ALLIANZ

AMOS

Allianz Managed Operations & Services SE
Annual Report 2010

Annual Report 2010

Allianz

At a glance

	2010	2009
Key commercial figures		
Revenues (€ mn)	601.9	581.9
Investments (€ mn)	103.7	43.6
Active employees as of December 31 *	1,376	1,322
Key IT figures		
Computing capacity (MIPS)	55,792	56,570
Disk space (terabytes)	5,329	4,120
Servers	7,394	6,166
Workstations **	66,178	89,135
Pages printed (million)	755	758
Number of SAP applications ** (approx. figure)	45	
Number of SAP services **	68	
Key operations figures		
OPEX black-belt trained employees (total)	1,026	
OPEX blue-belt trained employees (total)	5,500	
OPEX training sessions held	55	
OPEX customer projects and workshops	46	
Key services figures		
Purchasing savings for the Allianz Group (€ mn)		
In IT products and services	39.9	
In non-IT products and services	30.0	

* Here and in the management report "active employees" does not include Board members, general managers, departmental heads, employees in the passive phase of partial retirement, employees in early retirement, trainees, interns, employees doing military service, employees on parental leave and employees on assignment from other Allianz companies.

** Decrease as a consequence of Dresdner Bank AG sale

Table of Contents

Report of the Supervisory Board

Dr. Christof Mascher
Chairman of the
Supervisory Board

We have constantly monitored the activities of the Board of Management in accordance with the rights and obligations defined under the law and the company's Statutes and provided advisory support to the Board. As part of our monitoring and advisory activities, we received regular, prompt and comprehensive reports in both written and verbal form. The Supervisory Board met twice during the reporting period, in March and December. At these meetings, the Board of Management reported on the company's performance, the general economic situation and planned company policy. We were directly involved in fundamental decision-making. In addition, the Supervisory Board adopted five resolutions by written circular in April, May, October and December 2010.

The creation of a central shared services company began in spring 2010. The first step was to change the name of Allianz Shared Infrastructure Services SE (ASIC), the IT infrastructure service provider for Allianz, to Allianz Managed Operations & Services SE (AMOS) on May 17, 2010.

In the subsequent phase, Allianz Common Applications and Services GmbH (ACAS) was merged into AMOS on September 30. ACAS was the company-wide service provider delivering process and IT solutions to Allianz Group companies (SAP in particular). On October 1, 2010, additional units of the H4 Division of Allianz SE were transferred to AMOS as part of an operational transfer in accordance with § 613a of the German Civil Code (BGB). As part of the implementation of the target operating model (TOM), operational IT and non-IT services were combined in AMOS.

The focus of our deliberations was on the re-alignment of the company as an Allianz shared services unit as stated above. We devoted our attention to the actions being taken and those still required in order to achieve that end. At all of our meetings, the Board of Management informed us in detail about ongoing activities and we discussed at length the associated organizational effects and other impacts that the change might have on the company.

When the company was expanded into a shared services unit, Patrick Dixneuf resigned his seat on the Supervisory Board with effect from the end of the Extraordinary General Meeting on April 30, 2010. Dr. Markus Rieß was elected to replace him. Dr. Ralf Schneider resigned his seat on the Supervisory Board with effect from the end of the Extraordinary General Meeting on August 4, 2010, and was succeeded by Jacques Richier. Both of the newly appointed members are shareholder representatives. The Supervisory Board elected Dr. Markus Rieß as the new Deputy Chairman of the Supervisory Board.

The Supervisory Board would like to thank the departing members of the Board for their commitment and their dedicated work on behalf of the company.

The composition of the Board of Management has changed as well, with the memberships of Dr. Markus Müller, Dr. Martin Elspermann and Bertrand d'Origny terminating by mutual agreement effective from May 16, 2010. The Supervisory Board appointed Patrick Dixneuf and Holger Werner as new members of the Board of Management from May 17, 2010. Mr. Werner was also appointed member of the Board of Management responsible for labor relations and social affairs. The Supervisory Board appointed Dr. Ralf Schneider as member of the AMOS Board of Management from October 1, 2010. Mr. Dixneuf gave up his membership of the Board of Management by mutual consent with effect from December 2, 2010. On December 2, 2010, the Supervisory Board appointed Dr. Rüdiger Schäfer as member of the Board of Management with effect from January 1, 2011.

KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, audited the annual financial statements and management report of Allianz Managed Operations & Services SE and issued an unqualified opinion for the 2010 financial year.

The annual financial statements and management report, together with the audit report prepared by KPMG, were made available to all members of the Supervisory Board and were discussed in detail during the Supervisory Board meeting on March 28, 2011, in the presence of the independent auditors. Our examination of these documents presented by the Board of Management and the independent auditors has raised no objections and we concur with the findings of the independent audit carried out by KPMG. The Supervisory Board has approved the annual financial statements prepared by the Board of Management.

The Supervisory Board would like to express its gratitude and appreciation to the Board of Management and entire workforce for all their hard work in the 2010 financial year.

Munich, March 28, 2011
On behalf of the Supervisory Board:

Dr. Christof Mascher

Supervisory Board

Members of the Supervisory Board

Dr. Christof Mascher
Member of the Board of Management
Allianz SE
Chairman

Manfred Büttner
Employee
Allianz Managed Operations & Services SE
Employee representative

Jürgen Lawrenz
Employee
Allianz Managed Operations & Services SE
Employee representative

Jacques Richier
Chief Executive Officer
Allianz France
(Since August 4, 2010)

Dr. Markus Rieß
Chairman of the Board of Management
Allianz Deutschland AG
Deputy Chairman
(Since April 30, 2010)

Dr. Klaus-Peter Röhler
General Director
Allianz S.p.A. Italy

Members who left the Supervisory Board during the year

Patrick Dixneuf
Executive officer
Allianz SE
Deputy Chairman
(Until April 30, 2010)

Dr. Ralf Schneider
Executive officer
Allianz Deutschland AG
(Until August 4, 2010)

Board of Management

Dr. Rüdiger Schäfer
Member of the Board of Management
(Since January 1, 2011)

Holger Werner
Member of the Board of Management
Responsible for labor relations
and social affairs
(Since May 17, 2010)

Dr. Ralf Schneider
Member of the Board of Management
(Since October 1, 2010)

Members who left the Board of Management during the year

Dr. Markus Müller
Chairman of the Board of Management
Responsible for labor relations and social affairs
(Until May 16, 2010)

Bertrand d'Origny
Member of the Board of Management
(Until May 16, 2010)

Dr. Martin Elspermann
Member of the Board of Management
(Until May 16, 2010)

Patrick Dixneuf
Member of the Board of Management
(From May 17 to December 2, 2010)

The Board of Management of Allianz Managed Operations & Services SE would like to thank all employees for their achievements and commitment in 2010. The dedication of AMOS employees made a major contribution to the success of the integration process within AMOS and the development of the shared services business. We would also like to thank the employee representatives for their constructive cooperation.

Management Report

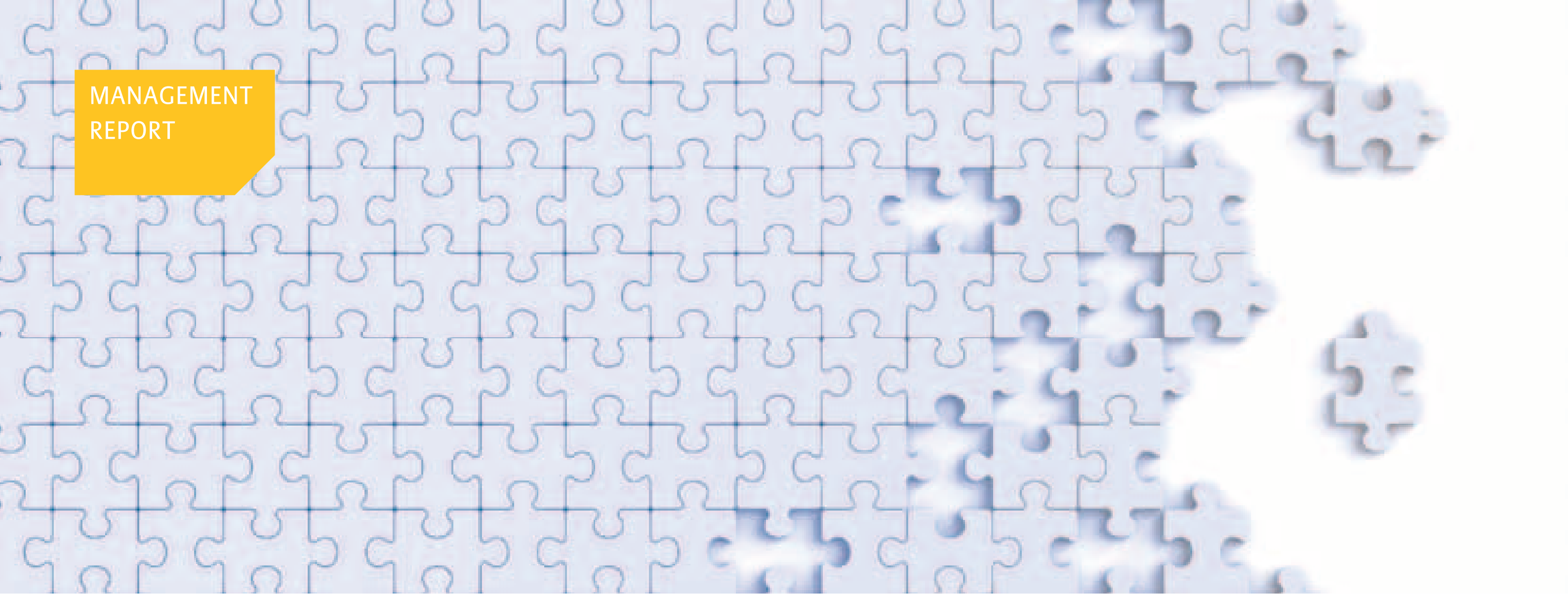
Management Report

AMOS intends to provide best-in-class products and services for customers throughout the entire Allianz Group and to become the customers' supplier of choice, as well as the employer of choice for all employees.

1. General information

In 2010, Allianz SE embarked on the development of a shared services business which provides all the intra-Group services of Allianz from a single source for all Allianz units worldwide. The goal is to bundle employee skills, ideas and talents from around the world into a global unit and offer customers excellent products and services at low prices. The geographical and functional networking and integration of existing services will create very useful synergies.

The legal constitution of the shared services unit took place with the renaming of Allianz Shared Infrastructure Services SE (ASIC) to Allianz Managed Operations & Services SE (AMOS) in May 2010. At the same time, AMOS started operations. As a Societas Europaea (public limited company under European law, SE), AMOS is a wholly-owned subsidiary of Allianz SE. Holger Werner (responsible for Services and Corporate Functions) and Patrick Dixneuf (responsible for Operations) were the first appointments to the Board of Management. On October 1, 2010, Dr. Ralf Schneider joined the Board with responsibility for the IT business division. As the successor to Patrick Dixneuf, Dr. Rüdiger Schäfer assumed responsibility for Operations on January 1, 2011. In February 2011, AMOS had around 1,700 active employees, who were primarily working in the IT business.



2. Strategy and strategic business areas

Higher level of effectiveness and efficiency through shared services

In recent years, many large companies have started to develop their own internal shared services units. The appeal and steady increase in the acceptance of shared services is not accidental. They are designed to provide centralized, standardized services at a better price and of higher quality than is possible locally. The standardization of processes, economies of scale and technical specialization make it possible to increase quality while lowering costs or keeping them constant. Shared services units primarily provide administrative processes and services. Generally, they are run by the group itself, which makes the services available to locally managed operating units or group companies.

Shared services within the Allianz Group

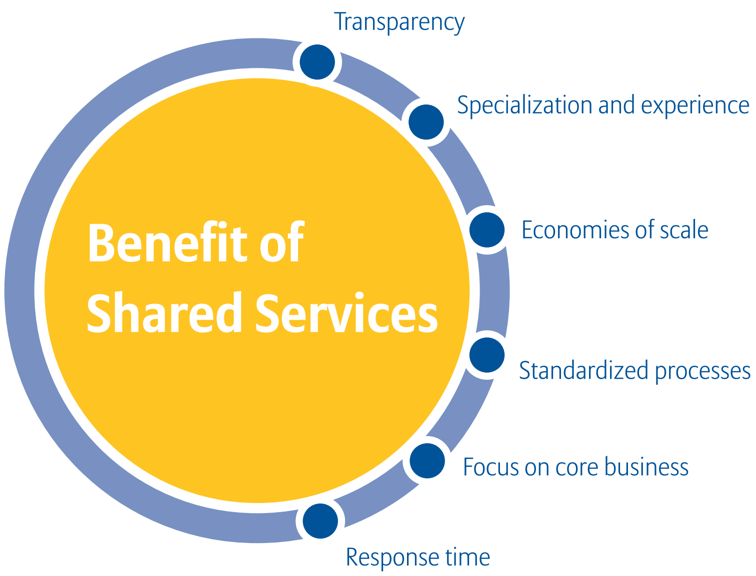
Standardized processes and uniform business models considerably reduce complexity and allow the Allianz Group to provide services more effectively and at lower cost. The shared services units already present within the Allianz Group provide excellent examples. Allianz Shared Infrastructure Services SE (ASIC) is one example. It supplied the IT infrastructure for Allianz companies across Europe and in various regions outside Europe. These services have already been integrated into AMOS. Another example is the Allianz shared services unit in Bratislava which provides a number of services, such as financial reporting and accounting, for Allianz companies in Central and Eastern Europe. However, the Allianz Group is a long way from exhausting the potential of shared services.

AMOS – a global and integrated approach

The establishment of AMOS in May 2010 marked the start of the steady transfer of current Allianz units to the new AMOS. The process began with the renaming of Allianz Shared Infrastructure Services SE on May 17, 2010, followed by Allianz Common Applications and Services GmbH. This was merged into AMOS on September 30. Both areas were assigned to the AMOS IT business. Units from the H4 Division of Allianz SE followed at the beginning of October. These units were assigned to the AMOS pillars: IT, Operations and Services. At the beginning of 2011, another 342 employees from the Allianz Business System (ABS) and Business Intelligence (BI) departments of Allianz Deutschland AG were transferred to AMOS.

Shared Services

"Shared services" entails the bundling of services previously provided simultaneously in diverse corporate units and at various locations in virtually identical form and making such services available to all units in the company.



Two elements beyond the standard approach to shared services were crucial for the establishment of AMOS. Firstly, AMOS takes an integrated approach. Instead of offering individual, selective service products, AMOS aims to offer a broad range of corporate IT, operations and services. Secondly, AMOS operates globally. The aim is to offer services on a worldwide scale because Allianz needs as many companies as possible to use shared services. It is then possible to fully exploit group-wide savings potential and skills pooling. All companies and units in the Allianz Group, including those with holding functions, are therefore considered potential customers. The companies derive an economic benefit and profit from high product quality and innovative solutions. At the same time, shared services allow them to concentrate on their core business, supplying financial services.

Business divisions at AMOS

AMOS provides its customers in the Allianz Group with high-quality products and solutions at favorable prices in three business divisions.

IT business division

Stable and high-quality IT operations supported by efficient processes are essential to a strong financial services provider. AMOS IT had 1,442 active employees as at February 1, 2011, making it one of the largest European IT services providers in the financial services sector.

AMOS IT provides services in all areas of **IT infrastructure** for the Allianz Group worldwide and operates one of the largest data centers in Europe, where mainframe and server solutions are developed, deployed and reliably operated and where all related services are managed.

In addition, AMOS IT provides **SAP services** globally for key applications and processing in finance, investment, human resources and procurement. The AMOS IT tasks include group-wide coordination and allocation of SAP application development, maintenance along with external SAP service providers, and establishment of a standardized, group-wide SAP application architecture.

Since January 2011, another department within AMOS IT has been responsible for the set-up, development and operation of **Allianz Business Systems** (ABS) and **Business Intelligence** applications. ABS is the IT platform for core insurance processes and will become the standard platform at other Allianz businesses, beyond Allianz Deutschland AG and its subsidiaries. AMOS IT is responsible for analysis, design and implementation in the international environment.

Operations business division

The Operations business division bundles activities in design and implementation of the Allianz target operating model and the support for group-wide projects. Operations currently has 57 employees, the majority of which are part of Allianz Group OPEX, the internal consultants who support Allianz Group companies worldwide and the Allianz Group holding company in planning and carrying out strategic projects. There are also two project groups: one tasked with achieving excellence in claims processing and another with the introduction of the target operating model (TOM) throughout the Allianz Group.

OPEX stands for **op**erational **ex**cellence and represents a structured approach to continuous process improvement with the goal of achieving customer satisfaction while continuing to focus on profitability.

OPEX concentrates on the following goals:
› Improving customer satisfaction (effectiveness)
› Profitability through cost savings (efficiency) and
› Integration of all parties involved in the process (commitment)

Services business division

The focus in the Services business division of AMOS is on the development and provision of administrative services offered to internal Allianz customers as shared services. As at February 1, 2011, this business division had 89 employees and concentrated primarily on increasing offerings in purchasing, corporate real estate and services, financial business services and HR services.

Volume bundling allows AMOS to achieve valuable economies of scale in **Purchasing.** Group-wide transparency for acquisition requirements makes a significant contribution to the success and accurate prioritization of purchasing negotiations.

Corporate Real Estate and Services enables AMOS to optimize the use of office space group-wide. In addition, the unit also provides support in negotiations with business partners from the real-estate sector.

Financial Business Services allows AMOS to offer Allianz companies services in all areas of accounting.

HR Services is primarily being established with the objective of standardizing administrative activities in human resources departments internationally.

Service Management is also part of the Services business division. It is working on the development of a centralized interface between AMOS and clients. The unit will ensure the long-term optimization of quality for AMOS services by becoming the clearly defined point of contact for all AMOS customers, implementing their requirements and assessing the quality of the service provided.

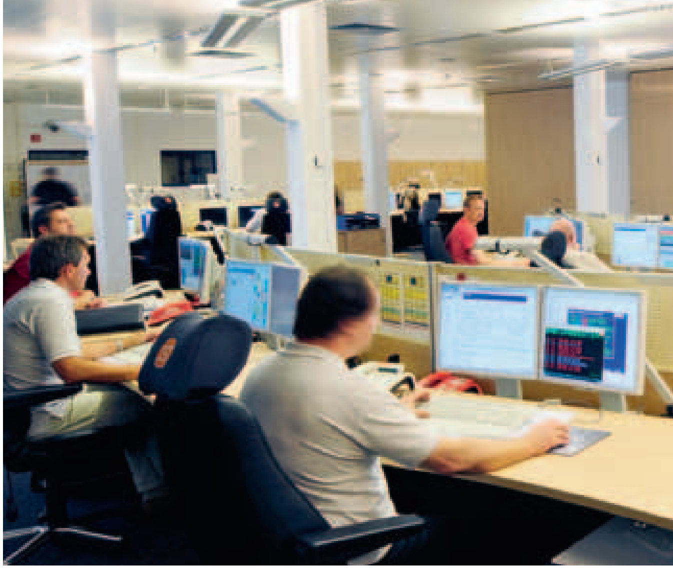
3. Workforce

The establishment of Allianz Managed Operations & Services SE and the development of the shared services organization exerted the following effects on workforce figures in the 2010 financial year:
As a result of the sale of Dresdner Bank AG to Commerzbank AG, 192 company employees, who were still working for Allianz Shared Infrastructure Services SE (ASIC), were transferred to Commerz Systems GmbH in April 2010. On July 1, 2010, 72 AMOS IT employees moved to Allianz Deutschland AG as part of an operational transfer. The merger of Allianz Common Applications and Services GmbH with AMOS on October 1 increased the workforce at AMOS by 280 employees. At the same time, 142 employees from the H4 Division of Allianz SE moved to AMOS as part of the operational transfer.

On December 31, 2010, 1,376 people were actively employed at AMOS's three German facilities in Munich, Frankfurt am Main and Stuttgart. 227 employees were working for AMOS branches in the United Kingdom, Ireland, Belgium and the Netherlands. A total of 26 trainees were being trained centrally at the Munich facility in 2010.

On January 1, 2011, another 342 employees from the Allianz Business System (ABS) and Business Intelligence (BI) departments of Allianz Deutschland AG moved to the IT business area of AMOS.

As at February 1, 2011, AMOS had 1,711 active employees. 1,442 worked in the IT business division, 57 in Operations, 89 in Services and 123 in Corporate Functions.



4. Priorities for 2010

4.1. IT business division

In 2010, IT infrastructure services and SAP services were bundled into AMOS. The focus in these areas was on the following activities:

AMOS IT quality initiative

In order to ensure continuous improvement in the quality of IT services, a quality initiative was started for the IT infrastructure at AMOS in 2010. Quality was measured and improved in 30 work packages and seven core initiatives, using clearly defined service levels and key performance indicators (KPI). The core initiatives deal mainly with the following issues:

› Email consolidation

One of the core tasks of AMOS IT is to provide a central, stable and secure email platform for all Allianz units worldwide. Around 45,000 additional users from 11 European and Asian Allianz companies were integrated into Allianz's central email system. The entire range of Microsoft communications is available to a total of 140,000 users, from web access to the synchronization of mobile devices to email archiving. These globally shared services simplify communications throughout the entire company and bring down local IT costs.

› Consolidation of European data centers and establishment of branches

The IT infrastructures comprising the mainframes and servers of the European Allianz companies have been consolidated under AMOS as a shared service. The establishment of European branches in 2010 was an important milestone in the expansion of the company's international activities. Local operations provide better support to local customers and ensure that quality improves continuously and that cost savings are realized. The branches in the United Kingdom, Ireland and the Netherlands began operations in January 2010, followed by the branch in Belgium in May 2010.

The milestones planned for technical migration were reached in 2010. Around 800 servers of Allianz Netherlands, Switzerland, Belgium, Ireland, United Kingdom and the headquarters of Mondial Assistance in Paris were either transferred to Munich or consolidated, disconnected or transferred to a higher service level.

› International Service Desk

The Allianz IT Service Desk is the pivotal point for troubleshooting and enquiries about all aspects of IT service and IT changes. The establishment of an International Service Desk in July 2010 was a major step toward creating a multi-service, global point of contact. The local call centers make use of an international solutions database to handle user queries. This meets one of the key conditions for successful integration of the international Allianz businesses and the AMOS branches. The redesign of the AMOS IT Operations Center in Unterföhring in 2010 has supported the intensive exchange of knowledge between the managers of the various process steps and facilitated rapid identification of solutions.

Pioneering technology and monitoring systems at the AMOS IT Operations Center

› "Service offering readiness"
The goal of the service offering readiness initiative in 2010 was to optimize delivery services. The IT services offered are now more transparent and the quality of the standard infrastructure services has been systematically increased. Since 2010, AMOS customers have been able to choose from among 66 standard IT infrastructure services listed in a service catalog. AMOS worked together with its customers to establish criteria for each of these services, guaranteeing the delivery time and agreed quality.

Service requests for existing services have also been standardized and recorded. The total of around 500 possible service requests covers everything a customer needs to know about a service, from resetting a password to backing up data. These services were crystallized as 66 standard services and subsequently made available for customers to order electronically. The results will be systematically integrated into the tool landscapes during 2011.

Plans and architecture have been developed for the **International Client Management** and **Global Network** projects. In 2011, the International Client will be launched for Allianz Deutschland AG and its subsidiaries, and for Allianz SE. It will give employees a secure connection to the server along with access to all their data, including their desktop interface, via the Intranet or Internet. Access will be available at any time, from any location and will deliver a wide range of devices.

The infrastructure for the **European IT Platform** was also successfully deployed. This initiative was supported by the central initiative Greenfield European Platform of the Allianz Group with which it is intended to expand direct business and automotive business internationally.

The IT quality initiative is measured against four key aspects: finance, customer orientation, processes and employees. Goal attainment is tracked using a scorecard. The goals for the quality initiative launched in 2010 were largely achieved and were exceeded in some cases. Savings were significantly higher than planned. Regular customer surveys across all organizational levels clearly indicated that customers are more satisfied with the services provided. This is largely due to a considerable increase in operational stability as a result of process optimization. The management and supply of current services, such as those associated with the on-time deployment of servers, have improved significantly. They are now in compliance with the service agreements negotiated with customers.

The quality initiative will be continued at AMOS IT in 2011. It will focus on the areas of cost reduction, transparency, sustainability of service plans (service delivery management), further process optimization and a continuation of qualification measures. The quality initiative will also support the successful initiatives in international client management and email consolidation.

SAP service management
Steady progress was made on the harmonization and standardization of accounting processes targeted by the Global Reporting Program in 2010. Allianz France initiated the GRP@AZ France project for this purpose. Following Allianz SE, Allianz Germany, United Kingdom, Ireland, Belgium and Greece, AMOS also switched to the common accounting platform (CAP) on January 1, 2011 as part of the GRP@AMOS project.

In January 2010, the launch of the SAP Investment Management Accounting Platform (SAP-IMA) was successfully completed at Allianz SE and Allianz Germany. This was a significant step toward creating additional shared services in investment.

Allianz Germany, AMOS and Allianz Asia Pacific were linked to the SAP-based solution for E-Recruiting in 2010. The Allianz career website www.allianz.com/careers was made even more user-friendly by the introduction of a new SAP release and a new front-end. The improvement was reflected in the website's nomination as "Europe's top career website" by the Swedish market research and consulting company Potentialpark in 2010 and 2011.

As a shared services center, AMOS IT also implemented group-wide, central IT systems within the functional areas not based on SAP solutions. These solutions included the 2010 Anti-money Laundering Group initiative to prevent money laundering and the financing of criminal and terrorist activities. The pilot solution was launched at Oldenburgische Landesbank and Allianz Leben in Poland in November 2010 on the newly developed platform for this purpose. The introduction of the solution at Allianz Germany and Allianz France is planned for 2011.

Work on fundamental optimization of the SAP infrastructure through server virtualization also began in 2010. 90 % of the SAP systems have now been migrated to the target platform, which will contribute significantly to reducing costs in the future.

4.2. Operations business division

In 2010, Allianz Group OPEX (AGO) was integrated into AMOS. As the Group's internal consulting unit, AGO supports the successful implementation of group-wide projects and also acts as a hub for the development of skills within Allianz.

In 2010, AGO supported 34 Group and Allianz SE projects and advised 17 companies worldwide. These activities generated a turnover of € 9.3 million, while the original target for 2010 was just € 6.9 million. Customer feedback was requested at the end of the projects. Customers were asked to rate on a scale of 0 to 10 the likelihood that they would recommend AGO to a friend or colleague. The net promoter score (NPS) achieved in these ratings in 2010 was 79 %, which exceeded the target of 70 %.

AGO is also responsible for the development and introduction of OPEX quality management. In 2010, AGO achieved its goal of training 1,000 black belts using the OPEX methodology. Another 5,000 Allianz employees received training as OPEX blue belts.

In addition, 2010 also saw the launch of Social OPEX. This program gives Allianz employees the opportunity to support social initiatives with their business expertise and their OPEX skills. Ten Social OPEX teams took part in continuing education sessions during the year and a total of six social projects were brought to a successful conclusion.

OPEX
EFFICIENCY
EFFECTIVENESS
ENGAGEMENT

The black belt is the highest qualification possible within the OPEX Quality Management Program.

4.3. Services business division

In mid-2010, a project team started to analyze the potential for shared services within the Allianz Group. The vision of integrated shared services at the Group and OE (organizational entity) level was initially developed and refined together with top management. The project team then decided which units and tasks suited the strategic orientation of AMOS and should therefore be integrated within AMOS. The focus in the process was on administrative services because of the considerable potential. The team made use of extensive analyses and evaluations when studying the possible improvements and savings for the Allianz Group. A range of issues was analyzed including technical feasibility, implications for the interfaces between AMOS and the Allianz companies, and the management committees to be formed. The result was the blueprint for AMOS services. At the end of 2010, the Board of Management of Allianz SE approved the plan's implementation.

Depending on the degree of uniformity and the readiness of the various areas at the international level, the recommendations will either be gradually implemented now or further refined to allow them to be put into practice as soon as possible. Purchasing has already been coordinated among companies for several years and this can now be used as a basis for further development. This area will yield significant synergies in 2011.

The approach and the plan for AMOS services were developed together by Allianz Germany, Austria, Switzerland and France. AMOS's shared services are to be provided by a global network of branches and regional centers. The network will be expanded beyond the existing AMOS branches in the United Kingdom, Ireland, Belgium and the Netherlands.

As the establishment and optimization of shared services is a long-term undertaking, the project team has meanwhile been integrated into the line organization.

Purchasing

AMOS's first move in the Services business division was to create a global purchasing structure. Central IT purchasing was transferred from the former Allianz Shared Infrastructure Services SE to AMOS when it was formed in May 2010. Under AMOS's roof it continues to provide national and international services for the entire Allianz Group. The levers used to achieve the best prices for all customers include global framework agreements, the pooling of purchasing volumes and involvement in national and international projects. At the same time, IT purchasing also acted as a service provider for the European branches of AMOS in the United Kingdom, Ireland, Belgium and the Netherlands in 2010. This assists local implementation of the Allianz IT strategy.

Central non-IT purchasing was transferred to AMOS from Allianz SE in October 2010 and consolidated with IT purchasing. The department concentrates primarily on international pricing and quantity discounts, for example with business trips, marketing services, procurement of office materials and temporary employment. There are also national purchasing measures, such as improvements to facilities management at Allianz Germany that will be developed and implemented in cooperation with the local purchasing unit in 2011.

Corporate Real Estate and Services
The business model for the new global corporate real estate function was developed in 2010 and has been in the testing phase since the beginning of 2011 in cooperation with Allianz France. New and ongoing relocation projects in various countries have also been tracked. This process was launched in 2011 and it will be supported by a database where all the rental agreements for more than four million square meters of office floor space occupied by Allianz will be administered.

In 2010, Business Services initiated five projects to offer services to all Allianz companies worldwide that had not been provided before or could only be delivered with significant resources and high costs. It includes translation services and the management of local insurance policies. The implementation and further optimization of these services will take place in 2011 following a test phase.

Financial Business Services
Financial Business Services (FBS) provides accounting and related services. FBS provided support during the merger of ACAS and the transfer of the H4 operational units from Allianz SE. As part of the GRP@AMOS project, FBS prepared the migration of AMOS accounting to the SAP Common Accounting Platform (CAP) in the second half of the year and successfully implemented it in the new year. The migration harmonized and standardized the accounting processes at AMOS. The blueprint for future financial shared services was also developed. It involved the analysis and description of the key business processes in the basic structure and the development of a proposal for the future design of potential shared services in accounting.

Service Management
The initial concepts and content for comprehensive service management were developed in 2010 as part of the general AMOS services project. In order to ensure the implementation of best practices, the unit analyzed the business models of national and international shared services organizations and compared them directly with AMOS.

4.4. Broad commitment to the environment

Allianz is a pioneer in the sustainable development of the financial services industry and takes a strategic approach to long-term challenges. Sustainability is firmly established in the core business and in internal processes such as IT. The AMOS sustainability strategy also focuses on topics such as the protection of the environment while taking into consideration the climate in the supply chain. One example is the Unterföhring facility, where hydroelectric energy is used for the printing facility and the computer center. Closed recycling loops have been in place for many years for all resources such as paper, toner, developers and fusing oils. In addition, print output throughout the company is produced on recycled or environmentally friendly FSC paper (Forest Stewardship Council). Under the GoGreen initiative launched by Deutsche Post, the AMOS output center mailings to customers in Germany have been carbon-neutral since 2008. This means that more than 150 million letters a year are mailed using environmentally friendly vehicles and fuels. At the same time, carbon emissions are offset by climate protection projects. Nearly 4,000 tons of carbon dioxide were offset by such projects in 2010. The increasing virtualization of systems in the computer center is one of the initiatives helping to reduce energy consumption. Neighboring office buildings are heated using waste heat from the computer center.

IT equipment is also becoming more energy efficient and the AMOS hardware purchasing guidelines were tightened accordingly in 2010. All equipment in use today must be listed in the Energy Star database. Energy Star is a product label for designating energy-saving equipment. In addition, the EPEAT criteria are also taken into account in the procurement of PCs and laptops. EPEAT stands for electronic product environmental assessment tool and uses 51 environmentally-relevant criteria such as harmful emissions under RoHS regulations (Restriction of Hazardous Substances) to evaluate electronic products.

Most carbon emissions are generated by travel activities. Along with energy and paper use, travel produces 99 % of the Allianz Group's carbon emissions. The AMOS IT infrastructure has developed a video conferencing service for Allianz which is available worldwide. Internal Allianz connections are no longer created via ISDN but make use of the existing internal IP network. A positive side effect is the elimination of telephone fees and most importantly the improvement of image quality to high-definition. It comes close to the quality of a home theater system and has helped make video conferencing a real alternative to business trips.

The employees at AMOS are continually focusing on the need to conserve resources. A project group devises campaigns and initiatives throughout the year to identify and implement sustainable measures for conserving resources.

5. Operating performance 2010

In the 2010 financial year, AMOS underwent several processes of reorganization and restructuring. The first step took place in January when branches were started up in the United Kingdom, Ireland and the Netherlands. The branch in Belgium was established in May, bringing the total number of AMOS branches outside Germany to four by the end of 2010. When the branches were set up, the required assets, e.g. software licenses, relevant agreements, and maintenance agreements, were transferred from local Allianz businesses to the local AMOS branches.

This process of internationalization involved considerable progress in migrating foreign computer center components to the central facility in Munich in 2010. Reorganization of the IT infrastructure was necessary to allow services to be provided more efficiently and at better prices. The support of the process consulting company Accenture was also enlisted to initiate a qualification program aimed at improving service quality over the long term.

On May 17, 2010, Allianz Shared Infrastructure Services SE (ASIC) was renamed Allianz Managed Operations & Services SE (AMOS) to reflect the new expanded role of a comprehensive shared services center in the business. The organization of AMOS was then structured in three divisions or pillars – IT, Operations and Services. In 2010 AMOS's activities focused on IT services. The business of the former ASIC – the provision of IT infrastructure services – was incorporated into this area. When merged with its peer company Allianz Common Applications and Services GmbH (ACAS) on September 30, ACAS's business – the provision of global SAP services for key applications and processes in finance, investment, human resources and procurement – was transferred to the IT business division of AMOS. At the beginning of October 2010, units from the H4 Division of Allianz SE were added through an operational transfer in compliance with § 613a BGB. These Allianz SE units were assigned to the three pillars: IT, Operations and Services.

As in previous years, most of the services provided by AMOS in 2010 were performed within the Allianz Group. The share of third-party business consisted primarily of business with Commerzbank AG. The expansion of the organization to include ACAS and the Allianz SE units increased the share of the Group's inter-company services as no business was transacted with third parties in this case.

As a result, figures from ASIC's 2009 Annual Report are compared with the 2010 figures of the new, expanded AMOS. In addition to the organizational factors, the shift to the changed reporting obligations required by the German Accounting Law Modernization Act (BilMoG) for the 2010 financial year should also be taken into account when making a comparison.

As a result of the organizational expansion described above, the total assets at AMOS rose by € 45.0 million from € 219.8 million at the end of 2009 to € 264.9 million at the end of 2010. Around 80 % of this increase in assets is due to the significant increase in fixed assets with another 17 % from the increased inventories. Fixed assets increased partly as the result of acquiring SAP licenses worth € 32.6 million from Allianz SE at the beginning of July 2010. The licenses were transferred to AMOS by Allianz SE following the merger with ACAS. The license transfer was part of a contribution in kind by Allianz SE to the additional capital reserves of the company. AMOS's assumption of € 17.7 million in tenant fixtures from Allianz Deutschland AG for the existing computer center in the Unterföhring operating complex also played a role in the increase in fixed assets. Fixed assets were decreased by offsetting plan assets with reserves for pensions in compliance with the corresponding provisions in the new BilMoG regulations. The increase in inventories is attributable to the capitalization of the production costs of the former ACAS software in current assets.

Under equity and liabilities, shareholders' equity rose by € 33.5 million from € 100.1 million to € 133.5 million. This increase is due partly to the € 32.6 million contribution by Allianz SE as part of the license transfer and partly to the assumption of the net assets from ACAS totaling € 0.9 million. The equity capital ratio for AMOS was 50.4 % on the balance sheet date (December 31, 2010) (2009: 45.5 %). Reserves fell by € 7.1 million year-on-year from € 84.9 million to € 77.8 million. The restructuring provisions were more than offset by reserves for pensions with the corresponding plan assets in compliance with BilMoG. The increase in liabilities is due to the assumption of ACAS liabilities totaling € 16.5 million.

Total revenues generated by AMOS from shared services was € 601.9 million in the fiscal year 2010, a rise of € 19.9 million or 3.4 % from the previous year's total of € 581.9 million.

The share of services provided by the new business areas and new organizational units at AMOS in 2009 was 6.5 %. The share is largely attributable to the former ACAS and the cross-functional services it provided in application development.

AMOS revenues (in € mn):

Business areas	2010	2009
Application & Data Services	313.5	305.0
Print & Output Services	100.8	113.3
Workplace	107.2	110.9
Telecommunications	25.7	33.0
Projects & Consulting	6.9	11.8
Network	5.4	5.6
Individual Cross Functional Services	7.9	0.0
Standard Cross Functional Services	7.3	0.0
Other Cross Functional Services	14.7	0.0
Miscellaneous	12.5	2.3
Total	**601.9**	**581.9**

The cross functional services represent the newly added business areas of AMOS which were gained as a result of the merger with ACAS. The services previously provided by the Allianz SE units (now part of AMOS) are presented under Miscellaneous.

Percentage split of revenues:

Business areas	2010	2009
Application & Data Services	52.1 %	52.4 %
Print & Output Services	16.7 %	19.5 %
Workplace	17.8 %	19.1 %
Telecommunications	4.3 %	5.7 %
Projects & Consulting	1.2 %	1.0 %
Network	0.9 %	2.0 %
Individual Cross Functional Services	1.3 %	0.0 %
Standard Cross Functional Services	1.2 %	0.0 %
Other Cross Functional Services	2.4 %	0.0 %
Miscellaneous	2.1 %	0.4 %
Total	**100 %**	**100 %**

Total income including revenues of € 601.9 million (2009: € 581.9 million), the increase or reduction of the inventory of finished and unfinished goods of € 7.6 million (2009: € 0 million), the other own work capitalized of € 1.8 million (2009: € 0 million) and other operating revenues of € 30.3 million (2009: € 30.4 million) amounted to € 641.6 million (2009: € 612.3 million) in 2010. Year-on-year, revenues therefore rose by 4.8 % or € 29.3 million.

Expenses from ordinary activities of € 648.5 million (2009: € 613.6 million) were incurred in generating this income in the current period. This represents an increase of 5.7 % or € 34.9 million over 2009. The takeover of the ACAS business and its IT services increased expenses for IT operations by € 20.0 million to € 444.6 million (2009: € 424.6 million). Personnel expenses at AMOS increased by € 3.7 million to € 123.8 million (2009: € 120.1 million) as a result of the employees hired during the year. In spite of doubling investment, depreciation and amortization continued to decline as in 2009, falling by € 4.9 million to € 59.0 million (2009: € 63.8 million). The significant increase in investment is based partly on Allianz SE's acquisition of software licenses, the acquisition of ACAS software in the merger and the purchase of additional software for the IT infrastructure in the third quarter. The increase in investment on plant and equipment in December 2010 resulting from the purchase of € 17.7 million in tenant fixtures in the Unterföhrung operating building also played a role. Because the investment was made so late in the year, this investment made no significant contribution to depreciation and amortization. The decline in investment in IT infrastructure over 2009 also reduced depreciation.

At € 0.3 million, income from other securities remained unchanged from the prior year level (2009: € 0.3 mm). In 2010 other interest and similar income rose year-on-year by € 0.8 million to € 1.3 million (2009: € 0.6 million). The increase resulted primarily from discounting the restructuring provisions created at the end of the year as required under BilMoG. The effect of their disbursement is expected to extend over several years. Interest expenses rose by € 0.6 million to € 0.9 million in the 2010 financial year (2009: € 0.3 million) because sales revenues from the third quarter onward did not always cover the liquidity requirements resulting from the reorganization.

A loss of € 6.2 million was recorded in earnings from ordinary activities before extraordinary income and expenses (2009: loss of € 0.6 million). This loss is primarily the result of expenses and set-up costs incurred during the founding, transfer of assets and opening of the branches.

The downward trend in extraordinary expenses for restructuring in 2009 continued in 2010. The cost improvement and restructuring programs initiated in 2009 were continued and produced solid results. Another volunteer program was also announced at the end of the fiscal year, pending approval by the AMOS works council. This program would reduce the workforce by approximately another 160 full-time equivalents over the next year and a half. The planned reduction is associated with the nearly complete transfer of the former Dresdner Bank's business to Commerzbank AG scheduled for spring 2011. Total extraordinary expenses and provisions for restructuring expenses thus totaled € 22.4 million in 2010 (2009: € 7.7 million). Additional extraordinary expenses of € 3.2 million were incurred due to the implementation of BilMoG in 2010 and the associated adjustments in the valuation of provisions, primarily for the Allianz Long-term Credit Account and to a lesser extent for reserves for pensions. However, these expenses are partially offset by the extraordinary income of € 1.1 million, resulting largely from the adjustment of fund shares for partial retirement (in securities) in accordance with BilMoG.

This resulted in a loss before taxes in the 2010 financial year of € 30.7 million (2009: € 8.3 million loss).

Investment in IT infrastructure

At € 103.7 million, investment in the fiscal year 2010 was substantially higher than in 2009 (€ 43.6 million) as creation of the new AMOS organization also involved the transfer of assets. For example, software licenses previously held by Allianz SE for ACAS and valued at € 32.6 million were transferred from the holding company. AMOS also acquired ACAS's assets, which likewise consisted primarily of software licenses at a value of € 6.4 million. The assumption of € 17.7 million in tenant fixtures for the computer center in the Unterföhring operating complex played a more significant role in the investment increase. These investments in plant and equipment were held and administered by Allianz Deutschland AG. They were included in the transfer price for office space, which was charged to AMOS monthly. Additional investment of € 8.6 million involved the transfer of IT infrastructure from Allianz businesses in the Netherlands, the United Kingdom, Ireland and Belgium to the AMOS branches established in 2010. Investment in this area was also mainly for software as well as plant and equipment. In contrast, investment on IT infrastructure in the former ASIC business division fell by another € 5.5 million. The clearing of assets begun in 2008 and 2009, particularly in the area of servers, was successfully continued in 2010.

Investment split (in € mn):

	2010	2009
Software	56.6	13.3
Client/server hardware	12.5	13.6
Mainframe hardware	0.0	1.2
Storage media	3.3	6.1
Print and post-press	3.1	1.4
Network components	2.7	1.0
Communications equipment	0.0	0.0
Operating/business equipment	22.4	2.9
Low-value assets	2.6	2.3
Investments	0.5	1.8
Total	103.7	43.6

As in previous years, this investment was financed from revenues and liquid assets. The only exception was the software licenses transferred from the holding company with a value of € 32.6 million which were offset by an increase in the additional capital reserves. There was sufficient liquidity throughout the year to meet all requirements until the end of the year. Liquidity dropped in the course of the year due to the purchase of tenant fixtures in the Unterföhrung operating complex amounting to € 17.7 million. The intra-Group cash pool and balances with banks were largely balanced by the end of December.

6. Risk report

As the Allianz Group's internal service provider, AMOS has regularly geared its risk management to operating risks and reports on its current risk position.

6.1. Organizational positioning of risk management

Risk controlling is part of Security, Risk and Business Continuity (SRB). SRB heads the risk committee consisting of department heads from the various divisions. Risks are identified at regular meetings. Countermeasures are adopted when the risks have been assessed. SRB reports on its current risk position to the upper management and the chairman of the Supervisory Board of AMOS and to Allianz SE, Allianz Deutschland AG and Commerzbank AG at regular intervals.

The position of compliance officer was also established in service management for applications in the SAP environment. The compliance officer manages and coordinates all risk-controlling tasks in that environment.

On October 1, 2010, units of Allianz SE from the operational project management, IT auditing, process optimization and service management departments were merged into AMOS. Allianz SE was responsible for risk control at these units in 2010.

6.2. Risk categories and risk management

As a service provider, AMOS classifies risks into operating risks, strategic risks and market risks. AMOS concentrates primarily on identifying and reducing operating risks. Strategic risks and market risks are discussed in the Allianz Group as part of the strategic dialog.

Strategic risks include risks that could jeopardize the achievement of the company's strategic objectives. Market risks encompass all risks arising from changes in underlying market conditions.

Operating risk includes all risk of loss arising from inefficiencies or errors in processes and controls caused by technology, employees, organization or external factors. Risks of this nature are mitigated by appropriate technical and organizational security precautions. They encompass factors ranging from high availability measures at the computer centers in Unterföhring, including their back-up procedures, to crisis management for a disaster. Allianz customers and business partners have controlled, authorized access to Allianz Group applications protected by firewall-DMZ complexes (demilitarized zone, computer network with security-controlled access options for the connected servers). This prevents unauthorized access from the Internet or other external networks. Access authorization and control systems are employed alongside encryption technologies to ensure the confidentiality of stored or transferred data. In addition, regular and secure operation and development of central applications in finance, investment, human resources and procurement are ensured by incorporating SAP applications and SAP-supported processes.

A business impact analysis/risk identification and assessment (BIA/RIA) is carried out once a year in compliance with the Allianz Business Continuity Management (BCM) policy to evaluate the ability of AMOS to re-start operations in the event of disaster. Service management for applications in the SAP environment also reports on the risk position to executive committees at regular intervals. Risk-related processes are constantly coordinated with central risk control. No risks endangering the future of the company were identified as part of AMOS risk controlling in 2010.

AMOS meets the requirements of internal control over financial reporting (ICOFR) in compliance with the provisions of the group financial controls (GFC). AMOS therefore carries out regular controls for key IT service processes, such as change management, problem management, user access management and IT security management, and supplies the documentary evidence to the financial reporting officers at customer companies. The controlling environment introduced under ICOFR will continue to contribute to high-quality financial reporting.

AMOS consistently meets the Group guidelines set out in documents such as the Group Information Security Framework, the Business Continuity Policy, the Risk Policy, the Group Compliance Policy and the financial reporting requirements. Compliance with the requirements is demonstrated on a regular basis by means of suitable controls and reports. As was previously the case for AMOS German customer groups, these compliance services for standard operating processes are now also performed for pan-European Allianz companies. Client-specific services are provided in accordance with customer requirements. The Risk Controlling department will again actively track AMOS services for German customers as well as the expanded customer base in Europe in the fiscal year 2011.

7. Intercompany agreements

A domination and profit transfer agreement between Allianz SE as controlling company and AMOS as dependent company has been in place since the 2009 financial year.

8. Report on events subsequent to the balance sheet date

No events of particular significance for the evaluation of the asset, financial, and earnings situation at AMOS have occurred between the end of the fiscal year and the Management Board meeting, where the Annual Report was presented.

9. Outlook for 2011

9.1. Economic outlook

Allianz Economic Research has issued a cautiously positive outlook for 2011 and 2012. The upturn will continue, though it will lose momentum. The phasing out of economic stimulus programs and planned measures to consolidate public budgets will have a negative effect. At the same time, growth in German exports will slow in tandem with expected moderate global economic growth. Conversely, positive trends in income will boost consumer demand. According to Allianz Economic Research forecasts, gross domestic product is expected to increase by about 2.5 % in 2011.

Now that the migration of Dresdner Bank applications has been completed, AMOS will initially reduce its business outside the Allianz Group according to plan. Individual printing services will continue to be provided beyond 2011.

AMOS is continuing its cost improvement and process improvement initiatives to compensate for the decline in business and accelerate the return to sustainable profitability. It will also implement additional savings measures, particularly in relation to the Commerzbank business and Allianz Germany.

AMOS will continue to expand globally as the shared services company of the Allianz Group and sustained growth in revenues is expected for 2011 and 2012. The priority in expanding AMOS is further internationalization of business by either establishing or acquiring branches or subsidiaries. By concluding global master purchasing agreements AMOS is also striving to achieve quantity discounts for the Allianz Group. It will receive performance fees in return. In 2011and 2012, these measures, along with the implementation of the restructuring programs and the creation of global platforms could well put pressure on AMOS's earnings and liquidity. This is likely to entail no short-term improvement in earnings before the profit-and-loss transfer can be expected. Equity measures and borrowing within the Allianz Group are projected to compensate for the potential lack of liquidity. Lower investment than 2010 is planned. 2010 was heavily influenced by non-recurring items such as software licenses and plant and equipment.

Since business with Commerzbank has declined, AMOS's business performance is very closely linked to that of the Allianz Group. The risk of AMOS suffering default losses is low.

9.2. Outlook for AMOS priorities in 2011

AMOS will continue to grow steadily in 2011. On January 1, 2011, the company possessed the central functions of Finance, Corporate Office (communications), HR, Business Development and Internal Audit. The new structure with the three business divisions of IT, Operations and Services was also achieved. By January 1, 2011 AMOS had absorbed 342 employees from Allianz Deutschland AG (Allianz Business System and Business Intelligence departments) into its IT business division. On February 1, 2011, AMOS already had 1,711 active employees.

IT business division

The IT activities of Allianz's European businesses will continue to be consolidated under the AMOS roof in 2011. The establishment of additional branches will be an important milestone in the expansion of the company's international activities. The local operations will ensure that local customers receive better support, quality improves continuously and cost savings can be realized.

The IT business division will focus on the following topics: IT will be expanded across the governance, demand and delivery functions, and the focus will be on delivery. Delivery will be strongly oriented toward products in 2011. This means that clearly delineated products and product owners will be defined to give them a distinct profile among a wide range of IT services. Transparency on pricing and user numbers will also be increased.

In addition, work will begin or continue on the creation of strategic platforms for core insurance systems, Business Intelligence, Enterprise Resource Planning (SAP) and infrastructure. These platforms will be based on reusable and adaptable components. This will allow the same base platform to be used worldwide at multiple locations and in multiple organizational units. It has the advantage of generating economies of scale and bundles powerful development expertise.

After the migration of Dresdner Bank applications to the new application environment scheduled for conclusion by the end of April 2011, Commerzbank will gradually begin to shut down its current systems. All of the applications operated by AMOS are to be terminated by the end of 2011. The license agreements and contracts will therefore run to the end of 2011 at the latest. Individual Dresdner Bank applications will be transferred to Commerzbank AG in projects. Phasing out the Dresdner Bank systems being shut down and the transfer of individual applications may not be completed until the first quarter of 2012.

Operations business division
In 2011, the operations business division will focus on the development of additional offerings of Allianz's internal consulting unit Allianz Group OPEX (AGO), in particular for Allianz companies in North and South America and Asia. AGO will also build on the initial success of Social OPEX and give even more social initiatives the opportunity to benefit from the skills and expertise of Allianz employees.

In addition, Allianz's target operating model will be expanded to take into account the integration of the shared services units and contribute to process optimization within AMOS by establishing specifications.

The Greenfield European Platform is a European insurance platform reflecting all the processes within an insurance service. This platform will gradually provide enhanced support to the direct business and the automobile business in selected countries.

The Claims Excellence Project has created a functional development and procedural organization to guarantee customer-oriented, efficient and effective claims handling in 2011.

Services business division
AMOS's first step in the services business division was the creation of a global purchasing structure. In 2011, the purchasing functions of selected, particularly suitable subsidiaries will be integrated into AMOS. By implementing tools and processes such as contract and spend management, Purchasing is helping to enhance processes in cooperation with the purchasing departments at Allianz Germany and the largest Allianz companies. For example, the Spend Management Tool enables local Allianz companies to quantify savings potential more accurately. They can then identify opportunities for cutting costs by pooling purchases. Purchasing is also working on the implementation of global standards for procuring hardware, software and services, in close collaboration with the International Standards Committee.

In 2011, Corporate Real Estate and Services (CRES) will develop efficient workplace designs customized to fit the needs of Allianz Group units. It will also be involved in all relevant Allianz office rentals and relocations worldwide. Additional services such as translations and the management of in-house insurance policies will also be developed and offered.

Financial Business Services and HR Services are creating a structure that will allow them to begin offering services to the accounting and HR departments in the course of 2011.

Annual Financial Statements

Annual Financial Statements

Allianz Managed Operations & Services SE

Balance Sheet as at December 31, 2010

Assets

	2010 €	2010 €	2010 €	2009 €
A. Assets				
I. Intangible assets				
Purchased concessions, commercial property rights and similar rights and assets as well as licenses to such rights and assets.		67,242,451		29,012,409
II. Property, plant and equipment				
Technical plant and equipment		70,157,971		64,502,751
III. Investments				
1. Participations	1,500			1,500
2. Securities	1,884,498			10,662,207
		1,885,998		**10,663,707**
			139,286,420	**104,178,867**
B. Current assets				
I. Inventories				
1. Materials and other supplies	594,808			768,117
2. Work in progress	7,617,285			
		8,212,093		**768,117**
II. Receivables and other assets				
1. Trade receivables	1,074,016			1,380,318
2. Receivables due from affiliated companies	43,556,493			46,299,223
3. Other assets	12,977,978			30,804,970
		57,608,488		**78,484,511**
III. Balances with banks, checks and cash on hand		23,551,742		321,743
			89,372,323	**79,574,371**
C. Prepaid expenses			36,224,571	36,083,142
Total assets			**264,883,314**	**219,836,380**

Equity and liabilities

	2010 €	2010 €	2009 €
A. Equity			
I. Issued capital	120,000		120,000
II. Additional capital reserves	133,417,645		99,935,042
		133,537,645	**100,055,042**
B. Provisions			
I. Reserves for pensions	1,856,039		16,531,119
II. Tax provisions	205,845		0
III. Other provisions	75,698,699		68,348,528
		77,760,583	**84,879,647**
C. Liabilities			
I. Trade payables	12,082,824		2,889,775
thereof due within one year: € 12,082,824 (2009: € 2,889,775)			
II. Liabilities to affiliated companies	30,909,139		10,786,193
thereof due within one year: € 30,909,139 (2009: € 10,786,193)			
III. Other liabilities	10,593,123		21,225,723
thereof due within one year: € 10,593,123 (2009: € 21,255,723)			
		53,585,086	**34,901,691**
D. Deferred income		-	-
Total equity and liabilities		**264,883,314**	**219,836,380**

Income Statement

for the period from January 1 to December 31, 2010

	2010 €	2010 €	2010 €	2009 €
1. Revenues		601,873,203		581,930,544
2. Increase or decrease in inventory of finished goods and				
work in progress		7,617,285		
3. Other own work capitalized		1,838,263		
4. Other operating revenues		30,275,560		30,405,452
thereof from currency conversion € 1,317,933				
			641,604,311	**612,335,996**
5. Expenses for IT operations				
a) Expenses for materials and other supplies	-6,025,796			-6,295,222
b) Expenses for services received [1)]	-354,426,228			-303,016,492
c) Service provider services [1)]	-84,112,838			-115,285,548
		-444,564,862		**-424,597,262**
6. Personnel expenses				
a) Wages and salaries	-98,155,087			-94,609,337
b) Social security	-14,571,793			-14,481,932
c) Pensions	-11,039,874			-10,979,784
		-123,766,754		**-120,071,053**
7. Depreciation and amortization				
a) on intangible assets	-18,438,834			-16,353,926
b) on property, plant and equipment	-40,519,940			-47,458,332
		-58,**958**,774		**-63,812,258**
8. Other operating expenses		-21,236,411		-5,097,188
following currency conversion € 1,784,269				
			-648,526,801	**-613,577,761**
9. Income from other securities			280,334	327,498
10. Other interest and similar income			1,345,337	583,089
from affiliated companies: € 201,218 (2009: € 559,978)				
from discounting interest on provisions € 549,942				
11. Interest and similar expenses			-860,709	-273,209
from affiliated companies: € -748,774 (2009: € -272,593)				
12. Earnings from ordinary activities			-6,157,528	-604,387
13. Extraordinary income			1,079,921	
14. Extraordinary expenses			-25,663,049	-7,712,089
15. Result before tax			-30,740,656	-8,316,475
16. Taxes on income and earnings			-45,834	4,390,604
17. Other taxes			-3,915	-679
18. Income from losses absorbed			-30,790,405	-3,926,550
19. Net income/loss for the year			**0**	**0**
20. Net profit/loss			0	0

[1)] Item “on demand“ reclassified from Expenses for services received to Service provider services.

Notes to the Financial Statements

Relevant legal regulations

The annual financial statements and the Management Report have been prepared in conformity with the provisions of the German Commercial Code (HGB) and the German Law Governing the Introduction of a Societas Europaea (SE Introduction Act).

The German Act to Modernize Accounting, Reporting and Auditing (BilMoG) was applied for the first time in 2010. The figures from 2009 were not adjusted.

The annual financial statements are presented in full euros (€).

Allianz Shared Infrastructure Services SE (ASIC SE) was renamed Allianz Managed Operations & Services SE (AMOS SE) on May 17, 2010.

As part of its strategic international orientation, AMOS SE set up branches in the United Kingdom and Ireland in January 2010. In May 2010, another branch was established in Belgium. In addition to the newly opened branches, AMOS SE established an office in the Netherlands in 2009 which started operations at the beginning of 2010.

On September 30, 2010, Allianz Common Applications and Services GmbH (ACAS GmbH) was merged into Allianz Managed Operations & Services SE. This merger had a retroactive effect on the company's commercial and tax status as of July 1, 2010.

On October 1, 2010, parts of Allianz SE (H4) were transferred to AMOS as part of an operational transfer.

The factors mentioned above make any comparisons between the figures from the reporting year with those from the previous year of limited use.

Accounting and valuation policies

Intangible assets, property, plant and equipment

They are stated at their acquisition cost minus linear depreciation and amortization in accordance with the requirements of German commercial law. Depreciation is carried out on a monthly basis.
Low-value assets with an acquisition cost of less than € 150 are depreciated in accordance with tax regulations.

Participations

These are recorded at acquisition cost.

Securities

Part of the pension commitments are guaranteed under a contractual trust arrangement (Methusalem Trust e.V.). The trust represents primarily offsettable reserves for pensions in accordance with § 246 section 2 sentence 2 HGB, the fair value of which is either equivalent to the asset value or the market value in accordance with § 253 section 1 HGB.
The fund shares accounted for under securities are valued at the lower of cost or market.

Inventories

Inventories are stated at acquisition cost or production cost.

Receivables and other assets, balances with banks, checks and cash on hand

These are stated at their nominal value. Receivables in currencies other than the euro are valued at the average foreign exchange spot rate on the balance sheet date.
Allianz Managed Operations and Services SE (AMOS SE) has offset certain receivables with payables where German commercial law permits.

Development of non-current assets in the fiscal year 2010

	Acquisitions				
	Balance at Dec. 31, 2009 €	Additions 2010 €	Reclassifications 2010 €	Disposals 2010 €	Balance at Dec. 31, 2010 €
Software	**215,088,013**	**56,627,064**	**195,053**	**-864,541**	**271,045,589**
Mainframes	82,658,063	10,705	814,310	0	83,483,079
Storage media	83,483,319	3,362,385	606,103	0	87,451,808
Print and post-press	25,310,909	3,130,742	0	-2,915,180	25,526,471
Network components	21,195,941	2,719,394	197,434	0	24,112,769
Servers	196,035,805	12,516,974	-72,989	-7,047,591	201,432,199
Plant and office equipment	19,311,259	22,218,254	-1,635	-99,334	41,428,544
Low-value assets	335,191	2,596,657	-120,429	-2,638,224	173,194
Total property, plant and equipment	**428,330,487**	**46,555,111**	**1,422,794**	**-12,700,329**	**463,608,064**
Investments					
1. Participations	1,500	0	0	0	1,500
2. Securities	10,662,207	509,751	-9,287,461	0	1,884,498
Total investments	**10,663,707**	**509,751**	**-9,287,461**	**0**	**1,885,998**
Total	**654,082,207**	**103,691,926**	**-7,669,613**	**-13,564,870**	**736,539,650**

The option rights and equity swaps acquired to hedge the risks to the share-based compensation plans (Group Equity Incentive Plans) are combined with the correspon-ding underlying transactions as a hedge, provided a direct hedging relationship exists. The underlying transactions are recognized under other provisions and the hedging transactions are recognized under other assets.
A micro-hedge is used to ensure that the hedges created are fully protected against the risk of price changes as a result of fluctuations in market prices. The effectiveness of the hedges of the group equity incentive plans which are scheduled to expire in 2016 at the latest is demons-trated prospectively and retrospectively by their compli-ance with the conditions, parameters and risks (= critical term match method).

The underlying transactions, which consist of future payment obligations, totaled € 4,164,895 on the balance sheet date. Hedges against risks of changes in value in the amount of € 667,660 have been formed. The hedges are accounted for using the net hedge presentation method.

Prepaid expenses

Prepaid expenses are stated at nominal value.

Provisions

Provisions are based on the anticipated settlement amount required.

Long-term provisions formed in 2010 are recognized at their value reduced by the discount rate.

Depreciation and amortization					Balance sheet results	
Balance at Dec. 31, 2009 €	Additions 2010 €	Reclassifications 2010 €	Disposals 2010 €	Balance at Dec. 31, 2010 €	Balance at Dec. 31, 2009 €	Balance at Dec. 31, 2010 €
186,075,604	**18,438,967**	**128,787**	**-840,219**	**203,803,139**	**29,012,409**	**67,242,450**
75,203,996	5,431,768	814,310	0	81,450,074	7,454,068	2,033,004
71,897,925	5,589,834	606,103	0	78,093,862	11,585,394	9,357,946
18,059,996	2,560,561	0	-2,763,815	17,856,742	7,250,913	7,669,729
18,502,744	2,272,933	197,434	0	20,973,111	2,693,196	3,139,657
166,274,417	19,155,392	-9,670	-7,047,255	178,372,884	29,761,388	23,059,315
13,553,466	3,047,638	1,312	-72,194	16,530,223	5,757,793	24,898,320
335,191	2,596,657	-120,429	-2,638,224	173,194	-0	-0
363,827,736	**40,654,783**	**1,489,061**	**-12,521,488**	**393,450,092**	**64,502,751**	**70,157,972**
0	0	0	0	0	1,500	1,500
0	0	0	0	0	10,662,207	1,884,498
0	**0**	**0**	**0**	**0**	**10,663,707**	**1,885,998**
549,903,340	**59,093,750**	**1,617,847**	**-13,361,706**	**597,253,231**	**104,178,867**	**139,286,419**

Reserves for pensions

The Company has made pension commitments and reserves for pensions have been formed to cover these commitments. Some of the pension commitments are guaranteed under a contractual trust arrangement (Methusalem Trust e.V.). The trust represents offsettable pension assets, the fair value of which is either equivalent to the asset value or the market value.

The reserves for pensions are calculated according to actuarial principles. The conversion costs incurred as a result of the initial application of BilMoG are being distributed over 15 years. In the fiscal year 2010 one-fifteenth of this amount is recorded as an extraordinary expense.

The simplified regulations in § 253 section 2 sentence 2 HGB (residual time to maturity of 15 years) were used to arrive at the discount rate. The settlement amount is determined by applying the projected unit credit actuarial method and recognized at the cash value of the acquired pension entitlement.

On December 31, 2010, the discount rate was 5.16 %, the rate of pension increase came to 1.90 % and the rate of compensation increase was 3.25 % (including average career rate increases).

The effect of a change in the discount rate is recognized in other interest and similar income.

Notwithstanding the above, some of the pension commitments use the guaranteed rate of the pension commitments of 2.75 % p.a. and the guaranteed rate of pension increase of 1 % p.a. as their basis.

Derivative financial instruments (Assets B.II)

Category / type	Nominal amount in € thou	Fair value in € thou	Valuation method	Significant assumptions		Book value in € thou	Balance sheet line item
Options (Allianz Long Call SAR 2004)	1,090	48	Binomial model	Interest rate	1.06 %	47	Assets B. II
				Volatility	22.31 %		
				Dividend yield	4.98 %		
				Share price	88.93 €		
				Cap	208.68 €		
Options (Allianz Long Call SAR 2005)	1,956	109	Binomial model	Interest rate	1.12 %	103	Assets B. II
				Volatility	25.17 %		
	-			Dividend yield	5.29 %		
				Share price	88.93 €		
				Cap	232.18 €		
Options (Allianz Long Call SAR 2006)	2,059	21	Binomial model	Interest rate	1.42 %	19	Assets B. II
				Volatility	24.82 %		
				Dividend yield	5.52 %		
				Share price	88.93 €		
				Cap	331.03 €		
Options (Allianz Long Call SAR 2007)	2,641	16	Binomial model	Interest rate	1.71 %	14	Assets B. II
				Volatility	25.38 %		
				Dividend yield	5.52 %		
				Share price	88.93 €		
				Cap	400.33 €		
Options (Allianz Long Call SAR 2008)	2,787	153	Binomial model	Interest rate	2.03 %	127	Assets B. II
				Volatility	28.29 %		
				Dividend yield	5.73 %		
				Share price	88.93 €		
				Cap	293.45 €		
Options (Allianz Long Call SAR 2010)	2,472	490	Binomial model	Interest rate	2.49 %	408	Assets B. II
				Volatility	33.09 %		
				Dividend yield	5.85 %		
				Share price	88.93 €		
				Cap	218.40 €		

The current Heubeck RT2005G guidelines are used as the biometric calculation basis, and are adjusted for mortality, disability and fluctuations in company-specific conditions.
The retirement age is either the age contractually agreed or the age limit calculated by applying the German Pension Insurance Retirement Age Adjustment Act of 2007.

	Dec. 31, 2010 €
Acquisition cost of the offset assets	24,835,994
Fair value of the offset assets	24,873,572
Settlement amount of the offset debts	26,729,612
Amount of provision not recognized in accordance with Art. 67 section 2 EGHGB (Introductory Act to the German Commercial Code)	0
Book value	**1,856,039**

Other provisions (Liabilities and equity)

The company has obligations from anniversary gifts, a long-term credit account and partial retirement and early retirement agreements which are recognized under other provisions.

The reserves for staff anniversary awards, partial retirement (Altersteilzeit, which is a specific type of early retirement program in Germany) and early retirement pensions are also determined according to actuarial principles. The full amount of the obligations determined are recognized as a liability.

The assets reserved in the Methusalem Trust e.V. for partial retirement security deposits and the long-term credit account represent offsettable pension assets, the fair value of which is either equivalent to the asset value or the market value. These obligations are valued largely in the same way as for pension commitments and on the basis of the same accounting assumptions.

	Dec. 31, 2010 €
Acquisition cost of the offset assets	8,172,820
Fair value of the offset assets	9,131,782
Settlement amount of the offset debts	10,764,521

The total amount of reserves for pensions formed at AMOS SE is € 1,856,039 (2009: € 16,531,119). In accordance with § 246 section 2 sentence 2 HGB, assets that serve exclusively to meet reserves for pensions are offset with debts. Pension commitments and obligations for birthday gifts have also been issued, but these are accounted for at Allianz SE as a result of joint and several liability.

Use was made of the continuation option pursuant to Art. 67 section 1 sentence 4 in conjunction with sentence 2 EGHGB for long-term provisions for document storage which were already in place on January 1, 2010. The surplus amount is € 209,957.

Liabilities

Liabilities are carried at the settlement amount. Liabilities in currencies other than the euro are valued at the average foreign exchange spot rate on the balance sheet date.

Additional capital reserves
(Equity and liabilities A.II.)

	Balance at Dec. 31, 2009 in €	Addition	Withdrawal	Balance at Dec. 31, 2010 in €
Additional capital reserves	99,935,042	33,482,603	0	**133,417,645**

Retained earnings
(Equity and liabilities A.III.)

	Balance at Dec. 31, 2009 in €	Addition	Withdrawal	Balance at Dec. 31, 2010 in €
Retained earnings	0	0	0	**0**

Disclosure pursuant to § 285, No. 28 of the German Commercial Code (HGB)
The fair value determination of the pension plan assets in personnel provisions led to unrealized profits of € 996,540, which are subject to a dividend payout restriction pursuant to § 268 section 8 HGB. The blocked amount is fully covered by freely available equity capital.

Foreign currency translation

Foreign currencies are translated into euros at the rate prevailing at the time the transactions were posted. As at December 31, 2010, receivables and liabilities were valued at the foreign exchange spot rate.

Deferred taxes

Pursuant to the option provided under § 274 section 1 sentence 2 HGB, deferred tax assets in excess of the offsettable amount are not included.
The largest discrepancies between the commercial and fiscal valuations can be found in the items "intangible assets, property, plant and equipment" and "reserves for pensions", which result in deferred tax assets. A tax rate of 31 % is used in the valuation of the domestic deferred tax assets.

Notes to the balance sheet and income statement

Intangible assets (Assets A.I.)

This item covers purchased concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets.

Property, plant and equipment (Assets A.II.)

Property, plant and equipment comprises servers, storage media, mainframes, print and post-press facilities, network components, plant and equipment and low-value assets.

Investments (Assets A.III.)

The portfolio of investments at the balance sheet date consists solely of a holding in DENIC Domain Verwaltungs- und Betriebsgesellschaft eG, Frankfurt am Main, Germany.

The portfolio of securities comprises investment fund shares of € 1,884,498 (2009: € 10,662,207) serving as insolvency insurance for partial retirement credits under the Contractual Trust Arrangement (CTA), shares in equity and fixed-income funds under the Allianz Long-term Credit Account (AWM) and pension commitments through deferred compensation (PZE). The shares in the CTA are assets received up to the balance sheet date with the same value as the liability under the partial retirement agreements insured against insolvency from July 1, 2004. The remaining fund shares are the same as the assets contributed by employees in deferred compensation schemes.

Assets and debts were offset pursuant to § 246 section 2 sentence 2 HGB.

Inventories (Assets B.I.)

Inventories included € 7,617,285 in costs for the GRP@ France project and inventories of printing paper.

Receivables and other assets (Assets B.II.)

Trade receivables relate to unpaid claims against third parties for services rendered and contractual agreements.

Receivables from affiliated companies principally represent receivables of € 31,002,214 from the domination and profit transfer agreement with Allianz SE. There are also receivables of € 12,554,279 from Group customers arising from unpaid invoices for services.

Other assets include options on shares of Allianz SE to hedge the risks of the Allianz Group arising from the Group Equity Incentives (GEI) totaling € 4,883,316, SAP licenses for resale in the amount of € 3,995,407 and tax refund claims from value added tax as a result of the tax consolidation with Allianz SE in the amount of € 2,472,981.

Reimbursement rights from corporate income tax and loans to employees are also recognized under this item. Assets and debts were offset in accordance with § 246 section 2 sentence 2 HGB.

Prepaid expenses (Assets C.)
Prepaid expenses comprise prepaid amounts for maintenance and servicing of hardware and software and for rental fees.

Issued capital (Equity and liabilities A.I.)
As in 2009, the issued capital on December 31, 2010 totaled € 120,000.

Additional capital reserves (Equity and liabilities A.II.)
A contribution in kind in the form of a license transfer from Allianz SE to AMOS SE increased additional capital reserves at AMOS SE by € 32,628,493.

The additional capital reserves at AMOS SE rose by an additional € 854,110 due to the merger of ACAS GmbH with AMOS SE.

In accordance with § 272 section 2 number 4 HGB, all of the equity items of ACAS GmbH were assumed in the additional capital reserves of AMOS SE. This includes the € 36,000 of issued capital in ACAS GmbH, additional capital reserves at ACAS GmbH of € 820,188 and a net loss of € 2,078.

As a result, the additional capital reserves at AMOS SE rose in the reporting year by a total of € 33,482,603 to € 133,417,645 on December 31, 2010.

Reserves for pensions (Equity and liabilities B.I.)
Reserves for pensions consist of obligations arising from vested pension contributions of € 1,321,437 to contribution-based pension plans (BPV), after offsetting with the pension assets, and of pension commitments for deferred compensation schemes (PZE) amounting to € 534,603.

Tax provisions (Equity and liabilities B.II.)
A value added tax reserve was formed for operations in the Netherlands. In addition, value added tax and corporate income tax provisions were formed for the branch in Ireland.

Other provisions (Equity and liabilities B.III.)
The main items posted under other provisions were € 31,249,757 for outstanding trade payables, € 18,972,770 for restructuring expenses and € 10,248,305 for profit sharing and gratuities.

The restructuring provisions primarily include a provision of € 13,234,895 formed for the pending discontinuation of business with the former Dresdner Bank (now a business division in Commerzbank) and the provision for the OTP II project of € 5,475,875. The project involves process optimization and increasing quality and efficiency.

Since these restructuring provisions involve provisions with a term of more than one year, they were discounted at the interest rate published by the German Central Bank [Deutsche Bundesbank] on the balance sheet date.

Further funds have been set aside to cover staff vacation and flexitime credits, staff anniversary awards, Group Equity Incentive plans, partial retirement, archiving costs, contributions to the employers mutual insurance association, financial statement costs and the compensatory levy for severely disabled persons.

Liabilities (Equity and liabilities C.)
Trade payables relate to unpaid claims by third parties for goods and services received and for contractual agreements.

Liabilities to affiliated companies comprise primarily liabilities to Allianz SE arising from the cash pool of € 24,888,608 and from the clearing business with Group companies of € 6,020,531.

Other liabilities comprise value added tax liabilities of € 4,156,685 from the affiliation with Allianz SE, liabilities for goods not yet invoiced of € 2,331,146 and liabilities for services not yet invoiced of € 2,546,474.

Revenues (Income statement 1.)
Revenues are attributable to Application & Data Services (52.1 %), Workplace (17.8 %), Print & Output Services (16.7 %), Telecommunications (4.3 %), and other services such as Projects & Consulting and Network (9.1 %).

Other services also include the services provided by ACAS GmbH and the units of the former Allianz SE H4 division which were added in 2010.

Increase or decrease in inventory of finished goods and work in progress (Income statement 2.)
The item recognized under increase in inventory of work in progress includes production costs for the GRP@ France project.

Other own work capitalized (Income statement 3.)
The GRP@AMOS project is capitalized in this item.

Other operating revenues (Income statement 4.)
Other operating revenues essentially result from the refund of prepaid taxes in 2009 as a result of company affiliation for tax purposes (€ 14,831,571), the release of provisions due to low requirement (€ 6,519,655) and income from the reimbursement of rental costs (€ 2,748,429).

Expenses for IT operations (Income statement 5.)
The items in which expenses for IT operations are recognized include expenses for purchased services and for materials and other supplies.

Expenses for purchased services primarily include services from service providers, including base-charge payments to Fujitsu Services GmbH for services provided under an out-tasking agreement, expenses for maintenance and repair services, fees for external services, postage, rents, intra-Group and inter-Group netting of services, communications, external personnel costs and expense adjustments.

Expenses for materials and other supplies represent expenses for disposable items and consumables and IT information carriers.

Personnel expenses (Income statement 6.)
The item includes wages and salaries, social security contributions and pensions for AMOS SE employees over the fiscal year.

Depreciation and amortization (Income statement 7.)
Depreciation and amortization is recorded as scheduled depreciation applied on the basis of monthly charges as permitted under commercial law.

Other operating expenses (Income statement 8.)
Other operating expenses include expenses for the use of cross-departmental functions charged by Group companies to AMOS SE, expenses for the transfer of activities from the former Dresdner Bank to Commerzbank AG, expenses for the valuation of foreign currencies and for exchange differences, as well as travel and ongoing professional development expenses and expenses for disposable items and consumables.

Income from other securities (Income statement 9.)
This item primarily recognizes income from distributions from the investment funds used for partial retirement credits and pension claims within the framework of the Contractual Trust Arrangement.

Other interest and similar income
(Income statement 10.)
Other interest income results mainly from the discounting of multi-year provisions and interest income from the reimbursement of VAT from previous years.

Interest and similar expenses (Income statement 11.)
The reported interest expenses (first chart) primarily comprise the imputed interest arising from the creation of reserves for pensions. Also reported in this item (second chart) is interest income from the imputed interest on reserves for pensions.

	2010 €
Income from the fair value of the offset assets	-100,689
Imputed interest on the settlement amount of offset debts	622,804
Effect of the change in the discount rate on the settlement amount	13,594
Net amount of offset income and expenses	**535,709**

	2010 €
Income from the fair value of the offset assets	-1,082,438
Imputed interest on the settlement amount of offset debts	1,016,417
Effect of the change in the discount rate on the settlement amount	24,664
Net amount of offset income and expenses	**-41,357**

Extraordinary income (Income statement 13.)
In 2010, extraordinary income of € 1,079,921 primarily included the one-off effects of the initial application of BilMoG.

Extraordinary expenses (Income statement 14.)
In 2010, extraordinary expenses included expenses for restructuring measures of € 22,417,024 and expenses from one-off effects of the initial application of BilMoG amounting to € 3,246,025.

Other information

Contingent liabilities from company pension commitments and other financial obligations

a) Pension commitments

Contingent liabilities exist within the framework of pension plans. The company pension plan for employees of Allianz companies is generally based on membership in the Allianz Versorgungskasse VVaG pension fund (AVK), which is a legally independent pension fund regulated by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin). The benefits provided by the AVK are financed in accordance with the lump-sum contribution system, under which the member companies make payments to the fund through deferred compensation. In addition to Allianz SE, Allianz Deutschland AG, Allianz Versicherungs-AG and Allianz Lebensversicherungs-AG, the member companies also include AMOS SE et al.

The company is obliged to make employer contributions as required and to cover the administration costs of the pension fund on a pro rata basis. The payments are made through Allianz SE.

The member companies also make contributions to the Allianz Pensionsverein e.V. (APV), a contribution-based Group pension plan.

In addition, Allianz SE assumed joint and several liability for the majority of the company's pension commitments. The company reimburses the costs; Allianz SE has assumed the fulfillment. For this reason, reserves for pensions are carried on the Allianz SE accounts.

The company's joint and several liabilities arising from these pension commitments and the related right of recourse against Allianz SE are:

	Dec. 31, 2010 €	Dec. 31, 2009 €
Settlement amount of the offset debts	77,296,936	-
Amount of reserve not recognized in accordance with Art. 67 section 2 EGHGB	13,817,170	-
Joint and several liability/right of recourse to Allianz SE	63,479,766	62,136,103

b) Changed financing procedure of the Pension Guarantee Fund in 2006

The conversion of the financing procedure of the pension guarantee fund in 2006 gave rise to joint and several liability of € 416,911 (2009: € 448,515) which is not recognized in the Company's balance sheet as it is matched by a right of recourse to Allianz SE in the same amount.

c) Contributions to the Pension Guarantee Fund payable for 2011-2013 arising from the fiscal year 2009

The same holds true for the contributions to the pension guarantee fund payable for 2011 to 2013 arising from the fiscal year 2009. This also results in joint and several liabilities of € 527,214 (2009: € 665,246), which are not recognized in the Company's balance sheet as these liabilities are matched by a right of recourse against Allianz SE in the same amount.

d) Other financial obligations
Other financial obligations resulting chiefly from multi-year maintenance, licensing and data transmission contracts with third parties total around € 283,761,181 (2009: € 325,852,400). Additional financial obligations toward affiliated companies resulting from multi-year rental agreements total € 59,200,000.

Remuneration for the Board of Management and the Supervisory Board

The remuneration paid to the Board of Management in the year under review totaled € 1,046,270 (2009: € 2,124,585). This includes equity-based remuneration from 8,003 (2009: € 4,655) stock appreciation rights (SAR) and 3,973 (2009: € 2,286) restricted stock units (RSU) granted in the financial year, totaling € 374,676 (2009: € 176,900) when issued.

Allianz SE created provisions of € 3,181,946 (2009: € 3,287,327) for current pensions and accrued pension rights for former members of the Management and their surviving dependents.

The following chart shows the reserves for pensions for former members of the Board of Management/Directors and their surviving dependents:

	Dec. 31, 2010 €	Dec. 31, 2009 €
Acquisition cost of the offset assets	177,838	-
Fair value of the offset assets	177,838	-
Settlement amount of the offset debts	4,205,834	-
Amount of reserve not recognized in accordance with Art. 67 section 2 EGHGB	846,050	-
Reserves for pensions/excess of plan assets over pension liability	3,181,946	3,287,327

The fair value of the offset assets is based on the fair asset value of the reinsurance cover.

Expenses for the Supervisory Board amounted to € 3,346 (2009: € 6,168) in the financial year. The members of the Supervisory Board and the Board of Management are listed on pages 6 and 7 respectively.

Average total number of employees for the year

(excluding members of the Board of Management, trainees, interns and employees on parental leave or in military service/alternative civilian service)

Full-time employees	1,063
Part-time employees	145
Total	1,208

Group membership

Allianz Managed Operations & Services SE is part of the Allianz Group, for which the controlling parent company is Allianz SE, Munich. The consolidated financial statements and Group Management Report of Allianz SE are published in March in the Group Annual Report and then submitted to the operator of the electronic German Official Gazette and published there. The documents may be viewed in the corporate register or requested from the Company. They are also available on the Allianz SE website. Allianz Managed Operations & Services SE is included in the consolidated financial statements and Group Management Report of Allianz SE. The companies belonging to the Allianz Group and their affiliated companies are listed in the Annual Report of Allianz SE.

Munich, February 28, 2011
Allianz Managed Operations & Services SE

The Board of Management

Dr. Rüdiger Schäfer	Dr. Ralf Schneider	Holger Werner

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of Allianz Managed Operations & Services SE, Munich, for the business year from January 1 to December 31, 2010. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § 317 HGB ["Handelsgesetzbuch": "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit in such a way that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Munich, March 16, 2011

KPMG AG
Wirtschaftsprüfungsgesellschaft

Dr. Thomas Kagermeier	Wolfgang Spaar
Wirtschaftsprüfer	Wirtschaftsprüfer
(Independent Auditor)	(Independent Auditor)