

Allianz Group

Interim Report Third Quarter and First Nine Months of 2009

INSURANCE | ASSET MANAGEMENT | BANKING

Allianz 

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Group Management Report

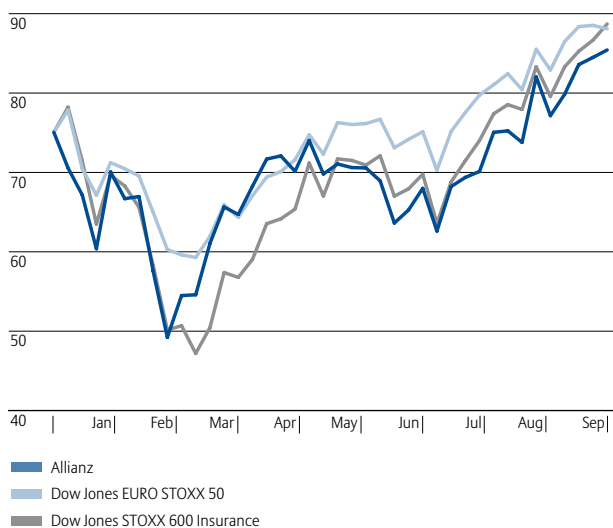
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Allianz Share

Development of the Allianz share price since January 1, 2009 indexed on the Allianz share price in €



Source: Thomson Reuters Datastream

Up-to-date information on the development of the Allianz share price is available at www.allianz.com/share.

Basic Allianz share information

Share type	Registered share with restricted transfer
Denomination	No-par-value share
Security Codes	WKN 840 400 ISIN DE 000 840 400 5
Bloomberg	ALV GY
Reuters	ALVG.DE

On September 22, 2009 Allianz announced the intention to delist from the New York Stock Exchange (NYSE) and European stock exchanges and to focus trading of its shares on market with highest liquidity, the Frankfurt Stock Exchange (Xetra).

- October 23, 2009:
Last trading day for Allianz American Depositary Receipts (ADRs) on the New York Stock Exchange
- October 26, 2009:
First quotation of Allianz ADRs on OTCQX, the premium sector of the U.S. over-the-counter (OTC) market
Ticker symbol: AZSEY
- Delisting from the stock exchanges in London, Paris, Milan and the Swiss Exchange shall follow in due course

Investor Relations

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

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Allianz Group Key Data

	Three months ended September 30,			Nine months ended September 30,			
	2009	2008	Change from previous year	2009	2008	Change from previous year	
INCOME STATEMENT							
Total revenues ¹⁾	€ mn	22,020	21,104	4.3 %	71,919	69,588	3.3 %
Operating profit ²⁾	€ mn	1,929	1,563	23.4 %	5,134	6,448	(20.4) %
Net income from continuing operations ³⁾	€ mn	1,323	545	142.8 %	3,616	4,150	(12.9) %
Net loss from discontinued operations, net of income taxes and minority interests in earnings ³⁾	€ mn	—	(2,568)	—	(395)	(3,483)	88.7 %
Net income ³⁾	€ mn	1,323	(2,023)	n.m.	3,221	667	382.9 %
SEGMENTS (Continuing Operations)⁴⁾							
Property-Casualty							
Gross premiums written	€ mn	10,232	10,816	(5.4) %	33,640	34,368	(2.1) %
Operating profit ²⁾	€ mn	1,031	1,261	(18.2) %	2,895	4,438	(34.8) %
Combined ratio	%	96.9	96.5	0.4 pts	98.2	95.2	3.0 pts
Life/Health							
Statutory premiums	€ mn	10,788	9,415	14.6 %	35,567	32,471	9.5 %
Operating profit ²⁾	€ mn	859	218	294.0 %	2,251	1,510	49.1 %
Cost-income ratio	%	94.1	98.1	(4.0) pts	95.1	96.2	(1.1) pts
Financial Services							
Operating revenues	€ mn	1,058	864	22.5 %	2,846	2,710	5.0 %
Operating profit ²⁾	€ mn	332	167	98.8 %	676	707	(4.4) %
Cost-income ratio	%	67.4	79.9	(12.5) pts	75.2	73.2	2.0 pts
BALANCE SHEET							
Total assets as of September 30, ⁵⁾	€ mn	573,060	955,576	(40.0) %	573,060	955,576	(40.0) %
Shareholders' equity as of September 30, ⁵⁾	€ mn	39,352	33,684	16.8 %	39,352	33,684	16.8 %
Minority interests as of September 30, ⁵⁾	€ mn	2,085	3,564	(41.5) %	2,085	3,564	(41.5) %
SHARE INFORMATION							
Basic earnings per share	€	2.94	(4.49)	n.m.	7.15	1.48	383.1 %
Diluted earnings per share	€	2.94	(4.48)	n.m.	7.12	1.41	405.0 %
Share price as of September 30, ⁵⁾	€	85.37	75.00	13.8 %	85.37	75.00	13.8 %
Market capitalization as of September 30, ⁵⁾	€ bn	38.7	34.0	13.8 %	38.7	34.0	13.8 %
OTHER DATA							
Third-party assets under management as of September 30, ⁵⁾	€ bn	878	703	24.9 %	878	703	24.9 %

¹⁾ Total revenues comprise Property-Casualty segment's gross premiums written, Life/Health segment's statutory premiums and Financial Services segment's operating revenues.

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

³⁾ Following the announcement of the sale on August 31, 2008, Dresdner Bank was qualified as held for sale and discontinued operations. The transfer of ownership of Dresdner Bank to Commerzbank was completed on January 12, 2009 as scheduled. Accordingly, assets and liabilities of Dresdner Bank have been deconsolidated in the first quarter 2009. The loss from derecognition of discontinued operations amounts to € 395 mn and represents mainly the recycling of components of other comprehensive income. All income and expenses relating to the discontinued operations of Dresdner Bank have been reclassified and presented in a separate line item "Net loss from discontinued operations, net of income taxes and minority interests in earnings" in the consolidated income statements for all years presented in accordance with IFRS 5.

⁴⁾ The Allianz Group operates and manages its activities through four segments: Property-Casualty, Life/Health, Financial Services and Corporate. For further information please refer to Note 5 of our condensed consolidated interim financial statements.

⁵⁾ 2008 figures as of December 31, 2008.

Executive Summary and Outlook

- Revenue increase of 5.2 %, driven by Life/Health and Asset Management
- 23.4 % operating profit growth to € 1,929 million
- Net income of € 1,323 million
- Solvency ratio of 164 %

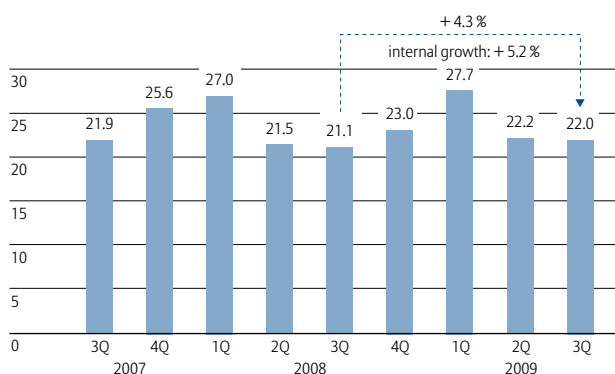
Allianz Group's Consolidated Results of Operations

In the third quarter 2009, we generated total revenues of € 22,020 million. On an internal basis¹⁾, growth amounted to 5.2 %. All business segments contributed positively to operating profit which increased by 23.4 % to € 1,929 million. At € 1,323 million, net income from continuing operations improved significantly. Since there are no further results from discontinued operations, total net income was also € 1,323 million.

Total revenues²⁾

Total revenues

in € bn



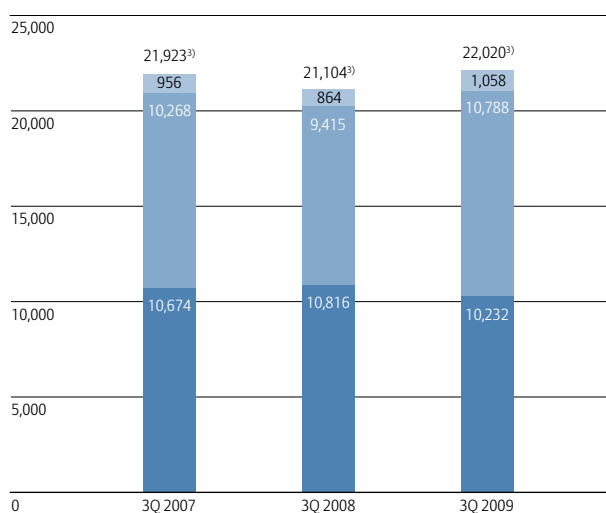
Our Life/Health business delivered the main growth impulse. Furthermore, the revenue development within the Financial Services segment improved, entirely driven by our Asset Management operations. In Property-Casualty premiums reduced compared to the third quarter of 2008.

¹⁾ Internal total revenue growth excludes the effects of foreign currency translation as well as acquisitions and disposals. Please refer to page 39 for a detailed reconciliation of nominal total revenue growth to internal total revenue growth for each of our segments and the Allianz Group as a whole.

²⁾ Total revenues comprise Property-Casualty segment's gross premiums written, Life/Health segment's statutory premiums and Financial Services segment's operating revenues.

Total revenues – Segments

in € mn



Property-Casualty
Life/Health
Financial Services

Gross premiums written from **Property-Casualty** insurance amounted to € 10,232 million. Adjusted for foreign currency and consolidation effects, revenues declined by 2.4 %. We achieved a positive price impact on revenues despite soft markets. However, our disciplined risk selection led to lower overall premium volumes.

Our **Life/Health** insurance operations benefited from continuing strong demand for products with minimum guarantees and participating components in the third quarter. Statutory premiums amounted to € 10,788 million. On an internal basis premiums increased by 13.5 %.

³⁾ Total revenues include € (58) mn, € 9 mn and € 25 mn from consolidation for 3Q 2009, 2008 and 2007, respectively.

In the **Financial Services** segment we profited from the recovery of the financial markets. Revenues amounted to € 1,058 million. Higher fee and commission income from the Asset Management business increased the segment's quarterly revenues by 14.0 % on an internal basis.

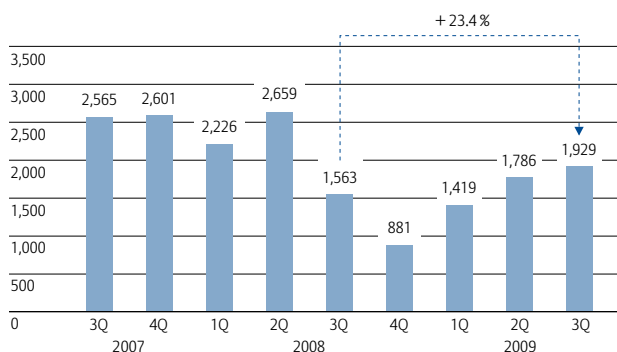
Reconciliation of nominal total revenue growth to internal total revenue growth

Three months ended September 30	Nominal growth	Changes in scope of consoli- dation	Foreign currency translation	Internal growth
	%	%	%	%
Property-Casualty	(5.4)	(2.6)	(0.4)	(2.4)
Life/Health	14.6	1.0	0.1	13.5
Financial Services	22.5	4.5	4.0	14.0
Allianz Group	4.3	(0.9)	0.0	5.2

Operating profit

Operating profit

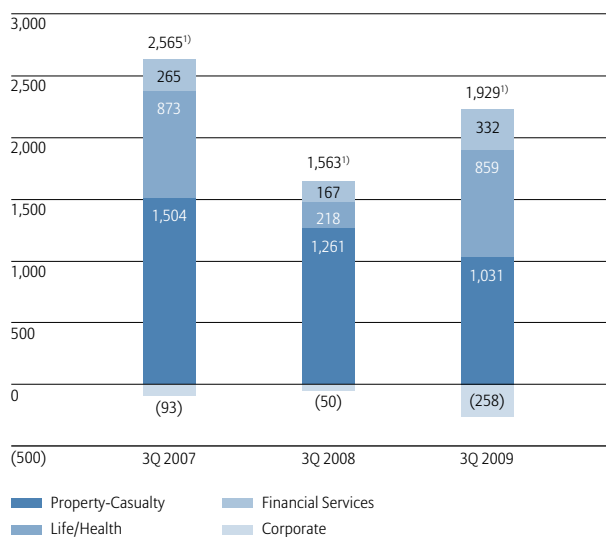
in € mn



In the quarter under review, operating profit of € 1,929 million was up 23.4 % compared to the third quarter 2008 and 8.0 % versus the second quarter 2009. Considerable profit increases in Life/Health and Financial Services outweighed a decline in operating profit from our Property-Casualty insurance. However, part of this improvement has to be seen as a recovery from the financial market crisis which hit us severely in the third quarter 2008.

Operating profit – Segments

in € mn



Operating profit from the **Property-Casualty** business dropped by 18.2 % to € 1,031 million in the third quarter mainly driven by lower interest and similar income.

In the third quarter, improved conditions on the capital markets increased the investment performance of our **Life/Health** segment which suffered heavily from the financial market crisis last year. Operating profit increased by € 641 million to € 859 million.

In our **Financial Services** segment we doubled operating profit to € 332 million on a quarter-over-quarter basis. Driven by higher management and performance fees and an increase in seed money profitability from our Asset Management business. In addition, we recorded strong inflows to assets under management and a top of the industry cost-income ratio of 59.2 %.

The aggregate operating loss from **Corporate** activities amounted to € 258 million. The additional loss of € 208 million compared to the third quarter 2008 was driven by a lower net interest result and a lower foreign currency result.

¹⁾ Operating profit includes € (35) mn, € (33) mn and € 16 mn from consolidation for 3Q 2009, 2008 and 2007, respectively.

Non-operating result

Non-operating items had a much smaller impact on our results in the third quarter of 2009 compared to the third quarter 2008. The non-operating loss was reduced from € 736 million to € 92 million. Realized gains decreased by 37.7 % to € 322 million as we had benefited from closed forward sales in the prior year's quarter. Lower net impairments, down by € 875 million to € 46 million following the capital market recovery, made by far the biggest contribution to the improved result.

Net income

Due to the completion of the sale of Dresdner Bank there are no further results from discontinued operations. Thus, we achieved net income for the third quarter 2009 of € 1,323 million compared to a net loss of € 2,023 million, stemming from the sale of Dresdner Bank, in the respective quarter of 2008. The effective tax rate was down by 2.9 percentage points to 27.1% mainly due to tax exempt income.

Earnings per share ¹⁾

in €



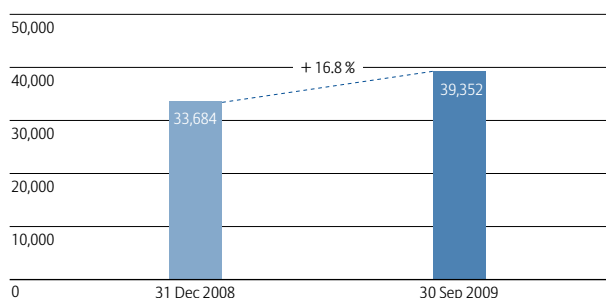
¹⁾ For further information please refer to Note 38 to our condensed consolidated interim financial statements.

Our net income translated into basic earnings per share of € 2.94 and diluted earnings per share of € 2.94 for the third quarter of 2009.

Shareholders' equity

Shareholders' equity ²⁾

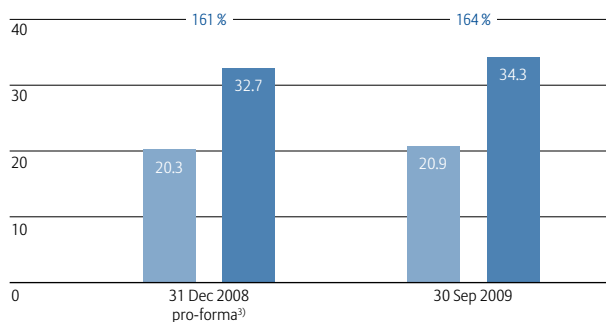
in € mn



Shareholders' equity amounted to € 39,352 million as of September 30, 2009, up 16.8 % compared to year-end 2008. Net income and unrealized gains increased our equity by € 3,221 million and € 4,054 million respectively. The dividend payment in the second quarter reduced equity by € 1,580 million.

Conglomerate solvency

in € bn



Solvency ratio
Requirement
Available Funds

²⁾ Does not include minority interests.

³⁾ Available funds and requirement as of December 31, 2008 including discontinued operations were adjusted to reflect the pro-forma view. For example, we removed hybrid capital related to Dresdner Bank from available funds and adjusted the deduction of goodwill and other intangible assets. Furthermore, we deleted the requirement of our discontinued operations.

As of September 30, 2009 our available funds for the solvency margin, required for our insurance segments and our banking and asset management business were € 34.3 billion including off-balance sheet reserves, surpassing the minimum legally stipulated level by € 13.4 billion. This margin resulted in a cover ratio of 164%¹⁾ at September 30, 2009. Our solvency position therefore remains strong.

2009 to 2008 nine months comparison

We recorded **revenues** of € 71,919 million for the first nine months of 2009, up € 2,331 million on the respective prior year period. Adjusted for foreign currency and consolidation effects, growth was 2.5 %. The growth contribution from Life/Health compensated for the decline from Property-Casualty and Financial Services.

Operating profit decreased by 20.4 % to € 5,134 million. The strong additional profit contribution from our Life/Health segment could not make up for the decreased operating profits from Property-Casualty and Financial Services.

The **non-operating loss** was down by 34.3 % to € 518 million. The developments were largely consistent with the those described for the third quarter. The significant decrease in impairments, down € 882 million, more than compensated for the € 446 million lower realized gains.

Net income at € 3,221 million exceeded the prior year's result by € 2,554 million. The net loss from discontinued operations of € 3,483 million severely burdened our result in the first nine months of 2008. In the first quarter of 2009, we recorded the final loss of € 395 million from discontinued operations.

¹⁾ During the fiscal year, conglomerate solvency is partially based on assumptions. The extent to which intangible assets related to certain private equity investments are to be deducted from our own funds for the purpose of the conglomerate solvency calculation has not yet been finally agreed by BaFin.

Total revenues and reconciliation of operating profit to net income

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Total revenues ¹⁾	22,020	21,104	71,919	69,588
Premiums earned (net)	14,873	14,802	44,030	44,123
Interest and similar income	4,506	4,519	13,720	14,402
Operating income from financial assets and liabilities carried at fair value through income (net)	242	(72)	762	(181)
Operating realized gains/losses (net)	569	79	1,393	1,076
Fee and commission income	1,533	1,435	4,295	4,495
Other income	8	23	27	389
Claims and insurance benefits incurred (net)	(11,245)	(11,305)	(34,129)	(33,406)
Change in reserves for insurance and investment contracts (net)	(2,648)	(1,439)	(5,953)	(4,750)
Interest expenses, excluding interest expenses from external debt	(137)	(220)	(440)	(694)
Loan loss provisions	(18)	(4)	(57)	(10)
Operating impairments of investments (net)	(236)	(1,681)	(1,645)	(3,741)
Investment expenses	(370)	325	(737)	(270)
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(4,595)	(4,360)	(14,563)	(13,324)
Fee and commission expenses	(562)	(541)	(1,605)	(1,684)
Operating restructuring charges	—	2	3	1
Other expenses	—	(9)	(2)	(10)
Reclassification of tax benefits	9	9	35	32
Operating profit	1,929	1,563	5,134	6,448
Non-operating income from financial assets and liabilities carried at fair value through income (net)	112	58	149	97
Non-operating realized gains/losses (net)	322	517	1,535	1,981
Income from fully consolidated private equity investments (net)	(34)	7	(191)	59
Interest expenses from external debt	(228)	(227)	(680)	(712)
Non-operating impairments of investments (net)	(46)	(921)	(942)	(1,824)
Acquisition-related expenses	(112)	(78)	(165)	(264)
Amortization of intangible assets	(37)	(6)	(52)	(14)
Non-operating restructuring charges	(60)	(77)	(137)	(79)
Reclassification of tax benefits	(9)	(9)	(35)	(32)
Non-operating items	(92)	(736)	(518)	(788)
Income from continuing operations before income taxes and minority interests in earnings	1,837	827	4,616	5,660
Income taxes	(498)	(248)	(966)	(1,329)
Minority interests in earnings	(16)	(34)	(34)	(181)
Net income from continuing operations	1,323	545	3,616	4,150
Net income (loss) from discontinued operations, net of income taxes and minority interests in earnings	—	(2,568)	(395)	(3,483)
Net income (loss)	1,323	(2,023)	3,221	667

¹⁾ Total revenues comprise Property-Casualty segment's gross premiums written, Life/Health segment's statutory premiums (including unit-linked and other investment-oriented products) and Financial Services segment's operating revenues.

Risk Management

Risk management is an integral part of our business processes and supports our value-based management. As our internal risk capital model provides management with information which allows for active asset-liability management and monitoring, we consider our risks to be well controlled and managed.

The information contained in the risk report in our 2008 Annual Report is still valid.

Events After the Balance Sheet Date

Allianz Life Insurance Company of North America (Allianz Life) receives favorable decision in Mooney lawsuit

On October 12, 2009, a federal jury in Minneapolis returned a verdict in favor of our subsidiary Allianz Life in regard to a class action lawsuit titled *Mooney v. Allianz Life Insurance Company*. Filed more than four years ago, the case involved allegations relating to the clarity of language in some of the marketing materials relating to Allianz Life's annuity products. The Court will hear post trial motions on December 2, 2009, and the parties will have the right to appeal thereafter.

Outlook

Economic Outlook

Developments in the third quarter of 2009 confirmed the signs of a gradual economic recovery seen in the first half of the year. Stock markets rose strongly – as in the second quarter – and corporate bond spreads narrowed.

However, the improvement in the economic situation in both the industrial countries and in the emerging markets does not alter the fact that the world economy experienced the deepest recession in post-war history following the drastic escalation of the financial crisis in the fall of 2008. The global economy will shrink by around 2.3 % this year and industrial country gross domestic product is set to decrease by 3.3 %.

Recovery yes, but subdued momentum in the medium term

Economic indicators, such as those on economic sentiment and the order situation in industry, signal dynamic development at least in the short term. However, there are a number of potential negative factors hanging over the medium and long-term horizon which could cloud the economic outlook as soon as next year and thus noticeably curb global growth momentum. For instance, the need for private household and public-sector budget consolidation in many countries may slow the momentum of global demand and thus also of global trade. And the impetus from the stimulus packages will also increasingly peter out in the course of 2010.

The challenges facing economic policy in the years ahead are enormous. High public sector deficits have to be reduced and excess liquidity absorbed in a timely fashion to curb the risk of inflation. On the international stage there needs to be a high degree of cooperation to enable a sustained recovery in world trade without triggering renewed large global imbalances.

Regional economic performance

The economy of the United States will shrink by 2.5 % in 2009, a relatively modest figure bearing in mind that the U.S. was at the center of the real estate and banking crisis. We put the drop in Japanese gross domestic product at 5.7 %. Although the Japanese economy itself has been relatively untouched by the financial crisis, it has been badly hit by the slump in export demand. The same is true for Germany, where we expect economic activity to decline by 4.2 %.

The performance in the emerging markets is very uneven in 2009. Asia is set to be the sole region to record positive growth, with an increase of 4.2 %. China and India lead the way here. We estimate that output in the Eastern European countries will decrease by 6.2 %, the steepest decline of all emerging-market regions. This is due to the sizeable imbalances built up over recent years, for example in the form of substantial current account deficits and high foreign currency liabilities of the private sector. Latin America is not escaping the downturn either, we expect economic activity to shrink by 3 % in 2009.

Financial markets

The stock markets have already factored in the economic recovery to a considerable extent. Phases of high volatility remain on the cards. Too many risks still exist – both on the financial markets and on banks' books as well as in the real economy. Given the surge in public-sector debt and expansionary monetary policy, bond yields could rise significantly. However, the situation on the financial markets at the end of the third quarter is significantly better than at the beginning of the year.

Environment for financial services providers remains challenging

The still difficult situation on capital markets is a negative factor for insurers. Furthermore, Property-Casualty as well as Life insurance face markedly weaker demand due to the economic downturn with rising business insolvencies and rising unemployment. Prices are moving upward only slowly – if at all – and only in specific areas of business.

However, the underlying long-term driver for Life/Health insurance remains intact: due to demographic change, social security systems financed on a pay-as-you-go basis are not sustainable. Against the background of rising state deficits caused by the multitude of state rescue packages to dampen the impact of the current financial crisis, social security reforms already adopted might prove to be too generous in the future. Private health care and old-age provision are going to become even more important.

Outlook for the Allianz Group

Our third quarter results show that Allianz is well positioned to take advantage of an improving economic and operating environment, and has a sound platform for delivering solid earnings in our core insurance and asset accumulation businesses.

Allianz is well capitalized with a solvency ratio of 164 %, which already reflects a notional dividend accrual for the nine months 2009 of € 1.4 billion. Our solvency ratio is solidly based on a high quality investment portfolio, conservative risk appetite and active risk management program. We expect the ratio to remain within our target range.

Frequent reference has been made in this report to the impacts of recession, the risks to the recovery of the global economy, and capital market volatility. In this environment, reliable statements about future profit levels are not possible. However the following observations in the business segments can be made:

Property-Casualty

In general we see premium rates slowly hardening as we and most of our competitors apply tariff increases. However while pricing is on an upward trend, our volumes remain challenged due to weaker demand, the effects of our portfolio cleaning measures and selective underwriting.

Our major operating entities in Germany, France, Italy and in Credit Insurance experienced a multitude of negative underwriting effects from the recession and weather-related claims this year which have had a material effect on the segment combined ratio. Management views some of these effects as exceptional and unlikely to become the norm. In Italy however, the negative impacts from the Bersani regulations will continue to impact our results.

Management is focusing attention on efforts to improve productivity in the Property-Casualty business. We expect to see some benefit in 2010 from these continued efforts, but the full impacts will be realized progressively over the next three years.

As mentioned above, financial markets made a continued strong recovery in the third quarter with stock markets rising. However, as long as markets are unstable and interest rates remain low, our operating investment income is going to be affected.

Life/Health

We continue to preserve and leverage the strong fundamentals in our Life/Health operations: revenue growth at good margins, a growing asset base, and strong underlying profitability. The ongoing positive developments in the capital markets and the gradual economic recovery in the third quarter supported a strong growth in Life/Health revenues at good margins. This was reflected in increased demand for investment products with underlying guarantees or investment participation.

The narrowing of credit spreads and the recovery of the equity markets in the third quarter led to a catch-up effect in segment operating profit amounting to some € 0.1 billion after policyholder participation. We view this as non-recurring. The product re-design and re-pricing actions taken in the U. S. are resulting in a balanced and sustainable risk profile in that business, but these may have a negative impact on future growth.

The business development and results in this segment will continue to be closely linked to capital market conditions and interest rate movements.

Financial Services

In Financial Services, operating profit in our Asset Management business almost doubled, third-party assets under management grew substantially and the cost-income ratio fell below 60 %. The equities business returned to profit but will remain challenged in current market conditions, while the fixed-income business is performing extremely good and is well positioned to deliver outstanding results.

Disclaimer

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

Cautionary note regarding forward-looking statements

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Allianz Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changing levels of competition, (x) changes in laws and regulations, including monetary convergence and the European Monetary Union, (xi) changes in the policies of central banks and/or foreign governments, (xii) the impact of acquisitions, including related integration issues, (xiii) reorganization measures, and (xiv) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences. The matters discussed herein may also be affected by risks and uncertainties described from time to time in Allianz SE's filings with the U.S. Securities and Exchange Commission. The company assumes no obligation to update any forward-looking statement.

Property-Casualty Insurance Operations

- Gross premiums written of € 10,232 million
- Operating Profit of € 1,031 million
- Combined Ratio of 96.9%

Earnings Summary

Gross premiums written ¹⁾

Markets remained soft and we have reinforced strict risk selection processes. Thus, despite a positive price effect of 1.0%, overall gross premiums written were down by 2.4% on an internal basis. This development was mainly driven by lower volume due to selective underwriting and recession-driven impacts. These volume effects impacted mainly our credit insurance business (down by 24.8%) and our businesses in Germany (down by 4.8%), Italy (down by 4.7%) and France (down by 5.6%).

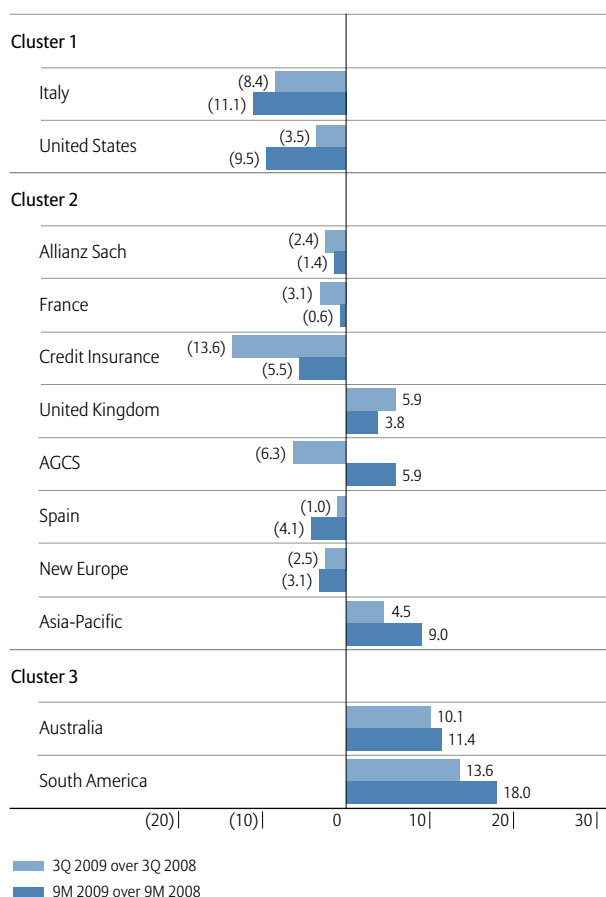
On a nominal basis, revenues declined 5.4% or € 584 million to € 10,232 million. The consolidation of our subsidiary in Turkey with a positive effect, the change in our Crop Insurance Program with a negative effect of € 324 million and an unfavorable foreign currency translation effect of € 47 million were the major drivers for the decline.

We analyse our property-casualty internal premium growth according to 'price' and 'volume'-effects. This produces the following combination of clusters:

- Cluster 1:** Price and volume effect both negative
- Cluster 2:** Price and volume effect, either of them is negative
- Cluster 3:** Price and volume effect both positive

The chart below shows the net internal growth rates of our business operations according to this analysis.

Gross premiums written – Internal growth rates in %



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

Cluster 1:

Revenues in **Italy** amounted to € 831 million. The internal decline in premiums was 8.4% and stemmed mainly from lower average premiums in motor business which continued to be impacted by the so called Bersani law. Our ongoing commitment to stick to our underwriting rules and active portfolio cleaning led to a decrease in volume. We estimate the negative price effect on premiums written to be 3.7%.

Based on internal growth, revenues in the **United States** declined by 3.5%. Premiums decreased mostly in our crop business, driven by lower commodity prices. Overall rates were still relatively low and the market remained soft. We estimate the negative price effect on premiums written to be 0.2%. On a nominal basis revenues declined by 22.6% to € 1,404 million. Due to changes in our Crop Insurance Program a proportion of the gross business that previously passed-through our books is now being passed directly from the scheme administrator to third parties. The effect on our net premiums is zero. This, together with the internal transfer of marine business to AGCS, led to the significantly lower nominal growth rate on gross premiums written.

Cluster 2:

Gross premiums written at **Allianz Sach** in Germany stood at € 1,904 million and thus decreased by 2.4%. This decline was driven by a reduction of volume, mainly relating to our motor business and was a result of continued portfolio cleaning, particularly in non-profitable fleet business. Rising prices in our non-motor business, mainly in accident, liability and property business, outweighed the price decline in our motor business. We estimate the positive overall price effect to be 3.2%.

Revenues in **France** of € 892 million were down by 3.1%. We increased prices in almost all business lines due to unsatisfactory profitability. The estimated positive price effect on premiums written was 2.4%. In a competitive market environment, we accepted the loss of some volume, which mainly affected non-motor lines.

In our **credit insurance** business premiums declined by 13.6% to € 380 million. The volume went down by 24.8% or € 109.2 million following the actively managed and intended drastic reduction of our exposure in high risk classes and the lower business turnover of our customers. At the same time, we increased prices on average by 14.1%.

Revenues in the **United Kingdom** were down to € 427 million. On an internal basis, excluding a negative foreign currency impact of € 42 million caused by a weaker Great Britain Pound, premiums went up by 5.9%. A decline in volume was mainly driven by personal lines and resulted from active portfolio cleaning to improve our profitability. Rates increased strongly in commercial and personal lines. We estimate the positive price effect to be 13.1%.

At **AGCS** premiums amounted to € 862 million. On an internal basis we recorded a decline of 6.3%. The decrease stemmed from volume reduction in property and energy business. Increased prices came through our energy, aviation and financial lines of business. On a nominal basis revenues increased by 10.1% mainly due to the aforementioned transfer of our marine business from the United States to AGCS.

In **Spain**, revenues declined to € 494 million and thus decreased by 1.0%. We recorded higher volume due to an increase in the number of policies and customers. Prices decreased especially due to tough competition in motor and commercial lines in an overall soft market environment. Despite the negative price impact – we estimate it to be around 5.3% – our Spanish operation is one of our most profitable businesses.

In **New Europe**, gross premiums written decreased to € 635 million, which contained a negative foreign currency translation impact of € 93 million. On an internal basis this decline was 2.5% as the highly competitive market environment put some pressure on our prices. This led to reduced premium levels especially in our renewed business. The estimated negative price effect on premiums written was 6.5%.

In **Asia-Pacific**, revenues amounted to € 121 million. Internal growth was 4.5%. Growth was mainly driven by higher volume in the motor business, which mainly stemmed from our Malaysian operations.

Cluster 3:

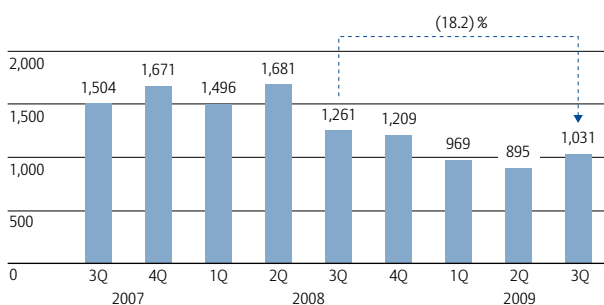
Gross premiums written in **Australia** increased to € 452 million. Internal growth was 10.1%. The increase was mainly a result of significant price increases which were implemented starting in mid-2008, and accounted for an estimated positive price effect of 5.6%. Volume grew strongly, too, mainly driven by motor and household.

In **South America**, revenues were up to € 306 million. Internal growth was 13.6%. All countries showed a positive development. In Brazil we continued to benefit from better penetration in regions outside the major metropolitan areas. There, motor, fire and engineering insurance lines contributed most to the increase.

Operating profit

Operating profit

in € mn



Our operating profit amounted to € 1,031 million, which is the best quarterly result this year. However, compared to previous year it is down by 18.2%. This development was mainly driven by a decline of net investment income of € 206 million and a € 64 million lower underwriting result.

Our **combined ratio** increased by 0.4 percentage points to 96.9%. A higher accident year loss ratio up 0.6 percentage points to 72.1% and a higher expense ratio up 0.2 percentage points to 26.7% contributed to this development. Run-off ratio stood at 1.9%.

Compared to the second quarter, our combined ratio showed a positive development in both components, expense and loss ratio. Our accident year loss ratio improved by 0.6 percentage points.

Compared to the previous year, the **accident year loss ratio** of 72.1% was higher by 0.6 percentage points. Losses from natural catastrophes accounted for 1.6% (3Q 08: 1.5%), including the two hailstorms in Germany and the windstorm 'Brigitta' in Austria. Therefore, the accident year loss ratio excluding natural catastrophes increased by 0.5 percentage points, mainly attributable to our business operations in Germany, Italy, France as well as our credit insurance business. Higher prices had an offsetting effect making up for 0.7 percentage points.

Acquisition and administrative expenses decreased by 0.6% to € 2,606 million and therefore remained largely unchanged. The **expense ratio** increased by 0.2 percentage points to 26.7%.

Administrative expenses grew slightly by 0.9% to € 779 million. We recorded higher expenses of € 7 million, mainly driven by higher investments as well as higher salaries. However, a reclassification of administrative expenses to acquisition expenses and reserve releases in the United States for post-retirement subsidies had a positive effect on administrative expenses.

Overall, acquisition expenses stayed largely flat with a decrease of 1.3% to € 1,827 million.

Operating net investment income

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Interest and similar income	865	1,049	2,730	3,431
Operating income from financial assets and liabilities carried at fair value through income (net)	69	(31)	107	(2)
Operating realized gains/losses (net)	35	(20)	51	38
Operating impairments of investments (net)	(4)	(129)	(70)	(294)
Investment expenses	(103)	53	(209)	(149)
Changes in reserves for insurance and investment contracts (premium refunds)	(51)	95	(105)	133
Operating net investment income	811	1,017	2,504	3,157

Net investment income decreased by € 206 million or 20.3% to € 811 million. **Interest and similar income** declined by € 184 million to € 865 million primarily driven by the lower interest rate environment resulting in reduced yields on our fixed-income investments. Debt yields in the market declined by 100 basis points, whereas on average our yield on debt and cash securities declined by only 25 basis points due to our longer asset duration. The prior year's income was positively impacted (approximately € 30 million) by a technical effect from our cash pool in France, where we recorded higher cash assets as well as higher cash liabilities resulting in higher investment income and interest expenses than in the current period. **Investment expenses** increased by € 156 million to € 103 million. This is driven by a foreign exchange loss of € 36 million in the current quarter compared to a € 108 million gain in the prior year quarter. In contrast **operating impairments of investments (net)** were down by € 125 million to € 4 million. This recovery has to be seen in light of the financial market crisis which affected us strongly in the third quarter 2008.

2009 to 2008 nine months comparison

Gross premiums written decreased on an internal basis by 1.4%. Thereof 2.1% resulted from a reduction in volume whereas the price effect was positive with 0.6%. On a nominal basis, revenues were down by 2.1%. Changes in the scope of Consolidation impacted revenue development negatively by 0.2% and were mainly attributable to the change in our Crop Insurance Program as previously described. Currency translation also had a negative impact of 0.5%.

Operating profit declined by 34.8% to € 2,895 million. This development was mainly driven by a lower underwriting result, down by € 807 million to € 374 million, and lower operating net investment income down by € 653 million to € 2,504 million.

Our **combined ratio** was up by 3.0 percentage points to 98.2%. We observed significant effects, which we consider to be temporary, like the recession-driven claims and topline reductions which especially hit our credit insurance business and a large number of weather-related losses. Our operations in Germany, France and Italy were adversely challenged by all of these. Our remaining portfolios delivered a strong combined ratio of 95% which is in line with previous years.

The expense ratio increased by 0.7 percentage points to 27.6%.

Property-Casualty segment information

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Gross premiums written¹⁾	10,232	10,816	33,640	34,368
Ceded premiums written	(1,368)	(1,771)	(3,723)	(4,171)
Change in unearned premiums	888	867	(1,468)	(1,664)
Premiums earned (net)	9,752	9,912	28,449	28,533
Interest and similar income	865	1,049	2,730	3,431
Operating income from financial assets and liabilities carried at fair value through income (net)	69	(31)	107	(2)
Operating realized gains/losses (net)	35	(20)	51	38
Fee and commission income	245	292	787	852
Other income	5	—	13	257
Operating revenues	10,971	11,202	32,137	33,109
Claims and insurance benefits incurred (net)	(6,846)	(6,941)	(20,087)	(19,489)
Changes in reserves for insurance and investment contracts (net)	(130)	32	(255)	(67)
Interest expenses	(20)	(69)	(80)	(248)
Loan loss provisions	(2)	(1)	(10)	(2)
Operating impairments of investments (net)	(4)	(129)	(70)	(294)
Investment expenses	(103)	53	(209)	(149)
Acquisition and administrative expenses (net)	(2,606)	(2,623)	(7,838)	(7,663)
Fee and commission expenses	(229)	(261)	(692)	(757)
Other expenses	—	(2)	(1)	(2)
Operating expenses	(9,940)	(9,941)	(29,242)	(28,671)
Operating profit	1,031	1,261	2,895	4,438
Loss ratio ²⁾ in %	70.2	70.0	70.6	68.3
Expense ratio ³⁾ in %	26.7	26.5	27.6	26.9
Combined ratio⁴⁾ in %	96.9	96.5	98.2	95.2

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

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

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

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

Property-Casualty Operations by Business Divisions

Three months ended September 30,	Gross premiums written				Premiums earned (net)		Operating profit		Combined ratio		Loss ratio		Expense ratio	
	2009 € mn	2008 € mn	internal ¹⁾		2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 %	2008 %	2009 %	2008 %	2009 %	2008 %
			2009 € mn	2008 € mn										
Germany	1,904	1,950	1,904	1,950	1,825	1,861	141	373	100.0 ²⁾	90.2	72.3 ²⁾	64.0	27.7	26.2
Switzerland	253	246	238	245	310	295	26	38	97.1	93.9	74.9	70.8	22.2	23.1
Austria	186	195	186	195	186	196	18	25	97.9	92.3	71.3	66.4	26.6	25.9
German Speaking Countries	2,343	2,391	2,328	2,390	2,321	2,352	185	436	99.4	90.9	72.6	65.0	26.8	25.9
Italy	831	922	831	907	1,024	1,148	98	140	99.0	98.5	75.2	75.2	23.8	23.3
Spain	494	499	494	499	457	472	67	71	91.3	91.3	70.9	71.3	20.4	20.0
South America	306	287	326	287	217	208	18	21	97.2	99.4	66.3	66.1	30.9	33.3
Portugal	70	71	70	71	60	62	9	10	92.5	90.0	65.9	65.2	26.6	24.8
Turkey ³⁾	88	78	68	78	70	60	10	6	98.0	101.6	73.0	79.9	25.0	21.7
Greece	23	19	23	19	16	15	3	1	91.2	95.0	61.8	60.6	29.4	34.4
Europe I incl. South America	1,812	1,876	1,812	1,861	1,844	1,965	205	249	96.6	96.6	72.6	73.0	24.0	23.6
France	892	921	892	921	809	829	91	86	100.6	95.4	75.4	70.1	25.2	25.3
Credit Insurance	380	440	380	440	263	342	8	48	106.4	98.5	77.4	72.1	29.0	26.4
Travel Insurance and Assistance Services	348	324	348	324	365	319	32	26	92.5	96.8	56.2	61.7	36.3	35.1
Netherlands	211	203	211	203	206	200	18	13	97.2	100.3	67.6	70.3	29.6	30.0
Belgium	88	83	88	83	67	66	10	13	97.5	90.6	61.7	52.1	35.8	38.5
Africa	13	6	13	6	11	8	2	2	98.5	118.6	41.2	68.2	57.3	50.4
Europe II incl. Africa	1,932	1,977	1,932	1,977	1,721	1,764	172⁴⁾	196⁴⁾	99.0	96.8	69.7	68.4	29.3	28.4
United States ⁵⁾	1,404	1,813	1,334	1,383 ⁶⁾	924	988	131	(84)	95.0	116.1	73.9	94.2	21.1	21.9
Mexico	48	48	59	48	19	23	4	5	87.9	96.8	64.1	72.8	23.8	24.0
NAFTA	1,452	1,861	1,393	1,431	943	1,011	135	(79)	94.8	115.7	73.7	93.8	21.1	21.9
Reinsurance PC	759	861	818	854	756	723	34	128	95.7	88.9	70.9	61.2	24.8	27.7
Allianz Global Corporate & Specialty ⁵⁾	862	783	848	905	648	518	103	81	93.6	98.4	69.7	73.0	23.9	25.4
United Kingdom	427	443	469	443	416	444	98	60	83.6	94.8	50.2	61.0	33.4	33.8
Australia	452	416	458	416	314	299	49	66	98.3	100.2	73.8	75.2	24.5	25.0
Ireland	153	169	153	169	141	150	5	19	104.0	98.9	79.5	73.7	24.5	25.2
ART	201	89	169	89	42	16	12	16	76.4	70.3	17.8	65.8	58.6	4.5
Anglo Broker Markets/ Global Lines	4,306	4,622	4,308	4,307	3,260	3,161	436	291	93.8	101.2	68.8	75.4	25.0	25.8
Russia/CIS ⁷⁾	159	200	191	200	137	178	2	20	102.1	98.8	61.3	55.1	40.8	43.7
Hungary	118	141	136	141	109	129	1	27	107.5	87.9	74.5	55.5	33.0	32.4
Poland	98	126	124	126	76	93	4	12	97.2	96.1	66.9	57.7	30.3	38.4
Romania	65	85	77	85	35	36	2	2	100.6	101.4	81.7	75.7	18.9	25.7
Slovakia	85	83	85	83	77	77	16	20	83.5	84.8	49.5	51.1	34.0	33.7
Czech Republic	66	66	71	66	56	48	12	16	79.1	71.4	50.6	62.7	28.5	8.7
Bulgaria	24	24	24	24	20	21	7	4	70.1	83.0	45.4	56.1	24.7	26.9
Croatia	20	22	20	22	19	21	3	1	96.3	99.9	59.3	66.3	37.0	33.6
New Europe⁸⁾	635	747	728	747	529	603	41	97	96.2	91.8	62.7	57.4	33.5	34.4
Asia-Pacific (excl. Australia)	121	112	117	112	63	57	9	7	92.0	94.7	60.0	66.5	32.0	28.2
Middle East	18	15	17	15	9	7	—	—	142.8	136.3	78.4	65.9	64.4	70.4
Growth Markets	774	874	862	874	601	667	50	104	96.3	92.5	62.6	58.2	33.7	34.3
Consolidation ⁹⁾	(935)	(924)	(1,003)	(919)	5	3	(17)	(15)	—	—	—	—	—	—
Total	10,232	10,816	10,239	10,490	9,752	9,912	1,031	1,261	96.9	96.5	70.2	70.0	26.7	26.5

¹⁾ Reflect gross premiums written adjusted for foreign currency translation and (de-)consolidation effects.

²⁾ Net change of reserves related to savings component of UBR-business now included in claims (claims reduction of € 35 mn for 9M 2009 included in 3Q 2009). Prior periods have not been retrospectively adjusted.

³⁾ Effective July 21, 2008, Koç Allianz Sigorta AS was consolidated following the acquisition of approximately 47.1% of the shares in Koç Allianz Sigorta AS by the Allianz Group, increasing our holding to approximately 84.2%.

Nine months ended September 30,	Gross premiums written				Premiums earned (net)		Operating profit		Combined ratio		Loss ratio		Expense ratio	
	2009 € mn	2008 € mn	internal ¹⁾		2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 %	2008 %	2009 %	2008 %	2009 %	2008 %
			2009 € mn	2008 € mn										
Germany	7,620	7,731	7,620	7,731	5,423	5,493	473	1,066	100.4 ²⁾	96.1	72.4 ²⁾	69.9	28.0	26.2
Switzerland	1,212	1,145	1,136	1,138	962	893	110	115	94.0	93.0	71.7	70.0	22.3	23.0
Austria	723	734	723	734	536	555	56	72	96.2	94.1	71.3	69.7	24.9	24.4
German Speaking Countries	9,555	9,610	9,479	9,603	6,921	6,941	639	1,253	99.2	95.5	72.2	69.9	27.0	25.6
Italy	2,918	3,328	2,918	3,284	3,141	3,476	303	607	99.6	95.1	75.3	71.4	24.3	23.7
Spain	1,644	1,715	1,644	1,715	1,356	1,403	217	214	90.1	90.8	69.8	70.6	20.3	20.2
South America	829	768	906	768	600	576	49	59	99.0	98.3	66.3	64.8	32.7	33.5
Portugal	217	228	217	228	179	185	30	31	91.4	90.6	65.5	64.4	25.9	26.2
Turkey ³⁾	315	78	68	78	197	60	12	6	106.2	101.6	80.3	79.9	25.9	21.7
Greece	71	61	71	61	45	41	9	6	89.4	91.8	58.9	59.4	30.5	32.4
Europe I incl. South America	5,994	6,178	5,824	6,134	5,518	5,741	620	923	97.1	94.3	72.7	70.3	24.4	24.0
France	3,137	3,157	3,137	3,157	2,401	2,468	55	260	106.0	97.1	79.1	70.5	26.9	26.6
Credit Insurance	1,332	1,409	1,332	1,409	866	1,017	(16)	237	113.5	92.0	85.1	65.2	28.4	26.8
Travel Insurance and Assistance Services	1,044	957	1,044	957	987	902	72	85	96.0	93.2	59.2	57.8	36.8	35.4
Netherlands	737	723	737	723	603	596	45	56	98.8	97.4	68.6	66.7	30.2	30.7
Belgium	277	267	277	267	198	196	33	36	96.5	94.9	60.8	56.5	35.7	38.4
Africa	57	50	57	50	29	26	5	6	96.1	91.0	52.3	54.3	43.8	36.7
Europe II incl. Africa	6,584	6,563	6,584	6,563	5,084	5,205	213⁴⁾	702⁴⁾	104.1	95.5	74.1	66.4	30.0	29.1
United States ⁵⁾	2,978	3,646	2,706	2,989 ⁶⁾	2,388	2,416	321	150	97.5	103.2	69.0	77.0	28.5	26.2
Mexico	148	159	172	159	59	63	9	10	90.1	93.7	65.6	68.6	24.5	25.1
NAFTA	3,126	3,805	2,878	3,148	2,447	2,479	330	160	97.3	102.9	68.9	76.7	28.4	26.2
Reinsurance PC	3,053	2,829	3,094	2,810	2,308	2,101	149	367	97.4	88.3	71.1	62.8	26.3	25.5
Allianz Global Corporate & Specialty ⁵⁾	2,736	2,283	2,736	2,583	1,752	1,373	375	283	89.6	93.4	65.8	68.0	23.8	25.4
United Kingdom	1,351	1,477	1,533	1,477	1,206	1,347	196	182	91.0	95.4	57.7	61.5	33.3	33.9
Australia	1,190	1,158	1,290	1,158	858	909	149	203	97.4	98.1	72.6	73.5	24.8	24.6
Ireland	496	531	496	531	428	446	—	78	108.9	94.4	82.3	68.4	26.6	26.0
ART	356	231	280	231	136	53	39	35	89.9	68.2	42.4	49.2	47.5	19.0
Anglo Broker Markets/ Global Lines	12,308	12,314	12,307	11,938	9,135	8,708	1,238	1,308	95.5	95.5	68.0	68.7	27.5	26.8
Russia/CIS ⁷⁾	532	686	637	686	408	522	18	22	98.7	102.3	56.7	60.3	42.0	42.0
Hungary	362	442	414	442	314	360	38	57	97.3	94.1	67.9	62.7	29.4	31.4
Poland	278	353	355	353	217	252	11	36	99.3	91.5	64.8	58.8	34.5	32.7
Romania	213	261	248	261	107	106	3	6	101.8	103.8	78.8	78.4	23.0	25.4
Slovakia	288	271	288	271	232	220	58	77	79.2	73.9	49.4	44.8	29.8	29.1
Czech Republic	206	215	222	215	162	155	33	35	80.5	81.5	56.9	63.5	23.6	18.0
Bulgaria	70	77	70	77	53	57	12	9	81.8	87.8	50.5	55.5	31.3	32.3
Croatia	69	73	70	73	58	58	5	4	99.8	98.0	62.8	64.5	37.0	33.5
New Europe⁸⁾	2,018	2,378	2,304	2,378	1,551	1,730	162	226	93.5	93.3	60.6	60.0	32.9	33.3
Asia-Pacific (excl. Australia)	372	324	353	324	189	163	20	15	96.5	97.6	62.0	62.9	34.5	34.7
Middle East	53	41	48	41	26	18	2	1	138.9	125.9	72.0	65.1	66.9	60.8
Growth Markets	2,443	2,743	2,705	2,743	1,766	1,911	184	242	94.5	94.0	60.9	60.3	33.6	33.7
Consolidation ⁹⁾	(3,244)	(3,040)	(3,399)	(3,022)	25	27	1	10	—	—	—	—	—	—
Total	33,640	34,368	33,500	33,959	28,449	28,533	2,895	4,438	98.2	95.2	70.6	68.3	27.6	26.9

⁴⁾ Contains € 11 mn and € 17 mn for 9M 2009 and 9M 2008, respectively, from a former operating entity located in Luxembourg (€ 4 mn and € 6 mn for 3Q 2009 and 3Q 2008, respectively) and also € 8 mn and € 5 mn for 9M 2009 and 9M 2008, respectively, from AGF UK (€ 7 mn and € 2 mn for 3Q 2009 and 3Q 2008, respectively).

⁵⁾ In the beginning of 2009 the marine business of the United States was transferred to Allianz Global Corporate & Specialty.

⁶⁾ We adjusted our internal growth figure for 2008 for the change in our Crop Insurance Programm with an impact of € 402 mn in 9M 2008 (€ 324 mn in 3Q 2008).

⁷⁾ Contains operations in Kazakhstan and Ukraine.

⁸⁾ Contains income and expense items from a management holding.

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

Life/Health Insurance Operations

- Revenues grew by 13.5%.
- Operating profit of € 859 million.
- Very strong investment results as equity markets recovered and credit spreads narrowed.

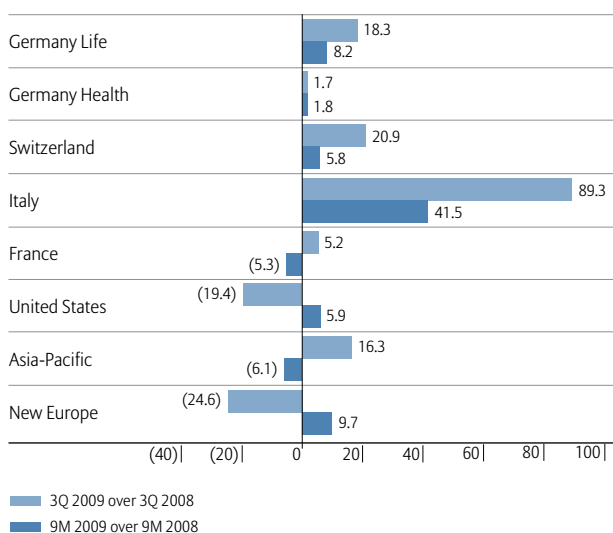
Earnings Summary

Statutory premiums¹⁾

Our statutory premiums grew by 13.5% on an internal basis due to continued strong demand for our products with minimum guarantees and participating components. Last year's third quarter was dominated by the financial crisis, which significantly affected consumer sentiment for investment products in general. As the markets stabilized, we capitalized on strengthened consumer confidence in life insurance contracts in our major markets. On a nominal basis, revenues grew by 14.6% to € 10,788 million.

Statutory premiums – Internal growth rates

in %



Premiums in our **German** life business grew by 18.3% to € 3,327 million. Growth was mainly driven by the continued high demand for single premium investment products from private and commercial customers. In addition, sales of our recurring premium traditional products recovered slightly. The German health business recorded a small but stable revenue growth.

In **Switzerland** premiums reached € 209 million. The internal growth rate amounted to 20.9%. This development was driven by single premiums of traditional life products with minimum guarantees.

In order to gain market share and respond to changing consumer demand, our Italian bank assurance channel has increased its share of products with minimum guarantees and participating components. Premiums in **Italy** were up by 89.3% to € 1,647 million, surpassing pre-crisis levels. The increase in products with guarantees compensated the continued low demand for pure unit-linked business with equity participation as consumers remained risk averse.

Premiums also increased in **France** by 5.2% to € 1,653 million due to strong sales of single premiums from traditional life as well as investment-oriented products. Persistent consumer risk aversion kept the demand for pure unit-linked products at a low level.

In the **United States** we have made significant changes in our product portfolio to improve the product profitability. Following the suspension of our variable annuity living benefit riders earlier in the year, our premiums declined to € 1,242 million. On an internal basis the decline amounted to 19.4%. The redesigned product was launched successfully in the variable annuity market in August. Our sales of fixed index and fixed annuity products continued to grow.

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

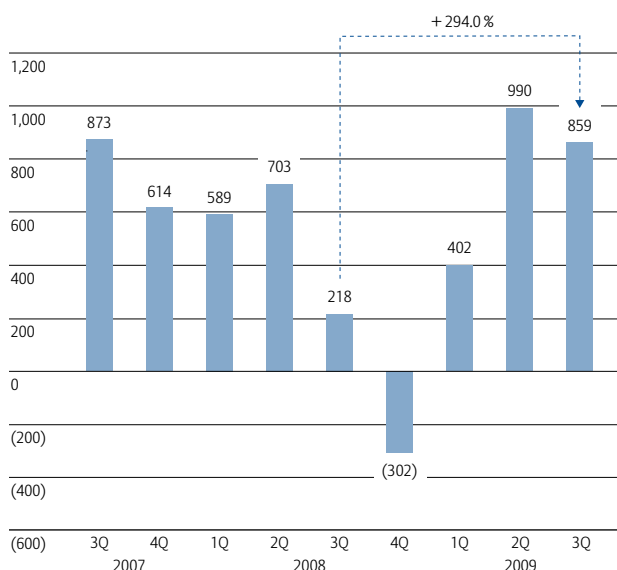
Our business in **Asia-Pacific** achieved premiums of € 985 million. Internal growth was 16.3%. This development was mainly driven by an increase of 81.3% or € 157 million in Taiwan where consumer confidence returned in line with the stock market recovery.

Business in **New Europe** was still impacted by recession. As lower disposable income decreased customer demand for savings products, premiums were down to € 222 million. On an internal basis this represented a decline of 24.6%.

Operating profit

Operating profit

in € mn



Operating profit increased from € 218 million to € 859 million on a quarterly basis. This strong development was driven by a robust investment result as capital markets improved and impairments reduced significantly.

Interest and similar income amounted to € 3,565 million, equating to a quarterly yield of 1.2%¹⁾. We recorded an increase of € 246 million mainly due to a growing debt portfolio, which outweighed negative effects from lower interest rates.

¹⁾ On debt securities including cash components, based on an average asset base of € 276.9 bn.

Net gain from financial assets and liabilities carried at fair value through income increased significantly to € 159 million. Recovering equity markets as well as decreasing interest rates and further narrowing of credit spreads showed positive results in fair value. Positive contributions from assets accounted for under fair value option and trading, mainly in France and the U.S., impacted the operating profit positively with estimated € 150 million after policyholder participation.

Investment expenses stood at € 271 million. Thereof € 120 million corresponded to economically hedged currency losses.

Improved market conditions allowed for **net realized gains**. Those increased by € 444 million to € 544 million as our sale activity was back to normal levels as seen in a more stable environment.

Net impairments on investments decreased significantly by € 1,321 million to € 232 million. Last year's high impairments, especially in Germany and France, were not repeated this quarter as financial markets rebounded. Remaining impairments mostly resulted from private equity investments and – to a much lesser extent – debt securities and real estate.

Changes in reserves for insurance and investment contracts (net) amounted to € 2,534 million, € 1,071 million higher than in the third quarter 2008. This was driven by an increase of reserves for premium refunds to policyholders as a consequence of higher investment income.

Net claims and insurance benefits incurred increased slightly by 0.8% to € 4,399 million.

Acquisition and administrative expenses (net) amounted to € 1,128 million, up by 21.0%. Thereof, administrative expenses declined by 15.8% whereas acquisition costs increased by 48.6%, mainly driven by higher amortization of deferred acquisition costs at Allianz Life in the U.S. as gross margins improved.

Our **cost-income ratio** improved by 4.0 percentage points to 94.1% due to better investment performance compared to the premiums generated in the period.

2009 to 2008 first nine month comparison

In the first nine months of 2009 our **statutory premiums** grew by 9.5% or € 3,096 million on a nominal basis and 7.8% on an internal basis. Last year's development was affected by the financial markets crisis. Our premium growth in 2009 indicates a significant return of consumer confidence. This development is in line with the described effects for the third quarter.

Operating profit reached € 2,251 million in the first nine months of 2009. The increase amounted to 49.1% compared to the same period in 2008. In addition to the reversal of the negative trend in capital markets this result reflects our efforts to further reinforce the underlying profitability of our life/health business. Line item movements were largely consistent with the developments in the third quarter.

Life/Health segment information

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Statutory premiums¹⁾	10,788	9,415	35,567	32,471
Ceded premiums written	(135)	(172)	(405)	(439)
Change in unearned premiums	(3)	(34)	(56)	(100)
Statutory premiums (net)	10,650	9,209	35,106	31,932
Deposits from SFAS 97 insurance and investment contracts	(5,529)	(4,319)	(19,525)	(16,342)
Premiums earned (net)	5,121	4,890	15,581	15,590
Interest and similar income	3,565	3,319	10,508	10,333
Operating income from financial assets and liabilities carried at fair value through income (net)	159	62	543	(51)
Operating realized gains/losses (net)	544	100	1,354	1,022
Fee and commission income	115	90	356	429
Other income	6	25	15	140
Operating revenues	9,510	8,486	28,357	27,463
Claims and insurance benefits incurred (net)	(4,399)	(4,364)	(14,042)	(13,917)
Changes in reserves for insurance and investment contracts (net)	(2,534)	(1,463)	(5,574)	(4,655)
Interest expenses	(24)	(84)	(95)	(209)
Loan loss provisions	(3)	4	(17)	10
Operating impairments of investments (net)	(232)	(1,553)	(1,575)	(3,431)
Investment expenses	(271)	171	(442)	(239)
Acquisition and administrative expenses (net)	(1,128)	(932)	(4,188)	(3,333)
Fee and commission expenses	(60)	(43)	(176)	(173)
Operating restructuring charges	—	2	3	1
Other expenses	—	(6)	—	(7)
Operating expenses	(8,651)	(8,268)	(26,106)	(25,953)
Operating profit	859	218	2,251	1,510
Cost-income ratio²⁾ in %	94.1	98.1	95.1	96.2

¹⁾ For the Life/Health segment, total revenues are measured based upon statutory premiums. Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.

²⁾ Represents deposits from SFAS 97 insurance and investment contracts, claims and insurance benefits incurred (net), changes in reserves for insurance and investment contracts (net) and acquisition and administrative expenses (net) divided by statutory premiums (net), interest and similar income, operating income from financial assets and liabilities carried at fair value through income (net), operating realized gains/losses (net), fee and commission income, other income, interest expenses, loan loss provisions, operating impairments of investments (net), investment expenses, fee and commission expenses, operating restructuring charges and other expenses.

Life/Health Operations by Business Divisions

Three months ended September 30,	Statutory premiums ¹⁾				Premiums earned (net)		Operating profit		Cost-income ratio	
	2009 € mn	2008 € mn	internal ²⁾		2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 %	2008 %
			2009 € mn	2008 € mn						
Germany Life	3,327	2,812	3,327	2,812	2,284	2,192	176	92	96.5	97.7
Germany Health ³⁾	798	785	798	785	795	784	37	15	96.4	98.3
Switzerland	209	163	197	163	101	102	19	18	92.9	92.6
Austria	83	113	83	113	59	54	9	—	92.1	99.9
German Speaking Countries	4,417	3,873	4,405	3,873	3,239	3,132	241	125	96.2	97.6
Italy	1,647	870	1,647	870	139	162	71	62	96.3	94.3
Spain	146	138	146	138	66	67	27	17	87.5	92.2
Portugal	40	31	40	31	20	19	4	(1)	89.4	104.4
Greece	24	23	24	23	15	16	2	(1)	90.9	103.8
South America	11	14	11	14	10	13	1	3	90.7	82.1
Turkey ⁴⁾	19	8	17	18	9	8	4	3	88.8	85.5
Europe I incl. South America	1,887	1,084	1,885	1,094	259	285	109	83	95.2	94.0
France	1,653	1,572	1,653	1,572	679	628	229	66	90.4	95.7
Belgium	160	132	160	132	83	79	13	(22)	94.5	116.7
Netherlands	78	84	78	84	36	33	13	11	87.5	89.0
Luxembourg	34	17	34	17	6	6	—	1	98.7	96.4
Africa	10	7	10	7	4	6	1	—	93.5	93.3
Global Life	34	—	34	—	2	—	2	—	96.0	—
Europe II incl. Africa	1,969	1,812	1,969	1,812	810	752	258	56	90.9	96.9
United States	1,242	1,464	1,180	1,464	161	172	201	(75)	86.5	105.2
Mexico	12	12	15	12	8	8	1	1	94.0	91.0
NAFTA	1,254	1,476	1,195	1,476	169	180	202	(74)	86.6	105.0
AZ Reinsurance LH	84	48	84	48	80	48	3	2	96.8	96.4
Anglo Broker Markets/ Global Lines	1,338	1,524	1,279	1,524	249	228	205	(72)	87.3	104.7
South Korea	362	388	400	388	162	159	16	32	96.6	92.9
Taiwan	350	193	350	193	36	32	4	3	98.8	98.6
Malaysia	50	39	50	39	46	29	4	1	92.6	95.3
Indonesia	66	40	68	40	24	18	5	3	90.7	92.2
Other	157	146	69	146	111	79	(11)	(27)	105.5	118.1
Asia-Pacific	985	806	937	806	379	317	18	12	98.3	98.6
Hungary	25	51	28	51	16	21	5	5	83.8	92.5
Slovakia	60	78	60	78	40	45	8	11	88.8	87.6
Czech Republic	23	19	24	19	13	10	2	(1)	95.5	105.8
Poland	89	155	113	155	67	56	5	4	96.3	97.4
Romania	5	9	6	9	4	4	1	1	89.8	88.1
Bulgaria	5	7	5	7	5	6	2	1	66.8	95.7
Croatia	11	11	11	11	10	10	—	—	95.4	101.1
Russia	4	4	5	4	4	4	(2)	(2)	158.5	177.7
New Europe	222	334	252	334	159	156	21	19	92.8	95.2
Middle East	26	24	25	24	26	20	3	2	87.5	83.2
Growth Markets	1,233	1,164	1,214	1,164	564	493	42	33	97.0	97.4
Consolidation ⁵⁾	(56)	(42)	(56)	(41)	—	—	4	(7)	—	—
Total	10,788	9,415	10,696	9,426	5,121	4,890	859	218	94.1	98.1

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

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

Nine months ended September 30,	Statutory premiums ¹⁾				Premiums earned (net)		Operating profit		Cost-income ratio	
	2009 € mn	2008 € mn	internal ²⁾		2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 %	2008 %
			2009 € mn	2008 € mn						
Germany Life	10,242	9,469	10,242	9,469	6,899	7,076	526	455	96.3	96.5
Germany Health ³⁾	2,381	2,338	2,381	2,338	2,379	2,337	83	75	97.2	97.4
Switzerland	1,163	1,031	1,091	1,031	457	381	57	52	95.7	95.6
Austria	331	360	331	360	210	204	19	14	95.1	96.6
German Speaking Countries	14,117	13,198	14,045	13,198	9,945	9,998	685	596	96.4	96.6
Italy	5,835	4,124	5,835	4,124	513	608	166	189	97.5	96.1
Spain	605	555	605	555	286	298	80	73	89.9	90.2
Portugal	109	87	109	87	60	57	13	7	89.0	92.2
Greece	84	78	84	78	48	51	3	2	95.6	96.9
South America	31	53	33	53	26	48	6	10	86.0	84.4
Turkey ⁴⁾	62	8	17	18	27	8	7	3	92.9	85.5
Europe I incl. South America	6,726	4,905	6,683	4,915	960	1,070	275	284	96.4	95.1
France	5,183	5,474	5,183	5,474	2,136	1,962	587	366	91.4	94.1
Belgium	494	520	494	520	245	244	44	29	93.8	95.6
Netherlands	271	281	271	281	117	99	28	32	91.5	90.2
Luxembourg	75	51	75	51	20	20	3	3	96.4	95.3
Africa	30	29	30	29	15	15	3	2	92.0	93.7
Global Life	126	—	126	—	3	—	2	—	98.8	—
Europe II incl. Africa	6,179	6,355	6,179	6,355	2,536	2,340	667	432	91.8	94.1
United States	5,002	4,204	4,450	4,204	501	600	509	80	92.2	98.3
Mexico	35	59	41	59	23	23	2	3	94.4	95.5
NAFTA	5,037	4,263	4,491	4,263	524	623	511	83	92.3	98.3
AZ Reinsurance LH	228	201	228	201	223	194	12	9	95.6	96.0
Anglo Broker Markets/ Global Lines	5,265	4,464	4,719	4,464	747	817	523	92	92.4	98.2
South Korea	1,000	1,253	1,165	1,253	473	555	51	88	95.8	93.9
Taiwan	1,070	875	1,029	875	77	82	10	4	99.1	99.5
Malaysia	129	101	127	101	117	84	9	5	93.4	94.7
Indonesia	147	134	152	134	62	40	13	8	90.1	94.0
Other	291	458	176	458	163	110	(38)	(55)	112.2	112.3
Asia-Pacific	2,637	2,821	2,649	2,821	892	871	45	50	98.4	98.4
Hungary	70	147	80	147	48	60	13	11	84.5	93.3
Slovakia	189	223	189	223	125	130	25	29	88.5	88.6
Czech Republic	87	68	94	68	37	41	6	3	93.9	95.3
Poland	310	276	402	276	151	137	11	7	96.9	97.5
Romania	18	24	21	24	11	11	2	2	91.1	92.9
Bulgaria	18	22	17	22	16	19	4	2	79.4	92.9
Croatia	32	41	33	41	30	30	2	2	94.0	94.6
Russia	12	12	56	12	12	11	(5)	(9)	136.2	179.9
New Europe	736	813	892	813	430	439	58	47	93.1	94.7
Middle East	74	65	68	65	71	55	(6)	7	107.2	88.2
Growth Markets	3,447	3,699	3,609	3,699	1,393	1,365	97	104	97.4	97.4
Consolidation ⁵⁾	(167)	(150)	(209)	(149)	—	—	4	2	—	—
Total	35,567	32,471	35,026	32,482	15,581	15,590	2,251	1,510	95.1	96.2

³⁾ Loss ratios were 73.9% and 71.0% for the three months ended September 30, 2009 and 2008, respectively, and 74.2% and 74.2% for the nine months ended September 30, 2009 and 2008, respectively.

⁴⁾ Effective July 21, 2008, Koç Allianz Hayat ve Emeklilik AS was consolidated following the acquisition of approximately 51% of the shares in Koç Allianz Hayat ve Emeklilik AS by the Allianz Group, increasing our holding to approximately 89%.

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

Financial Services

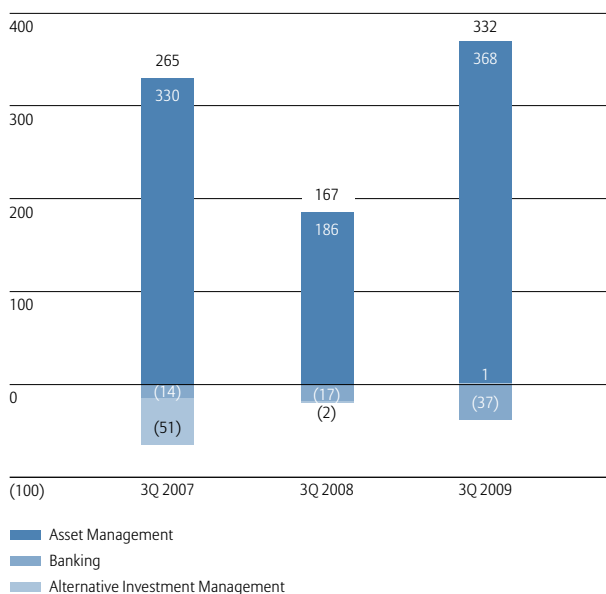
- Asset management’s operating profit almost doubled to € 368 million.
- Third-party assets under management reached € 878 billion.
- Net inflows of € 61 billion year-to-date.

Earnings Summary Financial Services¹⁾

In the third quarter the **operating revenues** of our Financial Services segment were 14.0% higher at € 985 million on an internal basis²⁾. This increase stemmed from the Asset Management business which by far offset the decline in the Banking business. Including foreign currency translation (€ 34 million) and consolidation effects (€ 39 million) operating revenues in the Financial Services Segment increased by 22.5% to € 1,058 million on a nominal basis.

The segment’s **operating profit** doubled to € 332 million. This includes set-up costs of € 24 million for the Allianz Bank in Germany.

Operating profit – Financial Services segment
in € mn



Earnings Summary Asset Management³⁾

Third-party assets under management

Total assets managed by our Asset Management operations as of September 30, 2009 were € 1,150 billion. Thereof € 878 billion related to third-party assets under management and € 272 billion to Allianz Group assets, with Group assets excluding assets for unit-linked contracts. The third-party asset base of € 878 billion as of September 30, 2009, was up

¹⁾ Following the completion of the sale of Dresdner Bank on January 12, 2009, Allianz has modified its segment structure and introduced a new Financial Services segment starting with the first quarter 2009. Under the roof of Financial Services we have grouped our activities from Asset Management, Banking and Alternative Investment Management.

²⁾ Internal total revenue growth excludes the effects of foreign currency translation as well as acquisitions and disposals. Please refer to page 39 for a reconciliation of nominal total revenue growth to internal total revenue growth for each of our segments and the Allianz Group as a whole.

³⁾ The results of operations of our Financial Services segment are predominantly represented by our Asset Management business, accounting for 85.2% (3Q 2008: 81.1%) and 110.8% (3Q 2008: 111.4%) of our total Financial Services segment’s operating revenues and operating profit in the third quarter of 2009, respectively. Accordingly, we discuss the results of our Asset Management business in the following section.

€ 175 billion compared to December 31, 2008. This development was a result of the recovery of capital markets (€ 90 billion) and high net inflows (€ 61 billion).

Operating revenues

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Management and loading fees	999	903	2,821	2,714
Performance fees	84	19	118	62
Other income	10	94	33	278
Fee and commission income	1,093	1,016	2,972	3,054
Commissions	(224)	(201)	(630)	(627)
Other expenses	(3)	(90)	(15)	(275)
Fee and commission expenses	(227)	(291)	(645)	(902)
Net fee and commission income	866	725	2,327	2,152

On an internal basis¹⁾, at € 828 million, Asset Management's **operating revenues** were up by 18.1% quarter-on-quarter. Including cominvest (€ 36 million) and favorable foreign exchange effects (€ 34 million) we recorded operating revenues of € 901 million on a nominal basis, up 28.5%.

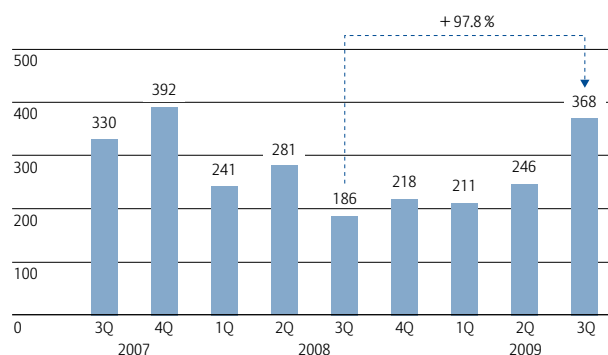
Net fee and commission income amounted to € 866 million, an increase of 19.4% on a nominal basis. **Management fees** grew by € 87 million to € 926 million. **Performance fees** were also up by € 65 million, mainly related to our fixed-income business.

Income from financial assets and liabilities carried at fair value through income amounted to € 18 million and was therefore € 64 million above the respective quarter in 2008.

Operating profit

Operating profit

in € mn



Our Asset Management **operating profit** developed strongly to a result of € 368 million, up by 97.8%. This development reflected higher management and performance fees and an increase in seed money profitability. As in the quarters before, this trend was supported by currency gains (€ 15 million) and the acquisition of cominvest (€ 17 million).

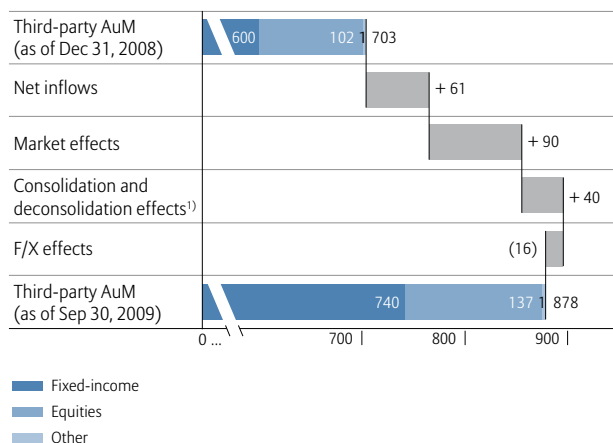
Administrative expenses increased to € 531 million, up € 17 million or 3.3%. Driver behind this development were negative effects of foreign exchange movements. Excluding these, expenses remained flat, despite the impact of the first time consolidation of cominvest.

The positive trend in our **cost-income ratio** continued. For the third quarter the ratio stood at 59.2%, down 14.3 percentage points.

¹⁾ Internal total revenue growth excludes the effects of foreign currency translation as well as acquisitions and disposals. Please refer to page 39 for a reconciliation of nominal total revenue growth to internal total revenue growth for each of our segments and the Allianz Group as a whole.

Third-party assets under management of the Allianz Group

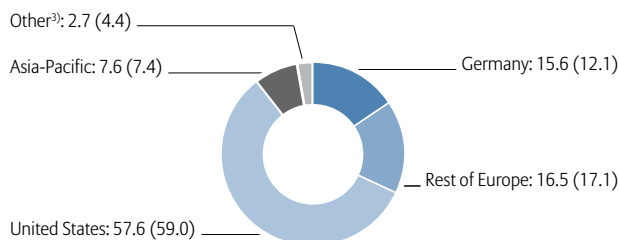
Development of third-party assets under management in € bn



Third-party assets under management amounted to € 878 billion as of September 30, 2009, an increase of € 175 billion compared to December 31, 2008. We recorded net inflows for the first nine months of 2009 of € 61 billion with a positive contribution from fixed-income products of € 67 billion, partly offset by net outflows from our equity business. The rebounding markets in the second and third quarter led to market-related appreciations of € 90 billion, which lifted equities by € 22 billion and fixed-income securities by € 68 billion. Negative foreign currency translation effects amounted to € 16 billion, resulting primarily from a weaker U.S. Dollar versus the Euro.

¹⁾ Concerns basically cominvest.

Third-party assets under management by geographic region as of September 30, 2009 (December 31, 2008)²⁾ in %



The acquisition of cominvest increased the proportion of investments originated in Germany since the beginning of the year, which now account for nearly 16% of Allianz's third-party assets under management.

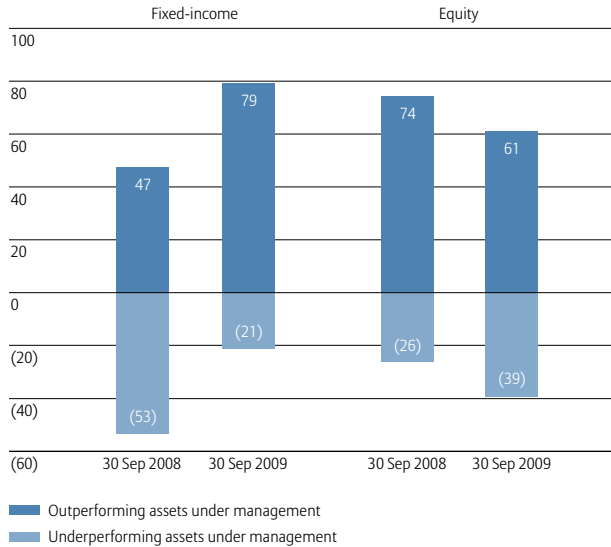
The split between equity and fixed-income assets remained almost unchanged. The latter made up for 84% of third-party assets under management – a decrease of 1 percentage point versus year-end 2008 – with equity assets accounting for the balance.

The weighting of retail and institutional clients shifted towards retail customers which accounted for 32% of our third-party assets as of September 30, 2009 (December 31, 2008: 26%). This was the result of the first time consolidation of cominvest, higher net inflows and increased market return.

²⁾ Based on the origination of assets.

³⁾ Consists of third-party assets managed by other Allianz Group companies (approximately € 24 bn as of September 30, 2009 and € 22 bn as of December 31, 2008, respectively) and Dresdner Bank (approximately € 9 bn as of December 31, 2008).

Rolling investment performance of Allianz Global Investors¹⁾ in %



Compared to year-end 2008, the performance of Allianz Global Investors' assets under management remained robust concerning our equity products, where 61% (December 31, 2008: 62%) achieved an outperformance against benchmarks, despite the strong negative impact of the financial crisis. Our fixed-income products performed strongly with 79% (December 31, 2008: 48%) outperforming their respective benchmarks.

2009 to 2008 first nine months comparison

Financial Services

On a nominal basis we recorded an **operating revenue** increase of 5.0% to € 2,846 million for the Financial Services segment. Adjusted for positive currency translation effects – mainly resulting from the stronger U.S. Dollar – (€ 180 million) and the consolidation of cominvest (€ 100 million) our operating revenues decreased by 5.6% to € 2,559 million on an internal basis.

Operating profit declined by 4.4% to € 676 million. The increase in the third quarter could not fully compensate for the shortfall in the first half of 2009. For the Allianz Bank in Germany we recorded expensed set-up costs of € 118 million on a nine months basis.

Asset Management

For the first nine months, we recorded **operating revenues** of € 2,396 million, up 10.5% compared to the first nine months of 2008 on a nominal basis. Adjusted for cominvest, contributing € 100 million, and positive foreign exchange movements, totalling € 179 million, revenues were down by 2.7% to € 2,111 million on an internal basis.

For the first nine months of 2009 **operating profit** increased by 16.5% to € 825 million. The developments in the respective positions were largely consistent with the 2009 to 2008 third quarter comparison.

¹⁾ AllianzGI account-based, asset-weighted 3-year investment performance of third-party assets vs. benchmark including all equity and fixed-income accounts managed on a discretionary basis by equity and fixed-income managers of AllianzGI (including direct accounts and Spezialfonds, excluding CPM-portfolios of Allianz with AllianzGI Germany). For some retail funds the net of fee performance is compared to the median performance of an appropriate peer group (Morningstar or Lipper; 1st and 2nd quartile mean out-performance). For all other retail funds and for all institutional accounts performance is calculated gross of fees using closing prices (revaluated) where appropriate and compared to the benchmark of each individual fund or account. Other than under GIPS, the performance of closed funds/accounts is not included in the analysis. Also not included: accounts of AllianzGI France, AllianzGI Italy, AllianzGI Korea, and AllianzGI Taiwan. Only partially included: WRAP accounts.

Financial Services segment information

	Asset Management		Banking		Alternative Investment Management		Financial Services ¹⁾	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Three months ended September 30,								
Net fee and commission income ²⁾	866	725	47	48	43	39	954	811
Net interest income ³⁾	12	15	74	74	—	2	86	90
Income from financial assets and liabilities carried at fair value through income (net)	18	(46)	(3)	2	1	—	16	(44)
Other income	5	7	—	—	(3)	—	2	7
Operating revenues⁴⁾	901	701	118	124	41	41	1,058	864
Administrative expenses (net), excluding acquisition-related expenses	(531)	(514)	(144)	(134)	(40)	(43)	(713)	(689)
Investment expenses	(2)	(1)	2	1	—	(1)	—	(1)
Other expenses	—	—	—	(1)	—	1	—	—
Operating expenses	(533)	(515)	(142)	(134)	(40)	(43)	(713)	(690)
Loan loss provisions	—	—	(13)	(7)	—	—	(13)	(7)
Operating profit (loss)	368	186	(37)	(17)	1	(2)	332	167
Cost-income ratio⁵⁾ in %	59.2	73.5	120.3	108.1	97.6	104.9	67.4	79.9
Nine months ended September 30,								
Net fee and commission income ²⁾	2,327	2,152	125	186	93	123	2,542	2,460
Net interest income ³⁾	22	42	231	240	1	5	254	286
Income from financial assets and liabilities carried at fair value through income (net)	34	(44)	1	(8)	1	(3)	36	(55)
Other income	13	19	—	—	1	—	14	19
Operating revenues⁴⁾	2,396	2,169	357	418	96	125	2,846	2,710
Administrative expenses (net), excluding acquisition-related expenses	(1,570)	(1,460)	(469)	(411)	(104)	(118)	(2,140)	(1,987)
Investment expenses	(1)	(1)	3	6	(1)	(3)	1	2
Other expenses	—	—	(1)	(1)	—	1	(1)	—
Operating expenses	(1,571)	(1,461)	(467)	(406)	(105)	(120)	(2,140)	(1,985)
Loan loss provisions	—	—	(30)	(18)	—	—	(30)	(18)
Operating profit (loss)	825	708	(140)	(6)	(9)	5	676	707
Cost-income ratio⁵⁾ in %	65.6	67.4	130.8	97.1	109.4	96.0	75.2	73.2

¹⁾ Including consolidation in between the financial services segment as recorded in the segment information in Note 5 to the condensed consolidated interim financial statements.

²⁾ Represents fee and commission income less fee and commission expenses.

³⁾ Represents interest and similar income less interest expenses.

⁴⁾ For the Financial Services segment, total revenues are measured based upon operating revenues.

⁵⁾ Represents operating expenses divided by operating revenues.

Corporate Activities

Earnings Summary

The aggregate **operating loss** increased by € 208 million to € 258 million.

Interest and similar income declined by € 135 million mainly driven by lower interest income due to a lower interest rate level on short term debt. Thereof, dividend income declined by € 40 million as a result of our equity exposure reduction program. **Interest expenses, excluding interest expenses from external debt** decreased by € 58 million to € 103 million.

Investment expenses increased by € 93 million to € 45 million coming from a positive level of € 48 million in the third quarter 2008. This development was largely driven by unfavorable foreign currency movements – especially after positive ones in the previous year's quarter – amounting to € 120 million.

2009 to 2008 first nine months comparison

In the first nine months of 2009, the same effects led to an **operating loss** of € 641 million, an increase of € 471 million.

Corporate Activities segment information

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Interest and similar income	56	191	290	705
Operating income from financial assets and liabilities carried at fair value through income (net)	(14)	(10)	33	(12)
Fee and commission income	50	4	150	36
Other income	—	—	—	1
Interest expenses, excluding interest expenses from external debt	(103)	(161)	(340)	(469)
Investment expenses	(45)	48	(226)	(46)
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(144)	(122)	(419)	(382)
Fee and commission expenses	(58)	1	(129)	(2)
Other expenses	—	(1)	—	(1)
Operating loss	(258)	(50)	(641)	(170)

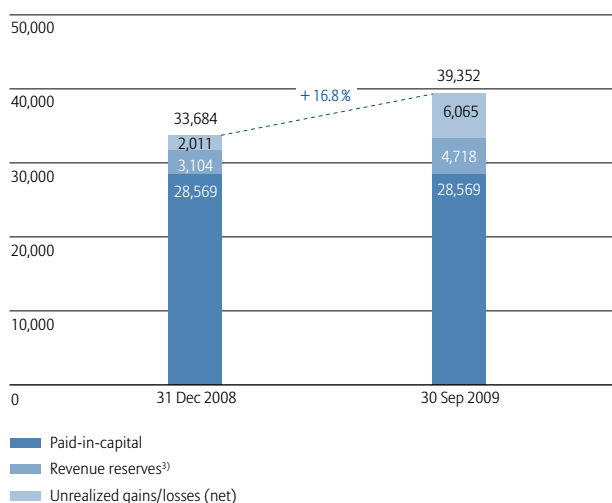
Balance Sheet Review

- Strong solvency ratio of 164%¹⁾.
- Shareholders' equity of € 39.4 billion.

Shareholders' Equity²⁾

Shareholders' equity

in € mn



As of September 30, 2009, shareholders' equity amounted to € 39,352 million and was up 16.8% from December 31, 2008. The change was driven by net income of € 3,221 million and unrealized gains of € 4,054 million, of which approximately two-thirds were attributable to strategic investments, whilst the payment of the 2008 dividend of € 1,580 million in the second quarter reduced equity.

¹⁾ During the fiscal year, conglomerate solvency is partially based on assumptions. The extent to which intangible assets related to certain private equity investments are to be deducted from our own funds for the purpose of the conglomerate solvency calculation has not yet been finally agreed with BaFin.

²⁾ Does not include minority interests of € 2.1 bn and € 3.6 bn as of September 30, 2009 and December 31, 2008, respectively. For further information please refer to Note 21 to the condensed consolidated interim financial statements.

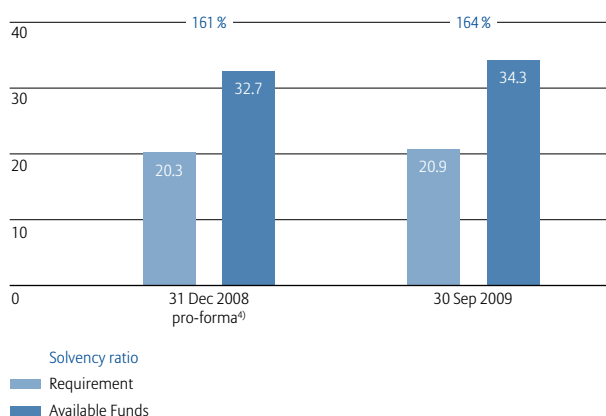
³⁾ Include foreign currency translation adjustments.

Regulatory capital adequacy

Allianz Group is a financial conglomerate within the scope of the Financial Conglomerates Directive and the related German law effective since January 1, 2005. Under this directive, a financial conglomerate is defined as any financial parent holding company that, together with its subsidiaries, has significant cross-border and cross-sector activities. The law requires that a financial conglomerate calculates the capital needed to meet the respective solvency requirements on a consolidated basis.

Conglomerate solvency

in € bn



As of September 30, 2009 our available funds for the solvency margin required for our insurance segments and our banking and asset management businesses were € 34.3 billion including off-balance sheet reserves, surpassing the minimum legally stipulated level by € 13.4 billion. This margin resulted in a cover ratio of 164%¹⁾ at September 30, 2009.

⁴⁾ Available funds and requirement as of December 31, 2008 including discontinued operations were adjusted to reflect the pro-forma view. For example, we removed hybrid capital related to Dresdner Bank from available funds and adjusted the deduction of goodwill and other intangible assets. Furthermore, we deleted the requirement of our discontinued operations.

Total Assets and Total Liabilities

In the following sections, we show our asset allocation for our insurance portfolio and analyze important developments within the balance sheets of our Property-Casualty, Life/Health, Financial Services and Corporate segments as presented on pages 56 and 57.

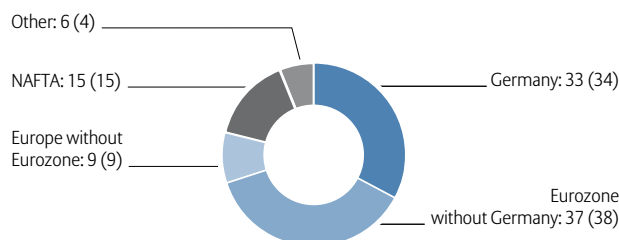
As of September 30, 2009 total assets amounted to € 573.1 billion and total liabilities amounted to € 531.6 billion. When compared to the year-end 2008 total assets and total liabilities decreased by € 382.5 billion and € 386.7 billion, respectively. This decrease was attributable to the deconsolidation of Dresdner Bank, which reduced assets and liabilities by € 417.9 billion and € 410.5 billion, respectively.

Asset allocation

Total investment assets from our Property-Casualty, Life/Health and Corporate segments amounted to a total of € 401.1 billion as of September 30, 2009. Thereof, the fixed-income portfolio which comprises bonds and loans ¹⁾ accounted for 89.2% of total investment assets, equities for 7.6% and other investment categories for 3.2%. The increase in our debt portfolio value by € 42.0 billion was driven by net inflows mainly from our Life/Health business and positive market effects resulting from narrowing credit spreads.

Fixed-income portfolio by investment country in %

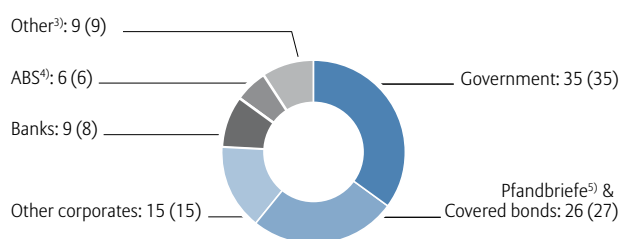
Fixed-income portfolio as of September 30, 2009: € 357.8 billion
(as of December 31, 2008: € 315.8 billion)



From a regional perspective our fixed-income portfolio is well diversified. The regional split in the first nine months remained stable.

Fixed-income portfolio by type of issuer in %

Fixed-income portfolio as of September 30, 2009: € 357.8²⁾ billion
(as of December 31, 2008: € 315.8 billion)



We consider our fixed-income portfolio to be both of high quality and well diversified. A share of more than 60% relates to government and covered bonds that help mitigate against possible future deteriorations in the credit markets. The relatively high share in government bonds and loans amounting to € 126.3 billion and German Pfandbriefe at € 61.1 billion secure a high fungibility of the portfolio as assets attributable to the Eurozone are eligible as collateral

¹⁾ Excluding internal loans.

²⁾ Including € 14.2 billion subordinated debt securities; thereof € 11.3 bn related to our exposure in banks as of September 30, 2009.

³⁾ 5%-pts are mainly seasoned self-originated German Private Retail Mortgage Loans and 3%-pts are short-term deposits at banks.

⁴⁾ Includes € 7.7 bn U.S. Agency MBS.

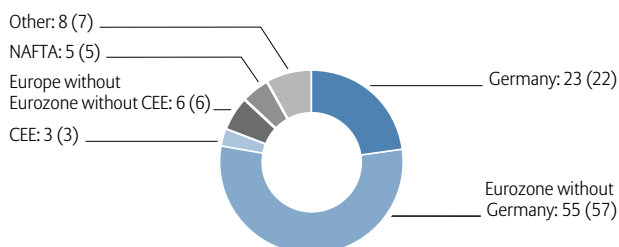
⁵⁾ Type of covered bond issued in Germany.

and markets for government bonds are considered to be liquid. In comparison to year-end 2008 investments in the category “other corporates” increased mainly as market values improved due to narrowing credit spreads.

Government exposures

in %

Government exposure: as of September 30, 2009: € 126.3 billion
(as of December 31, 2008: € 110.4 billion)

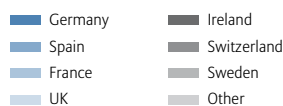
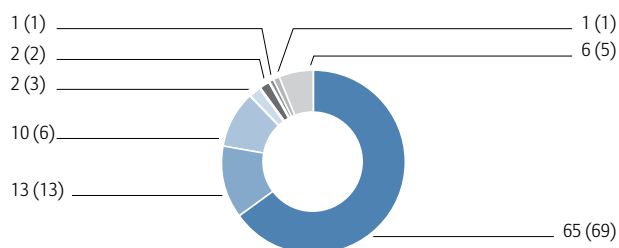


Nearly 80% of our government exposure was attributable to the Eurozone. This quota remained stable compared to year-end 2008.

Pfandbriefe and covered bond portfolio

in %

Pfandbriefe and covered bonds as of September 30, 2009: € 94.0 billion
(as of December 31, 2008: € 85.2 billion)



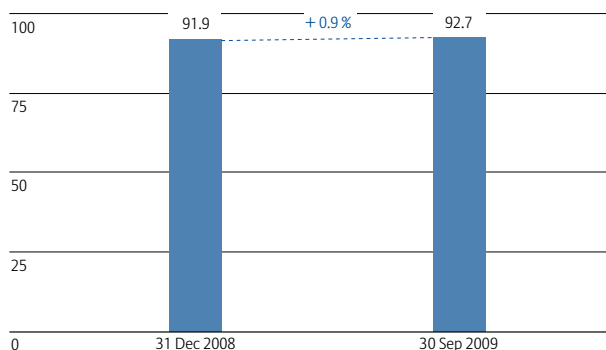
65% of covered bonds are German Pfandbriefe backed by either public sector loans or mortgage loans. On these as well as on all other covered bond exposures, minimum required security buffers as well as voluntary over-collateralization offer a substantial cushion for house price deterioration and payment defaults.

Assets and liabilities of the Property-Casualty segment

Property-Casualty assets

Property-Casualty asset base¹⁾

fair values²⁾ in € bn



During the **first nine months** 2009 our Property-Casualty asset base increased by € 0.9 billion. An increase in debt securities of € 6.0 billion to € 57.0 billion outweighed the decline in equity investments, which were down by 21.9% to € 5.0 billion, mainly due to disposals. In addition cash and cash pool assets decreased by € 2.3 billion compared to the year-end due to a repayment of short-term cash liabilities, which decreased by the same amount. Therefore we recorded no net change in cash assets and cash liabilities. Cash and cash pool assets amounted to € 5.2 billion.

In the **third quarter** of 2009 our asset base was up by 2.7% to € 92.7 billion. Equity investments increased by 16.3% to € 5.0 billion. In contrast to previous quarters, there were no equity reduction activities and as equity markets recovered positive market effects increased our equity exposure slightly. In addition, we recorded an increase in debt investments by € 2.2 billion to € 57.0 billion, driven by net inflows and positive market value effects.

¹⁾ We have changed the definition of the asset bases to better reflect the economic reality: since 1Q 2009 we include cash and cash equivalents and receivables from cash pooling net of liabilities from securities lending in our asset bases.

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

Composition of the Property-Casualty asset base

fair values¹⁾

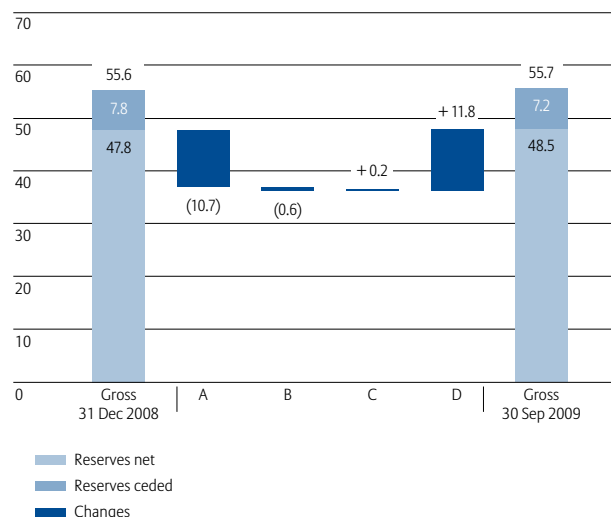
	As of September 30, 2009 € bn	As of December 31, 2008 € bn
Financial assets and liabilities carried at fair value through income		
Equities	0.2	0.2
Debt securities	1.6	1.5
Other ²⁾	0.1	0.2
Subtotal	1.9	1.9
Investments³⁾		
Equities	5.0	6.4
Debt securities	57.0	51.0
Cash and cash pool assets ⁴⁾	5.2	7.5
Other	6.5	6.9
Subtotal	73.7	71.8
Loans and advances to banks and customers	17.1	18.2
Property-Casualty asset base	92.7	91.9

Of our Property-Casualty asset base, asset-backed securities (ABS) made up € 4.4 billion as of September 30, 2009, which is less than 5% of our asset-base. CDOs accounted for € 0.1 billion of this amount.

Property-Casualty liabilities

Development of reserves for loss and loss adjustment expenses⁵⁾

in € bn



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

As of September 30, 2009, the segment's gross reserves for loss and loss adjustment expenses increased by 0.2% to € 55.7 billion. On a net basis reserves were up 1.5% to € 48.5 billion. Foreign currency translation effects and other changes accounted for a € 0.2 billion gain.

¹⁾ Loans and advances to banks and customers, held-to-maturity investments, and real estate held for investment are stated at amortized cost. Investments in associates and joint ventures are stated at either amortized cost or equity, depending upon, among other factors, our ownership percentage.

²⁾ Comprises assets of € 0.2 bn and € 0.3 bn and liabilities of € (0.1) and € (0.1) bn as of September 30, 2009 and December 31, 2008 respectively.

³⁾ Do not include affiliates of € 10.8 bn and € 10.7 bn as of September 30, 2009 and December 31, 2008, respectively.

⁴⁾ Including cash and cash equivalents as stated in our segment balance sheet of € 2.8 bn and € 2.7 bn and receivables from cash pooling amounting to € 2.4 bn and € 5.0 bn net of liabilities from securities lending of € 0 bn and € (0.2) bn as of September 30, 2009 and December 31, 2008, respectively.

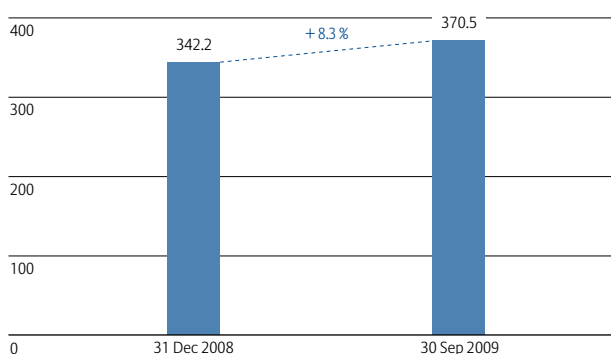
⁵⁾ After group consolidation. For further information about changes in the reserves for loss and loss adjustment expenses for the Property-Casualty segment please refer to Note 16 to the condensed consolidated interim financial statements.

Assets and liabilities of the Life/Health segment

Life/Health assets

Life/Health asset base¹⁾

fair values²⁾ in € bn



In the **first nine months**, the Life/Health asset base increased by 8.3% to € 370.5 billion. We recorded a significant increase in debt investments from € 153.6 billion up to € 176.0 billion. This development was driven by strong net inflows from our Life insurance business and by credit spread narrowing resulting in an increase of the value of our corporate bonds. A slight net reduction in equity investments of € 1.9 billion to € 20.3 billion was due to our equity reduction program, partially offset by strong performing equity markets in the last two quarters. The increase in loans and advances to banks and customers by € 10.3 billion was also driven by net inflows.

In the **third quarter**, we recorded an increase of 4.3% in our Life/Health asset base to € 370.5 billion. Our debt investments increased by € 11.3 billion to € 176.0 billion, mainly due to narrowed credit spreads and strong net inflows. Our equity investments increased by € 2.1 billion compared to the previous quarter. Positive market effects outweighed reductions in equity investments.

Composition of the Life/Health asset base

fair values²⁾

	As of September 30, 2009 € bn	As of December 31, 2008 € bn
Financial assets and liabilities carried at fair value through income		
Equities	3.0	2.5
Debt securities	7.4	7.7
Other ³⁾	(4.8)	(4.3)
Subtotal	5.6	5.9
Investments⁴⁾		
Equities	20.3	22.2
Debt securities	176.0	153.6
Cash and cash pool assets ⁵⁾	4.4	11.0
Other	7.6	7.7
Subtotal	208.3	194.5
Loans and advances to banks and customers	101.7	91.4
Financial assets for unit-linked contracts⁶⁾	54.9	50.4
Life/Health asset base	370.5	342.2

Within our Life/Health asset base, ABS amounted to € 15.6 billion as of September 30, 2009, which is less than 5% of total Life/Health assets. Thereof, € 1.1 billion are CDOs.

¹⁾ We have changed the definition of the asset bases to better reflect the economic reality: since 1Q 2009 we include cash and cash equivalents and receivables from cash pooling net of liabilities from securities lending in our asset bases.

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

³⁾ Comprises assets of € 1.2 bn and € 1.5 bn and liabilities of € (6.0) bn and € (5.8) bn as of September 30, 2009 and December 31, 2008 respectively.

⁴⁾ Do not include affiliates of € 1.6 bn and € 2.5 bn as of September 30, 2009 and December 31, 2008, respectively.

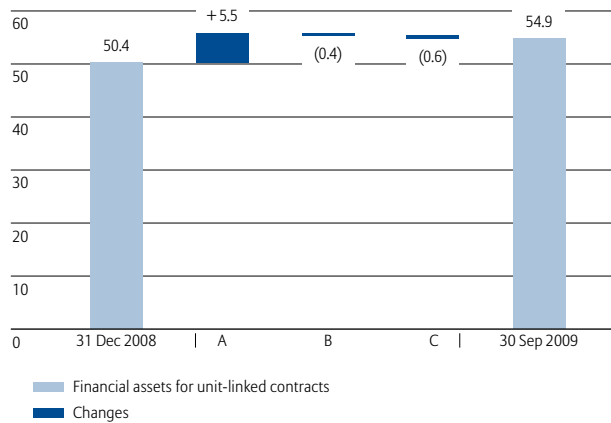
⁵⁾ Including cash and cash equivalents as stated in our segment balance sheet of € 2.2 bn and € 4.8 bn and receivables from cash pooling amounting to € 2.2 bn and € 6.6 bn net of liabilities from securities lending of € 0 bn and € (0.4) bn as of September 30, 2009 and December 31, 2008, respectively.

Cash and cash pool assets were down by € 6.6 bn as cash was largely reinvested in longer-term debt or were used for repayment of short-term cash liabilities.

⁶⁾ Financial assets for unit-linked contracts represent assets owned by, and managed on the behalf of, policyholders of the Allianz Group, with all appreciation and depreciation in these assets accruing to the benefit of policyholders. As a result, the value of financial assets for unit-linked contracts in our balance sheet corresponds to the value of financial liabilities for unit-linked contracts.

Financial assets for unit-linked contracts

in € bn



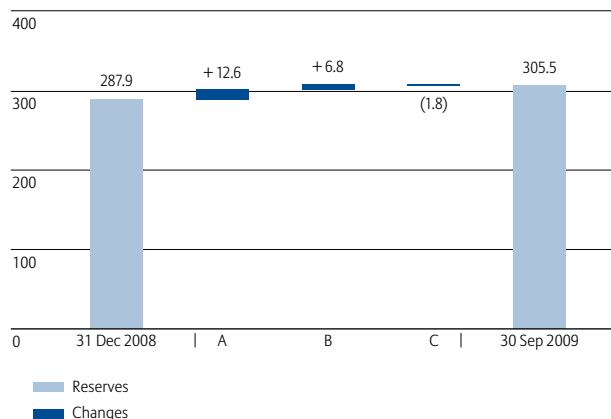
A Change in unit-linked Insurance Contracts
 B Change in unit-linked Investment Contracts
 C Foreign currency translation adjustments

Our financial assets for unit-linked contracts amounted to € 54.9 billion. Unit-linked insurance contracts increased by € 5.5 billion, which was largely attributable to a favorable fund performance and a fairly stable premium inflow. Unit-linked investment contracts stayed nearly unchanged.

Life/Health liabilities

Development of reserves for insurance and investment contracts

in € bn



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

Life/Health reserves for insurance and investment contracts increased in the first nine months by € 17.6 billion (6.1%) to € 305.5 billion. The increase was mainly driven by the change in aggregate policy reserves. Major contributors are our operations in Germany (€ 4.1 billion), Italy (€ 2.8 billion), France (€ 1.4 billion) and the U.S. (€ 1.1 billion). Our reserves for premium refunds are up by € 6.8 billion due to the recovery of financial markets. The first time consolidation of Allianz Thailand in the second quarter added € 1.9 billion. Foreign currency losses of € 1.8 billion resulted primarily from the decline of the U.S. Dollar versus the Euro.

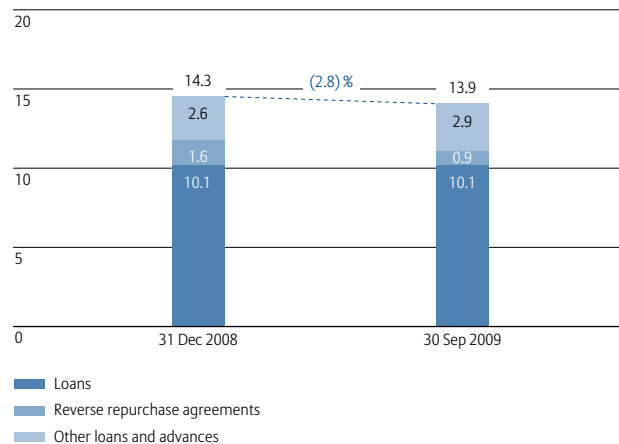
Assets and liabilities of the Financial Services segment

Financial Services assets

Assets in our Financial Services segment relate mostly to our continuing banking business. Our Asset Management segment's results of operations stem primarily from its management of third-party assets.¹⁾

Loans and advances to banks and customers²⁾

in € bn



Financial Services liabilities

Our liabilities to banks and customers amounted to € 16.4 billion (down 3.3%). Thereof, liabilities payable on demand accounted for € 4.1 billion, repurchase agreements for € 1.3 billion, term deposits and certificates of deposit for € 4.0 billion and savings deposits for € 1.9 billion.

¹⁾ For further information on the development of these third-party assets please refer to pages 24 and 26.

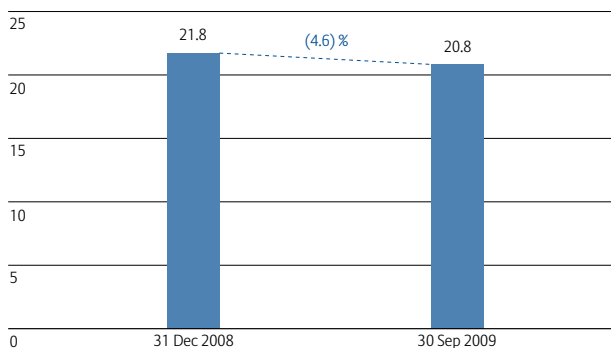
²⁾ Includes loan loss allowance of € (0.1) bn and € (0.1) bn as of September 30, 2009 and December 31, 2008, respectively.

Assets and liabilities of the Corporate segment

Corporate assets

Corporate asset base¹⁾

fair values²⁾ in € bn



In the **first nine months** our Corporate asset base was down by 4.6% to € 20.8 billion. Investments in debts increased slightly by 1.2% due to net inflows. Our equity investments declined by € 0.8 billion as net outflows were higher than positive market effects. On the one hand positive equity performance in the second and third quarter 2009 could offset the equity downturn in the first quarter 2009. On the other hand new net investments were outweighed by major disposals.

In the **third quarter** the Corporate asset base increased by 10.1% to € 20.8 billion. Equity investments increased slightly by € 0.5 billion. Positive market performance drove up equity exposure, but was partly offset by disposals. Loans and advances to banks and customers increased by € 1.8 billion.

Composition of the Corporate asset base

fair values²⁾

	As of September 30, 2009 € bn	As of December 31, 2008 € bn
Financial assets and liabilities carried at fair value through income		
Equities	—	—
Debt securities	0.1	0.2
Other ³⁾	0.1	(0.4)
Subtotal	0.2	(0.2)
Investments⁴⁾		
Equities	5.0	5.8
Debt securities	8.5	8.4
Cash and cash pool assets ⁵⁾	0.4	1.7
Other	0.2	0.1
Subtotal	14.1	16.0
Loans and advances to banks and customers	6.5	6.0
Corporate asset base	20.8	21.8

ABS in our Corporate asset base, amounted to € 0.7 billion as of September 30, 2009, which is around 3% of our asset-base.

Corporate liabilities

Other liabilities amounted to € 13.4 billion after € 16.3 billion at year-end 2008. In the first nine months 2009, certificated liabilities increased by € 0.3 billion to € 13.8 billion.

Redemption of profit participation certificate

On June 24, 2009 the management board of Allianz SE decided to call for redemption of the profit participation certificates which were issued by Allianz SE. This call with a volume of € 85.1 million will be effective on December 31, 2009. The holders will receive a cash compensation corresponding to 122.9% of the volume-weighted average price of the Allianz SE shares, based on the quotation during the last three months prior to the termination, but not less than € 72.39 per profit participation certificate.

¹⁾ We have changed the definition of the asset bases to better reflect the economic reality: since 1Q 2009 we include cash and cash equivalents and receivables from cash pooling net of liabilities from securities lending in our asset bases.

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

³⁾ Comprises assets of € 0.6 bn and € 0.4 bn and liabilities of € (0.5) bn and € (0.8) bn as of September 30, 2009 and December 31, 2008 respectively.

⁴⁾ Do not include affiliates of € 66.8 bn and € 87.1 bn as of September 30, 2009 and December 31, 2008, respectively.

⁵⁾ Including cash and cash equivalents as stated in our segment balance sheet of € 0.2 bn and € 0.5 bn and receivables from cash pooling amounting to € 0.2 bn and € 1.2 bn net of liabilities from securities lending of € 0 bn and € 0 bn as of September 30, 2009 and December 31, 2008, respectively.

On July 15, 2009, Allianz Finance II B.V. issued € 1.5 billion of senior bonds, guaranteed by Allianz SE, with a coupon rate of 4.75%. The maturity of this bond is July 22, 2019.

Allianz SE issued debt outstanding as of September 30, 2009¹⁾

1. Senior bonds ²⁾	
5.625% bond issued by Allianz Finance II B.V., Amsterdam	
Volume	€ 0.9 bn
Year of issue	2002
Maturity date	11/29/2012
ISIN	XS 015 879 238 1
5.0% bond issued by Allianz Finance II B.V., Amsterdam	
Volume	€ 1.5 bn
Year of issue	2008
Maturity date	3/6/2013
ISIN	DE 000 A0T R7K 7
4.0% bond issued by Allianz Finance II B.V., Amsterdam	
Volume	€ 1.5 bn
Year of issue	2006
Maturity date	11/23/2016
ISIN	XS 027 588 026 7
4.75% bond issued by Allianz Finance II B.V., Amsterdam	
Volume	€ 1.5 bn
Year of issue	2009
Maturity date	7/22/2019
ISIN	DE 000 A1A KHB 8
2. Subordinated bonds ³⁾	
6.125% bond issued by Allianz Finance II B.V., Amsterdam	
Volume	€ 2.0 bn
Year of issue	2002
Maturity date	5/31/2022
ISIN	XS 014 888 756 4
6.5% bond issued by Allianz Finance II B.V., Amsterdam	
Volume	€ 1.0 bn
Year of issue	2002
Maturity date	1/13/2025
ISIN	XS 015 952 750 5
7.25% bond issued by Allianz Finance II B.V., Amsterdam	
Volume	USD 0.5 bn
Year of issue	2002
Maturity date	Perpetual Bond
ISIN	XS 015 915 072 0

5.5% bond issued by Allianz SE	
Volume	€ 1.5 bn
Year of issue	2004
Maturity date	Perpetual Bond
ISIN	XS 018 716 232 5

4.375% bond issued by Allianz Finance II B.V., Amsterdam	
Volume	€ 1.4 bn
Year of issue	2005
Maturity date	Perpetual Bond
ISIN	XS 021 163 783 9

5.375% bond ⁴⁾ issued by Allianz Finance II B.V., Amsterdam	
Volume	€ 0.8 bn
Year of issue	2006
Maturity date	Perpetual Bond
ISIN	DE 000 A0G NPZ 3

8.375% bond ⁴⁾ issued by Allianz SE	
Volume	USD 2.0 bn
Year of issue	2008
Maturity date	Perpetual Bond
ISIN	US 018 805 200 7

3. Participation certificates

Allianz SE participation certificate	
Volume	€ 85.1 mn
ISIN	DE 000 840 405 4

4. Issues matured in the first nine month 2009

Floating coupon rate bond issued by Allianz Finance II B.V., Amsterdam	
Volume	USD 0.4 bn
Year of issue	2007
Maturity date	4/2/2009
ISIN	XS 029 027 005 6

¹⁾ For further information on Allianz SE issued debt outstanding as of September 30, 2009, please refer to Note 19 and 20 to our condensed consolidated interim financial statements.

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

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

⁴⁾ Pursuant to the terms and conditions of two hybrid bonds issued by Allianz (ISIN US0188052007 and DE000A0GNPZ3 respectively), the triggers with respect to a potential mandatory coupon deferral have been breached as per September 30, 2009. Allianz intends to timely make the relevant coupon payments in accordance with the respective terms and conditions by making use of certain mechanisms as provided for therein.

Other Information

Reconciliation of Consolidated Operating Profit and Income Before Income Taxes and Minority Interests in Earnings

The previous analysis is based on our consolidated financial statements and should be read in conjunction with them. The Allianz Group uses operating profit to evaluate the performance of its business segments and the Group as a whole. The Allianz Group considers the presentation of operating profit to be useful and meaningful to investors because it enhances the understanding of the Allianz Group's underlying operating performance and the comparability of its operating performance over time. Operating profit highlights the portion of income before income taxes and minority interests in earnings attributable to the on-going core operations of the Allianz Group. To better understand the on-going operations of the business, we exclude the effects of acquisition-related expenses and the amortization of intangible assets, as these relate to business combinations; and we exclude interest expenses from external debt, as these relate to our capital structure, and non-operating income from financial assets and liabilities carried at fair value through income (net).

We believe that trends in the underlying profitability of our business can be more clearly identified without the fluctuating effects of the realized capital gains and losses or impairments of investment securities, as these are largely dependent on market cycles or issuer-specific events over which we have little or no control, and can and do vary, sometimes materially, across periods. Furthermore, the timing of sales that would result in such gains or losses is largely at our discretion.

We also exclude income from fully consolidated private equity investments (net) as this represents income from industrial holdings, which is outside the Allianz Group's normal scope of operating business.

Similarly, we exclude restructuring charges because the timing of the restructuring charges are largely within our control, and accordingly their exclusion provides additional insight into the operating trends of the underlying business. This differentiation is not made if the profit sources are shared with the policyholder.

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

Reconciliation of operating profit on a consolidated basis to the Allianz Group's income before income taxes and minority interests in earnings

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Operating profit	1,929	1,563	5,134	6,448
Non-operating realized gains/losses (net) and impairments of investments (net)	276	(404)	593	157
Non-operating income from financial assets and liabilities carried at fair value through income (net)	112	58	149	97
Income (loss) from fully consolidated private equity investments (net)	(34)	7	(191)	59
Interest expenses from external debt	(228)	(227)	(680)	(712)
Non-operating restructuring charges	(60)	(77)	(137)	(79)
Acquisition-related expenses	(112)	(78)	(165)	(264)
Amortization of intangible assets	(37)	(6)	(52)	(14)
Reclassification of tax benefits	(9)	(9)	(35)	(32)
Income before income taxes and minority interests in earnings	1,837	827	4,616	5,660

Composition of Total Revenue¹⁾ Growth

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

Reconciliation of nominal total revenue growth to internal total revenue growth

	Three months ended September 30,				Nine months ended September 30,			
	Nominal growth	Changes in scope of consolidation	Foreign currency translation	Internal growth	Nominal growth	Changes in scope of consolidation	Foreign currency translation	Internal growth
	%	%	%	%	%	%	%	%
Property-Casualty	(5.4)	(2.6) ²⁾	(0.4)	(2.4)	(2.1)	(0.2) ²⁾	(0.5)	(1.4)
Life/Health	14.6	1.0	0.1	13.5	9.5	0.4	1.3	7.8
Financial Services	22.5	4.5	4.0	14.0	5.0	3.9	6.7	(5.6)
thereof: Asset Management	28.5	5.6	4.8	18.1	10.5	4.9	8.3	(2.7)
Allianz Group	4.3	(0.9)	0.0	5.2	3.3	0.2	0.6	2.5

¹⁾ Total revenues comprise Property-Casualty segment's gross premiums written, Life/Health segment's statutory premiums and Financial Services segment's operating revenues. Segment growth rates are presented before the elimination of transactions between Allianz Group companies in different segments.

²⁾ We adjusted our internal growth figure for 2008 for the change in our Crop Insurance Programm with an impact of € 402 mn in 9M 2008 (€ 324 mn in 3Q 2008).

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Consolidated Balance Sheets

As of September 30, 2009 and as of December 31, 2008

	Note	As of September 30, 2009 € mn	As of December 31, 2008 € mn
ASSETS			
Cash and cash equivalents		6,181	8,958
Financial assets carried at fair value through income	6	14,590	14,240
Investments	7	285,021	258,812
Loans and advances to banks and customers	8	130,167	116,990
Financial assets for unit-linked contracts		54,931	50,450
Reinsurance assets	9	13,896	14,599
Deferred acquisition costs	10	20,480	22,563
Deferred tax assets		2,345	3,996
Other assets	11	31,967	34,004
Non-current assets and assets of disposal groups classified as held for sale	3, 12	—	419,513
Intangible assets	13	13,482	11,451
Total assets		573,060	955,576

	Note	As of September 30, 2009 € mn	As of December 31, 2008 € mn
LIABILITIES AND EQUITY			
Financial liabilities carried at fair value through income	14	6,180	6,244
Liabilities to banks and customers	15	20,386	18,451
Unearned premiums		17,139	15,233
Reserves for loss and loss adjustment expenses	16	64,022	63,924
Reserves for insurance and investment contracts	17	314,489	296,557
Financial liabilities for unit-linked contracts		54,931	50,450
Deferred tax liabilities		4,123	3,833
Other liabilities	18	32,767	32,930
Liabilities of disposal groups classified as held for sale	3, 12	—	411,816
Certificated liabilities	19	8,254	9,544
Participation certificates and subordinated liabilities	20	9,332	9,346
Total liabilities		531,623	918,328
Shareholders' equity		39,352	33,684
Minority interests		2,085	3,564
Total equity	21	41,437	37,248
Total liabilities and equity		573,060	955,576

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Consolidated Income Statements

For the three months and nine months ended September 30, 2009 and 2008

	Note	Three months ended September 30,		Nine months ended September 30,	
		2009 € mn	2008 € mn	2009 € mn	2008 € mn
Premiums written		15,479	15,873	49,639	50,433
Ceded premiums written		(1,491)	(1,895)	(4,085)	(4,536)
Change in unearned premiums		885	824	(1,524)	(1,774)
Premiums earned (net)	22	14,873	14,802	44,030	44,123
Interest and similar income	23	4,506	4,519	13,720	14,402
Income from financial assets and liabilities carried at fair value through income (net)	24	354	(14)	911	(84)
Realized gains/losses (net)	25	891	596	2,928	3,057
Fee and commission income	26	1,533	1,435	4,295	4,495
Other income	27	8	23	27	389
Income from fully consolidated private equity investments	28	522	649	1,480	1,855
Total income		22,687	22,010	67,391	68,237
Claims and insurance benefits incurred (gross)		(11,937)	(12,204)	(35,808)	(35,503)
Claims and insurance benefits incurred (ceded)		692	899	1,679	2,097
Claims and insurance benefits incurred (net)	29	(11,245)	(11,305)	(34,129)	(33,406)
Change in reserves for insurance and investment contracts (net)	30	(2,648)	(1,439)	(5,953)	(4,750)
Interest expenses	31	(365)	(447)	(1,120)	(1,406)
Loan loss provisions	32	(18)	(4)	(57)	(10)
Impairments of investments (net)	33	(282)	(2,602)	(2,587)	(5,565)
Investment expenses	34	(370)	325	(737)	(270)
Acquisition and administrative expenses (net)	35	(4,707)	(4,438)	(14,728)	(13,588)
Fee and commission expenses	36	(562)	(541)	(1,605)	(1,684)
Amortization of intangible assets		(37)	(6)	(52)	(14)
Restructuring charges		(60)	(75)	(134)	(78)
Other expenses		—	(9)	(2)	(10)
Expenses from fully consolidated private equity investments	28	(556)	(642)	(1,671)	(1,796)
Total expenses		(20,850)	(21,183)	(62,775)	(62,577)
Income from continuing operations before income taxes and minority interests in earnings		1,837	827	4,616	5,660
Income taxes	37	(498)	(248)	(966)	(1,329)
Minority interests in earnings		(16)	(34)	(34)	(181)
Net income from continuing operations		1,323	545	3,616	4,150
Net income (loss) from discontinued operations, net of income taxes and minority interests in earnings		—	(2,568)	(395)	(3,483)
Net income (loss)		1,323	(2,023)	3,221	667

	Note	Three months ended September 30,		Nine months ended September 30,	
		2009 €	2008 €	2009 €	2008 €
Basic earnings per share	38	2.94	(4.49)	7.15	1.48
from continuing operations		2.94	1.21	8.02	9.22
from discontinued operations		—	(5.70)	(0.87)	(7.74)
Diluted earnings per share	38	2.94	(4.48)	7.12	1.41
from continuing operations		2.94	1.20	7.99	9.07
from discontinued operations		—	(5.68)	(0.87)	(7.66)

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Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2009 and 2008

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Net income (loss) (after taxes before minority interests in earnings)	1,339	(1,971)	3,255	891
Other comprehensive income				
Foreign currency translation adjustments				
Reclassifications to net income	(6)	(1)	516	—
Changes arising during the period	(401)	871	(470)	55
Subtotal	(407)	870	46	55
Available-for-sale investments				
Reclassifications to net income	(339)	626	(730)	(65)
Changes arising during the period	4,162	(2,172)	4,847	(8,104)
Subtotal	3,823	(1,546)	4,117	(8,169)
Cash flow hedges				
Reclassifications to net income	—	(1)	(4)	—
Changes arising during the period	6	(52)	(19)	(38)
Subtotal	6	(53)	(23)	(38)
Share of other comprehensive income of associates				
Reclassifications to net income	1	—	6	—
Changes arising during the period	(8)	(16)	23	(99)
Subtotal	(7)	(16)	29	(99)
Miscellaneous				
Reclassifications to net income	—	—	—	—
Changes arising during the period	(7)	120	(70)	(149)
Subtotal	(7)	120	(70)	(149)
Total other comprehensive income	3,408	(625)	4,099	(8,400)
Total comprehensive income	4,747	(2,596)	7,354	(7,509)
Minority interests	(29)	(254)	(65)	(272)
Total comprehensive income (shareholders' interest)	4,718	(2,850)	7,289	(7,781)

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

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Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2009 and 2008

	Paid-in capital	Revenue reserves	Foreign currency translation adjustments	Unrealized gains and losses (net)	Shareholders' equity	Minority interests	Total equity
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
Balance as of December 31, 2007	28,321	12,618	(3,656)	10,470	47,753	3,628	51,381
Total comprehensive income	—	376	1	(8,158)	(7,781)	272	(7,509)
Paid-in capital	203	—	—	—	203	—	203
Treasury shares	—	(3)	—	—	(3)	—	(3)
Transactions between equity holders	—	(153)	—	1	(152)	(21)	(173)
Dividends paid	—	(2,472)	—	—	(2,472)	(235)	(2,707)
Balance as of September 30, 2008	28,524	10,366	(3,655)	2,313	37,548	3,644	41,192
Balance as of December 31, 2008	28,569	7,110	(4,006)	2,011	33,684	3,564	37,248
Total comprehensive income	—	3,181	54	4,054	7,289	65	7,354
Paid-in capital	—	—	—	—	—	—	—
Treasury shares	—	(47)	—	—	(47)	—	(47)
Transactions between equity holders ¹⁾	—	6	—	—	6	(1,431)	(1,425)
Dividends paid	—	(1,580)	—	—	(1,580)	(113)	(1,693)
Balance as of September 30, 2009	28,569	8,670	(3,952)	6,065	39,352	2,085	41,437

¹⁾ Includes € (1,738) mn minority interest changes from the derecognition of Dresdner Bank and € 307 mn related to capital movements of subsidiaries owned less than 100% as of September 30, 2009.

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Condensed Consolidated Statements of Cash Flows

For the nine months ended September 30, 2009 and 2008

Nine months ended September 30,	2009 € mn	2008 € mn
Summary		
Net cash flow provided by operating activities	9,004	26,566
Net cash flow used in investing activities	(43,261)	(19,191)
Net cash flow provided by (used in) financing activities	1,268	(12,378)
Effect of exchange rate changes on cash and cash equivalents	(26)	57
Change in cash and cash equivalents	(33,015)	(4,946)
Cash and cash equivalents at beginning of period of continuing operations	8,958	31,337
Cash and cash equivalents at beginning of period reclassified to assets of disposal groups held for sale	30,238	—
Cash and cash equivalents at end of period	6,181	26,391
Cash and cash equivalents reclassified to assets of disposal groups held for sale	—	19,162
Cash and cash equivalents at end of period of continuing operations	6,181	7,229
Cash flow from operating activities		
Net income	3,221	667
Adjustments to reconcile net income to net cash flow provided by operating activities		
Minority interests in earnings	34	224
Share of earnings from investments in associates and joint ventures	(59)	(59)
Impairment loss recognized on remeasurement of assets of disposal group to fair value less costs to sell	—	1,409
Realized gains/losses (net) and impairments of investments (net) of		
Available-for-sale and held-to-maturity investments, investments in associates and joint ventures, real estate held for investment, loans to banks and customers	(341)	2,325
Other investments, mainly financial assets held for trading and designated at fair value through income	(994)	2,934
Depreciation and amortization	408	468
Loan loss provisions	57	336
Interest credited to policyholder accounts	2,489	2,570
Net change in		
Financial assets and liabilities held for trading	(382)	5,477
Reverse repurchase agreements and collateral paid for securities borrowing transactions	(362)	31,533
Repurchase agreements and collateral received from securities lending transactions	(316)	(27,969)
Reinsurance assets	519	142
Deferred acquisition costs	74	(955)
Unearned premiums	1,872	2,319
Reserves for loss and loss adjustment expenses	(75)	964
Reserves for insurance and investment contracts	2,820	1,560
Deferred tax assets/liabilities	(186)	329
Financial assets designated at fair value through income (only Dresdner Bank)	—	3,204
Financial liabilities designated at fair value through income (only Dresdner Bank)	—	2,925
Other (net)	225	(3,837)
Subtotal	5,783	25,899
Net cash flow provided by operating activities	9,004	26,566
Cash flow from investing activities		
Proceeds from the sale, maturity or repayment of		
Financial assets designated at fair value through income	2,557	2,797
Available-for-sale investments	74,165	76,091
Held-to-maturity investments	211	173
Investments in associates and joint ventures	1,691	925
Non-current assets and assets of disposal groups classified as held for sale	—	2,188
Real estate held for investment	114	406
Loans and advances to banks and customers (purchased loans)	7,440	5,408
Property and equipment	115	359
Subtotal	86,293	88,347

Nine months ended September 30,	2009 € mn	2008 € mn
Payments for the purchase or origination of		
Financial assets designated at fair value through income	(1,149)	(3,039)
Available-for-sale investments	(84,760)	(84,448)
Held-to-maturity investments	(137)	(77)
Investments in associates and joint ventures	(1,393)	(680)
Non-current assets and assets of disposal groups classified as held for sale	(36)	(85)
Real estate held for investment	(89)	(148)
Loans and advances to banks and customers (purchased loans)	(17,307)	(6,935)
Property and equipment	(426)	(705)
Subtotal	(105,297)	(96,117)
Business combinations (for further details see Note 39)		
Proceeds from sale of subsidiaries, net of cash disposed	(26,975)	—
Acquisitions of subsidiaries, net of cash acquired	77	(152)
Change in other loans and advances to banks and customers (originated loans)	2,070	(11,013)
Other (net)	571	(256)
Net cash flow used in investing activities	(43,261)	(19,191)
Cash flow from financing activities		
Policyholders' account deposits	14,860	9,499
Policyholders' account withdrawals	(9,052)	(7,692)
Net change in liabilities to banks and customers	(1,574)	(5,492)
Proceeds from the issuance of certificated liabilities, participation certificates and subordinated liabilities	11,093	29,339
Repayments of certificated liabilities, participation certificates and subordinated liabilities	(12,379)	(34,846)
Cash inflow from capital increases	—	203
Transactions between equity holders	272	(173)
Dividends paid to shareholders	(1,693)	(2,707)
Net cash from sale or purchase of treasury shares	(116)	(87)
Other (net)	(143)	(422)
Net cash flow provided by (used in) financing activities	1,268	(12,378)

The following table shows the net cash flows provided by (used in) discontinued operations for the nine months ended September 30, 2009 and 2008 that are included in the condensed consolidated statements of cash flows above.

Nine months ended September 30,	2009 € mn	2008 € mn
Net cash flow provided by operating activities from discontinued operations	—	24,154
Net cash flow provided by (used in) investing activities from discontinued operations	—	(11,278)
Net cash flow provided by (used in) financing activities from discontinued operations	—	(9,993)
Net cash flow provided by discontinued operations	—	2,883

See note 39 for supplemental information on the condensed consolidated statements of cash flow.

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Notes to the Condensed Consolidated Interim Financial Statements

1 Basis of presentation

The condensed consolidated interim financial statements of the Allianz Group – comprising the consolidated balance sheets, consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity, condensed consolidated statements of cash flows and selected explanatory notes – are presented in accordance with the requirements of IAS 34, Interim Financial Reporting, and have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as adopted under European Union (“EU”) regulations in accordance with section 315 a of the German Commercial Code (“HGB”). The condensed consolidated interim financial statements of the Allianz Group have also been prepared in accordance with IFRS as issued by the International Accounting Standard Board (“IASB”). The Allianz Group’s application of IFRS results in no differences between IFRS as adopted by the EU and IFRS as issued by the IASB.

The condensed consolidated interim financial statements comply with all new or amended IFRS, where application is compulsory or early adopted for the first time for periods beginning on January 1, 2009. See Note 2 for further details.

For existing and unchanged IFRS the accounting policies for recognition, measurement, consolidation and presentation applied in the preparation of the condensed consolidated interim financial statements are consistent with the accounting policies that have been applied in the preparation of the consolidated financial statements for the year ended December 31, 2008. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements included in the Allianz Group Annual Report 2008.

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

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

These condensed consolidated interim financial statements of the Allianz Group were authorized for issue by the Board of Management on November 6, 2009.

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

Recently adopted accounting pronouncements (effective January 1, 2009 and early adoption)

IFRS 8, Operating Segments

In November 2006, the IASB issued IFRS 8, Operating Segments. Effectively replacing IAS 14, IFRS 8 requires that an entity selects operating segments that are consistent with internal reports regularly reviewed by the entity’s chief operating decision maker in order to allocate resources to the segment and assess its performance (i. e., the “management approach”). The standard also requires explanations of how segment information is prepared as well as reconciliations of total reportable segment revenues, total profits or losses, total assets and other material amounts disclosed for reportable segments to corresponding amounts recognized in the entity’s financial statements. The Allianz Group adopted IFRS 8 and early adopted the amendment to IFRS 8 as of January 1, 2009. IFRS 8 does not have any material impact on the Allianz Group’s financial results or financial position.

Previously, under IAS 14, the Allianz Group reported “Property-Casualty”, “Life/Health”, “Banking”, “Asset Management” and “Corporate” as primary segments that, where appropriate, were subsequently organized by geographical areas. The implementation of IFRS 8 led to a change in the segment report (Note 5) from prior periods. In adopting the management approach to segment reporting as mandated by IFRS 8, the Allianz Group has identified its reportable segments on the basis of both products and services and geographic regions. Furthermore, after the sale of Dresdner Bank, the Allianz Group’s main product and service offerings consist of property-casualty insurance, life/health

insurance, financial services and corporate activities. Financial services refer to the Allianz Group's asset management business, continuing banking operations and its alternative investment management operations. Based on information reported to the Allianz Group's chief operating decision maker for the purposes of allocating resources and measuring performance, the following reportable segments have been identified:

Property-Casualty

- German Speaking Countries
- Europe I incl. South America
- Europe II incl. Africa
- Anglo Broker Markets/Global Lines
- Growth Markets

Life/Health

- German Speaking Countries
- Europe I incl. South America
- Europe II incl. Africa
- Anglo Broker Markets/Global Lines
- Growth Markets

Financial Services

- Asset Management
- Banking
- Alternative Investment Management

Corporate

Since the Allianz Group uses operating profit as its internal profit or loss measure, operating profit is included in the segment report. For further details on segment reporting, please refer to Note 5.

In April 2009, the IASB issued an amendment to IFRS 8, Operating Segments as part of the Improvements to IFRSs. The amendment to IFRS 8 requires an entity to report total assets for reportable segments only if that information is regularly provided to the chief operating decision maker. Prior to the amendment, IFRS 8 required entities to report total assets for reportable segments regardless of whether the information was regularly provided to the chief operating decision maker or not.

The amendment is effective for annual periods beginning on or after January 1, 2010 and early application is permitted.

The Allianz Group adopted the amendment in the first quarter 2009. The amendment has not yet been endorsed by the EU, but does not have a material impact on the Allianz Group's condensed consolidated interim financial statements.

IAS 1, Presentation of Financial Statements – revised

In September 2007, the IASB issued the revised IAS 1, Presentation of Financial Statements. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The revised standard gives preparers of financial statements the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements. The revisions also include changes in the titles of some of the financial statements to reflect their function more clearly. The new titles are not mandatory for use in financial statements. Allianz Group has decided not to change the titles of the statements. The Allianz Group adopted revised IAS 1 as of January 1, 2009.

Allianz Group decided to apply the two statement approach, i.e., in addition to the income statement, a statement of comprehensive income is presented including net income and other comprehensive income ("OCI"). For each component of OCI related tax effects are disclosed in the notes. Furthermore, reclassifications of components of OCI to realized gains or losses are separately presented for each component of OCI. The changes in presentation have also been included for prior periods. As a consequence, the statement of changes in equity includes transactions with owners in their capacity as owners, the total comprehensive income and, when applicable, the effects of retrospective applications or restatements. The Allianz Group's condensed consolidated interim financial statements have been presented with the effect of these changes.

New Accounting Standards Codification under U.S. GAAP

On July 1, 2009 the Financial Accounting Standards Board (“FASB”) launched the FASB Accounting Standards Codification™ (“ASC”) as the single source of authoritative non-governmental U.S. GAAP. FASB ASC is a major restructuring of accounting and reporting standards designed to simplify user access to all authoritative U.S. GAAP pronouncements by providing the authoritative literature in a topically organized structure but is not intended to change U.S. GAAP. Correspondingly, names and codifications relating to e.g. insurance accounting categories have been changed within the quarterly report of Allianz Group.

Further amendments and interpretations

In addition to the above mentioned recently adopted accounting pronouncements, the following amendments to standards and interpretations have been adopted as of January 1, 2009:

- IAS 23, Borrowing Costs – amended
- IFRS 2, Share-based Payment – amended
- IAS 32, Financial Instruments: Presentation, and IAS 1, Presentation of Financial Statements – amended
- Annual Improvements to IFRS, if applicable
- Amendments to IFRIC 9 and IAS 39
- IFRIC 13, Customer Loyalty Programmes
- IFRIC 15, Agreements for the Construction of Real Estate
- IFRIC 16, Hedges of a Net Investment in a Foreign Operation

The Allianz Group adopted the amendments and interpretations as of January 1, 2009 with no material effect on its financial result or financial position.

Changes in accounting policies**IFRS 2, Share-based payment**

As described in Note 2 and Note 48 of the Allianz Group’s Annual Report 2008, the Allianz Group accrues the fair value of the awards relating to Group Equity Incentive (“GEI”) plans as compensation expenses over the vesting period. The fair value of the recorded liability is driven by two separate effects being (1) the accrual of the plan benefits over the vesting period and (2) changes in the share price of Allianz SE. In prior years, both effects were included in administrative expenses. The second effect is hedged with derivatives with changes in the fair value of the derivatives recognized in the line item “Income from financial assets and liabilities carried at fair value through income (net)”.

Effective June 30, 2009, Allianz Group voluntarily changed its accounting policy with regard to the presentation of expenses relating to the second effect. The accrual of plan benefits over the vesting period continues to be shown in administrative expenses. Expenses relating to changes in the share price of the Allianz SE are now presented within the line item “Income from financial assets and liabilities carried at fair value through income (net)”. The Allianz Group believes that this presentation is more relevant and gives a clearer picture of expenses relating to the GEIs at grant date. Subsequent fluctuations in the share price are offset due to the hedging of the share price fluctuations. Therefore, the recognition of expenses relating to share price fluctuations within the line item “Income from financial assets and liabilities carried at fair value through income (net)” better reflects the position of Allianz Group and reduces volatility in administrative expenses.

The change in accounting policy is applied retrospectively and results in changes in the presentation as described in the tables below. There is no impact on recognition, initial or subsequent measurement of GEI plans.

Changes in the presentation of the condensed consolidated interim financial statements**Reclassification within Alternative Investment Management**

After the sale of Dresdner Bank on January 12, 2009 and with the adoption of IFRS 8, Operating Segments, the Allianz Group has modified its segment structure and introduced a new Financial Services segment starting with the first quarter 2009. The activities of the asset managers of Alternative Investments, previously reported within the Corporate segment, are now assigned to this new segment. Following the new reporting structure of the Financial Services segment, prior years’ expenses of Alternative Investment Management were reclassified from “Fee and commission expenses” to “Acquisition and administrative expenses (net)” to conform to the segment presentation introduced with the adoption of IFRS 8, Operating Segments.

The tables below describe the impact on the consolidated income statements resulting from the reclassification of expenses at Alternative Investment Management for the three and nine months ended September 30, 2008.

Reclassification of corporate loans

Certain corporate loans were shown within the category held-to-maturity investments in prior periods and were measured at amortized cost using the effective interest method according to IAS 39. The corporate loans meet the

definition of loans and receivables and should have been recorded as such. Loans and receivables are also measured at amortized cost using the effective interest method according to IAS 39.

The categorization has been corrected as of September 30, 2009 and prior periods have been adjusted accordingly. There is no impact on the consolidated income statement since the measurement of both categories is the same and interest payments are shown in "Interest and similar income" for both held-to-maturity investments and loans and receivables. The line items in the consolidated balance sheet have been adjusted leading to a transfer of the corporate loans from "Investments" to "Loans and advances to banks and customers".

The following table summarizes the impacts on the consolidated balance sheets as of September 30, 2008 and December 31, 2008:

	As previously reported € mn	Reclassifi- cation € mn	As reported € mn
As of September 30, 2008			
Investments	263,150	(1,373)	261,777
Loans and advances to banks and customers	118,941	1,373	120,314
As of December 31, 2008			
Investments	260,147	(1,335)	258,812
Loans and advances to banks and customers	115,655	1,335	116,990

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

The following tables summarize the impacts on the consolidated income statements for the three and nine months ended September 30, 2008 relating to the change in accounting policy for GEI plans and the reclassification within Alternative Investment Management:

	2008			
	As previously reported	Change of GEI accounting	Reclassification within Alternative Investment Management	As reported
	€ mn	€ mn	€ mn	€ mn
Three months ended September 30,				
Premiums written	15,873	—	—	15,873
Ceded premiums written	(1,895)	—	—	(1,895)
Change in unearned premiums	824	—	—	824
Premiums earned (net)	14,802	—	—	14,802
Interest and similar income	4,519	—	—	4,519
Income from financial assets and liabilities carried at fair value through income (net)	(64)	50	—	(14)
Realized gains/losses (net)	596	—	—	596
Fee and commission income	1,435	—	—	1,435
Other income	23	—	—	23
Income from fully consolidated private equity investments	649	—	—	649
Total income	21,960	50	—	22,010
Claims and insurance benefits incurred (gross)	(12,204)	—	—	(12,204)
Claims and insurance benefits incurred (ceded)	899	—	—	899
Claims and insurance benefits incurred (net)	(11,305)	—	—	(11,305)
Change in reserves for insurance and investment contracts (net)	(1,439)	—	—	(1,439)
Interest expenses	(447)	—	—	(447)
Loan loss provisions	(4)	—	—	(4)
Impairments of investments (net)	(2,602)	—	—	(2,602)
Investment expenses	325	—	—	325
Acquisition and administrative expenses (net)	(4,354)	(50)	(34)	(4,438)
Fee and commission expenses	(575)	—	34	(541)
Amortization of intangible assets	(6)	—	—	(6)
Restructuring charges	(75)	—	—	(75)
Other expenses	(9)	—	—	(9)
Expenses from fully consolidated private equity investments	(642)	—	—	(642)
Total expenses	(21,133)	(50)	—	(21,183)
Income from continuing operations before income taxes and minority interests in earnings	827	—	—	827
Income taxes	(248)	—	—	(248)
Minority interests in earnings	(34)	—	—	(34)
Net income from continuing operations	545	—	—	545
Net income (loss) from discontinued operations, net of income taxes and minority interests in earnings	(2,568)	—	—	(2,568)
Net income (loss)	(2,023)	—	—	(2,023)

Nine months ended September 30,

	2008			
	As previously reported	Change of GEI accounting	Reclassification within Alternative Investment Management	As reported
	€ mn	€ mn	€ mn	€ mn
Premiums written	50,433	—	—	50,433
Ceded premiums written	(4,536)	—	—	(4,536)
Change in unearned premiums	(1,774)	—	—	(1,774)
Premiums earned (net)	44,123	—	—	44,123
Interest and similar income	14,402	—	—	14,402
Income from financial assets and liabilities carried at fair value through income (net)	(237)	153	—	(84)
Realized gains/losses (net)	3,057	—	—	3,057
Fee and commission income	4,495	—	—	4,495
Other income	389	—	—	389
Income from fully consolidated private equity investments	1,855	—	—	1,855
Total income	68,084	153	—	68,237
Claims and insurance benefits incurred (gross)	(35,503)	—	—	(35,503)
Claims and insurance benefits incurred (ceded)	2,097	—	—	2,097
Claims and insurance benefits incurred (net)	(33,406)	—	—	(33,406)
Change in reserves for insurance and investment contracts (net)	(4,750)	—	—	(4,750)
Interest expenses	(1,406)	—	—	(1,406)
Loan loss provisions	(10)	—	—	(10)
Impairments of investments (net)	(5,565)	—	—	(5,565)
Investment expenses	(270)	—	—	(270)
Acquisition and administrative expenses (net)	(13,341)	(153)	(94)	(13,588)
Fee and commission expenses	(1,778)	—	94	(1,684)
Amortization of intangible assets	(14)	—	—	(14)
Restructuring charges	(78)	—	—	(78)
Other expenses	(10)	—	—	(10)
Expenses from fully consolidated private equity investments	(1,796)	—	—	(1,796)
Total expenses	(62,424)	(153)	—	(62,577)
Income from continuing operations before income taxes and minority interests in earnings	5,660	—	—	5,660
Income taxes	(1,329)	—	—	(1,329)
Minority interests in earnings	(181)	—	—	(181)
Net income from continuing operations	4,150	—	—	4,150
Net income (loss) from discontinued operations, net of income taxes and minority interests in earnings	(3,483)	—	—	(3,483)
Net income	667	—	—	667

Other reclassifications

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

Reclassification of financial assets

In the first quarter 2009 certain CDOs, which were retained from Dresdner Bank, were reclassified subsequent to the derecognition of Dresdner Bank according to IAS 39 from financial assets held for trading to loans and advances to banks and customers. The embedded derivatives included in the CDOs were separated and are shown within financial assets held for trading.

The CDOs were reclassified at their fair value of € 1.1 bn at the reclassification date.

	As of	As of September 30, 2009	
	January 31, 2009	Carrying value	Fair Value
	Carrying value/fair value at date of reclassification € mn	€ mn	€ mn
CDOs reclassified from held for trading to loans to banks and customers (after bifurcation of embedded derivatives)	1,085	884	886

The decline in fair value is mainly due to principal repayments and foreign currency movements.

In the current environment of highly illiquid markets, valuation techniques are required to derive the fair value of these CDOs. As significant input parameters need to be based on non-observable assumptions, management judgement is required to adequately reflect the uncertainties. The Allianz Group has updated the mark-to-model input parameters and cumulatively adjusted the expected recoverable cash flows as of the date of reclassification to € 1.8 bn and the effective interest rate to approximately 7%.

3 Assets and liabilities of disposal groups classified as held for sale and discontinued operations

Impact of the sale of Dresdner Bank AG to Commerzbank AG

As described in the Notes to the Allianz Group's consolidated financial statements for the year ended December 31, 2008, Allianz and Commerzbank agreed on the sale of Dresdner Bank. The transfer of ownership of Dresdner Bank to Commerzbank was completed on January 12, 2009 as scheduled. Accordingly, assets and liabilities of Dresdner Bank have been deconsolidated in the first quarter 2009.

The loss from derecognition of discontinued operations amounts to € 395 mn and represents mainly the reclassification of components of other comprehensive income to net income. All income and expenses relating to the discontinued operations of Dresdner Bank have been reclassified and presented in a separate line item "Net income (loss) from discontinued operations, net of income taxes and minority interests in earnings" in the consolidated income statements for all periods presented in accordance with IFRS 5.

Net income (loss) from discontinued operations for the three and nine months ended September 30, 2009 and 2008, respectively, is comprised of:

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Interest and similar income	—	1,504	—	5,257
Income from financial assets and liabilities carried at fair value through income (net)	—	(439)	—	(1,439)
Realized gains/losses (net)	—	25	—	285
Fee and commission income	—	616	—	1,760
Total income from discontinued operations	—	1,706	—	5,863
Interest expenses	—	(914)	—	(3,401)
Loan loss provisions	—	(258)	—	(327)
Impairments of investments (net)	—	(42)	—	(102)
Investment expenses	—	—	—	(2)
Acquisition and administrative expenses (net)	—	(1,226)	—	(3,326)
Fee and commission expenses	—	(103)	—	(267)
Amortization of intangible assets	—	(2)	—	(2)
Restructuring charges	—	(33)	—	(17)
Other expenses	—	(16)	—	(52)
Total expenses from discontinued operations	—	(2,594)	—	(7,496)
Result from discontinued operations before income taxes and minority interests in earnings	—	(888)	—	(1,633)
Income taxes	—	(253)	—	(398)
Minority interests in earnings	—	(18)	—	(43)
Result from operating activities of discontinued operations	—	(1,159)	—	(2,074)
Impairment loss recognized on remeasurement of assets of disposal group to fair value less costs to sell ¹⁾	—	(1,409)	—	(1,409)
Result from derecognition of discontinued operations ¹⁾	—	—	(395)	—
After-tax impairment loss on remeasurement of assets of disposal group to fair value less costs to sell and after-tax result from derecognition of discontinued operations	—	(1,409)	(395)	(1,409)
Net income (loss) from discontinued operations	—	(2,568)	(395)	(3,483)

¹⁾ No income taxes were related to the impairment loss recognized on remeasurement of assets of disposal group to fair value less costs to sell and to the result from derecognition of discontinued operations.

4 Consolidation

Significant acquisitions

Cominvest

On January 12, 2009, the Allianz Group acquired, as part of the consideration received for the sale of Dresdner Bank to Commerzbank, 100% of the fund manager cominvest (including cominvest Asset Management GmbH, cominvest Asset Management S.A. (Luxembourg), cominvest Vertriebs AG and MK Luxinvest S.A. (Luxembourg)). Together with Allianz Global Investors Deutschland they became Germany's largest asset manager with assets under management of approximately € 300 bn.

Components of costs

The acquisition of cominvest was part of the consideration received from Commerzbank for the sale of Dresdner Bank on January 12, 2009. The fair value of the cominvest entities was determined to be € 700 mn and was recognized as the cost of this acquisition.

The impact of cominvest on the Allianz Group's net income for the nine months ended September 30, 2009 was € 13 mn.

The amounts recognized for major classes of assets and liabilities have been finalized in the third quarter mainly due to identification and valuation of intangible assets and are as follows:

	Fair value	Carrying amount
	€ mn	€ mn
Cash and cash equivalents	48	48
Investments	186	186
Deferred tax assets	14	8
Other assets	42	41
Intangible assets	239	—
Total assets	529	283
Deferred tax liabilities	72	1
Other liabilities	147	128
Participation certificates and subordinated liabilities	57	50
Total equity	253	104
Total liabilities and equity	529	283

At the date of the acquisition, goodwill reflects to a large extent the strengthening and expansion of the market position of our asset management operations. Goodwill has been adjusted largely due to the recognition of separately identified intangible assets.

If the acquisition date of the combined entity (Allianz Group including cominvest) would have been on January 1, 2009, the revenues and net income for the nine months ended September 30, 2009 would have been immaterially different from the revenues and net income as presented in the consolidated income statement for the nine months ended September 30, 2009.

Ayudhya Allianz C.P. Life Public Company Limited

On June 29, 2009, the Allianz Group obtained control of the Thai life insurance company Ayudhya Allianz C.P. Life Public Company Limited, Bangkok, by appointing the majority of the members of the board of directors.

The cost of the investment in Ayudhya Allianz C.P. Life Public Company Limited amounts to € 71 mn.

The impact of Ayudhya on the Allianz Group's net income for the nine months ended September 30, 2009 was € 3 mn.

The amounts recognized for major classes of assets and liabilities have been slightly adjusted for purchase accounting effects in the third quarter and are as follows:

	Fair value	Carrying amount
	€ mn	€ mn
Cash and cash equivalents	77	77
Investments	1,708	1,714
Deferred acquisition costs (PVFP)	230	209
Other assets	93	40
Total assets	2,108	2,040
Unearned premiums	5	5
Reserves for loss and loss adjustments	1,973	1,853
Other liabilities	26	11
Total equity	104	171
Total liabilities and equity	2,108	2,040

The premiums written and premiums earned (net) of the combined entity (Allianz Group including Ayudhya Allianz C.P. Life Public Company Limited) for the nine months ended September 30, 2009, would have been € 49,786 mn (thereof Ayudhya: € 229 mn) and € 44,170 mn (thereof Ayudhya: € 218 mn) respectively, if the acquisition date had been on January 1, 2009. The net income of the combined entity for the nine months ended September 30, 2009, would have been € 3,236 mn (thereof Ayudhya: € 18 mn) if the acquisition date had been on January 1, 2009.

Significant disposals

On January 12, 2009, Dresdner Bank was sold to Commerzbank. For further details please see Note 3.

5 Segment reporting

The Allianz Group has identified 14 reportable segments in accordance with IFRS 8, Operating Segments. Business activities of the Allianz Group are first segregated by product and type of service: insurance activities, financial services activities and corporate activities. Due to differences in the nature of products, risks and capital allocation, insurance activities are further divided between property-casualty and life/health categories.

The following are the five primary regions in which the Allianz Group operates:

- German Speaking Countries
- Europe I incl. South America
- Europe II incl. Africa
- Anglo Broker Markets/Global Lines
- Growth Markets.

The Allianz Group has identified 10 reportable segments for insurance activities, representing Property-Casualty and Life/Health insurance categories organized by the geographical areas or regions listed above. Due to differences in the nature of products, risks and capital allocation, financial services activities are divided into three reportable segments: Asset Management, Banking and Alternative Investment Management. Corporate activities represent a separate reportable segment. The types of products and services from which reportable segments derive revenue are listed below.

Property-Casualty

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

Life/Health

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

Financial Services

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

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

The reportable segment Alternative Investment Management provides global alternative investment management services in the private equity, real estate, renewable energy and infrastructure sectors on behalf of third-party investors and Allianz Group insurance operations.

Corporate

The reportable segment Corporate includes the management and support of the Allianz Group's business through its strategy, risk, corporate finance, treasury, financial control, communication, legal, human resources and technology functions. The Corporate reportable segment also includes certain fully consolidated private equity investments.

Measurement

Prices for transactions between reportable segments are set on an arm's length basis in a manner similar to transactions with third parties. Transactions between reportable segments are eliminated in the consolidation. For the reportable segments comprising the Allianz Group's financial services activities, interest revenue is reported net of interest expenses.

The Allianz Group uses operating profit to evaluate the performance of its reportable segments. The Allianz Group considers the presentation of operating profit to be useful and meaningful to investors because it enhances the understanding of the Allianz Group's underlying operating performance and the comparability of its operating performance over time. Operating profit highlights the portion of income before income taxes and minority interests in earnings attributable to the ongoing core operations of the Allianz Group. To better understand the on-going operations of the business, the Allianz Group excludes the effects of acquisition-related expenses and the amortization of intangible assets, as these relate to business combinations;

interest expenses from external debt as these relate to the capital structure of the Allianz Group, and non-operating income from financial assets and liabilities carried at fair value through income (net).

The Allianz Group believes that trends in the underlying profitability of its business can be more clearly identified without the fluctuating effects of the realized capital gains and losses or impairments of investment securities, as these are largely dependent on market cycles or issuer-specific events over which the Allianz Group has little or no control, and can and do vary, sometimes materially, across periods. Further, the timing of sales that would result in such gains or losses is largely at the discretion of the Allianz Group.

The Allianz Group also excludes income from fully consolidated private equity investments (net) as this represents income from industrial holdings, which is outside the Allianz Group's normal scope of operating business. Similarly, restructuring charges are excluded because the timing of the restructuring charges are largely within the control of the Allianz Group, and accordingly their exclusion provides additional insight into the operating trends of the underlying business. This differentiation is not made if the profit sources are shared with policyholders.

Recent Organizational Changes

In connection with the sale of Dresdner Bank on January 12, 2009, the Allianz Group modified its internal organizational structure as noted above. Business activities of the Allianz Group are segregated by product and type of service, resulting in insurance activities, financial services activities and corporate activities. Financial services activities now include certain alternative investment management operations that were previously part of the Allianz Group's corporate activities. The corresponding items of previously reported information have been restated to reflect this change in the composition of the Allianz Group's reportable segments.

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Business Segment Information – Consolidated Balance Sheets

As of September 30, 2009 and as of December 31, 2008

	Property-Casualty		Life/Health	
	As of September 30, 2009 € mn	As of December 31, 2008 € mn	As of September 30, 2009 € mn	As of December 31, 2008 € mn
ASSETS				
Cash and cash equivalents	2,798	2,669	2,251	4,827
Financial assets carried at fair value through income	2,024	1,998	11,523	11,739
Investments	79,267	74,982	205,470	186,040
Loans and advances to banks and customers	17,090	18,229	101,723	91,373
Financial assets for unit-linked contracts	—	—	54,931	50,450
Reinsurance assets	9,230	9,442	4,682	5,178
Deferred acquisition costs	3,907	3,723	16,428	18,693
Deferred tax assets	1,270	1,579	303	737
Other assets	20,450	23,876	13,776	18,085
Non-current assets and assets of disposal groups classified as held for sale	—	—	—	—
Intangible assets	2,344	2,384	2,303	2,300
Total assets	138,380	138,882	413,390	389,422

	Property-Casualty		Life/Health	
	As of September 30, 2009 € mn	As of December 31, 2008 € mn	As of September 30, 2009 € mn	As of December 31, 2008 € mn
LIABILITIES AND EQUITY				
Financial liabilities carried at fair value through income	97	103	5,947	5,833
Liabilities to banks and customers	396	530	761	1,274
Unearned premiums	14,980	12,984	2,164	2,258
Reserves for loss and loss adjustment expenses	55,677	55,616	8,356	8,320
Reserves for insurance and investment contracts	9,034	8,595	305,467	287,932
Financial liabilities for unit-linked contracts	—	—	54,931	50,450
Deferred tax liabilities	2,595	2,580	1,489	833
Other liabilities	15,377	20,523	14,153	16,625
Liabilities of disposal groups classified as held for sale	—	—	—	—
Certificated liabilities	161	167	2	2
Participation certificates and subordinated liabilities	846	846	65	65
Total liabilities	99,163	101,944	393,335	373,592

Financial Services		Corporate		Consolidation		Group	
As of September 30, 2009 € mn	As of December 31, 2008 € mn	As of September 30, 2009 € mn	As of December 31, 2008 € mn	As of September 30, 2009 € mn	As of December 31, 2008 € mn	As of September 30, 2009 € mn	As of December 31, 2008 € mn
1,462	1,590	194	492	(524)	(620)	6,181	8,958
798	756	730	631	(485)	(884)	14,590	14,240
4,913	3,493	80,503	101,461	(85,132)	(107,164)	285,021	258,812
13,914	14,257	6,508	5,957	(9,068)	(12,826)	130,167	116,990
—	—	—	—	—	—	54,931	50,450
—	—	—	—	(16)	(21)	13,896	14,599
145	147	—	—	—	—	20,480	22,563
246	270	987	1,455	(461)	(45)	2,345	3,996
2,237	3,528	4,994	7,681	(9,490)	(19,166)	31,967	34,004
—	420,658	—	1,639	—	(2,784)	—	419,513
7,096	6,527	1,739	240	—	—	13,482	11,451
30,811	451,226	95,655	119,556	(105,176)	(143,510)	573,060	955,576

Financial Services		Corporate		Consolidation		Group	
As of September 30, 2009 € mn	As of December 31, 2008 € mn	As of September 30, 2009 € mn	As of December 31, 2008 € mn	As of September 30, 2009 € mn	As of December 31, 2008 € mn	As of September 30, 2009 € mn	As of December 31, 2008 € mn
38	51	502	877	(404)	(620)	6,180	6,244
16,381	16,943	5,221	5,970	(2,373)	(6,266)	20,386	18,451
—	—	—	—	(5)	(9)	17,139	15,233
—	—	—	—	(11)	(12)	64,022	63,924
—	—	137	227	(149)	(197)	314,489	296,557
—	—	—	—	—	—	54,931	50,450
97	30	402	433	(460)	(43)	4,123	3,833
4,088	4,260	13,446	16,324	(14,297)	(24,802)	32,767	32,930
—	414,134	—	1,347	—	(3,665)	—	411,816
1,142	1,279	13,751	13,497	(6,802)	(5,401)	8,254	9,544
256	199	8,422	8,493	(257)	(257)	9,332	9,346
22,002	436,896	41,881	47,168	(24,758)	(41,272)	531,623	918,328
Total equity						41,437	37,248
Total liabilities and equity						573,060	955,576

Business Segment Information – Total revenues and reconciliation of Operating profit (loss) to Net income (loss) For the three months ended September 30, 2009 and 2008

Three months ended September 30,	Property-Casualty		Life/Health	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Total revenues ¹⁾	10,232	10,816	10,788	9,415
Premiums earned (net)	9,752	9,912	5,121	4,890
Interest and similar income	865	1,049	3,565	3,319
Operating income from financial assets and liabilities carried at fair value through income (net)	69	(31)	159	62
Operating realized gains/losses (net)	35	(20)	544	100
Fee and commission income	245	292	115	90
Other income	5	—	6	25
Claims and insurance benefits incurred (net)	(6,846)	(6,941)	(4,399)	(4,364)
Change in reserves for insurance and investment contracts (net)	(130)	32	(2,534)	(1,463)
Interest expenses, excluding interest expenses from external debt	(20)	(69)	(24)	(84)
Loan loss provisions	(2)	(1)	(3)	4
Operating impairments of investments (net)	(4)	(129)	(232)	(1,553)
Investment expenses	(103)	53	(271)	171
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(2,606)	(2,623)	(1,128)	(932)
Fee and commission expenses	(229)	(261)	(60)	(43)
Operating restructuring charges	—	—	—	2
Other expenses	—	(2)	—	(6)
Reclassification of tax benefits	—	—	—	—
Operating profit (loss)	1,031	1,261	859	218
Non-operating income from financial assets and liabilities carried at fair value through income (net)	3	(41)	(14)	(17)
Non-operating realized gains/losses (net)	117	530	40	(20)
Income from fully consolidated private equity investments (net)	(1)	—	(9)	—
Interest expenses from external debt	—	—	—	—
Non-operating impairments of investments (net)	(44)	(583)	(3)	(100)
Acquisition-related expenses	—	—	—	—
Amortization of intangible assets	(8)	(4)	(1)	—
Non-operating restructuring charges	(24)	(40)	(1)	(38)
Reclassification of tax benefits	—	—	—	—
Non-operating items	43	(138)	12	(175)
Income (loss) from continuing operations before income taxes and minority interests in earnings	1,074	1,123	871	43
Income taxes	(293)	(303)	(261)	(41)
Minority interests in earnings	(17)	(29)	(9)	(7)
Net income (loss) from continuing operations	764	791	601	(5)
Net income (loss) from discontinued operations, net of income taxes and minority interests in earnings	—	—	—	—
Net income (loss)	764	791	601	(5)

¹⁾ Total revenues comprise Property-Casualty segment's gross premiums written, Life/Health segment's statutory premiums (including unit-linked and other investment-oriented products) and Financial Services segment's operating revenues.

Financial Services		Corporate		Consolidation		Group	
2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn
1,058	864	—	—	(58)	9	22,020	21,104
—	—	—	—	—	—	14,873	14,802
186	262	56	191	(166)	(302)	4,506	4,519
16	(44)	(14)	(10)	12	(49)	242	(72)
—	—	—	—	(10)	(1)	569	79
1,211	1,122	50	4	(88)	(73)	1,533	1,435
2	7	—	—	(5)	(9)	8	23
—	—	—	—	—	—	(11,245)	(11,305)
—	—	—	—	16	(8)	(2,648)	(1,439)
(100)	(172)	(103)	(161)	110	266	(137)	(220)
(13)	(7)	—	—	—	—	(18)	(4)
—	—	—	—	—	1	(236)	(1,681)
—	(1)	(45)	48	49	54	(370)	325
(713)	(689)	(144)	(122)	(4)	6	(4,595)	(4,360)
(257)	(311)	(58)	1	42	73	(562)	(541)
—	—	—	—	—	—	—	2
—	—	—	(1)	—	—	—	(9)
—	—	—	—	9	9	9	9
332	167	(258)	(50)	(35)	(33)	1,929	1,563
—	—	124	138	(1)	(22)	112	58
4	(2)	155	28	6	(19)	322	517
—	—	(1)	7	(23)	—	(34)	7
—	—	(228)	(227)	—	—	(228)	(227)
(10)	(34)	11	(204)	—	—	(46)	(921)
(108)	(84)	(4)	6	—	—	(112)	(78)
(25)	(2)	(3)	—	—	—	(37)	(6)
(35)	1	—	—	—	—	(60)	(77)
—	—	—	—	(9)	(9)	(9)	(9)
(174)	(121)	54	(252)	(27)	(50)	(92)	(736)
158	46	(204)	(302)	(62)	(83)	1,837	827
(63)	(62)	109	150	10	8	(498)	(248)
(5)	2	7	(2)	8	2	(16)	(34)
90	(14)	(88)	(154)	(44)	(73)	1,323	545
—	(2,765)	—	—	—	197	—	(2,568)
90	(2,779)	(88)	(154)	(44)	124	1,323	(2,023)

Business Segment Information – Total revenues and reconciliation of Operating profit (loss) to Net income (loss) For the nine months ended September 30, 2009 and 2008

Nine months ended September 30,	Property-Casualty		Life/Health	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Total revenues ¹⁾	33,640	34,368	35,567	32,471
Premiums earned (net)	28,449	28,533	15,581	15,590
Interest and similar income	2,730	3,431	10,508	10,333
Operating income from financial assets and liabilities carried at fair value through income (net)	107	(2)	543	(51)
Operating realized gains/losses (net)	51	38	1,354	1,022
Fee and commission income	787	852	356	429
Other income	13	257	15	140
Claims and insurance benefits incurred (net)	(20,087)	(19,489)	(14,042)	(13,917)
Change in reserves for insurance and investment contracts (net)	(255)	(67)	(5,574)	(4,655)
Interest expenses, excluding interest expenses from external debt	(80)	(248)	(95)	(209)
Loan loss provisions	(10)	(2)	(17)	10
Operating impairments of investments (net)	(70)	(294)	(1,575)	(3,431)
Investment expenses	(209)	(149)	(442)	(239)
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(7,838)	(7,663)	(4,188)	(3,333)
Fee and commission expenses	(692)	(757)	(176)	(173)
Operating restructuring charges	—	—	3	1
Other expenses	(1)	(2)	—	(7)
Reclassification of tax benefits	—	—	—	—
Operating profit (loss)	2,895	4,438	2,251	1,510
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(56)	21	(6)	(9)
Non-operating realized gains/losses (net)	663	1,863	55	(55)
Income from fully consolidated private equity investments (net)	—	—	—	—
Interest expenses from external debt	—	—	—	—
Non-operating impairments of investments (net)	(494)	(1,266)	(71)	(110)
Acquisition-related expenses	—	—	—	—
Amortization of intangible assets	(15)	(11)	(2)	(1)
Non-operating restructuring charges	(52)	(39)	(10)	(40)
Reclassification of tax benefits	—	—	—	—
Non-operating items	46	568	(34)	(215)
Income (loss) from continuing operations before income taxes and minority interests in earnings	2,941	5,006	2,217	1,295
Income taxes	(959)	(1,213)	(602)	(377)
Minority interests in earnings	(38)	(123)	(32)	(46)
Net income (loss) from continuing operations	1,944	3,670	1,583	872
Net income (loss) from discontinued operations, net of income taxes and minority interests in earnings	—	—	—	—
Net income (loss)	1,944	3,670	1,583	872

¹⁾ Total revenues comprise Property-Casualty segment's gross premiums written, Life/Health segment's statutory premiums (including unit-linked and other investment-oriented products) and Financial Services segment's operating revenues.

Financial Services		Corporate		Consolidation		Group	
2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn
2,846	2,710	—	—	(134)	39	71,919	69,588
—	—	—	—	—	—	44,030	44,123
577	812	290	705	(385)	(879)	13,720	14,402
36	(55)	33	(12)	43	(61)	762	(181)
—	—	—	—	(12)	16	1,393	1,076
3,265	3,435	150	36	(263)	(257)	4,295	4,495
14	19	—	1	(15)	(28)	27	389
—	—	—	—	—	—	(34,129)	(33,406)
—	—	—	—	(124)	(28)	(5,953)	(4,750)
(323)	(526)	(340)	(469)	398	758	(440)	(694)
(30)	(18)	—	—	—	—	(57)	(10)
—	—	—	—	—	(16)	(1,645)	(3,741)
1	2	(226)	(46)	139	162	(737)	(270)
(2,140)	(1,987)	(419)	(382)	22	41	(14,563)	(13,324)
(723)	(975)	(129)	(2)	115	223	(1,605)	(1,684)
—	—	—	—	—	—	3	1
(1)	—	—	(1)	—	—	(2)	(10)
—	—	—	—	35	32	35	32
676	707	(641)	(170)	(47)	(37)	5,134	6,448
—	—	247	262	(36)	(177)	149	97
16	60	643	128	158	(15)	1,535	1,981
—	—	(283)	59	92	—	(191)	59
—	—	(680)	(712)	—	—	(680)	(712)
(24)	(44)	(353)	(370)	—	(34)	(942)	(1,824)
(162)	(291)	(3)	27	—	—	(165)	(264)
(25)	(2)	(10)	—	—	—	(52)	(14)
(75)	—	—	—	—	—	(137)	(79)
—	—	—	—	(35)	(32)	(35)	(32)
(270)	(277)	(439)	(606)	179	(258)	(518)	(788)
406	430	(1,080)	(776)	132	(295)	4,616	5,660
(195)	(201)	754	427	36	35	(966)	(1,329)
(9)	(4)	45	(13)	—	5	(34)	(181)
202	225	(281)	(362)	168	(255)	3,616	4,150
(395)	(3,892)	—	—	—	409	(395)	(3,483)
(193)	(3,667)	(281)	(362)	168	154	3,221	667

Reportable segments – Property-Casualty business

For the three months ended September 30, 2009 and 2008

Three months ended September 30,	German Speaking Countries		Europe I incl. South America	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Gross premiums written ¹⁾	2,343	2,391	1,812	1,876
Ceded premiums written	(466)	(482)	(193)	(230)
Change in unearned premiums	444	443	225	319
Premiums earned (net)	2,321	2,352	1,844	1,965
Interest and similar income	281	318	138	176
Operating income from financial assets and liabilities carried at fair value through income (net)	22	(14)	17	11
Operating realized gains/losses (net)	35	(20)	—	—
Fee and commission income	39	11	6	2
Other income	2	1	1	(3)
Operating revenues	2,700	2,648	2,006	2,151
Claims and insurance benefits incurred (net)	(1,684)	(1,529)	(1,339)	(1,435)
Changes in reserves for insurance and investment contracts (net)	(111)	49	(1)	(5)
Interest expenses	(17)	(34)	(1)	(1)
Loan loss provisions	(2)	—	—	—
Operating impairments of investments (net)	(4)	(129)	—	—
Investment expenses	(39)	55	(12)	9
Acquisition and administrative expenses (net)	(623)	(608)	(442)	(464)
Fee and commission expenses	(35)	(16)	(6)	(6)
Other expenses	—	—	—	—
Operating expenses	(2,515)	(2,212)	(1,801)	(1,902)
Operating profit	185	436	205	249
Loss ratio ²⁾ in %	72.6	65.0	72.6	73.0
Expense ratio ³⁾ in %	26.8	25.9	24.0	23.6
Combined ratio ⁴⁾ in %	99.4	90.9	96.6	96.6

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

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

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

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

⁵⁾ Presentation not meaningful.

Europe II incl. Africa		Anglo Broker Markets/ Global Lines		Growth Markets		Consolidation		Property-Casualty	
2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn
1,932	1,977	4,306	4,622	774	874	(935)	(924)	10,232	10,816
(366)	(342)	(1,107)	(1,438)	(176)	(206)	940	927	(1,368)	(1,771)
155	129	61	(23)	3	(1)	—	—	888	867
1,721	1,764	3,260	3,161	601	667	5	3	9,752	9,912
142	195	279	331	43	55	(18)	(26)	865	1,049
42	(15)	(13)	8	1	(4)	—	(17)	69	(31)
—	—	—	—	—	—	—	—	35	(20)
182	212	36	41	13	16	(31)	10	245	292
2	1	—	—	—	1	—	—	5	—
2,089	2,157	3,562	3,541	658	735	(44)	(30)	10,971	11,202
(1,199)	(1,207)	(2,242)	(2,384)	(376)	(388)	(6)	2	(6,846)	(6,941)
1	(2)	(16)	(12)	(3)	2	—	—	(130)	32
(17)	(56)	(5)	(4)	(1)	(2)	21	28	(20)	(69)
—	—	—	(1)	—	—	—	—	(2)	(1)
—	—	—	—	—	—	—	—	(4)	(129)
(22)	(2)	(22)	(7)	(6)	—	(2)	(2)	(103)	53
(505)	(501)	(817)	(816)	(203)	(229)	(16)	(5)	(2,606)	(2,623)
(175)	(193)	(24)	(24)	(19)	(14)	30	(8)	(229)	(261)
—	—	—	(2)	—	—	—	—	—	(2)
(1,917)	(1,961)	(3,126)	(3,250)	(608)	(631)	27	15	(9,940)	(9,941)
172	196	436	291	50	104	(17)	(15)	1,031	1,261
69.7	68.4	68.8	75.4	62.6	58.2	— ⁵⁾	— ⁵⁾	70.2	70.0
29.3	28.4	25.0	25.8	33.7	34.3	— ⁵⁾	— ⁵⁾	26.7	26.5
99.0	96.8	93.8	101.2	96.3	92.5	— ⁵⁾	— ⁵⁾	96.9	96.5

Reportable segments – Property-Casualty business

For the nine months ended September 30, 2009 and 2008

Nine months ended September 30,	German Speaking Countries		Europe I incl. South America	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Gross premiums written ¹⁾	9,555	9,610	5,994	6,178
Ceded premiums written	(1,755)	(1,758)	(699)	(646)
Change in unearned premiums	(879)	(911)	223	209
Premiums earned (net)	6,921	6,941	5,518	5,741
Interest and similar income	901	1,171	435	590
Operating income from financial assets and liabilities carried at fair value through income (net)	31	(19)	51	34
Operating realized gains/losses (net)	51	38	—	—
Fee and commission income	113	246	20	8
Other income	3	241	1	8
Operating revenues	8,020	8,618	6,025	6,381
Claims and insurance benefits incurred (net)	(4,996)	(4,851)	(4,012)	(4,036)
Changes in reserves for insurance and investment contracts (net)	(225)	(19)	(2)	(9)
Interest expenses	(61)	(147)	(4)	(3)
Loan loss provisions	(3)	—	—	—
Operating impairments of investments (net)	(70)	(294)	—	—
Investment expenses	(62)	(33)	(20)	(18)
Acquisition and administrative expenses (net)	(1,867)	(1,781)	(1,347)	(1,376)
Fee and commission expenses	(97)	(240)	(20)	(16)
Other expenses	—	—	—	—
Operating expenses	(7,381)	(7,365)	(5,405)	(5,458)
Operating profit	639	1,253	620	923
Loss ratio ²⁾ in %	72.2	69.9	72.7	70.3
Expense ratio ³⁾ in %	27.0	25.6	24.4	24.0
Combined ratio ⁴⁾ in %	99.2	95.5	97.1	94.3

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

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

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

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

⁵⁾ Presentation not meaningful.

Europe II incl. Africa		Anglo Broker Markets/ Global Lines		Growth Markets		Consolidation		Property-Casualty	
2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn
6,584	6,563	12,308	12,314	2,443	2,743	(3,244)	(3,040)	33,640	34,368
(1,236)	(1,074)	(2,697)	(3,073)	(605)	(687)	3,269	3,067	(3,723)	(4,171)
(264)	(284)	(476)	(533)	(72)	(145)	—	—	(1,468)	(1,664)
5,084	5,205	9,135	8,708	1,766	1,911	25	27	28,449	28,533
446	651	890	957	125	138	(67)	(76)	2,730	3,431
44	(32)	(23)	21	4	(5)	—	(1)	107	(2)
—	—	—	—	—	—	—	—	51	38
568	602	102	114	41	46	(57)	(164)	787	852
5	4	—	—	4	4	—	—	13	257
6,147	6,430	10,104	9,800	1,940	2,094	(99)	(214)	32,137	33,109
(3,768)	(3,455)	(6,211)	(5,980)	(1,075)	(1,152)	(25)	(15)	(20,087)	(19,489)
—	(1)	(19)	(38)	(9)	—	—	—	(255)	(67)
(70)	(164)	(15)	(12)	(5)	(8)	75	86	(80)	(248)
—	—	—	(1)	(7)	(1)	—	—	(10)	(2)
—	—	—	—	—	—	—	—	(70)	(294)
(64)	(53)	(44)	(37)	(16)	(6)	(3)	(2)	(209)	(149)
(1,522)	(1,516)	(2,509)	(2,340)	(593)	(645)	—	(5)	(7,838)	(7,663)
(510)	(539)	(68)	(82)	(50)	(40)	53	160	(692)	(757)
—	—	—	(2)	(1)	—	—	—	(1)	(2)
(5,934)	(5,728)	(8,866)	(8,492)	(1,756)	(1,852)	100	224	(29,242)	(28,671)
213	702	1,238	1,308	184	242	1	10	2,895	4,438
74.1	66.4	68.0	68.7	60.9	60.3	— ⁵⁾	— ⁵⁾	70.6	68.3
30.0	29.1	27.5	26.8	33.6	33.7	— ⁵⁾	— ⁵⁾	27.6	26.9
104.1	95.5	95.5	95.5	94.5	94.0	— ⁵⁾	— ⁵⁾	98.2	95.2

Reportable segments – Life/Health business

For the three months ended September 30, 2009 and 2008

Three months ended September 30,	German Speaking Countries		Europe I incl. South America	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Statutory premiums ¹⁾	4,417	3,873	1,887	1,084
Ceded premiums written	(47)	(45)	(17)	(21)
Change in unearned premiums	(21)	(5)	8	24
Statutory premiums (net)	4,349	3,823	1,878	1,087
Deposits from insurance and investment contracts	(1,110)	(691)	(1,619)	(802)
Premiums earned (net)	3,239	3,132	259	285
Interest and similar income	1,919	1,860	335	330
Operating income from financial assets and liabilities carried at fair value through income (net)	92	507	6	(11)
Operating realized gains/losses (net)	444	96	19	(11)
Fee and commission income	8	5	73	83
Other income	5	2	(1)	2
Operating revenues	5,707	5,602	691	678
Claims and insurance benefits incurred (net)	(3,011)	(3,002)	(313)	(320)
Changes in reserves for insurance and investment contracts (net)	(1,649)	(1,134)	(83)	(30)
Interest expenses	(28)	(44)	(4)	(6)
Loan loss provisions	(3)	5	—	—
Operating impairments of investments (net)	(214)	(1,097)	(1)	(54)
Investment expenses	(204)	162	(9)	(5)
Acquisition and administrative expenses (net)	(350)	(363)	(134)	(143)
Fee and commission expenses	(7)	(6)	(38)	(37)
Operating restructuring charges	—	2	—	—
Other expenses	—	—	—	—
Operating expenses	(5,466)	(5,477)	(582)	(595)
Operating profit (loss)	241	125	109	83
Cost-income ratio ²⁾ in %	96.2	97.6	95.2	94.0

¹⁾ For the Life/Health segment, total revenues are measured based upon statutory premiums. Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.

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

³⁾ Presentation not meaningful.

Europe II incl. Africa		Anglo Broker Markets/ Global Lines		Growth Markets		Consolidation		Life/Health	
2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn
1,969	1,812	1,338	1,524	1,233	1,164	(56)	(42)	10,788	9,415
(67)	(88)	(40)	(46)	(20)	(14)	56	42	(135)	(172)
(2)	(36)	2	15	10	(32)	—	—	(3)	(34)
1,900	1,688	1,300	1,493	1,223	1,118	—	—	10,650	9,209
(1,090)	(936)	(1,051)	(1,265)	(659)	(625)	—	—	(5,529)	(4,319)
810	752	249	228	564	493	—	—	5,121	4,890
648	585	539	436	140	123	(16)	(15)	3,565	3,319
253	(188)	(210)	(231)	16	(5)	2	(10)	159	62
74	20	(4)	1	11	(5)	—	(1)	544	100
17	21	8	(35)	10	17	(1)	(1)	115	90
1	1	—	—	1	20	—	—	6	25
1,803	1,191	582	399	742	643	(15)	(27)	9,510	8,486
(713)	(701)	(108)	(89)	(254)	(252)	—	—	(4,399)	(4,364)
(474)	143	(124)	(281)	(204)	(166)	—	5	(2,534)	(1,463)
(6)	(43)	(2)	(7)	(1)	(3)	17	19	(24)	(84)
—	1	—	(3)	—	1	—	—	(3)	4
(17)	(275)	(2)	(115)	2	(9)	—	(3)	(232)	(1,553)
(42)	22	(10)	(7)	(7)	(1)	1	—	(271)	171
(287)	(274)	(122)	33	(235)	(183)	—	(2)	(1,128)	(932)
(6)	(8)	(9)	(2)	(1)	9	1	1	(60)	(43)
—	—	—	—	—	—	—	—	—	2
—	—	—	—	—	(6)	—	—	—	(6)
(1,545)	(1,135)	(377)	(471)	(700)	(610)	19	20	(8,651)	(8,268)
258	56	205	(72)	42	33	4	(7)	859	218
90.9	96.9	87.3	104.7	97.0	97.4	— ³⁾	— ³⁾	94.1	98.1

Reportable segments – Life/Health business

For the nine months ended September 30, 2009 and 2008

Nine months ended September 30,	German Speaking Countries		Europe I incl. South America	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Statutory premiums¹⁾	14,117	13,198	6,726	4,905
Ceded premiums written	(148)	(149)	(69)	(74)
Change in unearned premiums	(62)	(21)	44	50
Statutory premiums (net)	13,907	13,028	6,701	4,881
Deposits from insurance and investment contracts	(3,962)	(3,030)	(5,741)	(3,811)
Premiums earned (net)	9,945	9,998	960	1,070
Interest and similar income	5,674	5,783	1,007	1,017
Operating income from financial assets and liabilities carried at fair value through income (net)	(9)	959	(6)	—
Operating realized gains/losses (net)	899	463	33	(1)
Fee and commission income	18	20	214	258
Other income	11	110	—	5
Operating revenues	16,538	17,333	2,208	2,349
Claims and insurance benefits incurred (net)	(9,796)	(9,722)	(1,125)	(1,134)
Changes in reserves for insurance and investment contracts (net)	(3,448)	(3,267)	(123)	(92)
Interest expenses	(89)	(113)	(8)	(17)
Loan loss provisions	(9)	11	—	—
Operating impairments of investments (net)	(1,104)	(2,469)	(87)	(213)
Investment expenses	(258)	(112)	(16)	(24)
Acquisition and administrative expenses (net)	(1,135)	(1,048)	(463)	(465)
Fee and commission expenses	(17)	(18)	(111)	(120)
Operating restructuring charges	3	1	—	—
Other expenses	—	—	—	—
Operating expenses	(15,853)	(16,737)	(1,933)	(2,065)
Operating profit	685	596	275	284
Cost-income ratio²⁾ in %	96.4	96.6	96.4	95.1

¹⁾ For the Life/Health segment, total revenues are measured based upon statutory premiums. Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.

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

³⁾ Presentation not meaningful.

Europe II incl. Africa		Anglo Broker Markets/ Global Lines		Growth Markets		Consolidation		Life/Health	
2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn
6,179	6,355	5,265	4,464	3,447	3,699	(167)	(150)	35,567	32,471
(191)	(207)	(114)	(115)	(50)	(44)	167	150	(405)	(439)
(5)	(61)	—	3	(33)	(71)	—	—	(56)	(100)
5,983	6,087	5,151	4,352	3,364	3,584	—	—	35,106	31,932
(3,447)	(3,747)	(4,404)	(3,535)	(1,971)	(2,219)	—	—	(19,525)	(16,342)
2,536	2,340	747	817	1,393	1,365	—	—	15,581	15,590
1,882	1,923	1,612	1,257	379	367	(46)	(14)	10,508	10,333
297	(545)	235	(454)	23	(10)	3	(1)	543	(51)
409	557	—	2	13	3	—	(2)	1,354	1,022
53	62	27	29	48	63	(4)	(3)	356	429
2	3	1	—	1	22	—	—	15	140
5,179	4,340	2,622	1,651	1,857	1,810	(47)	(20)	28,357	27,463
(2,151)	(2,054)	(315)	(306)	(655)	(701)	—	—	(14,042)	(13,917)
(891)	(124)	(611)	(746)	(501)	(432)	—	6	(5,574)	(4,655)
(34)	(120)	(6)	(9)	(5)	(7)	47	57	(95)	(209)
—	1	(9)	(3)	1	1	—	—	(17)	10
(315)	(570)	(70)	(123)	1	(16)	—	(40)	(1,575)	(3,431)
(120)	(66)	(27)	(20)	(21)	(16)	—	(1)	(442)	(239)
(985)	(956)	(1,026)	(335)	(579)	(526)	—	(3)	(4,188)	(3,333)
(16)	(19)	(35)	(17)	(1)	(2)	4	3	(176)	(173)
—	—	—	—	—	—	—	—	3	1
—	—	—	—	—	(7)	—	—	—	(7)
(4,512)	(3,908)	(2,099)	(1,559)	(1,760)	(1,706)	51	22	(26,106)	(25,953)
667	432	523	92	97	104	4	2	2,251	1,510
91.8	94.1	92.4	98.2	97.4	97.4	— ³⁾	— ³⁾	95.1	96.2

Reportable segments – Financial Services business

For the three months and nine months ended September 30, 2009 and 2008

Three months ended September 30,	Asset Management	
	2009 € mn	2008 € mn
Net fee and commission income ¹⁾	866	725
Net interest income ²⁾	12	15
Income from financial assets and liabilities carried at fair value through income (net)	18	(46)
Other income	5	7
Operating revenues³⁾	901	701
Administrative expenses (net), excluding acquisition-related expenses	(531)	(514)
Investment expenses	(2)	(1)
Other expenses	—	—
Operating expenses	(533)	(515)
Loan loss provisions	—	—
Operating profit (loss)	368	186
Cost-income ratio⁴⁾ in %	59.2	73.5

Nine months ended September 30,	Asset Management	
	2009 € mn	2008 € mn
Net fee and commission income ¹⁾	2,327	2,152
Net interest income ²⁾	22	42
Income from financial assets and liabilities carried at fair value through income (net)	34	(44)
Other income	13	19
Operating revenues³⁾	2,396	2,169
Administrative expenses (net), excluding acquisition-related expenses	(1,570)	(1,460)
Investment expenses	(1)	(1)
Other expenses	—	—
Operating expenses	(1,571)	(1,461)
Loan loss provisions	—	—
Operating profit (loss)	825	708
Cost-income ratio⁴⁾ in %	65.6	67.4

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

²⁾ Represents interest and similar income less interest expenses.

³⁾ For the Financial Services segment, total revenues are measured based upon operating revenues.

⁴⁾ Represents operating expenses divided by operating revenues.

⁵⁾ Presentation not meaningful.

Banking		Alternative Investment Management		Consolidation		Financial Services	
2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn
47	48	43	39	(2)	(1)	954	811
74	74	—	2	—	(1)	86	90
(3)	2	1	—	—	—	16	(44)
—	—	(3)	—	—	—	2	7
118	124	41	41	(2)	(2)	1,058	864
(144)	(134)	(40)	(43)	2	2	(713)	(689)
2	1	—	(1)	—	—	—	(1)
—	(1)	—	1	—	—	—	—
(142)	(134)	(40)	(43)	2	2	(713)	(690)
(13)	(7)	—	—	—	—	(13)	(7)
(37)	(17)	1	(2)	—	—	332	167
120.3	108.1	97.6	104.9	—⁵⁾	—⁵⁾	67.4	79.9

Banking		Alternative Investment Management		Consolidation		Financial Services	
2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn	2009 € mn	2008 € mn
125	186	93	123	(3)	(1)	2,542	2,460
231	240	1	5	—	(1)	254	286
1	(8)	1	(3)	—	—	36	(55)
—	—	1	—	—	—	14	19
357	418	96	125	(3)	(2)	2,846	2,710
(469)	(411)	(104)	(118)	3	2	(2,140)	(1,987)
3	6	(1)	(3)	—	—	1	2
(1)	(1)	—	1	—	—	(1)	—
(467)	(406)	(105)	(120)	3	2	(2,140)	(1,985)
(30)	(18)	—	—	—	—	(30)	(18)
(140)	(6)	(9)	5	—	—	676	707
130.8	97.1	109.4	96.0	—⁵⁾	—⁵⁾	75.2	73.2

Supplementary Information to the Consolidated Balance Sheets

7 Investments

6 Financial assets carried at fair value through income

	As of September 30, 2009 € mn	As of December 31, 2008 € mn
Financial assets held for trading		
Debt securities	342	547
Equity securities	100	99
Derivative financial instruments	1,743	1,978
Subtotal	2,185	2,624
Financial assets designated at fair value through income		
Debt securities	8,869	8,589
Equity securities	3,536	3,027
Subtotal	12,405	11,616
Total	14,590	14,240

	As of September 30, 2009 € mn	As of December 31, 2008 € mn
Available-for-sale investments	269,880	242,099
Held-to-maturity investments	3,521	3,599
Funds held by others under reinsurance contracts assumed	864	1,039
Investments in associates and joint ventures	3,346	4,524
Real estate held for investment	7,410	7,551
Total	285,021	258,812

Available-for-sale investments

	As of September 30, 2009				As of December 31, 2008			
	Amortized Cost € mn	Unrealized Gains € mn	Unrealized Losses € mn	Fair Value € mn	Amortized Cost € mn	Unrealized Gains € mn	Unrealized Losses € mn	Fair Value € mn
Debt securities								
Government and agency mortgage-backed securities (residential and commercial)	7,969	253	(9)	8,213	7,814	177	(2)	7,989
Corporate mortgage-backed securities (residential and commercial)	8,154	74	(561)	7,667	8,714	14	(1,417)	7,311
Other asset-backed securities	4,045	130	(151)	4,024	4,858	16	(385)	4,489
Government and government agency bonds	105,589	4,699	(378)	109,910	94,742	4,573	(1,020)	98,295
Corporate bonds	108,717	4,703	(2,108)	111,312	98,864	1,367	(7,028)	93,203
Other	1,515	79	(24)	1,570	1,283	58	(18)	1,323
Subtotal	235,989	9,938	(3,231)	242,696	216,275	6,205	(9,870)	212,610
Equity securities	17,492	9,913	(221)	27,184	23,802	6,538	(851)	29,489
Total	253,481	19,851	(3,452)	269,880	240,077	12,743	(10,721)	242,099

8 Loans and advances to banks and customers

	As of September 30, 2009			As of December 31, 2008		
	Banks € mn	Customers € mn	Total € mn	Banks € mn	Customers € mn	Total € mn
Short-term investments and certificates of deposit	10,583	—	10,583	9,622	—	9,622
Reverse repurchase agreements	1,960	19	1,979	1,612	5	1,617
Loans	71,099	43,559	114,658	64,315	38,255	102,570
Other	3,026	62	3,088	3,223	77	3,300
Subtotal	86,668	43,640	130,308	78,772	38,337	117,109
Loan loss allowance	—	(141)	(141)	—	(119)	(119)
Total	86,668	43,499	130,167	78,772	38,218	116,990

Loans and advances to customers by type of customer

	As of September 30, 2009 € mn	As of December 31, 2008 € mn
Corporate customers	13,336	11,202
Private customers	23,503	23,309
Public authorities	6,801	3,826
Total	43,640	38,337

9 Reinsurance assets

	As of September 30, 2009 € mn	As of December 31, 2008 € mn
Unearned premiums	1,718	1,294
Reserves for loss and loss adjustment expenses	7,516	8,180
Aggregate policy reserves	4,582	5,018
Other insurance reserves	80	107
Total	13,896	14,599

10 Deferred acquisition costs

	As of September 30, 2009 € mn	As of December 31, 2008 € mn
Deferred acquisition costs		
Property-Casualty	3,907	3,721
Life/Health	14,553	16,709
Financial Services	145	147
Subtotal	18,605	20,577
Present value of future profits	1,239	1,239
Deferred sales inducements	636	747
Total	20,480	22,563

11 Other assets

	As of September 30, 2009 € mn	As of December 31, 2008 € mn
Receivables		
Policyholders	4,616	4,467
Agents	3,920	4,129
Reinsurers	2,511	2,989
Other	4,220	3,068
Less allowance for doubtful accounts	(586)	(499)
Subtotal	14,681	14,154
Tax receivables		
Income tax	1,843	2,467
Other tax	744	813
Subtotal	2,587	3,280
Accrued dividends, interest and rent	6,176	5,918
Prepaid expenses		
Interest and rent	21	28
Other prepaid expenses	263	313
Subtotal	284	341
Derivative financial instruments used for hedging that meet the criteria for hedge accounting and firm commitments	424	1,101
Property and equipment		
Real estate held for own use	2,971	3,122
Equipment	1,501	1,242
Software	1,215	1,116
Subtotal	5,687	5,480
Other assets	2,128	3,730
Total	31,967	34,004

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

	As of September 30, 2009 € mn	As of December 31, 2008 € mn
Non-current assets and assets of disposal groups classified as held for sale		
Dresdner Bank Group	—	417,874
Selecta AG	—	1,639
Total	—	419,513
Liabilities of disposal groups classified as held for sale		
Dresdner Bank Group	—	410,469
Selecta AG	—	1,347
Total	—	411,816

Dresdner Bank Group

As described in detail in Note 3, the sale of Dresdner Bank was completed on January 12, 2009. Accordingly, assets and liabilities of Dresdner Bank were deconsolidated in the first quarter 2009.

Selecta AG

Given the current market environment the intended sale of Selecta has been deferred in order to optimise valuations and investment proceeds.

As a result, firstly the assets and liabilities of Selecta were reclassified from “non-current assets and assets and liabilities of disposal groups classified as held for sale” as of June 30, 2009 based on their original IFRS presentation.

Secondly, the non-current assets of Selecta were remeasured at the date of reclassification to reflect the carrying amounts the assets would have had in the absence of the held for sale classification from the end of the fourth quarter 2007 until the end of the second quarter 2009. This resulted in depreciation and amortization expenses net of deferred income taxes of € 120 mn.

If Selecta was not classified as held for sale in the comparative periods presented, net income from continuing operations would have been € 17 mn lower for the three months and € 49 mn lower for the nine months ended September 30, 2008 due to amortization and depreciation of the non-current assets of Selecta.

13 Intangible assets

	As of September 30, 2009 € mn	As of December 31, 2008 € mn
Goodwill	11,996	11,221
Brand names ¹⁾	305	24
Other ²⁾	1,181	206
Total	13,482	11,451

¹⁾ Includes primarily the brand name of Selecta AG, Muntelier, as this subsidiary is reclassified out of disposal groups classified as held for sale.

²⁾ Includes primarily long-term distribution agreements with Commerzbank (€ 626 mn), customer relationships (€ 371 mn), research and development costs (€ 85 mn) and bancassurance agreements (€ 14 mn).

Changes in goodwill for the nine months ended September 30, 2009 were as follows:

	2009 € mn
Cost as of January 1,	11,445
Accumulated impairments as of January 1,	(224)
Carrying amount as of January 1,	11,221
Additions	461
Foreign currency translation adjustments	(177)
Reclassification	491
Carrying amount as of September 30,	11,996
Accumulated impairments as of September 30,	224
Cost as of September 30,	12,220

Additions include primarily goodwill from the acquisition of a 100% participation in cominvest Asset Management GmbH, Frankfurt a.M., in the first quarter 2009.

The reclassification relates to the goodwill of Selecta AG, Muntelier, as this subsidiary is reclassified out of disposal groups classified as held for sale.

14 Financial liabilities carried at fair value through income

	As of September 30, 2009 € mn	As of December 31, 2008 € mn
Financial liabilities held for trading		
Derivative financial instruments	6,099	6,242
Other trading liabilities	81	2
Total	6,180	6,244

15 Liabilities to banks and customers

	As of September 30, 2009			As of December 31, 2008		
	Banks € mn	Customers € mn	Total € mn	Banks € mn	Customers € mn	Total € mn
Payable on demand	254	3,784	4,038	311	4,096	4,407
Savings deposits	—	1,887	1,887	—	1,790	1,790
Term deposits and certificates of deposit	1,290	2,524	3,814	1,296	3,035	4,331
Repurchase agreements	659	188	847	—	568	568
Collateral received from securities lending transactions	31	—	31	627	—	627
Other	6,921	2,848	9,769	3,194	3,534	6,728
Total	9,155	11,231	20,386	5,428	13,023	18,451

16 Reserves for loss and loss adjustment expenses

	As of September 30, 2009 € mn	As of December 31, 2008 € mn
Property-Casualty	55,677	55,616
Life/Health	8,356	8,320
Consolidation	(11)	(12)
Total	64,022	63,924

Changes in the reserves for loss and loss adjustment expenses for the Property-Casualty segment for the nine months ended September 30, 2009 and 2008 are as follows:

	2009			2008		
	Gross € mn	Ceded € mn	Net € mn	Gross € mn	Ceded € mn	Net € mn
As of January 1,	55,616	(7,820)	47,796	56,943	(8,266)	48,677
Loss and loss adjustment expenses incurred						
Current year	22,776	(2,095)	20,681	22,610	(2,190)	20,420
Prior years	(1,341)	747	(594)	(1,349)	418	(931)
Subtotal	21,435	(1,348)	20,087	21,261	(1,772)	19,489
Loss and loss adjustment expenses paid						
Current year	(9,405)	443	(8,962)	(8,989)	495	(8,494)
Prior years	(12,172)	1,495	(10,677)	(11,259)	1,303	(9,956)
Subtotal	(21,577)	1,938	(19,639)	(20,248)	1,798	(18,450)
Foreign currency translation adjustments and other changes	203	19	222	86	(1)	85
Changes in the consolidated subsidiaries of the Allianz Group	—	—	—	113	(38)	75
Reclassifications ¹⁾	—	—	—	(1,481)	90	(1,391)
As of September 30,	55,677	(7,211)	48,466	56,674	(8,189)	48,485

¹⁾ Since the first quarter 2008, health business in Belgium and France is shown within Life/Health segment.

17 Reserves for insurance and investment contracts

	As of September 30, 2009 € mn	As of December 31, 2008 € mn
Aggregate policy reserves	289,669	278,700
Reserves for premium refunds	24,227	17,195
Other insurance reserves	593	662
Total	314,489	296,557

18 Other liabilities

	As of September 30, 2009 € mn	As of December 31, 2008 € mn
Payables		
Policyholders	4,070	4,695
Reinsurers	1,824	2,062
Agents	1,534	1,485
Subtotal	7,428	8,242
Payables for social security	397	316
Tax payables		
Income tax	1,526	1,446
Other	1,099	971
Subtotal	2,625	2,417
Accrued interest and rent	680	723
Unearned income		
Interest and rent	9	10
Other	315	361
Subtotal	324	371
Provisions		
Pensions and similar obligations	3,844	3,867
Employee related	1,915	1,904
Share-based compensation	1,048	1,295
Restructuring plans	376	343
Loan commitments	6	8
Contingent losses from non-insurance business	131	109
Other provisions	1,187	1,481
Subtotal	8,507	9,007
Deposits retained for reinsurance ceded	2,659	2,852
Derivative financial instruments used for hedging that meet the criteria for hedge accounting and firm commitments	442	208
Financial liabilities for puttable equity instruments	3,326	2,718
Other liabilities	6,379	6,076
Total	32,767	32,930

19 Certificated liabilities

	As of September 30, 2009 € mn	As of December 31, 2008 € mn
Allianz SE¹⁾		
Senior bonds ²⁾	5,330	4,135
Money market securities	1,755	4,103
Subtotal	7,085	8,238
Banking subsidiaries		
Senior bonds	1,063	1,278
Money market securities	78	—
Subtotal	1,141	1,278
All other subsidiaries		
Certificated liabilities	28	28
Subtotal	28	28
Total	8,254	9,544

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

²⁾ Increase relates to the issuance of a senior bond with a volume of € 1.5 bn on July 15, 2009 by Allianz Finance II B.V., a fully consolidated subsidiary of the Allianz SE. The senior bond has a maturity of 10 years and a fixed coupon of 4.75%.

20 Participation certificates and subordinated liabilities

	As of September 30, 2009 € mn	As of December 31, 2008 € mn
Allianz SE¹⁾		
Subordinated bonds	8,126	8,197
Participation certificates	85	85
Subtotal	8,211	8,282
Banking subsidiaries		
Subordinated bonds	173	173
Subtotal	173	173
All other subsidiaries		
Subordinated liabilities	846	846
Hybrid equity	102	45
Subtotal	948	891
Total	9,332	9,346

¹⁾ Includes subordinated bonds issued by Allianz Finance II B.V. and guaranteed by Allianz SE.

21 Equity

	As of September 30, 2009 € mn	As of December 31, 2008 € mn
Shareholders' equity		
Issued capital	1,160	1,160
Capital reserve	27,409	27,409
Revenue reserves	8,864	7,257
Treasury shares	(194)	(147)
Foreign currency translation adjustments	(3,952)	(4,006)
Unrealized gains and losses (net) ¹⁾	6,065	2,011
Subtotal	39,352	33,684
Minority interests	2,085	3,564
Total	41,437	37,248

¹⁾ As of September 30, 2009 includes € 180 mn (2008: € 203 mn) related to cash flow hedges.

Supplementary Information to the Consolidated Income Statements

22 Premiums earned (net)

Three months ended September 30,	Property- Casualty € mn	Life/Health € mn	Consolidation € mn	Group € mn
2009				
Premiums written				
Direct	9,206	5,156	—	14,362
Assumed	1,026	97	(6)	1,117
Subtotal	10,232	5,253	(6)	15,479
Ceded	(1,368)	(129)	6	(1,491)
Net	8,864	5,124	—	13,988
Change in unearned premiums				
Direct	973	(2)	—	971
Assumed	(62)	1	(3)	(64)
Subtotal	911	(1)	(3)	907
Ceded	(23)	(2)	3	(22)
Net	888	(3)	—	885
Premiums earned				
Direct	10,179	5,154	—	15,333
Assumed	964	98	(9)	1,053
Subtotal	11,143	5,252	(9)	16,386
Ceded	(1,391)	(131)	9	(1,513)
Net	9,752	5,121	—	14,873
2008				
Premiums written				
Direct	9,466	4,993	—	14,459
Assumed	1,350	75	(11)	1,414
Subtotal	10,816	5,068	(11)	15,873
Ceded	(1,771)	(135)	11	(1,895)
Net	9,045	4,933	—	13,978
Change in unearned premiums				
Direct	1,029	(44)	—	985
Assumed	(131)	—	1	(130)
Subtotal	898	(44)	1	855
Ceded	(31)	1	(1)	(31)
Net	867	(43)	—	824
Premiums earned				
Direct	10,495	4,949	—	15,444
Assumed	1,219	75	(10)	1,284
Subtotal	11,714	5,024	(10)	16,728
Ceded	(1,802)	(134)	10	(1,926)
Net	9,912	4,890	—	14,802

22 Premiums earned (net) (continued)

Nine months ended September 30,	Property-	Life/Health	Consolidation	Group
	Casualty			
	€ mn	€ mn	€ mn	€ mn
2009				
Premiums written				
Direct	31,178	15,753	—	46,931
Assumed	2,462	263	(17)	2,708
Subtotal	33,640	16,016	(17)	49,639
Ceded	(3,723)	(379)	17	(4,085)
Net	29,917	15,637	—	45,554
Change in unearned premiums				
Direct	(1,597)	(53)	—	(1,650)
Assumed	(193)	(1)	(4)	(198)
Subtotal	(1,790)	(54)	(4)	(1,848)
Ceded	322	(2)	4	324
Net	(1,468)	(56)	—	(1,524)
Premiums earned				
Direct	29,581	15,700	—	45,281
Assumed	2,269	262	(21)	2,510
Subtotal	31,850	15,962	(21)	47,791
Ceded	(3,401)	(381)	21	(3,761)
Net	28,449	15,581	—	44,030
2008				
Premiums written				
Direct	31,591	15,835	—	47,426
Assumed	2,777	252	(22)	3,007
Subtotal	34,368	16,087	(22)	50,433
Ceded	(4,171)	(387)	22	(4,536)
Net	30,197	15,700	—	45,897
Change in unearned premiums				
Direct	(1,596)	(105)	—	(1,701)
Assumed	(417)	(6)	1	(422)
Subtotal	(2,013)	(111)	1	(2,123)
Ceded	349	1	(1)	349
Net	(1,664)	(110)	—	(1,774)
Premiums earned				
Direct	29,995	15,730	—	45,725
Assumed	2,360	246	(21)	2,585
Subtotal	32,355	15,976	(21)	48,310
Ceded	(3,822)	(386)	21	(4,187)
Net	28,533	15,590	—	44,123

23 Interest and similar income

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Interest from held-to-maturity investments	42	44	128	134
Dividends from available-for-sale investments	89	217	758	1,694
Interest from available-for-sale investments	2,637	2,589	7,909	7,409
Share of earnings from investments in associates and joint ventures	84	(25)	59	10
Rent from real estate held for investment	182	168	518	518
Interest from loans to banks and customers	1,430	1,469	4,227	4,500
Other interest	42	57	121	137
Total	4,506	4,519	13,720	14,402

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

Three months ended September 30,	Property- Casualty € mn	Life/Health € mn	Financial Services € mn	Corporate € mn	Consoli- dation € mn	Group € mn
2009						
Income (expenses) from financial assets and liabilities held for trading	33	(607)	1	106	11	(456)
Income from financial assets designated at fair value through income	59	1,004	66	6	—	1,135
Expenses from financial liabilities for puttable equity instruments (net)	(20)	(252)	(51)	(2)	—	(325)
Total	72	145	16	110	11	354
2008						
Income (expenses) from financial assets and liabilities held for trading	(51)	369	(21)	138	(71)	364
Expenses from financial assets designated at fair value through income	(29)	(480)	(80)	(10)	—	(599)
Income from financial liabilities for puttable equity instruments (net)	8	156	57	—	—	221
Total	(72)	45	(44)	128	(71)	(14)
Nine months ended September 30,						
2009						
Income (expenses) from financial assets and liabilities held for trading	(47)	(478)	7	266	7	(245)
Income from financial assets designated at fair value through income	120	1,359	104	17	—	1,600
Expenses from financial liabilities for puttable equity instruments (net)	(22)	(344)	(75)	(3)	—	(444)
Total	51	537	36	280	7	911
2008						
Income (expenses) from financial assets and liabilities held for trading	37	773	(15)	262	(238)	819
Expenses from financial assets designated at fair value through income	(36)	(1,294)	(147)	(12)	—	(1,489)
Income from financial liabilities for puttable equity instruments (net)	18	461	107	—	—	586
Total	19	(60)	(55)	250	(238)	(84)

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

Life/Health Segment

Income from financial assets and liabilities held for trading (net) for the nine months ended September 30, 2009 includes in the Life/Health segment expenses of € 502 mn (2008: income of € 813 mn) from derivative financial instruments. This includes expenses of € 49 mn (2008: income of € 995 mn) of German entities from financial derivative positions to protect against equity and foreign exchange rate fluctuations as well as for duration management. Also included are expenses from U.S. entities amongst others from embedded derivatives required to be separated related to equity-indexed annuity contracts and guaranteed benefits under unit-linked contracts of € 291 mn (2008: € 283 mn).

Corporate Segment

Income from financial assets and liabilities held for trading (net) for the nine months ended September 30, 2009 includes in the Corporate segment income of € 266 mn (2008: € 265 mn) from derivative financial instruments. This includes income of € 104 mn (2008: € 17 mn) from financial derivatives to protect investments and liabilities against foreign exchange rate fluctuations. Additionally, income from financial derivative instruments embedded in exchangeable bonds of € — mn (2008: € 133 mn) and expenses from derivative financial instruments of € — mn (2008: € 7 mn) which partially hedge the exchangeable bonds, however, which do not qualify for hedge accounting, are included.

25 Realized gains/losses (net)

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Realized gains				
Available-for-sale investments				
Equity securities	930	809	3,893	4,195
Debt securities	347	127	1,216	390
Subtotal	1,277	936	5,109	4,585
Investments in associates and joint ventures ¹⁾	2	159	15	161
Real estate held for investment	32	14	59	189
Loans to banks and customers	20	9	124	42
Subtotal	1,331	1,118	5,307	4,977
Realized losses				
Available-for-sale investments				
Equity securities	(229)	(265)	(1,539)	(1,234)
Debt securities	(120)	(229)	(734)	(550)
Subtotal	(349)	(494)	(2,273)	(1,784)
Investments in associates and joint ventures ²⁾	—	(1)	(5)	(1)
Real estate held for investment	(9)	(15)	(12)	(109)
Loans to banks and customers	(82)	(12)	(89)	(26)
Subtotal	(440)	(522)	(2,379)	(1,920)
Total	891	596	2,928	3,057

¹⁾ During the three and nine months ended September 30, 2009, includes realized gains from the disposal of subsidiaries and businesses of € 1 mn (2008: € 143 mn) and € 3 mn (2008: € 143 mn) respectively.

²⁾ During the three and nine months ended September 30, 2009, includes realized losses from the disposal of subsidiaries and businesses of € — mn (2008: € 1 mn) and € — mn (2008: € 1 mn) respectively.

26 Fee and commission income

	2009			2008		
	Segment	Consolidation	Group	Segment	Consolidation	Group
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
Three months ended September 30,						
Property-Casualty						
Fees from credit and assistance business	151	1	152	217	(1)	216
Service agreements	100	(14)	86	70	6	76
Investment advisory	(6)	—	(6)	5	—	5
Subtotal	245	(13)	232	292	5	297
Life/Health						
Service agreements	22	(7)	15	(11)	(10)	(21)
Investment advisory	92	(6)	86	97	(8)	89
Other	1	(1)	—	4	(4)	—
Subtotal	115	(14)	101	90	(22)	68
Financial Services						
Banking						
Securities business	19	2	21	19	—	19
Investment advisory	32	(20)	12	34	(24)	10
Payment transactions	14	(1)	13	13	(1)	12
Other	38	(6)	32	25	(1)	24
Subtotal	103	(25)	78	91	(26)	65
Asset Management						
Management fees	926	(28)	898	839	(24)	815
Loading and exit fees	73	—	73	64	—	64
Performance fees	84	—	84	19	—	19
Other	10	—	10	94	(1)	93
Subtotal	1,093	(28)	1,065	1,016	(25)	991
Alternative Investment Management						
Service agreements	39	(24)	15	39	(19)	20
Subtotal	39	(24)	15	39	(19)	20
Consolidation	(24)	24	—	(24)	23	(1)
Subtotal	1,211	(53)	1,158	1,122	(47)	1,075
Corporate						
Service agreements	52	(8)	44	4	(9)	(5)
Other	(2)	—	(2)	—	—	—
Subtotal	50	(8)	42	4	(9)	(5)
Total	1,621	(88)	1,533	1,508	(73)	1,435

26 Fee and commission income (continued)

Nine months ended September 30,	2009			2008		
	Segment	Consolidation	Group	Segment	Consolidation	Group
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
Property-Casualty						
Fees from credit and assistance business	507	—	507	572	(2)	570
Service agreements	280	(43)	237	275	(13)	262
Investment advisory	—	—	—	5	—	5
Subtotal	787	(43)	744	852	(15)	837
Life/Health						
Service agreements	66	(22)	44	63	(24)	39
Investment advisory	286	(17)	269	357	(27)	330
Other	4	(4)	—	9	(9)	—
Subtotal	356	(43)	313	429	(60)	369
Financial Services						
Banking						
Securities business	32	1	33	81	(1)	80
Investment advisory	92	(60)	32	124	(79)	45
Payment transactions	40	(1)	39	39	(2)	37
Other	102	(18)	84	95	(7)	88
Subtotal	266	(78)	188	339	(89)	250
Asset Management						
Management fees	2,623	(78)	2,545	2,520	(84)	2,436
Loading and exit fees	198	(1)	197	194	—	194
Performance fees	118	—	118	62	—	62
Other	33	—	33	278	(2)	276
Subtotal	2,972	(79)	2,893	3,054	(86)	2,968
Alternative Investment Management						
Service agreements	95	(68)	27	123	(68)	55
Subtotal	95	(68)	27	123	(68)	55
Consolidation	(68)	68	—	(81)	80	(1)
Subtotal	3,265	(157)	3,108	3,435	(163)	3,272
Corporate						
Service agreements	150	(20)	130	35	(18)	17
Other	—	—	—	1	(1)	—
Subtotal	150	(20)	130	36	(19)	17
Total	4,558	(263)	4,295	4,752	(257)	4,495

27 Other income

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Income from real estate held for own use				
Realized gains from disposals of real estate held for own use	—	21	3	373
Other income from real estate held for own use	(1)	(5)	4	1
Subtotal	(1)	16	7	374
Other	9	7	20	15
Total	8	23	27	389

28 Income and expenses from fully consolidated private equity investments

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Income				
Sales and service revenues	444	644	1,395	1,834
Other operating revenues	77	2	83	11
Interest income	1	3	2	10
Subtotal	522	649	1,480	1,855
Expenses				
Cost of goods sold	(288)	(433)	(915)	(1,184)
Commissions	(30)	(36)	(95)	(117)
General and administrative expenses	(173)	(124)	(569)	(354)
Other operating expenses	(15)	(25)	(111)	(69)
Interest expenses	(24)	(24)	(70)	(72)
Subtotal	(530)¹⁾	(642)	(1,760)¹⁾	(1,796)
Total	(8)¹⁾	7	(280)¹⁾	59

¹⁾ The presented subtotal for expenses and total income and expenses from fully consolidated private equity investment for the three and nine months ended September 30, 2009 differs from the amounts presented in the "consolidated income statements" and in "Total revenues and reconciliation of Operating profit (loss) to Net income (loss)". This difference is due to a consolidation effect of € (26) mn and € 89 mn for the three and nine months ended September 30, 2009, respectively. This consolidation effect results from the deferred policyholder participation, recognised on the result from fully consolidated private equity investments within operating profit in the Life/Health segment, that was reclassified into expenses from fully consolidated private equity investments in non-operating profit to ensure a consistent presentation of the Group operating profit.

29 Claims and insurance benefits incurred (net)

Three months ended September 30,	Property-Casualty € mn	Life/Health € mn	Consolidation € mn	Group € mn
2009				
Gross				
Claims and insurance benefits paid	(6,880)	(4,480)	5	(11,355)
Change in loss and loss adjustment expenses	(537)	(43)	(2)	(582)
Subtotal	(7,417)	(4,523)	3	(11,937)
Ceded				
Claims and insurance benefits paid	545	121	(5)	661
Change in loss and loss adjustment expenses	26	3	2	31
Subtotal	571	124	(3)	692
Net				
Claims and insurance benefits paid	(6,335)	(4,359)	—	(10,694)
Change in loss and loss adjustment expenses	(511)	(40)	—	(551)
Total	(6,846)	(4,399)	—	(11,245)
2008				
Gross				
Claims and insurance benefits paid	(6,732)	(4,489)	6	(11,215)
Change in loss and loss adjustment expenses	(993)	2	2	(989)
Subtotal	(7,725)	(4,487)	8	(12,204)
Ceded				
Claims and insurance benefits paid	508	132	(6)	634
Change in loss and loss adjustment expenses	276	(9)	(2)	265
Subtotal	784	123	(8)	899
Net				
Claims and insurance benefits paid	(6,224)	(4,357)	—	(10,581)
Change in loss and loss adjustment expenses	(717)	(7)	—	(724)
Total	(6,941)	(4,364)	—	(11,305)
Nine months ended September 30,				
2009				
Gross				
Claims and insurance benefits paid	(21,577)	(14,210)	13	(35,774)
Change in loss and loss adjustment expenses	142	(175)	(1)	(34)
Subtotal	(21,435)	(14,385)	12	(35,808)
Ceded				
Claims and insurance benefits paid	1,938	355	(13)	2,280
Change in loss and loss adjustment expenses	(590)	(12)	1	(601)
Subtotal	1,348	343	(12)	1,679
Net				
Claims and insurance benefits paid	(19,639)	(13,855)	—	(33,494)
Change in loss and loss adjustment expenses	(448)	(187)	—	(635)
Total	(20,087)	(14,042)	—	(34,129)
2008				
Gross				
Claims and insurance benefits paid	(20,248)	(14,197)	10	(34,435)
Change in loss and loss adjustment expenses	(1,013)	(57)	2	(1,068)
Subtotal	(21,261)	(14,254)	12	(35,503)
Ceded				
Claims and insurance benefits paid	1,798	362	(10)	2,150
Change in loss and loss adjustment expenses	(26)	(25)	(2)	(53)
Subtotal	1,772	337	(12)	2,097
Net				
Claims and insurance benefits paid	(18,450)	(13,835)	—	(32,285)
Change in loss and loss adjustment expenses	(1,039)	(82)	—	(1,121)
Total	(19,489)	(13,917)	—	(33,406)

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

Three months ended September 30,	Property- Casualty € mn	Life/Health € mn	Consolidation € mn	Group € mn
2009				
Gross				
Aggregate policy reserves	(80)	(1,181)	(1)	(1,262)
Other insurance reserves	—	(25)	—	(25)
Expenses for premium refunds	(53)	(1,362)	17	(1,398)
Subtotal	(133)	(2,568)	16	(2,685)
Ceded				
Aggregate policy reserves	1	32	—	33
Other insurance reserves	—	1	—	1
Expenses for premium refunds	2	1	—	3
Subtotal	3	34	—	37
Net				
Aggregate policy reserves	(79)	(1,149)	(1)	(1,229)
Other insurance reserves	—	(24)	—	(24)
Expenses for premium refunds	(51)	(1,361)	17	(1,395)
Total	(130)	(2,534)	16	(2,648)
2008				
Gross				
Aggregate policy reserves	(66)	(1,278)	(1)	(1,345)
Other insurance reserves	(1)	(35)	—	(36)
Expenses for premium refunds	92	(190)	(8)	(106)
Subtotal	25	(1,503)	(9)	(1,487)
Ceded				
Aggregate policy reserves	2	25	1	28
Other insurance reserves	2	13	—	15
Expenses for premium refunds	3	2	—	5
Subtotal	7	40	1	48
Net				
Aggregate policy reserves	(64)	(1,253)	—	(1,317)
Other insurance reserves	1	(22)	—	(21)
Expenses for premium refunds	95	(188)	(8)	(101)
Total	32	(1,463)	(8)	(1,439)

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

Nine months ended September 30,	Property-	Life/Health	Consolidation	Group
	Casualty			
	€ mn	€ mn	€ mn	€ mn
2009				
Gross				
Aggregate policy reserves	(154)	(2,832)	—	(2,986)
Other insurance reserves	(1)	(45)	—	(46)
Expenses for premium refunds	(107)	(2,756)	(124)	(2,987)
Subtotal	(262)	(5,633)	(124)	(6,019)
Ceded				
Aggregate policy reserves	5	56	—	61
Other insurance reserves	—	4	—	4
Expenses for premium refunds	2	(1)	—	1
Subtotal	7	59	—	66
Net				
Aggregate policy reserves	(149)	(2,776)	—	(2,925)
Other insurance reserves	(1)	(41)	—	(42)
Expenses for premium refunds	(105)	(2,757)	(124)	(2,986)
Total	(255)	(5,574)	(124)	(5,953)
2008				
Gross				
Aggregate policy reserves	(198)	(3,445)	(1)	(3,644)
Other insurance reserves	1	(76)	—	(75)
Expenses for premium refunds	121	(1,194)	(29)	(1,102)
Subtotal	(76)	(4,715)	(30)	(4,821)
Ceded				
Aggregate policy reserves	(12)	34	2	24
Other insurance reserves	9	16	—	25
Expenses for premium refunds	12	10	—	22
Subtotal	9	60	2	71
Net				
Aggregate policy reserves	(210)	(3,411)	1	(3,620)
Other insurance reserves	10	(60)	—	(50)
Expenses for premium refunds	133	(1,184)	(29)	(1,080)
Total	(67)	(4,655)	(28)	(4,750)

31 Interest expenses

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
	€ mn	€ mn	€ mn	€ mn
Liabilities to banks and customers	(110)	(168)	(368)	(583)
Deposits retained on reinsurance ceded	(19)	(13)	(54)	(49)
Certificated liabilities	(78)	(91)	(218)	(309)
Participating certificates and subordinated liabilities	(136)	(135)	(415)	(357)
Other	(22)	(40)	(65)	(108)
Total	(365)	(447)	(1,120)	(1,406)

32 Loan loss provisions

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Additions to allowances including direct impairments	(31)	(24)	(103)	(72)
Amounts released	9	8	28	27
Recoveries on loans previously impaired	4	12	18	35
Total	(18)	(4)	(57)	(10)

33 Impairments of investments (net)

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Impairments				
Available-for-sale investments				
Equity securities	(106)	(2,100)	(2,213)	(4,996)
Debt securities	(26)	(406)	(209)	(472)
Subtotal	(132)	(2,506)	(2,422)	(5,468)
Investments in associates and joint ventures				
Real estate held for investment	(164)	(89)	(177)	(109)
Investments held for sale	—	(41)	—	(41)
Subtotal	(296)	(2,636)	(2,603)	(5,619)
Reversals of impairments				
Available-for-sale investments				
Debt securities	2	—	3	—
Real estate held for investment	12	34	13	54
Subtotal	14	34	16	54
Total	(282)	(2,602)	(2,587)	(5,565)

34 Investment expenses

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Investment management expenses	(103)	(80)	(294)	(278)
Depreciation from real estate held for investment	(44)	(30)	(131)	(116)
Other expenses from real estate held for investment	(47)	(36)	(123)	(109)
Foreign currency gains and losses (net)	(176)	471	(189)	233
Total	(370)	325	(737)	(270)

35 Acquisition and administrative expenses (net)

Three months ended September 30,	2009			2008		
	Segment	Consolidation	Group	Segment	Consolidation	Group
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
Property-Casualty						
Acquisition costs						
Incurred	(1,862)	—	(1,862)	(1,871)	—	(1,871)
Commissions and profit received on reinsurance business ceded	141	(1)	140	125	(2)	123
Deferrals of acquisition costs	1,142	—	1,142	911	—	911
Amortization of deferred acquisition costs	(1,248)	—	(1,248)	(1,016)	—	(1,016)
Subtotal	(1,827)	(1)	(1,828)	(1,851)	(2)	(1,853)
Administrative expenses	(779)	(2)	(781)	(772)	(7)	(779)
Subtotal	(2,606)	(3)	(2,609)	(2,623)	(9)	(2,632)
Life/Health						
Acquisition costs						
Incurred	(901)	1	(900)	(851)	2	(849)
Commissions and profit received on reinsurance business ceded	18	—	18	20	—	20
Deferrals of acquisition costs	511	—	511	487	—	487
Amortization of deferred acquisition costs	(420)	—	(420)	(189)	—	(189)
Subtotal	(792)	1	(791)	(533)	2	(531)
Administrative expenses	(336)	(1)	(337)	(399)	(4)	(403)
Subtotal	(1,128)	—	(1,128)	(932)	(2)	(934)
Financial Services						
Personnel expenses	(534)	—	(534)	(458)	—	(458)
Non-personnel expenses	(287)	(1)	(288)	(315)	14	(301)
Subtotal	(821)	(1)	(822)	(773)	14	(759)
Corporate						
Administrative expenses	(148)	—	(148)	(116)	3	(113)
Subtotal	(148)	—	(148)	(116)	3	(113)
Total	(4,703)	(4)	(4,707)	(4,444)	6	(4,438)

35 Acquisition and administrative expenses (net) (continued)

Nine months ended September 30,	2009			2008		
	Segment	Consoli- dation	Group	Segment	Consoli- dation	Group
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
Property-Casualty						
Acquisition costs						
Incurred	(5,957)	—	(5,957)	(5,858)	—	(5,858)
Commissions and profit received on reinsurance business ceded	387	(3)	384	473	(3)	470
Deferrals of acquisition costs	3,752	—	3,752	3,367	—	3,367
Amortization of deferred acquisition costs	(3,578)	—	(3,578)	(3,183)	—	(3,183)
Subtotal	(5,396)	(3)	(5,399)	(5,201)	(3)	(5,204)
Administrative expenses	(2,442)	3	(2,439)	(2,462)	5	(2,457)
Subtotal	(7,838)	—	(7,838)	(7,663)	2	(7,661)
Life/Health						
Acquisition costs						
Incurred	(2,756)	3	(2,753)	(2,726)	3	(2,723)
Commissions and profit received on reinsurance business ceded	56	(1)	55	62	—	62
Deferrals of acquisition costs	1,616	—	1,616	1,679	—	1,679
Amortization of deferred acquisition costs	(2,021)	—	(2,021)	(1,128)	—	(1,128)
Subtotal	(3,105)	2	(3,103)	(2,113)	3	(2,110)
Administrative expenses	(1,083)	6	(1,077)	(1,220)	(3)	(1,223)
Subtotal	(4,188)	8	(4,180)	(3,333)	—	(3,333)
Financial Services						
Personnel expenses	(1,424)	—	(1,424)	(1,398)	2	(1,396)
Non-personnel expenses	(878)	17	(861)	(880)	28	(852)
Subtotal	(2,302)	17	(2,285)	(2,278)	30	(2,248)
Corporate						
Administrative expenses	(422)	(3)	(425)	(355)	9	(346)
Subtotal	(422)	(3)	(425)	(355)	9	(346)
Total	(14,750)	22	(14,728)	(13,629)	41	(13,588)

36 Fee and commission expenses

	2009			2008		
	Segment	Consolidation	Group	Segment	Consolidation	Group
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
Three months ended September 30,						
Property-Casualty						
Fees from credit and assistance business	(116)	—	(116)	(173)	2	(171)
Service agreements	(113)	17	(96)	(88)	5	(83)
Subtotal	(229)	17	(212)	(261)	7	(254)
Life/Health						
Service agreements	(15)	7	(8)	12	5	17
Investment advisory	(45)	5	(40)	(55)	7	(48)
Subtotal	(60)	12	(48)	(43)	12	(31)
Financial Services						
Banking						
Securities business	(2)	—	(2)	(2)	—	(2)
Investment advisory	—	—	—	(28)	(1)	(29)
Payment transactions	(6)	—	(6)	(2)	—	(2)
Other	(48)	—	(48)	(11)	—	(11)
Subtotal	(56)	—	(56)	(43)	(1)	(44)
Asset Management						
Commissions	(224)	29	(195)	(201)	77	(124)
Other	(3)	1	(2)	(90)	1	(89)
Subtotal	(227)	30	(197)	(291)	78	(213)
Alternative Investment Management						
Service agreements	4	—	4	—	—	—
Subtotal	4	—	4	—	—	—
Consolidation	22	(22)	—	23	(23)	—
Subtotal	(257)	8	(249)	(311)	54	(257)
Corporate						
Service agreements	(58)	5	(53)	1	—	1
Subtotal	(58)	5	(53)	1	—	1
Total	(604)	42	(562)	(614)	73	(541)

36 Fee and commission expenses (continued)

Nine months ended September 30,	2009			2008		
	Segment	Consolidation	Group	Segment	Consolidation	Group
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
Property-Casualty						
Fees from credit and assistance business	(382)	—	(382)	(466)	2	(464)
Service agreements	(310)	44	(266)	(291)	8	(283)
Subtotal	(692)	44	(648)	(757)	10	(747)
Life/Health						
Service agreements	(38)	16	(22)	(31)	23	(8)
Investment advisory	(138)	7	(131)	(142)	15	(127)
Subtotal	(176)	23	(153)	(173)	38	(135)
Financial Services						
Banking						
Securities business	(5)	—	(5)	(6)	—	(6)
Investment advisory	(29)	—	(29)	(103)	(1)	(104)
Payment transactions	(12)	—	(12)	(5)	—	(5)
Other	(95)	—	(95)	(39)	2	(37)
Subtotal	(141)	—	(141)	(153)	1	(152)
Asset Management						
Commissions	(630)	93	(537)	(627)	244	(383)
Other	(15)	2	(13)	(275)	10	(265)
Subtotal	(645)	95	(550)	(902)	254	(648)
Alternative Investment Management						
Service agreements	(2)	1	(1)	—	—	—
Subtotal	(2)	1	(1)	—	—	—
Consolidation	65	(65)	—	80	(80)	—
Subtotal	(723)	31	(692)	(975)	175	(800)
Corporate						
Service agreements	(129)	17	(112)	(2)	—	(2)
Subtotal	(129)	17	(112)	(2)	—	(2)
Total	(1,720)	115	(1,605)	(1,907)	223	(1,684)

37 Income taxes

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Current income taxes	(450)	(298)	(1,163)	(1,039)
Deferred income taxes	(48)	50	197	(290)
Total	(498)	(248)	(966)	(1,329)

For the three and the nine months ended September 30, 2009 and 2008 the income taxes relating to components of the other comprehensive income consist of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Foreign currency translation adjustments	(21)	57	(22)	45
Available-for-sale investments	(1,192)	271	(1,481)	1,344
Cash flow hedges	(1)	11	8	1
Share of other comprehensive income of associates	(1)	9	—	13
Miscellaneous	—	(5)	3	(5)
Total	(1,215)	343	(1,492)	1,398

38 Earnings per share

Basic earnings per share

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

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Net income (loss) used to calculate basic earnings per share	1,323	(2,023)	3,221	667
from continuing operations	1,323	545	3,616	4,150
from discontinued operations	—	(2,568)	(395)	(3,483)
Weighted average number of common shares outstanding	449,550,621	450,661,762	450,749,255	450,046,042
Basic earnings per share (in €)	2.94	(4.49)	7.15	1.48
from continuing operations	2.94	1.21	8.02	9.22
from discontinued operations	—	(5.70)	(0.87)	(7.74)

Diluted earnings per share

Diluted earnings per share are calculated by dividing net income by the weighted average number of common shares outstanding for the period, both adjusted for the effects of potentially dilutive common shares. Potentially dilutive com-

mon shares arise from the assumed conversion of participation certificates issued by Allianz SE, warrants issued by Allianz SE and share-based compensation plans, as well as from the conversion of derivatives on own shares.

	Three months ended September 30,		Nine months ended September 30,	
	2009 € mn	2008 € mn	2009 € mn	2008 € mn
Net income (loss)	1,323	(2,023)	3,221	667
Effect of potential dilutive common shares	(1)	(4)	1	(24)
Net income (loss) used to calculate diluted earnings per share	1,322	(2,027)	3,222	643
from continuing operations	1,322	541	3,617	4,126
from discontinued operations	—	(2,568)	(395)	(3,483)
Weighted average number of common shares outstanding	449,550,621	450,661,762	450,749,255	450,046,042
Potentially dilutive common shares resulting from assumed conversion of:				
Participation certificates	—	—	974,246	1,469,443
Warrants	—	—	—	81,673
Share-based compensation plans	—	1,095,770	857,359	1,785,599
Derivatives on own shares	—	668,443	—	1,435,011
Subtotal	—	1,764,213	1,831,605	4,771,726
Weighted average number of common shares outstanding after assumed conversion	449,550,621	452,425,975	452,580,860	454,817,768
Diluted earnings per share (in €)	2.94	(4.48)	7.12	1.41
from continuing operations	2.94	1.20	7.99	9.07
from discontinued operations	—	(5.68)	(0.87)	(7.66)

For the nine months ended September 30, 2009, the weighted average number of common shares excludes 2,300,745 (2008: 1,934,615) treasury shares.

39 Supplemental information on the condensed consolidated statements of cash flows

Nine months ended September 30,	2009 € mn	2008 € mn
Income taxes paid	(483)	(2,383)
Dividends received	758	1,671
Interest received	12,157	17,175
Interest paid	(1,162)	(4,718)
Significant non-cash transactions		
Settlement of exchangeable bonds issued by Allianz Finance II B.V. for shares		
Available-for-sale investments	—	(450)
Certificated liabilities	—	(450)
Novation of quota share reinsurance agreement		
Reinsurance assets	—	(29)
Deferred acquisition costs	—	1
Payables from reinsurance contracts	—	(28)
Effects from first consolidation of K2		
Financial assets held for trading	—	107
Financial assets designated at fair value through income	—	8,665
Loans and advances to banks and customers	—	1,714
Other assets	—	51
Financial liabilities held for trading	—	497
Financial liabilities designated at fair value through income	—	8,889
Liabilities to banks and customers	—	1,076
Other liabilities	—	75
Effects from deconsolidation of Dresdner Bank		
Commerzbank shares		
Available-for-sale investments	746	—
Assets of disposal groups held for sale	(746)	—
Distribution channel		
Intangible assets	480	—
Assets of disposal groups held for sale	(480)	—
Cominvest		
Available-for-sale investments	179	—
Loans and advances to banks and customers	7	—
Deferred tax assets	14	—
Intangible assets	691	—
Property and equipment	3	—
Other assets	39	—
Assets of disposal groups held for sale	(933)	—
Liabilities to banks and customers	1	—
Deferred tax liabilities	(72)	—
Certificated liabilities, participation certificates and subordinated liabilities	(57)	—
Other liabilities	(148)	—
Minority interests	(5)	—
Liabilities of disposal groups held for sale	281	—

The transfer of ownership of Dresdner Bank to Commerzbank was completed on January 12, 2009. According to the agreement Allianz received a total of € 3.215 bn in cash plus cash and cash equivalents of the Asset Manager cominvest of € 48 mn. The impact of the disposal, net of cash disposed, on the consolidated statement of cash flows for the nine months ended September 30, 2009 was:

	January 12, 2009 € mn
Assets of disposal groups held for sale	417,874
less: cash and cash equivalents	(30,238)
Liabilities of disposal groups held for sale	(410,469)
Minority interests	(1,738)
Treasury shares	69
less non-cash components of the consideration received:	
Commerzbank shares	(746)
Distribution agreement	(480)
Cominvest (net of cash acquired)	(652)
Consolidation	(595)
Disposal of subsidiary, net of cash disposed	(26,975)

On 29 June 2009, the Allianz Group obtained control of the Thai life insurance company Ayudhya Allianz C.P. Life Public Company Limited, Bangkok, by appointing the majority of the members of the board of directors. The impact of the acquisition, net of cash acquired, on the condensed consolidated statement of cash flows for the nine months ended September 30, 2009 was:

	As of September 30, 2009 € mn
Investments	(1,708)
Deferred acquisition costs (PVFP)	(230)
Other assets	(93)
Unearned premiums	5
Reserves for loss and loss adjustments	1,973
Other liabilities	26
Minority interests	33
Less: previous investments in Ayudhya	71
Acquisition of subsidiary, net of cash acquired	77

40 Other information

Number of employees

	As of September 30, 2009	As of December 31, 2008
Germany	49,671	71,267
Other countries	104,631	111,598
Total	154,302	182,865¹⁾

¹⁾ Includes 27,597 employees of discontinued operations of Dresdner Bank.

41 Subsequent events

Allianz Life Insurance Company of North America (Allianz Life) receives favorable decision in Mooney lawsuit

On October 12, 2009, a federal jury in Minneapolis returned a verdict in favor of our subsidiary Allianz Life in regard to a class action lawsuit titled Mooney v. Allianz Life Insurance Company. Filed more than four years ago, the case involved allegations relating to the clarity of language in some of the marketing materials relating to Allianz Life's annuity products. The Court will hear post trial motions on December 2, 2009, and the parties will have the right to appeal thereafter.

Munich, November 6, 2009

Allianz SE
The Board of Management

Michael G. Pelt
Oliver Biele
Ulrich Hoyer
Hauptstadt Dr. Hans-Joachim Zuercher

Review report

To Allianz SE, Munich

We have reviewed the condensed consolidated interim financial statements of the Allianz SE, Munich – comprising the consolidated balance sheets, consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity, condensed consolidated statements of cash flows and selected explanatory notes - together with the interim group management report of the Allianz SE, Munich for the period from January 1 to September 30, 2009 that are part of the quarterly financial report according to § 37 x Abs. 3 WpHG [„Wertpapierhandelsgesetz“: „German Securities Trading Act“]. The preparation of the condensed consolidated interim financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and in accordance with the IFRS for interim financial reporting as issued by the International Accounting Standards Board (IASB), and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

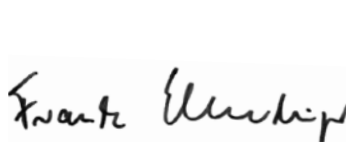
We performed our review of the condensed consolidated interim financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed consolidated interim financial statements have not been prepared, in material aspects, in accordance with the IFRS

applicable to interim financial reporting as adopted by the EU and in accordance with the IFRS for interim financial reporting as issued by the IASB, and that the interim group management report has not been prepared, in material aspects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

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

Munich, November 9, 2009

KPMG AG
Wirtschaftsprüfungsgesellschaft



Dr. Frank Ellenbürger
Wirtschaftsprüfer
(Independent Auditor)



Johannes Pastor
Wirtschaftsprüfer
(Independent Auditor)

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Interim Report on the Internet
www.allianz.com/interim-report