (33) mn) are included. For the nine months ended September 30, 2011, expenses for premium refunds (net) in Property-Casualty of € (58) mn (2010: € (95) mn) are included.

## Risk Management

Risk Management is an integral part of our business process and supports our value based management. For further information, we refer you to the “Risk Report” on pages 118 to 147 of our 2010 Annual Report.

The risk profile described in the risk report essentially remains unchanged. However, the Eurozone’s sovereign debt crisis has worsened – resulting in an increase in the respective spreads and generally increased volatility in financial markets. With the exception of the affected sovereign issuers, interest rates have generally declined – especially in Germany – as a consequence of an accommodative monetary policy. Credit risk is perceived to be increasing, especially for those financial issuers which are most affected by the crisis. These events may have adverse implications on our business development, existing asset values and the theoretical value of our liabilities through interest rates. In addition to continuously monitoring these developments, management has responded to the external events, for example, by reviewing new business pricing in the Life/Health segment, reducing non-domestic sovereign bond exposures and reducing exposure limits for potentially affected corporate and financial services bond issuers, amongst other actions.

Nonetheless, the Allianz Group’s management feels comfortable with the Group’s overall risk profile and is confident the Group’s risk management framework can meet the challenges of a rapidly changing environment, as well as day-to-day business needs.

## Events After the Balance Sheet Date

### Natural catastrophes worldwide

Since the beginning of October 2011, several countries and regions, including Ireland, Italy, France, Turkey, eastern United States and Thailand, were hit by severe floodings, winterstorms and earthquakes. Based on current information it is too early to provide a reliable estimate of the expected losses.

### E.U. decision regarding Greece and the EFSF

As of September 30, 2011, Greek sovereign bonds were impaired and consequently written down to the current market value, in accordance with IFRS impairment rules for available-for-sale debt securities, reflecting 39% of nominal value. The Allianz Group welcomes the October 27, 2011 E.U. agreement in Brussels to solve the debt crisis in Europe. Nevertheless, the situation in European bond markets remains uncertain and implementation of the E.U. agreement is not without risk. Accordingly, the Allianz Group cannot estimate any financial impact in connection with the recent agreements at this time.

### Share purchase agreement for Allianz Asset Management a.s., Bratislava

On October 25, 2011, the Allianz Group signed the share purchase agreement to dispose of Allianz Asset Management a.s., Bratislava.

### Commitment to buy DEGI shares

The Aberdeen Immobilien Kapitalanlagegesellschaft mbH announced on October 25, 2011 that the DEGI International Fund will be liquidated on October 15, 2014. Allianz Germany has made an offer to Allianz customers (valid until February 15, 2012) to acquire their participation right at the repurchase price of October 25, 2011 (€ 42.78), if specified conditions are met.

## Other Information

### Business operations and group structure

The Allianz Group's business operations and structure are described in the "Worldwide Presence and Business Divisions" and "Our Business" chapters on pages 58 to 59 of our Annual Report 2010. There have been no organizational changes during the first nine months of 2011.

### Strategy

The Allianz Group's strategy is described in the "Our Strategy" chapter on page 60 of our Annual Report 2010. There have been no material changes to our strategy since.

### Products, services and sales channels

For an overview of the products and services offered by the Allianz Group, as well as the sales channels, please refer to the "Worldwide Presence and Business Divisions" and "Our Business" chapters on pages 58 to 59 of our Annual Report 2010. Information on our brand can also be found in the "Allianz Brand" chapter on page 61 of our Annual Report 2010.

# Property-Casualty Insurance Operations

- Revenues grew by 2.2% to € 10.8 bn.
- Operating profit stable at € 1,111 mn.
- Combined ratio at 97.6%.

## Segment Overview

- Our Property-Casualty business offers a broad range of products and services for both private and corporate clients.
- Our product and service offering covers many insurance classes such as accident/disability, property, general liability, and motor.
- We conduct business worldwide in more than 55 countries.
- We are also a global leader for travel and assistance services and for credit insurance.
- We distribute our products via a broad network of agents, brokers, banks and direct channels.

## Key Figures

	Three months ended September 30,			Nine months ended September 30,		
	2011 € mn	2010 € mn	2009 € mn	2011 € mn	2010 € mn	2009 € mn
Gross premiums written	10,832	10,600	10,232	35,277	34,545	33,640
Operating profit	1,111	1,122	1,031	3,103	2,981	2,895
Loss ratio in %	70.5	68.7	70.2	70.2	69.8	70.6
Expense ratio in %	27.1	28.4	26.7	27.7	28.1	27.6
Combined ratio in %	97.6	97.1	96.9	97.9	97.9	98.2

## Summary: third quarter of 2011

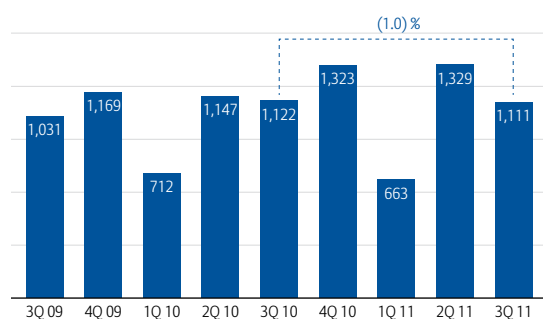
Gross premiums written grew by € 232 mn to € 10,832 mn. On an internal basis gross premiums increased by 4.2%. Most of this growth stemmed from our crop business in the United States.

Our operating profit amounted to € 1,111 mn and remained at the previous year's level. The underwriting result decreased by € 70 mn, mainly due to higher losses from natural catastrophes. Our operating investment income improved by € 48 mn, benefiting from higher dividend income.

The combined ratio was 97.6% compared to 97.1% in the third quarter of the previous year. This increase was largely driven by higher losses from natural catastrophes and attritional accident year claims, with year-on-year run-off almost flat. Positive price momentum and a decline in expenses partly offset these factors.

**Operating profit**  
in € mn

**€ 1,111 mn**





## Gross Premiums Written<sup>1</sup>

### 2011 to 2010 third quarter comparison

Gross premiums written increased by 4.2% due to a positive volume effect of 3.4% and a positive price effect of 0.8%. Most of this growth effect for the quarter stemmed from our crop business in the United States. The remaining growth in gross premiums – resulting mainly from the United Kingdom, South America and Australia – was more than offset by declines in Reinsurance and Germany.

On a nominal basis, gross premiums written increased by 2.2% – or € 232 mn – to € 10,832 mn. Foreign currency translation effects had a negative impact of € 187 mn on our nominal growth, primarily because of the depreciation of the U.S. Dollar against the Euro.

Analyzing internal premium growth in terms of price and volume effects, we use four clusters based on the internal growth 3Q 2011 over 3Q 2010:

**Cluster 1: Overall growth –**  
both price and volume effects are positive.

**Cluster 2: Overall growth –**  
either price or volume effects are positive.

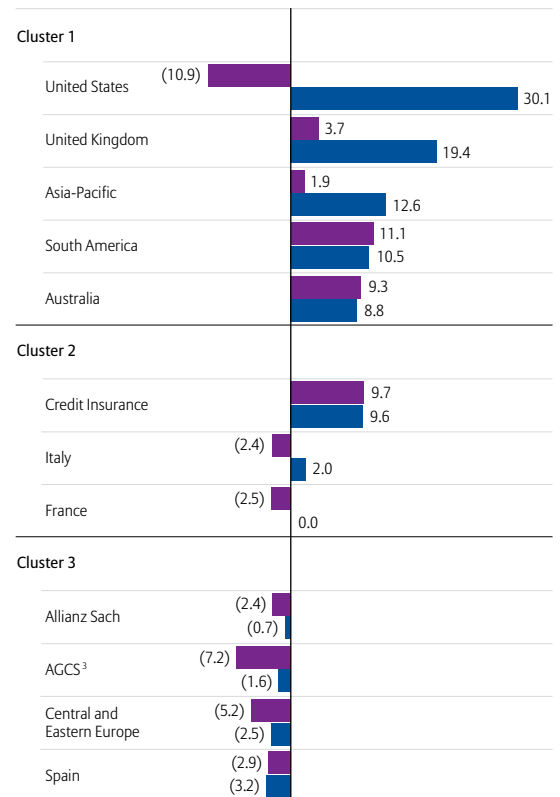
**Cluster 3: Overall decline –**  
either price or volume effects are positive.

**Cluster 4: Overall decline –**  
both price and volume effects are negative.

In this quarter, Cluster 4 is not shown as none of our operating entities represented here recorded both negative price and volume effects.

### Gross premiums written by operating entity – Internal growth rates<sup>2</sup>

in %



- 3Q 2010 over 3Q 2009
- 3Q 2011 over 3Q 2010

<sup>1</sup> We comment on the development of our gross premiums written on an internal basis; meaning adjusted for foreign currency translation and (de-)consolidation effects in order to provide more comparable information.

<sup>2</sup> Before elimination of transactions between Allianz Group companies in different geographic regions and different segments.

<sup>3</sup> Allianz Risk Transfer (ART) business now shown within AGCS. Prior years were adjusted accordingly.

## Cluster 1

In the **United States** gross premiums added up to € 1,635 mn. Even adjusted for unfavorable foreign currency translation effects of € 151 mn, gross premiums significantly increased by 30.1%. This strong growth stemmed from our crop business – due to higher commodity prices – which more than compensated for volume losses in our commercial and personal lines. Tariff increases across all business lines led to an overall positive price effect of about 2.1%.

In the **United Kingdom** gross premiums amounted to € 525 mn, including € 28 mn of unfavorable foreign currency translation effects. We achieved strong growth of 19.4% thanks to positive volume growth in our motor business, both in retail and commercial lines. Tariff increases, mainly in our motor business, continued to support the overall growth. This resulted in a positive price effect of approximately 5.0%.

In **Asia-Pacific** gross premiums stood at € 128 mn. Internal growth was 12.6%, mainly driven by higher volume from our Malaysian operations due to the continuing favorable development in motor business. The overall price effect was positive, at around 0.5%.

In **South America** gross premiums grew to € 426 mn. Internal growth was 10.5%, with all countries in the region contributing positively. Most of the growth stemmed from Brazil, in particular from the marine, aviation and transportation (MAT) as well as motor and health lines of business.

In **Australia** we recorded gross premiums of € 687 mn, including a positive foreign currency translation effect of € 40 mn. Both retail and commercial lines contributed to the positive internal growth of 8.8%.

## Cluster 2

In our **Credit Insurance** business, gross premiums grew by 9.6% to € 457 mn. The strong positive volume effect stemmed from an increase in our customers' business volumes. Higher rebates to our customers due to a lower claims environment led to a negative price effect of about 2.5%.

In **Italy** gross premiums grew to € 825 mn, an increase of 2.0%. Once again we achieved double-digit growth in our direct channel and benefited from strong tariff increases in our motor business. Our non-motor business declined slightly as a result of the difficult business environment and our enforcement of strict underwriting rules.

In **France** gross premiums remained stable at € 754 mn. We estimate an overall positive price effect of 3.4% due to tariff increases, in particular in our personal lines. This was offset by a decline in our commercial lines, resulting from continuing portfolio adjustments, particularly in motor fleets.

## Cluster 3

At **Allianz Sach** we recorded gross premiums of € 1,833 mn. Adjusting for the transfer of our China branch to Asia-Pacific, gross premiums decreased by 0.7% as a result of volume losses. However, we achieved a positive price effect of approximately 1.2%. This was largely attributable to commercial property and liability business, and the new retail motor product introduced earlier this year.

At **AGCS** gross premiums amounted to € 1,067 mn, a decrease of 1.6%. The positive price effect of around 0.4% and volume growth in financial and marine lines were offset by lower ART production and unfavorable foreign currency translation effects, mainly driven by the depreciation of the U.S. Dollar and British Pound against the Euro.

In **Central and Eastern Europe** gross premiums were € 601 mn, including unfavorable foreign currency translation effects of € 10 mn. Internal growth was negative 2.5%, mostly attributable to an adverse price effect of approximately 4.3%. Lower renewal tariffs, in particular in our motor businesses, led to a significant decline in Hungary and Romania. Strong growth across various business lines in Poland could only partly compensate for the overall negative price development.

In **Spain** we collected gross premiums of € 449 mn, a decrease of 3.2%. This decline was entirely driven by the cancellation of one single large contract. Overall, we continued to outperform the market in a difficult economic environment, which resulted in a positive price effect of around 0.3%.

### 2011 to 2010 first nine months comparison

On an internal basis, **gross premiums written** grew by 2.5%, driven by a positive volume effect of 1.7% and a positive price effect of 0.8%. On a nominal basis gross premiums increased by 2.1% – or € 732 mn – to € 35,277 mn, including unfavorable foreign currency translation effects of € 35 mn. (De-)consolidation effects, mainly from two Swiss subsidiaries, had an offsetting effect of minus € 79 mn.

## Operating Profit

We analyze the operating profit in the Property-Casualty segment in terms of underwriting result, operating investment income and other result<sup>1</sup>.

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2011	2010	2011	2010
	€ mn	€ mn	€ mn	€ mn
Underwriting result	194	264	460	467
Operating investment income	889	841	2,577	2,459
Other result	28	17	66	55
<b>Operating profit</b>	<b>1,111</b>	<b>1,122</b>	<b>3,103</b>	<b>2,981</b>

### 2011 to 2010 third quarter comparison

**Operating profit** was stable at € 1,111 mn.

The **underwriting result** declined by € 70 mn to € 194 mn, mainly due to higher losses from natural catastrophes. Positive price movements and a further recovery of our business in Italy and France partially compensated for higher attritional accident year losses.

The **operating investment income** improved by € 48 mn to € 889 mn due to an increase in interest and similar income (net of interest expenses).

The **combined ratio** was 97.6%, compared to 97.1% in the previous year. Higher losses from natural catastrophes and attritional accident year claims were partly compensated for by a positive price development and a decline in expenses.

Our **accident year loss ratio** stood at 74.1%. The impact from natural catastrophes was 4.0 percentage points. Net losses from natural catastrophes amounted to € 413 mn, largely driven by a series of thunderstorms in Germany and hurricane "Irene" in the United States. By comparison, in the third quarter of 2010 natural catastrophes had represented only 3.0 percentage points of the accident year loss ratio of 72.1%.

<sup>1</sup> Consists of fee and commission income/expenses and other income/expenses.

## Underwriting result

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Premiums earned (net)	10,289	10,269	29,843	29,371
Accident year claims	(7,623)	(7,401)	(22,107)	(21,603)
Previous year claims (run-off)	372	355	1,147	1,090
Claims and insurance benefits incurred (net)	(7,251)	(7,046)	(20,960)	(20,513)
Acquisition and administrative expenses (net)	(2,786)	(2,921)	(8,262)	(8,242)
Change in reserves for insurance and investment contracts (net) (without expenses for premium refunds) <sup>1</sup>	(58)	(38)	(161)	(149)
<b>Underwriting result</b>	<b>194</b>	<b>264</b>	<b>460</b>	<b>467</b>

Excluding natural catastrophes, our accident year loss ratio worsened by 1.0 percentage point mainly due to unfavorable changes in claims frequency and severity. These were partly compensated for by the overall higher average annual premium.

The following operations contributed positively to the development of the Property-Casualty segment accident year loss ratio:

- Italy: 0.8 percentage points. This was thanks to price increases, particularly in third-party motor liability, as well as strict profitability management. The overall positive trend in claims frequency offset the increase in claims severity, particularly in third-party motor liability.
- Central and Eastern Europe: 0.3 percentage points. This was largely attributable to the lower level of losses from natural catastrophes. The third quarter of 2010 had been impacted by the unfavorable development of loss estimates for the May floodings in Poland, Slovakia, Hungary and the Czech Republic. In 2011 we recorded no losses from major natural catastrophes.

- France: 0.2 percentage points. We benefited from tariff increases, in particular in our personal lines. Furthermore, claims severity and to a smaller extent claims frequency improved.

The following operations contributed negatively to the development of the Property-Casualty segment accident year loss ratio:

- United States: 1.5 percentage points. This was mainly due to the high losses from hurricane “Irene” and other severe weather events. In addition, we experienced higher losses in our workers compensation business. Further deterioration came from the shift in business mix towards crop, which has structurally higher loss ratios but at the same time carries lower expense ratios.
- Germany: 1.2 percentage points. This was primarily driven by a series of thunderstorms in August and September, which were higher in volume and claims costs than natural catastrophes in 2010. In addition, average claims costs increased, mainly due to claims inflation, partially offset by improvements in the claims settlement process and increased prices.

- AGCS: 0.4 percentage points. We recorded higher losses from natural catastrophes and single large claims in a still soft market environment.

Our **run-off result** benefited from favorable developments related to our asbestos reserves of € 130 mn. Including reserve strengthening for workers compensation claims in the United States, our run-off result was almost flat compared to the previous year.

Total expenses stood at € 2,786 mn, compared to € 2,921 mn in the previous year. The **expense ratio** improved by 1.3 percentage points to 27.1 %.

<sup>1</sup> Consists of the underwriting-related part (aggregate policy reserves and other insurance reserves) of “Change in reserves for insurance and investment contracts (net)”. For further information please refer to note 29 of our condensed consolidated interim financial statements.

**Operating investment income<sup>1</sup>**

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Interest and similar income (net of interest expenses)	957	887	2,806	2,682
Operating income from financial assets and liabilities carried at fair value through income (net)	12	30	40	18
Operating realized gains/losses (net)	2	19	14	31
Operating impairments of investments (net)	(37)	(2)	(44)	(8)
Investment expenses	(64)	(60)	(181)	(169)
Expenses for premium refunds (net) <sup>2</sup>	19	(33)	(58)	(95)
<b>Operating investment income</b>	<b>889</b>	<b>841</b>	<b>2,577</b>	<b>2,459</b>

Operating investment income improved by € 48 mn to € 889 mn due to an increase in interest and similar income (net of interest expenses).

Interest and similar income (net of interest expenses) amounted to € 957 mn – up by € 70 mn – mainly due to an increase in dividend income. The increase in dividends included special distributions from private equity funds of € 47 mn. The total average asset base grew by 3.2%, from € 94.8 bn in the third quarter of 2010 to € 97.8 bn in the third quarter of 2011.

Operating income from financial assets and liabilities carried at fair value through income (net) declined by € 18 mn to € 12 mn.

We recorded lower operating realized gains/losses (net) of € 2 mn compared to € 19 mn in the previous year.

Operating impairments of investments (net) increased by € 35 mn to € 37 mn following the equity market downturn.

**Other result**

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Fee and commission income	278	263	840	799
Other income	12	8	23	16
Fee and commission expenses	(259)	(251)	(788)	(752)
Other expenses	(3)	(3)	(9)	(8)
<b>Other result</b>	<b>28</b>	<b>17</b>	<b>66</b>	<b>55</b>

**2011 to 2010 first nine months comparison**

Operating profit improved by € 122 mn to € 3,103 mn. Higher profitability in Italy, France and Central and Eastern Europe was partly offset by higher losses in the United States, Germany and our Reinsurance operations.

The combined ratio remained stable at 97.9%, despite higher losses from natural catastrophes. Overall, the impact from natural catastrophes accounted for 4.4 percentage points of our combined ratio (9M 2010: 3.8 percentage points).

The expense ratio decreased by 0.4 percentage points to 27.7%.

1 The "Operating investment income" for our Property-Casualty segment consists of the "Operating investment result" – as shown in note 4 of the condensed consolidated interim financial statements – and "Expenses for premium refunds (net)" (policyholder participation) as shown in note 29 of the condensed consolidated interim financial statements.

2 Refers to policyholder participation, mainly from UBR business, and consists of the investment-related part of "Change in reserves for insurance and investment contracts (net)". For further information please refer to note 29 of our condensed consolidated interim financial statements.



## Property-Casualty segment information

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>Gross premiums written<sup>1</sup></b>	<b>10,832</b>	<b>10,600</b>	<b>35,277</b>	<b>34,545</b>
Ceded premiums written	(1,397)	(1,184)	(3,866)	(3,609)
Change in unearned premiums	854	853	(1,568)	(1,565)
<b>Premiums earned (net)</b>	<b>10,289</b>	<b>10,269</b>	<b>29,843</b>	<b>29,371</b>
Interest and similar income	976	917	2,852	2,756
Operating income from financial assets and liabilities carried at fair value through income (net)	12	30	40	18
Operating realized gains/losses (net)	2	19	14	31
Fee and commission income	278	263	840	799
Other income	12	8	23	16
<b>Operating revenues</b>	<b>11,569</b>	<b>11,506</b>	<b>33,612</b>	<b>32,991</b>
Claims and insurance benefits incurred (net)	(7,251)	(7,046)	(20,960)	(20,513)
Change in reserves for insurance and investment contracts (net)	(39)	(71)	(219)	(244)
Interest expenses	(19)	(30)	(46)	(74)
Operating impairments of investments (net)	(37)	(2)	(44)	(8)
Investment expenses	(64)	(60)	(181)	(169)
Acquisition and administrative expenses (net)	(2,786)	(2,921)	(8,262)	(8,242)
Fee and commission expenses	(259)	(251)	(788)	(752)
Other expenses	(3)	(3)	(9)	(8)
<b>Operating expenses</b>	<b>(10,458)</b>	<b>(10,384)</b>	<b>(30,509)</b>	<b>(30,010)</b>
<b>Operating profit</b>	<b>1,111</b>	<b>1,122</b>	<b>3,103</b>	<b>2,981</b>
Loss ratio <sup>2</sup> in %	70.5	68.7	70.2	69.8
Expense ratio <sup>3</sup> in %	27.1	28.4	27.7	28.1
<b>Combined ratio<sup>4</sup> in %</b>	<b>97.6</b>	<b>97.1</b>	<b>97.9</b>	<b>97.9</b>

1 For the Property-Casualty segment, total revenues are measured upon gross premiums written.

2 Represents claims and insurance benefits incurred (net) divided by premiums earned (net).

3 Represents acquisition and administrative expenses (net) divided by premiums earned (net).

4 Represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).

## Property-Casualty Operations by Business Divisions

Three months ended September 30,	Gross premiums written				Premiums earned (net)		Operating profit (loss)	
	2011 € mn	2010 € mn	internal <sup>1</sup>		2011 € mn	2010 € mn	2011 € mn	2010 € mn
			2011 € mn	2010 € mn				
Germany <sup>2</sup>	1,833	1,859	1,833	1,846	1,826	1,827	(26)	121
Switzerland <sup>3</sup>	280	281	244	246	372	355	2	31
Austria	194	186	194	186	189	173	16	16
<b>German Speaking Countries</b>	<b>2,307</b>	<b>2,326</b>	<b>2,271</b>	<b>2,278</b>	<b>2,387</b>	<b>2,355</b>	<b>(8)</b>	<b>168</b>
Italy <sup>4</sup>	825	809	825	809	957	984	242	99
France	754	754	754	754	764	772	109	80
Spain	449	464	449	464	460	468	104	67
South America	426	401	443	401	316	282	32	31
Netherlands <sup>5</sup>	166	201	166	171	190	198	11	10
Turkey	95	102	119	102	83	90	11	11
Belgium <sup>5</sup>	93	85	93	85	72	67	12	6
Portugal	75	72	75	72	66	61	10	10
Greece	28	30	28	30	24	23	5	4
Africa	16	12	16	12	12	12	3	1
<b>Europe incl. South America</b>	<b>2,927</b>	<b>2,930</b>	<b>2,968</b>	<b>2,900</b>	<b>2,944</b>	<b>2,957</b>	<b>544<sup>6</sup></b>	<b>321<sup>6</sup></b>
United States <sup>4</sup>	1,635	1,378	1,786	1,373	895	882	(149)	110
Mexico	61	60	64	60	30	23	(2)	3
<b>NAFTA Markets</b>	<b>1,696</b>	<b>1,438</b>	<b>1,850</b>	<b>1,433</b>	<b>925</b>	<b>905</b>	<b>(151)</b>	<b>113</b>
Allianz Global Corporate & Specialty (AGCS) <sup>4,5,7</sup>	1,067	1,062	1,060	1,077	759	771	117	103
Reinsurance PC	734	930	734	930	787	892	113	128
United Kingdom	525	463	553	463	477	467	53	49
Credit Insurance	457	417	457	417	310	284	121	158
Australia	687	594	646	594	467	425	87	66
Ireland	177	161	177	161	175	159	18	16
<b>Global Insurance Lines &amp; Anglo Markets</b>	<b>3,647</b>	<b>3,627</b>	<b>3,627</b>	<b>3,642</b>	<b>2,975</b>	<b>2,998</b>	<b>509</b>	<b>520</b>
Russia	168	181	175	181	157	154	9	(32)
Hungary	77	92	75	92	72	87	12	(22)
Poland	116	108	120	108	94	87	4	(5)
Slovakia	85	82	85	82	71	76	12	15
Romania	44	56	45	56	41	46	—	1
Czech Republic	68	65	67	65	58	56	6	4
Croatia	19	19	20	19	18	19	2	3
Bulgaria	18	20	18	20	16	15	5	5
Kazakhstan	3	3	3	3	1	1	1	1
Ukraine	3	2	4	2	2	2	—	—
Central and Eastern Europe <sup>8</sup>	601	628	612	628	530	543	48	(35)
Asia-Pacific (excl. Australia) <sup>2,5</sup>	128	126	134	119	72	73	10	15
Middle East and North Africa	16	18	17	18	12	12	1	1
<b>Growth Markets</b>	<b>745</b>	<b>772</b>	<b>763</b>	<b>765</b>	<b>614</b>	<b>628</b>	<b>59</b>	<b>(19)</b>
<b>Assistance</b>	<b>430</b>	<b>404</b>	<b>430</b>	<b>404</b>	<b>446</b>	<b>426</b>	<b>30</b>	<b>27</b>
Consolidation and Other <sup>7,9</sup>	(920)	(897)	(897)	(858)	(2)	—	128 <sup>10</sup>	(8)
<b>Total</b>	<b>10,832</b>	<b>10,600</b>	<b>11,012</b>	<b>10,564</b>	<b>10,289</b>	<b>10,269</b>	<b>1,111</b>	<b>1,122</b>

1 This reflects gross premiums written on an internal basis (adjusted for foreign currency translation and (de-)consolidation effects).

2 In 2011, Allianz China General Insurance Company Ltd., a former branch of Allianz Versicherungs-AG, was transferred from Germany to Asia-Pacific (excl. Australia). Prior year figures have not been adjusted.

3 In November 2010, the Allianz Group sold the subsidiaries Alba and Phenix Iart.

4 The reserve strengthening for asbestos risks in 2011 at Allianz S.p.A., at Fireman's Fund Insurance Company and at AGCS of a total € 153 mn had no impact on the financial results of the Allianz Group and the single entities' combined ratio under IFRS.

5 Corporate customer business in the Netherlands and Belgium as well as Allianz Insurance (Hong Kong) Ltd. and Allianz Insurance Company of Singapore Pte. Ltd. were transferred to AGCS in 2010 and 2011. Prior year figures have not been adjusted.

Three months ended September 30,	Combined ratio		Loss ratio		Expense ratio	
	2011 %	2010 %	2011 %	2010 %	2011 %	2010 %
Germany <sup>2</sup>	111.1	103.4	83.3	76.1	27.8	27.3
Switzerland <sup>3</sup>	106.1	97.7	83.7	76.2	22.4	21.5
Austria	93.9	97.7	68.7	71.9	25.2	25.8
<b>German Speaking Countries</b>	<b>108.9</b>	<b>102.1</b>	<b>82.2</b>	<b>75.8</b>	<b>26.7</b>	<b>26.3</b>
Italy <sup>4</sup>	86.3	99.4	63.4	76.0	22.9	23.4
France	94.1	98.1	68.3	70.9	25.8	27.2
Spain	83.3	91.3	62.4	70.7	20.9	20.6
South America	98.3	96.8	68.0	65.6	30.3	31.2
Netherlands <sup>5</sup>	99.9	98.9	68.7	67.9	31.2	31.0
Turkey	94.9	93.8	69.0	70.5	25.9	23.3
Belgium <sup>5</sup>	96.4	103.2	62.3	67.6	34.1	35.6
Portugal	91.4	91.9	67.7	68.1	23.7	23.8
Greece	83.8	88.0	52.1	58.0	31.7	30.0
Africa	93.7	106.9	48.0	53.3	45.7	53.6
<b>Europe incl. South America</b>	<b>90.6</b>	<b>97.4</b>	<b>65.4</b>	<b>71.7</b>	<b>25.2</b>	<b>25.7</b>
United States <sup>4</sup>	124.2	97.2	101.3	70.0	22.9	27.2
Mexico	111.3	93.8	87.6	69.0	23.7	24.8
<b>NAFTA Markets</b>	<b>123.9</b>	<b>97.2</b>	<b>101.0</b>	<b>70.0</b>	<b>22.9</b>	<b>27.2</b>
Allianz Global Corporate & Specialty (AGCS) <sup>4,5,7</sup>	96.6	94.6	71.7	65.3	24.9	29.3
Reinsurance PC	89.3	89.7	62.9	59.2	26.4	30.5
United Kingdom	94.9	96.8	61.4	62.4	33.5	34.4
Credit Insurance	74.2	54.3	43.1	26.8	31.1	27.5
Australia	95.5	99.3	70.8	75.3	24.7	24.0
Ireland	95.5	96.5	69.7	67.9	25.8	28.6
<b>Global Insurance Lines &amp; Anglo Markets</b>	<b>91.9</b>	<b>90.4</b>	<b>64.6</b>	<b>60.9</b>	<b>27.3</b>	<b>29.5</b>
Russia	98.9	122.8	59.7	68.2	39.2	54.6
Hungary	97.7	137.7	55.4	80.0	42.3	57.7
Poland	101.1	108.9	66.5	74.5	34.6	34.4
Slovakia	88.7	84.8	49.4	48.3	39.3	36.5
Romania	105.0	103.8	76.7	73.6	28.3	30.2
Czech Republic	94.9	95.5	67.5	71.4	27.4	24.1
Croatia	95.4	94.2	57.2	61.8	38.2	32.4
Bulgaria	74.7	69.2	54.4	45.1	20.3	24.1
Kazakhstan	72.2	85.2	9.3	9.1	62.9	76.1
Ukraine	138.1	122.1	84.3	30.6	53.8	91.5
Central and Eastern Europe <sup>8</sup>	97.0	110.8	60.8	67.9	36.2	42.9
Asia-Pacific (excl. Australia) <sup>2,5</sup>	94.6	87.7	62.6	58.5	32.0	29.2
Middle East and North Africa	97.0	106.7	64.3	70.0	32.7	36.7
<b>Growth Markets</b>	<b>96.7</b>	<b>107.8</b>	<b>61.0</b>	<b>66.7</b>	<b>35.7</b>	<b>41.1</b>
<b>Assistance</b>	<b>95.7</b>	<b>96.0</b>	<b>59.6</b>	<b>59.8</b>	<b>36.1</b>	<b>36.2</b>
Consolidation and Other <sup>7,9</sup>	—	—	—	—	—	—
<b>Total</b>	<b>97.6</b>	<b>97.1</b>	<b>70.5</b>	<b>68.7</b>	<b>27.1</b>	<b>28.4</b>

6 Contains € 3 mn and € 3 mn for 3Q 2011 and 3Q 2010, respectively, from a management holding located in Luxembourg and also € 2 mn and € (1) mn for 3Q 2011 and 3Q 2010, respectively, from AGF UK.

7 Allianz Risk Transfer (ART) business now shown within AGCS. Prior year figures have been adjusted accordingly.

8 Contains income and expense items from a management holding.

9 Represents elimination of transactions between Allianz Group companies in different geographic regions.

10 The 2011 analysis of the Allianz Group's asbestos risks resulted in a reduction of reserves and a positive run-off result of € 130 mn.

	Gross premiums written				Premiums earned (net)		Operating profit (loss)	
	2011	2010	internal <sup>1</sup>		2011	2010	2011	2010
			2011	2010				
Nine months ended September 30,	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
Germany <sup>2</sup>	7,333	7,401	7,333	7,371	5,432	5,423	303	439
Switzerland <sup>3</sup>	1,327	1,282	1,169	1,170	1,071	1,038	103	113
Austria	735	717	735	717	552	522	51	57
<b>German Speaking Countries</b>	<b>9,395</b>	<b>9,400</b>	<b>9,237</b>	<b>9,258</b>	<b>7,055</b>	<b>6,983</b>	<b>457</b>	<b>609</b>
Italy <sup>4</sup>	2,785	2,777	2,785	2,777	2,873	2,953	486	250
France	2,625	2,614	2,625	2,614	2,338	2,319	326	131
Spain	1,562	1,575	1,562	1,570	1,379	1,375	258	205
South America	1,330	1,117	1,331	1,117	920	795	107	80
Netherlands <sup>5</sup>	656	730	656	670	582	605	35	35
Turkey	370	370	419	370	252	250	12	19
Belgium <sup>5</sup>	277	280	277	250	211	200	31	27
Portugal	228	224	228	224	190	182	31	26
Greece	92	88	92	88	70	63	12	12
Africa	66	59	66	59	36	31	5	4
<b>Europe incl. South America</b>	<b>9,991</b>	<b>9,834</b>	<b>10,041</b>	<b>9,739</b>	<b>8,851</b>	<b>8,773</b>	<b>1,315<sup>6</sup></b>	<b>800<sup>6</sup></b>
United States <sup>4</sup>	2,930	2,821	3,159	2,785	1,973	2,104	(161)	190
Mexico	170	158	173	158	83	65	4	7
<b>NAFTA Markets</b>	<b>3,100</b>	<b>2,979</b>	<b>3,332</b>	<b>2,943</b>	<b>2,056</b>	<b>2,169</b>	<b>(157)</b>	<b>197</b>
Allianz Global Corporate & Specialty (AGCS) <sup>4,5,7</sup>	3,885	3,581	3,865	3,637	2,255	2,251	437	358
Reinsurance PC	2,846	3,308	2,846	3,308	2,359	2,471	(105)	188
United Kingdom	1,577	1,454	1,603	1,454	1,387	1,315	142	140
Credit Insurance	1,484	1,356	1,484	1,356	917	836	378	332
Australia	1,871	1,589	1,719	1,589	1,396	1,181	212	203
Ireland	586	528	586	528	498	440	52	24
<b>Global Insurance Lines &amp; Anglo Markets</b>	<b>12,249</b>	<b>11,816</b>	<b>12,103</b>	<b>11,872</b>	<b>8,812</b>	<b>8,494</b>	<b>1,116</b>	<b>1,245</b>
Russia	570	543	579	543	462	429	6	(35)
Hungary	284	338	283	338	223	275	29	4
Poland	351	322	353	322	280	252	4	(9)
Slovakia	275	276	275	276	209	222	56	35
Romania	142	175	143	175	130	124	1	2
Czech Republic	221	204	212	204	170	157	22	17
Croatia	68	68	70	68	55	56	8	7
Bulgaria	61	63	61	63	47	49	13	13
Kazakhstan	17	23	17	23	4	5	2	2
Ukraine	10	6	11	6	5	4	—	—
Central and Eastern Europe <sup>8</sup>	1,999	2,018	2,004	2,018	1,585	1,573	130	21
Asia-Pacific (excl. Australia) <sup>2,5</sup>	378	378	380	341	210	208	36	36
Middle East and North Africa	53	58	57	58	36	33	2	1
<b>Growth Markets</b>	<b>2,430</b>	<b>2,454</b>	<b>2,441</b>	<b>2,417</b>	<b>1,831</b>	<b>1,814</b>	<b>168</b>	<b>58</b>
<b>Assistance</b>	<b>1,298</b>	<b>1,177</b>	<b>1,298</b>	<b>1,177</b>	<b>1,220</b>	<b>1,123</b>	<b>71</b>	<b>69</b>
Consolidation and Other <sup>7,9</sup>	(3,186)	(3,115)	(3,175)	(2,975)	18	15	133 <sup>10</sup>	3
<b>Total</b>	<b>35,277</b>	<b>34,545</b>	<b>35,277</b>	<b>34,431</b>	<b>29,843</b>	<b>29,371</b>	<b>3,103</b>	<b>2,981</b>

<sup>1</sup> This reflects gross premiums written on an internal basis (adjusted for foreign currency translation and (de-)consolidation effects).

<sup>2</sup> In 2011, Allianz China General Insurance Company Ltd., a former branch of Allianz Versicherungs-AG, was transferred from Germany to Asia-Pacific (excl. Australia). Prior year figures have not been adjusted.

<sup>3</sup> In November 2010, the Allianz Group sold the subsidiaries Alba and Phenix Iart.

<sup>4</sup> The reserve strengthening for asbestos risks in 2011 at Allianz S.p.A., at Fireman's Fund Insurance Company and at AGCS of a total € 153 mn had no impact on the financial results of the Allianz Group and the single entities' combined ratio under IFRS.

<sup>5</sup> Corporate customer business in the Netherlands and Belgium as well as Allianz Insurance (Hong Kong) Ltd. and Allianz Insurance Company of Singapore Pte. Ltd. were transferred to AGCS in 2010 and 2011. Prior year figures have not been adjusted.

	Combined ratio		Loss ratio		Expense ratio	
	2011 %	2010 %	2011 %	2010 %	2011 %	2010 %
Nine months ended September 30,						
Germany <sup>2</sup>	103.8	101.2	76.3	73.5	27.5	27.7
Switzerland <sup>3</sup>	96.3	95.2	74.5	74.6	21.8	20.6
Austria	93.9	95.4	67.7	69.4	26.2	26.0
<b>German Speaking Countries</b>	<b>101.9</b>	<b>99.9</b>	<b>75.4</b>	<b>73.4</b>	<b>26.5</b>	<b>26.5</b>
Italy <sup>4</sup>	93.6	100.4	69.5	76.4	24.1	24.0
France	96.1	102.9	69.7	75.9	26.4	27.0
Spain	87.3	90.4	66.8	70.0	20.5	20.4
South America	96.9	97.7	65.9	65.8	31.0	31.9
Netherlands <sup>5</sup>	99.7	99.3	69.1	68.9	30.6	30.4
Turkey	102.6	99.6	75.1	73.7	27.5	25.9
Belgium <sup>5</sup>	97.7	99.7	63.8	65.0	33.9	34.7
Portugal	91.4	93.3	67.7	69.1	23.7	24.2
Greece	89.1	87.1	55.1	55.5	34.0	31.6
Africa	97.2	100.4	54.1	56.9	43.1	43.5
<b>Europe incl. South America</b>	<b>94.3</b>	<b>99.0</b>	<b>68.6</b>	<b>73.2</b>	<b>25.7</b>	<b>25.8</b>
United States <sup>4</sup>	118.8	102.9	89.4	70.5	29.4	32.4
Mexico	101.2	97.5	75.7	69.1	25.5	28.4
<b>NAFTA Markets</b>	<b>118.1</b>	<b>102.8</b>	<b>88.9</b>	<b>70.5</b>	<b>29.2</b>	<b>32.3</b>
Allianz Global Corporate & Specialty (AGCS) <sup>4,5,7</sup>	91.8	93.5	64.9	65.4	26.9	28.1
Reinsurance PC	107.9	95.7	80.5	70.0	27.4	25.7
United Kingdom	95.8	95.8	63.1	61.5	32.7	34.3
Credit Insurance	70.0	70.7	41.7	40.2	28.3	30.5
Australia	99.1	97.7	74.1	72.8	25.0	24.9
Ireland	96.4	102.9	71.3	78.9	25.1	24.0
<b>Global Insurance Lines &amp; Anglo Markets</b>	<b>95.9</b>	<b>93.3</b>	<b>68.2</b>	<b>65.4</b>	<b>27.7</b>	<b>27.9</b>
Russia	102.0	112.5	63.1	65.6	38.9	46.9
Hungary	98.5	109.0	56.1	67.9	42.4	41.1
Poland	103.0	106.9	69.1	72.3	33.9	34.6
Slovakia	79.4	90.1	47.6	59.5	31.8	30.6
Romania	103.7	103.8	73.6	79.4	30.1	24.4
Czech Republic	91.6	93.3	65.0	69.4	26.6	23.9
Croatia	93.1	94.8	55.7	61.3	37.4	33.5
Bulgaria	75.9	76.4	47.8	47.7	28.1	28.7
Kazakhstan	60.6	79.8	14.4	20.4	46.2	59.4
Ukraine	118.7	115.5	50.7	29.4	68.0	86.1
<b>Central and Eastern Europe<sup>8</sup></b>	<b>96.7</b>	<b>103.6</b>	<b>61.3</b>	<b>66.7</b>	<b>35.4</b>	<b>36.9</b>
Asia-Pacific (excl. Australia) <sup>2,5</sup>	90.9	90.2	60.5	60.6	30.4	29.6
Middle East and North Africa	103.7	109.4	70.4	73.5	33.3	35.9
<b>Growth Markets</b>	<b>96.2</b>	<b>102.1</b>	<b>61.4</b>	<b>66.1</b>	<b>34.8</b>	<b>36.0</b>
<b>Assistance</b>	<b>96.0</b>	<b>96.2</b>	<b>59.9</b>	<b>60.4</b>	<b>36.1</b>	<b>35.8</b>
Consolidation and Other <sup>7,9</sup>	—	—	—	—	—	—
<b>Total</b>	<b>97.9</b>	<b>97.9</b>	<b>70.2</b>	<b>69.8</b>	<b>27.7</b>	<b>28.1</b>

6 Contains € 8 mn and € 11 mn for 9M 2011 and 9M 2010, respectively, from a management holding located in Luxembourg and also € 4 mn and € (0.4) mn for 9M 2011 and 9M 2010, respectively, from AGF UK.

7 Allianz Risk Transfer (ART) business now shown within AGCS. Prior year figures have been adjusted accordingly.

8 Contains income and expense items from a management holding.

9 Represents elimination of transactions between Allianz Group companies in different geographic regions.

10 The 2011 analysis of the Allianz Group's asbestos risks resulted in a reduction of reserves and a positive run-off result of € 130 mn.



# Life/Health Insurance Operations

- Statutory premiums amounted to € 11,806 mn.
- Operating profit of € 520 mn impacted by a lower investment result.

## Segment Overview

- Allianz offers a broad range of life, savings and investment-oriented products including individual and group life insurance contracts.
- Via our distribution channels (mainly tied agents, brokers and bank partnerships) we offer life and health products for both private and corporate clients.
- As one of the worldwide market leaders in life business we serve clients in more than 45 countries.
- In 12 countries we are one of the market leaders based on premiums.

## Key Figures

	Three months ended September 30,			Nine months ended September 30,		
	2011 € mn	2010 € mn	2009 € mn	2011 € mn	2010 € mn	2009 € mn
Statutory premiums	11,806	12,553	10,788	39,054	42,033	35,567
Operating profit	520	655	939	1,901	2,314	2,201
Cost-income ratio in %	96.5	96.0	93.6	96.2	95.7	95.2

## Summary: third quarter of 2011

Our Life/Health business bore a significant portion of the adverse effects of the market turmoil, primarily manifested in losses on equity investments.

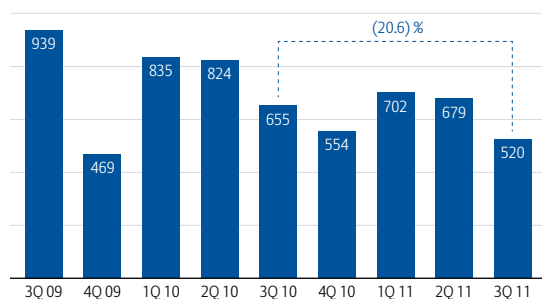
Statutory premiums amounted to € 11,806 mn, a decline of 4.5% on an internal basis. The decline in premiums was mostly due to lower sales of our investment-oriented products, especially in Asia-Pacific and the United States, where last year's single premiums had been boosted by extraordinary effects. However, premiums from our traditional business were stable.

Operating profit decreased by 20.6% to € 520 mn. This was largely due to the impacts of the financial crisis on our investment result. The result of impairments and income from financial assets and liabilities carried at fair value deteriorated by € 1,336 mn to a loss of € 1,304 mn. We estimate the impact on operating profit of these losses, net of policyholder participation, to be around minus € 224 mn.

## Operating profit

in € mn

# € 520 mn



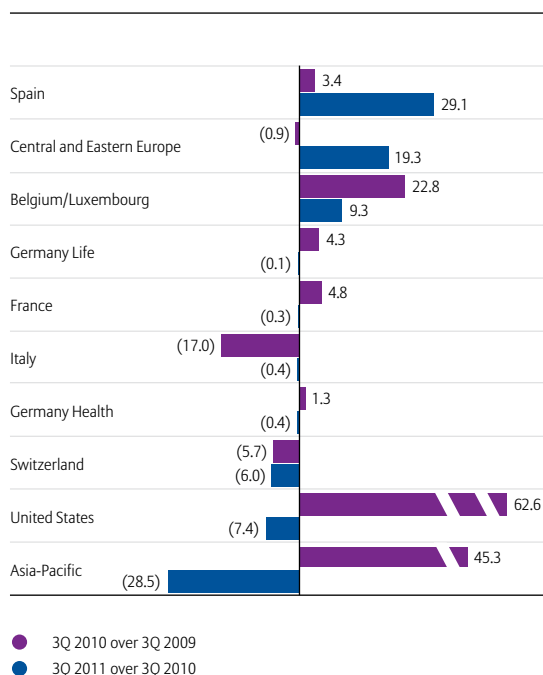
## Statutory Premiums<sup>1</sup>

### 2011 to 2010 third quarter comparison

Statutory premiums decreased on a nominal basis by € 747 mn or 6.0%, to € 11,806 mn, a decrease of 4.5% on an internal basis.

#### Statutory premiums – Internal growth rates<sup>2</sup>

in %



In **Spain** premiums amounted to € 195 mn. Despite the difficult economic situation and high unemployment, premiums grew strongly by 29.1%. The positive development was primarily due to short-term investment products but also pre-retirement group business. Overall, both our traditional as well as investment-oriented business saw premium growth.

Premiums in **Central and Eastern Europe** grew by 19.3% on an internal basis to € 264 mn, as both our traditional business as well as investment oriented products grew. The growth was mostly realized in Poland as a result of the introduction of new products

(€ 31 mn increase in premiums on an internal basis). Premiums in Hungary, driven by the relaunch of a single premium sales campaign, and Russia, due to a strong development of a new investment product group, contributed € 26 mn of the internal growth. We recorded a decrease in premiums of € 19 mn on an internal basis from the Czech Republic.

In **Belgium/Luxembourg** we recorded premiums of € 259 mn, an increase of € 22 mn or 9.3%. A large portion of this result stemmed from the increase of our investment-oriented product sales (up € 15 mn) but also from our traditional business (up € 7 mn). Luxembourg life contributed with growth of € 18 mn. This premium growth was mostly related to large single premium contracts.

In our **German** life business, premiums were stable at € 3,466 mn (down 0.1%). We saw an offsetting effect in the increased sales from our investment-oriented products and a decrease in our traditional life business. The slight decline in new business premiums was, however, fully attributable to single premium business. Premiums in our German health business were also stable (down 0.4%) and in line with expectations. We saw an increased number of new supplementary insurance customers but received less new business from full coverage insurance customers.

In **France** we recorded a minor decrease in premiums of 0.3% on an internal basis to € 1,771 mn. The decline in premiums from traditional business was almost fully offset by an increase in premiums from investment-oriented products.

Premiums in **Italy** amounted to € 1,379 mn, a decline of 0.4% on an internal basis. Despite the challenging market environment, volumes remained stable. Our investment-oriented products accounted for the slight decline in premiums. However, we were able to record solid growth through our financial advisors channel.

<sup>1</sup> We comment on the development of our statutory premiums written on an internal basis; meaning adjusted for foreign currency translation and (de-)consolidation effects in order to provide more comparable information.

<sup>2</sup> Before elimination of transactions between the Allianz Group companies in different geographic regions and different segments.

In **Switzerland**, premiums decreased by 6.0%, on an internal basis, to € 233 mn. We recorded an increase in premiums from our traditional business, though insufficient to compensate for the decrease from investment-oriented products. The decline was largely driven by group life business. Individual life business, on the other hand, recorded premium growth thanks to single premium traditional life business.

In the **United States** we saw a decline in premiums of 7.4% on an internal basis, resulting in premiums of € 1,894 mn. This decline was related to the fixed-index annuity business (down approximately € 259 mn), as last year's third quarter saw an extraordinary peak in sales after product changes were announced. However, variable annuity premiums continued to be strong and were higher than last year's third quarter (up approximately € 94 mn).

Premiums in **Asia-Pacific** amounted to € 1,186 mn and were negatively affected by the slowdown in sales in Japan, Taiwan and South Korea. On an internal basis premiums declined by 28.5%, or € 479 mn. The large premium drop in Japan of € 290 mn was impacted by the decision announced in September 2011 to cease writing new business. Premiums in Taiwan decreased by € 202 mn – or 41.7% – on an internal basis, in comparison to the particularly high sales last year as a result of a change in local tax regulation. South Korea saw a premium decrease of 13.4% on an internal basis to € 406 mn, mostly due to the shrinking bancassurance market after new regulations were introduced.

## 2011 to 2010 first nine months comparison

**Statutory premiums** amounted to € 39,054 mn, which is a decrease of 6.4% on an internal basis. The decline in Germany, Italy, France and Asia-Pacific was partially compensated by strong internal growth in the United States, Belgium and Spain, excluding unfavorable foreign currency effects of € 268 mn.

## Operating Profit

### 2011 to 2010 third quarter comparison

**Operating profit** decreased by € 135 mn to € 520 mn, mainly due to a lower investment result, with an estimated impact of around minus € 224 mn, after policyholder participation of impairments and fair value related losses.

**Interest and similar income net of interest expenses** increased by € 389 mn to € 4,025 mn. This was mainly driven by higher interest income due to a higher asset base as well as better performance of investments in associates and an increase in dividend income.

**Operating income from financial assets and liabilities carried at fair value through income (net)** declined from € 127 mn to a loss of € 325 mn. The vast majority of the decrease is due to the negative market performance, mostly in France. In addition, we sold our fair value option portfolio in the United States in 2010 and reinvested in assets classified as available-for-sale (fair value income was € 74 mn in the third quarter of 2010).

**Operating realized gains and losses (net)** remained almost flat at € 590 mn. Higher realized gains from equities, and to a lesser extent from debt securities, were almost offset by lower realizations from real estate.

**Operating impairments on investments (net)** increased from € 95 mn to € 979 mn. Equity impairments, largely in Germany, France and Italy were € 945 mn, whereas debt security impairments – primarily related to Greek sovereign bonds – amounted to € 50 mn.

**Claims and insurance benefits incurred (net)** amounted to € 4,562 mn, an increase of € 255 mn. This was a result of higher payments for maturing traditional life products in Germany.

**Change in reserves for insurance and investment contracts (net)** decreased by € 1,158 mn to € 2,515 mn. The main reason was the lower expenses for premium refunds of € 887 mn, which was related to the higher impairments and losses in the investment result. A lower allocation of premiums to aggregated policy reserves also contributed.

**Investment expenses** increased by € 50 mn to € 210 mn, mainly due to higher expenses from real

estate, which is in line with the related increase in revenues.

**Acquisition and administrative expenses (net)** increased by € 38 mn to € 1,038 mn. Acquisition costs increased by € 34 mn due to higher deferred acquisition cost amortization in the German life business.

## 2011 to 2010 first nine months comparison

**Operating profit** amounted to € 1,901 mn, a decrease of € 413 mn mostly due to the lower investment result.

### Life/Health segment information

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>Statutory premiums<sup>1</sup></b>	<b>11,806</b>	<b>12,553</b>	<b>39,054</b>	<b>42,033</b>
Ceded premiums written	(148)	(136)	(430)	(399)
Change in unearned premiums	(70)	(36)	(214)	(144)
Statutory premiums (net)	11,588	12,381	38,410	41,490
Deposits from insurance and investment contracts	(6,154)	(6,908)	(21,347)	(24,346)
<b>Premiums earned (net)</b>	<b>5,434</b>	<b>5,473</b>	<b>17,063</b>	<b>17,144</b>
Interest and similar income	4,053	3,646	12,083	11,196
Operating income from financial assets and liabilities carried at fair value through income (net)	(325)	127	(597)	518
Operating realized gains/losses (net)	590	587	1,643	1,337
Fee and commission income	139	129	407	376
Other income	22	10	67	59
<b>Operating revenues</b>	<b>9,913</b>	<b>9,972</b>	<b>30,666</b>	<b>30,630</b>
Claims and insurance benefits incurred (net)	(4,562)	(4,307)	(14,174)	(13,603)
Change in reserves for insurance and investment contracts (net)	(2,515)	(3,673)	(8,882)	(10,178)
Interest expenses	(28)	(10)	(75)	(64)
Loan loss provisions	—	6	—	8
Operating impairments of investments (net)	(979)	(95)	(1,425)	(318)
Investment expenses	(210)	(160)	(571)	(489)
Acquisition and administrative expenses (net)	(1,038)	(1,000)	(3,440)	(3,450)
Fee and commission expenses	(48)	(67)	(153)	(184)
Operating restructuring charges	—	—	(1)	(1)
Other expenses	(13)	(11)	(44)	(37)
<b>Operating expenses</b>	<b>(9,393)</b>	<b>(9,317)</b>	<b>(28,765)</b>	<b>(28,316)</b>
<b>Operating profit</b>	<b>520</b>	<b>655</b>	<b>1,901</b>	<b>2,314</b>
<b>Cost-income ratio<sup>2</sup> in %</b>	<b>96.5 %</b>	<b>96.0 %</b>	<b>96.2 %</b>	<b>95.7 %</b>

1 Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.

2 Represents deposits from insurance and investment contracts, claims and insurance benefits incurred (net), change in reserves for insurance and investment contracts (net) and acquisition and administrative expenses (net) divided by statutory premiums (net), interest and similar income, operating income from financial assets and liabilities carried at fair value through income (net), operating realized gains/losses (net), fee and commission income, other income, interest expenses, loan loss provisions, operating impairments of investments (net), investment expenses, fee and commission expenses, operating restructuring charges and other expenses.

## Life/Health Operations by Business Divisions

Three months ended September 30,	Statutory premiums <sup>1</sup>				Premiums earned (net)		Operating profit (loss)		Cost-income ratio	
	2011 € mn	2010 € mn	internal <sup>2</sup>		2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 %	2010 %
			2011 € mn	2010 € mn						
Germany Life <sup>3</sup>	3,466	3,471	3,466	3,471	2,438	2,540	224	254	95.7	95.2
Germany Health <sup>4</sup>	805	808	805	808	802	804	42	30	95.7	97.0
Switzerland	233	225	203	216	123	108	20	17	93.5	94.4
Austria	81	87	81	87	55	62	—	6	100.1	95.5
<b>German Speaking Countries</b>	<b>4,585</b>	<b>4,591</b>	<b>4,555</b>	<b>4,582</b>	<b>3,418</b>	<b>3,514</b>	<b>286</b>	<b>307</b>	<b>95.6</b>	<b>95.5</b>
Italy <sup>3</sup>	1,379	1,367	1,379	1,385	120	121	10	64	99.4	96.2
France <sup>3</sup>	1,771	1,732	1,771	1,776	725	768	72	114	96.2	95.3
Spain	195	151	195	151	78	63	32	28	87.4	86.9
South America	20	14	22	14	18	11	2	3	90.3	86.0
Netherlands	71	73	71	73	34	33	19	11	79.9	88.4
Turkey	22	26	28	26	8	9	1	2	96.3	94.5
Belgium/Luxembourg	259	237	259	237	91	84	15	13	95.1	95.8
Portugal	40	47	40	47	21	21	6	6	86.6	89.8
Greece	24	26	24	26	14	14	1	3	91.4	85.6
Africa	11	8	11	8	5	7	1	1	92.5	90.1
<b>Europe incl. South America</b>	<b>3,792</b>	<b>3,681</b>	<b>3,800</b>	<b>3,743</b>	<b>1,114</b>	<b>1,131</b>	<b>159</b>	<b>245</b>	<b>96.2</b>	<b>95.0</b>
United States	1,894	2,234	2,069	2,234	158	149	45	45	98.0	98.3
Mexico	39	23	42	23	7	13	1	1	96.7	95.0
<b>NAFTA Markets</b>	<b>1,933</b>	<b>2,257</b>	<b>2,111</b>	<b>2,257</b>	<b>165</b>	<b>162</b>	<b>46</b>	<b>46</b>	<b>98.0</b>	<b>98.3</b>
Reinsurance LH	93	86	93	86	89	84	18	11	83.0	88.7
<b>Global Insurance Lines &amp; Anglo Markets</b>	<b>93</b>	<b>86</b>	<b>93</b>	<b>86</b>	<b>89</b>	<b>84</b>	<b>18</b>	<b>11</b>	<b>83.0</b>	<b>88.7</b>
South Korea	406	470	407	470	148	169	—	12	99.7	97.8
Taiwan	283	484	282	484	41	37	(6)	7	102.0	98.6
Malaysia	65	61	69	61	46	46	3	4	93.9	92.5
Indonesia	156	113	162	113	80	45	11	6	93.5	93.7
Other	276	553	282	553	155	143	(7)	1	102.5	100.1
<b>Asia-Pacific</b>	<b>1,186</b>	<b>1,681</b>	<b>1,202</b>	<b>1,681</b>	<b>470</b>	<b>440</b>	<b>1</b>	<b>30</b>	<b>99.8</b>	<b>98.3</b>
Hungary	42	24	41	24	14	15	2	(2)	97.1	105.7
Slovakia	60	58	60	58	46	36	8	(8)	89.3	112.1
Czech Republic	24	42	23	42	16	14	3	2	92.1	94.1
Poland	98	71	102	71	31	17	5	5	95.7	94.1
Romania	5	4	5	4	3	3	—	1	90.6	90.3
Croatia	13	11	13	11	12	10	2	2	91.2	92.4
Bulgaria	6	6	6	6	6	5	1	1	85.8	66.0
Russia	16	7	16	7	16	7	—	(1)	100.8	116.4
<b>Central and Eastern Europe</b>	<b>264</b>	<b>223</b>	<b>266</b>	<b>223</b>	<b>144</b>	<b>107</b>	<b>21</b>	<b>—</b>	<b>93.6</b>	<b>99.9</b>
Middle East and North Africa	40	37	45	37	34	33	—	4	101.6	90.3
Global Life <sup>3</sup>	1	63	1	1	—	2	(1)	(1)	253.4	101.5
<b>Growth Markets</b>	<b>1,491</b>	<b>2,004</b>	<b>1,514</b>	<b>1,942</b>	<b>648</b>	<b>582</b>	<b>21</b>	<b>33</b>	<b>98.7</b>	<b>98.5</b>
Consolidation <sup>5</sup>	(88)	(66)	(90)	(67)	—	—	(10)	13	—	—
<b>Total</b>	<b>11,806</b>	<b>12,553</b>	<b>11,983</b>	<b>12,543</b>	<b>5,434</b>	<b>5,473</b>	<b>520</b>	<b>655</b>	<b>96.5</b>	<b>96.0</b>

1 Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.

2 Statutory premiums adjusted for foreign currency translation and (de-)consolidation effects.

3 From the first quarter of 2011 on, the variable annuity business of Allianz Global Life is shown within Germany, France and Italy, respectively. Prior year figures have not been adjusted.

Nine months ended September 30,	Statutory premiums <sup>1</sup>				Premiums earned (net)		Operating profit (loss)		Cost-income ratio	
	2011 € mn	2010 € mn	internal <sup>2</sup>		2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 %	2010 %
			2011 € mn	2010 € mn						
Germany Life <sup>3</sup>	11,035	11,375	11,035	11,377	7,809	8,017	678	764	95.8	95.4
Germany Health <sup>4</sup>	2,405	2,409	2,405	2,409	2,403	2,406	105	124	96.6	96.1
Switzerland	1,449	1,264	1,279	1,237	521	454	58	56	96.6	96.2
Austria	297	298	297	298	208	218	18	24	94.9	94.0
<b>German Speaking Countries</b>	<b>15,186</b>	<b>15,346</b>	<b>15,016</b>	<b>15,321</b>	<b>10,941</b>	<b>11,095</b>	<b>859</b>	<b>968</b>	<b>96.0</b>	<b>95.6</b>
Italy <sup>3</sup>	5,191	6,698	5,191	6,760	422	432	144	209	97.6	97.2
France <sup>3</sup>	5,557	6,079	5,557	6,195	2,247	2,279	295	415	95.8	94.7
Spain	689	598	689	598	277	275	87	83	90.1	89.3
South America	48	38	49	38	39	29	7	7	88.5	87.5
Netherlands	251	235	251	235	122	98	43	37	86.1	87.6
Turkey	73	74	84	74	25	27	3	5	96.6	95.3
Belgium/Luxembourg	905	771	905	771	325	278	51	57	95.3	94.4
Portugal	131	128	131	128	63	61	15	15	89.3	89.4
Greece	81	86	81	86	47	48	3	5	95.1	93.1
Africa	34	26	34	26	15	18	3	1	92.8	97.6
<b>Europe incl. South America</b>	<b>12,960</b>	<b>14,733</b>	<b>12,972</b>	<b>14,911</b>	<b>3,582</b>	<b>3,545</b>	<b>651</b>	<b>834</b>	<b>95.8</b>	<b>95.3</b>
United States	5,902	5,938	6,338	5,938	492	467	268	311	96.3	95.9
Mexico	113	71	115	71	33	42	3	3	97.2	95.9
<b>NAFTA Markets</b>	<b>6,015</b>	<b>6,009</b>	<b>6,453</b>	<b>6,009</b>	<b>525</b>	<b>509</b>	<b>271</b>	<b>314</b>	<b>96.3</b>	<b>95.9</b>
Reinsurance LH	286	236	286	236	261	234	22	19	92.3	92.7
<b>Global Insurance Lines &amp; Anglo Markets</b>	<b>286</b>	<b>236</b>	<b>286</b>	<b>236</b>	<b>261</b>	<b>234</b>	<b>22</b>	<b>19</b>	<b>92.3</b>	<b>92.7</b>
South Korea	1,260	1,413	1,270	1,413	459	534	37	69	97.6	95.9
Taiwan	1,099	1,550	1,065	1,550	97	120	(27)	42	102.4	97.4
Malaysia	195	171	195	171	142	137	11	10	94.1	93.9
Indonesia	404	298	414	298	172	119	33	30	92.1	89.8
Other	912	1,355	904	1,355	380	367	(16)	(22)	101.8	101.7
<b>Asia-Pacific</b>	<b>3,870</b>	<b>4,787</b>	<b>3,848</b>	<b>4,787</b>	<b>1,250</b>	<b>1,277</b>	<b>38</b>	<b>129</b>	<b>99.1</b>	<b>97.5</b>
Hungary	150	155	148	155	43	47	5	6	97.1	96.2
Slovakia	185	182	185	182	139	126	23	8	89.7	96.0
Czech Republic	108	117	104	117	45	42	9	8	92.7	93.5
Poland	317	289	318	289	75	96	14	15	95.9	95.2
Romania	17	16	17	16	9	8	1	2	92.4	88.6
Croatia	36	34	36	34	34	32	4	4	91.8	91.3
Bulgaria	20	18	20	18	17	17	4	5	82.1	76.8
Russia	40	20	41	20	38	19	—	(3)	99.8	115.3
<b>Central and Eastern Europe</b>	<b>873</b>	<b>831</b>	<b>869</b>	<b>831</b>	<b>400</b>	<b>387</b>	<b>60</b>	<b>45</b>	<b>93.8</b>	<b>95.1</b>
Middle East and North Africa	124	100	143	100	104	92	5	10	96.5	91.3
Global Life <sup>3</sup>	3	180	3	2	—	5	(1)	(3)	406.0	101.9
<b>Growth Markets</b>	<b>4,870</b>	<b>5,898</b>	<b>4,863</b>	<b>5,720</b>	<b>1,754</b>	<b>1,761</b>	<b>102</b>	<b>181</b>	<b>98.1</b>	<b>97.1</b>
Consolidation <sup>5</sup>	(263)	(189)	(268)	(191)	—	—	(4)	(2)	—	—
<b>Total</b>	<b>39,054</b>	<b>42,033</b>	<b>39,322</b>	<b>42,006</b>	<b>17,063</b>	<b>17,144</b>	<b>1,901</b>	<b>2,314</b>	<b>96.2</b>	<b>95.7</b>

4 Loss ratios were 79.5% and 75.8% for the three months ended September 30, 2011 and 2010, respectively, and 78.5% and 74.8% for the nine months ended September 30, 2011 and 2010, respectively.

5 Represents elimination of transactions between Allianz Group companies in different geographic regions.

# Asset Management

- Total assets under management at record level of € 1,592 bn.
- Net inflows of € 12 bn in the third quarter; € 43 bn in the first nine months of 2011.
- Operating profit of € 537 mn in the third quarter of 2011.

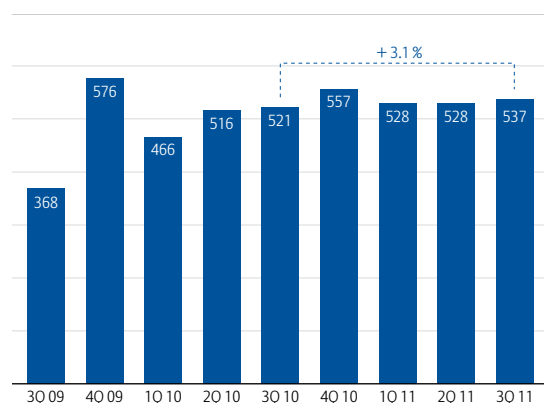
## Segment Overview

- Allianz offers asset management products and services for third-party investors and the Allianz Group's insurance operations.
- We serve a comprehensive range of retail and institutional clients worldwide.
- We operate on a global basis with investment and distribution capacities in all major markets with particular strongholds in the United States, Europe and the Asia-Pacific region.
- Based on assets under management, we are one of the largest active asset managers in the world.

## Operating profit

in € mn

# €537 mn



## Key Figures

	Three months ended September 30,			Nine months ended September 30,		
	2011 € mn	2010 € mn	2009 € mn	2011 € mn	2010 € mn	2009 € mn
Operating revenues	1,326	1,256	899	3,902	3,560	2,395
Operating profit	537	521	368	1,593	1,503	825
Cost-income ratio in %	59.5	58.5	59.1	59.2	57.8	65.6
Total assets under management <sup>1</sup> in € bn	1,592	1,518	1,202	1,592	1,518	1,202

## Summary: third quarter of 2011

Our Asset Management business continued to perform well despite negative market developments.

Operating revenues increased by € 70 mn to € 1,326 mn compared to the third quarter of 2010. On an internal basis, operating revenue increased by 13.0% compared to the third quarter of 2010.

The continued strong growth in our assets under management resulted in an operating profit growth of € 16 mn to € 537 mn, despite negative foreign currency effects of € 42 mn.

Our cost-income ratio stood at 59.5%, a 1.0 percentage point increase compared to the third quarter of 2010, but still excellent.

<sup>1</sup> 2010 and 2009 figures as of December 31.



## Assets under Management

Despite volatile capital markets, as of September 30, 2011, total assets under management amounted to a record level of € 1,592 bn. Third-party assets under management accounted for € 1,222 bn, while € 370 bn are Allianz Group assets.

### Development of total assets under management

in € bn

Total AuM (as of 12/31/2010)	1,336	180	2	1,518
Net inflows				+ 43
Market effects				+ 23
Consolidation and deconsolidation effects				+ 9
F/X effects			(1)	
Total AuM (as of 9/30/2011)	1,439	152	1	1,592

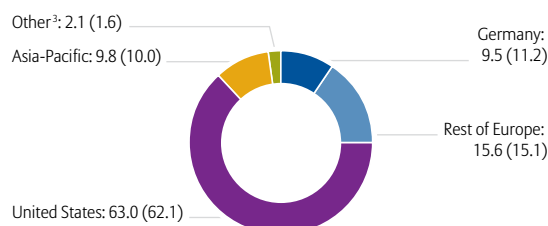
- Fixed income
- Equities
- Other

In the first nine months of 2011 we experienced strong internal growth with net inflows of € 43 bn<sup>1</sup>. Of this, fixed income assets contributed € 51 bn, whereas the equity business saw net outflows of € 6 bn. In addition, favorable market effects added another € 23 bn driven by fixed income (plus € 43 bn), partially offset by equity (minus € 21 bn, largely in the third quarter). Consolidation effects of € 9 bn were related to third-party assets due to a take-over of two Spanish entities. We recorded strong growth in total assets under management, both on a nominal (plus 4.9%) and internal (plus 4.4%) basis.

In the following section we focus on the development of third-party assets under management since December 31, 2010.

### Third-party assets under management by regions/countries as of September 30, 2011 (December 31, 2010)<sup>2</sup>

in %



The regional allocation of third-party assets under management shifted slightly, as shown above.

The ratio of third-party assets from fixed income and equity changed to 89% (86%) and 11% (14%), respectively.

The split between institutional (66%) and retail clients' (34%) third-party assets under management remained unchanged.

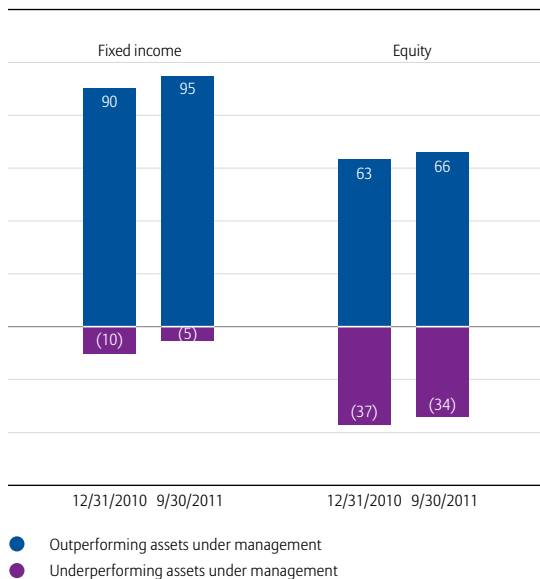
<sup>2</sup> Based on the origination of assets.

<sup>3</sup> Consists of third-party assets managed by other Allianz Group companies (approximately € 26 bn as of September 30, 2011, and € 19 bn as of December 31, 2010, respectively).

<sup>1</sup> Net inflows consists of fixed income, equity and other.

### Three-year rolling investment performance of Allianz Global Investors<sup>1</sup>

in %



The outstanding 3-year rolling investment performance of Allianz Global Investors' assets under management continued with 92% outperforming their respective benchmark (December 31, 2010: 87%). Fixed income assets recorded an exceptional performance of 95% versus their respective benchmarks. The performance of our equity assets also improved steadily with 66% outperforming their respective benchmarks.

<sup>1</sup> AllianzGI account-based, asset-weighted 3-year investment performance of third-party assets vs. benchmark including all accounts managed by equity and fixed income managers of AllianzGI. For some retail equity funds the net of fee performance is compared to the median performance of an appropriate peer group (Morningstar or Lipper; first and second quartile mean out-performance). For all other retail funds and for all institutional accounts performance is calculated gross of fees using closing prices (revaluated) where appropriate and compared to the benchmark of each individual fund or account. Other than under GIPS (Global Investment Performance Standards), the performance of closed funds/accounts is not included in the analysis. Accounts at AllianzGI Investments Europe, Zurich Branch, and Joint-Venture GTJA China, and in parts WRAP accounts, are not considered.

## Operating Revenues

### 2011 to 2010 third quarter comparison

Operating revenues amounted to € 1,326 mn, an improvement of € 70 mn – including unfavorable foreign currency effects of € 98 mn – compared to the third quarter of 2010. On an internal basis, our operating revenues increased by 13.0% stemming from higher average assets under management.

Net fee and commission income increased by € 100 mn mainly because of higher assets under management driven fees and increased revenue margins. Performance fees declined by € 28 mn.

Income from financial assets and liabilities carried at fair value through income (net) decreased by € 28 mn to a loss of € 21 mn, mainly as a result of a lower mark-to-market valuation of seed money investments in the United States.

### 2011 to 2010 first nine month comparison

Our operating revenues increased by € 342 mn to € 3,902 mn, up 16.3% on an internal basis.

## Operating Profit

### 2011 to 2010 third quarter comparison

Our operating profit amounted to € 537 mn, an increase of 10.6% on an internal basis excluding negative foreign currency effects of € 42 mn. This was largely due to our higher asset base and resulting higher assets under management driven fees.

Administrative expenses increased by € 54 mn to € 789 mn, including positive foreign currency effects of € 55 mn. The favorable business development led to higher personnel expenses. The higher non-personnel expenses were driven by the further increase in average assets under management and ongoing investments in our fixed income business.

Our **cost-income ratio** stood at 59.5%, an increase of 1.0 percentage points.

## 2011 to 2010 first nine months comparison

Our **operating profit** amounted to € 1,593 mn, an increase of 12.9% on an internal basis. The main driver for this positive development was the increase in average assets under management.

### Asset Management segment information

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Management and loading fees	1,520	1,403	4,396	3,935
Performance fees	45	73	182	289
Other income	57	47	152	110
<b>Fee and commission income</b>	<b>1,622</b>	<b>1,523</b>	<b>4,730</b>	<b>4,334</b>
Commissions	(267)	(281)	(812)	(798)
Other expenses	(20)	(7)	(30)	(16)
<b>Fee and commission expenses</b>	<b>(287)</b>	<b>(288)</b>	<b>(842)</b>	<b>(814)</b>
<b>Net fee and commission income</b>	<b>1,335</b>	<b>1,235</b>	<b>3,888</b>	<b>3,520</b>
Net interest income <sup>1</sup>	7	10	18	18
Income from financial assets and liabilities carried at fair value through income (net)	(21)	7	(18)	8
Other income	5	4	14	14
<b>Operating revenues</b>	<b>1,326</b>	<b>1,256</b>	<b>3,902</b>	<b>3,560</b>
Administrative expenses (net), excluding acquisition-related expenses	(789)	(735)	(2,309)	(2,057)
<b>Operating expenses</b>	<b>(789)</b>	<b>(735)</b>	<b>(2,309)</b>	<b>(2,057)</b>
<b>Operating profit</b>	<b>537</b>	<b>521</b>	<b>1,593</b>	<b>1,503</b>
<b>Cost-income ratio<sup>2</sup> in %</b>	<b>59.5</b>	<b>58.5</b>	<b>59.2</b>	<b>57.8</b>

<sup>1</sup> Represents interest and similar income less interest expenses.

<sup>2</sup> Represents operating expenses divided by operating revenues.

# Corporate and Other

- Operating loss reduced by € 37 mn to € 233 mn.

## Segment Overview

- Corporate and Other encompasses operations of Holding & Treasury, Banking and Alternative Investments business.
- Holding & Treasury includes the management and support of the Allianz Group's businesses through its strategy, risk management, corporate finance, treasury, financial control, communication, legal, human resources and technology functions.
- Our banking products offering in Germany, Italy, France and Central and Eastern Europe complement our insurance product portfolio.

## Key Figures

	Three months ended September 30,			Nine months ended September 30,		
	2011 € mn	2010 € mn	2009 € mn	2011 € mn	2010 € mn	2009 € mn
<b>Corporate and Other<sup>1</sup></b>						
Operating revenues	412	378	379	1,341	1,237	1,204
Operating expenses	(645)	(648)	(674)	(2,002)	(1,913)	(1,996)
Operating loss	(233)	(270)	(295)	(661)	(676)	(792)
<b>Holding &amp; Treasury</b>						
Operating revenues	98	72	69	375	322	310
Operating expenses	(332)	(309)	(321)	(1,000)	(923)	(942)
Operating loss	(234)	(237)	(252)	(625)	(601)	(632)
<b>Banking</b>						
Operating revenues	278	283	274	867	825	806
Operating expenses <sup>2</sup>	(287)	(307)	(311)	(898)	(887)	(945)
Operating loss	(9)	(24)	(37)	(31)	(62)	(139)
<b>Alternative Investments</b>						
Operating revenues	38	25	38	106	96	95
Operating expenses	(29)	(34)	(44)	(112)	(109)	(115)
Operating loss	9	(9)	(6)	(6)	(13)	(20)

## Summary: third quarter of 2011

Operating loss decreased by € 37 mn to € 233 mn, supported by improvements in Banking and Alternative Investments. Holding & Treasury was almost unchanged.

<sup>1</sup> Consolidation included; for further information about our Corporate and Other segment please refer to note 4 of the consolidated financial statements.

<sup>2</sup> Including loan loss provisions.

## Earnings Summary Holding & Treasury

### 2011 to 2010 third quarter comparison

The Holding & Treasury's **operating loss** remained almost flat at € 234 mn. An improving investment result was substantially offset by increased costs.

**Interest and similar income** improved by € 30 mn, largely because of a higher asset base. This result was partly offset by an € 18 mn increase in **interest expenses, excluding interest expenses from external debt**, which was mainly due to growth in group internal financing.

**Administrative expenses (net), excluding acquisition-related expenses** were up by € 11 mn to € 155 mn, of which € 9 mn was as a result of higher pension costs due to actuarial related changes.

**Operating income from financial assets and liabilities carried at fair value (net)** improved by € 13 mn to a loss of € 5 mn. This was mainly due to a better foreign currency result.

Our **net fee and commission result** declined by € 7 mn to a loss of € 11 mn, largely driven by losses from the setup of our internal IT service provider.

### 2011 to 2010 first nine months comparison

We recorded an **operating loss** of € 625 mn, an increase of € 24 mn. The increase was mostly attributable to higher pension expenses and losses from the setup of our internal IT service provider. Improvements in our net interest and foreign currency result had a partially offsetting effect.

## Earnings Summary Banking

### 2011 to 2010 third quarter comparison

Overall, the **operating loss** in our Banking business was reduced by € 15 mn to € 9 mn, of which € 20 mn related to the disposed Banking businesses in Hungary and Poland. The cost-income ratio stood at 96.9%.

In the following section we focus on the development of our ongoing Banking business excluding the disposed operations in Hungary and Poland.

Our **net interest, fee and commission result** amounted to € 136 mn, a decrease of € 3 mn.

Our **operating income from financial assets and liabilities carried at fair value through income** (trading income) declined by € 8 mn to a loss of € 8 mn. This was largely attributable to changed interest rates and spreads.

**Administrative expenses** decreased by € 10 mn to € 124 mn, mainly driven by Allianz Bank in Germany.

Our **loan loss provisions** increased by € 5 mn to € 13 mn.

### 2011 to 2010 first nine months comparison

The **operating loss** was halved to € 31 mn, mainly because of the disposal of our Banking business in Poland and Hungary. This was partly offset by the increase in loan loss provisions from our ongoing business.

## Earnings Summary Alternative Investments

### 2011 to 2010 third quarter comparison

In Alternative Investments we achieved an **operating profit** of € 9 mn compared to a loss of € 9 mn in the third quarter of the previous year. This was due to a positive net interest result (compared to a negative result in the previous year) and lower administrative expenses. The net fee and commission result remained almost stable.

### 2011 to 2010 first nine months comparison

The **operating loss** was reduced by € 7 mn to € 6 mn mainly due to the improved net interest result.

# Outlook

## Economic Outlook

Having lost momentum in the second quarter of this year, indicators for the performance of the global economy in the third quarter are somewhat mixed. While soft economic indicators such as purchasing managers' indices point to a further moderation of growth dynamics in many countries, hard indicators like industrial production actually surprised on the upside. The United States and China have already reported growth figures for the third quarter. While economic momentum in the United States picked up, growth in China continued to slow down. An economic slump, however, is not in sight. Growth in the Eurozone is likely to have been very moderate in the third quarter. All in all, following a temporary setback in growth at the end of this year, we expect the economic upswing to continue around the globe next year, although it is set to be more moderate than in 2010. After a 4.1% rise in global output last year, the figure is expected to come in around 3% both this year and the next. Without doubt the risks to the global economy are still substantial. Among the main threats are an escalation of the sovereign debt crisis in Europe and the United States and a hard landing in major emerging market economies.

The U.S. economy is expected to grow by about 1.75 to 2% on average both this year and next. Not least due to the prevailing difficulties on the labor markets and declining government expenditures, we expect to see only a moderate upward economic trend. The same is true for the Eurozone, with restrictive fiscal policy set to dampen economic momentum. GDP is likely to grow by about 0.75% in 2012, following 1.6% this year. The German economy looks poised to record above-Eurozone average growth of almost 3% in 2011. Thanks to robust domestic demand and the stable labor market, we see growth slightly above-average in Germany for next year as well. The French economy, with its sound domestic demand, will grow more or less in line with the Eurozone average next year, while Italy is expected to continue to trail behind the average, not least due to its need for fiscal consolidation.

Economic growth in the emerging markets will continue to outpace growth in the industrialized world. We expect the emerging markets to grow by about 5.5% next year, following an increase of 6% this year.

The financial sector is feeling the full blast of the simmering sovereign debt crisis in the Eurozone. Among other things, this is reflected in the growing reluctance among banks to lend to each other. However, the impact of the debt crisis on the real economy has so far been fairly limited. This is attributable not least to the European Central Bank's unconventional monetary policy, ensuring bank liquidity with its emergency measures. Overall, the financial markets are still plagued by considerable uncertainty and stock markets are extremely volatile. On the bond markets the flight to safety continues, with yields on 10-year German government bonds currently well below 2%. At the same time, spreads on government bonds of debt-ridden EMU member states have in some cases risen sharply. The longer the debt crisis lingers, and hence the widespread uncertainty, the greater the risk that the repercussions will increasingly feed through into the real economy.

At the "two-step" E.U. summit in Brussels in late October, Europe's politicians made substantial efforts to stabilize the Euro. They now have new, more effective tools at their fingertips for crisis management, such as an insurance solution for the government bonds of Euro countries, which is intended to allow these countries to access capital market financing without the need for either the ECB or the EFSF to continually purchase further bonds. Additionally, in the case of Greece, a stiffer debt "haircut" of 50% with the involvement of private creditors (banks and insurance companies) was agreed. However, the current complex political situation in Greece has fueled considerable uncertainty about the swift implementation of the rescue package. Against this background, yields on 10-year German and U.S. bonds are likely to remain at very low levels of around 2% for the time being. In the course of next year, with the "safe haven" effect starting to fade somewhat, yields on German government bonds are likely to creep up towards the region of 3%, which is also more in line with the macroeconomic fundamentals.

## Outlook for the Allianz Group

Despite the difficult operating environment and market volatility we are on track to achieve our operating profit target. Our published outlook for the Allianz Group operating profit for 2011 remains unchanged at € 8.0 bn, plus or minus € 0.5 bn. For full details of the assumptions and sensitivities on which this outlook is based, please refer to pages 96 to 104 of the Allianz Group Annual Report 2010.

Although not part of our outlook, we recognize that our net income during the third quarter was heavily impacted by the effects of losses from investments in financial sector assets. As such, and although dependent on a number of factors, including market developments in the fourth quarter, we would expect the full year 2011 net income to be well below that of 2010.

As always, natural catastrophes and adverse developments in the capital markets (including a sovereign debt crisis), as well as factors stated in our cautionary note regarding forward-looking statements, may also affect the results of our operations.

### Cautionary note regarding forward-looking statements

The statements contained herein may include prospects, future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed in such forward-looking statements. Such deviations may arise, without limitation, because of changes in the general economic condition and competitive situation, particularly in the Allianz Group's core business and core markets or the impact of acquisitions, related integration issues and reorganization measures. Deviations may also arise from the frequency and severity of insured loss events, including from natural catastrophes, and from the development of loss expenses, mortality and morbidity levels and trends, persistency levels, and particularly in our banking business, the extent of credit defaults. In addition, the performance of the financial markets (particularly market volatility, liquidity and credit defaults) as well as changes in interest rate levels, currency exchange rates and changes in national and international laws and regulations, particularly tax regulation, may have a relevant impact. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences. The company assumes no obligation to update any forward-looking statement.



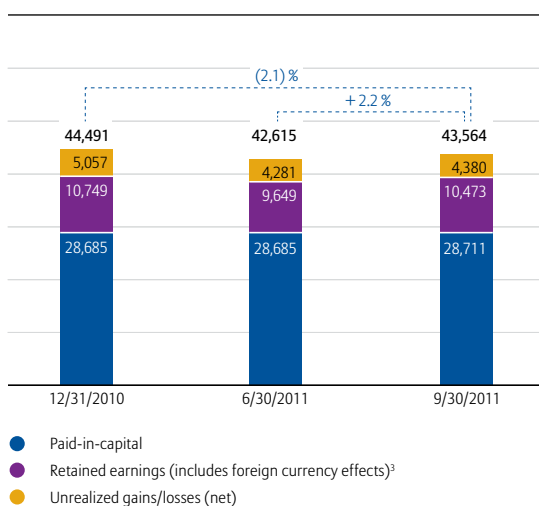
# Balance Sheet Review

- Shareholders' equity decreased by 2.1 % to € 43.6 bn, after dividend payments of € 2.0 bn.
- Strong solvency ratio, increased from 173 % to 179 %.<sup>1</sup>

## Shareholders' Equity<sup>2</sup>

### Shareholders' equity

in € mn



As of September 30, 2011, **shareholders' equity** amounted to € 43,564 mn. This represented a decrease of € 927 mn compared to December 31, 2010, but an increase of € 949 mn compared to June 30, 2011. Net income attributable to shareholders increased our equity by € 2,053 mn. This was offset by dividend payments of € 2,032 mn and a € 677 mn decline in unrealized gains. Lower interest rates led to an increase in unrealized gains on bonds, which was more than offset by lower unrealized gains on equities mainly due to negative developments of equity markets.

<sup>1</sup> Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request; Allianz SE has not submitted an application so far. The solvency ratio excluding off-balance sheet reserves would be 171 % (June 30, 2011: 171 %, December 31, 2010: 164%).

<sup>2</sup> This does not include non-controlling interests of € 2,273 mn, € 2,074 mn and € 2,071 mn as of September 30, 2011, June 30, 2011 and December 31, 2010, respectively. For further information, please refer to note 20 of the condensed consolidated interim financial statements.

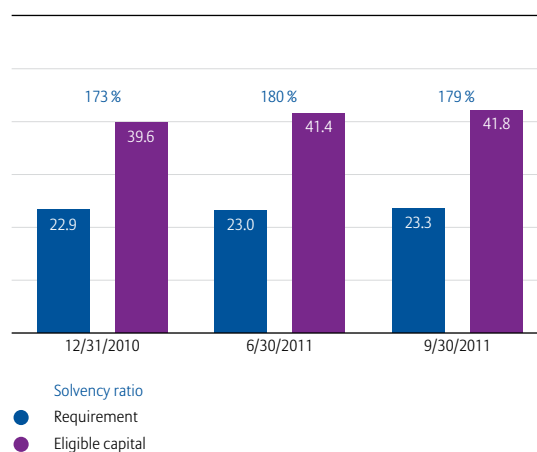
<sup>3</sup> This includes foreign currency translation effects of € (2,585) mn, € (3,250) mn and € (2,339) mn as of September 30, 2011, June 30, 2011 and December 31, 2010, respectively.

## Regulatory Capital Adequacy

The Allianz Group is a financial conglomerate within the scope of the Financial Conglomerates Directive and the related German law in force since January 1, 2005. The law requires that a financial conglomerate calculate the capital needed to meet the respective solvency requirements on a consolidated basis.

### Conglomerate solvency<sup>1</sup>

in € bn



The **conglomerate solvency ratio<sup>4</sup>** was stable compared to June 30, 2011 and strengthened by 6 percentage points to 179% since the year-end (2010: 173%) mainly due to the issuance of subordinated debt of € 2.5 bn and net income (net of accrued dividends) of € 1.2 bn. These effects were partially offset by lower unrealized gains on equities following adverse market developments. As of September 30, 2011, our eligible capital for solvency purposes – required for our insurance segments and our Banking and Asset Management businesses – was € 41.8 bn, including off-balance sheet reserves of € 2.0 bn. Eligible capital as of September 30, 2011 also included a deduction for accrued dividends for the first nine months of 2011.

<sup>4</sup> Solvency according to the E.U. Financial Conglomerates Directive.

Eligible capital surpassed the minimum legally stipulated level by € 18.5 bn. Hence our solvency position remains strong.

## Total Assets and Total Liabilities

In the following sections, we show the asset allocation for our insurance portfolio and analyze important developments within the balance sheets of our Property-Casualty, Life/Health, Asset Management and Corporate and Other segments.

As of September 30, 2011, total assets amounted to € 634.9 bn and total liabilities totaled € 589.0 bn. When compared to year-end 2010, total assets and total liabilities increased by € 9.9 bn and by € 10.6 bn, respectively.

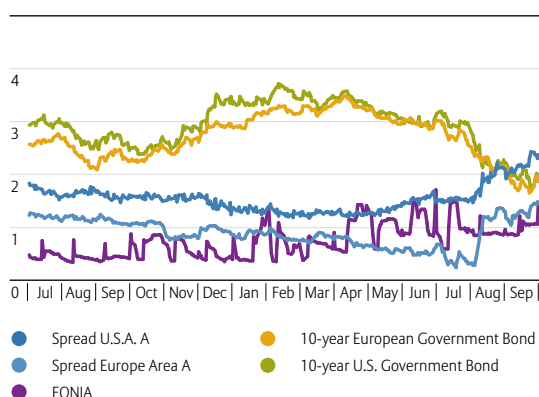
## Market environment for different asset classes

As highlighted in the Executive Summary on page 2, market-related conditions continued to deteriorate during the third quarter of 2011. The Eurozone's sovereign debt crisis worsened and stock markets fell significantly worldwide. Like the rest of the industry, we are not immune to these developments.

After a positive first quarter for most equity markets, the last six months have been very volatile. All major international equity indices dropped in the third quarter.

## Interest rates and credit spreads development

in %



Economic uncertainties also drove German government bond and U.S. bond yields to a low level particularly in the last three months. Credit spreads widened in the United States and Europe, in particular in Italy and France.

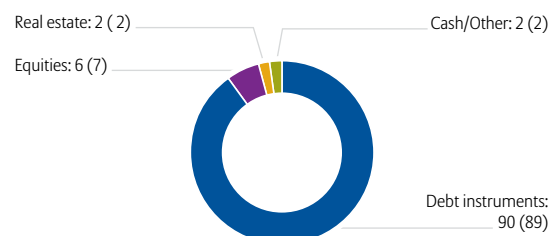
## Structure of investments – portfolio overview

The Allianz Group's asset portfolio is mainly determined by our core business of insurance. The following asset allocation covers the insurance segments and the Corporate and Other segment.

### Asset allocation<sup>1</sup>

in %

Allianz Group's asset portfolio as of September 30, 2011: € 457.4 bn  
 (as of December 31, 2010: € 444.9 bn)



The Group's investment portfolio grew by € 12.5 bn – or 2.8% – to € 457.4 bn compared to the end of 2010.

### Equities

During the first nine months of 2011, our gross exposure to equities decreased from € 33.0 bn to € 28.3 bn due to market developments. Our equity gearing after policyholder participation and hedges – a ratio of our equity holdings allocated to the shareholder to shareholder's equity plus off-balance sheet reserves less goodwill – slightly decreased to 0.3.

### Debt instruments

The vast majority of our investment portfolio comprises debt instruments. Our investments in this asset class increased from € 395.6 bn to € 413.5 bn in the first nine months of 2011, mainly driven by our Life/Health business. Our exposure in this asset class was diversified with around 60% allocated to government and

<sup>1</sup> This does not include our Banking operations.

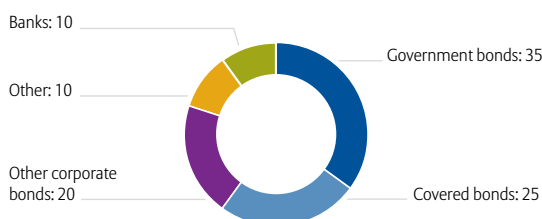
covered bonds. In line with our operating business profile, 65% of our fixed income portfolio was invested in Eurozone bonds and loans. Approximately 94% of this portfolio was invested in investment-grade bonds and loans.

Our government exposure accounted for 35% of our investments in debt instruments. As of September 30, 2011, our sovereign bond exposure in Spain (1.2%), Greece (0.1%), Ireland (0.1%), Portugal (0.2%) and Italy (6.2%) comprised about 7.8% of our investments in debt instruments. In the third quarter we booked a gross impairment of Greek sovereign bonds of € 198 mn after an impairment of € 644 mn in the second quarter of 2011.

### Fixed income portfolio

in %

Total fixed income portfolio as of September 30, 2011: € 413.5 bn



In absolute terms (carrying values) our sovereign exposure to the above listed countries decreased from € 36.2 bn, as of December 31, 2010, to € 32.3 bn as of September 30, 2011. The (gross) unrealized losses related to these sovereign bond holdings were € 2.7 bn<sup>1</sup> as of September 30, 2011.

### Carrying values and unrealized losses in Spanish, Greek, Irish, Portuguese and Italian sovereign bonds

As of September 30, 2011	Carrying value	Unrealized loss (gross) <sup>1</sup>	Unrealized loss (net) <sup>2</sup>
	€ mn	€ mn	€ mn
Spain	5,034	(202)	(60)
Greece <sup>3</sup>	497	0	0
Ireland	486	(45)	(14)
Portugal	629	(206)	(103)
<b>Subtotal</b>	<b>6,646</b>	<b>(453)</b>	<b>(177)</b>
Italy	25,608	(2,228)	(385)
<b>Total</b>	<b>32,254</b>	<b>(2,681)</b>	<b>(562)</b>

1 Before policyholder participation and taxes.

2 After policyholder participation and taxes; based on September 30, 2011, balance sheet figures reflected in accumulated other comprehensive income.

3 After impairments.

55% of the covered bonds were German Pfandbriefe backed by either public sector loans or mortgage loans. On these, as well as on other covered bond exposures, a cushion against real estate price deterioration and payment defaults is provided by minimum required security buffers and over-collateralization.

Our exposure in subordinated securities in banks amounted to € 8.9 bn. The tier 1 share, however, remained low at € 1.4 bn and accounted for 0.3% of our fixed income portfolio.

Our portfolio included asset-backed securities (ABS) of € 19.4 bn, of which almost 80% were related to mortgage-backed securities (MBS). Around 25% – or € 4.8 bn – of our ABS securities are made up of U.S. agency MBS which are backed by the U.S. government.

### Real estate

Our exposure to real estate held for investment remained almost stable at € 8.4 bn.

### Investment result

#### Net investment income

Three months ended September 30,	2011	2010
	€ mn	€ mn
Interest and similar income (net) <sup>4</sup>	5,037	4,610
Income from financial assets and liabilities carried at fair value through income (net)	(669)	150
Realized gains/losses (net)	906	990
Impairments of investments (net)	(1,947)	(69)
Investment expenses	(247)	(177)
<b>Net investment income</b>	<b>3,080</b>	<b>5,504</b>

In the third quarter, our total net investment result amounted to € 3,080 mn, compared to € 5,504 mn in the same quarter last year. Higher interest and similar income (net) was more than offset by impairments on equities and debt investments and lower income from financial assets and liabilities carried at fair value through income (net).

4 Net of interest expenses (excluding interest expenses from external debt).

**Interest and similar income (net)**<sup>1</sup> increased by € 427 mn to € 5,037 mn. This was driven almost equally by equities, from higher dividends and better performance of investments in associates, and debt investments. The latter was a result of a growing asset base, predominantly in our Life/Health segment.

**Income from financial assets and liabilities carried at fair value through income (net)** declined from € 150 mn to a loss of € 669 mn. The downward trend in equity markets and widened credit spreads resulted in negative results in fair value. The negative impact was mainly seen in France and to a lesser extent in the United States. In the United States we had sold assets which had been designated at fair value through income and reinvested them in assets classified as available for sale during 2010 (fair value income amounted to € 74 mn in 3Q 2010). Furthermore, The Hartford warrants contributed negatively to the decrease with € 184 mn (3Q 2011: € (213) mn, 3Q 2010: € (29) mn) driven by a decrease in the price of the underlying shares.

**Realized gains and losses (net)** amounted to € 906 mn, and were down by € 84 mn compared to the third quarter of 2010. These included gains of € 167 mn (3Q 2010: € 113 mn) from the sale of shares in the Industrial and Commercial Bank of China (ICBC) and a revaluation gain of € 99 mn from EUROPENSIONES S.A., our joint venture with Banco Popular in Spain.

**Impairments (net)** increased from € 69 mn to € 1,947 mn. Following the downturn in equity markets, we recorded an increase in impairments on equity investments of € 1,622 mn, in particular related to our investments in the financial sector. These included our losses from our corporate investments, like our participations in Commerzbank, Unicredit, China Pacific Insurance Group and Banco Popular. In total, these losses on corporate investments in equity holdings amounted to € 836 mn for the quarter. The vast majority of debt impairments were related to impairments of Greek sovereign bonds of € 198 mn.

**Investment expenses** amounted to € 247 mn, representing an increase of € 70 mn. This was primarily attributable to our Life/Health segment mainly due to an increase in real estate related expenses.

## Assets and liabilities of the Property-Casualty segment

### Property-Casualty assets

During the first nine months of 2011, our Property-Casualty asset base increased by € 3.0 bn to € 100.3 bn in line with the related increase in revenues. Our debt securities rose by € 1.8 bn. The decrease in equity investments by € 0.5 bn was compensated for by an increase in cash and cash pool assets and other investments of € 1.3 bn and € 0.5 bn, respectively.

### Composition of asset base

fair values<sup>2</sup>

	As of September 30, 2011 € bn	As of December 31, 2010 € bn
<b>Financial assets and liabilities carried at fair value through income</b>		
Equities	0.2	0.2
Debt securities	1.2	1.5
Other <sup>3</sup>	0.0	0.1
<b>Subtotal</b>	<b>1.4</b>	<b>1.8</b>
<b>Investments<sup>4</sup></b>		
Equities	4.9	5.4
Debt securities	62.2	60.4
Cash and cash pool assets <sup>5</sup>	6.6	5.3
Other	7.2	6.7
<b>Subtotal</b>	<b>80.9</b>	<b>77.8</b>
<b>Loans and advances to banks and customers</b>	<b>18.0</b>	<b>17.7</b>
<b>Property-Casualty asset base</b>	<b>100.3</b>	<b>97.3</b>

Of our Property-Casualty asset base, ABS made up € 3.8 bn as of September 30, 2011, which was approximately 3.8% of its asset base.

<sup>2</sup> Loans and advances to banks and customers, held-to-maturity investments, and real estate held for investment are stated at amortized cost. Investments in associates and joint ventures are stated at either amortized cost or equity, depending upon, among other factors, our ownership percentage.

<sup>3</sup> This comprises assets of € 0.1 bn and € 0.2 bn and liabilities of € (0.1) bn and € (0.1) bn as of September 30, 2011, and December 31, 2010, respectively.

<sup>4</sup> These do not include affiliates of € 9.3 bn and € 10.3 bn as of September 30, 2011, and December 31, 2010, respectively.

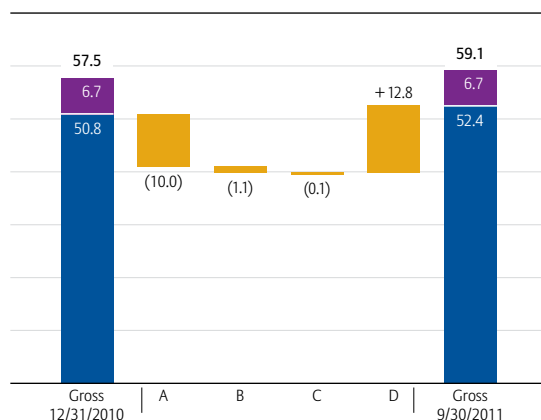
<sup>5</sup> Including cash and cash equivalents, as stated in our segment balance sheet, of € 2.5 bn and € 2.5 bn and receivables from cash pooling amounting to € 4.5 bn and € 3.0 bn net of liabilities from securities lending and derivatives of € (0.4) bn and € (0.2) bn as of September 30, 2011, and December 31, 2010, respectively.

<sup>1</sup> Net of interest expenses (excluding interest expenses from external debt).

## Property-Casualty liabilities

### Development of reserves for loss and loss adjustment expenses<sup>1</sup>

in € bn



- Reserves net
- Reserves ceded
- Changes

- A Loss and loss adjustment expenses paid in current year relating to prior years
- B Loss and loss adjustment expenses incurred in prior years
- C Foreign currency translation adjustments and other changes, changes in the consolidated subsidiaries of the Allianz Group, and reclassifications
- D Reserves for loss and loss adjustment expenses in current year

As of September 30, 2011, the segment's gross reserves for loss and loss adjustment expenses increased by € 1.6 bn to € 59.1 bn. On a net basis, reserves increased to € 52.4 bn. Foreign currency translation effects and other changes accounted for negative € 0.1 bn.

## Assets and liabilities of the Life/Health segment

### Life/Health assets

During the first nine months of 2011, the Life/Health asset base grew by 1.3% to € 423.2 bn. Of this total, € 61.2 bn were financial assets for unit-linked contracts. Overall, our debt investments increased by 5.4% to € 224.2 bn, whereas equities were down by € 3.1 bn to € 21.3 bn. Cash and cash pool assets increased to € 9.1 bn. Other investments remained largely unchanged.

### Composition of asset base

fair values

	As of September 30, 2011 € bn	As of December 31, 2010 € bn
<b>Financial assets and liabilities carried at fair value through income</b>		
Equities	1.7	2.7
Debt securities	2.4	3.2
Other <sup>2</sup>	(4.4)	(3.9)
<b>Subtotal</b>	<b>(0.3)</b>	<b>2.0</b>
<b>Investments<sup>3</sup></b>		
Equities	21.3	24.4
Debt securities	224.2	212.8
Cash and cash pool assets <sup>4</sup>	9.1	7.4
Other	8.6	8.8
<b>Subtotal</b>	<b>263.2</b>	<b>253.4</b>
<b>Loans and advances to banks and customers</b>	<b>99.1</b>	<b>97.4</b>
<b>Financial assets for unit-linked contracts<sup>5</sup></b>	<b>61.2</b>	<b>64.8</b>
<b>Life/Health asset base</b>	<b>423.2</b>	<b>417.6</b>

Within our Life/Health asset base, ABS amounted to € 15.2 bn as of September 30, 2011, which represents 3.6% of total Life/Health assets.

<sup>1</sup> After group consolidation. For further information about changes in the reserves for loss and loss adjustment expenses for the Property-Casualty segment, please refer to note 15 of the condensed consolidated interim financial statements.

<sup>2</sup> This comprises assets of € 1.6 bn and € 1.0 bn and liabilities (including the market value liability option) of € (6.0) bn and € (4.9) bn as of September 30, 2011, and December 31, 2010, respectively.

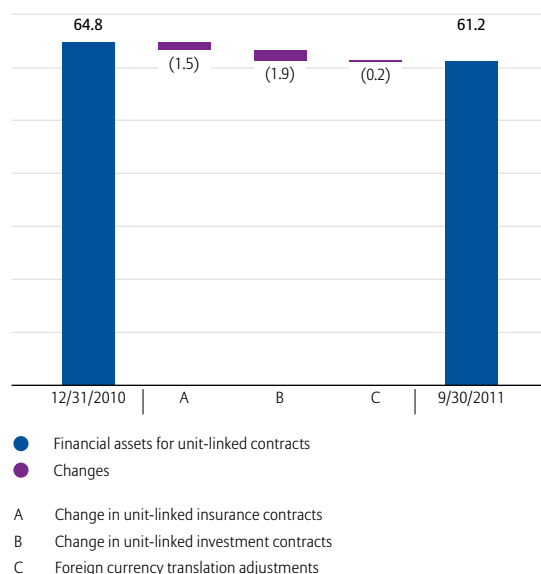
<sup>3</sup> These do not include affiliates of € 1.7 bn and € 1.6 bn as of September 30, 2011, and December 31, 2010, respectively.

<sup>4</sup> Including cash and cash equivalents, as stated in our segment balance sheet, of € 5.7 bn and € 4.4 bn and receivables from cash pooling amounting to € 5.1 bn and € 3.3 bn net of liabilities from securities lending and derivatives of € (1.7) bn and € (0.3) bn as of September 30, 2011 and December 31, 2010, respectively.

<sup>5</sup> Financial assets for unit-linked contracts represent assets owned by, and managed on behalf of, policyholders of the Allianz Group, with all appreciation and depreciation in these assets accruing to the benefit of policyholders. As a result, the value of financial assets for unit-linked contracts in our balance sheet corresponds to the value of financial liabilities for unit-linked contracts.

### Financial assets for unit-linked contracts

in € bn

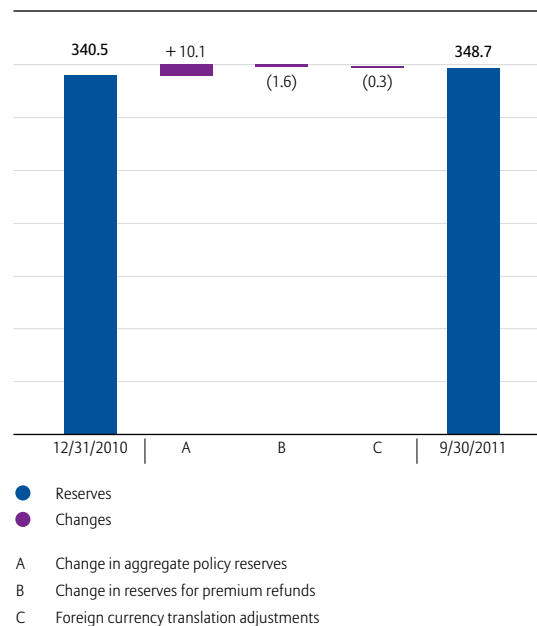


Financial assets for unit-linked contracts declined by € 3.6 bn – or 5.6% – to € 61.2 bn. Unit-linked insurance contracts decreased by € 1.5 bn despite premium inflows exceeding outflows by € 2.3 bn. This drop was caused by weak fund performance (€ (2.4) bn) and by policyholders moving to non-unit-linked contracts (€ (1.3) bn). Unit-linked investment contracts decreased by € 1.9 bn, mainly driven by outflows in Italy. Negative currency effects were mainly due to the weaker Taiwan dollar (€ (0.2) bn).

### Life/Health liabilities

#### Development of reserves for insurance and investment contracts

in € bn



Life/Health reserves for insurance and investment contracts increased by € 8.2 bn – or 2.4% – in the first nine months of 2011. The € 10.1 bn increase in aggregate policy reserves was mainly driven by our operations in Germany (€ 5.4 bn), the United States (€ 2.7 bn, excluding currency effects), Italy (€ 0.8 bn) and Switzerland (€ 0.6 bn, excluding currency effects). Reserves for premium refund decreased by € 1.6 bn mainly driven by the development of unrealized gains on equities (shared with the policyholders). Currency gains from the stronger Swiss Franc (€ 0.2 bn) were more than offset by the decrease in Asian currencies (€ (0.4) bn).

## Assets and liabilities of the Asset Management segment

### Asset Management assets

Our Asset Management segment's results of operations are derived primarily from its management of third-party assets.<sup>1</sup> In this section we refer only to the segment's own assets.

Driven by higher cash and cash pool assets, the Asset Management segment's asset base increased by € 0.6 bn to € 3.9 bn in the first nine months of 2011. The main components of the segment's asset base were cash and cash pool assets and debt securities of € 1.6 bn and € 1.0 bn, respectively.

### Asset Management liabilities

Liabilities in our Asset Management segment were up slightly by € 0.1 bn and amounted to € 4.4 bn.

## Assets and liabilities of the Corporate and Other segment

### Corporate and Other assets

Our asset base for Corporate and Other grew by € 1.9 bn – or 4.9% – in the first nine months of 2011 to € 41.0 bn. Loans and advances to banks and customers increased by € 2.8 bn to € 19.2 bn, while investments decreased by € 0.4 bn.

### Composition of asset base

fair values

	As of September 30, 2011 € bn	As of December 31, 2010 € bn
<b>Financial assets and liabilities carried at fair value through income</b>		
Equities	0.1	0.1
Debt securities	0.1	0.2
Other <sup>2</sup>	(0.4)	0.0
<b>Subtotal</b>	<b>(0.2)</b>	<b>0.3</b>
<b>Investments<sup>3</sup></b>		
Equities	2.1	3.3
Debt securities	18.3	17.3
Cash and cash pool assets <sup>4</sup>	1.4	1.6
Other	0.2	0.2
<b>Subtotal</b>	<b>22.0</b>	<b>22.4</b>
<b>Loans and advances to banks and customers</b>	<b>19.2</b>	<b>16.4</b>
<b>Corporate and Other asset base</b>	<b>41.0</b>	<b>39.1</b>

ABS in our Corporate and Other asset base amounted to € 0.4 bn as of September 30, 2011, which was around 1.0% of our Corporate and Other asset base.

### Corporate and Other liabilities

Other liabilities increased by € 2.9 bn to € 18.2 bn. The reduction in certificated liabilities from € 14.4 bn to € 13.8 bn was driven by a decrease in Allianz SE's outstanding issued debt of € 0.7 bn.<sup>5</sup> The increase in participation certificates and subordinated liabilities by € 2.5 bn to € 11.3 bn was mainly attributable to subordinated bonds issued by Allianz Finance II B.V.

<sup>1</sup> For further information on the development of these third-party assets, please refer to the "Asset Management" chapter.

<sup>2</sup> This comprises assets of € 0.2 bn and € 0.5 bn and liabilities of € (0.6) bn and € (0.5) bn as of September 30, 2011 and December 31, 2010, respectively.

<sup>3</sup> These do not include affiliates of € 72.3 bn and € 69.2 bn as of September 30, 2011, and December 31, 2010, respectively.

<sup>4</sup> Including cash and cash equivalents, as stated in our segment balance sheet, of € 1.3 bn and € 1.1 bn and receivables from cash pooling amounting to € 0.1 bn and € 0.5 bn net of liabilities from securities lending and derivatives of € 0 bn and € 0 bn as of September 30, 2011, and December 31, 2010, respectively.

<sup>5</sup> For further information on Allianz SE debt as of September 30, 2011, please refer to notes 18 and 19 of our condensed consolidated interim financial statements.



## Allianz SE bonds as of September 30, 2011<sup>1</sup>

	Interest expense in 3Q 2011		Interest expense in 3Q 2011
<b>1. Senior bonds<sup>2</sup></b>			
5.625% bond issued by Allianz Finance II B.V., Amsterdam			
Volume	€ 0.9 bn		
Year of issue	2002		
Maturity date	11/29/2012		
ISIN	XS 015 879 238 1		
Interest expense	€ 38.3 mn		
5.0% bond issued by Allianz Finance II B.V., Amsterdam			
Volume	€ 1.5 bn		
Year of issue	2008		
Maturity date	3/6/2013		
ISIN	DE 000 A0T R7K 7		
Interest expense	€ 57.2 mn		
4.0% bond issued by Allianz Finance II B.V., Amsterdam			
Volume	€ 1.5 bn		
Year of issue	2006		
Maturity date	11/23/2016		
ISIN	XS 027 588 026 7		
Interest expense	€ 46.3 mn		
4.75% bond issued by Allianz Finance II B.V., Amsterdam			
Volume	€ 1.5 bn		
Year of issue	2009		
Maturity date	7/22/2019		
ISIN	DE 000 A1A KHB 8		
Interest expense	€ 54.7 mn		
<b>Total interest expense for senior bonds</b>	<b>€ 196.5 mn</b>		
<b>2. Subordinated bonds<sup>3</sup></b>			
6.125% bond issued by Allianz Finance II B.V., Amsterdam			
Volume	€ 2.0 bn		
Year of issue	2002		
Maturity date	5/31/2022		
ISIN	XS 014 888 756 4		
Interest expense	€ 89.1 mn		
6.5% bond issued by Allianz Finance II B.V., Amsterdam			
Volume	€ 1.0 bn		
Year of issue	2002		
Maturity date	1/13/2025		
ISIN	XS 015 952 750 5		
Interest expense	€ 49.5 mn		
5.5% bond issued by Allianz SE			
Volume	€ 1.5 bn		
Year of issue	2004		
Maturity date	Perpetual Bond		
ISIN	XS 018 716 232 5		
Interest expense	€ 61.7 mn		
4.375% bond issued by Allianz Finance II B. V., Amsterdam			
Volume	€ 1.4 bn		
Year of issue	2005		
Maturity date	Perpetual Bond		
ISIN	XS 021 163 783 9		
Interest expense	€ 47.3 mn		
5.375% bond issued by Allianz Finance II B. V., Amsterdam			
Volume	€ 0.8 bn		
Year of issue	2006		
Maturity date	Perpetual Bond		
ISIN	DE 000 A0G NPZ 3		
Interest expense	€ 32.8 mn		
8.375% bond issued by Allianz SE			
Volume	USD 2.0 bn		
Year of issue	2008		
Maturity date	Perpetual Bond		
ISIN	US 018 805 200 7		
Interest expense	€ 90.0 mn		
5.75% bond issued by Allianz Finance II B. V., Amsterdam			
Volume	€ 2.0 bn		
Year of issue	2011		
Maturity date	7/8/2041		
ISIN	DE 000 A1GNAH1		
Interest expense	€ 65.8 mn		
<b>Total interest expense for subordinated bonds</b>	<b>€ 436.2 mn</b>		
<b>3. Issues matured in 2011</b>			
7.25% bond issued by Allianz Finance II B. V., Amsterdam			
Volume	USD 0.5 bn		
Year of issue	2002		
Maturity date	Perpetual Bond		
ISIN	XS 015 915 072 0		
Interest expense	€ 11.3 mn		
<b>Total interest expense</b>	<b>€ 644.0 mn</b>		

1 This does not include, among others, the € 0.5 bn 30-year convertible subordinated note issued in July 2011. For further information on Allianz SE debt (issued or guaranteed) as of September 30, 2011, please refer to notes 18 and 19 of our condensed consolidated interim financial statements.

2 Senior bonds provide for early termination rights in case of non-payment of amounts due under the bond (interest and principal) as well as in case of insolvency of the relevant issuer or, if applicable, the relevant guarantor (Allianz SE). The same applies to one subordinated bond issued in 2002.

3 The terms of the subordinated bonds (except for the one subordinated bond mentioned in footnote 2 above) do not explicitly provide for early termination rights in favor of the bond holder. Interest payments are subject to certain conditions which are linked, inter alia, to our net income, and may have to be deferred. Nevertheless, the terms of the relevant bonds provide for alternative settlement mechanisms which allow us to avoid an interest deferral using cash raised from the issuance of specific newly issued instruments.

# Reconciliations

The previous analysis is based on our consolidated financial statements and should be read in conjunction with them. In addition to our stated figures according to the International Financial Reporting Standards (IFRS), the Allianz Group uses operating profit and internal growth to enhance the understanding of our results. These additional measures should be viewed as complementary to, and not a substitute for, our figures determined according to IFRS.

For further information, please refer to note 4 of the condensed consolidated interim financial statements.

## Composition of Total Revenues

Total revenues comprise statutory gross premiums written in Property-Casualty and Life/Health, operating revenues in Asset Management, and total revenues in Corporate and Other (Banking).

### Composition of total revenues

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>Property-Casualty</b>				
Gross premiums written	10,832	10,600	35,277	34,545
<b>Life/Health</b>				
Statutory premiums	11,806	12,553	39,054	42,033
<b>Asset Management</b>				
Operating revenues	1,326	1,256	3,902	3,560
consisting of:				
Net fee and commission income	1,335	1,235	3,888	3,520
Net interest income	7	10	18	18
Income from financial assets and liabilities carried at fair value through income (net)	(21)	7	(18)	8
Other income	5	4	14	14
<b>Corporate and Other</b>				
<b>Total revenues</b>	<b>129</b>	<b>146</b>	<b>417</b>	<b>412</b>
consisting of:				
Interest and similar income	186	173	547	515
Income from financial assets and liabilities carried at fair value through income (net)	(8)	(1)	2	(10)
Fee and commission income	100	111	318	320
Interest expenses, excluding interest expenses from external debt	(97)	(86)	(281)	(253)
Fee and commission expenses	(53)	(51)	(170)	(161)
Consolidation effects (Banking within Corporate and Other)	1	—	1	1
<b>Consolidation</b>	<b>(23)</b>	<b>(33)</b>	<b>(101)</b>	<b>(72)</b>
<b>Allianz Group</b>	<b>24,070</b>	<b>24,522</b>	<b>78,549</b>	<b>80,478</b>

## Composition of Total Revenue Growth

We believe that an understanding of our total revenue performance is enhanced when the effects of foreign currency translation as well as acquisitions and disposals (or changes in scope of consolidation) are separately analyzed. Accordingly, in addition to presenting nominal growth, we also present internal growth, which excludes these effects.

### Reconciliation of nominal total revenue growth to internal total revenue growth

	Three months ended September 30, 2011				Nine months ended September 30, 2011			
	Internal growth	Changes in scope of consolidation	Foreign currency translation	Nominal growth	Internal growth	Changes in scope of consolidation	Foreign currency translation	Nominal growth
	%	%	%	%	%	%	%	%
Property-Casualty	4.2	(0.3)	(1.7)	2.2	2.5	(0.2)	(0.2)	2.1
Life/Health	(4.5)	(0.1)	(1.4)	(6.0)	(6.4)	(0.1)	(0.6)	(7.1)
Asset Management	13.0	0.3	(7.7)	5.6	16.3	(0.3)	(6.4)	9.6
Corporate and Other	(7.9)	(3.7)	—	(11.6)	5.0	(3.8)	—	1.2
<b>Allianz Group</b>	<b>0.2</b>	<b>(0.2)</b>	<b>(1.8)</b>	<b>(1.8)</b>	<b>(1.6)</b>	<b>(0.2)</b>	<b>(0.6)</b>	<b>(2.4)</b>



Odeonsplatz

Decaux

Eine Erfahrung  
von mir über den  
Schaden hat selbst  
nicht allzu lange  
dauern dürfen.

Wie viele Kunden in der Schweiz  
erhalten Sie nur einen Schaden der  
Erfahrung hat sich nicht allzu lange  
dauern dürfen.

Allianz

Munich, Odeonsplatz









S. Sándor, Sándor utca  
Pelófi Sándor utca



Budapest, Ferenciek tere

# Allianz Group

## Condensed Consolidated Interim Financial Statements

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## Allianz Group Consolidated Balance Sheets

	Note	As of September 30, 2011 € mn	As of December 31, 2010 € mn
<b>ASSETS</b>			
Cash and cash equivalents		10,361	8,747
Financial assets carried at fair value through income	5	7,937	9,843
Investments	6	343,562	334,618
Loans and advances to banks and customers	7	127,211	122,678
Financial assets for unit-linked contracts		61,195	64,847
Reinsurance assets	8	13,105	13,135
Deferred acquisition costs	9	20,724	20,733
Deferred tax assets		2,511	2,663
Other assets	10	33,176	34,001
Non-current assets and assets of disposal groups classified as held for sale	11	1,439	299
Intangible assets	12	13,643	13,381
<b>Total assets</b>		<b>634,864</b>	<b>624,945</b>
<b>LIABILITIES AND EQUITY</b>			
Financial liabilities carried at fair value through income	13	6,368	5,013
Liabilities to banks and customers	14	22,536	21,155
Unearned premiums		18,644	16,497
Reserves for loss and loss adjustment expenses	15	68,180	66,474
Reserves for insurance and investment contracts	16	358,044	349,793
Financial liabilities for unit-linked contracts		61,195	64,847
Deferred tax liabilities		4,023	3,976
Other liabilities	17	30,166	33,213
Liabilities of disposal groups classified as held for sale	11	1,183	188
Certificated liabilities	18	7,570	8,229
Participation certificates and subordinated liabilities	19	11,118	8,998
<b>Total liabilities</b>		<b>589,027</b>	<b>578,383</b>
Shareholders' equity		43,564	44,491
Non-controlling interests		2,273	2,071
<b>Total equity</b>	20	<b>45,837</b>	<b>46,562</b>
<b>Total liabilities and equity</b>		<b>634,864</b>	<b>624,945</b>

## Allianz Group Consolidated Income Statements

	Note	Three months ended September 30,		Nine months ended September 30,	
		2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>Premiums written</b>		<b>16,463</b>	<b>16,244</b>	<b>52,940</b>	<b>52,221</b>
Ceded premiums written		(1,524)	(1,319)	(4,252)	(3,997)
Change in unearned premiums		784	817	(1,782)	(1,709)
<b>Premiums earned (net)</b>	<b>21</b>	<b>15,723</b>	<b>15,742</b>	<b>46,906</b>	<b>46,515</b>
Interest and similar income	22	5,174	4,731	15,418	14,479
Income from financial assets and liabilities carried at fair value through income (net)	23	(669)	150	(1,049)	381
Realized gains/losses (net)	24	906	990	2,505	2,696
Fee and commission income	25	2,057	1,961	6,082	5,671
Other income	26	39	22	103	87
Income from fully consolidated private equity investments	27	442	447	1,291	1,213
<b>Total income</b>		<b>23,672</b>	<b>24,043</b>	<b>71,256</b>	<b>71,042</b>
Claims and insurance benefits incurred (gross)		(12,597)	(12,046)	(37,069)	(35,666)
Claims and insurance benefits incurred (ceded)		784	693	1,935	1,550
<b>Claims and insurance benefits incurred (net)</b>	<b>28</b>	<b>(11,813)</b>	<b>(11,353)</b>	<b>(35,134)</b>	<b>(34,116)</b>
Change in reserves for insurance and investment contracts (net)	29	(2,557)	(3,867)	(9,155)	(10,610)
Interest expenses	30	(389)	(346)	(1,106)	(1,056)
Loan loss provisions	31	(13)	(12)	(62)	(33)
Impairments of investments (net)	32	(1,947)	(69)	(2,912)	(537)
Investment expenses	33	(247)	(177)	(657)	(569)
Acquisition and administrative expenses (net)	34	(4,932)	(5,057)	(15,057)	(15,061)
Fee and commission expenses	35	(619)	(636)	(1,925)	(1,864)
Amortization of intangible assets		(23)	(78)	(64)	(112)
Restructuring charges		(17)	(11)	(57)	(101)
Other expenses	36	(14)	(10)	(45)	(42)
Expenses from fully consolidated private equity investments	27	(457)	(495)	(1,338)	(1,313)
<b>Total expenses</b>		<b>(23,028)</b>	<b>(22,111)</b>	<b>(67,512)</b>	<b>(65,414)</b>
<b>Income before income taxes</b>		<b>644</b>	<b>1,932</b>	<b>3,744</b>	<b>5,628</b>
Income taxes	37	(386)	(664)	(1,500)	(1,600)
<b>Net income</b>		<b>258</b>	<b>1,268</b>	<b>2,244</b>	<b>4,028</b>
<b>Net income attributable to:</b>					
Non-controlling interests		62	4	191	110
Shareholders		196	1,264	2,053	3,918

	Note	Three months ended September 30,		Nine months ended September 30,	
		2011 €	2010 €	2011 €	2010 €
Basic earnings per share	38	0.43	2.80	4.55	8.68
Diluted earnings per share	38	0.34	2.78	4.42	8.62

## Allianz Group Consolidated Statements of Comprehensive Income

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>Net income</b>	<b>258</b>	<b>1,268</b>	<b>2,244</b>	<b>4,028</b>
<b>Other comprehensive income</b>				
<b>Foreign currency translation adjustments</b>				
Reclassifications to net income	—	—	—	2
Changes arising during the period	686	(1,473)	(259)	926
<b>Subtotal</b>	<b>686</b>	<b>(1,473)</b>	<b>(259)</b>	<b>928</b>
<b>Available-for-sale investments</b>				
Reclassifications to net income	792	(338)	612	(1,156)
Changes arising during the period	(696)	1,634	(1,334)	2,965
<b>Subtotal</b>	<b>96</b>	<b>1,296</b>	<b>(722)</b>	<b>1,809</b>
<b>Cash flow hedges</b>				
Reclassifications to net income	—	—	(1)	(1)
Changes arising during the period	9	33	3	15
<b>Subtotal</b>	<b>9</b>	<b>33</b>	<b>2</b>	<b>14</b>
<b>Share of other comprehensive income of associates</b>				
Reclassifications to net income	—	(2)	—	(2)
Changes arising during the period	(9)	(7)	48	25
<b>Subtotal</b>	<b>(9)</b>	<b>(9)</b>	<b>48</b>	<b>23</b>
<b>Miscellaneous</b>				
Reclassifications to net income	—	—	—	—
Changes arising during the period	33	(27)	31	7
<b>Subtotal</b>	<b>33</b>	<b>(27)</b>	<b>31</b>	<b>7</b>
<b>Total other comprehensive income</b>	<b>815</b>	<b>(180)</b>	<b>(900)</b>	<b>2,781</b>
<b>Total comprehensive income</b>	<b>1,073</b>	<b>1,088</b>	<b>1,344</b>	<b>6,809</b>
<b>Total comprehensive income attributable to:</b>				
Non-controlling interests	98	(19)	218	187
Shareholders	975	1,107	1,126	6,622

For further details concerning income taxes relating to components of the other comprehensive income, please see note 37.

## Allianz Group Consolidated Statements of Changes in Equity

	Paid-in capital	Retained earnings	Foreign currency translation adjustments	Unrealized gains and losses (net)	Share- holders' equity	Non- controlling interests	Total equity
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
<b>Balance as of January 1, 2010</b>	<b>28,635</b>	<b>9,642</b>	<b>(3,626)</b>	<b>5,457</b>	<b>40,108</b>	<b>2,121</b>	<b>42,229</b>
Total comprehensive income	—	3,954	894	1,774	6,622	187	6,809
Paid-in capital	—	—	—	—	—	—	—
Treasury shares	—	4	—	—	4	—	4
Transactions between equity holders	—	26	(10)	—	16	(15)	1
Dividends paid	—	(1,850)	—	—	(1,850)	(122)	(1,972)
<b>Balance as of September 30, 2010</b>	<b>28,635</b>	<b>11,776</b>	<b>(2,742)</b>	<b>7,231</b>	<b>44,900</b>	<b>2,171</b>	<b>47,071</b>
<b>Balance as of January 1, 2011</b>	<b>28,685</b>	<b>13,088</b>	<b>(2,339)</b>	<b>5,057</b>	<b>44,491</b>	<b>2,071</b>	<b>46,562</b>
Total comprehensive income	—	2,048	(246)	(676)	1,126	218	1,344
Paid-in capital	26	—	—	—	26	—	26
Treasury shares	—	10	—	—	10	—	10
Transactions between equity holders	—	(56)	—	(1)	(57)	132	75
Dividends paid	—	(2,032)	—	—	(2,032)	(148)	(2,180)
<b>Balance as of September 30, 2011</b>	<b>28,711</b>	<b>13,058</b>	<b>(2,585)</b>	<b>4,380</b>	<b>43,564</b>	<b>2,273</b>	<b>45,837</b>

## Allianz Group

### Condensed Consolidated Statements of Cash Flows

Nine months ended September 30,	2011 € mn	2010 € mn
<b>Summary</b>		
Net cash flow provided by operating activities	14,341	12,665
Net cash flow used in investing activities	(14,554)	(14,109)
Net cash flow provided by financing activities	1,844	2,466
Effect of exchange rate changes on cash and cash equivalents	(17)	176
<b>Change in cash and cash equivalents</b>	<b>1,614</b>	<b>1,198</b>
Cash and cash equivalents at beginning of period	8,747	6,089
<b>Cash and cash equivalents at end of period</b>	<b>10,361</b>	<b>7,287</b>
<b>Cash flow from operating activities</b>		
<b>Net income</b>	<b>2,244</b>	<b>4,028</b>
<b>Adjustments to reconcile net income to net cash flow provided by operating activities</b>		
Share of earnings from investments in associates and joint ventures	(154)	(134)
Realized gains/losses (net) and impairments of investments (net) of		
Available-for-sale and held-to-maturity investments, investments in associates and joint ventures, real estate held for investment, loans and advances to banks and customers	407	(2,159)
Other investments, mainly financial assets held for trading and designated at fair value through income	217	(515)
Depreciation and amortization	765	803
Loan loss provisions	62	33
Interest credited to policyholder accounts	3,205	3,212
Net change in		
Financial assets and liabilities held for trading	1,222	(1,612)
Reverse repurchase agreements and collateral paid for securities borrowing transactions	(2,385)	(468)
Repurchase agreements and collateral received from securities lending transactions	1,263	1,137
Reinsurance assets	(102)	439
Deferred acquisition costs	(909)	(899)
Unearned premiums	2,334	1,880
Reserves for loss and loss adjustment expenses	1,956	510
Reserves for insurance and investment contracts	5,359	7,770
Deferred tax assets/liabilities	6	282
Other (net)	(1,149)	(1,642)
<b>Subtotal</b>	<b>12,097</b>	<b>8,637</b>
<b>Net cash flow provided by operating activities</b>	<b>14,341</b>	<b>12,665</b>
<b>Cash flow from investing activities</b>		
<b>Proceeds from the sale, maturity or repayment of</b>		
Financial assets designated at fair value through income	5,391	10,996
Available-for-sale investments	96,558	83,442
Held-to-maturity investments	118	160
Investments in associates and joint ventures	154	607
Non-current assets and assets of disposal groups classified as held for sale	142	—
Real estate held for investment	478	400
Loans and advances to banks and customers (purchased loans)	5,363	5,964
Property and equipment	128	290
<b>Subtotal</b>	<b>108,332</b>	<b>101,859</b>

## Allianz Group Condensed Consolidated Statements of Cash Flows (continued)

Nine months ended September 30,	2011 € mn	2010 € mn
<b>Payments for the purchase or origination of</b>		
Financial assets designated at fair value through income	(4,452)	(6,669)
Available-for-sale investments	(109,497)	(106,479)
Held-to-maturity investments	(158)	(397)
Investments in associates and joint ventures	(104)	(254)
Non-current assets and assets of disposal groups classified as held for sale	—	—
Real estate held for investment	(244)	(705)
Loans and advances to banks and customers (purchased loans)	(6,428)	(4,856)
Property and equipment	(865)	(1,003)
<b>Subtotal</b>	<b>(121,748)</b>	<b>(120,363)</b>
<b>Business combinations</b>		
Proceeds from sale of subsidiaries, net of cash disposed	—	—
Acquisitions of subsidiaries, net of cash acquired (see note 3)	(69)	—
<b>Change in loans and advances to banks and customers (originated loans)</b>	<b>(861)</b>	<b>4,454</b>
<b>Other (net)</b>	<b>(208)</b>	<b>(59)</b>
<b>Net cash flow used in investing activities</b>	<b>(14,554)</b>	<b>(14,109)</b>
<b>Cash flow from financing activities</b>		
Policyholders' account deposits	13,265	15,223
Policyholders' account withdrawals	(10,741)	(9,465)
Net change in liabilities to banks and customers	128	(1,340)
Proceeds from the issuance of certificated liabilities, participation certificates and subordinated liabilities	5,986	5,830
Repayments of certificated liabilities, participation certificates and subordinated liabilities	(4,517)	(5,594)
Cash inflow from capital increases	26	—
Transactions between equity holders	(62)	1
Dividends paid to shareholders	(2,180)	(1,972)
Net cash flow from sale or purchase of treasury shares	9	6
Other (net)	(70)	(223)
<b>Net cash flow provided by financing activities</b>	<b>1,844</b>	<b>2,466</b>
<b>Supplementary information on the condensed consolidated statements of cash flows</b>		
Income taxes paid	(1,333)	(911)
Dividends received	980	807
Interest received	14,095	13,217
Interest paid	(1,123)	(1,173)

## Allianz Group

### Notes to the Condensed Consolidated Interim Financial Statements

#### 1 Basis of presentation

The condensed consolidated interim financial statements of the Allianz Group – comprising the consolidated balance sheets, consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity, condensed consolidated statements of cash flows and selected explanatory notes – are presented in accordance with the requirements of IAS 34, Interim Financial Reporting, and have been prepared in conformity with International Financial Reporting Standards (IFRS), as adopted under European Union (E.U.) regulations in accordance with § 315 a of the German Commercial Code (HGB). IFRS comprise the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS), and the interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).

Within these condensed consolidated interim financial statements, the Allianz Group has applied all IFRS issued by the IASB and endorsed by the E.U. that are compulsory as of January 1, 2011 or adopted earlier. See note 2 for further details.

For existing and unchanged IFRS the accounting policies for recognition, measurement, consolidation and presentation applied in the preparation of the condensed consolidated interim financial statements are consistent with the accounting policies that have been applied in the preparation of the consolidated financial statements for the year ended December 31, 2010. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements included in the Allianz Group Annual Report 2010.

IFRS do not provide specific guidance concerning all aspects of the recognition and measurement of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. Therefore, as envisioned in IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, the provisions embodied under accounting principles generally accepted in the United States of America (US GAAP) have been applied to those aspects where specific guidance is not provided by IFRS 4, Insurance Contracts.

The condensed consolidated interim financial statements are presented in millions of Euro (€ mn), unless otherwise stated.

These condensed consolidated interim financial statements of the Allianz Group were authorized for issue by the Board of Management on November 10, 2011.

## 2 Recently adopted accounting pronouncements, changes in accounting policies and changes in the presentation of the condensed consolidated interim financial statements

### Recently adopted accounting pronouncements (effective January 1, 2011)

The following amendments and revisions to standards as well as interpretations became effective for the Allianz Group's consolidated financial statements as of January 1, 2011:

- IAS 32, Financial Instruments: Presentation – Amendments relating to classification of rights issues
- IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments
- IAS 24, Related Party Disclosures – revised
- IFRIC 14, IAS 19, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Amendments
- Annual Improvements to IFRSs 2010

The Allianz Group adopted the revisions, amendments and interpretations as of January 1, 2011, with no material impact on its financial results or financial position.

### Other reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation.



### 3 Consolidation

#### Significant acquisitions

##### Europensiones S.A. Entidad Gestora de Fondos de Pensiones, Madrid, and Popular Gestión S.G.I.I.C. S.A., Madrid

To strengthen the existing partnership with Banco Popular, on March 23, 2011, the Allianz Group signed a share purchase agreement to acquire 11 % of the shares in the pension fund manager Europensiones S.A., Madrid, and 60% of the shares in the asset manager Popular Gestión S.G.I.I.C. S.A., Madrid. After the approval of the relevant regulatory and competition authorities the transactions were closed on September 8, 2011, so that the Allianz Group now holds 60% of the shares in each company.

The total consideration comprises the following components:

	€ mn
Cash and cash equivalents	84
Contingent consideration arrangement	1
<b>Total consideration transferred</b>	<b>85</b>
Fair value of the Allianz Group's equity interest in Europensiones held before the business combination	120
<b>Total consideration</b>	<b>205</b>

The contingent consideration arrangement requires the Allianz Group to pay the former owner 20% of the difference between the net income and the agreed net income targets for Eurovida S.A., Europensiones S.A. and Popular Gestión S.G.I.I.C. S.A. The contingent consideration will be paid out in five installments until 2026, each installment comprising a period of time of three years. The minimum potential amount of all future payments that the Allianz Group could be required to make under the contingent consideration agreement is zero, the maximum amount is unlimited.

The fair value of the contingent consideration arrangement is € 1 mn.

Immediately before the acquisition date, the acquisition-date fair value of the interest in Europensiones S.A. amounted to € 120 mn. As a result of remeasuring to fair value the interest in Europensiones S.A., a gain of € 99 mn was recognized in the consolidated income statement and is reported in the line realized gains/losses (net).

The amounts recognized for major classes of assets and liabilities were as follows:

	Fair value € mn	Carrying amount € mn
Cash and cash equivalents	15	15
Loans and advances to banks and customers	78	78
Other assets	8	8
Intangible assets	368	—
<b>Total assets</b>	<b>469</b>	<b>101</b>
Deferred tax liabilities	111	—
Other liabilities	17	17
Total equity	341	84
<b>Total liabilities and equity</b>	<b>469</b>	<b>101</b>

As of the acquisition date, the non-controlling interests in Europensiones and Popular Gestión, both unlisted companies, amount to € 137 mn and were measured at the non-controlling interest's proportionate share of the acquirees' identifiable net assets.

The impact of Europensiones S.A., Madrid, and Popular Gestión S.G.I.I.C. S.A., Madrid, on Allianz Group's net income for the nine months ended September 30, 2011, was € 5 mn.

The total revenues of the combined entity (Allianz Group including Europensiones and Popular Gestión) for the nine months ended September 30, 2011, would have been € 78,584 mn if the acquisition date had been January 1, 2011. The net income of the combined entity for the nine months ended September 30, 2011, would have been € 2,264 mn if the acquisition date had been January 1, 2011.

The impact of the acquisition of Europensiones and Popular Gestión, net of cash acquired, on the condensed consolidated statement of cashflows for the nine months ended September 30, 2011, was:

	€ mn
Intangible assets	(368)
Loans and advances to banks and customers	(78)
Other assets	(8)
Deferred tax liabilities	111
Other liabilities	17
Non-controlling interests	137
Less: previous investment in Europensiones (including realized gain)	120
<b>Acquisition of the subsidiaries, net of cash acquired</b>	<b>(69)</b>

### Acquisition of significant non-controlling interests

In addition to the acquisitions of the shares in Europensiones S.A., Madrid, and Popular Gestión S.G.I.I.C. S.A., Madrid, the Allianz Group acquired 9% of the non-controlling interests of Eurovida S.A. Compañía de Seguros y Reaseguros, Madrid, for a total consideration of € 61 mn so that the Allianz Group now holds 60% of the shares in this company.

## 4 Segment reporting

### Identification of reportable segments

The business activities of the Allianz Group are first organized by product and type of service: insurance activities, asset management activities and corporate and other activities. Due to differences in the nature of products, risks and capital allocation, insurance activities are further divided between Property-Casualty and Life/Health categories. In accordance with the responsibilities of the Board of Management, each of the insurance categories is grouped into the following reportable segments:

- German Speaking Countries
- Europe incl. South America
- NAFTA Markets
- Global Insurance Lines & Anglo Markets
- Growth Markets
- Assistance (Property-Casualty only)

Asset management activities represent a separate reportable segment. Due to differences in the nature of products, risks and capital allocation, corporate and other activities are divided into three reportable segments: Holding & Treasury, Banking and Alternative Investments. In total, the Allianz Group has identified 15 reportable segments in accordance with IFRS 8, Operating Segments.

The types of products and services from which reportable segments derive revenue are described below.

### Property-Casualty

In the Property-Casualty category, reportable segments offer a wide variety of insurance products to both private and corporate customers, including motor liability and own damage, accident, general liability, fire and property, legal expense, credit and travel insurance.

### Life/Health

In the Life/Health category, reportable segments offer a comprehensive range of life and health insurance products on both individual and group basis, including annuity, endowment and term insurance, unit-linked and investment-oriented products as well as full private health and supplemental health and long-term care insurance.

### Asset Management

The reportable segment Asset Management operates as a global provider of institutional and retail asset management products and services to third-party investors and provides investment management services to the Allianz Group's insurance operations. The products for retail and institutional customers include equity and fixed income funds as well as alternative products. The United States and Germany as well as France, Italy and the Asia-Pacific region represent the primary asset management markets.

### Corporate and Other

The reportable segment Holding & Treasury includes the management and support of the Allianz Group's businesses through its strategy, risk, corporate finance, treasury, financial control, communication, legal, human resources and technology functions.

The reportable segment Banking consists of the banking activities in Germany, France, Italy and Central and Eastern Europe. The banks offer a wide range of products for corporate and retail clients with the main focus on the latter.

The reportable segment Alternative Investments provides global alternative investment management services in the private equity, real estate, renewable energy and infrastructure sectors mainly on behalf of the Allianz Group's insurance operations. The Alternative Investments reportable segment also includes certain fully consolidated private equity investments.

Prices for transactions between reportable segments are set on an arm's length basis in a manner similar to transactions with third parties. Transactions between reportable segments are eliminated in Consolidation. For the reportable segment Asset Management, interest revenues are reported net of interest expenses.

### Reportable segments measure of profit or loss

The Allianz Group uses operating profit to evaluate the performance of its reportable segments and the Allianz Group as a whole. Operating profit highlights the portion of income before income taxes attributable to the ongoing core operations of the Allianz Group. The Allianz Group considers the presentation of operating profit to be useful and meaningful to investors because it enhances the understanding of the Allianz Group's underlying operating performance and the comparability of its operating performance over time.

To better understand the ongoing operations of the business, the Allianz Group generally excludes the following non-operating effects:

- acquisition-related expenses and the amortization of intangible assets, as these relate to business combinations;
- restructuring charges, because the timing of these is largely at the discretion of the Allianz Group, and accordingly their exclusion provides additional insight into the operating trends of the underlying business;
- interest expenses from external debt, as these relate to the capital structure of the Allianz Group;
- income from fully consolidated private equity investments (net), as this represents income from industrial holdings, which is outside the Allianz Group's normal scope of operating business;
- income from financial assets and liabilities carried at fair value through income (net), as this does not reflect the Allianz Group's long-term performance;
- realized capital gains and losses (net) or impairments of investments (net), as the timing of sales that would result in such realized gains or losses is largely at the discretion of the Allianz Group and impairments are largely dependent on market cycles or issuer-specific events over which the Allianz Group has little or no control and which can and do vary, sometimes materially, through time.

Against this general rule the following exceptions apply:

- in all segments, income from financial assets and liabilities carried at fair value through income (net) is treated as operating profit if the income refers to operating business;
- for Asset Management and Banking, income from financial assets and liabilities held for trading (net) is generally treated as operating income;
- for Life/Health insurance business and Property-Casualty insurance products with premium refunds, all items listed above are included in operating profit if the profit sources are shared with policyholders. This is also applicable to tax benefits, which are shared with policyholders. IFRS requires that the consolidated income statements present all tax benefits in the income taxes line item, even though these belong to policyholders. In the segment reporting, the tax benefits are reclassified and shown within operating profit in order to properly reflect the policyholder participation in tax benefits.

Operating profit should be viewed as complementary to, and not a substitute for, income before income taxes or net income as determined in accordance with IFRS.

## Business Segment Information – Consolidated Balance Sheets

	Property-Casualty		Life/Health	
	As of September 30, 2011 € mn	As of December 31, 2010 € mn	As of September 30, 2011 € mn	As of December 31, 2010 € mn
<b>ASSETS</b>				
Cash and cash equivalents	2,493	2,520	5,670	4,482
Financial assets carried at fair value through income	1,505	1,852	5,673	6,867
Investments	83,556	82,786	255,766	247,568
Loans and advances to banks and customers	18,011	17,697	99,134	97,377
Financial assets for unit-linked contracts	—	—	61,195	64,847
Reinsurance assets	8,450	8,365	4,677	4,793
Deferred acquisition costs	4,226	4,121	16,352	16,460
Deferred tax assets	873	1,110	228	208
Other assets <sup>1</sup>	22,762	21,738	17,770	16,424
Non-current assets and assets of disposal groups classified as held for sale <sup>2</sup>	36	28	1,413	24
Intangible assets	2,302	2,308	2,335	2,346
<b>Total assets</b>	<b>144,214</b>	<b>142,525</b>	<b>470,213</b>	<b>461,396</b>

	Property-Casualty		Life/Health	
	As of September 30, 2011 € mn	As of December 31, 2010 € mn	As of September 30, 2011 € mn	As of December 31, 2010 € mn
<b>LIABILITIES AND EQUITY</b>				
Financial liabilities carried at fair value through income	101	79	6,037	4,905
Liabilities to banks and customers	1,616	1,368	2,269	796
Unearned premiums	16,089	14,206	2,556	2,291
Reserves for loss and loss adjustment expenses	59,063	57,509	9,137	8,984
Reserves for insurance and investment contracts	9,434	9,338	348,728	340,539
Financial liabilities for unit-linked contracts	—	—	61,195	64,847
Deferred tax liabilities	2,332	2,461	2,023	1,559
Other liabilities	15,085	16,756	14,419	15,124
Liabilities of disposal groups classified as held for sale <sup>3</sup>	36	—	1,146	—
Certificated liabilities	25	—	—	2
Participation certificates and subordinated liabilities	—	398	65	65
<b>Total liabilities</b>	<b>103,781</b>	<b>102,115</b>	<b>447,575</b>	<b>439,112</b>

1 Includes a change of € 1.9 bn in Asset Management and Consolidation resulting from a harmonization of the consolidation logic as of September 30, 2011.

2 Comprise as of September 30, 2011, the assets from the disposal groups Allianz Kazakhstan ZAO, Almaty, and Allianz Takaful, Manama, in Property-Casualty, the assets from the disposal groups Allianz Takaful, Manama, Coparc, Paris, and W Finance, Paris, in Life/Health, the assets from the disposal group Allianz Asset Management a.s., Bratislava, in Asset Management and other non-current assets classified as held for sale in Life/Health. See note 11 for further information.

3 Comprise as of September 30, 2011, the liabilities from the disposal groups Allianz Kazakhstan ZAO, Almaty, and Allianz Takaful, Manama, in Property-Casualty, the liabilities from the disposal groups Allianz Takaful, Manama, Coparc, Paris, and W Finance, Paris, in Life/Health, and the liabilities from the disposal group Allianz Asset Management a.s., Bratislava, in Asset Management. See note 11 for further information.

Asset Management		Corporate and Other		Consolidation		Group	
As of September 30, 2011 € mn	As of December 31, 2010 € mn	As of September 30, 2011 € mn	As of December 31, 2010 € mn	As of September 30, 2011 € mn	As of December 31, 2010 € mn	As of September 30, 2011 € mn	As of December 31, 2010 € mn
1,290	899	1,274	1,045	(366)	(199)	10,361	8,747
691	729	346	826	(278)	(431)	7,937	9,843
1,099	1,208	92,979	90,039	(89,838)	(86,983)	343,562	334,618
489	358	19,169	16,443	(9,592)	(9,197)	127,211	122,678
—	—	—	—	—	—	61,195	64,847
—	—	—	—	(22)	(23)	13,105	13,135
146	152	—	—	—	—	20,724	20,733
260	271	1,807	1,372	(657)	(298)	2,511	2,663
1,884	3,725	4,542	5,525	(13,782)	(13,411)	33,176	34,001
3	—	—	248	(13)	(1)	1,439	299
7,409	7,065	1,597	1,662	—	—	13,643	13,381
<b>13,271</b>	<b>14,407</b>	<b>121,714</b>	<b>117,160</b>	<b>(114,548)</b>	<b>(110,543)</b>	<b>634,864</b>	<b>624,945</b>

Asset Management		Corporate and Other		Consolidation		Group	
As of September 30, 2011 € mn	As of December 31, 2010 € mn	As of September 30, 2011 € mn	As of December 31, 2010 € mn	As of September 30, 2011 € mn	As of December 31, 2010 € mn	As of September 30, 2011 € mn	As of December 31, 2010 € mn
8	—	540	461	(318)	(432)	6,368	5,013
1,222	876	20,703	20,499	(3,274)	(2,384)	22,536	21,155
—	—	—	—	(1)	—	18,644	16,497
—	—	—	—	(20)	(19)	68,180	66,474
—	—	5	42	(123)	(126)	358,044	349,793
—	—	—	—	—	—	61,195	64,847
164	80	161	174	(657)	(298)	4,023	3,976
3,009	3,364	18,216	15,333	(20,563)	(17,364)	30,166	33,213
2	—	—	241	(1)	(53)	1,183	188
—	—	13,766	14,448	(6,221)	(6,221)	7,570	8,229
14	14	11,296	8,778	(257)	(257)	11,118	8,998
<b>4,419</b>	<b>4,334</b>	<b>64,687</b>	<b>59,976</b>	<b>(31,435)</b>	<b>(27,154)</b>	<b>589,027</b>	<b>578,383</b>
<b>Total equity</b>						<b>45,837</b>	<b>46,562</b>
<b>Total liabilities and equity</b>						<b>634,864</b>	<b>624,945</b>



## Business Segment Information – Total revenues and reconciliation of Operating profit (loss) to Net income (loss)

Three months ended September 30,	Property-Casualty		Life/Health	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>Total revenues<sup>1</sup></b>	<b>10,832</b>	<b>10,600</b>	<b>11,806</b>	<b>12,553</b>
Premiums earned (net)	10,289	10,269	5,434	5,473
<b>Operating investment result</b>				
Interest and similar income	976	917	4,053	3,646
Operating income from financial assets and liabilities carried at fair value through income (net)	12	30	(325)	127
Operating realized gains/losses (net)	2	19	590	587
Interest expenses, excluding interest expenses from external debt	(19)	(30)	(28)	(10)
Operating impairments of investments (net)	(37)	(2)	(979)	(95)
Investment expenses	(64)	(60)	(210)	(160)
<b>Subtotal</b>	<b>870</b>	<b>874</b>	<b>3,101</b>	<b>4,095</b>
Fee and commission income	278	263	139	129
Other income	12	8	22	10
Claims and insurance benefits incurred (net)	(7,251)	(7,046)	(4,562)	(4,307)
Change in reserves for insurance and investment contracts (net) <sup>2</sup>	(39)	(71)	(2,515)	(3,673)
Loan loss provisions	—	—	—	6
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(2,786)	(2,921)	(1,038)	(1,000)
Fee and commission expenses	(259)	(251)	(48)	(67)
Operating restructuring charges	—	—	—	—
Other expenses	(3)	(3)	(13)	(11)
Reclassification of tax benefits	—	—	—	—
<b>Operating profit (loss)</b>	<b>1,111</b>	<b>1,122</b>	<b>520</b>	<b>655</b>
<b>Non-operating investment result</b>				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(42)	(19)	(24)	(12)
Non-operating realized gains/losses (net)	14	169	26	12
Non-operating impairments of investments (net)	(257)	(21)	(87)	(2)
<b>Subtotal</b>	<b>(285)</b>	<b>129</b>	<b>(85)</b>	<b>(2)</b>
Income from fully consolidated private equity investments (net)	—	—	—	—
Interest expenses from external debt	—	—	—	—
Acquisition-related expenses	—	—	—	—
Amortization of intangible assets	(2)	(4)	(3)	(2)
Non-operating restructuring charges	(13)	(12)	—	—
Reclassification of tax benefits	—	—	—	—
<b>Non-operating items</b>	<b>(300)</b>	<b>113</b>	<b>(88)</b>	<b>(4)</b>
<b>Income (loss) before income taxes</b>	<b>811</b>	<b>1,235</b>	<b>432</b>	<b>651</b>
Income taxes	(298)	(363)	(197)	(206)
<b>Net income (loss)</b>	<b>513</b>	<b>872</b>	<b>235</b>	<b>445</b>
<b>Net income (loss) attributable to:</b>				
Non-controlling interests	38	51	21	9
Shareholders	475	821	214	436

1 Total revenues comprise statutory gross premiums written in Property-Casualty and Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).

2 During the three months ended September 30, 2011, includes expenses for premium refunds (net) in Property-Casualty of € 19 mn (2010: € (33) mn).

Asset Management		Corporate and Other		Consolidation		Group	
2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn
1,326	1,256	129	146	(23)	(33)	24,070	24,522
—	—	—	—	—	—	15,723	15,742
14	13	266	212	(135)	(57)	5,174	4,731
(21)	7	(13)	(20)	(9)	33	(356)	177
—	—	—	—	—	2	592	608
(7)	(3)	(208)	(178)	125	100	(137)	(121)
—	—	—	—	—	60	(1,016)	(37)
—	—	(28)	(23)	55	66	(247)	(177)
(14)	17	17	(9)	36	204	4,010	5,181
1,622	1,523	159	186	(141)	(140)	2,057	1,961
5	4	—	—	—	—	39	22
—	—	—	—	—	—	(11,813)	(11,353)
—	—	—	—	(3)	(123)	(2,557)	(3,867)
—	—	(13)	(18)	—	—	(13)	(12)
(789)	(735)	(304)	(329)	22	8	(4,895)	(4,977)
(287)	(288)	(92)	(99)	67	69	(619)	(636)
—	—	—	—	—	—	—	—
—	—	—	(1)	2	5	(14)	(10)
—	—	—	—	(12)	4	(12)	4
537	521	(233)	(270)	(29)	27	1,906	2,055
—	—	(294)	36	47	(32)	(313)	(27)
3	32	256	158	15	11	314	382
(3)	(1)	(545)	(8)	(39)	—	(931)	(32)
—	31	(583)	186	23	(21)	(930)	323
—	—	(30)	(107)	15	59	(15)	(48)
—	—	(252)	(225)	—	—	(252)	(225)
(41)	(80)	4	—	—	—	(37)	(80)
(9)	(7)	(9)	(125)	—	60	(23)	(78)
(4)	(4)	—	5	—	—	(17)	(11)
—	—	—	—	12	(4)	12	(4)
(54)	(60)	(870)	(266)	50	94	(1,262)	(123)
483	461	(1,103)	(536)	21	121	644	1,932
(150)	(180)	271	82	(12)	3	(386)	(664)
333	281	(832)	(454)	9	124	258	1,268
5	2	(2)	(58)	—	—	62	4
328	279	(830)	(396)	9	124	196	1,264

## Business Segment Information – Total revenues and reconciliation of Operating profit (loss) to Net income (loss) (continued)

Nine months ended September 30,	Property-Casualty		Life/Health	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>Total revenues<sup>1</sup></b>	<b>35,277</b>	<b>34,545</b>	<b>39,054</b>	<b>42,033</b>
Premiums earned (net)	29,843	29,371	17,063	17,144
<b>Operating investment result</b>				
Interest and similar income	2,852	2,756	12,083	11,196
Operating income from financial assets and liabilities carried at fair value through income (net)	40	18	(597)	518
Operating realized gains/losses (net)	14	31	1,643	1,337
Interest expenses, excluding interest expenses from external debt	(46)	(74)	(75)	(64)
Operating impairments of investments (net)	(44)	(8)	(1,425)	(318)
Investment expenses	(181)	(169)	(571)	(489)
<b>Subtotal</b>	<b>2,635</b>	<b>2,554</b>	<b>11,058</b>	<b>12,180</b>
Fee and commission income	840	799	407	376
Other income	23	16	67	59
Claims and insurance benefits incurred (net)	(20,960)	(20,513)	(14,174)	(13,603)
Change in reserves for insurance and investment contracts (net) <sup>2</sup>	(219)	(244)	(8,882)	(10,178)
Loan loss provisions	—	—	—	8
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(8,262)	(8,242)	(3,440)	(3,450)
Fee and commission expenses	(788)	(752)	(153)	(184)
Operating restructuring charges	—	—	(1)	(1)
Other expenses	(9)	(8)	(44)	(37)
Reclassification of tax benefits	—	—	—	—
<b>Operating profit (loss)</b>	<b>3,103</b>	<b>2,981</b>	<b>1,901</b>	<b>2,314</b>
<b>Non-operating investment result</b>				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(54)	(38)	(36)	(24)
Non-operating realized gains/losses (net)	346	463	(93)	43
Non-operating impairments of investments (net)	(373)	(105)	(286)	(10)
<b>Subtotal</b>	<b>(81)</b>	<b>320</b>	<b>(415)</b>	<b>9</b>
Income from fully consolidated private equity investments (net)	—	—	—	—
Interest expenses from external debt	—	—	—	—
Acquisition-related expenses	—	—	—	—
Amortization of intangible assets	(7)	(11)	(5)	(3)
Non-operating restructuring charges	(48)	(54)	(1)	(22)
Reclassification of tax benefits	—	—	—	—
<b>Non-operating items</b>	<b>(136)</b>	<b>255</b>	<b>(421)</b>	<b>(16)</b>
<b>Income (loss) before income taxes</b>	<b>2,967</b>	<b>3,236</b>	<b>1,480</b>	<b>2,298</b>
Income taxes	(945)	(936)	(549)	(717)
<b>Net income (loss)</b>	<b>2,022</b>	<b>2,300</b>	<b>931</b>	<b>1,581</b>
<b>Net income (loss) attributable to:</b>				
Non-controlling interests	136	133	53	49
Shareholders	1,886	2,167	878	1,532

1 Total revenues comprise statutory gross premiums written in Property-Casualty and Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).

2 During the nine months ended September 30, 2011, includes expenses for premium refunds (net) in Property-Casualty of € (58) mn (2010: € (95) mn).

Asset Management		Corporate and Other		Consolidation		Group	
2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>3,902</b>	<b>3,560</b>	<b>417</b>	<b>412</b>	<b>(101)</b>	<b>(72)</b>	<b>78,549</b>	<b>80,478</b>
—	—	—	—	—	—	46,906	46,515
41	38	831	738	(389)	(249)	15,418	14,479
(18)	8	(8)	(43)	(4)	9	(587)	510
—	—	—	—	2	2	1,659	1,370
(23)	(20)	(605)	(536)	359	305	(390)	(389)
—	—	—	—	—	60	(1,469)	(266)
—	—	(76)	(67)	171	156	(657)	(569)
—	<b>26</b>	<b>142</b>	<b>92</b>	<b>139</b>	<b>283</b>	<b>13,974</b>	<b>15,135</b>
4,730	4,334	516	542	(411)	(380)	6,082	5,671
14	14	2	—	(3)	(2)	103	87
—	—	—	—	—	—	(35,134)	(34,116)
—	—	—	—	(54)	(188)	(9,155)	(10,610)
—	—	(62)	(41)	—	—	(62)	(33)
(2,309)	(2,057)	(928)	(955)	54	31	(14,885)	(14,673)
(842)	(814)	(329)	(312)	187	198	(1,925)	(1,864)
—	—	—	—	—	—	(1)	(1)
—	—	(2)	(2)	10	5	(45)	(42)
—	—	—	—	8	20	8	20
<b>1,593</b>	<b>1,503</b>	<b>(661)</b>	<b>(676)</b>	<b>(70)</b>	<b>(33)</b>	<b>5,866</b>	<b>6,089</b>
—	—	(415)	(61)	43	(6)	(462)	(129)
6	33	430	722	157	65	846	1,326
(5)	(1)	(610)	(155)	(169)	—	(1,443)	(271)
<b>1</b>	<b>32</b>	<b>(595)</b>	<b>506</b>	<b>31</b>	<b>59</b>	<b>(1,059)</b>	<b>926</b>
—	—	(93)	(209)	46	109	(47)	(100)
—	—	(716)	(667)	—	—	(716)	(667)
(173)	(390)	1	2	—	—	(172)	(388)
(23)	(22)	(29)	(136)	—	60	(64)	(112)
(5)	(15)	(2)	(9)	—	—	(56)	(100)
—	—	—	—	(8)	(20)	(8)	(20)
<b>(200)</b>	<b>(395)</b>	<b>(1,434)</b>	<b>(513)</b>	<b>69</b>	<b>208</b>	<b>(2,122)</b>	<b>(461)</b>
<b>1,393</b>	<b>1,108</b>	<b>(2,095)</b>	<b>(1,189)</b>	<b>(1)</b>	<b>175</b>	<b>3,744</b>	<b>5,628</b>
(462)	(454)	448	488	8	19	(1,500)	(1,600)
<b>931</b>	<b>654</b>	<b>(1,647)</b>	<b>(701)</b>	<b>7</b>	<b>194</b>	<b>2,244</b>	<b>4,028</b>
—	—	—	—	—	—	—	—
12	(1)	(10)	(71)	—	—	191	110
<b>919</b>	<b>655</b>	<b>(1,637)</b>	<b>(630)</b>	<b>7</b>	<b>194</b>	<b>2,053</b>	<b>3,918</b>

## Reportable segments – Property-Casualty business

Three months ended September 30,	German Speaking Countries <sup>1</sup>		Europe incl. South America <sup>2,3</sup>	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>Gross premiums written</b>	<b>2,307</b>	<b>2,326</b>	<b>2,927</b>	<b>2,930</b>
Ceded premiums written	(407)	(428)	(286)	(308)
Change in unearned premiums	487	457	303	335
<b>Premiums earned (net)</b>	<b>2,387</b>	<b>2,355</b>	<b>2,944</b>	<b>2,957</b>
Interest and similar income	314	291	284	249
Operating income from financial assets and liabilities carried at fair value through income (net)	(6)	29	14	34
Operating realized gains/losses (net)	2	19	—	—
Fee and commission income	32	25	3	6
Other income	10	4	3	—
<b>Operating revenues</b>	<b>2,739</b>	<b>2,723</b>	<b>3,248</b>	<b>3,246</b>
Claims and insurance benefits incurred (net)	(1,961)	(1,785)	(1,926)	(2,120)
Change in reserves for insurance and investment contracts (net)	(28)	(75)	(1)	(2)
Interest expenses	(18)	(26)	(8)	(10)
Operating impairments on investments (net)	(37)	(2)	—	—
Investment expenses	(29)	(22)	(22)	(26)
Acquisition and administrative expenses (net)	(638)	(620)	(742)	(759)
Fee and commission expenses	(34)	(23)	(4)	(8)
Other expenses	(2)	(2)	(1)	—
<b>Operating expenses</b>	<b>(2,747)</b>	<b>(2,555)</b>	<b>(2,704)</b>	<b>(2,925)</b>
<b>Operating profit (loss)</b>	<b>(8)</b>	<b>168</b>	<b>544</b>	<b>321</b>
Loss ratio <sup>6</sup> in %	82.2	75.8	65.4	71.7
Expense ratio <sup>7</sup> in %	26.7	26.3	25.2	25.7
<b>Combined ratio<sup>8</sup> in %</b>	<b>108.9</b>	<b>102.1</b>	<b>90.6</b>	<b>97.4</b>

1 In 2011, Allianz China General Insurance Company Ltd., a former branch of Allianz Versicherungs-AG, was transferred from German Speaking Countries to Growth Markets. Prior year figures have not been adjusted.

2 Corporate customer business in the Netherlands and Belgium as well as Allianz Insurance (Hong Kong) Ltd. and Allianz Insurance Company of Singapore Pte. Ltd. were transferred to AGCS in 2010 and 2011. Prior year figures have not been adjusted.

3 The reserve strengthening for asbestos risks in 2011 at Allianz S.p.A., at Fireman's Fund Insurance Company and at AGCS of in total € 153 mn had no impact on the financial results of the Allianz Group and the single entities' combined ratio under IFRS.

4 Allianz Risk Transfer (ART) business now shown within AGCS. Prior year figures have been adjusted accordingly.

5 The 2011 analysis of the Allianz Group's asbestos risks resulted in a reduction of reserves and a positive run-off result of € 130 mn.

6 Represents claims and insurance benefits incurred (net) divided by premiums earned (net).

7 Represents acquisition and administrative expenses (net) divided by premiums earned (net).

8 Represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).

9 Presentation not meaningful.

NAFTA Markets <sup>3</sup>		Global Insurance Lines & Anglo Markets <sup>2,3,4</sup>		Growth Markets <sup>1,2</sup>		Assistance		Consolidation and Other <sup>4</sup>		Property-Casualty	
2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn
1,696	1,438	3,647	3,627	745	772	430	404	(920)	(897)	10,832	10,600
(687)	(501)	(770)	(690)	(162)	(151)	(3)	(3)	918	897	(1,397)	(1,184)
(84)	(32)	98	61	31	7	19	25	—	—	854	853
925	905	2,975	2,998	614	628	446	426	(2)	—	10,289	10,269
71	89	277	261	40	39	8	9	(18)	(21)	976	917
—	1	(2)	(33)	5	(2)	—	—	1	1	12	30
—	—	—	—	—	—	—	—	—	—	2	19
—	—	149	142	19	16	96	90	(21)	(16)	278	263
—	—	—	3	—	1	—	—	(1)	—	12	8
996	995	3,399	3,371	678	682	550	525	(41)	(36)	11,569	11,506
(934)	(634)	(1,920)	(1,826)	(375)	(419)	(266)	(255)	131 <sup>5</sup>	(7)	(7,251)	(7,046)
—	(1)	(11)	7	—	—	1	—	—	—	(39)	(71)
—	—	(11)	(13)	(1)	(2)	1	(1)	18	22	(19)	(30)
—	—	—	—	—	—	—	—	—	—	(37)	(2)
(1)	(1)	(10)	(8)	(2)	(3)	(1)	—	1	—	(64)	(60)
(212)	(246)	(813)	(883)	(219)	(258)	(161)	(154)	(1)	(1)	(2,786)	(2,921)
—	—	(125)	(128)	(22)	(18)	(94)	(88)	20	14	(259)	(251)
—	—	—	—	—	(1)	—	—	—	—	(3)	(3)
(1,147)	(882)	(2,890)	(2,851)	(619)	(701)	(520)	(498)	169	28	(10,458)	(10,384)
(151)	113	509	520	59	(19)	30	27	128	(8)	1,111	1,122
101.0	70.0	64.6	60.9	61.0	66.7	59.6	59.8	— <sup>9</sup>	— <sup>9</sup>	70.5	68.7
22.9	27.2	27.3	29.5	35.7	41.1	36.1	36.2	— <sup>9</sup>	— <sup>9</sup>	27.1	28.4
123.9	97.2	91.9	90.4	96.7	107.8	95.7	96.0	— <sup>9</sup>	— <sup>9</sup>	97.6	97.1



## Reportable segments – Property-Casualty business (continued)

Nine months ended September 30,	German Speaking Countries <sup>1</sup>		Europe incl. South America <sup>2,3</sup>	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>Gross premiums written</b>	<b>9,395</b>	<b>9,400</b>	<b>9,991</b>	<b>9,834</b>
Ceded premiums written	(1,558)	(1,608)	(1,046)	(1,016)
Change in unearned premiums	(782)	(809)	(94)	(45)
<b>Premiums earned (net)</b>	<b>7,055</b>	<b>6,983</b>	<b>8,851</b>	<b>8,773</b>
Interest and similar income	921	880	821	785
Operating income from financial assets and liabilities carried at fair value through income (net)	(5)	29	79	38
Operating realized gains/losses (net)	14	31	—	—
Fee and commission income	102	88	18	21
Other income	18	10	5	1
<b>Operating revenues</b>	<b>8,105</b>	<b>8,021</b>	<b>9,774</b>	<b>9,618</b>
Claims and insurance benefits incurred (net)	(5,316)	(5,124)	(6,070)	(6,419)
Change in reserves for insurance and investment contracts (net)	(178)	(209)	(1)	(6)
Interest expenses	(57)	(70)	(16)	(38)
Operating impairments on investments (net)	(44)	(8)	—	—
Investment expenses	(69)	(59)	(73)	(68)
Acquisition and administrative expenses (net)	(1,873)	(1,851)	(2,279)	(2,265)
Fee and commission expenses	(103)	(85)	(19)	(22)
Other expenses	(8)	(6)	(1)	—
<b>Operating expenses</b>	<b>(7,648)</b>	<b>(7,412)</b>	<b>(8,459)</b>	<b>(8,818)</b>
<b>Operating profit (loss)</b>	<b>457</b>	<b>609</b>	<b>1,315</b>	<b>800</b>
Loss ratio <sup>6</sup> in %	75.4	73.4	68.6	73.2
Expense ratio <sup>7</sup> in %	26.5	26.5	25.7	25.8
<b>Combined ratio<sup>8</sup> in %</b>	<b>101.9</b>	<b>99.9</b>	<b>94.3</b>	<b>99.0</b>

1 In 2011, Allianz China General Insurance Company Ltd., a former branch of Allianz Versicherungs-AG, was transferred from German Speaking Countries to Growth Markets. Prior year figures have not been adjusted.

2 Corporate customer business in the Netherlands and Belgium as well as Allianz Insurance (Hong Kong) Ltd. and Allianz Insurance Company of Singapore Pte. Ltd. were transferred to AGCS in 2010 and 2011. Prior year figures have not been adjusted.

3 The reserve strengthening for asbestos risks in 2011 at Allianz S.p.A., at Fireman's Fund Insurance Company and at AGCS of in total € 153 mn had no impact on the financial results of the Allianz Group and the single entities' combined ratio under IFRS.

4 Allianz Risk Transfer (ART) business now shown within AGCS. Prior year figures have been adjusted accordingly.

5 The 2011 analysis of the Allianz Group's asbestos risks resulted in a reduction of reserves and a positive run-off result of € 130 mn.

6 Represents claims and insurance benefits incurred (net) divided by premiums earned (net).

7 Represents acquisition and administrative expenses (net) divided by premiums earned (net).

8 Represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).

9 Presentation not meaningful.

NAFTA Markets <sup>3</sup>		Global Insurance Lines & Anglo Markets <sup>2,3,4</sup>		Growth Markets <sup>1,2</sup>		Assistance		Consolidation and Other <sup>4</sup>		Property-Casualty	
2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn
3,100	2,979	12,249	11,816	2,430	2,454	1,298	1,177	(3,186)	(3,115)	35,277	34,545
(969)	(824)	(2,962)	(2,755)	(525)	(528)	(10)	(8)	3,204	3,130	(3,866)	(3,609)
(75)	14	(475)	(567)	(74)	(112)	(68)	(46)	—	—	(1,568)	(1,565)
2,056	2,169	8,812	8,494	1,831	1,814	1,220	1,123	18	15	29,843	29,371
218	260	809	755	117	122	21	21	(55)	(67)	2,852	2,756
—	—	(34)	(49)	—	(1)	(1)	(2)	1	3	40	18
—	—	—	—	—	—	—	—	—	—	14	31
—	—	453	425	45	43	280	269	(58)	(47)	840	799
—	—	—	3	—	2	2	—	(2)	—	23	16
2,274	2,429	10,040	9,628	1,993	1,980	1,522	1,411	(96)	(96)	33,612	32,991
(1,827)	(1,528)	(6,009)	(5,555)	(1,125)	(1,199)	(731)	(678)	118 <sup>5</sup>	(10)	(20,960)	(20,513)
—	—	(41)	(29)	—	—	1	—	—	—	(219)	(244)
—	—	(23)	(28)	(5)	(4)	—	(1)	55	67	(46)	(74)
—	—	—	—	—	—	—	—	—	—	(44)	(8)
(3)	(3)	(28)	(29)	(8)	(10)	(1)	—	1	—	(181)	(169)
(601)	(701)	(2,440)	(2,371)	(637)	(653)	(440)	(402)	8	1	(8,262)	(8,242)
—	—	(383)	(371)	(50)	(54)	(280)	(261)	47	41	(788)	(752)
—	—	—	—	—	(2)	—	—	—	—	(9)	(8)
(2,431)	(2,232)	(8,924)	(8,383)	(1,825)	(1,922)	(1,451)	(1,342)	229	99	(30,509)	(30,010)
(157)	197	1,116	1,245	168	58	71	69	133	3	3,103	2,981
88.9	70.5	68.2	65.4	61.4	66.1	59.9	60.4	— <sup>9</sup>	— <sup>9</sup>	70.2	69.8
29.2	32.3	27.7	27.9	34.8	36.0	36.1	35.8	— <sup>9</sup>	— <sup>9</sup>	27.7	28.1
118.1	102.8	95.9	93.3	96.2	102.1	96.0	96.2	— <sup>9</sup>	— <sup>9</sup>	97.9	97.9

## Reportable segments – Life/Health business

Three months ended September 30,	German Speaking Countries <sup>1</sup>		Europe incl. South America <sup>1</sup>	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>Statutory premiums<sup>2</sup></b>	<b>4,585</b>	<b>4,591</b>	<b>3,792</b>	<b>3,681</b>
Ceded premiums written	(45)	(47)	(115)	(92)
Change in unearned premiums	(68)	(25)	2	32
Statutory premiums (net)	4,472	4,519	3,679	3,621
Deposits from insurance and investment contracts	(1,054)	(1,005)	(2,565)	(2,490)
<b>Premiums earned (net)</b>	<b>3,418</b>	<b>3,514</b>	<b>1,114</b>	<b>1,131</b>
Interest and similar income	2,128	1,850	1,069	1,015
Operating income from financial assets and liabilities carried at fair value through income (net)	219	378	(208)	21
Operating realized gains/losses (net)	485	240	67	246
Fee and commission income	13	6	91	97
Other income	20	10	2	—
<b>Operating revenues</b>	<b>6,283</b>	<b>5,998</b>	<b>2,135</b>	<b>2,510</b>
Claims and insurance benefits incurred (net)	(3,216)	(2,928)	(904)	(983)
Change in reserves for insurance and investment contracts (net)	(1,674)	(2,376)	(183)	(713)
Interest expenses	(26)	(27)	(13)	(7)
Loan loss provisions	—	—	—	—
Operating impairments of investments (net)	(595)	(84)	(386)	(10)
Investment expenses	(142)	(102)	(53)	(49)
Acquisition and administrative expenses (net)	(327)	(157)	(401)	(452)
Fee and commission expenses	(4)	(6)	(36)	(51)
Operating restructuring charges	—	—	—	—
Other expenses	(13)	(11)	—	—
<b>Operating expenses</b>	<b>(5,997)</b>	<b>(5,691)</b>	<b>(1,976)</b>	<b>(2,265)</b>
<b>Operating profit</b>	<b>286</b>	<b>307</b>	<b>159</b>	<b>245</b>
<b>Cost-income ratio<sup>3</sup> in %</b>	<b>95.6</b>	<b>95.5</b>	<b>96.2</b>	<b>95.0</b>

<sup>1</sup> From 2011 on, the variable annuity business of Allianz Global Life is shown within Germany, France and Italy, respectively. Prior year figures have not been adjusted.

<sup>2</sup> Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.

<sup>3</sup> Represents deposits from insurance and investment contracts, claims and insurance benefits incurred (net), change in reserves for insurance and investment contracts (net) and acquisition and administrative expenses (net) divided by statutory premiums (net), interest and similar income, operating income from financial assets and liabilities carried at fair value through income (net), operating realized gains/losses (net), fee and commission income, other income, interest expenses, loan loss provisions, operating impairments of investments (net), investment expenses, fee and commission expenses, operating restructuring charges and other expenses.

<sup>4</sup> Presentation not meaningful.

NAFTA Markets		Global Insurance Lines & Anglo Markets		Growth Markets <sup>1</sup>		Consolidation		Life/Health	
2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn
1,933	2,257	93	86	1,491	2,004	(88)	(66)	11,806	12,553
(33)	(28)	(4)	(3)	(39)	(32)	88	66	(148)	(136)
2	5	—	1	(6)	(49)	—	—	(70)	(36)
1,902	2,234	89	84	1,446	1,923	—	—	11,588	12,381
(1,737)	(2,072)	—	—	(798)	(1,341)	—	—	(6,154)	(6,908)
165	162	89	84	648	582	—	—	5,434	5,473
658	616	19	19	196	181	(17)	(35)	4,053	3,646
(320)	(285)	(1)	(5)	(6)	7	(9)	11	(325)	127
31	92	—	—	7	9	—	—	590	587
14	14	—	—	21	15	—	(3)	139	129
—	—	—	—	—	—	—	—	22	10
548	599	107	98	866	794	(26)	(27)	9,913	9,972
(22)	(29)	(79)	(86)	(341)	(281)	—	—	(4,562)	(4,307)
(450)	(367)	8	13	(216)	(230)	—	—	(2,515)	(3,673)
(2)	(2)	(1)	—	(1)	(2)	15	28	(28)	(10)
—	1	—	—	—	5	—	—	—	6
26	—	—	—	(24)	(1)	—	—	(979)	(95)
(10)	(10)	—	(1)	(6)	(5)	1	7	(210)	(160)
(36)	(135)	(17)	(13)	(257)	(246)	—	3	(1,038)	(1,000)
(8)	(11)	—	—	—	(1)	—	2	(48)	(67)
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	(13)	(11)
(502)	(553)	(89)	(87)	(845)	(761)	16	40	(9,393)	(9,317)
46	46	18	11	21	33	(10)	13	520	655
98.0	98.3	83.0	88.7	98.7	98.5	— <sup>4</sup>	— <sup>4</sup>	96.5	96.0

## Reportable segments – Life/Health business (continued)

Nine months ended September 30,	German Speaking Countries <sup>1</sup>		Europe incl. South America <sup>1</sup>	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>Statutory premiums<sup>2</sup></b>	<b>15,186</b>	<b>15,346</b>	<b>12,960</b>	<b>14,733</b>
Ceded premiums written	(129)	(137)	(300)	(254)
Change in unearned premiums	(148)	(78)	10	18
Statutory premiums (net)	14,909	15,131	12,670	14,497
Deposits from insurance and investment contracts	(3,968)	(4,036)	(9,088)	(10,952)
<b>Premiums earned (net)</b>	<b>10,941</b>	<b>11,095</b>	<b>3,582</b>	<b>3,545</b>
Interest and similar income	6,314	5,838	3,278	3,075
Operating income from financial assets and liabilities carried at fair value through income (net)	154	671	(120)	(30)
Operating realized gains/losses (net)	1,074	742	430	446
Fee and commission income	27	18	279	288
Other income	63	45	4	—
<b>Operating revenues</b>	<b>18,573</b>	<b>18,409</b>	<b>7,453</b>	<b>7,324</b>
Claims and insurance benefits incurred (net)	(9,898)	(9,363)	(3,000)	(3,130)
Change in reserves for insurance and investment contracts (net)	(5,476)	(6,687)	(1,568)	(1,626)
Interest expenses	(88)	(79)	(29)	(22)
Loan loss provisions	—	—	—	—
Operating impairments of investments (net)	(813)	(217)	(612)	(95)
Investment expenses	(359)	(285)	(161)	(148)
Acquisition and administrative expenses (net)	(1,026)	(757)	(1,311)	(1,326)
Fee and commission expenses	(11)	(17)	(119)	(143)
Operating restructuring charges	(1)	(1)	—	—
Other expenses	(42)	(35)	(2)	—
<b>Operating expenses</b>	<b>(17,714)</b>	<b>(17,441)</b>	<b>(6,802)</b>	<b>(6,490)</b>
<b>Operating profit</b>	<b>859</b>	<b>968</b>	<b>651</b>	<b>834</b>
<b>Cost-income ratio<sup>3</sup> in %</b>	<b>96.0</b>	<b>95.6</b>	<b>95.8</b>	<b>95.3</b>

<sup>1</sup> From 2011 on, the variable annuity business of Allianz Global Life is shown within Germany, France and Italy, respectively. Prior year figures have not been adjusted.

<sup>2</sup> Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.

<sup>3</sup> Represents deposits from insurance and investment contracts, claims and insurance benefits incurred (net), change in reserves for insurance and investment contracts (net) and acquisition and administrative expenses (net) divided by statutory premiums (net), interest and similar income, operating income from financial assets and liabilities carried at fair value through income (net), operating realized gains/losses (net), fee and commission income, other income, interest expenses, loan loss provisions, operating impairments of investments (net), investment expenses, fee and commission expenses, operating restructuring charges and other expenses.

<sup>4</sup> Presentation not meaningful.

NAFTA Markets		Global Insurance Lines & Anglo Markets		Growth Markets <sup>1</sup>		Consolidation		Life/Health	
2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn
6,015	6,009	286	236	4,870	5,898	(263)	(189)	39,054	42,033
(101)	(106)	(25)	(6)	(138)	(85)	263	189	(430)	(399)
1	8	—	4	(77)	(96)	—	—	(214)	(144)
5,915	5,911	261	234	4,655	5,717	—	—	38,410	41,490
(5,390)	(5,402)	—	—	(2,901)	(3,956)	—	—	(21,347)	(24,346)
525	509	261	234	1,754	1,761	—	—	17,063	17,144
1,919	1,749	63	57	564	517	(55)	(40)	12,083	11,196
(586)	(119)	(33)	(28)	(10)	32	(2)	(8)	(597)	518
60	106	—	—	79	43	—	—	1,643	1,337
41	36	—	—	60	43	—	(9)	407	376
—	—	—	—	—	14	—	—	67	59
1,959	2,281	291	263	2,447	2,410	(57)	(57)	30,666	30,630
(70)	(82)	(248)	(232)	(958)	(796)	—	—	(14,174)	(13,603)
(1,244)	(1,208)	26	35	(620)	(692)	—	—	(8,882)	(10,178)
(5)	(5)	(2)	(1)	(6)	(5)	55	48	(75)	(64)
—	2	—	—	—	6	—	—	—	8
22	(5)	—	—	(22)	(1)	—	—	(1,425)	(318)
(30)	(34)	(2)	(3)	(19)	(17)	—	(2)	(571)	(489)
(338)	(603)	(43)	(43)	(720)	(721)	(2)	—	(3,440)	(3,450)
(23)	(32)	—	—	—	(1)	—	9	(153)	(184)
—	—	—	—	—	—	—	—	(1)	(1)
—	—	—	—	—	(2)	—	—	(44)	(37)
(1,688)	(1,967)	(269)	(244)	(2,345)	(2,229)	53	55	(28,765)	(28,316)
271	314	22	19	102	181	(4)	(2)	1,901	2,314
96.3	95.9	92.3	92.7	98.1	97.1	— <sup>4</sup>	— <sup>4</sup>	96.2	95.7

## Reportable segments – Asset Management business

Three months ended September 30,	2011 € mn	2010 € mn
Net fee and commission income <sup>1</sup>	1,335	1,235
Net interest income <sup>2</sup>	7	10
Income from financial assets and liabilities carried at fair value through income (net)	(21)	7
Other income	5	4
<b>Operating revenues</b>	<b>1,326</b>	<b>1,256</b>
Administrative expenses (net), excluding acquisition-related expenses	(789)	(735)
<b>Operating expenses</b>	<b>(789)</b>	<b>(735)</b>
<b>Operating profit</b>	<b>537</b>	<b>521</b>
<b>Cost-income ratio<sup>3</sup> in %</b>	<b>59.5</b>	<b>58.5</b>

1 Represents fee and commission income less fee and commission expenses.

2 Represents interest and similar income less interest expenses.

3 Represents operating expenses divided by operating revenues.

Nine months ended September 30,	2011 € mn	2010 € mn
Net fee and commission income <sup>1</sup>	3,888	3,520
Net interest income <sup>2</sup>	18	18
Income from financial assets and liabilities carried at fair value through income (net)	(18)	8
Other income	14	14
<b>Operating revenues</b>	<b>3,902</b>	<b>3,560</b>
Administrative expenses (net), excluding acquisition-related expenses	(2,309)	(2,057)
<b>Operating expenses</b>	<b>(2,309)</b>	<b>(2,057)</b>
<b>Operating profit</b>	<b>1,593</b>	<b>1,503</b>
<b>Cost-income ratio<sup>3</sup> in %</b>	<b>59.2</b>	<b>57.8</b>

1 Represents fee and commission income less fee and commission expenses.

2 Represents interest and similar income less interest expenses.

3 Represents operating expenses divided by operating revenues.





## Reportable segments – Corporate and Other business

Three months ended September 30,	Holding & Treasury	
	2011 € mn	2010 € mn
Interest and similar income	75	45
Operating income from financial assets and liabilities carried at fair value through income (net)	(5)	(18)
Fee and commission income	28	45
Other income	—	—
<b>Operating revenues</b>	<b>98</b>	<b>72</b>
Interest expenses, excluding interest expenses from external debt	(111)	(93)
Loan loss provisions	—	—
Investment expenses	(27)	(23)
Administrative expenses (net), excluding acquisition-related expenses	(155)	(144)
Fee and commission expenses	(39)	(49)
Other expenses	—	—
<b>Operating expenses</b>	<b>(332)</b>	<b>(309)</b>
<b>Operating profit (loss)</b>	<b>(234)</b>	<b>(237)</b>
<b>Cost-income ratio<sup>1</sup> for the reportable segment Banking in %</b>		

<sup>1</sup> Represents investment expenses, administrative expenses (net), excluding acquisition-related expenses and other expenses divided by interest and similar income, operating income from financial assets and liabilities carried at fair value through income (net), fee and commission income, other income, interest expenses, excluding interest expenses from external debt and fee and commission expenses.

Nine months ended September 30,	Holding & Treasury	
	2011 € mn	2010 € mn
Interest and similar income	274	223
Operating income from financial assets and liabilities carried at fair value through income (net)	(10)	(32)
Fee and commission income	111	131
Other income	—	—
<b>Operating revenues</b>	<b>375</b>	<b>322</b>
Interest expenses, excluding interest expenses from external debt	(325)	(284)
Loan loss provisions	—	—
Investment expenses	(73)	(66)
Administrative expenses (net), excluding acquisition-related expenses	(442)	(421)
Fee and commission expenses	(160)	(152)
Other expenses	—	—
<b>Operating expenses</b>	<b>(1,000)</b>	<b>(923)</b>
<b>Operating loss</b>	<b>(625)</b>	<b>(601)</b>
<b>Cost-income ratio<sup>1</sup> for the reportable segment Banking in %</b>		

<sup>1</sup> Represents investment expenses, administrative expenses (net), excluding acquisition-related expenses and other expenses divided by interest and similar income, operating income from financial assets and liabilities carried at fair value through income (net), fee and commission income, other income, interest expenses, excluding interest expenses from external debt and fee and commission expenses.

Banking		Alternative Investments		Consolidation		Corporate and Other	
2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn
186	173	6	(5)	(1)	(1)	266	212
(8)	(1)	(1)	—	1	(1)	(13)	(20)
100	111	32	30	(1)	—	159	186
—	—	1	—	(1)	—	—	—
<b>278</b>	<b>283</b>	<b>38</b>	<b>25</b>	<b>(2)</b>	<b>(2)</b>	<b>412</b>	<b>378</b>
(97)	(86)	(1)	—	1	1	(208)	(178)
(13)	(18)	—	—	—	—	(13)	(18)
—	—	(1)	—	—	—	(28)	(23)
(124)	(151)	(27)	(34)	2	—	(304)	(329)
(53)	(51)	—	—	—	1	(92)	(99)
—	(1)	—	—	—	—	—	(1)
<b>(287)</b>	<b>(307)</b>	<b>(29)</b>	<b>(34)</b>	<b>3</b>	<b>2</b>	<b>(645)</b>	<b>(648)</b>
(9)	(24)	9	(9)	1	—	(233)	(270)
<b>96.9</b>	<b>104.1</b>						

Banking		Alternative Investments		Consolidation		Corporate and Other	
2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn
547	515	12	2	(2)	(2)	831	738
2	(10)	(1)	(1)	1	—	(8)	(43)
318	320	91	94	(4)	(3)	516	542
—	—	4	1	(2)	(1)	2	—
<b>867</b>	<b>825</b>	<b>106</b>	<b>96</b>	<b>(7)</b>	<b>(6)</b>	<b>1,341</b>	<b>1,237</b>
(281)	(253)	(1)	—	2	1	(605)	(536)
(62)	(41)	—	—	—	—	(62)	(41)
—	—	(3)	(1)	—	—	(76)	(67)
(383)	(430)	(108)	(108)	5	4	(928)	(955)
(170)	(161)	—	—	1	1	(329)	(312)
(2)	(2)	—	—	—	—	(2)	(2)
<b>(898)</b>	<b>(887)</b>	<b>(112)</b>	<b>(109)</b>	<b>8</b>	<b>6</b>	<b>(2,002)</b>	<b>(1,913)</b>
(31)	(62)	(6)	(13)	1	—	(661)	(676)
<b>92.5</b>	<b>105.1</b>						

## Supplementary Information to the Consolidated Balance Sheets

## 6 Investments

### 5 Financial assets carried at fair value through income

	As of September 30, 2011 € mn	As of December 31, 2010 € mn
<b>Financial assets held for trading</b>		
Debt securities	289	546
Equity securities	122	139
Derivative financial instruments	1,741	1,416
<b>Subtotal</b>	<b>2,152</b>	<b>2,101</b>
<b>Financial assets designated at fair value through income</b>		
Debt securities	3,472	4,430
Equity securities	2,313	3,312
<b>Subtotal</b>	<b>5,785</b>	<b>7,742</b>
<b>Total</b>	<b>7,937</b>	<b>9,843</b>

	As of September 30, 2011 € mn	As of December 31, 2010 € mn
Available-for-sale investments	327,349	318,315
Held-to-maturity investments	4,063	3,987
Funds held by others under reinsurance contracts assumed	1,112	1,117
Investments in associates and joint ventures	2,647	2,527
Real estate held for investment	8,391	8,672
<b>Total</b>	<b>343,562</b>	<b>334,618</b>

### Available-for-sale investments

	As of September 30, 2011				As of December 31, 2010			
	Amortized Cost € mn	Unrealized Gains € mn	Unrealized Losses € mn	Fair Value € mn	Amortized Cost € mn	Unrealized Gains € mn	Unrealized Losses € mn	Fair Value € mn
<b>Debt securities</b>								
Government and agency mortgage-backed securities (residential and commercial)	4,638	327	(2)	4,963	5,043	235	(6)	5,272
Corporate mortgage-backed securities (residential and commercial)	10,406	657	(163)	10,900	10,023	625	(174)	10,474
Other asset-backed securities	2,598	214	(29)	2,783	3,501	186	(34)	3,653
<b>Government and government agency bonds</b>								
Germany	12,854	1,240	(4)	14,090	14,475	740	(24)	15,191
Italy	28,206	8	(2,255)	25,959	29,242	183	(778)	28,647
France	22,300	2,022	(12)	24,310	18,248	1,194	(73)	19,369
United States	7,022	695	(3)	7,714	6,667	197	(97)	6,767
Spain	5,161	38	(236)	4,963	5,142	31	(332)	4,841
Belgium	5,598	208	(24)	5,782	4,466	102	(56)	4,512
Greece	484	—	—	484	1,815	—	(554)	1,261
Portugal	834	—	(205)	629	1,148	1	(90)	1,059
Ireland	531	—	(44)	487	990	3	(136)	857
All other countries	41,303	2,637	(133)	43,807	41,533	1,888	(113)	43,308
<b>Subtotal</b>	<b>124,293</b>	<b>6,848</b>	<b>(2,916)</b>	<b>128,225</b>	<b>123,726</b>	<b>4,339</b>	<b>(2,253)</b>	<b>125,812</b>
<b>Corporate bonds</b>	<b>150,682</b>	<b>6,031</b>	<b>(4,179)</b>	<b>152,534</b>	<b>138,576</b>	<b>4,786</b>	<b>(2,743)</b>	<b>140,619</b>
Other	1,993	172	(18)	2,147	1,723	123	(9)	1,837
<b>Subtotal</b>	<b>294,610</b>	<b>14,249</b>	<b>(7,307)</b>	<b>301,552</b>	<b>282,592</b>	<b>10,294</b>	<b>(5,219)</b>	<b>287,667</b>
Equity securities	19,255	6,899	(357)	25,797	19,893	10,903	(148)	30,648
<b>Total</b>	<b>313,865</b>	<b>21,148</b>	<b>(7,664)</b>	<b>327,349</b>	<b>302,485</b>	<b>21,197</b>	<b>(5,367)</b>	<b>318,315</b>

## 7 Loans and advances to banks and customers

	As of September 30, 2011			As of December 31, 2010		
	Banks € mn	Customers € mn	Total € mn	Banks € mn	Customers € mn	Total € mn
Short-term investments and certificates of deposit	5,151	—	5,151	5,216	—	5,216
Reverse repurchase agreements	3,866	10	3,876	1,018	—	1,018
Collateral paid for securities borrowing transactions and derivatives	197	—	197	38	—	38
Loans	68,198	47,977	116,175	67,303	46,575	113,878
Other	1,941	38	1,979	2,605	69	2,674
<b>Subtotal</b>	<b>79,353</b>	<b>48,025</b>	<b>127,378</b>	<b>76,180</b>	<b>46,644</b>	<b>122,824</b>
Loan loss allowance	—	(167)	(167)	—	(146)	(146)
<b>Total</b>	<b>79,353</b>	<b>47,858</b>	<b>127,211</b>	<b>76,180</b>	<b>46,498</b>	<b>122,678</b>

### Loans and advances to customers by type of customer

	As of September 30, 2011 € mn	As of December 31, 2010 € mn
Corporate customers	17,238	16,303
Private customers	23,451	23,433
Public customers	7,336	6,908
<b>Total</b>	<b>48,025</b>	<b>46,644</b>

## 8 Reinsurance assets

	As of September 30, 2011 € mn	As of December 31, 2010 € mn
Unearned premiums	1,765	1,372
Reserves for loss and loss adjustment expenses	7,028	6,986
Aggregate policy reserves	4,208	4,674
Other insurance reserves	104	103
<b>Total</b>	<b>13,105</b>	<b>13,135</b>

## 9 Deferred acquisition costs

	As of September 30, 2011 € mn	As of December 31, 2010 € mn
<b>Deferred acquisition costs</b>		
Property-Casualty	4,226	4,121
Life/Health	14,455	14,459
Asset Management	146	152
<b>Subtotal</b>	<b>18,827</b>	<b>18,732</b>
Present value of future profits	1,090	1,180
Deferred sales inducements	807	821
<b>Total</b>	<b>20,724</b>	<b>20,733</b>

## 10 Other assets

	As of September 30, 2011 € mn	As of December 31, 2010 € mn
<b>Receivables</b>		
Policyholders	5,240	5,322
Agents	4,366	4,129
Reinsurers	2,603	2,581
Other	3,252	3,515
Less allowance for doubtful accounts	(660)	(629)
<b>Subtotal</b>	<b>14,801</b>	<b>14,918</b>
<b>Tax receivables</b>		
Income taxes	1,404	1,691
Other taxes	883	1,043
<b>Subtotal</b>	<b>2,287</b>	<b>2,734</b>
<b>Accrued dividends, interest and rent</b>	<b>6,996</b>	<b>7,356</b>
<b>Prepaid expenses</b>		
Interest and rent	17	16
Other prepaid expenses	313	334
<b>Subtotal</b>	<b>330</b>	<b>350</b>
<b>Derivative financial instruments used for hedging that meet the criteria for hedge accounting and firm commitments</b>	<b>445</b>	<b>452</b>
<b>Property and equipment</b>		
Real estate held for own use	2,925	3,075
Software	1,356	1,287
Equipment	809	735
Fixed assets of Alternative Investments	1,171	1,117
<b>Subtotal</b>	<b>6,261</b>	<b>6,214</b>
<b>Other assets</b>	<b>2,056</b>	<b>1,977</b>
<b>Total</b>	<b>33,176</b>	<b>34,001</b>

## 11 Non-current assets and assets and liabilities of disposal groups classified as held for sale

	As of September 30, 2011 € mn	As of December 31, 2010 € mn
<b>Assets of disposal groups classified as held for sale</b>		
Allianz Bank Polska S.A.	—	247
Allianz Kazakhstan ZAO	30	—
Allianz Asset Management a.s.	3	—
Coparc	1,116	—
W Finance	35	—
Allianz Takaful	29	—
<b>Subtotal</b>	<b>1,213</b>	<b>247</b>
<b>Non-current assets classified as held for sale</b>		
Real estate held for investment	226	46
Real estate held for own use	—	6
<b>Subtotal</b>	<b>226</b>	<b>52</b>
<b>Total</b>	<b>1,439</b>	<b>299</b>
<b>Liabilities of disposal groups classified as held for sale</b>		
Allianz Bank Polska S.A.	—	188
Allianz Kazakhstan ZAO	30	—
Allianz Asset Management a.s.	2	—
Coparc	1,101	—
W Finance	22	—
Allianz Takaful	28	—
<b>Total</b>	<b>1,183</b>	<b>188</b>

### Assets and liabilities of disposal groups classified as held for sale as of September 30, 2011 Allianz Kazakhstan ZAO, Almaty

During the first quarter of 2011, the Allianz Group decided to dispose of Allianz Kazakhstan ZAO. During the second quarter 2011, the Allianz Group contractually agreed to dispose of this subsidiary. Thus, the assets and liabilities related to the Allianz Group's 100% ownership of Allianz Kazakhstan ZAO and allocated to the segment Property-Casualty, were reclassified as disposal group held for sale.

As of September 30, 2011, cumulative losses recognized in other comprehensive income relating to the disposal group classified as held for sale amounted to € 3 mn. The sale is expected to occur during the year 2011 and is subject to approval by the regulatory authorities. Upon measurement of the disposal group at fair value less

costs to sell, an impairment loss of € 2 mn and € 18 mn was recognized in the consolidated income statement for the three and the nine months ended September 30, 2011, respectively.

#### Allianz Asset Management a.s., Bratislava

During the second quarter of 2011, the Allianz Group decided to dispose of Allianz Asset Management a.s. Thus, the assets and liabilities related to the Allianz Group's 100% ownership of Allianz Asset Management a.s. and allocated to the segment Asset Management, were reclassified as disposal group classified as held for sale.

As of September 30, 2011, cumulative gains recognized in other comprehensive income relating to the disposal group classified as held for sale amounted to € 0.5 mn. The sale is expected to occur during the first quarter of 2012. Upon measurement of the disposal group at fair value less costs to sell, an impairment loss of € — mn and € 2 mn was recognized in the consolidated income statement for the three and the nine months ended September 30, 2011, respectively.

#### Coparc, Paris

During the third quarter of 2011, the Allianz Group contractually agreed to dispose of Coparc, Paris. Thus, the assets and liabilities related to the Allianz Group's 100% ownership of Coparc and allocated to the segment Life/Health, were reclassified as disposal group held for sale.

The following table presents the classes of assets and liabilities reclassified as held for sale:

As of September 30, 2011	Coparc, Paris € mn
Cash and cash equivalents	12
Financial assets carried at fair value through income	73
Investments	522
Financial assets for unit-linked contracts	491
Other assets	18
<b>Total assets of the disposal group classified as held for sale</b>	<b>1,116</b>
Reserves for loss and loss adjustment expenses	7
Reserves for insurance and investment contracts	529
Financial liabilities for unit-linked contracts	491
Deferred tax liabilities	1
Other liabilities	73
<b>Total liabilities of the disposal group classified as held for sale</b>	<b>1,101</b>

As of September 30, 2011, cumulative gains recognized in other comprehensive income relating to the disposal group classified as held for sale amounted to € 3 mn. The sale is expected to occur during the fourth quarter of 2011 and is subject to approval by the regulatory authorities. Upon measurement of the disposal group at fair value less costs to sell, an impairment loss of € 3 mn was recognized in the consolidated income statement for the three and the nine months ended September 30, 2011, respectively.

#### W Finance, Paris

During the third quarter of 2011, the Allianz Group contractually agreed to dispose of W Finance, Paris. Thus, the assets and liabilities related to the Allianz Group's 100% ownership of W Finance and allocated to the segment Life/Health, were reclassified as disposal group held for sale.

The following table presents the classes of assets and liabilities reclassified as held for sale:

As of September 30, 2011	W Finance, Paris € mn
Cash and cash equivalents	23
Investments	2
Deferred tax assets	2
Other assets	8
<b>Total assets of the disposal group classified as held for sale</b>	<b>35</b>
Other liabilities	22
<b>Total liabilities of the disposal group classified as held for sale</b>	<b>22</b>

As of September 30, 2011, no cumulative gains or losses were recognized in other comprehensive income relating to the disposal group classified as held for sale. The sale is expected to occur during the fourth quarter of 2011 and is subject to approval by the regulatory authorities. Upon measurement of the disposal group at the lower of its carrying amount and fair value less costs to sell, no impairment loss was recognized in the consolidated income statement for the three and the nine months ended September 30, 2011, respectively.



**Allianz Takaful, Manama**

During the third quarter of 2011, the Allianz Group contractually agreed to dispose of Allianz Takaful, Manama. Thus, the assets and liabilities related to the Allianz Group's 100% ownership of Allianz Takaful and allocated to the segments Property-Casualty and Life/Health, were reclassified as disposal group held for sale.

The following table presents the classes of assets and liabilities reclassified as held for sale:

As of September 30, 2011	Allianz Takaful, Manama € mn
Cash and cash equivalents	2
Investments	6
Loans and advances to banks and customers	2
Financial assets for unit-linked contracts	4
Deferred acquisition costs	3
Other assets	12
<b>Total assets of the disposal group classified as held for sale</b>	<b>29</b>
Unearned premiums	9
Reserves for loss and loss adjustment expenses	2
Financial liabilities for unit-linked contracts	4
Other liabilities	13
<b>Total liabilities of the disposal group classified as held for sale</b>	<b>28</b>

As of September 30, 2011, cumulative gains recognized in other comprehensive income relating to the disposal group classified as held for sale amounted to € 1 mn. The sale of 75% of the ownership is expected to occur during the fourth quarter of 2011. For the remaining 25% of the ownership the Allianz Group kept a put option for the next three years. The transaction is already approved by the regulatory authorities. Upon measurement of the disposal group at fair value less costs to sell, an impairment loss of € 4 mn was recognized in the consolidated income statement for the three and the nine months ended September 30, 2011, respectively.

**Non-current assets classified as held for sale as of September 30, 2011****Real estate held for investment classified as held for sale**

During the second and the third quarter of 2011, the Allianz Group decided to dispose of several warehouses and industrial buildings held by Allianz Life Insurance of America. Thus, the assets allocated to the segment Life/Health and previously classified as real estate held for

investment were reclassified and presented as non-current assets held for sale. The sale of these buildings is expected to occur during the fourth quarter of 2011.

Upon remeasurement of the non-current assets at the lower of its carrying amount and fair value less costs to sell no impairment losses were recognized for the three and the nine months ended September 30, 2011, respectively.

**Disposals during the first nine months of 2011  
Allianz Bank Polska S.A., Warsaw**

In May 2011, the Allianz Group completed the sale of Allianz Polska S.A., Warsaw, which was classified as disposal group held for sale during the fourth quarter of 2010. The disposal resulted in realized losses of € 4 mn which were recognized in the consolidated income statement.

Total impairment losses from the measurement at fair value less costs to sell until disposal amounted to € 34 mn which were recorded in the fourth quarter of 2010.

**Real estate held for investment classified as held for sale**

During the fourth quarter of 2010, the Allianz Group contractually agreed to dispose of various residential properties of Allianz IARD S.A. and Allianz Vie S.A. in Paris on an individual basis. Thus, the assets allocated to the segments Property-Casualty and Life/Health and previously classified as real estate held for investment were reclassified and presented as non-current assets held for sale. The individual sales were completed during the first quarter of 2011.

During the second quarter of 2011, the Allianz Group decided to dispose of several office buildings held by Allianz Deutschland AG and the German Real Estate Fund. Thus, the assets allocated to the segments Property-Casualty and Corporate and Other and previously classified as real estate held for investment were reclassified and presented as non-current assets held for sale. The total impairment losses from the measurement at fair value less costs to sell until disposal amounted to € 6 mn for the reclassified building held by the German Real Estate Equity Fund. The individual sales were completed in the third quarter of 2011.

### Real estate held for own use classified as held for sale

During the fourth quarter of 2010, the Allianz Group contractually agreed to dispose of one commercial property of Allianz Hungaria in Budapest. Thus, the asset allocated to the segment Property-Casualty and previously classified as real estate held for own use was reclassified and presented as non-current assets held for sale. The sale was completed in the second quarter of 2011.

## 12 Intangible assets

	As of September 30, 2011 € mn	As of December 31, 2010 € mn
<b>Intangible assets with indefinite useful lives</b>		
Goodwill	11,956	12,020
Brand names <sup>1</sup>	310	311
<b>Subtotal</b>	<b>12,266</b>	<b>12,331</b>
<b>Intangible assets with finite useful lives</b>		
Long-term distribution agreements <sup>2</sup>	957	585
Customer relationships	241	287
Other <sup>3</sup>	179	178
<b>Subtotal</b>	<b>1,377</b>	<b>1,050</b>
<b>Total</b>	<b>13,643</b>	<b>13,381</b>

- 1 Includes primarily the brand name of Selecta AG, Muntelier.
- 2 Consists of the long-term distribution agreements with Commerzbank AG of € 550 mn (2010: € 585 mn) and Banco Popular S.A. of € 407 mn (2010: € — mn).
- 3 Includes primarily research and development costs of € 65 mn (2010: € 67 mn) and bancassurance agreements of € 12 mn (2010: € 14 mn).

### Goodwill

	2011 € mn
Cost as of January 1,	12,603
Accumulated impairments as of January 1,	(583)
<b>Carrying amount as of January 1,</b>	<b>12,020</b>
Additions	2
Foreign currency translation adjustments	(59)
Reclassification into non-current assets and assets of disposal groups classified as held for sale	(7)
<b>Carrying amount as of September 30,</b>	<b>11,956</b>
Accumulated impairments as of September 30,	583
Cost as of September 30,	12,539

The goodwill of Allianz Kazakhstan ZAO, Almaty, was reclassified to disposal groups classified as held for sale.

### 13 Financial liabilities carried at fair value through income

	As of September 30, 2011 € mn	As of December 31, 2010 € mn
<b>Financial liabilities held for trading</b>		
Derivative financial instruments	6,367	5,012
Other trading liabilities	1	1
<b>Subtotal</b>	<b>6,368</b>	<b>5,013</b>
<b>Financial liabilities designated at fair value through income</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>6,368</b>	<b>5,013</b>

### 14 Liabilities to banks and customers

	As of September 30, 2011			As of December 31, 2010		
	Banks € mn	Customers € mn	Total € mn	Banks € mn	Customers € mn	Total € mn
Payable on demand	279	4,441	4,720	68	4,110	4,178
Savings deposits	—	2,763	2,763	—	2,504	2,504
Term deposits and certificates of deposit	926	2,126	3,052	1,328	2,301	3,629
Repurchase agreements	612	157	769	867	129	996
Collateral received from securities lending transactions and derivatives	2,081	—	2,081	591	—	591
Other	5,807	3,344	9,151	6,278	2,979	9,257
<b>Total</b>	<b>9,705</b>	<b>12,831</b>	<b>22,536</b>	<b>9,132</b>	<b>12,023</b>	<b>21,155</b>

### 15 Reserves for loss and loss adjustment expenses

	As of September 30, 2011 € mn	As of December 31, 2010 € mn
Property-Casualty	59,063	57,509
Life/Health	9,137	8,984
Consolidation	(20)	(19)
<b>Total</b>	<b>68,180</b>	<b>66,474</b>

## Change in reserves for loss and loss adjustment expenses for the Property-Casualty segment

	2011			2010		
	Gross € mn	Ceded € mn	Net € mn	Gross € mn	Ceded € mn	Net € mn
As of January 1,	57,509	(6,659)	50,850	55,715	(7,175)	48,540
Loss and loss adjustment expenses incurred						
Current year	24,051	(1,944)	22,107	23,560	(1,957)	21,603
Prior years	(1,508)	361	(1,147)	(1,847)	757	(1,090)
Subtotal	22,543	(1,583)	20,960	21,713	(1,200)	20,513
Loss and loss adjustment expenses paid						
Current year	(9,695)	354	(9,341)	(9,940)	576	(9,364)
Prior years	(11,108)	1,125	(9,983)	(11,437)	1,215	(10,222)
Subtotal	(20,803)	1,479	(19,324)	(21,377)	1,791	(19,586)
Foreign currency translation adjustments and other changes	(199)	77	(122)	1,597	(362)	1,235
Changes in the consolidated subsidiaries of the Allianz Group	20	(8)	12	—	—	—
Reclassifications <sup>1</sup>	(7)	5	(2)	(242)	26	(216)
As of September 30,	59,063	(6,689)	52,374	57,406	(6,920)	50,486

<sup>1</sup> In the first quarter of 2011, Allianz Kazakhstan ZAO and in the third quarter of 2011, Allianz Takaful were classified as held for sale. See note 11 for further information.

## 16 Reserves for insurance and investment contracts

	As of September 30, 2011 € mn	As of December 31, 2010 € mn
Aggregate policy reserves	334,123	324,189
Reserves for premium refunds	23,122	24,802
Other insurance reserves	799	802
<b>Total</b>	<b>358,044</b>	<b>349,793</b>

## 17 Other liabilities

	As of September 30, 2011 € mn	As of December 31, 2010 € mn
<b>Payables</b>		
Policyholders	4,062	4,855
Reinsurers	2,153	1,813
Agents	1,505	1,471
<b>Subtotal</b>	<b>7,720</b>	<b>8,139</b>
<b>Payables for social security</b>	<b>435</b>	<b>434</b>
<b>Tax payables</b>		
Income taxes	1,526	1,661
Other taxes	1,141	1,086
<b>Subtotal</b>	<b>2,667</b>	<b>2,747</b>
<b>Accrued interest and rent</b>	<b>641</b>	<b>659</b>
<b>Unearned income</b>		
Interest and rent	12	13
Other	246	293
<b>Subtotal</b>	<b>258</b>	<b>306</b>
<b>Provisions</b>		
Pensions and similar obligations	3,946	3,925
Employee-related	2,085	1,887
Share-based compensation plans	724	1,099
Restructuring plans	318	409
Loan commitments	18	7
Contingent losses from non-insurance business	163	155
Other provisions	1,363	1,564
<b>Subtotal</b>	<b>8,617</b>	<b>9,046</b>
<b>Deposits retained for reinsurance ceded</b>	<b>1,753</b>	<b>2,320</b>
<b>Derivative financial instruments used for hedging that meet the criteria for hedge accounting and firm commitments</b>	<b>162</b>	<b>225</b>
<b>Financial liabilities for puttable equity instruments</b>	<b>2,224</b>	<b>3,111</b>
<b>Other liabilities</b>	<b>5,689</b>	<b>6,226</b>
<b>Total</b>	<b>30,166</b>	<b>33,213</b>

## 18 Certificated liabilities

	As of September 30, 2011 € mn	As of December 31, 2010 € mn
<b>Allianz SE<sup>1</sup></b>		
Senior bonds	5,341	5,336
Money market securities	1,050	1,791
<b>Subtotal</b>	<b>6,391</b>	<b>7,127</b>
<b>Banking subsidiaries</b>		
Senior bonds	1,154	1,099
<b>Subtotal</b>	<b>1,154</b>	<b>1,099</b>
<b>All other subsidiaries</b>		
Certificated liabilities	25	3
<b>Subtotal</b>	<b>25</b>	<b>3</b>
<b>Total</b>	<b>7,570</b>	<b>8,229</b>

<sup>1</sup> Includes senior bonds issued by Allianz Finance II B.V., guaranteed by Allianz SE and money market securities issued by Allianz Finance Corporation, a wholly-owned subsidiary of Allianz SE, which are fully and unconditionally guaranteed by Allianz SE.

## 19 Participation certificates and subordinated liabilities

	As of September 30, 2011 € mn	As of December 31, 2010 € mn
<b>Allianz SE<sup>1</sup></b>		
Subordinated bonds <sup>2</sup>	10,401	8,301
<b>Subtotal</b>	<b>10,401</b>	<b>8,301</b>
<b>Banking subsidiaries</b>		
Subordinated bonds	274	254
<b>Subtotal</b>	<b>274</b>	<b>254</b>
<b>All other subsidiaries</b>		
Subordinated bonds	398	398
Hybrid equity	45	45
<b>Subtotal</b>	<b>443</b>	<b>443</b>
<b>Total</b>	<b>11,118</b>	<b>8,998</b>

<sup>1</sup> Includes subordinated bonds issued by Allianz Finance II B.V. and guaranteed by Allianz SE.

<sup>2</sup> Change due to the issuance of a € 2.0 bn subordinated bond in the first quarter of 2011, the repayment of a USD 0.5 bn subordinated bond in the second quarter of 2011 and the issuance of a € 0.5 bn convertible subordinated note in the third quarter of 2011.

## 20 Equity

	As of September 30, 2011 € mn	As of December 31, 2010 € mn
<b>Shareholders' equity</b>		
Issued capital	1,164	1,164
Capital reserves	27,547	27,521
Retained earnings <sup>1</sup>	13,058	13,088
Foreign currency translation adjustments	(2,585)	(2,339)
Unrealized gains and losses (net) <sup>2</sup>	4,380	5,057
<b>Subtotal</b>	<b>43,564</b>	<b>44,491</b>
<b>Non-controlling interests</b>	<b>2,273</b>	<b>2,071</b>
<b>Total</b>	<b>45,837</b>	<b>46,562</b>

1 As of September 30, 2011, includes € (227) mn (2010: € (237) mn) related to treasury shares.

2 As of September 30, 2011, includes € 198 mn (2010: € 196 mn) related to cash flow hedges.

## Supplementary Information to the Consolidated Income Statements

## 21 Premiums earned (net)

Three months ended September 30,	Property- Casualty € mn	Life/Health € mn	Consolidation € mn	Group € mn
<b>2011</b>				
<b>Premiums written</b>				
Direct	9,730	5,516	—	15,246
Assumed	1,102	124	(9)	1,217
<b>Subtotal</b>	<b>10,832</b>	<b>5,640</b>	<b>(9)</b>	<b>16,463</b>
Ceded	(1,397)	(136)	9	(1,524)
<b>Net</b>	<b>9,435</b>	<b>5,504</b>	<b>—</b>	<b>14,939</b>
<b>Change in unearned premiums</b>				
Direct	977	(67)	—	910
Assumed	(34)	(1)	2	(33)
<b>Subtotal</b>	<b>943</b>	<b>(68)</b>	<b>2</b>	<b>877</b>
Ceded	(89)	(2)	(2)	(93)
<b>Net</b>	<b>854</b>	<b>(70)</b>	<b>—</b>	<b>784</b>
<b>Premiums earned</b>				
Direct	10,707	5,449	—	16,156
Assumed	1,068	123	(7)	1,184
<b>Subtotal</b>	<b>11,775</b>	<b>5,572</b>	<b>(7)</b>	<b>17,340</b>
Ceded	(1,486)	(138)	7	(1,617)
<b>Net</b>	<b>10,289</b>	<b>5,434</b>	<b>—</b>	<b>15,723</b>
<b>2010</b>				
<b>Premiums written</b>				
Direct	9,555	5,529	—	15,084
Assumed	1,045	115	—	1,160
<b>Subtotal</b>	<b>10,600</b>	<b>5,644</b>	<b>—</b>	<b>16,244</b>
Ceded	(1,184)	(135)	—	(1,319)
<b>Net</b>	<b>9,416</b>	<b>5,509</b>	<b>—</b>	<b>14,925</b>
<b>Change in unearned premiums</b>				
Direct	1,078	(36)	—	1,042
Assumed	46	(1)	(2)	43
<b>Subtotal</b>	<b>1,124</b>	<b>(37)</b>	<b>(2)</b>	<b>1,085</b>
Ceded	(271)	1	2	(268)
<b>Net</b>	<b>853</b>	<b>(36)</b>	<b>—</b>	<b>817</b>
<b>Premiums earned</b>				
Direct	10,633	5,493	—	16,126
Assumed	1,091	114	(2)	1,203
<b>Subtotal</b>	<b>11,724</b>	<b>5,607</b>	<b>(2)</b>	<b>17,329</b>
Ceded	(1,455)	(134)	2	(1,587)
<b>Net</b>	<b>10,269</b>	<b>5,473</b>	<b>—</b>	<b>15,742</b>



## 21 Premiums earned (net) (continued)

Nine months ended September 30,	Property- Casualty € mn	Life/Health € mn	Consolidation € mn	Group € mn
<b>2011</b>				
<b>Premiums written</b>				
Direct	32,691	17,328	—	50,019
Assumed	2,586	356	(21)	2,921
<b>Subtotal</b>	<b>35,277</b>	<b>17,684</b>	<b>(21)</b>	<b>52,940</b>
Ceded	(3,866)	(407)	21	(4,252)
<b>Net</b>	<b>31,411</b>	<b>17,277</b>	<b>—</b>	<b>48,688</b>
<b>Change in unearned premiums</b>				
Direct	(1,737)	(212)	—	(1,949)
Assumed	(313)	—	2	(311)
<b>Subtotal</b>	<b>(2,050)</b>	<b>(212)</b>	<b>2</b>	<b>(2,260)</b>
Ceded	482	(2)	(2)	478
<b>Net</b>	<b>(1,568)</b>	<b>(214)</b>	<b>—</b>	<b>(1,782)</b>
<b>Premiums earned</b>				
Direct	30,954	17,116	—	48,070
Assumed	2,273	356	(19)	2,610
<b>Subtotal</b>	<b>33,227</b>	<b>17,472</b>	<b>(19)</b>	<b>50,680</b>
Ceded	(3,384)	(409)	19	(3,774)
<b>Net</b>	<b>29,843</b>	<b>17,063</b>	<b>—</b>	<b>46,906</b>
<b>2010</b>				
<b>Premiums written</b>				
Direct	31,828	17,369	—	49,197
Assumed	2,717	317	(10)	3,024
<b>Subtotal</b>	<b>34,545</b>	<b>17,686</b>	<b>(10)</b>	<b>52,221</b>
Ceded	(3,609)	(398)	10	(3,997)
<b>Net</b>	<b>30,936</b>	<b>17,288</b>	<b>—</b>	<b>48,224</b>
<b>Change in unearned premiums</b>				
Direct	(1,450)	(146)	—	(1,596)
Assumed	(229)	1	(4)	(232)
<b>Subtotal</b>	<b>(1,679)</b>	<b>(145)</b>	<b>(4)</b>	<b>(1,828)</b>
Ceded	114	1	4	119
<b>Net</b>	<b>(1,565)</b>	<b>(144)</b>	<b>—</b>	<b>(1,709)</b>
<b>Premiums earned</b>				
Direct	30,378	17,223	—	47,601
Assumed	2,488	318	(14)	2,792
<b>Subtotal</b>	<b>32,866</b>	<b>17,541</b>	<b>(14)</b>	<b>50,393</b>
Ceded	(3,495)	(397)	14	(3,878)
<b>Net</b>	<b>29,371</b>	<b>17,144</b>	<b>—</b>	<b>46,515</b>

## 22 Interest and similar income

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Interest from held-to-maturity investments	49	45	139	131
Dividends from available-for-sale investments	287	161	980	793
Interest from available-for-sale investments	3,124	2,966	9,324	8,670
Share of earnings from investments in associates and joint ventures	70	18	154	134
Rent from real estate held for investment	194	162	573	513
Interest from loans to banks and customers	1,384	1,336	4,112	4,124
Other interest	66	43	136	114
<b>Total</b>	<b>5,174</b>	<b>4,731</b>	<b>15,418</b>	<b>14,479</b>

## 23 Income from financial assets and liabilities carried at fair value through income (net)

Three months ended September 30,	Property- Casualty € mn	Life/Health € mn	Asset Management € mn	Corporate and Other € mn	Consoli- dation € mn	Group € mn
<b>2011</b>						
Income (expenses) from financial assets and liabilities held for trading (net)	(90)	(393)	(9)	(307)	39	(760)
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	13	(365)	(59)	(1)	(1)	(413)
Income (expenses) from financial liabilities for puttable equity instruments (net)	(3)	167	45	—	—	209
Foreign currency gains and losses (net)	50	242	2	1	—	295
<b>Total</b>	<b>(30)</b>	<b>(349)</b>	<b>(21)</b>	<b>(307)</b>	<b>38</b>	<b>(669)</b>
<b>2010</b>						
Income (expenses) from financial assets and liabilities held for trading (net)	35	481	2	26	(1)	543
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	36	257	29	1	—	323
Income (expenses) from financial liabilities for puttable equity instruments (net)	(7)	(73)	(15)	—	—	(95)
Foreign currency gains and losses (net)	(53)	(550)	(9)	(11)	2	(621)
<b>Total</b>	<b>11</b>	<b>115</b>	<b>7</b>	<b>16</b>	<b>1</b>	<b>150</b>

## 23 Income from financial assets and liabilities carried at fair value through income (net) (continued)

Nine months ended September 30,	Property-Casualty € mn	Life/Health € mn	Asset Management € mn	Corporate and Other € mn	Consolidation € mn	Group € mn
<b>2011</b>						
Income (expenses) from financial assets and liabilities held for trading (net)	(49)	(150)	(7)	(420)	40	(586)
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	57	(319)	(54)	(7)	(1)	(324)
Income (expenses) from financial liabilities for puttable equity instruments (net)	3	212	48	—	—	263
Foreign currency gains and losses (net)	(25)	(376)	(5)	4	—	(402)
<b>Total</b>	<b>(14)</b>	<b>(633)</b>	<b>(18)</b>	<b>(423)</b>	<b>39</b>	<b>(1,049)</b>
<b>2010</b>						
Income (expenses) from financial assets and liabilities held for trading (net)	(68)	(251)	1	(60)	3	(375)
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	76	725	20	2	—	823
Income (expenses) from financial liabilities for puttable equity instruments (net)	(12)	(209)	(13)	—	—	(234)
Foreign currency gains and losses (net)	(16)	229	—	(46)	—	167
<b>Total</b>	<b>(20)</b>	<b>494</b>	<b>8</b>	<b>(104)</b>	<b>3</b>	<b>381</b>

### Income (expenses) from financial assets and liabilities held for trading (net)

#### Life/Health segment

For the nine months ended September 30, 2011, income (expenses) from financial assets and liabilities held for trading (net) in the Life/Health segment includes expenses of € 137 mn (2010: € 273 mn) from derivative financial instruments. This includes income of € 555 mn (2010: € 371 mn) in German entities from financial derivative positions held for duration management and protection against equity and foreign exchange rate fluctuations. Also included are expenses related to fixed-indexed annuity products and guaranteed benefits under unit-linked contracts of € 590 mn (2010: € 559 mn) from U.S. entities.

#### Corporate and Other segment

For the nine months ended September 30, 2011, income (expenses) from financial assets and liabilities held for trading (net) in the Corporate and Other segment includes expenses of € 463 mn (2010: € 73 mn) from derivative financial instruments. This includes expenses of € 16 mn (2010: income of € 20 mn) from financial derivative instruments to protect investments and liabilities against foreign exchange rate fluctuations. In 2011, hedging of strategic equity investments not designated for hedge accounting induced expenses of € 31 mn (2010: € 19 mn). Financial derivatives related to

investment strategies exhibited expenses of € 322 mn (2010: € 42 mn). Income of € 42 mn (2010: € 1 mn) from the hedges of share-based compensation plans (restricted stock units) is also included.

### Foreign currency gains and losses (net)

Foreign currency gains and losses are reported within income from financial assets and liabilities carried at fair value through income (net). These foreign currency gains and losses arise subsequent to initial recognition on all assets and liabilities denominated in a foreign currency that are monetary items. The Allianz Group is hedged against foreign currency fluctuations with free-standing derivatives resulting in an offsetting effect of € 101 mn (2010: € (113) mn) on the foreign currency gains and losses (net) for the nine months ended September 30, 2011.

## 24 Realized gains/losses (net)

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>Realized gains</b>				
<b>Available-for-sale investments</b>				
Equity securities	734	547	1,758	1,832
Debt securities	569	441	1,350	1,300
<b>Subtotal</b>	<b>1,303</b>	<b>988</b>	<b>3,108</b>	<b>3,132</b>
Investments in associates and joint ventures <sup>1</sup>	101	77	104	101
Real estate held for investment	51	91	190	211
Loans and advances to banks and customers	48	34	136	97
Non-current assets and assets and liabilities of disposal groups classified as held for sale	3	—	79	—
<b>Subtotal</b>	<b>1,506</b>	<b>1,190</b>	<b>3,617</b>	<b>3,541</b>
<b>Realized losses</b>				
<b>Available-for-sale investments</b>				
Equity securities	(208)	(67)	(291)	(152)
Debt securities	(384)	(132)	(788)	(657)
<b>Subtotal</b>	<b>(592)</b>	<b>(199)</b>	<b>(1,079)</b>	<b>(809)</b>
Investments in associates and joint ventures <sup>2</sup>	(8)	—	(24)	(4)
Real estate held for investment	—	—	(1)	(3)
Loans and advances to banks and customers	—	(1)	(6)	(29)
Non-current assets and assets and liabilities of disposal groups classified as held for sale	—	—	(2)	—
<b>Subtotal</b>	<b>(600)</b>	<b>(200)</b>	<b>(1,112)</b>	<b>(845)</b>
<b>Total</b>	<b>906</b>	<b>990</b>	<b>2,505</b>	<b>2,696</b>

1 During the three and the nine months ended September 30, 2011 and 2010, includes realized gains from the disposal of subsidiaries of € 1 mn (2010: € 74 mn) and € 1 mn (2010: € 90 mn), respectively.

2 During the three and the nine months ended September 30, 2011 and 2010, includes realized losses from the disposal of subsidiaries of € 8 mn (2010: € — mn) and € 22 mn (2010: € 4 mn), respectively.

## 25 Fee and commission income

Three months ended September 30,	2011			2010		
	Segment	Consolidation	Group	Segment	Consolidation	Group
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
<b>Property-Casualty</b>						
Fees from credit and assistance business	170	(1)	169	163	(1)	162
Service agreements	108	(15)	93	100	(12)	88
<b>Subtotal</b>	<b>278</b>	<b>(16)</b>	<b>262</b>	<b>263</b>	<b>(13)</b>	<b>250</b>
<b>Life/Health</b>						
Service agreements	22	(4)	18	27	(8)	19
Investment advisory	117	(15)	102	102	(8)	94
<b>Subtotal</b>	<b>139</b>	<b>(19)</b>	<b>120</b>	<b>129</b>	<b>(16)</b>	<b>113</b>
<b>Asset Management</b>						
Management fees	1,403	(32)	1,371	1,305	(25)	1,280
Loading and exit fees	117	—	117	98	—	98
Performance fees	45	(3)	42	73	(3)	70
Other	57	(3)	54	47	(3)	44
<b>Subtotal</b>	<b>1,622</b>	<b>(38)</b>	<b>1,584</b>	<b>1,523</b>	<b>(31)</b>	<b>1,492</b>
<b>Corporate and Other</b>						
Service agreements	28	(4)	24	45	(4)	41
Investment advisory and Banking activities	131	(64)	67	141	(76)	65
<b>Subtotal</b>	<b>159</b>	<b>(68)</b>	<b>91</b>	<b>186</b>	<b>(80)</b>	<b>106</b>
<b>Total</b>	<b>2,198</b>	<b>(141)</b>	<b>2,057</b>	<b>2,101</b>	<b>(140)</b>	<b>1,961</b>

Nine months ended September 30,	2011			2010		
	Segment	Consolidation	Group	Segment	Consolidation	Group
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
<b>Property-Casualty</b>						
Fees from credit and assistance business	508	(3)	505	496	(3)	493
Service agreements	332	(45)	287	303	(35)	268
<b>Subtotal</b>	<b>840</b>	<b>(48)</b>	<b>792</b>	<b>799</b>	<b>(38)</b>	<b>761</b>
<b>Life/Health</b>						
Service agreements	61	(13)	48	69	(19)	50
Investment advisory	346	(37)	309	307	(23)	284
<b>Subtotal</b>	<b>407</b>	<b>(50)</b>	<b>357</b>	<b>376</b>	<b>(42)</b>	<b>334</b>
<b>Asset Management</b>						
Management fees	4,092	(102)	3,990	3,657	(77)	3,580
Loading and exit fees	304	—	304	278	—	278
Performance fees	182	(2)	180	289	(3)	286
Other	152	(10)	142	110	(8)	102
<b>Subtotal</b>	<b>4,730</b>	<b>(114)</b>	<b>4,616</b>	<b>4,334</b>	<b>(88)</b>	<b>4,246</b>
<b>Corporate and Other</b>						
Service agreements	110	(11)	99	131	(21)	110
Investment advisory and Banking activities	406	(188)	218	411	(191)	220
<b>Subtotal</b>	<b>516</b>	<b>(199)</b>	<b>317</b>	<b>542</b>	<b>(212)</b>	<b>330</b>
<b>Total</b>	<b>6,493</b>	<b>(411)</b>	<b>6,082</b>	<b>6,051</b>	<b>(380)</b>	<b>5,671</b>

## 26 Other income

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>Income from real estate held for own use</b>				
Realized gains from disposals of real estate held for own use	8	3	10	18
Other income from real estate held for own use	2	2	2	2
<b>Subtotal</b>	<b>10</b>	<b>5</b>	<b>12</b>	<b>20</b>
<b>Income from alternative investments</b>	<b>25</b>	<b>13</b>	<b>78</b>	<b>54</b>
<b>Other</b>	<b>4</b>	<b>4</b>	<b>13</b>	<b>13</b>
<b>Total</b>	<b>39</b>	<b>22</b>	<b>103</b>	<b>87</b>

## 27 Income and expenses from fully consolidated private equity investments

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>Income</b>				
Sales and service revenues	421	442	1,253	1,202
Other operating revenues	20	4	36	9
Interest income	1	1	2	2
<b>Subtotal</b>	<b>442</b>	<b>447</b>	<b>1,291</b>	<b>1,213</b>
<b>Expenses</b>				
Cost of goods sold	(244)	(274)	(727)	(732)
Commissions	(28)	(28)	(78)	(86)
General and administrative expenses	(155)	(155)	(462)	(435)
Other operating expenses	(25)	(75)	(64)	(104)
Interest expenses	(20)	(22)	(53)	(65)
<b>Subtotal</b>	<b>(472)<sup>1</sup></b>	<b>(554)<sup>1</sup></b>	<b>(1,384)<sup>1</sup></b>	<b>(1,422)<sup>1</sup></b>
<b>Total</b>	<b>(30)<sup>1</sup></b>	<b>(107)<sup>1</sup></b>	<b>(93)<sup>1</sup></b>	<b>(209)<sup>1</sup></b>

<sup>1</sup> The presented subtotal for expenses and total income and expenses from fully consolidated private equity investment for the three and the nine months ended September 30, 2011 differs from the amounts presented in the "Consolidated Income Statements" and in "Total revenues and reconciliation of Operating profit (loss) to Net income (loss)". This difference is due to a consolidation effect of € 15 mn (2010: € 59 mn) and € 46 mn (2010: € 109 mn) for the three and the nine months ended September 30, 2011, respectively. This consolidation effect results from the deferred policyholder participation, recognized on the result from fully consolidated private equity investments within operating profit in the Life/Health segment, that was reclassified into expenses from fully consolidated private equity investments in non-operating profit to ensure a consistent presentation of the Allianz Group's operating profit.

## 28 Claims and insurance benefits incurred (net)

Three months ended September 30,	Property- Casualty € mn	Life/Health € mn	Consolidation € mn	Group € mn
<b>2011</b>				
<b>Gross</b>				
Claims and insurance benefits paid	(6,805)	(4,664)	2	(11,467)
Change in reserves for loss and loss adjustment expenses	(1,109)	(23)	2	(1,130)
<b>Subtotal</b>	<b>(7,914)</b>	<b>(4,687)</b>	<b>4</b>	<b>(12,597)</b>
<b>Ceded</b>				
Claims and insurance benefits paid	485	122	(2)	605
Change in reserves for loss and loss adjustment expenses	178	3	(2)	179
<b>Subtotal</b>	<b>663</b>	<b>125</b>	<b>(4)</b>	<b>784</b>
<b>Net</b>				
Claims and insurance benefits paid	(6,320)	(4,542)	—	(10,862)
Change in reserves for loss and loss adjustment expenses	(931)	(20)	—	(951)
<b>Total</b>	<b>(7,251)</b>	<b>(4,562)</b>	<b>—</b>	<b>(11,813)</b>
<b>2010</b>				
<b>Gross</b>				
Claims and insurance benefits paid	(7,010)	(4,349)	5	(11,354)
Change in reserves for loss and loss adjustment expenses	(623)	(68)	(1)	(692)
<b>Subtotal</b>	<b>(7,633)</b>	<b>(4,417)</b>	<b>4</b>	<b>(12,046)</b>
<b>Ceded</b>				
Claims and insurance benefits paid	619	93	(5)	707
Change in reserves for loss and loss adjustment expenses	(32)	17	1	(14)
<b>Subtotal</b>	<b>587</b>	<b>110</b>	<b>(4)</b>	<b>693</b>
<b>Net</b>				
Claims and insurance benefits paid	(6,391)	(4,256)	—	(10,647)
Change in reserves for loss and loss adjustment expenses	(655)	(51)	—	(706)
<b>Total</b>	<b>(7,046)</b>	<b>(4,307)</b>	<b>—</b>	<b>(11,353)</b>



## 28 Claims and insurance benefits incurred (net) (continued)

Nine months ended September 30,	Property- Casualty € mn	Life/Health € mn	Consolidation € mn	Group € mn
<b>2011</b>				
<b>Gross</b>				
Claims and insurance benefits paid	(20,803)	(14,374)	10	(35,167)
Change in reserves for loss and loss adjustment expenses	(1,740)	(163)	1	(1,902)
<b>Subtotal</b>	<b>(22,543)</b>	<b>(14,537)</b>	<b>11</b>	<b>(37,069)</b>
<b>Ceded</b>				
Claims and insurance benefits paid	1,479	355	(10)	1,824
Change in reserves for loss and loss adjustment expenses	104	8	(1)	111
<b>Subtotal</b>	<b>1,583</b>	<b>363</b>	<b>(11)</b>	<b>1,935</b>
<b>Net</b>				
Claims and insurance benefits paid	(19,324)	(14,019)	—	(33,343)
Change in reserves for loss and loss adjustment expenses	(1,636)	(155)	—	(1,791)
<b>Total</b>	<b>(20,960)</b>	<b>(14,174)</b>	<b>—</b>	<b>(35,134)</b>
<b>2010</b>				
<b>Gross</b>				
Claims and insurance benefits paid	(21,377)	(13,788)	9	(35,156)
Change in reserves for loss and loss adjustment expenses	(336)	(172)	(2)	(510)
<b>Subtotal</b>	<b>(21,713)</b>	<b>(13,960)</b>	<b>7</b>	<b>(35,666)</b>
<b>Ceded</b>				
Claims and insurance benefits paid	1,791	327	(9)	2,109
Change in reserves for loss and loss adjustment expenses	(591)	30	2	(559)
<b>Subtotal</b>	<b>1,200</b>	<b>357</b>	<b>(7)</b>	<b>1,550</b>
<b>Net</b>				
Claims and insurance benefits paid	(19,586)	(13,461)	—	(33,047)
Change in reserves for loss and loss adjustment expenses	(927)	(142)	—	(1,069)
<b>Total</b>	<b>(20,513)</b>	<b>(13,603)</b>	<b>—</b>	<b>(34,116)</b>

## 29 Change in reserves for insurance and investment contracts (net)

Three months ended September 30,	Property- Casualty € mn	Life/Health € mn	Consolidation € mn	Group € mn
<b>2011</b>				
<b>Gross</b>				
Aggregate policy reserves	(59)	(1,876)	—	(1,935)
Other insurance reserves	—	(32)	—	(32)
Expenses for premium refunds	22	(623)	(3)	(604)
<b>Subtotal</b>	<b>(37)</b>	<b>(2,531)</b>	<b>(3)</b>	<b>(2,571)</b>
<b>Ceded</b>				
Aggregate policy reserves	1	11	—	12
Other insurance reserves	—	3	—	3
Expenses for premium refunds	(3)	2	—	(1)
<b>Subtotal</b>	<b>(2)</b>	<b>16</b>	<b>—</b>	<b>14</b>
<b>Net</b>				
Aggregate policy reserves	(58)	(1,865)	—	(1,923)
Other insurance reserves	—	(29)	—	(29)
Expenses for premium refunds	19	(621)	(3)	(605)
<b>Total</b>	<b>(39)</b>	<b>(2,515)</b>	<b>(3)</b>	<b>(2,557)</b>
<b>2010</b>				
<b>Gross</b>				
Aggregate policy reserves	(53)	(2,124)	(1)	(2,178)
Other insurance reserves	(2)	(70)	—	(72)
Expenses for premium refunds	(34)	(1,517)	(123)	(1,674)
<b>Subtotal</b>	<b>(89)</b>	<b>(3,711)</b>	<b>(124)</b>	<b>(3,924)</b>
<b>Ceded</b>				
Aggregate policy reserves	18	26	1	45
Other insurance reserves	(1)	2	—	1
Expenses for premium refunds	1	10	—	11
<b>Subtotal</b>	<b>18</b>	<b>38</b>	<b>1</b>	<b>57</b>
<b>Net</b>				
Aggregate policy reserves	(35)	(2,098)	—	(2,133)
Other insurance reserves	(3)	(68)	—	(71)
Expenses for premium refunds	(33)	(1,507)	(123)	(1,663)
<b>Total</b>	<b>(71)</b>	<b>(3,673)</b>	<b>(123)</b>	<b>(3,867)</b>

## 29 Change in reserves for insurance and investment contracts (net) (continued)

Nine months ended September 30,	Property- Casualty € mn	Life/Health € mn	Consolidation € mn	Group € mn
<b>2011</b>				
<b>Gross</b>				
Aggregate policy reserves	(149)	(5,915)	—	(6,064)
Other insurance reserves	2	(97)	—	(95)
Expenses for premium refunds	(66)	(2,906)	(54)	(3,026)
<b>Subtotal</b>	<b>(213)</b>	<b>(8,918)</b>	<b>(54)</b>	<b>(9,185)</b>
<b>Ceded</b>				
Aggregate policy reserves	(15)	22	—	7
Other insurance reserves	1	9	—	10
Expenses for premium refunds	8	5	—	13
<b>Subtotal</b>	<b>(6)</b>	<b>36</b>	<b>—</b>	<b>30</b>
<b>Net</b>				
Aggregate policy reserves	(164)	(5,893)	—	(6,057)
Other insurance reserves	3	(88)	—	(85)
Expenses for premium refunds	(58)	(2,901)	(54)	(3,013)
<b>Total</b>	<b>(219)</b>	<b>(8,882)</b>	<b>(54)</b>	<b>(9,155)</b>
<b>2010</b>				
<b>Gross</b>				
Aggregate policy reserves	(165)	(5,954)	—	(6,119)
Other insurance reserves	(6)	(224)	—	(230)
Expenses for premium refunds	(95)	(4,035)	(188)	(4,318)
<b>Subtotal</b>	<b>(266)</b>	<b>(10,213)</b>	<b>(188)</b>	<b>(10,667)</b>
<b>Ceded</b>				
Aggregate policy reserves	24	11	—	35
Other insurance reserves	(2)	9	—	7
Expenses for premium refunds	—	15	—	15
<b>Subtotal</b>	<b>22</b>	<b>35</b>	<b>—</b>	<b>57</b>
<b>Net</b>				
Aggregate policy reserves	(141)	(5,943)	—	(6,084)
Other insurance reserves	(8)	(215)	—	(223)
Expenses for premium refunds	(95)	(4,020)	(188)	(4,303)
<b>Total</b>	<b>(244)</b>	<b>(10,178)</b>	<b>(188)</b>	<b>(10,610)</b>

## 30 Interest expenses

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Liabilities to banks and customers	(99)	(90)	(289)	(279)
Deposits retained on reinsurance ceded	(13)	(17)	(34)	(53)
Certificated liabilities	(76)	(78)	(223)	(230)
Participation certificates and subordinated liabilities	(174)	(141)	(489)	(419)
Other	(27)	(20)	(71)	(75)
<b>Total</b>	<b>(389)</b>	<b>(346)</b>	<b>(1,106)</b>	<b>(1,056)</b>

## 31 Loan loss provisions

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Additions to allowances including direct impairments	(25)	(33)	(120)	(89)
Amounts released	8	17	44	42
Recoveries on loans previously impaired	4	4	14	14
<b>Total</b>	<b>(13)</b>	<b>(12)</b>	<b>(62)</b>	<b>(33)</b>

## 32 Impairments of investments (net)

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
<b>Impairments</b>				
<b>Available-for-sale investments</b>				
Equity securities	(1,688)	(68)	(1,932)	(379)
Debt securities	(269)	(6)	(922)	(133)
<b>Subtotal</b>	<b>(1,957)</b>	<b>(74)</b>	<b>(2,854)</b>	<b>(512)</b>
<b>Held-to-maturity investments</b>	<b>(6)</b>	<b>—</b>	<b>(29)</b>	<b>—</b>
Real estate held for investment	(23)	(11)	(41)	(30)
Loans and advances to banks and customers	(8)	(5)	(14)	(17)
Non-current assets and liabilities of disposal groups classified as held for sale	(9)	(7)	(33)	(41)
<b>Subtotal</b>	<b>(2,003)</b>	<b>(97)</b>	<b>(2,971)</b>	<b>(600)</b>
<b>Reversals of impairments</b>				
<b>Available-for-sale investments</b>				
Debt securities	—	2	1	35
Real estate held for investment	29	25	29	27
Loans and advances to banks and customers	27	1	29	1
<b>Subtotal</b>	<b>56</b>	<b>28</b>	<b>59</b>	<b>63</b>
<b>Total</b>	<b>(1,947)</b>	<b>(69)</b>	<b>(2,912)</b>	<b>(537)</b>

### Impairments of Greek sovereign bond portfolio

As of September 30, 2011, Greek sovereign bonds were impaired and consequently written down to the current market value in accordance with IFRS impairment rules for available-for-sale debt securities.

The following table provides an overview of the gross and net impact of the impairment losses on operating profit and non-operating result as well as on net income for the three months and the nine months ended September 30, 2011:

	Three months ended September 30, 2011	Nine months ended September 30, 2011
	€ mn	€ mn
<b>Gross impact (before policyholder participation)</b>		
Operating profit	(53)	(332)
Non-operating result	(145)	(510)
<b>Total gross impairments</b>	<b>(198)</b>	<b>(842)</b>
<b>Net impact (after policyholder participation)</b>		
Operating profit	7	(69)
Non-operating result	(145)	(510)
<b>Total net impairments</b>	<b>(138)</b>	<b>(579)</b>
Income taxes	16	131
<b>Impact on net income</b>	<b>(122)</b>	<b>(448)</b>

### 33 Investment expenses

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Investment management expenses	(129)	(105)	(361)	(315)
Depreciation of real estate held for investment	(52)	(34)	(144)	(126)
Other expenses for real estate held for investment	(66)	(38)	(152)	(128)
<b>Total</b>	<b>(247)</b>	<b>(177)</b>	<b>(657)</b>	<b>(569)</b>

### 34 Acquisition and administrative expenses (net)

Three months ended September 30,	2011			2010		
	Segment € mn	Consolidation € mn	Group € mn	Segment € mn	Consolidation € mn	Group € mn
<b>Property-Casualty</b>						
<b>Acquisition costs</b>						
Incurred	(2,118)	2	(2,116)	(2,148)	1	(2,147)
Commissions and profit received on reinsurance business ceded	148	(1)	147	109	(1)	108
Deferrals of acquisition costs	1,127	—	1,127	940	—	940
Amortization of deferred acquisition costs	(1,276)	—	(1,276)	(1,095)	—	(1,095)
<b>Subtotal</b>	<b>(2,119)</b>	<b>1</b>	<b>(2,118)</b>	<b>(2,194)</b>	<b>—</b>	<b>(2,194)</b>
<b>Administrative expenses</b>	<b>(667)</b>	<b>(25)</b>	<b>(692)</b>	<b>(727)</b>	<b>(15)</b>	<b>(742)</b>
<b>Subtotal</b>	<b>(2,786)</b>	<b>(24)</b>	<b>(2,810)</b>	<b>(2,921)</b>	<b>(15)</b>	<b>(2,936)</b>
<b>Life/Health</b>						
<b>Acquisition costs</b>						
Incurred	(1,033)	2	(1,031)	(1,027)	—	(1,027)
Commissions and profit received on reinsurance business ceded	21	(1)	20	26	(1)	25
Deferrals of acquisition costs	699	(1)	698	729	—	729
Amortization of deferred acquisition costs	(383)	—	(383)	(390)	—	(390)
<b>Subtotal</b>	<b>(696)</b>	<b>—</b>	<b>(696)</b>	<b>(662)</b>	<b>(1)</b>	<b>(663)</b>
<b>Administrative expenses</b>	<b>(342)</b>	<b>43</b>	<b>(299)</b>	<b>(338)</b>	<b>(6)</b>	<b>(344)</b>
<b>Subtotal</b>	<b>(1,038)</b>	<b>43</b>	<b>(995)</b>	<b>(1,000)</b>	<b>(7)</b>	<b>(1,007)</b>
<b>Asset Management</b>						
Personnel expenses	(530)	—	(530)	(523)	—	(523)
Non-personnel expenses	(300)	3	(297)	(292)	2	(290)
<b>Subtotal</b>	<b>(830)</b>	<b>3</b>	<b>(827)</b>	<b>(815)</b>	<b>2</b>	<b>(813)</b>
<b>Corporate and Other</b>						
Administrative expenses	(300)	—	(300)	(329)	28	(301)
<b>Subtotal</b>	<b>(300)</b>	<b>—</b>	<b>(300)</b>	<b>(329)</b>	<b>28</b>	<b>(301)</b>
<b>Total</b>	<b>(4,954)</b>	<b>22</b>	<b>(4,932)</b>	<b>(5,065)</b>	<b>8</b>	<b>(5,057)</b>

## 34 Acquisition and administrative expenses (net) (continued)

Nine months ended September 30,	2011			2010		
	Segment	Consoli- dation	Group	Segment	Consoli- dation	Group
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
<b>Property-Casualty</b>						
<b>Acquisition costs</b>						
Incurred	(6,770)	5	(6,765)	(6,731)	1	(6,730)
Commissions and profit received on reinsurance business ceded	354	(3)	351	359	(3)	356
Deferrals of acquisition costs	3,971	—	3,971	3,738	—	3,738
Amortization of deferred acquisition costs	(3,784)	—	(3,784)	(3,561)	—	(3,561)
<b>Subtotal</b>	<b>(6,229)</b>	<b>2</b>	<b>(6,227)</b>	<b>(6,195)</b>	<b>(2)</b>	<b>(6,197)</b>
<b>Administrative expenses</b>	<b>(2,033)</b>	<b>6</b>	<b>(2,027)</b>	<b>(2,047)</b>	<b>(4)</b>	<b>(2,051)</b>
<b>Subtotal</b>	<b>(8,262)</b>	<b>8</b>	<b>(8,254)</b>	<b>(8,242)</b>	<b>(6)</b>	<b>(8,248)</b>
<b>Life/Health</b>						
<b>Acquisition costs</b>						
Incurred	(3,203)	4	(3,199)	(3,128)	2	(3,126)
Commissions and profit received on reinsurance business ceded	67	(4)	63	73	(1)	72
Deferrals of acquisition costs	2,283	(1)	2,282	2,220	—	2,220
Amortization of deferred acquisition costs	(1,518)	—	(1,518)	(1,543)	1	(1,542)
<b>Subtotal</b>	<b>(2,371)</b>	<b>(1)</b>	<b>(2,372)</b>	<b>(2,378)</b>	<b>2</b>	<b>(2,376)</b>
<b>Administrative expenses</b>	<b>(1,069)</b>	<b>68</b>	<b>(1,001)</b>	<b>(1,072)</b>	<b>24</b>	<b>(1,048)</b>
<b>Subtotal</b>	<b>(3,440)</b>	<b>67</b>	<b>(3,373)</b>	<b>(3,450)</b>	<b>26</b>	<b>(3,424)</b>
<b>Asset Management</b>						
Personnel expenses	(1,614)	—	(1,614)	(1,685)	—	(1,685)
Non-personnel expenses	(868)	15	(853)	(762)	—	(762)
<b>Subtotal</b>	<b>(2,482)</b>	<b>15</b>	<b>(2,467)</b>	<b>(2,447)</b>	<b>—</b>	<b>(2,447)</b>
<b>Corporate and Other</b>						
Administrative expenses	(927)	(36)	(963)	(953)	11	(942)
<b>Subtotal</b>	<b>(927)</b>	<b>(36)</b>	<b>(963)</b>	<b>(953)</b>	<b>11</b>	<b>(942)</b>
<b>Total</b>	<b>(15,111)</b>	<b>54</b>	<b>(15,057)</b>	<b>(15,092)</b>	<b>31</b>	<b>(15,061)</b>

## 35 Fee and commission expenses

Three months ended September 30,	2011			2010		
	Segment	Consoli- dation	Group	Segment	Consoli- dation	Group
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
<b>Property-Casualty</b>						
Fees from credit and assistance business	(149)	—	(149)	(152)	—	(152)
Service agreements	(110)	15	(95)	(99)	11	(88)
<b>Subtotal</b>	<b>(259)</b>	<b>15</b>	<b>(244)</b>	<b>(251)</b>	<b>11</b>	<b>(240)</b>
<b>Life/Health</b>						
Service agreements	(8)	1	(7)	(18)	4	(14)
Investment advisory	(40)	(1)	(41)	(49)	2	(47)
<b>Subtotal</b>	<b>(48)</b>	<b>—</b>	<b>(48)</b>	<b>(67)</b>	<b>6</b>	<b>(61)</b>
<b>Asset Management</b>						
Commissions	(267)	48	(219)	(281)	45	(236)
Other	(20)	1	(19)	(7)	3	(4)
<b>Subtotal</b>	<b>(287)</b>	<b>49</b>	<b>(238)</b>	<b>(288)</b>	<b>48</b>	<b>(240)</b>
<b>Corporate and Other</b>						
Service agreements	(39)	3	(36)	(48)	4	(44)
Investment advisory and Banking activities	(53)	—	(53)	(51)	—	(51)
<b>Subtotal</b>	<b>(92)</b>	<b>3</b>	<b>(89)</b>	<b>(99)</b>	<b>4</b>	<b>(95)</b>
<b>Total</b>	<b>(686)</b>	<b>67</b>	<b>(619)</b>	<b>(705)</b>	<b>69</b>	<b>(636)</b>
<hr/>						
Nine months ended September 30,	2011			2010		
	Segment	Consoli- dation	Group	Segment	Consoli- dation	Group
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
<b>Property-Casualty</b>						
Fees from credit and assistance business	(461)	—	(461)	(456)	—	(456)
Service agreements	(327)	43	(284)	(296)	34	(262)
<b>Subtotal</b>	<b>(788)</b>	<b>43</b>	<b>(745)</b>	<b>(752)</b>	<b>34</b>	<b>(718)</b>
<b>Life/Health</b>						
Service agreements	(22)	2	(20)	(36)	8	(28)
Investment advisory	(131)	2	(129)	(148)	4	(144)
<b>Subtotal</b>	<b>(153)</b>	<b>4</b>	<b>(149)</b>	<b>(184)</b>	<b>12</b>	<b>(172)</b>
<b>Asset Management</b>						
Commissions	(812)	129	(683)	(798)	129	(669)
Other	(30)	2	(28)	(16)	5	(11)
<b>Subtotal</b>	<b>(842)</b>	<b>131</b>	<b>(711)</b>	<b>(814)</b>	<b>134</b>	<b>(680)</b>
<b>Corporate and Other</b>						
Service agreements	(159)	8	(151)	(151)	18	(133)
Investment advisory and Banking activities	(170)	1	(169)	(161)	—	(161)
<b>Subtotal</b>	<b>(329)</b>	<b>9</b>	<b>(320)</b>	<b>(312)</b>	<b>18</b>	<b>(294)</b>
<b>Total</b>	<b>(2,112)</b>	<b>187</b>	<b>(1,925)</b>	<b>(2,062)</b>	<b>198</b>	<b>(1,864)</b>

## 36 Other expenses

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Realized losses from disposals of real estate held for own use	—	(1)	—	(4)
Expenses for alternative investments	(14)	(8)	(43)	(36)
Other	—	(1)	(2)	(2)
<b>Total</b>	<b>(14)</b>	<b>(10)</b>	<b>(45)</b>	<b>(42)</b>

## 37 Income taxes

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Current income taxes	(238)	(382)	(1,413)	(1,432)
Deferred income taxes	(148)	(282)	(87)	(168)
<b>Total</b>	<b>(386)</b>	<b>(664)</b>	<b>(1,500)</b>	<b>(1,600)</b>

For the three and the nine months ended September 30, 2011 and 2010, the income taxes relating to components of the other comprehensive income consist of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Foreign currency translation adjustments	7	(14)	(8)	32
Available-for-sale investments	(195)	(579)	(40)	(1,228)
Cash flow hedges	(4)	(12)	—	(12)
Share of other comprehensive income of associates	1	—	1	(4)
Miscellaneous	12	(24)	61	(34)
<b>Total</b>	<b>(179)</b>	<b>(629)</b>	<b>14</b>	<b>(1,246)</b>



## 38 Earnings per share

### Basic earnings per share

Basic earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of common shares outstanding for the period.

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Net income attributable to shareholders used to calculate basic earnings per share	196	1,264	2,053	3,918
Weighted average number of common shares outstanding	451,639,672	451,248,014	451,606,941	451,226,109
Basic earnings per share (in €)	0.43	2.80	4.55	8.68

### Diluted earnings per share

Diluted earnings per share are calculated by dividing net income attributable to shareholders by the weighted

average number of common shares outstanding for the period, both adjusted for the effects of potentially dilutive common shares. These effects are derived from various share-based compensation plans of the Allianz Group.

	Three months ended September 30,		Nine months ended September 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Net income attributable to shareholders	196	1,264	2,053	3,918
Effect of potentially dilutive common shares	(42)	(6)	(50)	(18)
Net income used to calculate diluted earnings per share	154	1,258	2,003	3,900
Weighted average number of common shares outstanding	451,639,672	451,248,014	451,606,941	451,226,109
Potentially dilutive common shares resulting from assumed conversion of:				
Share-based compensation plans	1,683,995	1,005,133	1,217,568	1,115,128
Subtotal	1,683,995	1,005,133	1,217,568	1,115,128
Weighted average number of common shares outstanding after assumed conversion	453,323,667	452,253,147	452,824,509	452,341,237
Diluted earnings per share (in €)	0.34	2.78	4.42	8.62

For the nine months ended September 30, 2011, the weighted average number of common shares excludes 2,893,059 (2010: 2,673,891) treasury shares.

## Other Information

### 39 Financial instruments

#### Reclassification of financial assets

In January 2009, certain U.S. Dollar-denominated CDOs with a fair value of € 1.1 bn (notional amount of € 2.2 bn) were retained from Dresdner Bank. On January 31, 2009, subsequent to the derecognition of Dresdner Bank, the CDOs were reclassified from financial assets held for trading to loans and advances to banks and customers in accordance with IAS 39. The fair value of € 1.1 bn became the new carrying amount of the CDOs at the reclassification date. The expected recoverable cash flows as of the date of reclassification were € 1.8 bn, leading to an effective interest rate of approximately 7%.

In mid-2009, the CDOs were transferred to one of the Allianz Group's U.S. Dollar functional currency subsidiaries. As of December 31, 2010, the carrying amount and fair value of the CDOs were € 808 mn and € 810 mn, respectively. As of September 30, 2011, the carrying amount and fair value of the CDOs were € 738 mn and € 776 mn, respectively. For the nine months ended September 30, 2011, the changes in carrying amount and fair value were primarily impacted by cash receipts. The net profit related to the CDOs was not significant.

On October 26, 2011, the Allianz Group, along with other interest holders, initiated steps which will result in the liquidation of one CDO tranche with a carrying amount as of September 30, 2011 of € 312 mn. The Allianz Group intends to bid for its proportionate share of the underlying assets at the auction, which is currently expected to occur prior to year-end. The difference between the carrying amount upon liquidation and the fair value of the underlying assets will be recognized in profit or loss.

#### Fair value hierarchy of financial instruments

As of September 30, 2011, there were no significant changes in the fair value hierarchy of financial instruments and no significant transfers of financial instruments between the levels of the fair value hierarchy compared to the consolidated financial statements for the year ended December 31, 2010.

### 40 Other information

#### Number of employees

	As of September 30, 2011	As of December 31, 2010
Germany	46,944	47,889
Other countries	102,492	103,449
<b>Total</b>	<b>149,436</b>	<b>151,338</b>

#### Contingent liabilities and commitments

As of September 30, 2011, there were no significant changes in contingent liabilities compared to the consolidated financial statements for the year ended December 31, 2010.

As of September 30, 2011, commitments outstanding to invest in real estate and infrastructure amounted to € 1,466 mn (December 31, 2010: € 310 mn) and commitments outstanding to invest in private equity funds amounted to € 2,668 mn (December 31, 2010: € 2,517 mn). Commitments referring to maintenance, real estate development, sponsoring and purchase obligations increased to € 355 mn (December 31, 2010: € 252 mn). All other commitments show no significant changes.

### 41 Subsequent events

#### Natural catastrophes worldwide

Since the beginning of October 2011, several countries and regions, including Ireland, Italy, France, Turkey, eastern United States and Thailand, were hit by severe floodings, winterstorms and earthquakes. Based on current information it is too early to provide a reliable estimate of the expected losses.

#### E.U. decision regarding Greece and the EFSF

As of September 30, 2011, Greek sovereign bonds were impaired and consequently written down to the current market value in accordance with IFRS impairment rules for available-for-sale debt securities, reflecting 39% of nominal value. The Allianz Group welcomes the October 27, 2011 E.U. agreement in Brussels to solve the debt crisis in Europe. Nevertheless, the situation in European

bond markets remains uncertain and implementation of the E.U. agreement is not without risk. Accordingly, the Allianz Group cannot estimate any financial impact in connection with the recent agreements at this time.

#### **Share purchase agreement for Allianz Asset Management a.s., Bratislava**

On October 25, 2011, the Allianz Group signed the share purchase agreement to dispose of Allianz Asset Management a.s., Bratislava.

#### **Commitment to buy DEGI shares**

The Aberdeen Immobilien Kapitalanlagegesellschaft mbH announced on October 25, 2011 that the DEGI International Fund will be liquidated on October 15, 2014. Allianz Germany has made an offer to Allianz customers (valid until February 15, 2012) to acquire their participation right at the repurchase price of October 25, 2011 (€ 42.78), if specified conditions are met.

Munich, November 10, 2011

Allianz SE  
The Board of Management

## Review report

To Allianz SE, Munich

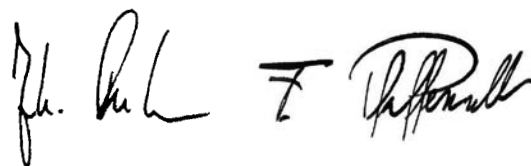
We have reviewed the condensed consolidated interim financial statements of Allianz SE, Munich – comprising the consolidated balance sheets, consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity, condensed consolidated statements of cash flows and selected explanatory notes - together with the interim group management report of Allianz SE, Munich, for the period from January 1 to September 30, 2011 that are part of the quarterly financial report according to § 37 x Abs. 3 WpHG [„Wertpapierhandelsgesetz“: „German Securities Trading Act“]. The preparation of the condensed consolidated interim financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the E.U., and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We performed our review of the condensed consolidated interim financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed consolidated interim financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the E.U., and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the E.U., or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Munich, November 10, 2011

KPMG AG  
Wirtschaftsprüfungsgesellschaft



Johannes Pastor  
Wirtschaftsprüfer  
(Independent Auditor)

Dr. Frank Pfaffenzeller  
Wirtschaftsprüfer  
(Independent Auditor)

# Financial Calendar

## Important dates for shareholders and analysts

February 23, 2012	Financial press conference for 2011 financial year
February 24, 2012	Analysts' conference for 2011 financial year
March 23, 2012	Annual Report 2011
May 9, 2012	Annual General Meeting
May 15, 2012	Interim Report First Quarter 2012
August 3, 2012	Interim Report Second Quarter 2012
November 9, 2012	Interim Report Third Quarter 2012

The German Securities Trading Act ("Wertpapierhandelsgesetz") obliges issuers to announce immediately any information which may have a substantial price impact, irrespective of the communicated schedules. Therefore we cannot exclude that we have to announce key figures of quarterly and fiscal year results ahead of the dates mentioned above.

As we can never rule out changes of dates, we recommend checking them on the Internet at [www.allianz.com/financialcalendar](http://www.allianz.com/financialcalendar)

## Imprint

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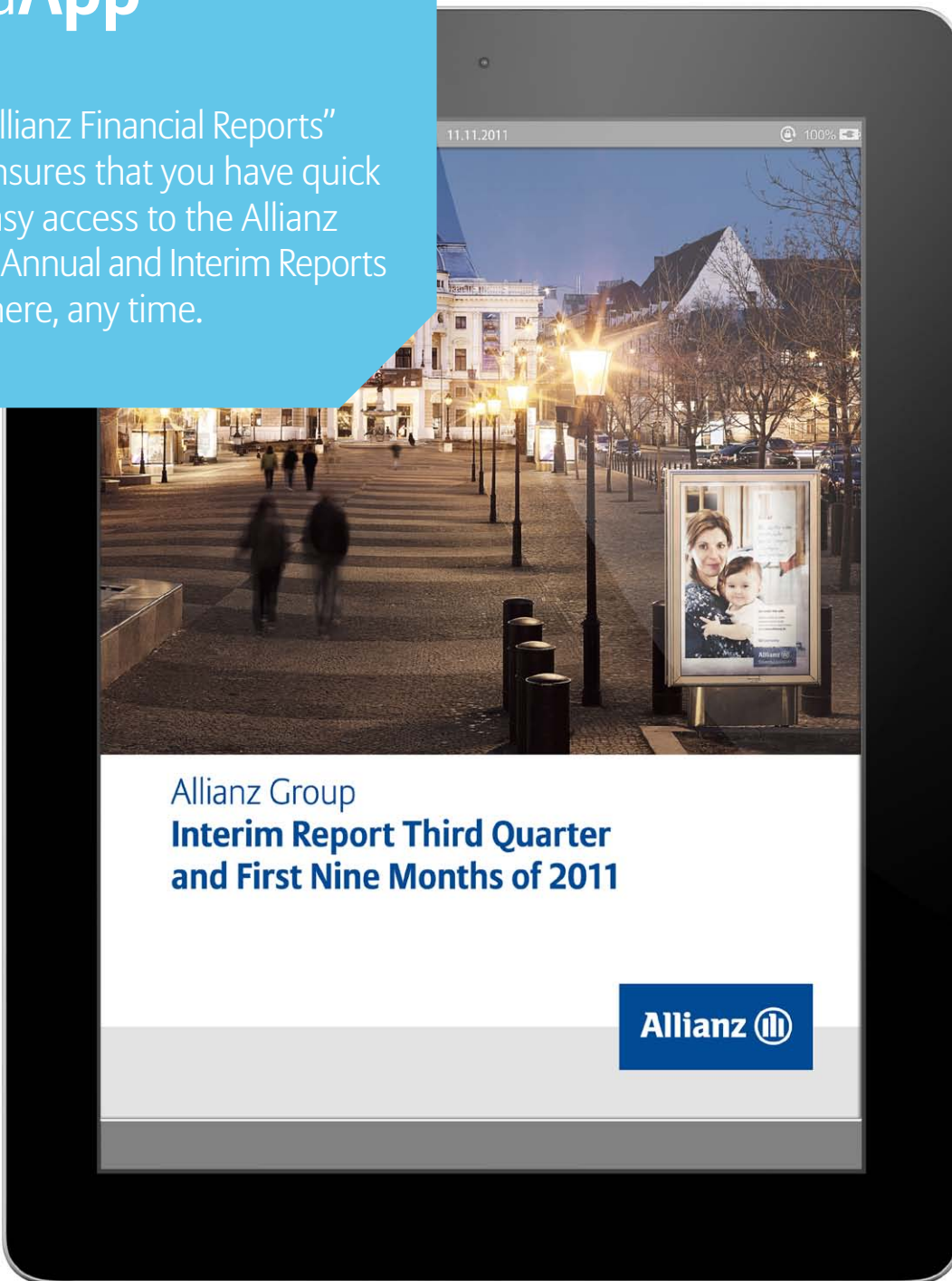
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