Allianz Group

Interim Report Third Quarter and First Nine Months of 2010

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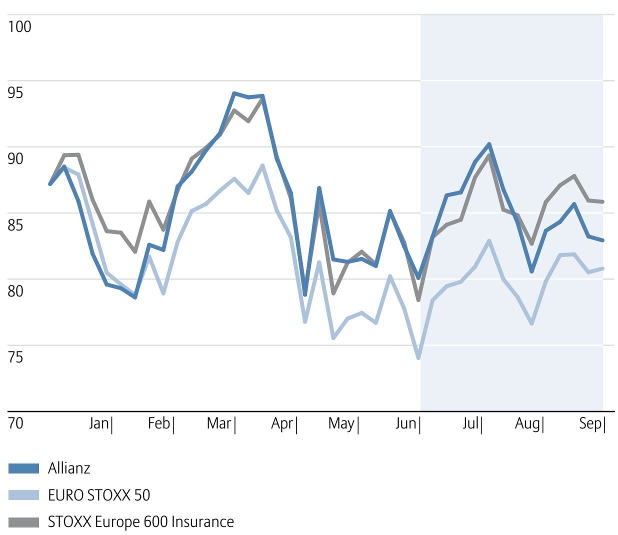
Allianz Share

Development of the Allianz share price since January 1, 2010

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.

Basic Allianz share information

Share type	Registered share with restricted transferability
Security Codes	WKN 840 400 ISIN DE 000 840 400 5
Bloomberg	ALV GY
Reuters	ALVG.DE

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,		
		2010	2009	Change from previous year	2010	2009	Change from previous year
INCOME STATEMENT[1]							
Total revenues[2]	€ mn	24,522	22,005	11.4 %	80,478	71,895	11.9 %
Operating profit[3]	€ mn	2,055	2,009	2.3 %	6,089	5,084	19.8 %
Net income from continuing operations	€ mn	1,268	1,390	(8.8) %	4,028	3,617	11.4 %
Net income (loss) from discontinued operations, net of income taxes[4]	€ mn	—	—	—	—	(395)	n.m.
Net income	€ mn	1,268	1,390	(8.8) %	4,028	3,222	25.0 %
SEGMENTS[5]							
Property-Casualty							
Gross premiums written	€ mn	10,600	10,232	3.6 %	34,545	33,640	2.7 %
Operating profit[3]	€ mn	1,122	1,031	8.8 %	2,981	2,895	3.0 %
Combined ratio	%	97.1	96.9	0.2 pts	97.9	98.2	(0.3) pts
Life/Health[1]							
Statutory premiums	€ mn	12,553	10,788	16.4 %	42,033	35,567	18.2 %
Operating profit[3]	€ mn	655	939	(30.2) %	2,314	2,201	5.1 %
Cost-income ratio	%	96.0	93.6	2.4 pts	95.7	95.2	0.5 pts
Asset Management							
Operating revenues	€ mn	1,256	899	39.7 %	3,560	2,395	48.6 %
Operating profit[3]	€ mn	521	368	41.6 %	1,503	825	82.2 %
Cost-income ratio	%	58.5	59.1	(0.6) pts	57.8	65.6	(7.8) pts
Corporate and Other							
Total revenues	€ mn	146	119	22.7 %	412	360	14.4 %
Operating profit[3]	€ mn	(270)	(295)	(8.5) %	(676)	(792)	(14.6) %
Cost-income ratio (Banking)	%	104.1	120.2	(16.1) pts	105.1	130.3	(25.2) pts
BALANCE SHEET[1]							
Total assets as of September 30,[6]	€ mn	622,732	583,717	6.7 %	622,732	583,717	6.7 %
Shareholders' equity as of September 30,[6]	€ mn	44,900	40,108	11.9 %	44,900	40,108	11.9 %
Non-controlling interests as of September 30,[6]	€ mn	2,171	2,121	2.4 %	2,171	2,121	2.4 %
SHARE INFORMATION							
Basic earnings per share[1]	€	2.80	3.06	(8.5) %	8.68	7.07	22.8 %
Diluted earnings per share[1]	€	2.78	3.05	(8.9) %	8.62	7.05	22.3 %
Share price as of September 30,[6]	€	82.90	87.15	(4.9) %	82.90	87.15	(4.9) %
Market capitalization as of September 30,[6]	€ bn	37.6	39.6	(4.9) %	37.6	39.6	(4.9) %
OTHER DATA							
Total assets under management as of September 30,[6]	€ bn	1,443	1,202	20.0 %	1,443	1,202	20.0 %
thereof: Third-party assets under management as of September 30,[6]	€ bn	1,131	926	22.1 %	1,131	926	22.1 %

1) Figures prior to third quarter of 2010 have been restated to reflect a change in Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.
2) 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).
3) 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.
4) Following the announcement of the sale on August 31, 2008, Dresdner Bank was classified as held for sale and discontinued operations. Therefore, all revenue and profit figures presented for our continuing business do not include the parts of Dresdner Bank that we sold to Commerzbank on January 12, 2009. The loss from derecognition of discontinued operations amounted to € 395 mn and represents mainly the recycling of components of other comprehensive income.
5) 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 3 of our condensed consolidated interim financial statements.
6) 2009 figures as of December 31, 2009.

Executive Summary and Outlook

– Revenue growth of 6.5 %[1] to € 24.5 billion.
– Strong operating profit of € 2,055 million.
– Net income of € 1,268 million.
– Solvency ratio solid at 168 %[2].

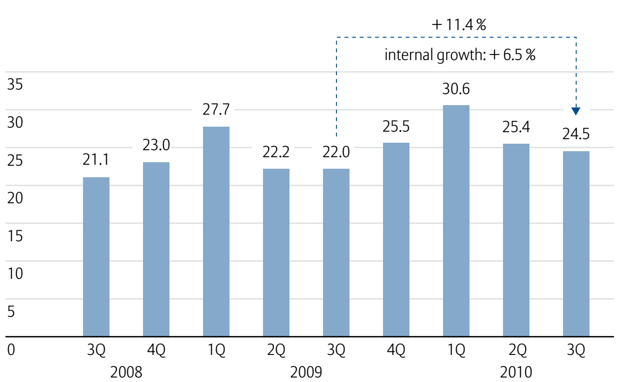
We have had another strong quarter with growth in revenues (up 6.5 % on an internal basis[1]) and operating profit (up € 46 million to € 2,055 million). Although pre-tax income was up slightly, net income decreased by 8.8 % to € 1,268 million following higher income tax expenses in this quarter.

Earnings Summary[3]

Total revenues[4]

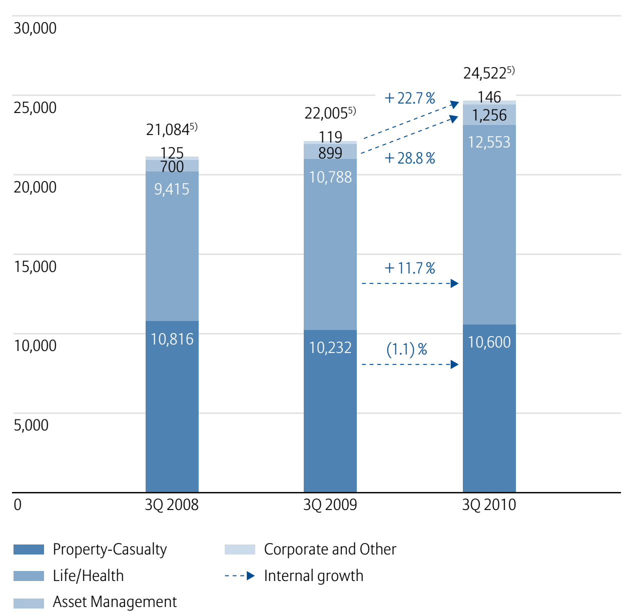
2010 to 2009 third quarter comparison

Total revenues
in € bn



The increase in revenues continued to be largely driven by Life/Health, with internal growth of 11.7 %. Asset Management growth was again outstanding, at 28.8 %. Property-Casualty premiums declined slightly by 1.1 %.

Total revenues – Segments[5]
in € mn



Property-Casualty gross premiums written declined by 1.1 % on an internal basis. Our selective underwriting was reflected in a positive price effect of 1.5 % and a negative volume effect of 2.6 %.

Strong demand for unit-linked products in particular, but also for traditional life products, supported the 11.7 % internal growth in **Life/Health** statutory premiums.

[1] Internal total revenue growth excludes the effects of foreign currency translation as well as acquisitions and disposals. Please refer to page 42 for a reconciliation of nominal total revenue growth to internal total revenue growth for each of our segments and the Allianz Group as a whole.
[2] 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 159 % (2009: 155 %).
[3] Figures prior to third quarter of 2010 have been restated to reflect a change in Allianz Group's accounting policy. For further information please refer to the Life/Health chapter and note 2 of our condensed consolidated interim financial statements.
[4] 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).

[5] Total revenues include € (33) mn, € (33) mn and € 28 mn from consolidation for 3Q 2010, 2009 and 2008, respectively.

Asset Management achieved revenue growth of 28.8 % on an internal basis, driven by an increase in management fees primarily from our fixed income business. Total assets under management amounted to € 1,443 billion, an increase of € 241 billion compared to December 31, 2009.

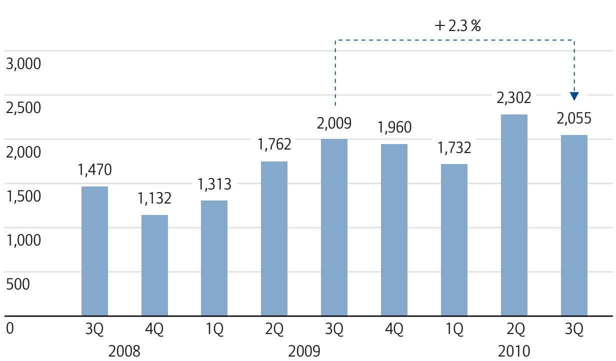
2010 to 2009 first nine months comparison

Total revenues grew by 9.0 % on an internal basis. Total growth of € 8,583 million was largely attributable to a € 6,466 million increase in Life/Health statutory premiums, due to strong demand for investment-oriented products, as well as higher traditional life business revenues. The other segments also contributed positively.

Operating profit

2010 to 2009 third quarter comparison

Operating profit[1]
in € mn



Operating profit increased by 2.3 % from € 2,009 million to € 2,055 million.

Operating profit – Segments
in € mn

In our **Property-Casualty** business a higher underwriting and investment result supported operating profit growth of 8.8 % to € 1,122 million. Our combined ratio stood at 97.1 % (3Q 09: 96.9 %).

Life/Health operating profit of € 655 million was in line with our expectations. Operating profit decreased by 30.2 %, however, as in the third quarter 2009 we recorded exceptional gains from credit spreads and equity market movements.

Our **Asset Management** segment recorded outstanding operating growth of 41.6 % to € 521 million, due to an increase in net fee and commission income, partially offset by higher operating expenses. We reduced our cost-income ratio by 0.6 percentage points to 58.5 %.

The **Corporate and Other** operating loss decreased by € 25 million to € 270 million, mainly due to an improved foreign currency result.

[1] Figures prior to third quarter of 2010 have been restated to reflect a change in Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.

[2] Includes € 27 mn, € (34) mn and € (48) mn from consolidation for 3Q 2010, 2009 and 2008, respectively.

2010 to 2009 first nine months comparison

Operating profit grew by € 1,005 million to € 6,089 million, largely driven by Asset Management, with a € 678 million increase in operating profit. The other segments also contributed positively: Corporate and Other (+ € 116 million), Life/Health (+ € 113 million), and Property-Casualty (+ € 86 million).

Non-operating result

2010 to 2009 third quarter comparison

The non-operating loss increased by € 31 million to € 123 million.

Non-operating income from financial assets and liabilities carried at fair value through income decreased by € 139 million, largely due to a negative € 121 million fair value impact from the valuation of The Hartford warrants.

Realized gains increased by € 60 million to € 382 million, including a further € 113 million in gains from the sale of shares in the Industrial and Commercial Bank of China (ICBC) (3Q 2009: € 0 million). As of September 30, 2010, gross ICBC unrealized gains amounted to € 475 million.

Amortization of intangible assets and goodwill includes a € 115 million goodwill impairment.

Our Asset Management segment continued to deliver an outstanding performance resulting in acquisition-related expenses of € 80 million. These expenses decreased however compared to the prior period, as the number of B-units outstanding reduced from 56,224 (September 30, 2009) to 30,129 (September 30, 2010). We have now acquired 79.9 % of all outstanding B-units. 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. Distributions received by the senior management B-unit holders are also included.

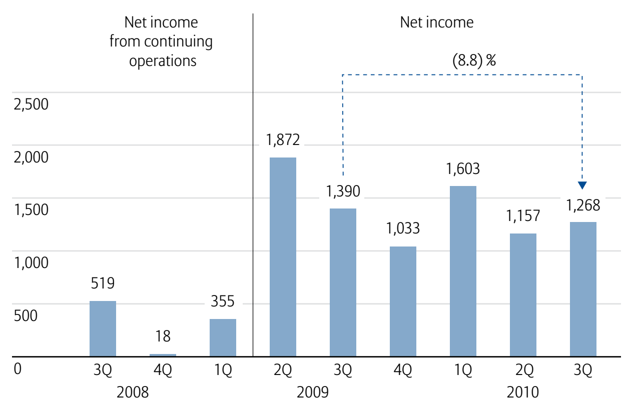
2010 to 2009 first nine months comparison

The non-operating loss amounted to € 461 million compared to € 518 million for the same period in 2009. Lower impairments were offset by a decrease in income from financial assets and liabilities carried at fair value through income (mainly driven by a € 269 million lower cumulative change in the fair value of The Hartford warrants), lower realized gains as well as higher amortization of intangible assets and PIMCO B-unit expenses.

Net income[1]

2010 to 2009 third quarter comparison

Net income from continuing operations/Net income
in € mn



Net income fell by 8.8 % to € 1,268 million, largely due to a higher income tax expense.

The income tax expense increased by € 137 million to € 664 million in the third quarter of 2010. The effective tax rate amounted to 34.3 % (3Q 09: 27.5 %).

Net income attributable to shareholders amounted to € 1,264 million.

[1] Figures prior to third quarter of 2010 have been restated to reflect a change in Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.

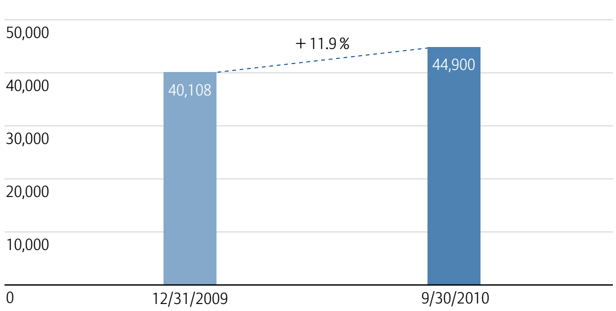
Earnings per share[1)2)]
in €

2010 to 2009 first nine months comparison

Net income of € 4,028 million was € 806 million (or 25.0 %) higher than the prior period result. € 395 million of this difference stemmed from the loss from discontinued operations due to the sale and deconsolidation of Dresdner Bank, recorded in the first quarter of 2009.

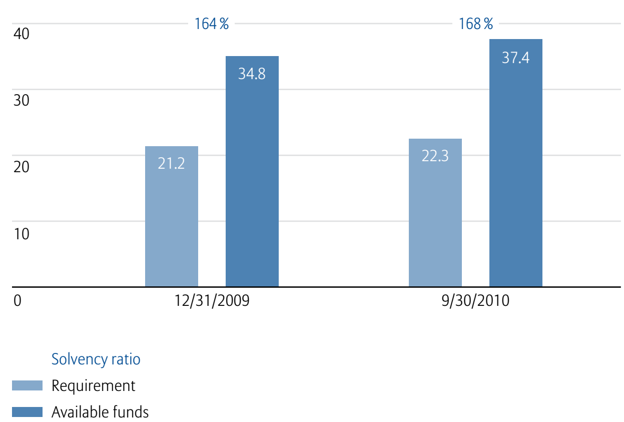
Shareholders' equity[2)]

Shareholders' equity[3)]
in € mn



As of September 30, 2010, shareholders' equity amounted to € 44,900 million, an increase of € 4,792 million compared to € 40,108 million as of December 31, 2009. Net income attributable to shareholders and unrealized gains increased our equity by € 3,918 million and € 1,774 million respectively. Positive foreign currency translation effects contributed a further € 894 million. In the second quarter of 2010, Allianz SE paid dividends of € 1,850 million for the fiscal year 2009, which reduced equity.

Conglomerate solvency[4)]
in € bn



As of September 30, 2010, our eligible capital for solvency purposes, required for our insurance segments and our banking and asset management businesses, was € 37.4 billion, including off-balance sheet reserves of € 1.9 billion, surpassing the minimum legally stipulated level by € 15.1 billion. This margin resulted in a cover ratio of 168 % at September 30, 2010. Eligible capital at September 30, 2010 also includes a deduction for accrued dividends of € 1.6 billion for the first nine months of 2010, which represents 40 % of net income attributable to shareholders. Our solvency position remains strong.

1) For further information please refer to note 37 of our condensed consolidated interim financial statements.
2) Figures prior to third quarter of 2010 have been restated to reflect a change in Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.
3) Does not include non-controlling interests.

4) 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 159 % (2009: 155 %).

Total revenues and reconciliation of operating profit to net income (loss)[1)]

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Total revenues[2)]	**24,522**	**22,005**	**80,478**	**71,895**
Premiums earned (net)	15,742	14,861	46,515	43,984
Operating investment result				
Interest and similar income	4,731	4,506	14,479	13,720
Operating income from financial assets and liabilities carried at fair value through income (net)	177	388	510	605
Operating realized gains/losses (net)	608	569	1,370	1,393
Interest expenses, excluding interest expenses from external debt	(121)	(137)	(389)	(440)
Operating impairments of investments (net)	(37)	(236)	(266)	(1,645)
Investment expenses	(177)	(195)	(569)	(548)
Subtotal	**5,181**	**4,895**	**15,135**	**13,085**
Fee and commission income	1,961	1,533	5,671	4,295
Other income	22	8	87	27
Claims and insurance benefits incurred (net)	(11,353)	(11,245)	(34,116)	(34,129)
Change in reserves for insurance and investment contracts (net)	(3,867)	(2,776)	(10,610)	(6,123)
Loan loss provisions	(12)	(18)	(33)	(57)
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(4,977)	(4,696)	(14,673)	(14,429)
Fee and commission expenses	(636)	(562)	(1,864)	(1,605)
Operating restructuring charges	—	—	(1)	3
Other expenses	(10)	—	(42)	(2)
Reclassification of tax benefits	4	9	20	35
Operating profit (loss)	**2,055**	**2,009**	**6,089**	**5,084**
Non-operating investment result				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(27)	112	(129)	150
Non-operating realized gains/losses (net)	382	322	1,326	1,535
Non-operating impairments of investments (net)	(32)	(46)	(271)	(942)
Subtotal	**323**	**388**	**926**	**743**
Income from fully consolidated private equity investments (net)	(48)	(34)	(100)	(191)
Interest expenses from external debt	(225)	(228)	(667)	(680)
Acquisition-related expenses	(80)	(112)	(388)	(166)
Amortization of intangible assets	(78)	(37)	(112)	(52)
Non-operating restructuring charges	(11)	(60)	(100)	(137)
Reclassification of tax benefits	(4)	(9)	(20)	(35)
Non-operating items	**(123)**	**(92)**	**(461)**	**(518)**
Income (loss) from continuing operations before income taxes	**1,932**	**1,917**	**5,628**	**4,566**
Income taxes	(664)	(527)	(1,600)	(949)
Net income (loss) from continuing operations	**1,268**	**1,390**	**4,028**	**3,617**
Net income (loss) from discontinued operations, net of income taxes	—	—	—	(395)
Net income (loss)	**1,268**	**1,390**	**4,028**	**3,222**
Net income (loss) attributable to:				
Non-controlling interests	4	16	110	34
Shareholders	1,264	1,374	3,918	3,188

1) Figures prior to third quarter of 2010 have been restated to reflect a change in Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.

2) 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).

Risk Management

Risk management is an integral part of our business processes and supports our value-based management.

Interest rates in major currencies have fallen since the end of 2009. This has not yet had a material impact on our IFRS financial results and FCD solvency ratio. We continue to monitor this development closely and take action as appropriate. If such market conditions continue, it may eventually impact our financial results, e.g. in the form of lower financial income.

For further information, we refer you to the risk report in our 2009 Annual Report (pages 178 et seqq). The risks described therein essentially remain unchanged.

Allianz Group's management feels comfortable with the Group's overall risk profile and has confidence in the effectiveness of the Group's risk management framework to meet the challenges of a rapidly changing environment as well as day-to-day business needs.

Events After the Balance Sheet Date

In October 2010, the Allianz Group sold 0.3 billion ICBC shares with a capital gain of approximately € 0.1 billion.

On October 25, 2010, an earthquake and a following tsunami devastated the Pagai Islands in Indonesia. Based on current information, gross claims are expected to be less than € 20 million.

The pension age in France has increased from 60 to 62. Management currently does not believe that this will affect the Allianz Group severely.

On November 1, 2010 the sale of Alba, Phenix and Phenix Vie to Helvetia Group was completed.

Outlook

Economic Outlook

Strong recovery on a global scale

The global economy has clocked up some remarkable achievements over the past one-and-a-half years or so: industrial production has managed to shrug off a slump of 12 %, while global trade has clambered back from a 21 % nosedive, with global trade and industrial production now at roughly the same level as before the financial and economic crisis took hold. Although growth dynamics are very disparate across different regions, the economic recovery is set to continue well into next year. Nevertheless, in a host of countries it will take several years before output is back at pre-crisis levels. The financial markets are likely to remain nervous. In view of the risks stemming from the ongoing need for adjustment and consolidation, the environment for financial service providers will continue to be challenging.

More moderate economic growth ahead

Data on industrial activity and business sentiment have been hinting at ebbing growth momentum worldwide for some time now. For the remainder of this year and in the year to come we expect a more moderate economic development, but no relapse into recession. After a 3.7 % rise in global output in 2010, the increase is expected to be slightly weaker next year at 3.3 %. Growth rates are set to fall both in the industrialized countries and in the emerging markets, although the slowdown in the industrial economies will be more pronounced than in their emerging counterparts. The developing countries will continue to grow much faster than the developed world, thereby steadily increasing their overall share in global output.

Countries with heavily over-indebted private and public sectors will tend to grow more slowly than economies that are free from such macroeconomic imbalances: in the case of the former group of countries the necessary consolidation efforts will weigh on their economic prospects and therefore on growth. This also explains why the emerging but, in some cases, seriously indebted economies of Eastern Europe are getting back into their stride more slowly than the Asian emerging markets with their surpluses.

The robust performance in key Latin American countries is a positive surprise. Thanks to its economic policy successes and the resulting stabilization, Brazil has weathered the global economic and financial crisis very well. Growth momentum will remain solid well into next year. The U.S. economy shook off the crisis in the second half of 2009, but growth momentum has clearly slowed in the past two quarters. In Europe, the German economy is set to record a considerably above-average performance this year, with the positive interplay between rising employment, increasing incomes and higher demand suggesting that the German recovery has now developed a momentum of its own.

Impact on rates and markets

The Euro area sovereign debt crisis sent sizeable shockwaves through the financial markets. Although the credit spreads of the debt-laden member countries such as Greece, Portugal, Ireland, and Spain narrowed during the quarter, risk premiums still remain at a very high level. In the third quarter of 2010, the flight to safety was the main trigger behind a further slide in German government bond yields. We do not expect yields to languish permanently at record low levels. In particular, we expect to see further progress in the consolidation of public finances in the Euro area over the course of next year, along with a minor pickup in inflation and a gradual reining in of expansionary monetary policy. In an overall friendly economic environment, all of this will serve to push up capital market yields, once risk aversion has faded. In the Euro area, we expect to see 10-year government benchmark bond yields nudge above 3% as next year progresses. With capacity utilization in the corporate sector higher, rising profits will give the stock market a fillip. However, the lingering uncertainty about the medium-term economic growth outlook suggests that stock market gains will be limited.

Outlook for the Allianz Group

After another strong quarter, and all segments delivering better results than in the first nine months of 2009, we expect the Allianz Group operating profit to trend towards the upper end of our 2010 target range of around € 7.2 billion, plus or minus € 0.5 billion.

Our Property-Casualty business continued to be burdened with a high level of natural catastrophe related losses, which have already exceeded our expected level of approximately € 900 million for the whole of 2010 by € 218 million. We expect market conditions in a number of our core markets to remain challenging. However our accident year loss ratio excluding natural catastrophes has developed favorably and is below 70.0% for the first nine months of 2010. Attaining the lower end of our target range for Property-Casualty is within reach.

Life/Health revenues continue to grow strongly, and with our nine month operating profit of € 2,314 million we are already within our target range for the full year. The full year result is subject to capital market volatility in the fourth quarter of 2010.

Asset Management operating profit to date of € 1,503 million has already surpassed € 1.3 billion, the upper end of our target range.

The operating profit outlook for our Corporate and Other segment together with consolidation effects is expected to remain within our target range.

With a solvency ratio of 168%[1], the Allianz Group capital position remains solid.

For full details of the assumptions and sensitivities on which our outlook is based, please refer to the Allianz Group Annual Report 2009.

As always, natural catastrophes and adverse developments in the capital markets, as well as the factors stated in our cautionary note regarding forward-looking statements, may severely impact the results of our operations.

[1] 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 159% (2009: 155%).

Other information

Business operations and Group Structure

The Allianz Group business operations and structure are described in detail in the 'Business Operations and Steering' chapter of our Annual Report 2009 (pages 57 et seqq). For a description of recent organizational changes please refer to note 3 of our condensed consolidated interim financial statements.

Strategy

The Allianz Group strategy is described in detail in the 'Strategy' chapter of our Annual Report 2009 (pages 63 et seqq). There have been no material changes to our strategy as described therein.

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 'Business Operations and Steering' chapter (pages 57 et seqq) and 'Local Presence and Global Diversification' chapter (pages 68 et seqq) of our Annual Report 2009.

Property-Casualty Insurance Operations

– Gross premiums written of € 10,600 million.
– Operating profit increased by 8.8 % to € 1,122 million.
– Combined ratio of 97.1 %.

Earnings Summary

Gross premiums written[1)]

2010 to 2009 third quarter comparison

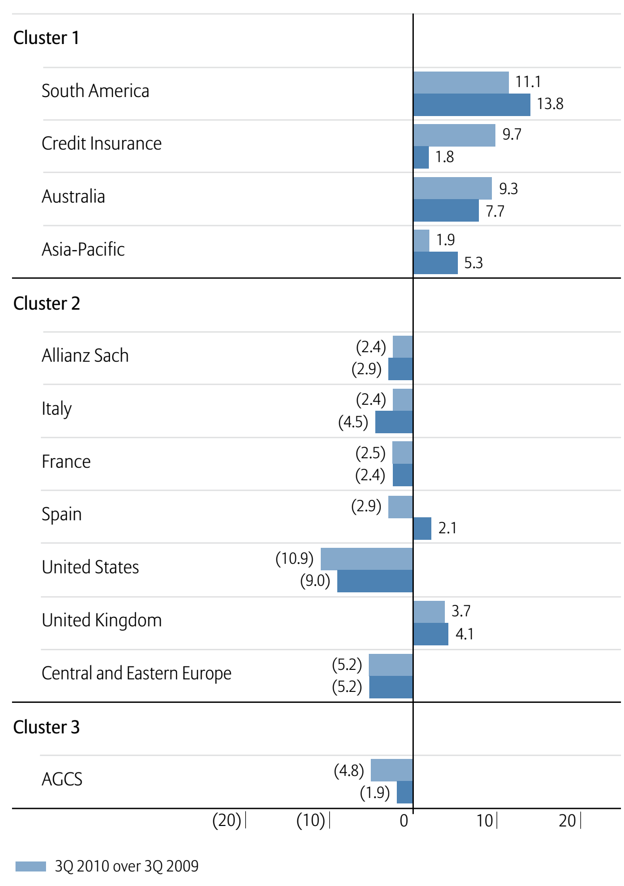
Gross premiums written decreased by 1.1 % on an internal basis, made up of a negative volume effect of 2.6 % and a positive price effect of 1.5 %. The decline in volume stemmed mainly from the United States, Italy and Germany. Strong average premium improvements in Italy, the United Kingdom and Australia almost compensated for the decline in volume. Excluding our U.S. crop insurance business internal growth was almost flat at minus 0.2 %.

On a nominal basis revenues increased by 3.6 % or € 368 million to € 10,600 million. Of this increase, € 486 million related to foreign currency translation effects, primarily from the appreciation of the U.S. Dollar and the Australian Dollar against the Euro.

In analyzing internal premium growth in terms of "price" and "volume" effects, we use three clusters:

Cluster 1: Both price and volume effects are positive
Cluster 2: Either price or volume effects are positive
Cluster 3: Both price and volume effects are negative

Gross premiums written – Internal growth rates[2)]
in %



1) 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.

2) Before elimination of transactions between Allianz Group companies in different geographic regions and different segments.

Cluster 1

In South America gross premiums rose by 11.1 %. All countries in the region contributed positively to the gross premiums written of € 401million, in particular Brazil, where growth stemmed from all business lines, except for large and industrial segments. Including a positive foreign currency translation effect of € 61 million, the nominal growth was 31.0 %.

In the credit insurance business gross premiums increased by 9.7 % to € 417 million. Higher insured volume, increased business retention and re-pricing activities were the reasons for the positive development. The positive price effect was around 4.1 %.

In Australia gross premiums amounted to € 594 million, including a favorable foreign currency translation effect of € 100 million. The internal growth of 9.3 % was a result of higher volume and increased prices stemming in particular from motor business and household insurance. The price increases were applied across most business lines already in 2009. We estimate the positive price effect to be 6.2 %.

In Asia-Pacific gross premiums were € 126 million. Internal growth was 1.9 %, excluding the transfer of Allianz Fire and Marine Insurance Japan from Asia-Pacific to AGCS and a positive foreign currency translation effect of € 21 million. This increase was mainly volume driven, in particular by our motor business in Malaysia.

Cluster 2

At Allianz Sach gross premiums fell by 2.4 % to € 1,859 million, despite a slightly positive price development of about 0.3 %. The negative growth was mainly due to a declining policy count in the motor business. This resulted from portfolio cleaning in fleets and fewer car pools in commercial lines. Our non-motor business volume also declined, largely driven by general third-party liability insurance.

In Italy gross premiums were down by 2.4 % to € 809 million, largely driven by non-motor business, as small- to medium-sized companies continued to suffer the effects of the economic recession. Our motor business recorded positive growth as a result of significant price increases over the last months. We estimate the overall positive price effect to be 10.6 %.

In France gross premiums were € 754 million, down 2.5 %. Volume declined following price increases in motor fleets and small and large commercial lines. Price increases were applied to the portfolio and were higher in our personal lines, particularly in non-motor business. The positive price effect was approximately 2.7 %.

In Spain gross premiums written decreased to € 464 million. Adjusting for the portfolio transfer from Spain to AGCS, premiums declined by 2.9 %. We lost volume in the motor business due to the introduction of higher domestic VAT rates and the expiry of car scrapping incentives in July 2010. The economic recession continued to put pressure on prices, especially in the highly competitive commercial lines. However, we started to see benefits from the rate increases in our motor business, resulting in a positive price effect, estimated at 0.2 %.

In the United States gross premiums declined by 10.9 %. Gross premiums written amounted to € 1,378 million, including a positive foreign currency translation effect of € 132 million and the transfer of marine business to AGCS. The negative impact of our crop insurance business due to increasing commodity prices made up two thirds of the decline. The remaining decline resulted from lower volume in personal and commercial lines, reflecting continuing soft market conditions and selective underwriting. Nonetheless, there was an overall positive price effect of about 0.8 % stemming from personal lines.

In the United Kingdom gross premiums stood at € 463 million. Excluding a favorable foreign currency translation effect of € 20 million, internal growth was 3.7 %. Lower volume resulting from portfolio cleaning was more than offset by a positive price development due to increased rates, especially in the retail motor business. Despite a challenging market, commercial business prices remained stable. We estimate the positive price effect to be 8.3 %.

In Central and Eastern Europe gross premiums amounted to € 628 million. Adjusting for a positive foreign currency translation effect, internal growth was negative at 5.2%. Volume improved slightly, mainly driven by our motor business in Russia, due to the introduction of car scrapping incentives. However, the increase in volume could not compensate for the decline in prices. Significant rate reductions were recorded in particular in Hungary, the Czech Republic and Romania and were a result of the current economic environment. We estimate the overall price effect to be minus 6.8%.

Cluster 3

At AGCS gross premiums were € 899 million. Taking into account several portfolio transfers within the property-casualty insurance segment to AGCS, gross premiums declined by 4.8%. Lower volume led to this development, in particular from our property and engineering businesses in France and in the United Kingdom. We also saw a negative price effect across most of our business lines, estimated at 0.8%.

2010 to 2009 first nine months comparison

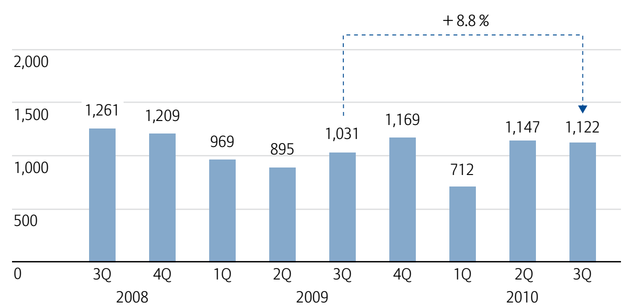
Gross premiums written were down by 0.4%. This is explained by a 1.1% reduction in volume and a positive price effect of 0.7%. On a nominal basis, revenues increased by 2.7% mainly driven by favorable foreign currency translation effects amounting to € 1,051 million. We recorded no changes in the scope of consolidation. Excluding our U.S. crop insurance business internal growth was almost flat at minus 0.1%.

Operating profit

2010 to 2009 third quarter comparison

Operating profit

in € mn



Operating profit increased by 8.8%, or € 91 million, to € 1,122 million, due to higher underwriting and investment results.

The underwriting result improved by € 43 million to € 264 million, benefiting from higher favorable run-off and the positive development of our credit insurance business. In contrast, we recorded higher losses from natural catastrophes of € 307 million and from extraordinary expense items of approximately € 46 million.

Net investment income increased by 6.3% to € 841 million, primarily driven by higher interest and similar income.

Underwriting result

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Premiums earned (net)	10,269	9,752	29,371	28,449
Accident year claims	(7,401)	(7,032)	(21,603)	(20,681)
Run-off result	355	186	1,090	594
Acquisition and administrative expenses (net)	(2,921)	(2,606)	(8,242)	(7,838)
Underwriting residual[1]	(38)	(79)	(149)	(150)
Underwriting result	**264**	**221**	**467**	**374**

[1] Consists of changes in aggregate policy reserves and other insurance reserves.

The combined ratio stood at 97.1 % compared to 96.9 % in the prior year. This was driven by the higher favorable run-off result, which almost offset higher expenses. Despite the significantly higher level of natural catastrophes, the accident year loss ratio was unchanged.

The accident year loss ratio was 72.1 %. Of this, 3.0 percentage points came from natural catastrophes, while in the third quarter of 2009, natural catastrophes represented 1.6 percentage points of the accident year loss ratio of 72.1 %. Excluding natural catastrophes, our accident year loss ratio improved by 1.4 percentage points due to a higher average annual premium and the recovery of our credit insurance business. Moreover, we recorded a lower level of large claims.

The following operations contributed negatively to our accident year loss ratio:

- Germany with 1.0 percentage point as a result of high losses from natural catastrophes and bad weather conditions in the third quarter of 2010. Flood Viola, windstorm Olivia/Norina and hailstorm Petra caused net losses of approximately € 137 million. In addition, we recorded a higher volume of large claims. These negative effects were partially offset by a lower claims frequency, especially in Property.

- AGCS with 0.8 percentage points due to higher losses from natural catastrophes such as flood Viola and hurricane Alex. In addition, we recorded a higher level of mid-size claims, especially in Aviation, Energy and Property. A lower level of large claims in Property, on the other hand, partly offset this.

The following operations contributed positively to our accident year loss ratio:

- Credit insurance business with (0.7) percentage points due to a sharp decline in claims frequency after the drastic risk and commercial measures that have been taken since the end of 2007.

- The United States with (0.5) percentage points due to a favorable development of the agribusiness driven by higher than expected yields and commodity prices. The lower level of large claims also had a positive impact.

- France with (0.3) percentage points due to active portfolio management including cleaning actions and tariff increases. This was partially offset by a higher level of large claims in the property insurance business.

- Italy with (0.3) percentage points due to the high level of hail losses recorded in 2009. Strong price increases in motor third-party liability also contributed to the positive development. These positive effects were partially offset by the negative impact (plus 2.5 percentage points) of the so-called "Milan tables" (new tables for bodily injury claims).

The expense ratio increased by 1.7 percentage points to 28.4 %.

Acquisition and administrative expenses increased on a nominal basis by € 315 million to € 2,921 million. Of these, unfavorable foreign currency translation effects accounted for € 115 million. In addition, we had to write down reinsurance receivables for a large claim that occurred in 2009 and recorded further expenses due to the ad-hoc introduction of a financial crisis tax in Hungary. Moreover, our administrative expenses in the third quarter of 2009 were positively impacted by the settlement of a health benefits plan in the United States.

The underlying development in administration expenses overall was flat.

Operating net investment income[1]

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Interest and similar income	917	865	2,756	2,730
Operating income from financial assets and liabilities carried at fair value through income (net)	30	33	18	81
Operating realized gains/losses (net)	19	35	31	51
Interest expenses	(30)	(20)	(74)	(80)
Operating impairments of investments (net)	(2)	(4)	(8)	(70)
Investment expenses	(60)	(67)	(169)	(183)
Change in reserves for insurance and investment contracts (premium refunds)	(33)	(51)	(95)	(105)
Operating net investment income	**841**	**791**	**2,459**	**2,424**

Net investment income improved by € 50 million to € 841 million mainly due to higher interest and similar income.

Interest and similar income grew by € 52 million to € 917 million. Net of **interest expenses**, the result increased by € 42 million, of which higher income on equities accounted for € 22 million. Fixed income securities contributed € 26 million to the increase as negative effects from lower yields were compensated by the increasing share of debt securities in our portfolio. The total average asset base increased from € 89.5 billion in the third quarter 2009 to € 94.8 billion this quarter.

2010 to 2009 first nine months comparison

Operating profit improved from € 2,895 million to € 2,981 million. Both the underwriting result and the operating net investment income contributed positively to this growth.

Our **combined ratio** decreased by 0.3 percentage points to 97.9 %. Higher losses from natural catastrophes and weather related claims resulted in a negative impact of 1.9 percentage points. This was largely compensated for by a favorable run-off result.

The **expense ratio** increased slightly by 0.5 percentage points to 28.1 %.

[1] 'Operating net investment income', as defined above, includes the investment-related part (premium refunds) of 'Change in reserves for insurance and investment contracts (net)' and therefore differs from the 'Operating investment result' as shown in note 3 of our condensed consolidated interim financial statements.

Property-Casualty segment information

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Gross premiums written[1]	**10,600**	**10,232**	**34,545**	**33,640**
Ceded premiums written	(1,184)	(1,368)	(3,609)	(3,723)
Change in unearned premiums	853	888	(1,565)	(1,468)
Premiums earned (net)	**10,269**	**9,752**	**29,371**	**28,449**
Interest and similar income	917	865	2,756	2,730
Operating income from financial assets and liabilities carried at fair value through income (net)	30	33	18	81
Operating realized gains/losses (net)	19	35	31	51
Fee and commission income	263	245	799	787
Other income	8	5	16	13
Operating revenues	**11,506**	**10,935**	**32,991**	**32,111**
Claims and insurance benefits incurred (net)	(7,046)	(6,846)	(20,513)	(20,087)
Change in reserves for insurance and investment contracts (net)	(71)	(130)	(244)	(255)
Interest expenses	(30)	(20)	(74)	(80)
Loan loss provisions	—	(2)	—	(10)
Operating impairments of investments (net)	(2)	(4)	(8)	(70)
Investment expenses	(60)	(67)	(169)	(183)
Acquisition and administrative expenses (net)	(2,921)	(2,606)	(8,242)	(7,838)
Fee and commission expenses	(251)	(229)	(752)	(692)
Other expenses	(3)	—	(8)	(1)
Operating expenses	**(10,384)**	**(9,904)**	**(30,010)**	**(29,216)**
Operating profit	**1,122**	**1,031**	**2,981**	**2,895**
Loss ratio[2] in %	68.7	70.2	69.8	70.6
Expense ratio[3] in %	28.4	26.7	28.1	27.6
Combined ratio[4] in %	**97.1**	**96.9**	**97.9**	**98.2**

1) For the Property-Casualty segment, total revenues are measured based 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		Combined ratio		Loss ratio		Expense ratio	
			internal[1]											
	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 %	2009 %	2010 %	2009 %	2010 %	2009 %
Germany	1,859	1,904	1,859	1,904	1,827	1,825	121	141	103.4[2]	100.0	76.1[2]	72.3	27.3	27.7
Switzerland	281	253	247	253	355	310	31	26	97.7	97.1	76.2	74.9	21.5	22.2
Austria	186	186	186	186	173	186	16	18	97.7	97.9	71.9	71.3	25.8	26.6
German Speaking Countries	**2,326**	**2,343**	**2,292**	**2,343**	**2,355**	**2,321**	**168**	**185**	**102.1**	**99.4**	**75.8**	**72.6**	**26.3**	**26.8**
Italy	809	830	809	829	984	1,024	99	98	99.4	99.0	76.0	75.2	23.4	23.8
France	754	773	754	773	772	783	80	72	98.1	101.9	70.9	76.0	27.2	25.9
Spain[3]	464	494	464	478	468	457	66	67	91.3	91.3	70.7	70.9	20.6	20.4
South America	401	306	340	306	282	217	31	18	96.8	97.2	65.6	66.3	31.2	30.9
Netherlands	201	211	201	211	198	206	10	18	98.9	97.2	67.9	67.6	31.0	29.6
Turkey	102	88	93	88	90	70	11	10	93.8	98.0	70.5	73.0	23.3	25.0
Belgium	85	87	85	76	67	67	6	10	103.2	97.5	67.6	61.7	35.6	35.8
Portugal	72	70	72	70	61	60	10	9	91.9	92.5	68.1	65.9	23.8	26.6
Greece	30	24	30	24	23	16	4	3	88.0	91.2	58.0	61.8	30.0	29.4
Africa	12	13	12	13	12	11	1	2	106.9	98.5	53.3	41.2	53.6	57.3
Europe incl. South America	**2,930**	**2,896**	**2,860**	**2,868**	**2,957**	**2,911**	**321[4]**	**318[4]**	**97.4**	**98.0**	**71.7**	**72.7**	**25.7**	**25.3**
United States	1,378	1,404	1,246	1,399	882	924	110	131	97.2	95.0	70.0	73.9	27.2	21.1
Mexico	60	48	52	48	23	19	3	4	93.8	87.9	69.0	64.1	24.8	23.8
NAFTA Markets	**1,438**	**1,452**	**1,298**	**1,447**	**905**	**943**	**113**	**135**	**97.2**	**94.8**	**70.0**	**73.7**	**27.2**	**21.1**
Allianz Global Corporate & Specialty[3][5]	899	908	899	944	727	673	83	122	96.9	92.4	68.1	69.3	28.8	23.1
Reinsurance PC	930	759	930	759	892	756	128	34	89.7	95.7	59.2	70.9	30.5	24.8
United Kingdom	463	427	443	427	467	416	49	98	96.8	83.6	62.4	50.2	34.4	33.4
Credit Insurance	417	380	417	380	284	263	158	8	54.3	106.4	26.8	77.4	27.5	29.0
Australia	594	452	494	452	425	315	66	49	99.3	98.3	75.3	73.8	24.0	24.5
Ireland	161	152	161	152	159	141	16	5	96.5	104.0	67.9	79.5	28.6	24.5
ART	163	201	143	201	44	42	20	12	56.6	76.4	16.8	17.8	39.8	58.6
Global Insurance Lines & Anglo Markets	**3,627**	**3,279**	**3,487**	**3,315**	**2,998**	**2,606**	**520**	**328**	**90.4**	**94.4**	**60.9**	**67.8**	**29.5**	**26.6**
Russia	181	153	160	153	154	134	(32)	2	122.8	102.0	68.2	61.6	54.6	40.4
Hungary	92	118	95	118	87	109	(22)	1	137.7	107.5	80.0	74.5	57.7	33.0
Poland	108	98	103	98	87	76	(5)	4	108.9	97.2	74.5	66.9	34.4	30.3
Slovakia	82	85	83	85	76	77	15	16	84.8	83.5	48.3	49.5	36.5	34.0
Romania	56	64	56	65	46	35	1	2	103.8	100.6	73.6	81.7	30.2	18.9
Czech Republic	65	66	64	66	56	56	4	12	95.5	79.1	71.4	50.6	24.1	28.5
Croatia	19	20	19	20	19	19	3	3	94.2	96.3	61.8	59.3	32.4	37.0
Bulgaria	20	25	19	25	15	20	5	7	69.2	70.1	45.1	45.4	24.1	24.7
Kazakhstan	3	4	2	4	1	1	1	1	85.2	27.8	9.1	15.1	76.1	12.7
Ukraine	2	2	2	2	2	2	—	(1)	122.1	188.8	30.6	80.0	91.5	108.8
Central and Eastern Europe[6]	628	635	603	636	543	529	(35)	41	110.8	96.2	67.9	62.7	42.9	33.5
Asia-Pacific (excl. Australia)[5]	126	121	105	103	73	63	15	9	87.7	92.0	58.5	60.0	29.2	32.0
Middle East and North Africa	18	18	17	16	12	9	1	—	106.7	142.8	70.0	78.4	36.7	64.4
Growth Markets	**772**	**774**	**725**	**755**	**628**	**601**	**(19)**	**50**	**107.8**	**96.3**	**66.7**	**62.6**	**41.1**	**33.7**
Assistance (Mondial)	**404**	**349**	**404**	**349**	**426**	**365**	**27**	**32**	**96.0**	**92.6**	**59.8**	**55.9**	**36.2**	**36.7**
Consolidation[7]	(897)	(861)	(951)	(845)	—	5	(8)	(17)	—	—	—	—	—	—
Total	10,600	10,232	10,115	10,232	10,269	9,752	1,122	1,031	97.1	96.9	68.7	70.2	28.4	26.7

1) Reflect gross premiums written on an internal basis (adjusted for foreign currency translation and (de-)consolidation effects).
2) Net change of reserves related to savings component of UBR-business now included in claims (claims reduction of € 26 mn for 9M 2010 and of € 4 mn for 3Q 2010). Prior periods have not been retrospectively adjusted.
3) Corporate customer business in Spain transferred to AGCS in 2010.

Nine months ended September 30,	Gross premiums written				Premiums earned (net)		Operating profit/loss		Combined ratio		Loss ratio		Expense ratio	
			internal[1]											
	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 %	2009 %	2010 %	2009 %	2010 %	2009 %
Germany	7,401	7,620	7,401	7,620	5,423	5,423	439	473	101.2[2]	100.4	73.5[2]	72.4	27.7	28.0
Switzerland	1,282	1,212	1,218	1,212	1,038	962	113	110	95.2	94.0	74.6	71.7	20.6	22.3
Austria	717	723	717	723	522	536	57	56	95.4	96.2	69.4	71.3	26.0	24.9
German Speaking Countries	**9,400**	**9,555**	**9,336**	**9,555**	**6,983**	**6,921**	**609**	**639**	**99.9**	**99.2**	**73.4**	**72.2**	**26.5**	**27.0**
Italy	2,777	2,918	2,777	2,909	2,953	3,141	250	303	100.4	99.6	76.4	75.3	24.0	24.3
France	2,614	2,677	2,614	2,677	2,319	2,341	131	5	102.9	107.4	75.9	79.9	27.0	27.5
Spain[3]	1,575	1,644	1,575	1,542	1,375	1,356	205	217	90.4	90.1	70.0	69.8	20.4	20.3
South America	1,117	829	943	829	795	600	80	49	97.7	99.0	65.8	66.3	31.9	32.7
Netherlands	730	737	730	737	605	603	35	45	99.3	98.8	68.9	68.6	30.4	30.2
Turkey	370	315	345	315	250	197	19	12	99.6	106.2	73.7	80.3	25.9	25.9
Belgium	280	277	280	266	200	198	27	33	99.7	96.5	65.0	60.8	34.7	35.7
Portugal	224	217	224	217	182	179	26	30	93.3	91.4	69.1	65.5	24.2	25.9
Greece	88	71	88	71	63	45	12	9	87.1	89.4	55.5	58.9	31.6	30.5
Africa	59	57	59	57	31	29	4	5	100.4	96.1	56.9	52.3	43.5	43.8
Europe incl. South America	**9,834**	**9,742**	**9,635**	**9,620**	**8,773**	**8,689**	**800[4]**	**727[4]**	**99.0**	**100.0**	**73.2**	**74.0**	**25.8**	**26.0**
United States	2,821	2,978	2,675	2,939	2,104	2,388	190	321	102.9	97.5	70.5	69.0	32.4	28.5
Mexico	158	148	141	148	65	59	7	9	97.5	90.1	69.1	65.6	28.4	24.5
NAFTA Markets	**2,979**	**3,126**	**2,816**	**3,087**	**2,169**	**2,447**	**197**	**330**	**102.8**	**97.3**	**70.5**	**68.9**	**32.3**	**28.4**
Allianz Global Corporate & Specialty[3][5]	3,078	2,992	3,078	3,139	2,129	1,811	317	425	95.0	88.4	67.7	65.3	27.3	23.1
Reinsurance PC	3,308	3,053	3,308	3,053	2,471	2,308	188	149	95.7	97.4	70.0	71.1	25.7	26.3
United Kingdom	1,454	1,351	1,407	1,351	1,315	1,206	140	196	95.8	91.0	61.5	57.7	34.3	33.3
Credit Insurance	1,356	1,332	1,356	1,332	836	866	332	(16)	70.7	113.5	40.2	85.1	30.5	28.4
Australia	1,589	1,190	1,282	1,190	1,181	859	203	149	97.7	97.4	72.8	72.6	24.9	24.8
Ireland	528	496	528	496	440	428	24	—	102.9	108.9	78.9	82.3	24.0	26.6
ART	509	356	473	356	122	136	41	39	67.1	89.9	24.7	42.4	42.4	47.5
Global Insurance Lines & Anglo Markets	**11,822**	**10,770**	**11,432**	**10,917**	**8,494**	**7,614**	**1,245**	**942**	**93.3**	**96.6**	**65.4**	**69.5**	**27.9**	**27.1**
Russia	543	518	490	518	429	398	(35)	21	112.5	97.7	65.6	56.9	46.9	40.8
Hungary	338	362	325	362	275	314	4	38	109.0	97.3	67.9	67.9	41.1	29.4
Poland	322	278	295	278	252	217	(9)	11	106.9	99.3	72.3	64.8	34.6	34.5
Slovakia	276	288	276	288	222	232	35	58	90.1	79.2	59.5	49.4	30.6	29.8
Romania	175	213	173	213	124	107	2	3	103.8	101.8	79.4	78.8	24.4	23.0
Czech Republic	204	206	195	206	157	162	17	33	93.3	80.5	69.4	56.9	23.9	23.6
Croatia	68	69	67	69	56	58	7	5	94.8	99.8	61.3	62.8	33.5	37.0
Bulgaria	63	70	63	70	49	53	13	12	76.4	81.8	47.7	50.5	28.7	31.3
Kazakhstan	23	8	23	8	5	4	2	(1)	79.8	133.2	20.4	49.3	59.4	83.9
Ukraine	6	6	6	6	4	6	—	(2)	115.5	144.9	29.4	52.1	86.1	92.8
Central and Eastern Europe[6]	2,018	2,018	1,913	2,018	1,573	1,551	21	162	103.6	93.5	66.7	60.6	36.9	32.9
Asia-Pacific (excl. Australia)[5]	378	372	335	318	208	189	36	20	90.2	96.5	60.6	62.0	29.6	34.5
Middle East and North Africa	58	53	56	47	33	26	1	2	109.4	138.9	73.5	72.0	35.9	66.9
Growth Markets	**2,454**	**2,443**	**2,304**	**2,383**	**1,814**	**1,766**	**58**	**184**	**102.1**	**94.5**	**66.1**	**60.9**	**36.0**	**33.6**
Assistance (Mondial)	**1,177**	**1,044**	**1,177**	**1,044**	**1,123**	**987**	**69**	**72**	**96.2**	**96.0**	**60.4**	**59.2**	**35.8**	**36.8**
Consolidation[7]	(3,121)	(3,040)	(3,206)	(2,966)	15	25	3	1	—	—	—	—	—	—
Total	**34,545**	**33,640**	**33,494**	**33,640**	**29,371**	**28,449**	**2,981**	**2,895**	**97.9**	**98.2**	**69.8**	**70.6**	**28.1**	**27.6**

4) Contains € 11 mn and € 11 mn for 9M 2010 and 9M 2009, respectively from a management holding located in Luxembourg (€ 4 mn and € 4 mn for 3Q 2010 and 3Q 2009, respectively) and also € 0 mn and € 8 mn for 9M 2010 and 9M 2009, respectively from AGF UK (€ – 1 mn and € 7 mn for 3Q 2010 and 3Q 2009, respectively).

5) From 1Q 2010 onwards, Allianz Fire and Marine Insurance Japan Ltd. is shown within AGCS. Prior year figures have not been adjusted.

6) Contains income and expense items from a management holding.

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

Life/Health Insurance Operations

– Revenue growth of 11.7 % to € 12,553 million.[1)]
– Operating profit of € 655 million.

Earnings Summary

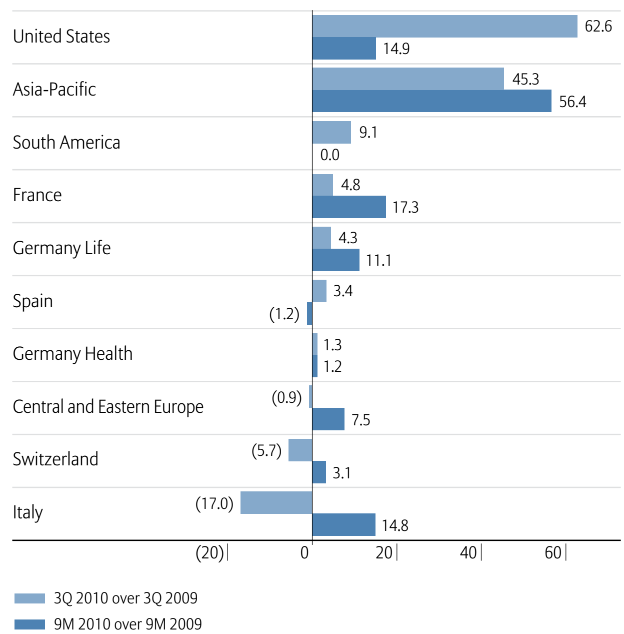
As of July 1, 2010, we changed our accounting policy for fixed-indexed annuities, which impacted the result of our U.S. business.[2)] Therefore the prior quarter figures were restated.

Statutory premiums[1)]

2010 to 2009 third quarter comparison

Statutory premiums grew by 11.7 % on an internal basis, mainly driven by positive developments in the United States and Asia-Pacific. A strong demand for unit-linked products and a solid increase in sales of traditional life products in our major markets supported overall growth. Demand for investment contracts with guarantees and profit participation decreased slightly compared to last year's level. On a nominal basis, overall growth amounted to 16.4 %.

Statutory premiums – Internal growth rates[3)]
in %



In the United States, total premiums increased by 62.6 % on an internal basis. Premiums amounted to € 2,234 million. Last year's quarter saw depressed premium volumes as suspension of our variable annuity living benefit riders was still in force. One year later, sales of our repriced variable annuity products have increased significantly while demand for our fixed index annuity products remained strong.

Our business in Asia-Pacific achieved premiums of € 1,681 million. Internal growth was 45.3 %. Demand for unit-linked and investment-oriented products in this region remained high. In Japan, demand for our variable annuity products sold via our bank partners has increased steadily. Here, we recorded a significant growth in sales from € 22 million to

1) 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.
2) For further information please refer to note 2 of our condensed consolidated interim financial statements.

3) Before elimination of transactions between Allianz Group companies in different geographic regions and different segments.

€ 394 million. Premiums in South Korea increased by 11.6% on an internal basis, driven by our investment-oriented business with guarantees, with strong demand for our single premium equity index and other investment products sold via the bancassurance channel. Premiums in Taiwan grew by 21.1% on an internal basis, mainly driven by the increase in our pure unit-linked business without guarantees.

Premiums in France grew by 4.8% to € 1,732 million, mainly driven by higher sales of unit-linked products, while premiums from our traditional business also increased. Growth was partially offset by a decrease in sales of our non-unit-linked investment-oriented products.

In our German life business premiums increased by 4.3% to € 3,471 million. The increase was driven by a continuous growth in single premiums from traditional life products, of which the major part stemmed from private business. This development was partially offset by less commercial single premiums and a decrease in recurring premiums due to maturities and lapses of in-force private business. In the German health business we saw revenue growth of 1.3%.

In Central and Eastern Europe, our premiums amounted to € 223 million, which is a decrease of 0.9% on an internal basis. Premiums declined due to a decrease in sales of payment protection insurance in Poland. This development was partially offset by an increase in sales of single premium products in Czech Republic.

In Switzerland, premiums decreased by 5.7% to € 225 million, due to lower sales of investment-oriented contracts, mostly products with guarantees, and a decrease in traditional business. In addition, single premiums from individual life contracts were significantly lower due to the negative impact of lower interest rates on sales of insurance contracts and reorganization of the sales force.

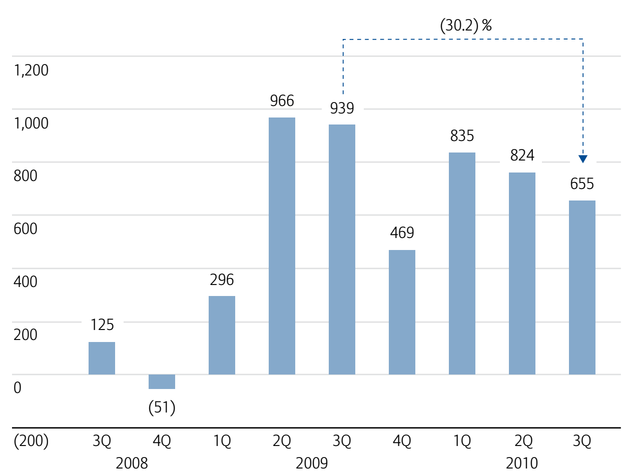
Premiums in Italy decreased by 17.0% to € 1,367 million. Growth in our unit-linked business was offset by lower sales of investment-oriented products by our bancassurance channels. Last year we experienced a very strong demand for our investment-oriented product with guarantees.

2010 to 2009 first nine months comparison

In the first nine months of 2010 we grew our statutory premiums by 15.4% on an internal basis. Premiums stood at € 42,033 million. Growth on a nominal basis amounted to 18.2%. The prior year period was affected by the financial markets crisis, with first signs of recovery in the third quarter of 2009. Premium growth in 2010 reflects the return of consumers' confidence, supported by positive developments in capital markets worldwide. Overall demand for investment and traditional insurance products increased.

Operating profit

Operating profit[1)]
in € mn



2010 to 2009 third quarter comparison

Operating profit decreased from € 939 million to € 655 million. This quarter's fair value results[2)] were lower after exceptional gains in 2009 from credit spreads and equity market movements. As part of the annual assumption review process for deferred acquisition costs-computation we recorded a negative impact (of € 42 million) on operating profit from true-ups. Exceptional impacts from the adjustment of deferred acquisition costs for lapsed policies in Slovakia and the introduction of a financial crisis tax in Hungary also lowered operating profit.

1) Figures prior to third quarter of 2010 have been restated to reflect a change in Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.
2) Recorded in net gain from financial assets and liabilities carried at fair value through income.

Interest and similar income increased by € 81 million to € 3,646 million. Lower interest rates led to a decline in debt yields: from 1.2 % to 1.1 % this quarter. This was compensated by a growth-driven increase in our debt portfolio: the total average asset base increased from € 303.8 billion in the third quarter 2009 to € 346.7 billion this quarter.

Net gains from financial assets and liabilities carried at fair value decreased by € 233 million to € 127 million. The upward trend in equity markets led to a positive result from fair value options, but on a much lower level as equity market development this quarter was not as strong as the third quarter of last year. In addition, last year's exceptional result was driven by favorable credit spread development. The overall decrease in our fair value result was partially offset by a positive development in our trading result.

Net impairments on investments decreased from € 232 million to € 95 million as capital markets stabilized.

Change in reserves for insurance and investment contracts (net) amounted to € 3,673 million, up € 1,011 million compared to the third quarter of 2009. The increase is due to higher reserves following higher sales in our traditional business in Germany and increased variable annuity reserves in the United States where interest rates were lower.

Acquisition and administrative expenses (net) amounted to € 1,000 million, down 18.6 %. Administration expenses increased by 0.6 %, while acquisition costs fell by 25.7 %. Higher commission payments due to increased business were more than offset by true-up effects.

Our cost-income ratio increased by 2.4 percentage points to 96.0 % due to higher changes in reserves compared to the investment performance and premiums generated in the period.

2010 to 2009 first nine months comparison

Operating profit amounted to € 2,314 million in the first nine months of 2010, 5.1 % higher than last year's result for the same period. The increase was mainly driven by profitable growth supported by recovered capital market conditions, together with fewer impairments. This was partly offset by lower fair value option result in France. In addition, this result reflects the sound underlying profitability of our Life/Health business. Line item movements were largely consistent with the developments in the third quarter.

Life/Health segment information[1]

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Statutory premiums[2]	**12,553**	**10,788**	**42,033**	**35,567**
Ceded premiums written	(136)	(135)	(399)	(405)
Change in unearned premiums	(36)	(3)	(144)	(56)
Statutory premiums (net)	12,381	10,650	41,490	35,106
Deposits from insurance and investment contracts	(6,908)	(5,541)	(24,346)	(19,571)
Premiums earned (net)	**5,473**	**5,109**	**17,144**	**15,535**
Interest and similar income	3,646	3,565	11,196	10,508
Operating income from financial assets and liabilities carried at fair value through income (net)	127	360	518	575
Operating realized gains/losses (net)	587	544	1,337	1,354
Fee and commission income	129	115	376	356
Other income	10	6	59	15
Operating revenues	**9,972**	**9,699**	**30,630**	**28,343**
Claims and insurance benefits incurred (net)	(4,307)	(4,399)	(13,603)	(14,042)
Change in reserves for insurance and investment contracts (net)	(3,673)	(2,662)	(10,178)	(5,744)
Interest expenses	(10)	(24)	(64)	(95)
Loan loss provisions	6	(3)	8	(17)
Operating impairments of investments (net)	(95)	(232)	(318)	(1,575)
Investment expenses	(160)	(151)	(489)	(441)
Acquisition and administrative expenses (net)	(1,000)	(1,229)	(3,450)	(4,055)
Fee and commission expenses	(67)	(60)	(184)	(176)
Operating restructuring charges	—	—	(1)	3
Other expenses	(11)	—	(37)	—
Operating expenses	**(9,317)**	**(8,760)**	**(28,316)**	**(26,142)**
Operating profit	**655**	**939**	**2,314**	**2,201**
Cost-income ratio[3] in %	**96.0**	**93.6**	**95.7**	**95.2**

1) Figures prior to third quarter of 2010 have been restated to reflect a change in Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.

2) 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.

3) 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[1)]

Three months ended September 30,	Statutory premiums[2)]		internal[3)]		Premiums earned (net)		Operating profit (loss)		Cost-income ratio	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 %	2009 %
Germany Life	3,471	3,327	3,471	3,327	2,540	2,284	254	176	95.2	96.5
Germany Health[4)]	808	798	808	798	804	795	30	37	97.0	96.4
Switzerland	225	210	198	210	108	101	17	19	94.4	92.9
Austria	87	82	87	82	62	59	6	9	95.5	92.1
German Speaking Countries	**4,591**	**4,417**	**4,564**	**4,417**	**3,514**	**3,239**	**307**	**241**	**95.5**	**96.2**
Italy	1,367	1,646	1,367	1,646	121	139	64	71	96.2	96.3
France	1,732	1,653	1,732	1,653	768	679	114	230	95.3	90.4
Spain	151	146	151	146	63	67	28	27	86.9	87.5
South America	14	11	12	11	11	10	3	1	86.0	90.7
Netherlands	73	79	73	79	33	36	11	13	88.4	87.5
Turkey	26	20	24	20	9	9	2	4	94.5	88.8
Belgium/Luxembourg	237	194	237	193	84	89	13	13	95.8	95.1
Portugal	47	39	47	39	21	20	6	4	89.8	89.4
Greece	26	24	26	24	14	15	3	2	85.6	90.9
Africa	8	10	8	10	7	4	1	1	90.1	93.5
Europe incl. South America	**3,681**	**3,822**	**3,677**	**3,821**	**1,131**	**1,068**	**245**	**366**	**95.0**	**92.7**
United States	2,234	1,242	2,020	1,242	149	149	45	281	98.3	84.4
Mexico	23	12	20	12	13	8	1	1	95.0	94.0
NAFTA Markets	**2,257**	**1,254**	**2,040**	**1,254**	**162**	**157**	**46**	**282**	**98.3**	**84.6**
Reinsurance LH	86	84	86	84	84	80	11	3	88.7	97.1
Global Insurance Lines & Anglo Markets	**86**	**84**	**86**	**84**	**84**	**80**	**11**	**3**	**88.7**	**97.1**
South Korea	470	362	404	362	169	162	12	15	97.8	96.6
Taiwan	484	351	425	351	37	36	7	4	98.6	98.8
Malaysia	61	50	49	50	46	46	4	4	92.5	92.6
Indonesia	113	66	93	66	45	24	6	5	93.7	90.7
Other	553	157	462	157	143	110	1	(11)	100.1	105.5
Asia-Pacific	1,681	986	1,433	986	440	378	30	17	98.3	98.3
Hungary	24	25	25	25	15	16	(2)	5	105.7	83.8
Slovakia	58	60	58	60	36	40	(8)	8	112.1	88.8
Czech Republic	42	23	41	23	14	13	2	2	94.1	95.5
Poland	71	89	67	89	17	67	5	5	94.1	96.3
Romania	4	6	5	6	3	4	1	1	90.3	89.8
Croatia	11	10	11	10	10	10	2	—	92.4	95.4
Bulgaria	6	5	6	5	5	5	1	2	66.0	66.8
Russia	7	3	6	3	7	4	(1)	(2)	116.4	158.5
Central and Eastern Europe	223	221	219	221	107	159	—	21	99.9	92.8
Middle East and North Africa	37	26	32	26	33	26	4	3	90.3	87.5
Global Life	63	34	63	34	2	2	(1)	2	101.5	96.0
Growth Markets	**2,004**	**1,267**	**1,747**	**1,267**	**582**	**565**	**33**	**43**	**98.5**	**97.0**
Consolidation[5)]	(66)	(56)	(64)	(55)	—	—	13	4	—	—
Total	**12,553**	**10,788**	**12,050**	**10,788**	**5,473**	**5,109**	**655**	**939**	**96.0**	**93.6**

1) Figures prior to third quarter of 2010 have been restated to reflect a change in Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.
2) 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.
3) Statutory premiums adjusted for foreign currency translation and (de-)consolidation effects.
4) Loss ratios were 75.8% and 73.9% for the three months ended September 30, 2010 and 2009, respectively, and 74.8% and 74.2% for the nine months ended September 30, 2010 and 2009, respectively.
5) Represents elimination of transactions between Allianz Group companies in different geographic regions.

Nine months ended September 30,	Statutory premiums[2)		internal[3)		Premiums earned (net)		Operating profit (loss)		Cost-income ratio	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 %	2009 %
Germany Life	11,375	10,242	11,375	10,242	8,017	6,899	764	526	95.4	96.3
Germany Health[4)	2,409	2,381	2,409	2,381	2,406	2,379	124	83	96.1	97.2
Switzerland	1,264	1,163	1,199	1,163	454	457	56	57	96.2	95.7
Austria	298	331	298	331	218	210	24	19	94.0	95.1
German Speaking Countries	**15,346**	**14,117**	**15,281**	**14,117**	**11,095**	**9,945**	**968**	**685**	**95.6**	**96.4**
Italy	6,698	5,835	6,698	5,835	432	513	209	166	97.2	97.5
France	6,079	5,183	6,079	5,183	2,279	2,136	415	588	94.7	91.4
Spain	598	605	598	605	275	286	83	80	89.3	89.9
South America	38	31	31	31	29	26	7	6	87.5	86.0
Netherlands	235	272	235	272	98	117	37	28	87.6	91.5
Turkey	74	62	69	62	27	27	5	7	95.3	92.9
Belgium/Luxembourg	771	569	771	569	278	265	57	47	94.4	94.0
Portugal	128	109	128	109	61	60	15	13	89.4	89.0
Greece	86	84	86	84	48	48	5	3	93.1	95.6
Africa	26	30	26	30	18	15	1	3	97.6	92.0
Europe incl. South America	**14,733**	**12,780**	**14,721**	**12,780**	**3,545**	**3,493**	**834**	**941**	**95.3**	**94.0**
United States	5,938	5,002	5,747	5,002	467	455	311	459	95.9	93.0
Mexico	71	35	64	35	42	23	3	2	95.9	94.4
NAFTA Markets	**6,009**	**5,037**	**5,811**	**5,037**	**509**	**478**	**314**	**461**	**95.9**	**93.1**
Reinsurance LH	236	228	236	228	234	223	19	12	92.7	95.6
Global Insurance Lines & Anglo Markets	**236**	**228**	**236**	**228**	**234**	**223**	**19**	**12**	**92.7**	**95.6**
South Korea	1,413	1,000	1,208	1,000	534	473	69	50	95.9	95.8
Taiwan	1,550	1,070	1,440	1,070	120	77	42	10	97.4	99.1
Malaysia	171	129	149	129	137	117	10	9	93.9	93.4
Indonesia	298	147	246	147	119	62	30	13	89.8	90.1
Other	1,355	291	1,080	291	367	163	(22)	(38)	101.7	112.2
Asia-Pacific	4,787	2,637	4,123	2,637	1,277	892	129	44	97.5	98.5
Hungary	155	70	150	70	47	48	6	13	96.2	84.5
Slovakia	182	189	182	189	126	125	8	25	96.0	88.5
Czech Republic	117	87	111	87	42	37	8	6	93.5	93.9
Poland	289	310	262	310	96	151	15	11	95.2	96.9
Romania	16	18	16	18	8	11	2	2	88.6	91.1
Croatia	34	32	33	32	32	30	4	2	91.3	94.0
Bulgaria	18	17	18	17	17	16	5	4	76.8	79.4
Russia	20	12	18	12	19	12	(3)	(5)	115.3	136.2
Central and Eastern Europe	831	735	790	735	387	430	45	58	95.1	93.1
Middle East and North Africa	100	74	88	74	92	71	10	(6)	91.3	107.2
Global Life	180	126	180	126	5	3	(3)	2	101.9	98.8
Growth Markets	**5,898**	**3,572**	**5,181**	**3,572**	**1,761**	**1,396**	**181**	**98**	**97.1**	**97.5**
Consolidation[5)	(189)	(167)	(176)	(167)	—	—	(2)	4	—	—
Total	**42,033**	**35,567**	**41,054**	**35,567**	**17,144**	**15,535**	**2,314**	**2,201**	**95.7**	**95.2**

Asset Management

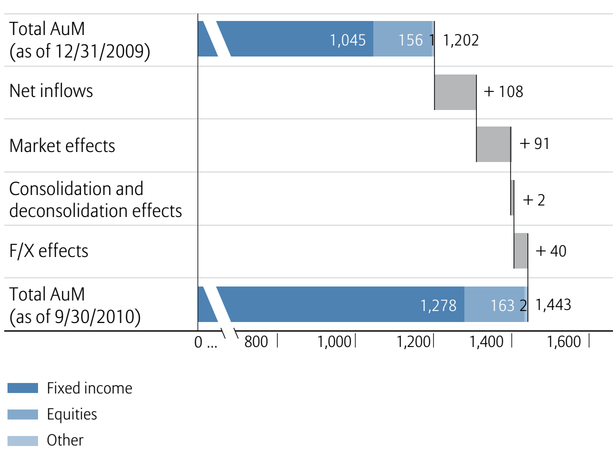
– Total assets under management exceeded € 1.4 trillion.
– Strong third-party net inflows of € 40 billion in the third quarter of 2010, € 100 billion year-to-date.
– Exceptionally strong operating profit of € 521 million.

Assets under Management

Total assets under management grew from € 1,202 billion to € 1,443 billion since December 31, 2009. Third-party assets under management accounted for € 1,131 billion of the total assets under management, while the remaining € 312 billion related to Allianz Group assets.

Development of total assets under management

in € bn

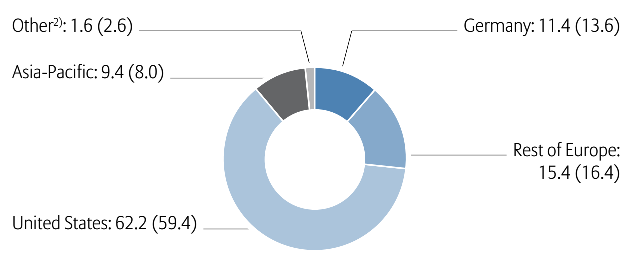


Growth in total assets under management in the first nine months of 2010 amounted to € 241 billion, of which € 100 billion came from third-party net inflows and € 8 billion came from Allianz Group net inflows. Fixed income business contributed net inflows of € 111 billion, while equity business saw net outflows of € 3 billion. Cumulative foreign currency translation effects accounted for € 40 billion, mainly due to the strengthening U.S. Dollar versus the Euro. Market-related appreciation of € 91 billion stemmed from both fixed income (up by € 83 billion) and equity (up by € 8 billion) assets.

In the following section we focus on the development of third-party assets under management.

Third-party assets under management by geographic region as of September 30, 2010 (December 31, 2009)[1]

in %



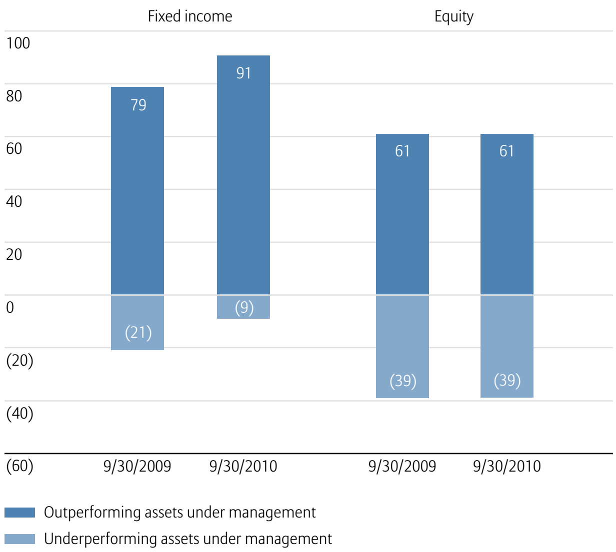
We continued to observe a positive shift in the proportion of third-party assets under management in the United States, supported by strong fixed income net inflows. Asia-Pacific also improved its share to 9.4% of the third-party assets under management.

The split between fixed income and equity third-party assets remained largely unchanged: fixed income assets grew to 87% (December 31, 2009: 85%) while equity assets decreased to 13% (December 31, 2009: 15%).

The proportion of third-party assets under management from institutional and retail clients remained largely unchanged compared to December 31, 2009, at 67% and 33%, respectively.

1) Based on the origination of assets.
2) Consists of third-party assets managed by other Allianz Group companies (approximately € 18 bn as of September 30, 2010 and € 24 bn as of December 31, 2009, respectively).

Rolling investment performance of Allianz Global Investors[1]
in %



The overall investment performance of Allianz Global Investors' assets under management was outstanding with 87% outperforming their respective benchmarks (September 30, 2009: 77%). Fixed income assets recorded a distinctive outperformance of 91%, while equity assets' performance was stable with 61% outperforming their respective benchmarks.

Earnings Summary

Operating revenues

2010 to 2009 third quarter comparison

Operating revenues amounted to € 1,256 million, an increase of € 357 million resulting mainly from a strong growth in assets under management and a shift to higher margin products. Excluding positive foreign currency effects of € 100 million, operating revenues increased by 28.8% on an internal basis.

Net fee and commission income increased by € 369 million to € 1,235 million. The growth was largely driven by a € 404 million increase in management and loading fees, partially offset by higher fee and commission expenses and lower performance fees.

Performance fees remained strong at € 73 million, despite a decrease of € 11 million.

Income from financial assets and liabilities carried at fair value through income (net) amounted to € 7 million. It was however below the prior period result of € 17 million due to lower seed money valuation gains and negative foreign currency translation effects from the U.S. Dollar cash reserves.

2010 to 2009 first nine months comparison

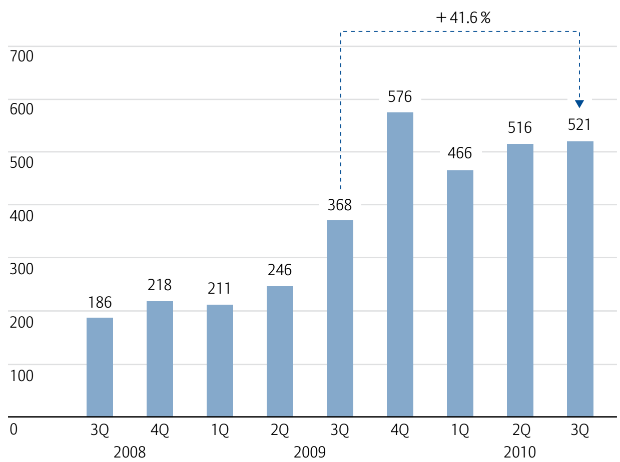
Operating revenues increased by € 1,165 million to € 3,560 million, including positive foreign currency translation effects of € 112 million.

[1] AGI account-based, asset-weighted 3-year investment performance of third-party assets vs. benchmark including all equity and fixed income accounts managed by equity and fixed income managers of AGI. For some retail funds the net of fee performance is compared to the median performance of an appropriate peer group (Morningstar or Lipper; 1st and 2nd 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. Also not included: in parts WRAP accounts and accounts of Joint-Venture GTJA China.

Operating profit

2010 to 2009 third quarter comparison

Operating profit
in € mn



We recorded operating profit of € 521 million due to strong growth in assets under management and superior performance. The overall increase was € 153 million or 41.6 %.

In line with the exceptional performance (and high revenue growth), variable compensation and assets under management driven expenses increased. This expense increase was mainly from our fixed income business. Furthermore, our Asset Managers in the United States invested in the improvement of infrastructure and product initiatives. Thus, administrative expenses increased by € 204 million to € 735 million. Of this increase, € 55 million was from foreign currency effects.

Our cost-income ratio was 58.5 %, 0.6 percentage points lower than the third quarter of 2009.

2010 to 2009 first nine months comparison

Operating profit amounted to € 1,503 million, an increase of € 678 million, supported by the strong growth in assets under management and the high level of performance fees. The developments in all other positions were consistent overall with the 2010 to 2009 third quarter comparison.

Asset Management segment information

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Management and loading fees	1,403	999	3,935	2,821
Performance fees	73	84	289	118
Other income	47	11	110	33
Fee and commission income	**1,523**	**1,094**	**4,334**	**2,972**
Commissions	(281)	(224)	(798)	(630)
Other expenses	(7)	(4)	(16)	(15)
Fee and commission expenses	**(288)**	**(228)**	**(814)**	**(645)**
Net fee and commission income	**1,235**	**866**	**3,520**	**2,327**
Net interest income[1]	10	12	18	22
Income from financial assets and liabilities carried at fair value through income (net)	7	17	8	33
Other income	4	4	14	13
Operating revenues	**1,256**	**899**	**3,560**	**2,395**
Administrative expenses (net), excluding acquisition-related expenses	(735)	(531)	(2,057)	(1,570)
Operating expenses	**(735)**	**(531)**	**(2,057)**	**(1,570)**
Operating profit	**521**	**368**	**1,503**	**825**
Cost-income ratio[2] in %	**58.5**	**59.1**	**57.8**	**65.6**

1) Represents interest and similar income less interest expenses.
2) Represents operating expenses divided by operating revenues.

Corporate and Other

– Operating loss reduced by € 25 million to € 270 million, mainly driven by an improved foreign currency result.

Corporate and Other segment information

	Holding & Treasury		Banking[1]		Alternative Investments		Corporate and Other[2]	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Three months ended September 30,								
Interest and similar income	45	54	173	174	(5)	2	212	229
Operating income from financial assets and liabilities carried at fair value through income (net)	(18)	(35)	(1)	(3)	—	—	(20)	(38)
Fee and commission income	45	50	111	103	30	38	186	190
Other income	—	—	—	—	—	(2)	—	(2)
Operating revenues	**72**	**69**	**283**	**274**	**25**	**38**	**378**	**379**
Interest expenses, excluding interest expenses from external debt	(93)	(103)	(86)	(100)	—	—	(178)	(202)
Loan loss provisions	—	—	(18)	(13)	—	—	(18)	(13)
Investment expenses	(23)	(23)	—	—	—	—	(23)	(21)
Administrative expenses (net), excluding acquisition-related expenses	(144)	(137)	(151)	(143)	(34)	(47)	(329)	(328)
Fee and commission expenses	(49)	(58)	(51)	(55)	—	3	(99)	(110)
Other expenses	—	—	(1)	—	—	—	(1)	—
Operating expenses	**(309)**	**(321)**	**(307)**	**(311)**	**(34)**	**(44)**	**(648)**	**(674)**
Operating loss	**(237)**	**(252)**	**(24)**	**(37)**	**(9)**	**(6)**	**(270)**	**(295)**
Cost-income ratio[3] in %			**104.1**	**120.2**				

[1] Total revenues in the Corporate and Other segment refer to the total revenues of the Banking business only. For further information on the reconciliation of total revenues, please refer to page 41.
[2] Including consolidation within the Corporate and Other segment as recorded in the segment information in note 3 of the condensed consolidated interim financial statements.
[3] Represents investment expenses, administrative expenses (net), excluding acquisition-related expenses, 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, fee and commission expenses.

	Holding & Treasury		Banking[1]		Alternative Investments		Corporate and Other[2]	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Nine months ended September 30,								
Interest and similar income	223	292	515	537	2	—	738	826
Operating income from financial assets and liabilities carried at fair value through income (net)	(32)	(132)	(10)	3	(1)	(1)	(43)	(130)
Fee and commission income	131	150	320	266	94	95	542	507
Other income	—	—	—	—	1	1	—	1
Operating revenues	**322**	**310**	**825**	**806**	**96**	**95**	**1,237**	**1,204**
Interest expenses, excluding interest expenses from external debt	(284)	(341)	(253)	(306)	—	—	(536)	(645)
Loan loss provisions	—	—	(41)	(30)	—	—	(41)	(30)
Investment expenses	(66)	(61)	—	—	(1)	—	(67)	(57)
Administrative expenses (net), excluding acquisition-related expenses	(421)	(411)	(430)	(468)	(108)	(112)	(955)	(991)
Fee and commission expenses	(152)	(129)	(161)	(140)	—	(3)	(312)	(272)
Other expenses	—	—	(2)	(1)	—	—	(2)	(1)
Operating expenses	**(923)**	**(942)**	**(887)**	**(945)**	**(109)**	**(115)**	**(1,913)**	**(1,996)**
Operating loss	**(601)**	**(632)**	**(62)**	**(139)**	**(13)**	**(20)**	**(676)**	**(792)**
Cost-income ratio[3] in %			**105.1**	**130.3**				

Holding & Treasury

2010 to 2009 third quarter comparison

The operating loss for Holding & Treasury was € 237 million, down from a loss of € 252 million largely due to an improved foreign currency result.

Operating income from financial assets and liabilities carried at fair value (net) improved by € 17 million to € (18) million, largely due to a higher foreign currency result.

We recorded € 45 million in interest and similar income, a decrease of € 9 million. Still lower interest rates led to a € 10 million decrease in interest expenses, excluding interest expenses from external debt, to € 93 million.

Net fee and commission result was € (4) million compared to € (8) million in the third quarter of 2009, as the fee expenses from our internal IT service provider decreased.

2010 to 2009 first nine months comparison

The operating loss improved by € 31 million to € 601 million. The improvement stemmed from an improved foreign currency result, partially offset by lower net interest result and net fee and commission result.

[1] Total revenues in the Corporate and Other segment refer to the total revenues of the Banking business only. For further information on the reconciliation of total revenues, please refer to page 41.
[2] Including consolidation within the Corporate and Other segment as recorded in the segment information in note 3 of the condensed consolidated interim financial statements.
[3] Represents investment expenses, administrative expenses (net), excluding acquisition-related expenses, 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, fee and commission expenses.

Banking

2010 to 2009 third quarter comparison

We recorded operating revenues of € 283 million, an increase of € 9 million. Our Banking business in Germany contributed most to the increase, supported by the Allianz Bank operations, launched in June 2009. Lower fee and commission income in Italy partially offset this positive development.

The operating loss reduced by € 13 million to a loss of € 24 million. Net interest result accounted for € 13 million of the improvement, driven by lower interest expenses excluding interest expenses from external debt. A further € 12 million stemmed from the net fee and commission result. Higher administrative expenses partially offset these positive effects. The third quarter of 2009 included non-recurring Allianz Bank set-up costs of € 24 million. A difficult economic environment took its toll especially in Central and Eastern Europe and is reflected in our Banking results.

2010 to 2009 first nine months comparison

The operating loss more than halved to € 62 million, partly driven by € 118 million of non-recurring Allianz Bank set-up costs. The net fee and commission result and net interest result also developed positively. The overall loss was mainly driven by Central and Eastern Europe, and to some extent by Germany, France and Italy.

Alternative Investments

2010 to 2009 third quarter comparison

The operating loss increased from € 6 million to € 9 million. A reduction in administrative expenses could not compensate for the lower net fee and commission result and net interest result. The earnings of Alternative Investments derive from the alternative investments of Allianz SE and from the activities of the managers of Allianz Capital Partners and Allianz Real Estate.

2010 to 2009 first nine months comparison

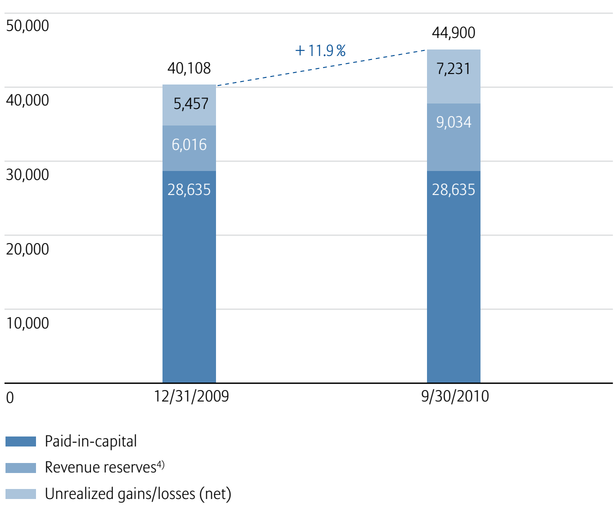
The operating loss went down by € 7 million to € 13 million. Half of the change came from lower administrative expenses, while the net interest result and net fee and commission result also contributed to this positive development.

Balance Sheet Review

– Shareholders' equity increased by 11.9 % to € 44.9 billion.
– Solvency ratio grew from 164 % to 168 %.[1)]

Shareholders' Equity[2)]

Shareholders' equity[3)]
in € mn

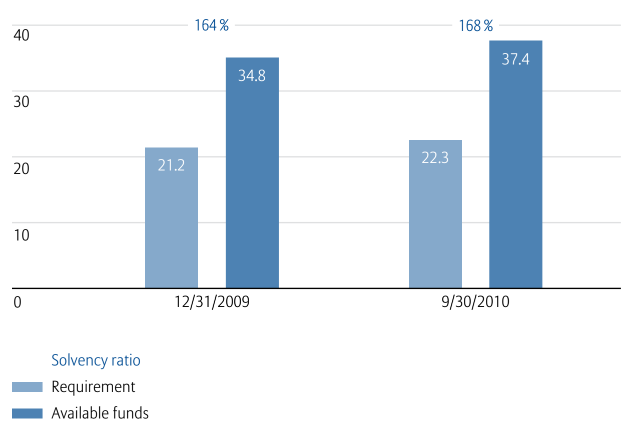


As of September 30, 2010, shareholders' equity amounted to € 44,900 million, an increase of € 4,792 million compared to December 31, 2009. Net income attributable to shareholders and favorable foreign currency translation effects increased our equity by € 3,918 million and € 894 million respectively. Unrealized gains contributed a further € 1,774 million. In the second quarter of 2010, Allianz SE paid dividends of € 1,850 million for the fiscal year 2009, which reduced equity.

Regulatory Capital Adequacy

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. Under this directive, a financial conglomerate is defined as any financial parent holding company that, together with its subsidiaries has significant cross-border and cross-sector activities. The law requires that a financial conglomerate calculates the capital needed to meet the respective solvency requirements on a consolidated basis.

Conglomerate solvency[1)]
in € bn



As of September 30, 2010, our eligible capital for solvency purposes, required for our insurance segments and our banking and asset management business, was € 37.4 billion, including off-balance sheet reserves of € 1.9 billion, surpassing the minimum legally stipulated level by € 15.1 billion. This margin resulted in a cover ratio of 168 % at September 30, 2010. Eligible capital at September 30, 2010 also includes a deduction for accrued dividends of € 1.6 billion for the first nine months of 2010, which represents 40 % of net income attributable to shareholders. Our solvency position remains strong.

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1) 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 159 % (2009: 155 %).
2) Does not include non-controlling interests of € 2,171 mn and € 2,121 mn as of September 30, 2010 and December 31, 2009, respectively. For further information, please refer to note 19 of the condensed consolidated interim financial statements.
3) Figures prior to third quarter of 2010 have been restated to reflect a change in Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.
4) Includes foreign currency translation effects.

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.

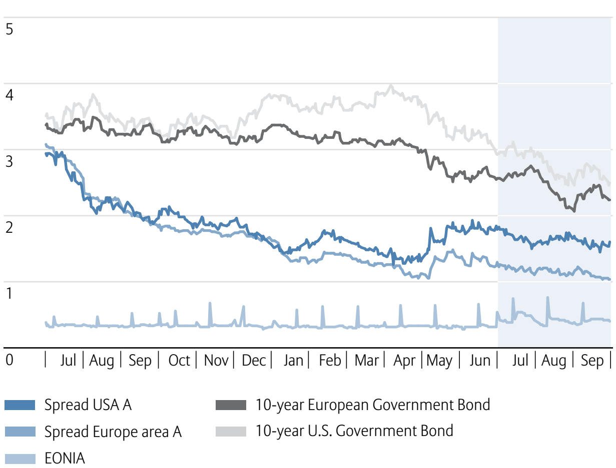
As of September 30, 2010, total assets amounted to € 622.7 billion and total liabilities amounted to € 575.7 billion. When compared to the year-end 2009 total assets and total liabilities increased by € 39.0 billion and by € 34.2 billion, respectively.

Market environment of different asset classes

Equity markets were volatile during the first nine months of 2010. The first quarter started on a positive note, followed by a downturn in the second quarter. After solid financial half-year results of companies across all sectors, equity markets performed positively during the third quarter. Overall, we saw slightly positive and negative developments across the worldwide equity markets during the first nine months of 2010.

Interest rates and credit spreads development

in %



10-year interest rates of all major countries decreased during the first nine months of 2010. Overall interest rates in the third quarter 2010 were below third quarter levels in 2009.

In the third quarter 2009 credit spreads narrowed tremendously. This trend continued, but slowed down during the first half of 2010. During the third quarter of 2010 overall credit spreads narrowed slightly.

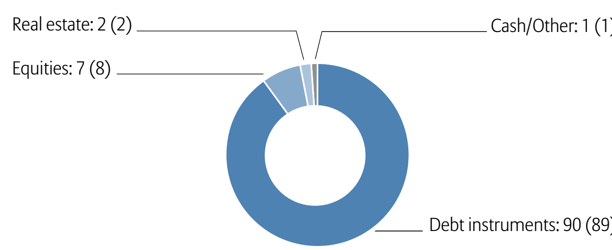
Structure of investments – Portfolio overview

Allianz Group's asset portfolio mainly derives from our core business of insurance. The following asset allocation covers the insurance segments together with the Corporate and Other segment.

Asset allocation[1)]

in %

Allianz Group's asset portfolio as of September 30, 2010: € 443.9 billion
(as of December 31, 2009: € 408.7 billion)



The Group's investment portfolio grew by € 35.2 billion compared to the end of 2009 and by € 3.6 billion compared to the end of the second quarter of 2010. These increases were mainly driven by inflows provided by our underlying operating businesses, primarily from the Life/Health entities and supported by market developments.

Equities

During the first nine months of 2010, our gross exposure to equities increased from € 30.6 billion to € 31.1 billion driven by positive market developments, which were partially offset by divestments. During the first nine months, our equity gearing after policyholder participation and hedges – which is a ratio of our equity holdings allocated to the shareholder to shareholder's equity plus off-balance sheet reserves less goodwill – decreased slightly from 0.4 to 0.3.

1) Does not include our banking operations.

Debt instruments

The vast majority of our investment portfolio comprises debt instruments. Our investments in this asset class rose from € 364.8 billion to € 399.7 billion during the first nine months of 2010, mainly driven by net inflows, especially from our Life business.

From our well-diversified exposure in this asset class, a share of more than 60% relates to governments and covered bonds. In line with our operating business profile 66% of our fixed income portfolio is invested in Eurozone bonds and loans. Similarly, approximately 94% is invested in investment-grade bonds and loans.

Of our government exposure 75% is located in the Eurozone, where some governments experienced the threat of a liquidity shortage in recent quarters. Combined support efforts by other E.U. members and the International Monetary Fund helped to ensure financial stability.

As of September 30, 2010 our sovereign bond exposure (market values) in Portugal, Ireland, Greece and Spain (PIGS) amounted to € 9.3 billion. This exposure varies due to portfolio optimization strategies. The current unrealized losses of the PIGS sovereign bond holding were € 0.6 billion as of September 30, 2010.

Nearly 60% of covered bonds are German Pfandbriefe backed by either public sector loans or mortgage loans. On these as well as on all other covered bond exposures, a cushion against house price deterioration and payment defaults is provided by minimum required security buffers and voluntary over-collateralization.

Our portfolio includes ABS securities of € 21.8 billion. Around 31% or € 6.7 billion of our ABS securities are made up of U.S. agency MBS which were backed by the U.S. government.

Our exposure in subordinated securities in banks amounted to € 11.2 billion. Our tier 1 share remains low at 0.5% of our total exposure to debt instruments.

Real Estate

Our exposure to real estate held for investment increased by 6.7% to € 8.0 billion.

Investment result

Net investment income

Three months ended September 30,	2010 € mn	2009 € mn
Interest and similar income[1]	4,610	4,369
Income from financial assets and liabilities carried at fair value through income (net)	150	500
Realized gains/losses (net)	990	891
Impairments of investments (net)	(69)	(282)
Investment expenses	(177)	(195)
Net investment income	**5,504**	**5,283**

In the third quarter of 2010, our total investment result (net) amounted to € 5,504 million, an increase of 4.2% compared to last year's third quarter. A higher asset base and lower impairments from equities were the main drivers for this development. In addition, we realized higher gains, especially from the sale of debt and real estate investments. The fair value option results and trading were lower due to a partial sale of the fair value option portfolio in the United States and lower fair value option result in France, but these effects did not outweigh the positive effects reported above.

Interest and similar income[1] rose by € 241 million to € 4,610 million, mainly driven by higher income from debt securities. A higher level of debt investments, especially in the Life/Health segment more than compensated lower yields on debt securities in the third quarter of 2010.

Income from investments held on fair value option and trading (net) decreased from € 500 million to € 150 million.

Realized gains and losses (net) amounted to € 990 million and therefore were up by 11.1% compared to the third quarter of 2009. Lower realized gains from our equity investments (decreased by € 145 million to € 557 million) were more than offset by higher realizations from debt and real estate investments (increased by € 244 million to € 433 million). In addition, we sold another tranche of ICBC shares in the third quarter of 2010.

Impairments (net) decreased significantly compared to the respective previous year period and amounted to € 69 million. No major impairments were booked on equities as markets performed well. Whereas, in the third quarter of 2009, we booked total impairments of € 282 million.

[1] Net of interest expenses (excluding interest expenses from external debt).

Assets and liabilities of the Property-Casualty segment

Property-Casualty assets

During the first nine months of 2010, our Property-Casualty asset base increased by € 4.1 billion to € 96.3 billion. This was primarily attributable to the development of our debt securities which rose by € 3.5 billion in total due to capital market developments, favorable foreign currency translation effects and net inflows. Equity investments increased by € 0.2 billion to € 5.2 billion. Our cash and cash pool assets were stable and amounted to € 4.3 billion.

Composition of asset base

fair values[1]

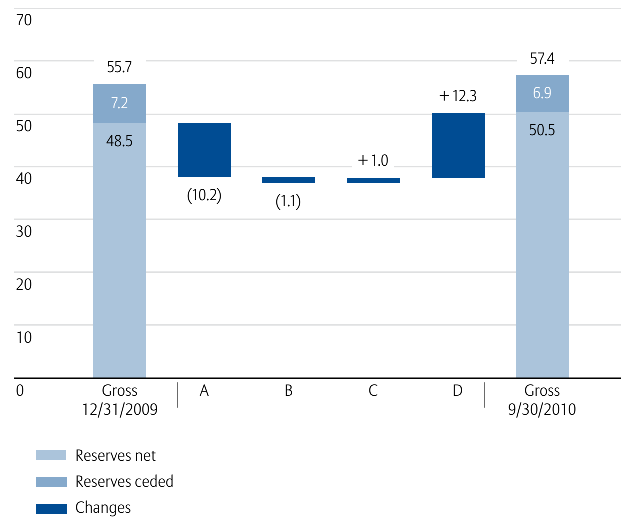
	As of September 30, 2010 € bn	As of December 31, 2009 € bn
Financial assets and liabilities carried at fair value through income		
Equities	0.2	0.2
Debt securities	1.5	1.7
Other[2]	0.1	0.1
Subtotal	1.8	2.0
Investments[3]		
Equities	5.2	5.0
Debt securities	61.5	58.0
Cash and cash pool assets[4]	4.3	4.4
Other	6.7	6.5
Subtotal	77.7	73.9
Loans and advances to banks and customers	16.8	16.3
Property-Casualty asset base	96.3	92.2

Of our Property-Casualty asset base, asset-backed securities (ABS) made up € 4.9 billion as of September 30, 2010, which is approximately 5.1 % of our asset base. CDOs accounted for only € 47 million of this amount.

Property-Casualty liabilities

Development of reserves for loss and loss adjustment expenses[5]

in € bn



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, 2010, the segment's gross reserves for loss and loss adjustment expenses increased by 3.1 % to € 57.4 billion. On a net basis, reserves were up 4.1 % to € 50.5 billion. Foreign currency translation effects and other changes accounted for a € 1.0 billion increase.

1) 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.
2) Comprises assets of € 0.2 bn and € 0.2 bn and liabilities of € (0.1) and € (0.1) bn as of September 30, 2010 and December 31, 2009 respectively.
3) Does not include affiliates of € 10.9 bn and € 10.9 bn as of September 30, 2010 and December 31, 2009, respectively.
4) Including cash and cash equivalents as stated in our segment balance sheet of € 2.3 bn and € 2.3 bn and receivables from cash pooling amounting to € 2.2 bn and € 2.1 bn net of liabilities from securities lending and derivatives of € (0.2) bn and € 0 bn as of September 30, 2010 and December 31, 2009, respectively.

5) 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 14 of the condensed consolidated interim financial statements.

Assets and liabilities of the Life/Health segment

Life/Health assets

In the first nine months of 2010, the Life/Health asset base increased by 8.8% to € 414.6 billion. Of this total, € 61.7 billion were financial assets for unit-linked contracts, which contributed € 4.7 billion to the overall increase. Without unit-linked contracts we recorded a significant increase in debt investments from € 182.5 billion to € 214.6 billion. This development was driven by strong net inflows from our Life insurance business, which was supported by credit spread narrowing, resulting in an increase in the value of our corporate bonds. Our equity investments increased by € 1.4 billion to € 22.3 billion. Cash and cash pool assets were down by € 2.3 billion to € 3.7 billion.

In conjunction with the change in accounting policy, the Allianz Group also sold a portfolio of financial assets which were designated at fair value through income which was previously held to mitigate interest rate volatility of the embedded derivatives. As of December 31, 2009 , the portfolio had a fair value of approximately € 3.6 billion. The portfolio was reduced to approximately € 0.5 billion as of September 30, 2010.

Composition of asset base

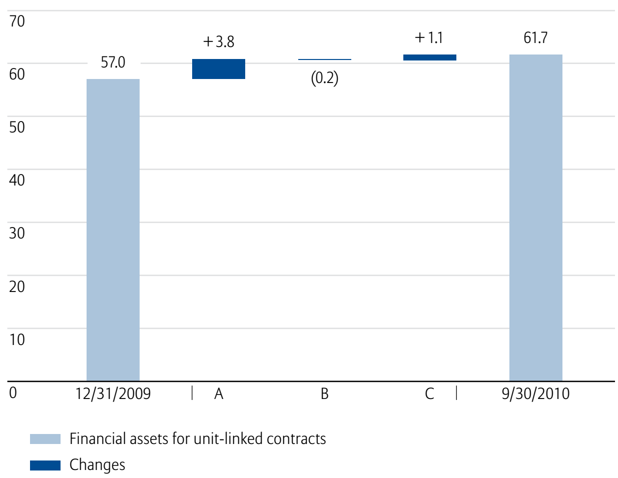
fair values

	As of September 30, 2010 € bn	As of December 31, 2009 € bn
Financial assets and liabilities carried at fair value through income		
Equities	2.6	2.8
Debt securities	4.0	7.3
Other[1) 2)]	(2.8)	(3.5)
Subtotal	**3.8**	**6.6**
Investments[3)]		
Equities	22.3	20.9
Debt securities	214.6	182.5
Cash and cash pool assets[4)]	3.7	6.0
Other	8.5	7.9
Subtotal	**249.1**	**217.3**
Loans and advances to banks and customers	100.0	100.3
Financial assets for unit-linked contracts[5)]	61.7	57.0
Life/Health asset base	414.6	381.2

Within our Life/Health asset base, ABS amounted to € 16.4 billion as of September 30, 2010, which is less than 4% of total Life/Health assets. Of these, € 1.0 billion are CDOs.

1) Figures prior to third quarter of 2010 have been restated to reflect a change in Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.
2) Comprises assets of € 1.7 bn and € 1.2 bn and liabilities of € (4.5) bn and € (4.7) bn as of September 30, 2010 and December 31, 2009 respectively.
3) Do not include affiliates of € 1.6 bn and € 1.8 bn as of September 30, 2010 and December 31, 2009, respectively.
4) Including cash and cash equivalents as stated in our segment balance sheet of € 3.2 bn and € 2.5 bn and receivables from cash pooling amounting to € 1.6 bn and € 3.5 bn net of liabilities from securities lending and derivatives of € (1.1) bn and € 0 bn as of September 30, 2010 and December 31, 2009, respectively.
5) 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

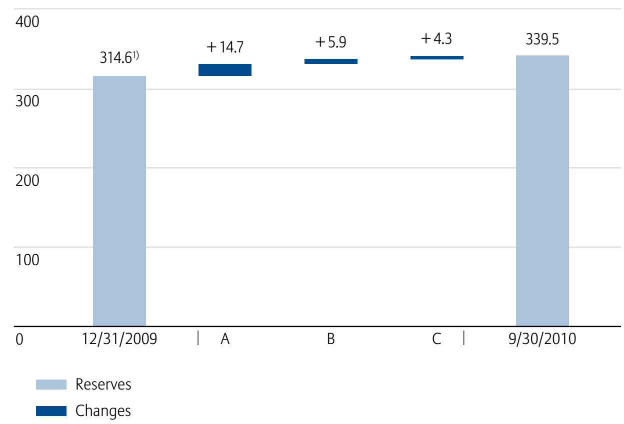


A Change in unit-linked insurance contracts
B Change in unit-linked investment contracts
C Foreign currency translation adjustments

Financial assets for unit-linked contracts grew by € 4.7 billion to € 61.7 billion. Unit-linked insurance contracts increased by € 3.8 billion due to fund performance and premium inflows exceeding outflows by € 3.5 billion. Unit-linked investment contracts decreased by € 0.2 billion, mainly driven by bancassurance business in our Italian business operations. Currency effects mainly stemmed from the stronger U.S. Dollar (€ 0.5 billion) and Asian currencies (€ 0.5 billion) versus the Euro.

Life/Health liabilities

Development of reserves for insurance and investment contracts
in € bn



A Change in aggregate policy reserves
B Change in reserves for premium refunds
C Foreign currency translation adjustments

Life/Health reserves for insurance and investment contracts increased by € 24.9 billion or 8% in the first nine months of 2010. € 14.7 billion of the increase was driven by higher aggregate policy reserves; the main contributors were our operations in Germany (€ 6.2 billion), Italy (€ 2.4 billion), the United States (€ 2.7 billion excluding currency effects) and France (€ 1.4 billion). Reserves for premium refund were up by € 5.9 billion due to recovering capital markets. Significant currency effects resulted mainly from the stronger U.S. Dollar (€ 2.2 billion), Asian currencies (€ 1.0 billion) and the Swiss Franc (€ 0.8 billion) versus the Euro.

[1] Figures prior to third quarter of 2010 have been restated to reflect a change in Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.

Assets and liabilities of the Asset Management segment

Asset Management assets

Our Asset Management segment's results of operations stem primarily from its management of third-party assets.[1] In this section we refer only to our own assets.

Our own Asset Management segment's asset base, without third-party assets (as third-party assets are not shown on the Asset Management segment's balance sheet), increased in the first nine months of 2010 by € 0.7 billion to € 3.7 billion.

Asset Management liabilities

Liabilities in our Asset Management segment amounted to € 4.5 billion (up by 6.0 %), mainly driven by higher liabilities to banks and customers.

Assets and liabilities of the Corporate and Other segment

Corporate and Other assets

Our asset base for Corporate and Other was down by 5.7 % in the first nine months of 2010 to € 38.1 billion. The biggest movement was within loans and advances to banks and customers, down by € 4.5 billion to € 16.2 billion due to repayments of loans and a decrease in reverse repos. In addition, our equity investments declined by € 1.2 billion mainly due to disposals of ICBC shares. Investments in debt securities increased by € 3.1 billion due to a shift within our portfolio.

Composition of asset base
fair values

	As of September 30, 2010 € bn	As of December 31, 2009 € bn
Financial assets and liabilities carried at fair value through income		
Equities	0.0	0.0
Debt securities	0.4	0.1
Other[2]	(0.1)	0.0
Subtotal	**0.3**	**0.1**
Investments[3]		
Equities	3.6	4.8
Debt securities	16.4	13.3
Cash and cash pool assets[4]	1.4	1.3
Other	0.2	0.2
Subtotal	**21.6**	**19.6**
Loans and advances to banks and customers	16.2	20.7
Corporate and Other asset base	38.1	40.4

ABS in our Corporate and Other asset base, amounted to € 0.5 billion as of September 30, 2010, which is around 1.2 % of our Corporate and Other asset base.

Corporate and Other liabilities

Our liabilities to banks and customers amounted to € 19.9 billion after € 21.2 billion at year-end 2009. This development was mainly due to a decrease in liabilities from term deposits.

Other liabilities decreased by € 1.9 billion to € 14.2 billion.

The increase within the certificated liabilities from € 14.1 billion to € 14.9 billion was mainly driven by an increase of Allianz SE's outstanding issued debt[5] in this investment category of € 0.8 billion.

1) For further information on the development of these third-party assets, please refer to page 24.

2) Comprises assets of € 0.4 bn and € 0.5 bn and liabilities of € (0.5) bn and € (0.5) bn as of September 30, 2010 and December 31, 2009 respectively.
3) Do not include affiliates of € 68.3 bn and € 67.5 bn as of September 30, 2010 and December 31, 2009, respectively.
4) Including cash and cash equivalents as stated in our segment balance sheet of € 1.1 bn and € 1.1 bn and receivables from cash pooling amounting to € 0.3 bn and € 0.2 bn net of liabilities from securities lending and derivatives of € 0 bn and € 0 bn as of September 30, 2010 and December 31, 2009, respectively.
5) For further information on Allianz SE debt as of September 30, 2010, please refer to notes 17 and 18 of our financial statements.

Allianz SE bonds outstanding as of September 30, 2010[1)]

		Interest expense in 3Q 2010
1. Senior bonds[2)]		
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		€ 12.6 mn
5.0% bond issued by Allianz Finance II B.V., Amsterdam		
Volume	€ 1.5 bn	
Year of issue	2008	
Maturity date	03/06/2013	
ISIN	DE 000 A0T R7K 7	
Interest expense		€ 19.3 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		€ 15.6 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		€ 18.1 mn
Total interest expense for senior bonds		**€ 65.6 mn**
2. Subordinated bonds[3)]		
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		€ 27.2 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		€ 16.7 mn

		Interest expense in 3Q 2010
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		€ 6.9 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		€ 21.3 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		€ 15.9 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		€ 11.7 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		€ 34.2 mn
Total interest expense for subordinated bonds		**€ 133.9 mn**
Total interest expense		**€ 199.5 mn**

1) For further information on Allianz SE debt as of September 30, 2010, please refer to notes 17 and 18 of our financial statements.
2) Senior bonds and commercial papers 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 two subordinated bonds issued in 2002.
3) The terms of the subordinated bonds (except for the two subordinated bonds 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 in accordance with the International Financial Reporting Standards (IFRS), Allianz Group uses operating profit and internal growth to enhance understanding of our results. These additional values should be viewed as complementary to, and not a substitute for, our figures determined in accordance with IFRS.

Reconciliation of Income from Continuing Operations before Income Taxes to Operating Profit[1)]

The Allianz Group uses operating profit to evaluate the performance of its business segments and the 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 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, we exclude 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 restructuring charges is largely at our discretion, and their exclusion provides additional insight into the operating trends of the underlying business. This differentiation is not made if the profit sources are shared with policyholders;

- interest expenses from external debt, as these relate to our capital structure;

- 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 held for trading (net) as part of the income from financial assets and liabilities carried at fair value through income (net) for the Property-Casualty insurance operations and the Corporate and Other activities (except for certain items for the Holding & Treasury activities and Banking operations where the trading income refers to operating business). For the Life/Health insurance and Asset Management operations, this item is treated as operating business and is therefore not excluded;

- 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 our discretion and impairments are largely dependent on market cycles or issuer-specific events over which we have little or no control and which can and do vary, sometimes materially, through time. This exclusion does not apply to Life/Health insurance operations, where the expenses for premium refunds in the operating profit correlate with realized gains and losses and impairments of investments.

1) For further information please refer to note 3 of our condensed consolidated interim financial statements.

The definitions for non-operating income from financial assets and liabilities held for trading (net), realized capital gains and losses (net) and impairments of investments (net) state the general treatment in the segments. However, there are special cases which are different from this general treatment:

- Property-Casualty insurance business: the line items are generally booked within the non-operating items; they can be classified as operating items if they are shared with the policyholders in the context of a casualty insurance product with premium refunds issued in the German market.
- Life/Health insurance business: the line items are generally booked within operating profit; they can be classified as non-operating items if they stem from an investment where the results are not shared with the policyholders, for example strategic investments.

In certain cases the policyholders participate in the tax benefits of the Allianz Group. IFRS requires that the consolidated income statements present all tax benefits in the income tax 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.

Reconciliation of operating profit to the Allianz Group's income from continuing operations before income taxes

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Operating profit	**2,055**	**2,009**	**6,089**	**5,084**
Non-operating realized gains/losses (net) and impairments of investments (net)	350	276	1,055	593
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(27)	112	(129)	150
Income from fully consolidated private equity investments (net)	(48)	(34)	(100)	(191)
Interest expenses from external debt	(225)	(228)	(667)	(680)
Non-operating restructuring charges	(11)	(60)	(100)	(137)
Acquisition-related expenses	(80)	(112)	(388)	(166)
Amortization of intangible assets	(78)	(37)	(112)	(52)
Reclassification of tax benefits	(4)	(9)	(20)	(35)
Income from continuing operations before income taxes	**1,932**	**1,917**	**5,628**	**4,566**

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,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Property-Casualty				
Gross premiums written	**10,600**	**10,232**	**34,545**	**33,640**
Life/Health				
Statutory premiums	**12,553**	**10,788**	**42,033**	**35,567**
Asset Management				
Operating revenues	**1,256**	**899**	**3,560**	**2,395**
consisting of:				
Net fee and commission income	1,235	866	3,520	2,327
Net interest income	10	12	18	22
Income from financial assets and liabilities carried at fair value through income (net)	7	17	8	33
Other income	4	4	14	13
Corporate and Other				
Total revenues	**146**	**119**	**412**	**360**
consisting of:				
Interest and similar income	173	174	515	537
Income from financial assets and liabilities carried at fair value through income (net)	(1)	(3)	(10)	3
Fee and commission income	111	103	320	266
Interest expenses, excluding interest expenses from external debt	(86)	(100)	(253)	(306)
Fee and commission expenses	(51)	(55)	(161)	(140)
Consolidation effects (Banking within Corporate and Other)	—	—	1	—
Consolidation	**(33)**	**(33)**	**(72)**	**(67)**
Allianz Group	**24,522**	**22,005**	**80,478**	**71,895**

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 excluded. 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,				Nine months ended September 30,			
	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	(1.1)	—	4.7	3.6	(0.4)	—	3.1	2.7
Life/Health	11.7	—	4.7	16.4	15.4	0.5	2.3	18.2
Asset Management	28.8	(0.2)	11.1	39.7	44.0	0.1	4.5	48.6
Corporate and Other	22.7	—	—	22.7	14.7	—	(0.3)	14.4
Allianz Group	**6.5**	**—**	**4.9**	**11.4**	**9.0**	**0.3**	**2.6**	**11.9**

Allianz Group
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Allianz Group
Consolidated Balance Sheets

	Note	As of September 30, 2010 € mn	As of December 31, 2009 € mn
ASSETS			
Cash and cash equivalents		7,287	6,089
Financial assets carried at fair value through income	4	11,357	14,321
Investments	5	334,163	294,252
Loans and advances to banks and customers	6	124,605	128,996
Financial assets for unit-linked contracts		61,748	56,963
Reinsurance assets	7	13,631	13,559
Deferred acquisition costs	8	19,593	20,295
Deferred tax assets		2,376	2,719
Other assets	9	33,693	33,047
Non-current assets and assets of disposal groups classified as held for sale	10	745	—
Intangible assets	11	13,534	13,476
Total assets		**622,732**	**583,717**

	Note	As of September 30, 2010 € mn	As of December 31, 2009 € mn
LIABILITIES AND EQUITY			
Financial liabilities carried at fair value through income	12	4,707	4,891
Liabilities to banks and customers	13	21,160	21,248
Unearned premiums		17,917	15,676
Reserves for loss and loss adjustment expenses	14	66,184	64,441
Reserves for insurance and investment contracts	15	348,819	323,801
Financial liabilities for unit-linked contracts		61,748	56,963
Deferred tax liabilities		4,934	3,874
Other liabilities	16	31,871	33,285
Liabilities of disposal groups classified as held for sale	10	633	—
Certificated liabilities	17	8,755	7,962
Participation certificates and subordinated liabilities	18	8,933	9,347
Total liabilities		**575,661**	**541,488**
Shareholders' equity		44,900	40,108
Non-controlling interests		2,171	2,121
Total equity	**19**	**47,071**	**42,229**
Total liabilities and equity		**622,732**	**583,717**

Allianz Group
Consolidated Income Statements

		Three months ended September 30,		Nine months ended September 30,	
	Note	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Premiums written		**16,244**	**15,467**	**52,221**	**49,593**
Ceded premiums written		(1,319)	(1,491)	(3,997)	(4,085)
Change in unearned premiums		817	885	(1,709)	(1,524)
Premiums earned (net)	**20**	**15,742**	**14,861**	**46,515**	**43,984**
Interest and similar income	21	4,731	4,506	14,479	13,720
Income from financial assets and liabilities carried at fair value through income (net)	22	150	500	381	755
Realized gains/losses (net)	23	990	891	2,696	2,928
Fee and commission income	24	1,961	1,533	5,671	4,295
Other income	25	22	8	87	27
Income from fully consolidated private equity investments	26	447	522	1,213	1,480
Total income		**24,043**	**22,821**	**71,042**	**67,189**
Claims and insurance benefits incurred (gross)		(12,046)	(11,937)	(35,666)	(35,808)
Claims and insurance benefits incurred (ceded)		693	692	1,550	1,679
Claims and insurance benefits incurred (net)	**27**	**(11,353)**	**(11,245)**	**(34,116)**	**(34,129)**
Change in reserves for insurance and investment contracts (net)	28	(3,867)	(2,776)	(10,610)	(6,123)
Interest expenses	29	(346)	(365)	(1,056)	(1,120)
Loan loss provisions	30	(12)	(18)	(33)	(57)
Impairments of investments (net)	31	(69)	(282)	(537)	(2,587)
Investment expenses	32	(177)	(195)	(569)	(548)
Acquisition and administrative expenses (net)	33	(5,057)	(4,808)	(15,061)	(14,595)
Fee and commission expenses	34	(636)	(562)	(1,864)	(1,605)
Amortization of intangible assets		(78)	(37)	(112)	(52)
Restructuring charges		(11)	(60)	(101)	(134)
Other expenses		(10)	—	(42)	(2)
Expenses from fully consolidated private equity investments	26	(495)	(556)	(1,313)	(1,671)
Total expenses		**(22,111)**	**(20,904)**	**(65,414)**	**(62,623)**
Income from continuing operations before income taxes		**1,932**	**1,917**	**5,628**	**4,566**
Income taxes	35	(664)	(527)	(1,600)	(949)
Net income from continuing operations		**1,268**	**1,390**	**4,028**	**3,617**
Net income (loss) from discontinued operations, net of income taxes	**36**	**—**	**—**	**—**	**(395)**
Net income		**1,268**	**1,390**	**4,028**	**3,222**
Net income attributable to:					
Non-controlling interests		4	16	110	34
Shareholders		1,264	1,374	3,918	3,188

		Three months ended September 30,		Nine months ended September 30,	
	Note	2010 €	2009 €	2010 €	2009 €
Basic earnings per share	**37**	**2.80**	**3.06**	**8.68**	**7.07**
from continuing operations		2.80	3.06	8.68	7.94
from discontinued operations		—	—	—	(0.87)
Diluted earnings per share	**37**	**2.78**	**3.05**	**8.62**	**7.05**
from continuing operations		2.78	3.05	8.62	7.92
from discontinued operations		—	—	—	(0.87)

Allianz Group
Consolidated Statements of Comprehensive Income

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Net income	**1,268**	**1,390**	**4,028**	**3,222**
Other comprehensive income				
Foreign currency translation adjustments				
Reclassifications to net income	—	(6)	2	516
Changes arising during the period	(1,473)	(403)	926	(471)
Subtotal	**(1,473)**	**(409)**	**928**	**45**
Available-for-sale investments				
Reclassifications to net income	(338)	(339)	(1,156)	(919)
Changes arising during the period	1,634	4,163	2,965	5,037
Subtotal	**1,296**	**3,824**	**1,809**	**4,118**
Cash flow hedges				
Reclassifications to net income	—	—	(1)	(4)
Changes arising during the period	33	6	15	(19)
Subtotal	**33**	**6**	**14**	**(23)**
Share of other comprehensive income of associates				
Reclassifications to net income	(2)	1	(2)	6
Changes arising during the period	(7)	(8)	25	23
Subtotal	**(9)**	**(7)**	**23**	**29**
Miscellaneous				
Reclassifications to net income	—	—	—	—
Changes arising during the period	(27)	(7)	7	(70)
Subtotal	**(27)**	**(7)**	**7**	**(70)**
Total other comprehensive income	**(180)**	**3,407**	**2,781**	**4,099**
Total comprehensive income	**1,088**	**4,797**	**6,809**	**7,321**
Total comprehensive income attributable to:				
Non-controlling interests	(19)	29	187	65
Shareholders	1,107	4,768	6,622	7,256

For further details concerning income taxes relating to components of other comprehensive income, please see note 35.

Allianz Group
Consolidated Statements of Changes in Equity

	Paid-in capital	Revenue reserves	Foreign currency translation adjustments	Unrealized gains and losses (net)	Shareholders' equity	Non-controlling interests	Total equity
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
Balance as of January 1, 2009, as previously reported	**28,569**	**7,110**	**(4,006)**	**2,011**	**33,684**	**3,564**	**37,248**
Adjustments (see note 2)	—	43	(7)	—	36	—	36
Balance as of January 1, 2009, as reported	**28,569**	**7,153**	**(4,013)**	**2,011**	**33,720**	**3,564**	**37,284**
Total comprehensive income	—	3,149	53	4,054	7,256	65	7,321
Paid-in capital	—	—	—	—	—	—	—
Treasury shares	—	(47)	—	—	(47)	—	(47)
Transactions between equity holders[1]	—	6	—	—	6	(1,431)	(1,425)
Dividends paid	—	(1,580)	—	—	(1,580)	(113)	(1,693)
Balance as of September 30, 2009	**28,569**	**8,681**	**(3,960)**	**6,065**	**39,355**	**2,085**	**41,440**
Balance as of January 1, 2010 as previously reported	**28,635**	**9,689**	**(3,615)**	**5,457**	**40,166**	**2,121**	**42,287**
Adjustments (see note 2)	—	(47)	(11)	—	(58)	—	(58)
Balance as of January 1, 2010 as reported	**28,635**	**9,642**	**(3,626)**	**5,457**	**40,108**	**2,121**	**42,229**
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)
Balance as of September 30, 2010	**28,635**	**11,776**	**(2,742)**	**7,231**	**44,900**	**2,171**	**47,071**

[1] Includes € (1,738) mn changes in non-controlling interests from the derecognition of Dresdner Bank and € 307 mn related to capital movements of subsidiaries in whom the Allianz Group owns less than 100%.

Allianz Group
Condensed Consolidated Statements of Cash Flows

Nine months ended September 30,	2010 € mn	2009 € mn
Summary		
Net cash flow provided by operating activities	12,665	9,041
Net cash flow used in investing activities	(14,109)	(43,261)
Net cash flow provided by financing activities	2,466	1,231
Effect of exchange rate changes on cash and cash equivalents	176	(26)
Change in cash and cash equivalents	**1,198**	**(33,015)**
Cash and cash equivalents at beginning of period of continuing operations	6,089	8,958
Cash and cash equivalents at beginning of period reclassified to assets of disposal groups classified as held for sale	—	30,238
Cash and cash equivalents at end of period	**7,287**	**6,181**
Cash flow from operating activities		
Net income	**4,028**	**3,222**
Adjustments to reconcile net income to net cash flow provided by operating activities		
Share of earnings from investments in associates and joint ventures	(134)	(59)
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	(2,159)	(341)
Other investments, mainly financial assets held for trading and designated at fair value through income	(515)	(1,027)
Depreciation and amortization	803	408
Loan loss provisions	33	57
Interest credited to policyholder accounts	3,212	2,596
Net change in:		
Financial assets and liabilities held for trading	(1,612)	(235)
Reverse repurchase agreements and collateral paid for securities borrowing transactions	(468)	(362)
Repurchase agreements and collateral received from securities lending transactions	1,137	(316)
Reinsurance assets	439	519
Deferred acquisition costs	(899)	(59)
Unearned premiums	1,880	1,872
Reserves for loss and loss adjustment expenses	510	(75)
Reserves for insurance and investment contracts	7,770	2,820
Deferred tax assets/liabilities	282	(204)
Other (net)	(1,642)	225
Subtotal	**8,637**	**5,819**
Net cash flow provided by operating activities	**12,665**	**9,041**
Cash flow from investing activities		
Proceeds from the sale, maturity or repayment of:		
Financial assets designated at fair value through income	10,996	2,557
Available-for-sale investments	83,442	74,165
Held-to-maturity investments	160	211
Investments in associates and joint ventures	607	1,691
Non-current assets and assets of disposal groups classified as held for sale	—	—
Real estate held for investment	400	114
Loans and advances to banks and customers (purchased loans)	5,964	7,440
Property and equipment	290	115
Subtotal	**101,859**	**86,293**

Allianz Group
Condensed Consolidated Statements of Cash Flows (continued)

Nine months ended September 30,	2010 € mn	2009 € mn
Payments for the purchase or origination of:		
Financial assets designated at fair value through income	(6,669)	(1,149)
Available-for-sale investments	(106,479)	(84,760)
Held-to-maturity investments	(397)	(137)
Investments in associates and joint ventures	(254)	(1,393)
Non-current assets and assets of disposal groups classified as held for sale	—	(36)
Real estate held for investment	(705)	(89)
Loans and advances to banks and customers (purchased loans)	(4,856)	(17,307)
Property and equipment	(1,003)	(426)
Subtotal	**(120,363)**	**(105,297)**
Business combinations		
Proceeds from sale of subsidiaries, net of cash disposed	—	(26,975)
Acquisitions of subsidiaries, net of cash acquired	—	77
Change in other loans and advances to banks and customers (originated loans)	**4,454**	**2,070**
Other (net)	**(59)**	**571**
Net cash flow used in investing activities	**(14,109)**	**(43,261)**
Cash flow from financing activities		
Policyholders' account deposits	15,223	14,860
Policyholders' account withdrawals	(9,465)	(9,089)
Net change in liabilities to banks and customers	(1,340)	(1,574)
Proceeds from the issuance of certificated liabilities, participation certificates and subordinated liabilities	5,830	11,093
Repayments of certificated liabilities, participation certificates and subordinated liabilities	(5,594)	(12,379)
Cash inflow from capital increases	—	—
Transactions between equity holders	1	272
Dividends paid to shareholders	(1,972)	(1,693)
Net cash from sale or purchase of treasury shares	6	(116)
Other (net)	(223)	(143)
Net cash flow provided by financing activities	**2,466**	**1,231**

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 section 315 a of the German Commercial Code (HGB). IFRS comprise International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and 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, 2010, or adopted early. 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, 2009. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements included in the Allianz Group Annual Report 2009.

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 9, 2010.

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, 2010)

IFRS 3, Business Combinations – revised and IAS 27, Consolidated and Separate Financial Statements – amended
In January 2008, the IASB issued a revised version of IFRS 3, Business Combinations, and an amended version of IAS 27, Consolidated and Separate Financial Statements. The revised version of IFRS 3 contains the following major changes:

- The scope of IFRS 3 has been extended and applies now also to combinations of mutual entities and to combinations achieved by contract alone.

- For each business combination, non-controlling interests are measured at their proportionate share of the acquiree's net identifiable assets or at fair value .

- Under the former IFRS 3, if control was achieved in stages, it was required to measure at fair value every asset and liability at each step for the purpose of calculating a portion of goodwill. The revised version requires that goodwill is measured as the difference at the acquisition date between the fair value of any investment in the business held before the acquisition, the consideration transferred and the net assets acquired. The acquirer remeasures any previously-held equity interest to fair value at the date of obtaining control with the difference being recorded in the consolidated income statement.

- Acquisition-related costs are generally recognized as expenses and are not included in goodwill.

- Contingent consideration must be recognized and measured at fair value at the acquisition date. Subsequent changes in fair value are recognized in accordance with other IFRSs, usually in profit or loss. Goodwill is no longer adjusted for those changes.

The amended version of IAS 27 includes the following changes:

- Transactions with non-controlling interests, i. e., changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, are accounted for as equity transactions.

- Losses are allocated to a non-controlling interest even if they exceed the non-controlling interest's share of equity in the subsidiary.

- Any retained non-controlling investment at the date control is lost is remeasured to fair value.

The revised IFRS 3 applies prospectively for financial years beginning on or after July 1, 2009. The carrying amounts of any assets and liabilities that arose under business combinations prior to the application of the revised IFRS 3 are not adjusted. The amendments to IAS 27 need to be applied retrospectively with certain exceptions. Both standards have to be applied together. The Allianz Group adopted the revised IFRS 3 and the amended IAS 27 as of January 1, 2010. The adoption did not have a material impact on the condensed consolidated interim financial statements for the three and nine months ended September 30, 2010.

Further adopted accounting pronouncements

In addition to the above mentioned recently adopted accounting pronouncements, the following amendments and revisions to standards and the following interpretation have been adopted by the Allianz Group as of January 1, 2010:

- IAS 39, Financial Instruments: Recognition and Measurement – Amendments for eligible hedged items

- IFRS 2, Share-based Payment – Amendments relating to group cash-settled share-based payment transactions

- Improvements to IFRSs issued in May 2008 and April 2009 with an effective date as of January 1, 2010

- IFRIC 17, Distributions of Non-cash Assets to Owners

The Allianz Group adopted the revisions, amendments and interpretation as of January 1, 2010, with no material impact on its financial result or financial position.

Changes in accounting policies and changes in the presentation of the condensed consolidated interim financial statements

Reclassification of foreign currency gains and losses

Until the third quarter of 2009, the Allianz Group reported foreign currency gains and losses arising from foreign currency transactions within "Investment expenses". With year-end reporting 2009, the Allianz Group voluntarily changed its accounting policy with regard to the presentation of foreign currency gains and losses. Those are now reported within "Income from financial assets and liabilities carried at fair value through income (net)". The Allianz Group believes that this presentation is more relevant and gives a clearer picture of investment expenses by excluding the distorting effects arising from foreign currency fluctuations. In addition, the Allianz Group is hedged substantially against foreign currency fluctuations with freestanding derivatives. Therefore, the recognition of foreign currency fluctuations within the line item "Income from financial assets and liabilities carried at fair value through income (net)" better reflects the results of the Allianz Group.

The change in accounting policy is applied retrospectively and results in changes in the presentation as described in the tables on pages 54 and 55. There is no impact on recognition, initial or subsequent measurement, net income or operating profit arising from this reclassification of foreign currency gains and losses.

Change in presentation of "Net income"

Until the third quarter of 2009, non-controlling interests (minority interests) were not included in "Net income" but were shown separately in the line item "Non-controlling interests (Minority interests in earnings)". Non-controlling interests were significantly larger in prior years. With year-end reporting 2009, the Allianz Group now includes all interests in "Net income". The allocation attributable to shareholders and attributable to non-controlling interests is presented just below "Net income". The change in presentation is applied retrospectively and results in changes in presentation as described in the tables on pages 54 and 55. There is no impact on recognition, initial or subsequent measurement or operating profit arising from this change in presentation.

Change in accounting policy for fixed-indexed annuities

Future policy benefits of the fixed-indexed annuity business implicitly include a series of annual market value liability options (MVLO) that are accounted for as derivatives at fair value. These embedded derivatives have been separated from the related policy reserves and presented within financial liabilities carried at fair value through income in our consolidated balance sheet. Historically, once the annual index option was credited to the policyholder's account, this benefit continued to be classified as a derivative at fair value. As such, the MVLO would continually grow over time.

Effective July 1, 2010, the Allianz Group voluntarily changed its accounting policy with regard to the valuation of the MVLO. Specifically, the fixed benefit accruing to the policyholder's account balance is reclassified back to policyholder reserves upon crediting. In addition, the fair value of the MVLO has been refined to incorporate a discount rate that is more consistent with the returns on the assets used to fund these derivative liabilities.

The effects of these changes are that the portion of the policyholder's account balance representing a credited amount will no longer be accounted for at fair value and the ongoing valuation of the MVLO will better reflect the indexed returns being offered to policyholders. The Allianz Group believes these changes mitigate artificial accounting volatility and better reflect the economics of the fixed-annuity business; consequently resulting in the presentation of more relevant and reliable financial information.

The voluntary change in accounting policy is applied retrospectively and results in changes in the presentation as described in the tables below.

In conjunction with the change in accounting policy, the Allianz Group also sold a portfolio of financial assets which were designated at fair value through income which was previously held to mitigate interest rate volatility of the embedded derivatives. As of December 31, 2009, the portfolio had a fair value of approximately € 3.6 bn. The portfolio was reduced to approximately € 0.5 bn as of September 30, 2010.

Other reclassifications

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

Impacts of the changes in accounting policies and changes in presentation on the Allianz Group's consolidated balance sheet and the consolidated income statements

The following table summarizes the impact on the consolidated balance sheet as of December 31, 2009, relating to the change in accounting policy for fixed-indexed annuities.

As of December 31, 2009	As previously reported € mn	Change in accounting policy for fixed-indexed annuities € mn	As reported € mn
ASSETS			
Cash and cash equivalents	6,089	—	6,089
Financial assets carried at fair value through income	14,321	—	14,321
Investments	294,252	—	294,252
Loans and advances to banks and customers	128,996	—	128,996
Financial assets for unit-linked contracts	56,963	—	56,963
Reinsurance assets	13,559	—	13,559
Deferred acquisition costs	20,623	(328)	20,295
Deferred tax assets	2,719	—	2,719
Other assets	33,047	—	33,047
Non-current assets and assets of disposal groups classified as held for sale	—	—	—
Intangible assets	13,476	—	13,476
Total assets	**584,045**	**(328)**	**583,717**

As of December 31, 2009	As previously reported € mn	Change in accounting policy for fixed-indexed annuities € mn	As reported € mn
LIABILITIES AND EQUITY			
Financial liabilities carried at fair value through income	6,743	(1,852)	4,891
Liabilities to banks and customers	21,248	—	21,248
Unearned premiums	15,676	—	15,676
Reserves for loss and loss adjustment expenses	64,441	—	64,441
Reserves for insurance and investment contracts	322,188	1,613	323,801
Financial liabilities for unit-linked contracts	56,963	—	56,963
Deferred tax liabilities	3,905	(31)	3,874
Other liabilities	33,285	—	33,285
Liabilities of disposal groups classified as held for sale	—	—	—
Certificated liabilities	7,962	—	7,962
Participation certificates and subordinated liabilities	9,347	—	9,347
Total liabilities	**541,758**	**(270)**	**541,488**
Shareholders' equity	40,166	(58)	40,108
Non-controlling interests	2,121	—	2,121
Total equity	**42,287**	**(58)**	**42,229**
Total liabilities and equity	**584,045**	**(328)**	**583,717**

The following tables summarize the impacts on the consolidated income statements for the three and nine months ended September 30, 2009, relating to the reclassification of foreign currency gains and losses, the change in accounting policy for fixed-indexed annuitites and the change in presentation of net income:

Three months ended September 30,	2009			
	As previously reported € mn	Reclassification of foreign currency gains and losses € mn	Change in accounting policy for fixed-indexed annuities € mn	As reported € mn
Premiums written	**15,479**	**—**	**(12)**	**15,467**
Ceded premiums written	(1,491)	—	—	(1,491)
Change in unearned premiums	885	—	—	885
Premiums earned (net)	**14,873**	**—**	**(12)**	**14,861**
Interest and similar income	4,506	—	—	4,506
Income from financial assets and liabilities carried at fair value through income (net)	354	(175)	321	500
Realized gains/losses (net)	891	—	—	891
Fee and commission income	1,533	—	—	1,533
Other income	8	—	—	8
Income from fully consolidated private equity investments	522	—	—	522
Total income	**22,687**	**(175)**	**309**	**22,821**
Claims and insurance benefits incurred (gross)	(11,937)	—	—	(11,937)
Claims and insurance benefits incurred (ceded)	692	—	—	692
Claims and insurance benefits incurred (net)	**(11,245)**	**—**	**—**	**(11,245)**
Change in reserves for insurance and investment contracts (net)	(2,648)	—	(128)	(2,776)
Interest expenses	(365)	—	—	(365)
Loan loss provisions	(18)	—	—	(18)
Impairments of investments (net)	(282)	—	—	(282)
Investment expenses	(370)	175	—	(195)
Acquisition and administrative expenses (net)	(4,707)	—	(101)	(4,808)
Fee and commission expenses	(562)	—	—	(562)
Amortization of intangible assets	(37)	—	—	(37)
Restructuring charges	(60)	—	—	(60)
Other expenses	—	—	—	—
Expenses from fully consolidated private equity investments	(556)	—	—	(556)
Total expenses	**(20,850)**	**175**	**(229)**	**(20,904)**
Income from continuing operations before income taxes	**1,837**	**—**	**80**	**1,917**
Income taxes	(498)	—	(29)	(527)
Net income from continuing operations	**1,339**	**—**	**51**	**1,390**
Net income (loss) from discontinued operations, net of income taxes	**—**	**—**	**—**	**—**
Net income	**1,339**	**—**	**51**	**1,390**
Net income attributable to:				
Non-controlling interests				16
Shareholders				1,374

Nine months ended September 30,	2009			
	As previously reported	Reclassification of foreign currency gains and losses	Change in accounting policy for fixed-indexed annuities	As reported
	€ mn	€ mn	€ mn	€ mn
Premiums written	**49,639**	**—**	**(46)**	**49,593**
Ceded premiums written	(4,085)	—	—	(4,085)
Change in unearned premiums	(1,524)	—	—	(1,524)
Premiums earned (net)	**44,030**	**—**	**(46)**	**43,984**
Interest and similar income	13,720	—	—	13,720
Income from financial assets and liabilities carried at fair value through income (net)	911	(189)	33	755
Realized gains/losses (net)	2,928	—	—	2,928
Fee and commission income	4,295	—	—	4,295
Other income	27	—	—	27
Income from fully consolidated private equity investments	1,480	—	—	1,480
Total income	**67,391**	**(189)**	**(13)**	**67,189**
Claims and insurance benefits incurred (gross)	(35,808)	—	—	(35,808)
Claims and insurance benefits incurred (ceded)	1,679	—	—	1,679
Claims and insurance benefits incurred (net)	**(34,129)**	**—**	**—**	**(34,129)**
Change in reserves for insurance and investment contracts (net)	(5,953)	—	(170)	(6,123)
Interest expenses	(1,120)	—	—	(1,120)
Loan loss provisions	(57)	—	—	(57)
Impairments of investments (net)	(2,587)	—	—	(2,587)
Investment expenses	(737)	189	—	(548)
Acquisition and administrative expenses (net)	(14,728)	—	133	(14,595)
Fee and commission expenses	(1,605)	—	—	(1,605)
Amortization of intangible assets	(52)	—	—	(52)
Restructuring charges	(134)	—	—	(134)
Other expenses	(2)	—	—	(2)
Expenses from fully consolidated private equity investments	(1,671)	—	—	(1,671)
Total expenses	**(62,775)**	**189**	**(37)**	**(62,623)**
Income from continuing operations before income taxes	**4,616**	**—**	**(50)**	**4,566**
Income taxes	(966)	—	17	(949)
Net income from continuing operations	**3,650**	**—**	**(33)**	**3,617**
Net income (loss) from discontinued operations, net of income taxes	**(395)**	**—**	**—**	**(395)**
Net income	**3,255**	**—**	**(33)**	**3,222**
Net income attributable to:				
Non-controlling interests				34
Shareholders				3,188

3 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, the insurance categories are grouped into the following reportable segments:

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

Life/Health
- German Speaking Countries
- Europe incl. South America
- NAFTA Markets
- Global Insurance Lines & Anglo Markets
- Growth Markets

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 sum, 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 listed 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 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 Allianz Group. 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 the 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 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 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 are largely at the discretion of the Allianz Group, and accordingly their exclusion provides additional insight into the operating trends of the underlying business. This differentiation is not made if the profit sources are shared with policyholders;
- 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 held for trading (net) as part of the income from financial assets and liabilities carried at fair value through income (net) for the Property-Casualty insurance operations and the Corporate and Other activities (except for certain items for the Holding & Treasury activities and Banking operations where the trading income refers to operating business). For the Life/Health insurance and Asset Management operations, this item is treated as operating business and is therefore not excluded;
- 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. This exclusion applies not for Life/Health insurance operations, where the expenses for premium refunds in the operating profit are correlating with realized gains and losses and impairments of investments.

The definitions for non-operating income from financial assets and liabilities held for trading (net), realized gains/losses (net) and impairments of investments (net) state the general treatment in the segments. However, there are special cases which are different from this general treatment:

- Property-Casualty insurance business: the line items are generally booked within the non-operating items; they can be classified as operating items if they are shared with the policyholders, which occurs in the context of a casualty insurance product with premium refunds issued in the German market.
- Life/Health insurance business: the line items are generally booked within operating profit; they can be classified as non-operating items if they stem from an investment where the results are not shared with the policyholders, for example strategic investments.

In certain cases the policyholders participate in the tax benefits of the Allianz Group. IFRS requires that the consolidated income statements present all tax benefits in the income tax 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 from continuing operations before income taxes or net income as determined in accordance with IFRS.

Recent Organizational Changes

At the beginning of 2010, the Allianz Group reorganized the structure of its insurance activities to reflect the changes in the responsibilities of the Board of Management. European insurance operations are shown together while Global Insurance Lines & Anglo Markets are shown separately from NAFTA Markets, respectively for both Property-Casualty and Life/Health insurance activities. Furthermore, Assistance (Mondial) now comprises a separate reportable segment within Property-Casualty insurance activities. Previously reported information has been restated to reflect this change in the composition of the Allianz Group's reportable segments.

Business Segment Information – Consolidated Balance Sheets

	Property-Casualty		Life/Health	
	As of September 30, 2010 € mn	As of December 31, 2009 € mn	As of September 30, 2010 € mn	As of December 31, 2009 € mn
ASSETS				
Cash and cash equivalents	2,330	2,281	3,169	2,478
Financial assets carried at fair value through income	1,853	2,100	8,264	11,269
Investments	84,289	80,401	247,017	213,036
Loans and advances to banks and customers	16,852	16,325	99,969	100,316
Financial assets for unit-linked contracts	—	—	61,748	56,963
Reinsurance assets	8,901	8,885	4,742	4,691
Deferred acquisition costs	4,097	3,789	15,349	16,357
Deferred tax assets	977	1,329	192	316
Other assets	20,794	19,980	14,672	16,024
Non-current assets and assets from disposal groups classified as held for sale [1]	444	—	303	—
Intangible assets	2,437	2,361	2,340	2,306
Total assets	**142,974**	**137,451**	**457,765**	**423,756**

	Property-Casualty		Life/Health	
	As of September 30, 2010 € mn	As of December 31, 2009 € mn	As of September 30, 2010 € mn	As of December 31, 2009 € mn
LIABILITIES AND EQUITY				
Financial liabilities carried at fair value through income	81	68	4,512	4,689
Liabilities to banks and customers	1,037	426	1,583	861
Unearned premiums	15,636	13,471	2,281	2,210
Reserves for loss and loss adjustment expenses	57,406	55,715	8,789	8,738
Reserves for insurance and investment contracts	9,423	9,159	339,492	314,631
Financial liabilities for unit-linked contracts	—	—	61,748	56,963
Deferred tax liabilities	2,672	2,656	2,266	1,286
Other liabilities	14,985	15,642	13,732	14,131
Liabilities from disposal groups classified as held for sale [2]	355	—	279	—
Certificated liabilities	26	139	2	2
Participation certificates and subordinated liabilities	398	846	65	65
Total liabilities	**102,019**	**98,122**	**434,749**	**403,576**

[1] Comprise the assets from the disposal groups Alba Allgemeine Versicherungs-Gesellschaft AG, Basel, and Phenix Compagnie d'assurances SA, Lausanne, in Property-Casualty and Phenix Compagnie d'assurances sur la vie SA, Lausanne, in Life/Health. See note 10 for further information.

[2] Comprise the liabilities from the disposal groups Alba Allgemeine Versicherungs-Gesellschaft AG, Basel, and Phenix Compagnie d'assurances SA, Lausanne, in Property-Casualty and Phenix Compagnie d'assurances sur la vie SA, Lausanne, in Life/Health. See note 10 for further information.

Asset Management		Corporate and Other		Consolidation		Group	
As of September 30, 2010 € mn	As of December 31, 2009 € mn	As of September 30, 2010 € mn	As of December 31, 2009 € mn	As of September 30, 2010 € mn	As of December 31, 2009 € mn	As of September 30, 2010 € mn	As of December 31, 2009 € mn
1,190	701	1,100	1,089	(502)	(460)	7,287	6,089
772	731	861	621	(393)	(400)	11,357	14,321
1,272	1,103	88,540	85,732	(86,955)	(86,020)	334,163	294,252
368	276	16,185	20,745	(8,769)	(8,666)	124,605	128,996
—	—	—	—	—	—	61,748	56,963
—	—	—	—	(12)	(17)	13,631	13,559
147	149	—	—	—	—	19,593	20,295
273	169	1,304	1,272	(370)	(367)	2,376	2,719
3,499	3,770	4,989	5,636	(10,261)	(12,363)	33,693	33,047
—	—	—	—	(2)	—	745	—
7,022	6,901	1,735	1,908	—	—	13,534	13,476
14,543	**13,800**	**114,714**	**117,003**	**(107,264)**	**(108,293)**	**622,732**	**583,717**

Asset Management		Corporate and Other		Consolidation		Group	
As of September 30, 2010 € mn	As of December 31, 2009 € mn	As of September 30, 2010 € mn	As of December 31, 2009 € mn	As of September 30, 2010 € mn	As of December 31, 2009 € mn	As of September 30, 2010 € mn	As of December 31, 2009 € mn
—	—	510	534	(396)	(400)	4,707	4,891
951	739	19,920	21,236	(2,331)	(2,014)	21,160	21,248
—	—	—	—	—	(5)	17,917	15,676
—	—	—	—	(11)	(12)	66,184	64,441
—	—	55	161	(151)	(150)	348,819	323,801
—	—	—	—	—	—	61,748	56,963
87	93	279	206	(370)	(367)	4,934	3,874
3,444	3,396	14,218	16,108	(14,508)	(15,992)	31,871	33,285
—	—	—	—	(1)	—	633	—
—	—	14,927	14,134	(6,200)	(6,313)	8,755	7,962
14	14	8,713	8,679	(257)	(257)	8,933	9,347
4,496	**4,242**	**58,622**	**61,058**	**(24,225)**	**(25,510)**	**575,661**	**541,488**
				Total equity		**47,071**	**42,229**
				Total liabilities and equity		**622,732**	**583,717**

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

	Property-Casualty		Life/Health	
Three months ended September 30,	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Total revenues[1]	**10,600**	**10,232**	**12,553**	**10,788**
Premiums earned (net)	10,269	9,752	5,473	5,109
Operating investment result				
Interest and similar income	917	865	3,646	3,565
Operating income from financial assets and liabilities carried at fair value through income (net)	30	33	127	360
Operating realized gains/losses (net)	19	35	587	544
Interest expenses, excluding interest expenses from external debt	(30)	(20)	(10)	(24)
Operating impairments of investments (net)	(2)	(4)	(95)	(232)
Investment expenses	(60)	(67)	(160)	(151)
Subtotal	**874**	**842**	**4,095**	**4,062**
Fee and commission income	263	245	129	115
Other income	8	5	10	6
Claims and insurance benefits incurred (net)	(7,046)	(6,846)	(4,307)	(4,399)
Change in reserves for insurance and investment contracts (net)	(71)	(130)	(3,673)	(2,662)
Loan loss provisions	—	(2)	6	(3)
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(2,921)	(2,606)	(1,000)	(1,229)
Fee and commission expenses	(251)	(229)	(67)	(60)
Operating restructuring charges	—	—	—	—
Other expenses	(3)	—	(11)	—
Reclassification of tax benefits	—	—	—	—
Operating profit (loss)	**1,122**	**1,031**	**655**	**939**
Non-operating investment result				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(19)	3	(12)	(14)
Non-operating realized gains/losses (net)	169	117	12	40
Non-operating impairments of investments (net)	(21)	(44)	(2)	(3)
Subtotal	**129**	**76**	**(2)**	**23**
Income from fully consolidated private equity investments (net)	—	(1)	—	(9)
Interest expenses from external debt	—	—	—	—
Acquisition-related expenses	—	—	—	—
Amortization of intangible assets	(4)	(8)	(2)	(1)
Non-operating restructuring charges	(12)	(24)	—	(1)
Reclassification of tax benefits	—	—	—	—
Non-operating items	**113**	**43**	**(4)**	**12**
Income (loss) from continuing operations before income taxes	**1,235**	**1,074**	**651**	**951**
Income taxes	(363)	(293)	(206)	(290)
Net income (loss) from continuing operations	**872**	**781**	**445**	**661**
Net income (loss) from discontinued operations, net of income taxes	—	—	—	—
Net income (loss)	**872**	**781**	**445**	**661**
Net income (loss) attributable to:				
Non-controlling interests	51	17	9	9
Shareholders	821	764	436	652

[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).

Asset Management		Corporate and Other		Consolidation		Group	
2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn
1,256	**899**	**146**	**119**	**(33)**	**(33)**	**24,522**	**22,005**
—	—	—	—	—	—	15,742	14,861
13	13	212	229	(57)	(166)	4,731	4,506
7	17	(20)	(38)	33	16	177	388
—	—	—	—	2	(10)	608	569
(3)	(1)	(178)	(202)	100	110	(121)	(137)
—	—	—	—	60	—	(37)	(236)
—	—	(23)	(21)	66	44	(177)	(195)
17	**29**	**(9)**	**(32)**	**204**	**(6)**	**5,181**	**4,895**
1,523	1,094	186	190	(140)	(111)	1,961	1,533
4	4	—	(2)	—	(5)	22	8
—	—	—	—	—	—	(11,353)	(11,245)
—	—	—	—	(123)	16	(3,867)	(2,776)
—	—	(18)	(13)	—	—	(12)	(18)
(735)	(531)	(329)	(328)	8	(2)	(4,977)	(4,696)
(288)	(228)	(99)	(110)	69	65	(636)	(562)
—	—	—	—	—	—	—	—
—	—	(1)	—	5	—	(10)	—
—	—	—	—	4	9	4	9
521	**368**	**(270)**	**(295)**	**27**	**(34)**	**2,055**	**2,009**
—	—	36	125	(32)	(2)	(27)	112
32	—	158	159	11	6	382	322
(1)	—	(8)	1	—	—	(32)	(46)
31	**—**	**186**	**285**	**(21)**	**4**	**323**	**388**
—	—	(107)	(1)	59	(23)	(48)	(34)
—	—	(225)	(228)	—	—	(225)	(228)
(80)	(108)	—	(4)	—	—	(80)	(112)
(7)	(22)	(125)	(6)	60	—	(78)	(37)
(4)	(18)	5	(17)	—	—	(11)	(60)
—	—	—	—	(4)	(9)	(4)	(9)
(60)	**(148)**	**(266)**	**29**	**94**	**(28)**	**(123)**	**(92)**
461	**220**	**(536)**	**(266)**	**121**	**(62)**	**1,932**	**1,917**
(180)	(74)	82	121	3	9	(664)	(527)
281	**146**	**(454)**	**(145)**	**124**	**(53)**	**1,268**	**1,390**
—	**—**	**—**	**—**	**—**	**—**	**—**	**—**
281	**146**	**(454)**	**(145)**	**124**	**(53)**	**1,268**	**1,390**
2	1	(58)	(3)	—	(8)	4	16
279	145	(396)	(142)	124	(45)	1,264	1,374

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

	Property-Casualty		Life/Health	
Nine months ended September 30,	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Total revenues[1]	**34,545**	**33,640**	**42,033**	**35,567**
Premiums earned (net)	29,371	28,449	17,144	15,535
Operating investment result				
Interest and similar income	2,756	2,730	11,196	10,508
Operating income from financial assets and liabilities carried at fair value through income (net)	18	81	518	575
Operating realized gains/losses (net)	31	51	1,337	1,354
Interest expenses, excluding interest expenses from external debt	(74)	(80)	(64)	(95)
Operating impairments of investments (net)	(8)	(70)	(318)	(1,575)
Investment expenses	(169)	(183)	(489)	(441)
Subtotal	**2,554**	**2,529**	**12,180**	**10,326**
Fee and commission income	799	787	376	356
Other income	16	13	59	15
Claims and insurance benefits incurred (net)	(20,513)	(20,087)	(13,603)	(14,042)
Change in reserves for insurance and investment contracts (net)	(244)	(255)	(10,178)	(5,744)
Loan loss provisions	—	(10)	8	(17)
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(8,242)	(7,838)	(3,450)	(4,055)
Fee and commission expenses	(752)	(692)	(184)	(176)
Operating restructuring charges	—	—	(1)	3
Other expenses	(8)	(1)	(37)	—
Reclassification of tax benefits	—	—	—	—
Operating profit (loss)	**2,981**	**2,895**	**2,314**	**2,201**
Non-operating investment result				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(38)	(56)	(24)	(6)
Non-operating realized gains/losses (net)	463	663	43	55
Non-operating impairments of investments (net)	(105)	(494)	(10)	(71)
Subtotal	**320**	**113**	**9**	**(22)**
Income from fully consolidated private equity investments (net)	—	—	—	—
Interest expenses from external debt	—	—	—	—
Acquisition-related expenses	—	—	—	—
Amortization of intangible assets	(11)	(15)	(3)	(2)
Non-operating restructuring charges	(54)	(52)	(22)	(10)
Reclassification of tax benefits	—	—	—	—
Non-operating items	**255**	**46**	**(16)**	**(34)**
Income (loss) from continuing operations before income taxes	**3,236**	**2,941**	**2,298**	**2,167**
Income taxes	(936)	(959)	(717)	(585)
Net income (loss) from continuing operations	**2,300**	**1,982**	**1,581**	**1,582**
Net income (loss) from discontinued operations, net of income taxes	—	—	—	—
Net income (loss)	**2,300**	**1,982**	**1,581**	**1,582**
Net income (loss) attributable to:				
Non-controlling interests	133	38	49	32
Shareholders	2,167	1,944	1,532	1,550

[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).

Asset Management		Corporate and Other		Consolidation		Group	
2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn
3,560	**2,395**	**412**	**360**	**(72)**	**(67)**	**80,478**	**71,895**
—	—	—	—	—	—	46,515	43,984
38	40	738	826	(249)	(384)	14,479	13,720
8	33	(43)	(130)	9	46	510	605
—	—	—	—	2	(12)	1,370	1,393
(20)	(18)	(536)	(645)	305	398	(389)	(440)
—	—	—	—	60	—	(266)	(1,645)
—	—	(67)	(57)	156	133	(569)	(548)
26	**55**	**92**	**(6)**	**283**	**181**	**15,135**	**13,085**
4,334	2,972	542	507	(380)	(327)	5,671	4,295
14	13	—	1	(2)	(15)	87	27
—	—	—	—	—	—	(34,116)	(34,129)
—	—	—	—	(188)	(124)	(10,610)	(6,123)
—	—	(41)	(30)	—	—	(33)	(57)
(2,057)	(1,570)	(955)	(991)	31	25	(14,673)	(14,429)
(814)	(645)	(312)	(272)	198	180	(1,864)	(1,605)
—	—	—	—	—	—	(1)	3
—	—	(2)	(1)	5	—	(42)	(2)
—	—	—	—	20	35	20	35
1,503	**825**	**(676)**	**(792)**	**(33)**	**(45)**	**6,089**	**5,084**
—	—	(61)	249	(6)	(37)	(129)	150
33	3	722	840	65	(26)	1,326	1,535
(1)	(6)	(155)	(371)	—	—	(271)	(942)
32	**(3)**	**506**	**718**	**59**	**(63)**	**926**	**743**
—	—	(209)	(283)	109	92	(100)	(191)
—	—	(667)	(680)	—	—	(667)	(680)
(390)	(163)	2	(3)	—	—	(388)	(166)
(22)	(22)	(136)	(13)	60	—	(112)	(52)
(15)	(57)	(9)	(18)	—	—	(100)	(137)
—	—	—	—	(20)	(35)	(20)	(35)
(395)	**(245)**	**(513)**	**(279)**	**208**	**(6)**	**(461)**	**(518)**
1,108	**580**	**(1,189)**	**(1,071)**	**175**	**(51)**	**5,628**	**4,566**
(454)	(231)	488	791	19	35	(1,600)	(949)
654	**349**	**(701)**	**(280)**	**194**	**(16)**	**4,028**	**3,617**
—	**—**	**—**	**(395)**	**—**	**—**	**—**	**(395)**
654	**349**	**(701)**	**(675)**	**194**	**(16)**	**4,028**	**3,222**
(1)	3	(71)	(39)	—	—	110	34
655	346	(630)	(636)	194	(16)	3,918	3,188

Reportable segments – Property-Casualty business

	German Speaking Countries		Europe incl. South America[1]		NAFTA Markets	
Three months ended September 30,	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Gross premiums written	**2,326**	**2,343**	**2,930**	**2,896**	**1,438**	**1,452**
Ceded premiums written	(428)	(466)	(308)	(323)	(501)	(487)
Change in unearned premiums	457	444	335	338	(32)	(22)
Premiums earned (net)	**2,355**	**2,321**	**2,957**	**2,911**	**905**	**943**
Interest and similar income	291	281	249	239	89	87
Operating income from financial assets and liabilities carried at fair value through income (net)	29	8	34	54	1	1
Operating realized gains/losses (net)	19	35	—	—	—	—
Fee and commission income	25	39	6	12	—	—
Other income	4	2	—	3	—	—
Operating revenues	**2,723**	**2,686**	**3,246**	**3,219**	**995**	**1,031**
Claims and insurance benefits incurred (net)	(1,785)	(1,684)	(2,120)	(2,115)	(634)	(695)
Change in reserves for insurance and investment contracts (net)	(75)	(111)	(2)	(1)	(1)	—
Interest expenses	(26)	(17)	(10)	(17)	—	—
Loan loss provisions	—	(2)	—	—	—	—
Operating impairments of investments (net)	(2)	(4)	—	—	—	—
Investment expenses	(22)	(25)	(26)	(21)	(1)	(2)
Acquisition and administrative expenses (net)	(620)	(623)	(759)	(737)	(246)	(199)
Fee and commission expenses	(23)	(35)	(8)	(10)	—	—
Other expenses	(2)	—	—	—	—	—
Operating expenses	**(2,555)**	**(2,501)**	**(2,925)**	**(2,901)**	**(882)**	**(896)**
Operating profit (loss)	**168**	**185**	**321**	**318**	**113**	**135**
Loss ratio[3] in %	75.8	72.6	71.7	72.7	70.0	73.7
Expense ratio[4] in %	26.3	26.8	25.7	25.3	27.2	21.1
Combined ratio[5] in %	**102.1**	**99.4**	**97.4**	**98.0**	**97.2**	**94.8**

1) Corporate customer business in Spain transferred to AGCS in 2010. Prior year balances have not been adjusted.
2) From 2010 on Allianz Fire and Marine Insurance Japan Ltd. is shown within AGCS. Prior year balances have not been adjusted.
3) Represents claims and insurance benefits incurred (net) divided by premiums earned (net).
4) Represents acquisition and administrative expenses (net) divided by premiums earned (net).
5) Represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).
6) Presentation not meaningful.

Global Insurance Lines & Anglo Markets[1)2)]		Growth Markets[2)]		Assistance (Mondial)		Consolidation		Property-Casualty	
2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn
3,627	**3,279**	**772**	**774**	**404**	**349**	**(897)**	**(861)**	**10,600**	**10,232**
(690)	(779)	(151)	(176)	(3)	(3)	897	866	(1,184)	(1,368)
61	106	7	3	25	19	—	—	853	888
2,998	**2,606**	**628**	**601**	**426**	**365**	**—**	**5**	**10,269**	**9,752**
261	226	39	43	9	7	(21)	(18)	917	865
(33)	(28)	(2)	(1)	—	—	1	(1)	30	33
—	—	—	—	—	—	—	—	19	35
144	132	16	13	90	80	(18)	(31)	263	245
3	—	1	—	—	—	—	—	8	5
3,373	**2,936**	**682**	**656**	**525**	**452**	**(38)**	**(45)**	**11,506**	**10,935**
(1,826)	(1,766)	(419)	(376)	(255)	(204)	(7)	(6)	(7,046)	(6,846)
7	(16)	—	(3)	—	1	—	—	(71)	(130)
(13)	(6)	(2)	(1)	(1)	—	22	21	(30)	(20)
—	—	—	—	—	—	—	—	—	(2)
—	—	—	—	—	—	—	—	(2)	(4)
(8)	(13)	(3)	(4)	—	(1)	—	(1)	(60)	(67)
(884)	(694)	(258)	(203)	(154)	(134)	—	(16)	(2,921)	(2,606)
(129)	(113)	(18)	(19)	(88)	(82)	15	30	(251)	(229)
—	—	(1)	—	—	—	—	—	(3)	—
(2,853)	**(2,608)**	**(701)**	**(606)**	**(498)**	**(420)**	**30**	**28**	**(10,384)**	**(9,904)**
520	**328**	**(19)**	**50**	**27**	**32**	**(8)**	**(17)**	**1,122**	**1,031**
60.9	67.8	66.7	62.6	59.8	55.9	—[6)]	—[6)]	68.7	70.2
29.5	26.6	41.1	33.7	36.2	36.7	—[6)]	—[6)]	28.4	26.7
90.4	**94.4**	**107.8**	**96.3**	**96.0**	**92.6**	**—[6)]**	**—[6)]**	**97.1**	**96.9**

Reportable segments – Property-Casualty business (continued)

	German Speaking Countries		Europe incl. South America[1]		NAFTA Markets[2]	
Nine months ended September 30,	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Gross premiums written	**9,400**	**9,555**	**9,834**	**9,742**	**2,979**	**3,126**
Ceded premiums written	(1,608)	(1,755)	(1,016)	(1,085)	(824)	(780)
Change in unearned premiums	(809)	(879)	(45)	32	14	101
Premiums earned (net)	**6,983**	**6,921**	**8,773**	**8,689**	**2,169**	**2,447**
Interest and similar income	880	901	785	759	260	269
Operating income from financial assets and liabilities carried at fair value through income (net)	29	35	38	98	—	(1)
Operating realized gains/losses (net)	31	51	—	—	—	—
Fee and commission income	88	113	21	40	—	—
Other income	10	3	1	6	—	—
Operating revenues	**8,021**	**8,024**	**9,618**	**9,592**	**2,429**	**2,715**
Claims and insurance benefits incurred (net)	(5,124)	(4,996)	(6,419)	(6,429)	(1,528)	(1,686)
Change in reserves for insurance and investment contracts (net)	(209)	(225)	(6)	(2)	—	—
Interest expenses	(70)	(61)	(38)	(66)	—	—
Loan loss provisions	—	(3)	—	—	—	—
Operating impairments of investments (net)	(8)	(70)	—	—	—	—
Investment expenses	(59)	(66)	(68)	(71)	(3)	(5)
Acquisition and administrative expenses (net)	(1,851)	(1,867)	(2,265)	(2,258)	(701)	(694)
Fee and commission expenses	(85)	(97)	(22)	(39)	—	—
Other expenses	(6)	—	—	—	—	—
Operating expenses	**(7,412)**	**(7,385)**	**(8,818)**	**(8,865)**	**(2,232)**	**(2,385)**
Operating profit	**609**	**639**	**800**	**727**	**197**	**330**
Loss ratio[3] in %	73.4	72.2	73.2	74.0	70.5	68.9
Expense ratio[4] in %	26.5	27.0	25.8	26.0	32.3	28.4
Combined ratio[5] in %	**99.9**	**99.2**	**99.0**	**100.0**	**102.8**	**97.3**

1) Corporate customer business in Spain transferred to AGCS in 2010. Prior year balances have not been adjusted.
2) From 2010 on Allianz Fire and Marine Insurance Japan Ltd. is shown within AGCS. Prior year balances have not been adjusted.
3) Represents claims and insurance benefits incurred (net) divided by premiums earned (net).
4) Represents acquisition and administrative expenses (net) divided by premiums earned (net).
5) Represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).
6) Presentation not meaningful.

Global Insurance Lines & Anglo Markets[1)2)]		Growth Markets[2)]		Assistance (Mondial)		Consolidation		Property-Casualty	
2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn
11,822	10,770	2,454	2,443	1,177	1,044	(3,121)	(3,040)	34,545	33,640
(2,761)	(2,556)	(528)	(605)	(8)	(7)	3,136	3,065	(3,609)	(3,723)
(567)	(600)	(112)	(72)	(46)	(50)	—	—	(1,565)	(1,468)
8,494	7,614	1,814	1,766	1,123	987	15	25	29,371	28,449
755	721	122	125	21	22	(67)	(67)	2,756	2,730
(49)	(48)	(1)	(5)	(2)	2	3	—	18	81
—	—	—	—	—	—	—	—	31	51
427	398	43	41	269	252	(49)	(57)	799	787
3	—	2	4	—	—	—	—	16	13
9,630	8,685	1,980	1,931	1,411	1,263	(98)	(99)	32,991	32,111
(5,555)	(5,292)	(1,199)	(1,075)	(678)	(584)	(10)	(25)	(20,513)	(20,087)
(29)	(19)	—	(9)	—	—	—	—	(244)	(255)
(28)	(23)	(4)	(5)	(1)	—	67	75	(74)	(80)
—	—	—	(7)	—	—	—	—	—	(10)
—	—	—	—	—	—	—	—	(8)	(70)
(29)	(30)	(10)	(7)	—	(1)	—	(3)	(169)	(183)
(2,372)	(2,062)	(653)	(593)	(402)	(364)	2	—	(8,242)	(7,838)
(372)	(317)	(54)	(50)	(261)	(242)	42	53	(752)	(692)
—	—	(2)	(1)	—	—	—	—	(8)	(1)
(8,385)	(7,743)	(1,922)	(1,747)	(1,342)	(1,191)	101	100	(30,010)	(29,216)
1,245	942	58	184	69	72	3	1	2,981	2,895
65.4	69.5	66.1	60.9	60.4	59.2	—[6)]	—[6)]	69.8	70.6
27.9	27.1	36.0	33.6	35.8	36.8	—[6)]	—[6)]	28.1	27.6
93.3	96.6	102.1	94.5	96.2	96.0	—[6)]	—[6)]	97.9	98.2

Reportable segments – Life/Health business

	German Speaking Countries		Europe incl. South America	
Three months ended September 30,	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Statutory premiums[1]	**4,591**	**4,417**	**3,681**	**3,822**
Ceded premiums written	(47)	(47)	(92)	(83)
Change in unearned premiums	(25)	(21)	32	6
Statutory premiums (net)	4,519	4,349	3,621	3,745
Deposits from insurance and investment contracts	(1,005)	(1,110)	(2,490)	(2,677)
Premiums earned (net)	**3,514**	**3,239**	**1,131**	**1,068**
Interest and similar income	1,850	1,919	1,015	983
Operating income from financial assets and liabilities carried at fair value through income (net)	378	(22)	21	250
Operating realized gains/losses (net)	240	444	246	93
Fee and commission income	6	8	97	90
Other income	10	5	—	—
Operating revenues	**5,998**	**5,593**	**2,510**	**2,484**
Claims and insurance benefits incurred (net)	(2,928)	(3,011)	(983)	(1,026)
Change in reserves for insurance and investment contracts (net)	(2,376)	(1,649)	(713)	(557)
Interest expenses	(27)	(28)	(7)	(10)
Loan loss provisions	—	(3)	—	—
Operating impairments of investments (net)	(84)	(214)	(10)	(18)
Investment expenses	(102)	(90)	(49)	(46)
Acquisition and administrative expenses (net)	(157)	(350)	(452)	(417)
Fee and commission expenses	(6)	(7)	(51)	(44)
Operating restructuring charges	—	—	—	—
Other expenses	(11)	—	—	—
Operating expenses	**(5,691)**	**(5,352)**	**(2,265)**	**(2,118)**
Operating profit	**307**	**241**	**245**	**366**
Cost-income ratio[2] **in %**	**95.5**	**96.2**	**95.0**	**92.7**

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.

3) Presentation not meaningful.

	NAFTA Markets		Global Insurance Lines & Anglo Markets		Growth Markets		Consolidation		Life/Health	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn
	2,257	**1,254**	**86**	**84**	**2,004**	**1,267**	**(66)**	**(56)**	**12,553**	**10,788**
	(28)	(37)	(3)	(3)	(32)	(21)	66	56	(136)	(135)
	5	3	1	(1)	(49)	10	—	—	(36)	(3)
	2,234	1,220	84	80	1,923	1,256	—	—	12,381	10,650
	(2,072)	(1,063)	—	—	(1,341)	(691)	—	—	(6,908)	(5,541)
	162	**157**	**84**	**80**	**582**	**565**	**—**	**—**	**5,473**	**5,109**
	616	513	19	26	181	140	(35)	(16)	3,646	3,565
	(285)	114	(5)	(3)	7	18	11	3	127	360
	92	(4)	—	—	9	11	—	—	587	544
	14	8	—	—	15	10	(3)	(1)	129	115
	—	1	—	(1)	—	1	—	—	10	6
	599	**789**	**98**	**102**	**794**	**745**	**(27)**	**(14)**	**9,972**	**9,699**
	(29)	(21)	(86)	(87)	(281)	(254)	—	—	(4,307)	(4,399)
	(367)	(262)	13	10	(230)	(204)	—	—	(3,673)	(2,662)
	(2)	(1)	—	(1)	(2)	(1)	28	17	(10)	(24)
	1	(1)	—	1	5	—	—	—	6	(3)
	—	(2)	—	—	(1)	2	—	—	(95)	(232)
	(10)	(10)	(1)	—	(5)	(5)	7	—	(160)	(151)
	(135)	(201)	(13)	(22)	(246)	(239)	3	—	(1,000)	(1,229)
	(11)	(9)	—	—	(1)	(1)	2	1	(67)	(60)
	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	(11)	—
	(553)	**(507)**	**(87)**	**(99)**	**(761)**	**(702)**	**40**	**18**	**(9,317)**	**(8,760)**
	46	**282**	**11**	**3**	**33**	**43**	**13**	**4**	**655**	**939**
	98.3	**84.6**	**88.7**	**97.1**	**98.5**	**97.0**	**—[3]**	**—[3]**	**96.0**	**93.6**

Reportable segments – Life/Health business (continued)

	German Speaking Countries		Europe incl. South America	
Nine months ended September 30,	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Statutory premiums[1]	**15,346**	**14,117**	**14,733**	**12,780**
Ceded premiums written	(137)	(148)	(254)	(260)
Change in unearned premiums	(78)	(62)	18	41
Statutory premiums (net)	15,131	13,907	14,497	12,561
Deposits from insurance and investment contracts	(4,036)	(3,962)	(10,952)	(9,068)
Premiums earned (net)	**11,095**	**9,945**	**3,545**	**3,493**
Interest and similar income	5,838	5,674	3,075	2,889
Operating income from financial assets and liabilities carried at fair value through income (net)	671	(15)	(30)	291
Operating realized gains/losses (net)	742	899	446	442
Fee and commission income	18	18	288	267
Other income	45	11	—	2
Operating revenues	**18,409**	**16,532**	**7,324**	**7,384**
Claims and insurance benefits incurred (net)	(9,363)	(9,796)	(3,130)	(3,276)
Change in reserves for insurance and investment contracts (net)	(6,687)	(3,448)	(1,626)	(1,014)
Interest expenses	(79)	(89)	(22)	(42)
Loan loss provisions	—	(9)	—	—
Operating impairments of investments (net)	(217)	(1,104)	(95)	(402)
Investment expenses	(285)	(252)	(148)	(141)
Acquisition and administrative expenses (net)	(757)	(1,135)	(1,326)	(1,441)
Fee and commission expenses	(17)	(17)	(143)	(127)
Operating restructuring charges	(1)	3	—	—
Other expenses	(35)	—	—	—
Operating expenses	**(17,441)**	**(15,847)**	**(6,490)**	**(6,443)**
Operating profit	**968**	**685**	**834**	**941**
Cost-income ratio[2] in %	**95.6**	**96.4**	**95.3**	**94.0**

[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.

[3] Presentation not meaningful.

NAFTA Markets		Global Insurance Lines & Anglo Markets		Growth Markets		Consolidation		Life/Health	
2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn
6,009	**5,037**	**236**	**228**	**5,898**	**3,572**	**(189)**	**(167)**	**42,033**	**35,567**
(106)	(112)	(6)	(2)	(85)	(50)	189	167	(399)	(405)
8	3	4	(3)	(96)	(35)	—	—	(144)	(56)
5,911	4,928	234	223	5,717	3,487	—	—	41,490	35,106
(5,402)	(4,450)	—	—	(3,956)	(2,091)	—	—	(24,346)	(19,571)
509	**478**	**234**	**223**	**1,761**	**1,396**	**—**	**—**	**17,144**	**15,535**
1,749	1,546	57	66	517	379	(40)	(46)	11,196	10,508
(119)	282	(28)	(13)	32	26	(8)	4	518	575
106	—	—	—	43	13	—	—	1,337	1,354
36	27	—	—	43	48	(9)	(4)	376	356
—	1	—	—	14	1	—	—	59	15
2,281	**2,334**	**263**	**276**	**2,410**	**1,863**	**(57)**	**(46)**	**30,630**	**28,343**
(82)	(59)	(232)	(256)	(796)	(655)	—	—	(13,603)	(14,042)
(1,208)	(816)	35	35	(692)	(501)	—	—	(10,178)	(5,744)
(5)	(4)	(1)	(2)	(5)	(5)	48	47	(64)	(95)
2	(9)	—	—	6	1	—	—	8	(17)
(5)	(70)	—	—	(1)	1	—	—	(318)	(1,575)
(34)	(28)	(3)	—	(17)	(19)	(2)	(1)	(489)	(441)
(603)	(852)	(43)	(41)	(721)	(586)	—	—	(3,450)	(4,055)
(32)	(35)	—	—	(1)	(1)	9	4	(184)	(176)
—	—	—	—	—	—	—	—	(1)	3
—	—	—	—	(2)	—	—	—	(37)	—
(1,967)	**(1,873)**	**(244)**	**(264)**	**(2,229)**	**(1,765)**	**55**	**50**	**(28,316)**	**(26,142)**
314	**461**	**19**	**12**	**181**	**98**	**(2)**	**4**	**2,314**	**2,201**
95.9	**93.1**	**92.7**	**95.6**	**97.1**	**97.5**	**—[3]**	**—[3]**	**95.7**	**95.2**

Reportable segments – Asset Management business

Three months ended September 30,	2010 € mn	2009 € mn
Net fee and commission income[1]	1,235	866
Net interest income[2]	10	12
Income from financial assets and liabilities carried at fair value through income (net)	7	17
Other income	4	4
Operating revenues	**1,256**	**899**
Administrative expenses (net), excluding acquisition-related expenses	(735)	(531)
Operating expenses	**(735)**	**(531)**
Operating profit	**521**	**368**
Cost-income ratio[3] in %	**58.5**	**59.1**

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,	2010 € mn	2009 € mn
Net fee and commission income[1]	3,520	2,327
Net interest income[2]	18	22
Income from financial assets and liabilities carried at fair value through income (net)	8	33
Other income	14	13
Operating revenues	**3,560**	**2,395**
Administrative expenses (net), excluding acquisition-related expenses	(2,057)	(1,570)
Operating expenses	**(2,057)**	**(1,570)**
Operating profit	**1,503**	**825**
Cost-income ratio[3] in %	**57.8**	**65.6**

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	
	2010 € mn	2009 € mn
Interest and similar income	45	54
Operating income from financial assets and liabilities carried at fair value through income (net)	(18)	(35)
Fee and commission income	45	50
Other income	—	—
Operating revenues	**72**	**69**
Interest expenses, excluding interest expenses from external debt	(93)	(103)
Loan loss provisions	—	—
Investment expenses	(23)	(23)
Administrative expenses (net), excluding acquisition-related expenses	(144)	(137)
Fee and commission expenses	(49)	(58)
Other expenses	—	—
Operating expenses	**(309)**	**(321)**
Operating loss	**(237)**	**(252)**
Cost-income ratio[1] for the reportable segment Banking in %		

[1] 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	
	2010 € mn	2009 € mn
Interest and similar income	223	292
Operating income from financial assets and liabilities carried at fair value through income (net)	(32)	(132)
Fee and commission income	131	150
Other income	—	—
Operating revenues	**322**	**310**
Interest expenses, excluding interest expenses from external debt	(284)	(341)
Loan loss provisions	—	—
Investment expenses	(66)	(61)
Administrative expenses (net), excluding acquisition-related expenses	(421)	(411)
Fee and commission expenses	(152)	(129)
Other expenses	—	—
Operating expenses	**(923)**	**(942)**
Operating loss	**(601)**	**(632)**
Cost-income ratio[1] for the reportable segment Banking in %		

[1] 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	
2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn
173	174	(5)	2	(1)	(1)	212	229
(1)	(3)	—	—	(1)	—	(20)	(38)
111	103	30	38	—	(1)	186	190
—	—	—	(2)	—	—	—	(2)
283	**274**	**25**	**38**	**(2)**	**(2)**	**378**	**379**
(86)	(100)	—	—	1	1	(178)	(202)
(18)	(13)	—	—	—	—	(18)	(13)
—	—	—	—	—	2	(23)	(21)
(151)	(143)	(34)	(47)	—	(1)	(329)	(328)
(51)	(55)	—	3	1	—	(99)	(110)
(1)	—	—	—	—	—	(1)	—
(307)	**(311)**	**(34)**	**(44)**	**2**	**2**	**(648)**	**(674)**
(24)	**(37)**	**(9)**	**(6)**	**—**	**—**	**(270)**	**(295)**
104.1	**120.2**						

Banking		Alternative Investments		Consolidation		Corporate and Other	
2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn	2010 € mn	2009 € mn
515	537	2	—	(2)	(3)	738	826
(10)	3	(1)	(1)	—	—	(43)	(130)
320	266	94	95	(3)	(4)	542	507
—	—	1	1	(1)	—	—	1
825	**806**	**96**	**95**	**(6)**	**(7)**	**1,237**	**1,204**
(253)	(306)	—	—	1	2	(536)	(645)
(41)	(30)	—	—	—	—	(41)	(30)
—	—	(1)	—	—	4	(67)	(57)
(430)	(468)	(108)	(112)	4	—	(955)	(991)
(161)	(140)	—	(3)	1	—	(312)	(272)
(2)	(1)	—	—	—	—	(2)	(1)
(887)	**(945)**	**(109)**	**(115)**	**6**	**6**	**(1,913)**	**(1,996)**
(62)	**(139)**	**(13)**	**(20)**	**—**	**(1)**	**(676)**	**(792)**
105.1	**130.3**						

Supplementary Information to the Consolidated Balance Sheets

4 Financial assets carried at fair value through income

	As of September 30, 2010 € mn	As of December 31, 2009 € mn
Financial assets held for trading		
Debt securities	834	363
Equity securities	128	105
Derivative financial instruments	2,030	1,663
Subtotal	**2,992**	**2,131**
Financial assets designated at fair value through income		
Debt securities	5,192	8,814
Equity securities	3,173	3,376
Subtotal	**8,365**	**12,190**
Total	**11,357**	**14,321**

5 Investments

	As of September 30, 2010 € mn	As of December 31, 2009 € mn
Available-for-sale investments	318,373	279,045
Held-to-maturity investments	3,901	3,475
Funds held by others under reinsurance contracts assumed	1,177	1,193
Investments in associates and joint ventures	2,683	3,025
Real estate held for investment	8,029	7,514
Total	**334,163**	**294,252**

Available-for-sale investments

	As of September 30, 2010				As of December 31, 2009			
	Amortized Cost € mn	Unrealized Gains € mn	Unrealized Losses € mn	Fair Value € mn	Amortized Cost € mn	Unrealized Gains € mn	Unrealized Losses € mn	Fair Value € mn
Debt securities								
Government and agency mortgage-backed securities (residential and commercial)	6,345	334	(1)	6,678	8,202	209	(53)	8,358
Corporate mortgage-backed securities (residential and commercial)	9,971	738	(182)	10,527	8,116	76	(444)	7,748
Other asset-backed securities	3,545	265	(41)	3,769	3,878	119	(110)	3,887
Government and government agency bonds	122,024	8,577	(919)	129,682	110,550	4,069	(667)	113,952
Corporate bonds	130,659	7,954	(1,212)	137,401	113,338	4,338	(1,902)	115,774
Other	1,601	163	(2)	1,762	1,570	66	(34)	1,602
Subtotal	**274,145**	**18,031**	**(2,357)**	**289,819**	**245,654**	**8,877**	**(3,210)**	**251,321**
Equity securities	**19,076**	**9,632**	**(154)**	**28,554**	**17,647**	**10,227**	**(150)**	**27,724**
Total	**293,221**	**27,663**	**(2,511)**	**318,373**	**263,301**	**19,104**	**(3,360)**	**279,045**

6 Loans and advances to banks and customers

	As of September 30, 2010			As of December 31, 2009		
	Banks €mn	Customers €mn	Total €mn	Banks €mn	Customers €mn	Total €mn
Short-term investments and certificates of deposit	6,284	—	6,284	10,530	—	10,530
Reverse repurchase agreements	1,115	—	1,115	848	19	867
Collateral paid for securities borrowing transactions and derivatives	220	—	220	—	—	—
Loans	68,337	46,200	114,537	69,845	44,313	114,158
Other	2,527	59	2,586	3,525	60	3,585
Subtotal	**78,483**	**46,259**	**124,742**	**84,748**	**44,392**	**129,140**
Loan loss allowance	—	(137)	(137)	—	(144)	(144)
Total	**78,483**	**46,122**	**124,605**	**84,748**	**44,248**	**128,996**

Loans and advances to customers by type of customer

	As of September 30, 2010 €mn	As of December 31, 2009 €mn
Corporate customers	15,141	13,722
Private customers	24,228	23,743
Public customers	6,890	6,927
Total	**46,259**	**44,392**

7 Reinsurance assets

	As of September 30, 2010 €mn	As of December 31, 2009 €mn
Unearned premiums	1,652	1,424
Reserves for loss and loss adjustment expenses	7,247	7,456
Aggregate policy reserves	4,634	4,613
Other insurance reserves	98	66
Total	**13,631**	**13,559**

8 Deferred acquisition costs

	As of September 30, 2010 €mn	As of December 31, 2009 €mn
Deferred acquisition costs		
Property-Casualty	4,097	3,789
Life/Health	13,500	14,452
Asset Management	147	149
Subtotal	**17,744**	**18,390**
Present value of future profits	**1,160**	**1,212**
Deferred sales inducements	**689**	**693**
Total	**19,593**	**20,295**

9 Other assets

	As of September 30, 2010 €mn	As of December 31, 2009 €mn
Receivables		
Policyholders	5,027	4,865
Agents	4,209	3,922
Reinsurers	2,589	2,437
Other	4,470	3,480
Less allowance for doubtful accounts	(633)	(564)
Subtotal	**15,662**	**14,140**
Tax receivables		
Income taxes	1,359	2,277
Other taxes	816	950
Subtotal	**2,175**	**3,227**
Accrued dividends, interest and rent	**6,740**	**6,865**
Prepaid expenses		
Interest and rent	14	20
Other prepaid expenses	339	284
Subtotal	**353**	**304**
Derivative financial instruments used for hedging that meet the criteria for hedge accounting and firm commitments	**488**	**304**
Property and equipment		
Real estate held for own use	3,076	2,916
Software	1,292	1,297
Equipment	722	803
Fixed assets of alternative Investments	998	822
Subtotal	**6,088**	**5,838**
Other assets	**2,187**	**2,369**
Total	**33,693**	**33,047**

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

	As of September 30, 2010 € mn	As of December 31, 2009 € mn
Non-current assets and assets of disposal groups classified as held for sale		
Alba Allgemeine Versicherungs-Gesellschaft AG, Basel	368	—
Phenix Compagnie d'assurances SA, Lausanne	75	—
Phenix Compagnie d'assurances sur la vie SA, Lausanne	302	—
Total	**745**	**—**
Liabilities of disposal groups classified as held for sale		
Alba Allgemeine Versicherungs-Gesellschaft AG, Basel	300	—
Phenix Compagnie d'assurances SA, Lausanne	54	—
Phenix Compagnie d'assurances sur la vie SA, Lausanne	279	—
Total	**633**	**—**

Alba Allgemeine Versicherungs-Gesellschaft AG (Alba), Basel, Phenix Compagnie d'assurances SA (Phenix), Lausanne, and Phenix Compagnie d'assurances sur la vie SA (Phenix Vie), Lausanne

During the third quarter 2010, the Allianz Group contractually agreed to dispose of Alba, Phenix and Phenix Vie to Helvetia Group.

In accordance with IFRS 5 the assets and liabilities relating to the Allianz Group's 100% ownership of Alba and Phenix within the segment Property-Casualty as well as of Phenix Vie within the segment Life/Health were classified and presented as disposal groups held for sale.

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

As of September 30, 2010	Alba € mn	Phenix € mn	Phenix Vie € mn	Total € mn
Cash and cash equivalents	13	3	8	24
Investments	305	57	253	615
Loans and advances to banks and customers	10	1	3	14
Financial assets for unit-linked contracts	—	—	11	11
Reinsurance assets	23	3	1	27
Deferred acquisition costs	1	3	11	15
Other assets	16	8	15	39
Total assets of disposal groups classified as held for sale	**368**	**75**	**302**	**745**
Liabilitites to banks and customers	—	1	1	2
Unearned premiums	31	8	—	39
Reserves for loss and loss adjustment expenses	208	34	—	242
Reserves for insurance and investment contracts	27	5	263	295
Financial liabilities for unit-linked contracts	—	—	11	11
Deferred tax liabilities	14	2	—	16
Other liabilities	20	4	4	28
Total liabilities of disposal groups classified as held for sale	**300**	**54**	**279**	**633**

As of September 30, 2010, cumulative income recognized in other comprehensive income relating to the disposal groups classified as held for sale amounts to € 31 mn.

The sale is expected to occur during the fourth quarter 2010 and is subject to approval by the regulatory authorities.

No gain or loss was recognized on initial or subsequent measurement of the disposal groups in accordance with IFRS 5.

Allianz Bank Zrt., Budapest

During the second quarter 2010, the Allianz Group reclassified the assets and liabilities related to its 100% ownership of Allianz Bank Zrt., Budapest, within the segment Corporate and Other to disposal groups held for sale in accordance with IFRS 5. The sale of Allianz Bank Zrt., Budapest, was completed during the third quarter 2010 and all assets and liabilities have been deconsolidated.

Galleria Commerciale Porta di Roma S.p.A., Rome

During the second quarter 2010, the Allianz Group acquired 100% of the Galleria Commerciale Porta di Roma S.p.A. shopping mall in Rome, Italy. At the same time, the Allianz Group agreed to sell a 50% stake. The sale was completed during the third quarter 2010. The remaining 50% stake is accounted for as joint venture measured at equity.

11 Intangible assets

	As of September 30, 2010 € mn	As of December 31, 2009 € mn
Intangible assets with indefinite useful lives		
Goodwill	12,140	12,014
Brand names[1]	310	309
Subtotal	**12,450**	**12,323**
Intangible assets with finite useful lives		
Long-term distribution agreements with Commerzbank AG	595	620
Customer relationships	302	352
Other[2]	187	181
Subtotal	**1,084**	**1,153**
Total	**13,534**	**13,476**

1) Includes primarily the brand name of Selecta AG, Muntelier.
2) Includes primarily research and development costs of € 71 mn and bancassurance agreements of € 15 mn.

Changes in goodwill for the nine months ended September 30, 2010, were as follows:

	2010 € mn
Cost as of January 1,	12,291
Accumulated impairments as of January 1,	(277)
Carrying amount as of January 1,	**12,014**
Additions	42
Foreign currency translation adjustments	199
Impairments	(115)
Carrying amount as of September 30,	**12,140**
Accumulated impairments as of September 30,	392
Cost as of September 30,	12,532

Additions include goodwill from the acquisition of a 100% participation in Windpark Werder Zinndorf GmbH & Co. KG, Sehestedt, in the first quarter 2010.

12 Financial liabilities carried at fair value through income

	As of September 30, 2010 € mn	As of December 31, 2009 € mn
Financial liabilities held for trading		
Derivative financial instruments	4,660	4,808
Other trading liabilities	47	83
Subtotal	**4,707**	**4,891**
Financial liabilities designated at fair value through income	—	—
Total	4,707	4,891

13 Liabilities to banks and customers

	As of September 30, 2010			As of December 31, 2009		
	Banks € mn	Customers € mn	Total € mn	Banks € mn	Customers € mn	Total € mn
Payable on demand	324	4,162	4,486	366	4,106	4,472
Savings deposits	—	2,486	2,486	—	1,980	1,980
Term deposits and certificates of deposit	1,114	1,721	2,835	1,188	2,185	3,373
Repurchase agreements	852	179	1,031	1,025	172	1,197
Collateral received from securities lending transactions and derivatives	1,347	—	1,347	44	—	44
Other	6,293	2,682	8,975	6,885	3,297	10,182
Total	**9,930**	**11,230**	**21,160**	**9,508**	**11,740**	**21,248**

14 Reserves for loss and loss adjustment expenses

	As of September 30, 2010 € mn	As of December 31, 2009 € mn
Property-Casualty	57,406	55,715
Life/Health	8,789	8,738
Consolidation	(11)	(12)
Total	**66,184**	**64,441**

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

	2010			2009		
	Gross € mn	Ceded € mn	Net € mn	Gross € mn	Ceded € mn	Net € mn
As of January 1,	**55,715**	**(7,175)**	**48,540**	**55,616**	**(7,820)**	**47,796**
Loss and loss adjustment expenses incurred						
Current year	23,560	(1,957)	21,603	22,776	(2,095)	20,681
Prior years	(1,847)	757	(1,090)	(1,341)	747	(594)
Subtotal	**21,713**	**(1,200)**	**20,513**	**21,435**	**(1,348)**	**20,087**
Loss and loss adjustment expenses paid						
Current year	(9,940)	576	(9,364)	(9,405)	443	(8,962)
Prior years	(11,437)	1,215	(10,222)	(12,172)	1,495	(10,677)
Subtotal	**(21,377)**	**1,791**	**(19,586)**	**(21,577)**	**1,938**	**(19,639)**
Foreign currency translation adjustments and other changes	**1,597**	**(362)**	**1,235**	**203**	**19**	**222**
Reclassifications[1]	**(242)**	**26**	**(216)**	**—**	**—**	**—**
As of September 30,	**57,406**	**(6,920)**	**50,486**	**55,677**	**(7,211)**	**48,466**

[1] In the third quarter 2010 the companies Phenix Compagnie d'assurances SA and Alba Allgemeine Versicherungs-Gesellschaft AG were classified as held for sale. See note 10 for further information.

15 Reserves for insurance and investment contracts

	As of September 30, 2010 € mn	As of December 31, 2009 € mn
Aggregate policy reserves	317,506	298,725
Reserves for premium refunds	30,503	24,430
Other insurance reserves	810	646
Total	**348,819**	**323,801**

16 Other liabilities

	As of September 30, 2010 € mn	As of December 31, 2009 € mn
Payables		
Policyholders	4,041	4,798
Reinsurers	1,863	1,804
Agents	1,496	1,407
Subtotal	7,400	8,009
Payables for social security	433	398
Tax payables		
Income taxes	1,364	1,890
Other taxes	1,085	1,028
Subtotal	2,449	2,918
Accrued interest and rent	599	715
Unearned income		
Interest and rent	11	9
Other	295	316
Subtotal	306	325
Provisions		
Pensions and similar obligations	3,870	3,819
Employee related	1,991	1,887
Share-based compensation plans	1,014	1,296
Restructuring plans	313	346
Loan commitments	10	8
Contingent losses from non-insurance business	126	137
Other provisions	1,313	1,395
Subtotal	8,637	8,888
Deposits retained for reinsurance ceded	2,498	2,547
Derivative financial instruments used for hedging that meet the criteria for hedge accounting and firm commitments	342	310
Financial liabilities for puttable equity instruments	2,977	3,451
Other liabilities	6,230	5,724
Total	31,871	33,285

17 Certificated liabilities

	As of September 30, 2010 € mn	As of December 31, 2009 € mn
Allianz SE[1]		
Senior bonds	5,335	5,330
Money market securities	2,269	1,504
Subtotal	7,604	6,834
Banking subsidiaries		
Senior bonds	1,123	1,100
Subtotal	1,123	1,100
All other subsidiaries		
Certificated liabilities	28	28
Subtotal	28	28
Total	8,755	7,962

1) 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.

18 Participation certificates and subordinated liabilities

	As of September 30, 2010 € mn	As of December 31, 2009 € mn
Allianz SE[1]		
Subordinated bonds	8,263	8,162
Participation certificates	—	121
Subtotal	8,263	8,283
Banking subsidiaries		
Subordinated bonds	227	173
Subtotal	227	173
All other subsidiaries		
Subordinated liabilities	398[2]	846
Hybrid equity	45	45
Subtotal	443	891
Total	8,933	9,347

1) Includes subordinated bonds issued by Allianz Finance II B.V. and guaranteed by Allianz SE.
2) Early redemption of subordinated bonds amounting to € 450 mn issued by Allianz France.

19 Equity

	As of September 30, 2010 € mn	As of December 31, 2009 € mn
Shareholders' equity		
Issued capital	1,162	1,162
Capital reserves	27,473	27,473
Revenue reserves	11,985	9,855
Treasury shares	(209)	(213)
Foreign currency translation adjustments	(2,742)	(3,626)
Unrealized gains and losses (net)[1]	7,231	5,457
Subtotal	44,900	40,108
Non-controlling interests	2,171	2,121
Total	47,071	42,229

1) As of September 30, 2010, includes € 201 mn (2009: € 187 mn) related to cash flow hedges.

Supplementary Information to the Consolidated Income Statements

20 Premiums earned (net)

Three months ended September 30,	Property-Casualty €mn	Life/Health €mn	Consolidation €mn	Group €mn
2010				
Premiums written				
Direct	9,555	5,529	—	15,084
Assumed	1,045	115	—	1,160
Subtotal	**10,600**	**5,644**	**—**	**16,244**
Ceded	(1,184)	(135)	—	(1,319)
Net	**9,416**	**5,509**	**—**	**14,925**
Change in unearned premiums				
Direct	1,078	(36)	—	1,042
Assumed	46	(1)	(2)	43
Subtotal	**1,124**	**(37)**	**(2)**	**1,085**
Ceded	(271)	1	2	(268)
Net	**853**	**(36)**	**—**	**817**
Premiums earned				
Direct	10,633	5,493	—	16,126
Assumed	1,091	114	(2)	1,203
Subtotal	**11,724**	**5,607**	**(2)**	**17,329**
Ceded	(1,455)	(134)	2	(1,587)
Net	**10,269**	**5,473**	**—**	**15,742**
2009				
Premiums written				
Direct	9,206	5,144	—	14,350
Assumed	1,026	97	(6)	1,117
Subtotal	**10,232**	**5,241**	**(6)**	**15,467**
Ceded	(1,368)	(129)	6	(1,491)
Net	**8,864**	**5,112**	**—**	**13,976**
Change in unearned premiums				
Direct	973	(2)	—	971
Assumed	(62)	1	(3)	(64)
Subtotal	**911**	**(1)**	**(3)**	**907**
Ceded	(23)	(2)	3	(22)
Net	**888**	**(3)**	**—**	**885**
Premiums earned				
Direct	10,179	5,142	—	15,321
Assumed	964	98	(9)	1,053
Subtotal	**11,143**	**5,240**	**(9)**	**16,374**
Ceded	(1,391)	(131)	9	(1,513)
Net	**9,752**	**5,109**	**—**	**14,861**

20 Premiums earned (net) (continued)

Nine months ended September 30,	Property-Casualty €mn	Life/Health €mn	Consolidation €mn	Group €mn
2010				
Premiums written				
Direct	31,828	17,369	—	49,197
Assumed	2,717	317	(10)	3,024
Subtotal	**34,545**	**17,686**	**(10)**	**52,221**
Ceded	(3,609)	(398)	10	(3,997)
Net	**30,936**	**17,288**	**—**	**48,224**
Change in unearned premiums				
Direct	(1,450)	(146)	—	(1,596)
Assumed	(229)	1	(4)	(232)
Subtotal	**(1,679)**	**(145)**	**(4)**	**(1,828)**
Ceded	114	1	4	119
Net	**(1,565)**	**(144)**	**—**	**(1,709)**
Premiums earned				
Direct	30,378	17,223	—	47,601
Assumed	2,488	318	(14)	2,792
Subtotal	**32,866**	**17,541**	**(14)**	**50,393**
Ceded	(3,495)	(397)	14	(3,878)
Net	**29,371**	**17,144**	**—**	**46,515**
2009				
Premiums written				
Direct	31,178	15,707	—	46,885
Assumed	2,462	263	(17)	2,708
Subtotal	**33,640**	**15,970**	**(17)**	**49,593**
Ceded	(3,723)	(379)	17	(4,085)
Net	**29,917**	**15,591**	**—**	**45,508**
Change in unearned premiums				
Direct	(1,597)	(53)	—	(1,650)
Assumed	(193)	(1)	(4)	(198)
Subtotal	**(1,790)**	**(54)**	**(4)**	**(1,848)**
Ceded	322	(2)	4	324
Net	**(1,468)**	**(56)**	**—**	**(1,524)**
Premiums earned				
Direct	29,581	15,654	—	45,235
Assumed	2,269	262	(21)	2,510
Subtotal	**31,850**	**15,916**	**(21)**	**47,745**
Ceded	(3,401)	(381)	21	(3,761)
Net	**28,449**	**15,535**	**—**	**43,984**

21 Interest and similar income

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Interest from held-to-maturity investments	45	42	131	128
Dividends from available-for-sale investments	161	89	793	758
Interest from available-for-sale investments	2,966	2,637	8,670	7,909
Share of earnings from investments in associates and joint ventures	18	84	134	59
Rent from real estate held for investment	162	182	513	518
Interest from loans to banks and customers	1,336	1,430	4,124	4,227
Other interest	43	42	114	121
Total	**4,731**	**4,506**	**14,479**	**13,720**

22 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	Consolidation € mn	Group € mn
2010						
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)
Total	**11**	**115**	**7**	**16**	**1**	**150**
2009						
Income (expenses) from financial assets and liabilities held for trading (net)	33	(286)	3	105	11	(134)
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	59	1,004	66	6	—	1,135
Income (expenses) from financial liabilities for puttable equity instruments (net)	(20)	(252)	(51)	(2)	—	(325)
Foreign currency gains and losses (net)	(36)	(120)	(1)	(22)	3	(176)
Total	**36**	**346**	**17**	**87**	**14**	**500**

Nine months ended September 30,	Property-Casualty € mn	Life/Health € mn	Asset Management € mn	Corporate and Other € mn	Consolidation € mn	Group € mn
2010						
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
Total	**(20)**	**494**	**8**	**(104)**	**3**	**381**
2009						
Income (expenses) from financial assets and liabilities held for trading (net)	(47)	(445)	4	269	7	(212)
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	120	1,359	104	17	—	1,600
Income (expenses) from financial liabilities for puttable equity instruments (net)	(22)	(344)	(75)	(3)	—	(444)
Foreign currency gains and losses (net)	(26)	(1)	—	(164)	2	(189)
Total	**25**	**569**	**33**	**119**	**9**	**755**

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

Life/Health

Income from financial assets and liabilities held for trading for the nine months ended September 30, 2010, includes in the Life/Health segment expenses of € 251 mn (2009: € 445 mn) from derivative financial instruments. This includes income of € 387 mn (2009: expenses of € 45 mn) of German entities from financial derivative positions to protect against equity and foreign exchange rate fluctuations as well as for duration management. Also included are expenses from U.S. entities amongst others from embedded derivatives required to be separated related to fixed-indexed annuity products and guaranteed benefits under unit-linked contracts of € 557 mn (2009: € 247 mn).

Corporate and Other

Income from financial assets and liabilities held for trading for the nine months ended September 30, 2010, includes in the Corporate and Other segment expenses of € 73 mn (2009: income of € 287 mn) from derivative financial instruments. This includes income of € 20 mn (2009: € 104 mn) from financial derivative instruments to protect investments and liabilities against foreign exchange rate fluctuations. In 2010, hedging of strategic equity investments not designated for hedge accounting resulted in expenses of € 19 mn (2009: € 164 mn). Financial derivatives related to investment strategies had expenses of € 42 mn (2009: income of € 227 mn). Additionally, income from financial assets and liabilities held for trading for the nine months ended September 30, 2010, includes income of € 1 mn (2009: expenses of € 30 mn) from hedges of share based compensation plans (restricted stock units).

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, excluding exchange differences arising on financial assets and liabilities measured at fair value through profit or loss, which do not have to be disclosed separately. The Allianz Group is substantially hedged against foreign currency fluctuations with freestanding derivatives resulting in an offsetting effect of € (113) mn (2009: € 135 mn) for the nine months ended September 30, 2010.

23 Realized gains/losses (net)

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Realized gains				
Available-for-sale investments				
Equity securities	547	930	1,832	3,893
Debt securities	441	347	1,300	1,216
Subtotal	988	1,277	3,132	5,109
Investments in associates and joint ventures[1]	77	2	101	15
Real estate held for investment	91	32	211	59
Loans and advances to banks and customers	34	20	97	124
Subtotal	1,190	1,331	3,541	5,307
Realized losses				
Available-for-sale investments				
Equity securities	(67)	(229)	(152)	(1,539)
Debt securities	(132)	(120)	(657)	(734)
Subtotal	(199)	(349)	(809)	(2,273)
Investments in associates and joint ventures[2]	—	—	(4)	(5)
Real estate held for investment	—	(9)	(3)	(12)
Loans and advances to banks and customers	(1)	(82)	(29)	(89)
Subtotal	(200)	(440)	(845)	(2,379)
Total	990	891	2,696	2,928

[1] During the three and nine months ended September 30, 2010 and 2009, includes realized gains from the disposal of subsidiaries of € 74 mn (2009: € 1 mn) and € 90 mn (2009: € 3 mn) respectively.

[2] During the three and nine months ended September 30, 2010 and 2009, includes realized losses from the disposal of subsidiaries of € — mn (2009: € — mn) and € 4 mn (2009: € — mn) respectively.

24 Fee and commission income

Three months ended September 30,	2010			2009		
	Segment € mn	Consolidation € mn	Group € mn	Segment € mn	Consolidation € mn	Group € mn
Property-Casualty						
Fees from credit and assistance business	163	(1)	162	151	1	152
Service agreements	100	(12)	88	100	(14)	86
Investment advisory	—	—	—	(6)	—	(6)
Subtotal	**263**	**(13)**	**250**	**245**	**(13)**	**232**
Life/Health						
Service agreements	27	(8)	19	22	(7)	15
Investment advisory	102	(8)	94	92	(6)	86
Other	—	—	—	1	(1)	—
Subtotal	**129**	**(16)**	**113**	**115**	**(14)**	**101**
Asset Management						
Management fees	1,305	(25)	1,280	926	(28)	898
Loading and exit fees	98	—	98	73	—	73
Performance fees	73	(3)	70	84	—	84
Other	47	(3)	44	11	—	11
Subtotal	**1,523**	**(31)**	**1,492**	**1,094**	**(28)**	**1,066**
Corporate and Other						
Service agreements	45	(4)	41	51	(8)	43
Investment advisory and Banking activities	141	(76)	65	139	(48)	91
Subtotal	**186**	**(80)**	**106**	**190**	**(56)**	**134**
Total	**2,101**	**(140)**	**1,961**	**1,644**	**(111)**	**1,533**

Nine months ended September 30,	2010			2009		
	Segment € mn	Consolidation € mn	Group € mn	Segment € mn	Consolidation € mn	Group € mn
Property-Casualty						
Fees from credit and assistance business	496	(3)	493	507	—	507
Service agreements	303	(35)	268	280	(43)	237
Investment advisory	—	—	—	—	—	—
Subtotal	**799**	**(38)**	**761**	**787**	**(43)**	**744**
Life/Health						
Service agreements	69	(19)	50	66	(22)	44
Investment advisory	307	(23)	284	286	(17)	269
Other	—	—	—	4	(4)	—
Subtotal	**376**	**(42)**	**334**	**356**	**(43)**	**313**
Asset Management						
Management fees	3,657	(77)	3,580	2,623	(78)	2,545
Loading and exit fees	278	—	278	198	(1)	197
Performance fees	289	(3)	286	118	—	118
Other	110	(8)	102	33	—	33
Subtotal	**4,334**	**(88)**	**4,246**	**2,972**	**(79)**	**2,893**
Corporate and Other						
Service agreements	131	(21)	110	150	(20)	130
Investment advisory and Banking activities	411	(191)	220	357	(142)	215
Subtotal	**542**	**(212)**	**330**	**507**	**(162)**	**345**
Total	**6,051**	**(380)**	**5,671**	**4,622**	**(327)**	**4,295**

25 Other income

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Income from real estate held for own use				
Realized gains from disposals of real estate held for own use	3	—	18	3
Other income from real estate held for own use	2	(1)	2	4
Subtotal	**5**	**(1)**	**20**	**7**
Income from alternative investments	**13**	**—**	**54**	**—**
Other	**4**	**9**	**13**	**20**
Total	**22**	**8**	**87**	**27**

26 Income and expenses from fully consolidated private equity investments

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Income				
Sales and service revenues	442	444	1,202	1,395
Other operating revenues	4	77	9	83
Interest income	1	1	2	2
Subtotal	**447**	**522**	**1,213**	**1,480**
Expenses				
Cost of goods sold	(274)	(288)	(732)	(915)
Commissions	(28)	(30)	(86)	(95)
General and administrative expenses	(155)	(173)	(435)	(569)
Other operating expenses	(75)	(15)	(104)	(111)
Interest expenses	(22)	(24)	(65)	(70)
Subtotal	**(554)**[1]	**(530)**[1]	**(1,422)**[1]	**(1,760)**[1]
Total	**(107)**[1]	**(8)**[1]	**(209)**[1]	**(280)**[1]

1) The presented subtotal for expenses and total income and expenses from fully consolidated private equity investments for the three and nine months ended September 30, 2010, 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 € 59 mn (2009: € (26) mn) and € 109 mn (2009: € 89 mn) for the three and nine months ended September 30, 2010, 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 business segment Life/Health, 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.

27 Claims and insurance benefits incurred (net)

Three months ended September 30,	Property-Casualty €mn	Life/Health €mn	Consolidation €mn	Group €mn
2010				
Gross				
Claims and insurance benefits paid	(7,010)	(4,349)	5	(11,354)
Change in loss and loss adjustment expenses	(623)	(68)	(1)	(692)
Subtotal	**(7,633)**	**(4,417)**	**4**	**(12,046)**
Ceded				
Claims and insurance benefits paid	619	93	(5)	707
Change in loss and loss adjustment expenses	(32)	17	1	(14)
Subtotal	**587**	**110**	**(4)**	**693**
Net				
Claims and insurance benefits paid	(6,391)	(4,256)	—	(10,647)
Change in loss and loss adjustment expenses	(655)	(51)	—	(706)
Total	**(7,046)**	**(4,307)**	**—**	**(11,353)**
2009				
Gross				
Claims and insurance benefits paid	(6,880)	(4,480)	5	(11,355)
Change in loss and loss adjustment expenses	(537)	(43)	(2)	(582)
Subtotal	**(7,417)**	**(4,523)**	**3**	**(11,937)**
Ceded				
Claims and insurance benefits paid	545	121	(5)	661
Change in loss and loss adjustment expenses	26	3	2	31
Subtotal	**571**	**124**	**(3)**	**692**
Net				
Claims and insurance benefits paid	(6,335)	(4,359)	—	(10,694)
Change in loss and loss adjustment expenses	(511)	(40)	—	(551)
Total	**(6,846)**	**(4,399)**	**—**	**(11,245)**

27 Claims and insurance benefits incurred (net) (continued)

Nine months ended September 30,	Property-Casualty € mn	Life/Health € mn	Consolidation € mn	Group € mn
2010				
Gross				
Claims and insurance benefits paid	(21,377)	(13,788)	9	(35,156)
Change in loss and loss adjustment expenses	(336)	(172)	(2)	(510)
Subtotal	**(21,713)**	**(13,960)**	**7**	**(35,666)**
Ceded				
Claims and insurance benefits paid	1,791	327	(9)	2,109
Change in loss and loss adjustment expenses	(591)	30	2	(559)
Subtotal	**1,200**	**357**	**(7)**	**1,550**
Net				
Claims and insurance benefits paid	(19,586)	(13,461)	—	(33,047)
Change in loss and loss adjustment expenses	(927)	(142)	—	(1,069)
Total	**(20,513)**	**(13,603)**	**—**	**(34,116)**
2009				
Gross				
Claims and insurance benefits paid	(21,577)	(14,210)	13	(35,774)
Change in loss and loss adjustment expenses	142	(175)	(1)	(34)
Subtotal	**(21,435)**	**(14,385)**	**12**	**(35,808)**
Ceded				
Claims and insurance benefits paid	1,938	355	(13)	2,280
Change in loss and loss adjustment expenses	(590)	(12)	1	(601)
Subtotal	**1,348**	**343**	**(12)**	**1,679**
Net				
Claims and insurance benefits paid	(19,639)	(13,855)	—	(33,494)
Change in loss and loss adjustment expenses	(448)	(187)	—	(635)
Total	**(20,087)**	**(14,042)**	**—**	**(34,129)**

28 Change in reserves for insurance and investment contracts (net)

Three months ended September 30,	Property-Casualty €mn	Life/Health €mn	Consolidation €mn	Group €mn
2010				
Gross				
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)
Subtotal	**(89)**	**(3,711)**	**(124)**	**(3,924)**
Ceded				
Aggregate policy reserves	18	26	1	45
Other insurance reserves	(1)	2	—	1
Expenses for premium refunds	1	10	—	11
Subtotal	**18**	**38**	**1**	**57**
Net				
Aggregate policy reserves	(35)	(2,098)	—	(2,133)
Other insurance reserves	(3)	(68)	—	(71)
Expenses for premium refunds	(33)	(1,507)	(123)	(1,663)
Total	**(71)**	**(3,673)**	**(123)**	**(3,867)**
2009				
Gross				
Aggregate policy reserves	(80)	(1,309)	(1)	(1,390)
Other insurance reserves	—	(25)	—	(25)
Expenses for premium refunds	(53)	(1,362)	17	(1,398)
Subtotal	**(133)**	**(2,696)**	**16**	**(2,813)**
Ceded				
Aggregate policy reserves	1	32	—	33
Other insurance reserves	—	1	—	1
Expenses for premium refunds	2	1	—	3
Subtotal	**3**	**34**	**—**	**37**
Net				
Aggregate policy reserves	(79)	(1,277)	(1)	(1,357)
Other insurance reserves	—	(24)	—	(24)
Expenses for premium refunds	(51)	(1,361)	17	(1,395)
Total	**(130)**	**(2,662)**	**16**	**(2,776)**

28 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
2010				
Gross				
Aggregate policy reserves	(165)	(5,954)	—	(6,119)
Other insurance reserves	(6)	(224)	—	(230)
Expenses for premium refunds	(95)	(4,035)	(188)	(4,318)
Subtotal	**(266)**	**(10,213)**	**(188)**	**(10,667)**
Ceded				
Aggregate policy reserves	24	11	—	35
Other insurance reserves	(2)	9	—	7
Expenses for premium refunds	—	15	—	15
Subtotal	**22**	**35**	**—**	**57**
Net				
Aggregate policy reserves	(141)	(5,943)	—	(6,084)
Other insurance reserves	(8)	(215)	—	(223)
Expenses for premium refunds	(95)	(4,020)	(188)	(4,303)
Total	**(244)**	**(10,178)**	**(188)**	**(10,610)**
2009				
Gross				
Aggregate policy reserves	(154)	(3,002)	—	(3,156)
Other insurance reserves	(1)	(45)	—	(46)
Expenses for premium refunds	(107)	(2,756)	(124)	(2,987)
Subtotal	**(262)**	**(5,803)**	**(124)**	**(6,189)**
Ceded				
Aggregate policy reserves	5	56	—	61
Other insurance reserves	—	4	—	4
Expenses for premium refunds	2	(1)	—	1
Subtotal	**7**	**59**	**—**	**66**
Net				
Aggregate policy reserves	(149)	(2,946)	—	(3,095)
Other insurance reserves	(1)	(41)	—	(42)
Expenses for premium refunds	(105)	(2,757)	(124)	(2,986)
Total	**(255)**	**(5,744)**	**(124)**	**(6,123)**

29 Interest expenses

	Three months ended September 30,		Nine months ended September 30,	
	2010 €mn	2009 €mn	2010 €mn	2009 €mn
Liabilities to banks and customers	(90)	(110)	(279)	(368)
Deposits retained on reinsurance ceded	(17)	(19)	(53)	(54)
Certificated liabilities	(78)	(78)	(230)	(218)
Participation certificates and subordinated liabilities	(141)	(136)	(419)	(415)
Other	(20)	(22)	(75)	(65)
Total	**(346)**	**(365)**	**(1,056)**	**(1,120)**

30 Loan loss provisions

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Additions to allowances including direct impairments	(33)	(31)	(89)	(103)
Amounts released	17	9	42	28
Recoveries on loans previously impaired	4	4	14	18
Total	**(12)**	**(18)**	**(33)**	**(57)**

31 Impairments of investments (net)

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Impairments				
Available-for-sale investments				
Equity securities	(68)	(106)	(379)	(2,213)
Debt securities	(6)	(26)	(133)	(209)
Subtotal	(74)	(132)	(512)	(2,422)
Investments in associates and joint ventures	—	—	—	(4)
Real estate held for investment	(11)	(164)	(30)	(177)
Loans and advances to banks and customers	(5)	—	(17)	—
Non-current assets and assets and liabilities of disposal groups classified as held for sale	(7)	—	(41)	—
Subtotal	(97)	(296)	(600)	(2,603)
Reversals of impairments				
Available-for-sale investments				
Debt securities	2	2	35	3
Real estate held for investment	25	12	27	13
Loans and advances to banks and customers	1	—	1	—
Subtotal	28	14	63	16
Total	**(69)**	**(282)**	**(537)**	**(2,587)**

32 Investment expenses

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Investment management expenses	(105)	(103)	(315)	(294)
Depreciation of real estate held for investment	(34)	(44)	(126)	(131)
Other expenses for real estate held for investment	(38)	(48)	(128)	(123)
Total	**(177)**	**(195)**	**(569)**	**(548)**

33 Acquisition and administrative expenses (net)

Three months ended September 30,	2010			2009		
	Segment € mn	Consolidation € mn	Group € mn	Segment € mn	Consolidation € mn	Group € mn
Property-Casualty[1]						
Acquisition costs						
Incurred	(2,148)	1	(2,147)	(1,862)	—	(1,862)
Commissions and profit received on reinsurance business ceded	109	(1)	108	141	(1)	140
Deferrals of acquisition costs	940	—	940	1,142	—	1,142
Amortization of deferred acquisition costs	(1,095)	—	(1,095)	(1,248)	—	(1,248)
Subtotal	(2,194)	—	(2,194)	(1,827)	(1)	(1,828)
Administrative expenses	(727)	(15)	(742)	(779)	(2)	(781)
Subtotal	(2,921)	(15)	(2,936)	(2,606)	(3)	(2,609)
Life/Health						
Acquisition costs						
Incurred	(1,027)	—	(1,027)	(901)	1	(900)
Commissions and profit received on reinsurance business ceded	26	(1)	25	18	—	18
Deferrals of acquisition costs	729	—	729	511	—	511
Amortization of deferred acquisition costs	(390)	—	(390)	(521)	—	(521)
Subtotal	(662)	(1)	(663)	(893)	1	(892)
Administrative expenses	(338)	(6)	(344)	(336)	(1)	(337)
Subtotal	(1,000)	(7)	(1,007)	(1,229)	—	(1,229)
Asset Management						
Personnel expenses	(523)	—	(523)	(445)	—	(445)
Non-personnel expenses	(292)	2	(290)	(194)	2	(192)
Subtotal	(815)	2	(813)	(639)	2	(637)
Corporate and Other						
Administrative expenses	(329)	28	(301)	(332)	(1)	(333)
Subtotal	(329)	28	(301)	(332)	(1)	(333)
Total	(5,065)	8	(5,057)	(4,806)	(2)	(4,808)

[1] The allocation of overhead expenses between functional areas in the business segment Property-Casualty was prospectively changed in 2010. The change led to a reclassification of € 197 mn from administrative expenses into acquisition costs.

33 Acquisition and administrative expenses (net) (continued)

Nine months ended September 30,	2010			2009		
	Segment € mn	Consoli-dation € mn	Group € mn	Segment € mn	Consoli-dation € mn	Group € mn
Property-Casualty[1]						
Acquisition costs						
Incurred	(6,731)	1	(6,730)	(5,957)	—	(5,957)
Commissions and profit received on reinsurance business ceded	359	(3)	356	387	(3)	384
Deferrals of acquisition costs	3,738	—	3,738	3,752	—	3,752
Amortization of deferred acquisition costs	(3,561)	—	(3,561)	(3,578)	—	(3,578)
Subtotal	(6,195)	(2)	(6,197)	(5,396)	(3)	(5,399)
Administrative expenses	(2,047)	(4)	(2,051)	(2,442)	3	(2,439)
Subtotal	(8,242)	(6)	(8,248)	(7,838)	—	(7,838)
Life/Health						
Acquisition costs						
Incurred	(3,128)	2	(3,126)	(2,756)	3	(2,753)
Commissions and profit received on reinsurance business ceded	73	(1)	72	56	(1)	55
Deferrals of acquisition costs	2,220	—	2,220	1,616	—	1,616
Amortization of deferred acquisition costs	(1,543)	1	(1,542)	(1,888)	—	(1,888)
Subtotal	(2,378)	2	(2,376)	(2,972)	2	(2,970)
Administrative expenses	(1,072)	24	(1,048)	(1,083)	6	(1,077)
Subtotal	(3,450)	26	(3,424)	(4,055)	8	(4,047)
Asset Management						
Personnel expenses	(1,685)	—	(1,685)	(1,168)	—	(1,168)
Non-personnel expenses	(762)	—	(762)	(565)	6	(559)
Subtotal	(2,447)	—	(2,447)	(1,733)	6	(1,727)
Corporate and Other						
Administrative expenses	(953)	11	(942)	(994)	11	(983)
Subtotal	(953)	11	(942)	(994)	11	(983)
Total	(15,092)	31	(15,061)	(14,620)	25	(14,595)

[1] The allocation of overhead expenses between functional areas in the business segment Property-Casualty was prospectively changed in 2010. The change led to a reclassification of € 578 mn from administrative expenses into acquisition costs.

34 Fee and commission expenses

Three months ended September 30,	2010			2009		
	Segment €mn	Consolidation €mn	Group €mn	Segment €mn	Consolidation €mn	Group €mn
Property-Casualty						
Fees from credit and assistance business	(152)	—	(152)	(116)	—	(116)
Service agreements	(99)	11	(88)	(113)	17	(96)
Subtotal	**(251)**	**11**	**(240)**	**(229)**	**17**	**(212)**
Life/Health						
Service agreements	(18)	4	(14)	(15)	7	(8)
Investment advisory	(49)	2	(47)	(45)	5	(40)
Subtotal	**(67)**	**6**	**(61)**	**(60)**	**12**	**(48)**
Asset Management						
Commissions	(281)	45	(236)	(224)	30	(194)
Other	(7)	3	(4)	(4)	1	(3)
Subtotal	**(288)**	**48**	**(240)**	**(228)**	**31**	**(197)**
Corporate and Other						
Service agreements	(48)	4	(44)	(58)	5	(53)
Investment advisory and Banking activities	(51)	—	(51)	(52)	—	(52)
Subtotal	**(99)**	**4**	**(95)**	**(110)**	**5**	**(105)**
Total	**(705)**	**69**	**(636)**	**(627)**	**65**	**(562)**

Nine months ended September 30,	2010			2009		
	Segment €mn	Consolidation €mn	Group €mn	Segment €mn	Consolidation €mn	Group €mn
Property-Casualty						
Fees from credit and assistance business	(456)	—	(456)	(382)	—	(382)
Service agreements	(296)	34	(262)	(310)	44	(266)
Subtotal	**(752)**	**34**	**(718)**	**(692)**	**44**	**(648)**
Life/Health						
Service agreements	(36)	8	(28)	(38)	16	(22)
Investment advisory	(148)	4	(144)	(138)	7	(131)
Subtotal	**(184)**	**12**	**(172)**	**(176)**	**23**	**(153)**
Asset Management						
Commissions	(798)	129	(669)	(630)	93	(537)
Other	(16)	5	(11)	(15)	2	(13)
Subtotal	**(814)**	**134**	**(680)**	**(645)**	**95**	**(550)**
Corporate and Other						
Service agreements	(151)	18	(133)	(129)	17	(112)
Investment advisory and Banking activities	(161)	—	(161)	(143)	1	(142)
Subtotal	**(312)**	**18**	**(294)**	**(272)**	**18**	**(254)**
Total	**(2,062)**	**198**	**(1,864)**	**(1,785)**	**180**	**(1,605)**

35 Income taxes

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Current income taxes	(382)	(479)	(1,432)	(1,146)
Deferred income taxes	(282)	(48)	(168)	197
Total	**(664)**	**(527)**	**(1,600)**	**(949)**

For the three and nine months ended September 30, 2010 and 2009, the income taxes relating to components of other comprehensive income consist of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Foreign currency translation adjustments	(14)	(21)	32	(22)
Available-for-sale investments	(579)	(1,193)	(1,228)	(1,481)
Cash flow hedges	(12)	(1)	(12)	8
Share of other comprehensive income of associates	—	(1)	(4)	—
Miscellaneous	(24)	—	(34)	3
Total	**(629)**	**(1,216)**	**(1,246)**	**(1,492)**

36 Net income (loss) from discontinued operations, net of income taxes

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Net income (loss) from discontinued operations, net of income taxes	—	—	—	(395)

On January 12, 2009, the Allianz Group completed the transfer of ownership of Dresdner Bank AG to Commerzbank AG. Accordingly, assets and liabilities of Dresdner Bank AG, that were classified as held for sale as of December 31, 2008, have been deconsolidated in the first quarter 2009. The loss from derecognition of discontinued operations amounts to € 395 mn and represents mainly the reclassification of components of other comprehensive income to net income.

37 Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing net income (loss) 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,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Net income (loss) attributable to shareholders used to calculate basic earnings per share	**1,264**	**1,374**	**3,918**	**3,188**
from continuing operations	1,264	1,374	3,918	3,583
from discontinued operations	—	—	—	(395)
Weighted average number of common shares outstanding	**451,248,014**	**449,550,621**	**451,226,109**	**450,749,255**
Basic earnings per share (in €)	**2.80**	**3.06**	**8.68**	**7.07**
from continuing operations	2.80	3.06	8.68	7.94
from discontinued operations	—	—	—	(0.87)

Diluted earnings per share

Diluted earnings per share are calculated by dividing net income (loss) 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. Potentially dilutive common shares arise from the assumed conversion of participation certificates issued by Allianz SE and share-based compensation plans into Allianz shares.

	Three months ended September 30,		Nine months ended September 30,	
	2010 € mn	2009 € mn	2010 € mn	2009 € mn
Net income attributable to shareholders	**1,264**	**1,374**	**3,918**	**3,188**
Effect of potentially dilutive common shares	(6)	(1)	(18)	1
Net income (loss) used to calculate diluted earnings per share	**1,258**	**1,373**	**3,900**	**3,189**
from continuing operations	1,258	1,373	3,900	3,584
from discontinued operations	—	—	—	(395)
Weighted average number of common shares outstanding	**451,248,014**	**449,550,621**	**451,226,109**	**450,749,255**
Potentially dilutive common shares resulting from assumed conversion of:				
Participation certificates	—	—	—	974,246
Share-based compensation plans	1,005,133	—	1,115,128	857,359
Subtotal	**1,005,133**	**—**	**1,115,128**	**1,831,605**
Weighted average number of common shares outstanding after assumed conversion	**452,253,147**	**449,550,621**	**452,341,237**	**452,580,860**
Diluted earnings per share (in €)	**2.78**	**3.05**	**8.62**	**7.05**
from continuing operations	2.78	3.05	8.62	7.92
from discontinued operations	—	—	—	(0.87)

For the nine months ended September 30, 2010, the weighted average number of common shares excludes 2,673,891 (2009: 2,300,745) treasury shares.

Other Information

38 Financial instruments

Reclassification of financial assets

In January 2009, certain USD 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 %.

During mid-2009, the CDOs were transferred to one of the Allianz Group's USD functional currency subsidiaries. As of December 31, 2009, the carrying amount and fair value of the CDOs was € 863 mn and € 856 mn, respectively. As of September 30, 2010, the carrying amount and fair value of the CDOs is € 816 mn and € 844 mn, respectively. In the first nine months of 2010, the changes in carrying amount and fair value were primarily impacted by cash receipts and the appreciation of the USD; foreign currency effects were recognized in other comprehensive income. The net profit related to the CDOs was not significant.

39 Supplementary information on the condensed consolidated statements of cash flows

Nine months ended September 30,	2010 € mn	2009 € mn
Income taxes paid	(911)	(466)
Dividends received	807	758
Interest received	13,217	12,157
Interest paid	(1,173)	(1,162)
Significant non-cash transactions		
Effects from deconsolidation of Dresdner Bank		
Commerzbank shares		
Available-for-sale investments	—	746
Assets of disposal groups classified as held for sale	—	(746)
Distribution channel		
Intangible assets	—	480
Assets of disposal groups classified as held for sale	—	(480)
Cominvest		
Available-for-sale investments	—	179
Loans and advances to banks and customers	—	7
Deferred tax assets	—	14
Intangible assets	—	691
Property and equipment	—	3
Other assets	—	39
Assets of disposal groups classified as held for sale	—	(933)
Liabilities to banks and customers	—	1
Deferred tax liabilities	—	(72)
Certificated liabilities, participation certificates and subordinated liabilities	—	(57)
Other liabilities	—	(148)
Non-controlling interests	—	(5)
Liabilities of disposal groups classified as held for sale	—	281

40 Other Information

Number of employees

	As of September 30, 2010	As of December 31, 2009
Germany	48,233	49,051
Other countries	103,125	104,152
Total	**151,358**	**153,203**

41 Subsequent events

In October 2010, the Allianz Group sold 0.3 bn ICBC shares with a capital gain of approximately € 0.1 bn.

On October 25, 2010, an earthquake and a following tsunami devastated the Pagai Islands in Indonesia. Based on current information, gross claims are expected to be less than € 20 mn.

The pension age in France has increased from 60 to 62. Management currently does not believe that this will affect the Allianz Group severely.

On November 1, 2010, the sale of Alba, Phenix and Phenix Vie to Helvetia Group was completed.

Munich, November 9, 2010

Allianz SE
The Board of Management

Review report

To Allianz SE, Munich

We have reviewed the condensed consolidated interim financial statements of the 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 the Allianz SE, Munich, for the period from January 1 to September 30, 2010 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 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 aspects, 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 aspects, 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, 2010

KPMG AG
Wirtschaftsprüfungsgesellschaft

Dr. Frank Ellenbürger	Johannes Pastor
Wirtschaftsprüfer	Wirtschaftsprüfer
(Independent Auditor)	(Independent Auditor)

Financial Calendar

Important dates for shareholders and analysts

February 24, 2011	Financial press conference for the financial year 2010
February 25, 2011	Analysts' conference for the financial year 2010
March 18, 2011	Annual Report 2010
May 4, 2011	Annual General Meeting
May 12, 2011	Interim Report 1st quarter 2011
August 5, 2011	Interim Report 2nd quarter 2011
November 11, 2011	Interim Report 3rd quarter 2011

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

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