Allianz Group

Interim Report Third Quarter and First Nine Months of 2012

Allianz

Allianz at a Glance

		Three months ended 30 September			Nine months ended 30 September			
		2012	2011	Change from previous year	**2012**	2011	Change from previous year	More details on page
INCOME STATEMENT								
Total revenues[1]	€ mn	25,207	24,070	4.7 %	80,456	78,549	2.4 %	3
Operating profit[2]	€ mn	2,532	1,906	32.8 %	7,226	5,866	23.2 %	4
Net income	€ mn	1,437	258	457.0 %	4,202	2,244	87.3 %	6
SEGMENTS[3]								
PROPERTY-CASUALTY								
Gross premiums written	€ mn	11,392	10,832	5.2 %	36,915	35,277	4.6 %	12
Operating profit[2]	€ mn	1,159	1,111	4.3 %	3,460	3,103	11.5 %	14
Combined ratio	%	96.3	97.6	(1.3) pts	96.6	97.9	(1.3) pts	15
LIFE/HEALTH								
Statutory premiums	€ mn	11,912	11,806	0.9 %	38,472	39,054	(1.5) %	23
Operating profit[2]	€ mn	822	520	58.1 %	2,469	1,901	29.9 %	25
Margin on reserves	bps	74	50	24	76	62	14	25
ASSET MANAGEMENT								
Operating revenues	€ mn	1,845	1,326	39.1 %	4,781	3,902	22.5 %	32
Operating profit[2]	€ mn	849	537	58.1 %	2,097	1,593	31.6 %	33
Cost-income ratio	%	54.0	59.5	(5.5) pts	56.1	59.2	(3.1) pts	33
CORPORATE AND OTHER								
Total revenues	€ mn	142	129	10.1 %	438	417	5.0 %	3
Operating result[2]	€ mn	(272)	(233)	(16.7) %	(747)	(661)	(13.0) %	36
Cost-income ratio (Banking)	%	91.0	96.9	(5.9) pts	85.2	92.5	(7.3) pts	84
BALANCE SHEET								
Total assets as of 30 September[4]	€ mn	687,981	641,472	7.3 %	687,981	641,472	7.3 %	42
Shareholders' equity as of 30 September[4]	€ mn	51,915	44,915	15.6 %	51,915	44,915	15.6 %	41
Non-controlling interests as of 30 September[4]	€ mn	2,513	2,338	7.5 %	2,513	2,338	7.5 %	41
SHARE INFORMATION								
Basic earnings per share	€	2.97	0.43	590.7 %	8.73	4.55	91.9 %	106
Diluted earnings per share	€	2.94	0.34	764.7 %	8.68	4.42	96.4 %	106
Share price as of 30 September[4]	€	92.59	73.91	25.3 %	92.59	73.91	25.3 %	1
Market capitalization as of 30 September[4]	€ mn	42,156	33,651	25.3 %	42,156	33,651	25.3 %	–
OTHER DATA								
Total assets under management as of 30 September[4]	€ bn	1,827	1,657	10.3 %	1,827	1,657	10.3 %	31
thereof: Third-party assets under management as of 30 September[4]	€ bn	1,419	1,281	10.8 %	1,419	1,281	10.8 %	31

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

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

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

4 | 2011 figures as of 31 December 2011.

Content

THEN AND NOW

Ever since it was established in 1890, Allianz has consistently geared its portfolio to meet the needs of its customers. We operate around the world and millions of people place their trust in us. Our selected marketing motifs take up the spirit of the various epochs and form a bridge from the pioneering days at the beginning of the 20th century to the knowledge society of tomorrow.

1926: Allianz had developed baggage insurance for modern women as far back as the "Roaring Twenties".

I. GROUP MANAGEMENT REPORT

II. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

► To go directly to any chapter, simply click on the headline or the page number

BASIC ALLIANZ SHARE INFORMATION

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

NAVIGATION HELP

Allianz Group · Property-Casualty · Asset Management · Life/Health · Corporate & Other

DEVELOPMENT OF THE ALLIANZ SHARE PRICE VERSUS EURO STOXX 50 AND STOXX EUROPE 600 INSURANCE

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.

CONTACT INVESTOR RELATIONS

Allianz SE
Investor Relations
Königinstrasse 28
80802 Munich, Germany

Allianz Investor Line
Mon - Fri: 8 a.m. - 8 p.m.
Phone: +49. 89. 3800 7555
Fax: +49. 89. 3800 3899

Email: investor.relations@allianz.com | www.allianz.com/investor-relations

IMPRINT

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novum 11/2010
TYPOGRAPHY
novum 05/2011
novum | 03/2003
LEITSYSTEME / ORIENTATION SYSTEMS
novum | 05/2003
STILL-LIFE
novum | 06/2003
LARGE FORMAT PRINTING
novum | 01/2003
EXHIBITION DESIGN
VOGUE
Condé Nast Verlag GmbH
Printed in Germany
JULI 2007
AMICA
OKTOBER 2005
Ikonen
QVEST
VOGUE BEAUTY
Condé Nast Verlag GmbH
Printed in Germany
VOGUE UNIQUE - SUPPLEMENTO AL NUMERO 709 DI VOGUE ITALIA - SETTEMBRE 2009
Ihr Auto in guten Händen.
Allianz
Deutsche Versicherungs-Aktiengesellschaft

GROUP MANAGEMENT REPORT

1990: In the year of German reunification, Allianz's East German subsidiary launches an advertising campaign for auto insurance. The old East German classic car, the "Trabbi", is left to gather dust in the garage while the people in the advertisement are depicted showing their new "West German car" some tender loving care. Allianz's business booms: within the space of two months, the company's customers in the former East Germany take out 650,000 new policies.

2012: Allianz's auto insurance is almost as old as the first electric car. Allianz has been a stable insurance partner of the automotive industry since 1918. The Allianz Center for Technology has been researching the issue of e-mobility for years now, and several hundreds of purely electrically powered cars already enjoy the comprehensive insurance cover offered by Allianz.

I. Executive Summary

THIRD QUARTER 2012

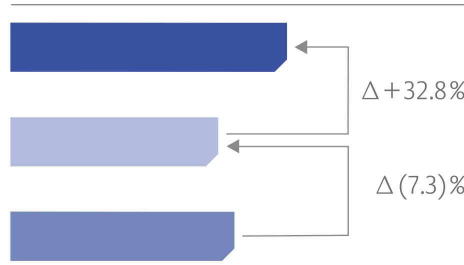
- Total revenues increased to € 25.2 bn.
- Operating profit grew 32.8 % to € 2,532 mn.
- Net income rebounded to € 1,437 mn.
- Strong solvency ratio up by 11 percentage points to 190 %.[1]

SEGMENT OVERVIEW

The Allianz Group consists of its operating subsidiaries in over 70 countries and the parent company, Allianz SE. The Group's results are reported by business segment: Property-Casualty insurance, Life/Health insurance, Asset Management and Corporate and Other activities. Although the majority of profits are still derived from our insurance operations, contributions from Asset Management have grown steadily over recent years.

KEY FIGURES

Three months ended 30 September	Total revenues € mn	Operating profit € mn	Δ | DIFFERENCE QUARTER OVER QUARTER	Net income € mn	Solvency ratio[1,2] %
2012	25,207	2,532		1,437	190
2011	24,070	1,906		258	179
2010	24,522	2,055		1,268	173



EARNINGS SUMMARY FOR THE THIRD QUARTER 2012

OPERATING ENVIRONMENT

The world economy lost further steam well into the summer – largely due to the unrelenting sovereign debt crisis in the Eurozone. Low interest rates and financial market volatility continued to put pressure on the insurance industry's earnings and balance sheets. However, equity markets saw an upward trend in the third quarter and selected corporate and sovereign credit spreads narrowed.

In the property-casualty insurance industry, market conditions continued to slowly improve in many countries. Premium growth was mainly driven by rate increases, for example in Germany and Australia, supported by relatively robust economic growth in emerging markets. After the extraordinarily costly natural catastrophes in 2011, conditions in 2012 have been relatively benign.

1 | Solvency according to the E.U. Financial Conglomerates Directive. Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request. Allianz SE has not submitted an application so far. Excluding off-balance sheet reserves, the solvency ratio as of 30 September 2012 would be 181 % (31 December 2011: 170 %, 31 December 2010: 164 %).

2 | Solvency ratio figures as of 31 December 2011 and 2010, respectively.

In the life insurance industry, global premium growth remained sluggish. In emerging markets, premium growth recovered. In advanced markets, however, premium growth stalled or even contracted with some European markets – for example, France and Spain – among the hardest hit due to the difficult economic conditions and competition. The U.S. market sent mixed signals, annuity sales dropped as a result of low return guarantees, but other sales continued to improve in the life industry, albeit slowly. Needless to say, the persistent low-yield environment, coupled with overall modest economic growth, continues to be a challenge for traditional life business.

MANAGEMENT'S ASSESSMENT OF RESULTS

Despite the tough economic and market conditions – which weighed heavily on premium growth for the life industry – we managed to increase TOTAL REVENUES from € 24.1 bn to € 25.2 bn. All our operating segments contributed to this positive development. On an internal basis[1], revenues grew by 1.2 %.

We earned a strong OPERATING PROFIT of € 2,532 mn, an increase of 32.8 %. This increase was mainly driven by our Life/Health business thanks to its higher investment result and from Asset Management due to the increase in assets under management and performance fees. Our Property-Casualty segment also contributed, although to a lesser extent, as our underwriting result benefited from the benign natural catastrophe environment.

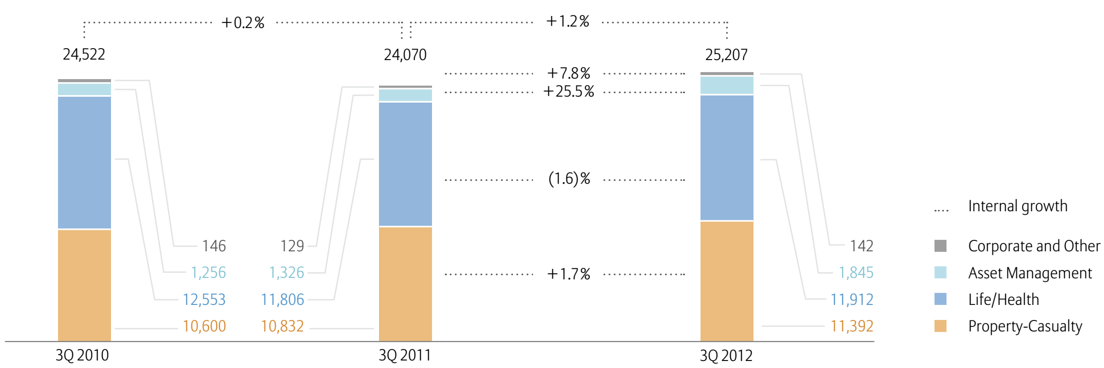
Thanks to our good operating performance and strongly improved non-operating result, our NET INCOME also significantly rebounded from € 258 mn to € 1,437 mn. The third quarter of 2011 was severely impacted by high investment losses from the European sovereign debt crisis.

Our CAPITALIZATION remained strong compared to 31 December 2011. Shareholders' equity increased by 15.6 % to € 51,915 mn and conglomerate solvency further strengthened by 11 percentage points to 190 %[2].

Total Revenues[3]

2012 TO 2011 THIRD QUARTER COMPARISON

TOTAL REVENUES – SEGMENTS[4] | in € mn



1 | Internal total revenue growth excludes the effects of foreign currency translation as well as acquisitions and disposals. Please refer to page 52 for a reconciliation of nominal total revenue growth to internal total revenue growth for each of our segments and the Allianz Group as a whole.

2 | Solvency according to the E.U. Financial Conglomerates Directive. Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request. Allianz SE has not submitted an application so far. Excluding off-balance sheet reserves, the solvency ratio as of 30 September 2012 would be 181 %.

3 | Total revenues comprise statutory gross premiums written in Property-Casualty and in Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking). For further information, please refer to page 51.

4 | Total revenues include € (84) mn, € (23) mn and € (33) mn from consolidation for 3Q 2012, 2011 and 2010, respectively.

PROPERTY-CASUALTY gross premiums written grew by 5.2 % to € 11,392 mn. On an internal basis, premiums increased by 1.7 % thanks to positive price effects, whereas volumes decreased slightly by 0.1 %. The majority of this revenue growth stemmed from Australia, Latin America, Allianz Global Corporate & Specialty (AGCS) and Germany, partly offset by a decline in the United States.

LIFE/HEALTH statutory premiums increased from € 11,806 mn to € 11,912 mn, supported by positive foreign currency translation effects of € 307 mn. Premiums decreased by 1.6 %, on an internal basis, impacted by ongoing efforts to protect our margins.

In ASSET MANAGEMENT our internal revenue growth amounted to 25.5 %. This was in line with strong growth in total assets under management which, as of 30 September 2012, reached a record high of € 1,827 bn, as well as an increase in performance fees driven primarily by carried interest from maturing private funds. Third-party net inflows amounted to € 31 bn in the third quarter of 2012. On a nominal basis, revenue growth amounted to 39.1 %.

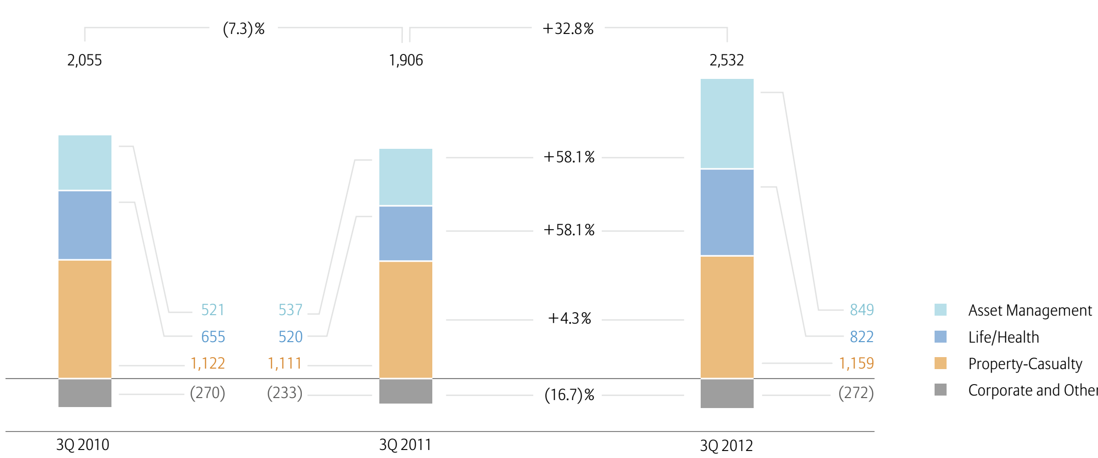
2012 TO 2011 FIRST NINE MONTHS COMPARISON

Even though the first nine months of 2012, like last year, have been challenging for the insurance industry, our revenues remained stable on an internal basis and, on a nominal basis, increased by 2.4 % to € 80,456 mn.

Operating Profit

2012 TO 2011 THIRD QUARTER COMPARISON

OPERATING PROFIT – SEGMENTS[1] | in € mn



PROPERTY-CASUALTY operating profit improved by € 48 mn to € 1,159 mn. The underwriting result increased to € 342 mn mainly due to an improvement in our accident year loss ratio of 3.4 percentage points, supported by lower natural catastrophe claims. Our operating investment income declined by € 94 mn to € 795 mn largely driven by a lower dividend yield on equities and unfavorable foreign currency translation effects. Reduced losses from natural catastrophes were only partially offset by a less favorable run-off resulting in a 1.3 percentage points decrease in the combined ratio to 96.3 %.

1 | Operating profit for the Allianz Group includes € (26) mn, € (29) mn and € 27 mn from consolidation in 3Q 2012, 2011 and 2010, respectively.

Our LIFE/HEALTH operating profit grew by € 302 mn to € 822 mn. This positive development was driven primarily by a higher operating investment result due to a significant decrease in impairments, partially offset by the corresponding policyholder participation.

Our ASSET MANAGEMENT business continued its outstanding performance – especially in the third quarter – and operating profit jumped € 312 mn to € 849 mn, reflecting higher assets under management, an increase in performance fees and positive foreign currency translation effects. This resulted in a strong cost-income ratio of 54.0 %. Our internal operating profit growth amounted to 40.9 %.

In CORPORATE AND OTHER our operating loss increased by € 39 mn to € 272 mn. This was mainly related to Holding & Treasury due to lower interest and similar income and higher IT costs. Our Banking operations improved by € 9 mn largely due to an increase in trading income partly offset by higher administrative expenses. Alternative Investments operating result decreased by € 6 mn to € 3 mn.

2012 TO 2011 FIRST NINE MONTHS COMPARISON

Our operating profit improved from € 5,866 mn to € 7,226 mn, supported by all our operating segments. Higher operating investment result in Life/Health, higher assets under management and performance fees in Asset Management as well as lower claims from natural catastrophes in our Property-Casualty segment, all contributed to the positive growth.

Non-operating Result

2012 TO 2011 THIRD QUARTER COMPARISON

Our NON-OPERATING RESULT improved by € 911 mn to a loss of € 351 mn, thanks to the much better NON-OPERATING INVESTMENT RESULT in comparison to the impairment-burdened third quarter of last year.

NON-OPERATING INCOME FROM FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE THROUGH INCOME (NET) increased by € 301 mn to a loss of € 12 mn. This increase was largely due to the € 213 mn revaluation losses on The Hartford warrants in the third quarter of 2011 – which we sold in April 2012.

NON-OPERATING REALIZED GAINS AND LOSSES (NET) decreased from € 314 mn to € 107 mn mainly driven by lower realizations on equities of € 100 mn. Realized gains on debt securities, and to a lesser extent from real estate, also decreased.

NON-OPERATING IMPAIRMENTS OF INVESTMENTS (NET) dropped from the extraordinary high level in 2011 of € 931 mn to € 56 mn. The third quarter of 2011 was severely hit by the negative trend in equity markets which resulted in high impairments on investments in financial sector assets. In contrast, we saw positive developments in almost all equity markets during this quarter. Equity impairments amounted to € 24 mn compared to € 715 mn in the previous year quarter. Debt impairments also decreased – from € 206 mn to € 32 mn – as in 2011 we had to impair Greek sovereign bonds.

ACQUISITION-RELATED EXPENSES increased slightly from € 37 mn to € 42 mn, of which PIMCO B-unit expenses[1] amounted to € 40 mn.

AMORTIZATION OF INTANGIBLE ASSETS increased from € 23 mn to € 91 mn mainly due to a € 89 mn goodwill impairment on Selecta in the third quarter of 2012.

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

2012 TO 2011 FIRST NINE MONTHS COMPARISON

Our NON-OPERATING RESULT improved by € 1,386 mn to a loss of € 736 mn, reflecting the significant improvement in our non-operating investment result. The nine-month comparison was also affected by the fact that 2011 was a particularly difficult year because of the European sovereign debt crisis, which led to debt and equity impairments.

Income Tax

2012 TO 2011 THIRD QUARTER COMPARISON

INCOME TAXES amounted to € 744 mn compared to € 386 mn and the effective tax rate was 34.1 % (3Q 2011: 60.0 %). The improvement in the tax rate in 2012 is mainly due to a higher tax charge from non-tax effective losses on equities in the third quarter of 2011.

2012 TO 2011 NINE MONTHS COMPARISON

INCOME TAXES increased by € 788 mn to € 2,288 mn in line with the higher pre-tax income for the first nine months of 2012. The effective tax rate amounted to 35.3 % (2011 9M: 40.1 %) and was above the expected level mainly due to trade taxes and prior year taxes.

Net Income

2012 TO 2011 THIRD QUARTER COMPARISON

Our NET INCOME increased from € 258 mn to € 1,437 mn, as the third quarter 2011 was severely impacted by the financial market turmoil with high impairments. Our operating profit and non-operating result have since recovered, leading to the higher net income.

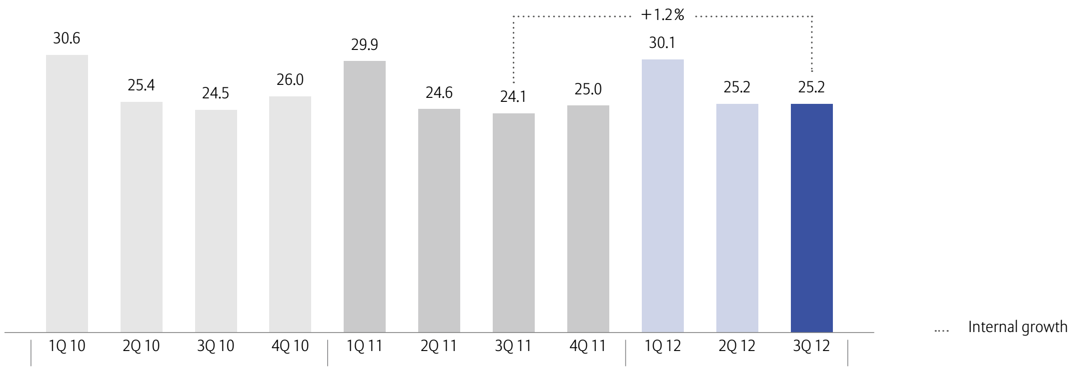
NET INCOME ATTRIBUTABLE TO SHAREHOLDERS and NON-CONTROLLING INTERESTS amounted to € 1,344 mn (3Q 2011: € 196 mn) and € 93 mn (3Q 2011: € 62 mn), respectively. The net income attributable to non-controlling interests related mainly to Euler Hermes.

2012 TO 2011 FIRST NINE MONTHS COMPARISON

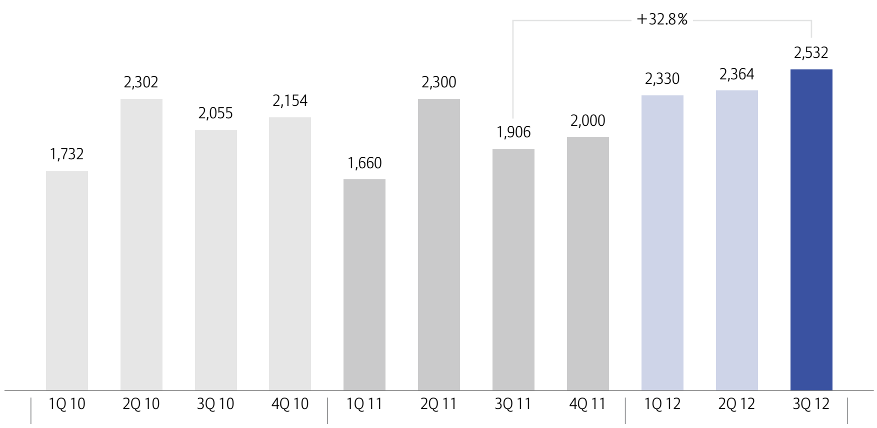
NET INCOME increased from € 2,244 mn to € 4,202 mn due to our good operational performance and the recovery of our non-operating investment result since the previous year which was heavily impacted by the European sovereign debt crisis and high natural catastrophes.

Key Figures Quarterly Overview

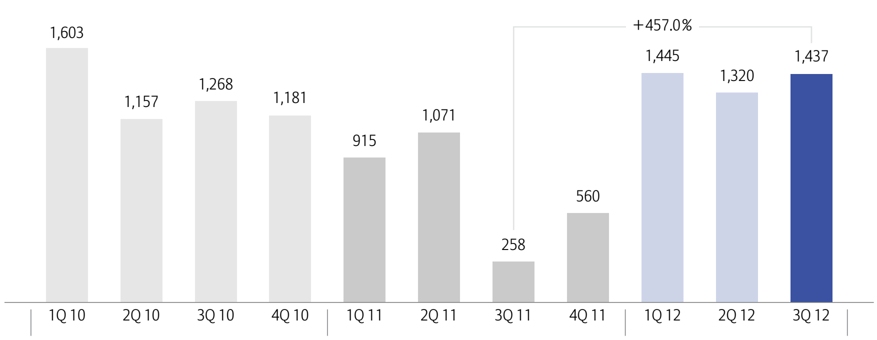
TOTAL REVENUES | in € bn



OPERATING PROFIT | in € mn



NET INCOME | in € mn



TOTAL REVENUES AND RECONCILIATION OF OPERATING PROFIT TO NET INCOME (LOSS)

	Three months ended 30 September		Nine months ended 30 September	
In € mn	2012	2011	2012	2011
Total revenues[1]	**25,207**	**24,070**	**80,456**	**78,549**
Premiums earned (net)	16,394	15,723	48,636	46,906
Operating investment result				
Interest and similar income	5,214	5,174	15,834	15,418
Operating income from financial assets and liabilities carried at fair value through income (net)	(127)	(356)	(473)	(587)
Operating realized gains/losses (net)	628	592	2,445	1,659
Interest expenses, excluding interest expenses from external debt	(122)	(137)	(362)	(390)
Operating impairments of investments (net)	(45)	(1,016)	(325)	(1,469)
Investment expenses	(230)	(247)	(643)	(657)
Subtotal	**5,318**	**4,010**	**16,476**	**13,974**
Fee and commission income	2,629	2,057	7,059	6,082
Other income	49	39	158	103
Claims and insurance benefits incurred (net)	(12,032)	(11,813)	(35,712)	(35,134)
Change in reserves for insurance and investment contracts (net)[2]	(3,514)	(2,557)	(10,872)	(9,155)
Loan loss provisions	(13)	(13)	(101)	(62)
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(5,552)	(4,895)	(16,266)	(14,885)
Fee and commission expenses	(729)	(619)	(2,099)	(1,925)
Operating restructuring charges	2	–	1	(1)
Other expenses	(25)	(14)	(69)	(45)
Reclassification of tax benefits	5	(12)	15	8
Operating profit	**2,532**	**1,906**	**7,226**	**5,866**
Non-operating investment result				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(12)	(313)	244	(462)
Non-operating realized gains/losses (net)	107	314	593	846
Non-operating impairments of investments (net)	(56)	(931)	(386)	(1,443)
Subtotal	**39**	**(930)**	**451**	**(1,059)**
Income from fully consolidated private equity investments (net)	(4)	(15)	(57)	(47)
Interest expenses from external debt	(233)	(252)	(743)	(716)
Acquisition-related expenses	(42)	(37)	(64)	(172)
Amortization of intangible assets	(91)	(23)	(147)	(64)
Non-operating restructuring charges	(15)	(17)	(161)	(56)
Reclassification of tax benefits	(5)	12	(15)	(8)
Non-operating items	**(351)**	**(1,262)**	**(736)**	**(2,122)**
Income before income taxes	**2,181**	**644**	**6,490**	**3,744**
Income taxes	(744)	(386)	(2,288)	(1,500)
Net income	**1,437**	**258**	**4,202**	**2,244**
Net income attributable to				
Non-controlling interests	93	62	253	191
Shareholders	1,344	196	3,949	2,053
Basic earnings per share in €	2.97	0.43	8.73	4.55
Diluted earnings per share in €	2.94	0.34	8.68	4.42

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

2 | For the three months ended 30 September 2012, expenses for premium refunds (net) in Property-Casualty of € (52) mn (2011: € 19 mn) are included. For the nine months ended 30 September 2012, expenses for premium refunds (net) in Property-Casualty of € (103) mn (2011: € (58) mn) are included.

Risk Management

Risk management is an integral part of our business processes and supports our value-based management. For further information we refer you to the Risk Report in our 2011 Annual Report. The Allianz Group's management feels comfortable with the Group's overall risk profile and is confident that the Group's risk management framework can meet the challenges of a rapidly changing environment as well as day-to-day business needs. The risk profile described in the latest Risk Report remains unchanged.

ECB Chairman Draghi's pledge to go to any length in supporting the integrity of the Euro and the German Government's tacit agreement fostered tangible improvement in credit market sentiment and risk asset pricing in the third quarter of 2012. Nevertheless, in absolute terms, the European sovereign debt crisis remained a risk and markets were far from stable, as illustrated by the still sizable risk premia on certain peripheral bonds. While some Italian banks saw their credit ratings downgraded, risk assessments of Spanish banks in the third quarter remained stable prior to the definition of institute-specific capital needs for the sector in late September. Beyond the recapitalization support for the banking sector, investors anticipated additional demand for the Spanish Sovereign bonds based on the ability of the ECB to purchase Government bonds. Credit and equity markets remained volatile against a background of uncertainties concerning the timing and extent of such support for Spain and other Eurozone members.

For sovereigns considered a "safe haven", yields have continued to decline and some continue to hover around all-time lows. Depending on the individual investment strategy, a continuation of the low interest rate environment creates challenges for some life insurance companies, especially in delivering sufficient investment income to meet policyholders' future expectations and the long-term guarantees embedded in individual life insurance products.

Market volatility and the low interest rate environment may continue to have adverse implications on our business development, asset values and the theoretical value of our liabilities. In addition to continuously monitoring these developments, management has responded decisively to the external events by, for example, further adjusting product design and pricing in the Life/Health segment. In this context, we continue to de-risk our portfolios focusing on exposures to peripheral borrowers and financial institutions as well as our non-domestic investment portfolios to increase our resilience to even remote shock event scenarios.

Events After the Balance Sheet Date

ISSUE OF A € 1.5 BN HYBRID BOND

On 16 October 2012, Allianz SE issued a hybrid bond in the amount of € 1.5 bn with a scheduled maturity in 2042.

LIFE INSURANCE DISTRIBUTION AGREEMENT IN ASIA

On 26 October 2012, Allianz and HSBC signed a 10-year exclusive bancassurance distribution agreement for life insurance in Asia. Allianz life insurance products will be distributed by HSBC in Australia, China, Indonesia, Malaysia, Sri Lanka and Taiwan as well as by other strategic partners of Allianz in Brunei and the Philippines. The upfront cash consideration by Allianz amounts to € 77 mn.

As part of the strategic partnership it has been agreed that the assets and liabilities, other than the statutory deposits of approximately € 8 mn of HSBC Life (International), Taiwan Branch, will be transferred to Allianz Taiwan Life Insurance for a consideration of € 14 mn.

HURRICANE "SANDY" IN THE UNITED STATES

At the end of October 2012, hurricane "Sandy" caused severe damage in the north-eastern parts of the United States. Based on current information, the expected losses cannot be reliably estimated.

Other Information

BUSINESS OPERATIONS AND GROUP STRUCTURE

The Allianz Group's business operations and structure are described in the Business Operations and Markets chapter starting on page 56 of our Annual Report 2011. For further information about recent organizational changes, please refer to note 4 of the condensed consolidated interim financial statements.

STRATEGY

The Allianz Group's strategy is described in the Our Strategy chapter starting on page 69 of our Annual Report 2011. There have been no material changes to our Group strategy since.

PRODUCTS, SERVICES AND SALES CHANNELS

For an overview of the products and services offered by the Allianz Group, as well as sales channels, please refer to the Business Operations and Markets chapter starting on page 56 of our Annual Report 2011. Information on our brand can also be found in the Our Progress in Sustainable Development chapter on page 74 of our Annual Report 2011.

I. Property-Casualty Insurance Operations

THIRD QUARTER 2012

- Gross premiums written increased by 5.2 % to € 11.4 bn.
- Operating profit grew to € 1,159 mn supported by lower natural catastrophe claims.
- Combined ratio at 96.3 %.

SEGMENT OVERVIEW

Our Property-Casualty business offers a broad range of products and services for both private and corporate clients. Our offerings cover many insurance classes such as accident/disability, property, general liability and motor. We conduct business worldwide in more than 50 countries. We are also a global leader in travel insurance and assistance services and credit insurance. We distribute our products via a broad network of agents, brokers, banks and direct channels.

KEY FIGURES

Three months ended 30 September	Gross premiums written € mn	Operating profit € mn	Δ | DIFFERENCE QUARTER OVER QUARTER	Loss ratio %	Expense ratio %	Combined ratio %
2012	11,392	1,159	Δ +4.3 %	69.2	27.1	96.3
2011	10,832	1,111	Δ (1.0) %	70.5	27.1	97.6
2010	10,600	1,122		68.7	28.4	97.1

EARNINGS SUMMARY FOR THE THIRD QUARTER 2012

GROSS PREMIUMS WRITTEN amounted to € 11,392 mn, up 5.2 %, supported by positive price and foreign currency translation effects. On an internal basis, gross premiums increased by 1.7 % primarily stemming from our subsidiaries in Australia, Latin America, Allianz Global Corporate & Specialty (AGCS) and Germany. This positive development was partly offset by lower gross premiums in the United States.

Our OPERATING PROFIT grew by € 48 mn, or 4.3 %, to € 1,159 mn compared to the third quarter of 2011. The underwriting result increased by € 148 mn to € 342 mn, mainly due to an improvement in our accident year loss ratio following lower losses from natural catastrophes. Compared to the previous year's quarter, our operating investment income declined by € 94 mn to € 795 mn largely driven by a lower dividend yield on equities and unfavorable foreign currency translation effects.

The COMBINED RATIO improved from 97.6 % in the third quarter of 2011 to 96.3 % in the current quarter. The overall positive price development and lower losses from natural catastrophes more than offset a less favorable run-off.

Gross Premiums Written[1]

2012 TO 2011 THIRD QUARTER COMPARISON

GROSS PREMIUMS WRITTEN increased by 1.7 % due to a positive price effect of 1.8 % and a negative volume effect of 0.1 %. Most of the growth was attributable to price increases in our subsidiaries in Australia, Germany and France.

On a nominal basis, gross premiums written grew by 5.2 % – or € 560 mn – to € 11,392 mn. Favorable foreign currency translation effects accounted for € 383 mn of this growth, largely due to the appreciation of the U.S. Dollar, the Australian Dollar and the British Pound against the Euro.

Analyzing internal premium growth in terms of price and volume, we use four clusters based on 3Q 2012 internal growth over 3Q 2011:

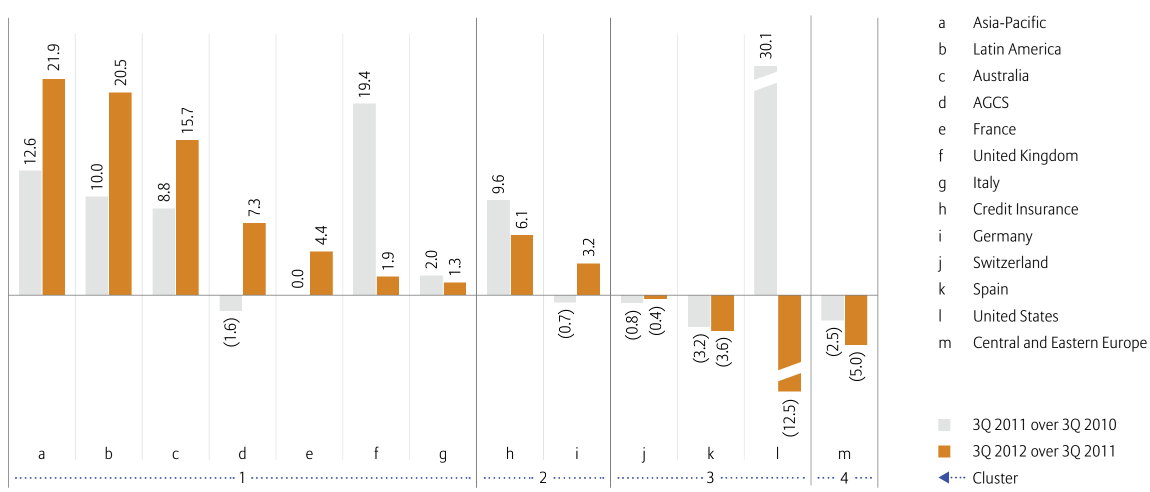
- CLUSTER 1:
Overall growth – both price and volume effects are positive.

- CLUSTER 2:
Overall growth – either price or volume effects are positive.

- CLUSTER 3:
Overall decline – either price or volume effects are positive.

- CLUSTER 4:
Overall decline – both price and volume effects are negative.

GROSS PREMIUMS WRITTEN BY OPERATING ENTITY – INTERNAL GROWTH RATES[2] | in %



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

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

CLUSTER 1

In ASIA-PACIFIC gross premiums amounted to € 170 mn. We grew by 21.9 % mainly driven by volume growth in our Malaysian motor business. The price effect was slightly positive at about 0.1 %.

Supported by a positive volume effect, gross premiums in LATIN AMERICA increased 20.5 % to € 566 mn. This was largely attributable to our motor business.

In AUSTRALIA we recorded gross premiums of € 892 mn, including favorable foreign currency translation effects of € 93 mn. The 15.7 % growth benefited from tariff increases in our property and commercial motor business. The price effect was positive at about 14.1 %.

At AGCS gross premiums grew 7.3 % to € 1,145 mn driven by volume growth in our property business in Germany and in Asia-Pacific – mainly in our financial lines. We estimate an overall positive price effect of 0.8 %.

In FRANCE gross premiums amounted to € 787 mn, up 4.4 %, mainly benefiting from tariff increases in both retail and commercial lines. This led to a positive price effect of about 3.5 %.

In the UNITED KINGDOM we recorded gross premiums of € 593 mn, including favorable foreign currency translation effects of € 58 mn. The growth of 1.9 % was driven by tariff increases in the liability lines. The price effect was positive at approximately 1.8 %.

In ITALY gross premiums increased 1.3 % to € 836 mn reflecting tariff increases in our motor business and double-digit growth in direct channels. The growth in motor more than offset volume losses in our non-motor business resulting from the highly competitive market, economic stagnation and our strict underwriting rules. We estimate the overall price effect to be 0.8 %.

CLUSTER 2

In our CREDIT INSURANCE business, gross premiums grew 6.1 % to € 485 mn thanks to new customers and increased insured turnover, especially in growth markets. Pressure on prices led to a negative price effect of about 1.3 %.

In GERMANY we recorded gross premiums of € 1,891 mn, up 3.2 %. We benefited from a positive price effect of about 3.4 %, particularly in our motor business, which more than offset the slight volume decrease.

CLUSTER 3

In SWITZERLAND gross premiums stood at € 269 mn. We achieved a positive volume effect which was more than offset by a negative price effect of about 2.5 %.

In SPAIN gross premiums decreased 3.6 % to € 433 mn. This decline is largely attributable to one specific fleet contract which was not renewed. The economic recession put intense pressure on prices, especially in our commercial property lines which led to a negative price effect of approximately 3.7 %. Despite the tough market conditions, we achieved a slight increase in volume.

In the UNITED STATES we recorded gross premiums of € 1,615 mn. Excluding favorable foreign currency translation effects of € 184 mn, gross premiums fell by 12.5 % primarily attributable to lower premiums in the current quarter in our crop business mainly due to lower commodity prices compared to the previous year's quarter. Our retail and commercial lines also showed a slight decrease. The price effect was positive at about 0.8 %.

CLUSTER 4

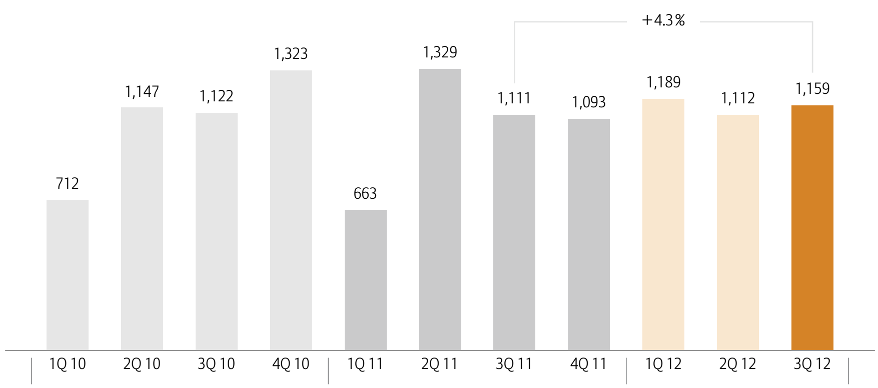
In CENTRAL AND EASTERN EUROPE gross premiums decreased to € 567 mn, including unfavorable foreign currency translation effects of € 2 mn. The decrease of 5.0 % was mainly attributable to our motor business in Poland as well as to industrial property business in Russia and selective underwriting in our Russian health portfolio.

2012 TO 2011 FIRST NINE MONTHS COMPARISON

On an internal basis, GROSS PREMIUMS WRITTEN increased by 2.5 % benefiting from a positive volume effect of 1.1 % and a positive price effect of 1.4 %. On a nominal basis, gross premiums grew 4.6 % to € 36,915 mn.

Operating Profit

OPERATING PROFIT | in € mn



We analyze the operating profit in the Property-Casualty segment in terms of underwriting result, operating investment income and other result[1].

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
Underwriting result	342	194	895	460
Operating investment income	795	889	2,495	2,577
Other result[1]	22	28	70	66
Operating profit	**1,159**	**1,111**	**3,460**	**3,103**

1 | Consists of fee and commission income/expenses and other income/expenses.

2012 TO 2011 THIRD QUARTER COMPARISON

OPERATING PROFIT amounted to € 1,159 mn, up € 48 mn.

Our UNDERWRITING RESULT grew by € 148 mn to € 342 mn. This increase was mainly due to an improvement in our accident year loss ratio of 3.4 percentage points supported by lower natural catastrophe claims, partially offset by a less favorable run-off compared to the third quarter of 2011.

Our OPERATING INVESTMENT INCOME decreased € 94 mn to € 795 mn mainly driven by lower interest and similar income (net of interest expenses).

The COMBINED RATIO improved by 1.3 percentage points to 96.3 %. The overall positive price development and lower losses from natural catastrophes more than offset a less favorable run-off.

UNDERWRITING RESULT

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
Premiums earned (net)	10,804	10,289	31,151	29,843
Accident year claims	(7,643)	(7,623)	(22,129)	(22,107)
Previous year claims (run-off)	160	372	645	1,147
Claims and insurance benefits incurred (net)	(7,483)	(7,251)	(21,484)	(20,960)
Acquisition and administrative expenses (net)	(2,923)	(2,786)	(8,611)	(8,262)
Change in reserves for insurance and investment contracts (net) (without expenses for premium refunds)[1]	(56)	(58)	(161)	(161)
Underwriting result	**342**	194	**895**	460

Our ACCIDENT YEAR LOSS RATIO was 70.7 %, down 3.4 percentage points from the previous year. Net losses from natural catastrophes decreased from € 413 mn to € 83 mn. The impact from natural catastrophes decreased by 3.2 percentage points to 0.8 percentage points as the previous year's quarter was impacted by a series of thunderstorms in Germany and Hurricane "Irene" in the United States.

Excluding natural catastrophes, our accident year loss ratio was 69.9 %, improving 0.2 percentage points compared to the third quarter of 2011. This was mainly attributable to a favorable development in claims frequency in our motor business and positive price momentum. These favorable developments were partly offset by losses in the United States from our crop business due to severe drought.

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

- GERMANY: 2.4 percentage points. The positive impact was due to more benign weather compared to the previous year, favorable price trends and reduced large claims.
- ITALY: 0.5 percentage points. This was supported by a positive development in claims frequency and a higher average premium in third-party motor liability – as well as strict profitability management.
- CREDIT: 0.2 percentage points. This was due to higher reinsurance recoveries.
- FRANCE: 0.1 percentage points. This was supported by positive price momentum, in both retail and commercial lines.
- AGCS: 0.1 percentage points. The positive impact was mainly a result of lower losses from natural catastrophes. This was partly counterbalanced by larger losses in our energy and property lines of business.
- REINSURANCE: 0.1 percentage points. This improvement was attributable to the lower burden of losses from natural catastrophes compared to the previous year.

1 | Consists of the underwriting-related part (aggregate policy reserves and other insurance reserves) of "change in reserves for insurance and investment contracts (net)". For further information, please refer to note 29 of our condensed consolidated interim financial statements.

The following operations contributed negatively to the development of the accident year loss ratio:

- UNITED KINGDOM: 0.3 percentage points. The main driver for the deterioration was higher losses in commercial liabilities.
- UNITED STATES: 0.1 percentage points. This was mainly due to the severe drought which affected our crop business, slightly exceeding losses from natural catastrophes in the previous year's quarter.

Our RUN-OFF RESULT declined by € 212 mn, or 2.1 percentage points, to € 160 mn. This decline was attributable to additional reserve strengthening in the United States in the third quarter of 2012 versus 2011. Furthermore, the third quarter of 2011 had benefited from the release of Allianz Group's asbestos reserves of € 130 mn.

Total expenses stood at € 2,923 mn, compared to € 2,786 mn in the previous year. Our EXPENSE RATIO was stable at 27.1 %.

OPERATING INVESTMENT INCOME[1]

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
Interest and similar income (net of interest expenses)	911	957	2,804	2,806
Operating income from financial assets and liabilities carried at fair value through income (net)	(20)	12	(25)	40
Operating realized gains/losses (net)	32	2	46	14
Operating impairments of investments (net)	(1)	(37)	(15)	(44)
Investment expenses	(75)	(64)	(212)	(181)
Expenses for premium refunds (net)[2]	(52)	19	(103)	(58)
Operating investment income	**795**	**889**	**2,495**	**2,577**

OPERATING INVESTMENT INCOME decreased € 94 mn to € 795 mn mainly due to lower interest and similar income (net of interest expenses).

INTEREST AND SIMILAR INCOME (NET OF INTEREST EXPENSES) fell by € 46 mn to € 911 mn largely driven by a lower dividend yield on equities. The total average asset base[3] grew by 6.4 %, from € 96.6 bn in the third quarter of 2011 to € 102.8 bn in the third quarter of 2012. This growth offsets the effect from decreasing yields.

OPERATING INCOME FROM FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE THROUGH INCOME (NET) resulted in a loss of € 20 mn. The decline of € 32 mn was mainly attributable to unfavorable foreign currency translation effects.

We recorded higher OPERATING REALIZED GAINS/LOSSES (NET) of € 32 mn compared to € 2 mn in the third quarter of 2011.

OTHER RESULT

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
Fee and commission income	277	278	858	840
Other income	10	12	27	23
Fee and commission expenses	(259)	(259)	(799)	(788)
Other expenses	(6)	(3)	(16)	(9)
Other result	**22**	**28**	**70**	**66**

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

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

3 | As of 1 January 2012, the asset base changed as liabilities from cash pooling are now included. Previous years were adjusted accordingly.

2012 TO 2011 FIRST NINE MONTHS COMPARISON

OPERATING PROFIT increased by € 357 mn to € 3,460 mn driven by higher profitability in our core European markets of Italy and Germany, but also in Australia, and in our Reinsurance business. A partial negative offsetting effect came from less favorable run-off.

Our COMBINED RATIO improved by 1.3 percentage points to 96.6 % mainly due to a lower burden from natural catastrophe claims. The first nine months of 2011 were heavily impacted by exceptionally high losses amounting to € 1,324 mn. In the first nine months of 2012, natural catastrophe losses totaled € 298 mn. Additionally, our combined ratio improved due to a favorable pricing environment. A slight increase in large losses and a less favorable run-off had a partly offsetting effect.

OPERATING INVESTMENT INCOME decreased by € 82 mn to € 2,495 mn. The OTHER RESULT remained rather stable.

PROPERTY-CASUALTY SEGMENT INFORMATION

	Three months ended 30 September		Nine months ended 30 September	
In € mn	2012	2011	2012	2011
Gross premiums written[1]	**11,392**	**10,832**	**36,915**	**35,277**
Ceded premiums written	(1,372)	(1,397)	(3,996)	(3,866)
Change in unearned premiums	784	854	(1,768)	(1,568)
Premiums earned (net)	**10,804**	**10,289**	**31,151**	**29,843**
Interest and similar income	922	976	2,837	2,852
Operating income from financial assets and liabilities carried at fair value through income (net)	(20)	12	(25)	40
Operating realized gains/losses (net)	32	2	46	14
Fee and commission income	277	278	858	840
Other income	10	12	27	23
Operating revenues	**12,025**	**11,569**	**34,894**	**33,612**
Claims and insurance benefits incurred (net)	(7,483)	(7,251)	(21,484)	(20,960)
Change in reserves for insurance and investment contracts (net)	(108)	(39)	(264)	(219)
Interest expenses	(11)	(19)	(33)	(46)
Operating impairments of investments (net)	(1)	(37)	(15)	(44)
Investment expenses	(75)	(64)	(212)	(181)
Acquisition and administrative expenses (net)	(2,923)	(2,786)	(8,611)	(8,262)
Fee and commission expenses	(259)	(259)	(799)	(788)
Other expenses	(6)	(3)	(16)	(9)
Operating expenses	**(10,866)**	**(10,458)**	**(31,434)**	**(30,509)**
Operating profit	**1,159**	**1,111**	**3,460**	**3,103**
Loss ratio[2] in %	69.2	70.5	69.0	70.2
Expense ratio[3] in %	27.1	27.1	27.6	27.7
Combined ratio[4] **in %**	**96.3**	**97.6**	**96.6**	**97.9**

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 – third quarter

	Gross premiums written				Premiums earned (net)		Operating profit (loss)	
			internal[1]					
Three months ended 30 September | in € mn	2012	2011	2012	2011	2012	2011	2012	2011
Germany	1,891	1,833	1,891	1,833	1,864	1,826	220	(26)
Switzerland	269	280	279	280	359	372	27	2
Austria	199	194	199	194	201	189	10	16
German Speaking Countries[2]	**2,361**	**2,307**	**2,371**	**2,309**	**2,422**	**2,387**	**260**	**(8)**
Italy[5]	836	825	836	825	976	957	260	242
France	787	754	787	754	793	764	104	109
Netherlands	147	166	147	166	158	190	10	11
Turkey	131	95	121	95	107	84	15	11
Belgium	100	93	97	93	98	72	11	11
Greece	24	28	24	28	22	24	8	5
Africa	17	16	17	16	13	12	2	3
Western & Southern Europe[3]	**2,042**	**1,977**	**2,029**	**1,977**	**2,167**	**2,103**	**414**	**395**
South America	503	426	527	426	383	315	18	32
Mexico	63	61	60	61	31	30	5	(2)
Latin America	566	487	587	487	414	345	23	30
Spain	433	449	433	449	454	460	69	105
Portugal[4]	68	75	77	75	69	66	9	10
Iberia & Latin America	**1,067**	**1,011**	**1,097**	**1,011**	**937**	**871**	**101**	**145**
United States	1,615	1,635	1,430	1,635	924	895	(250)	(149)
USA[5]	**1,615**	**1,635**	**1,430**	**1,635**	**924**	**895**	**(250)**	**(149)**
Allianz Global Corporate & Specialty[5]	1,145	1,067	1,145	1,067	843	759	132	117
Reinsurance PC	716	734	716	734	764	787	138	113
Australia	892	687	795	687	583	467	91	87
United Kingdom	593	525	535	525	559	477	50	53
Credit Insurance	485	457	485	457	344	310	113	121
Ireland[6]	109	107	109	107	100	103	13	14
Global Insurance Lines & Anglo Markets[7]	**3,940**	**3,577**	**3,785**	**3,577**	**3,193**	**2,903**	**533**	**507**
Russia	159	168	154	168	141	157	2	9
Poland	105	116	104	116	91	94	(4)	4
Hungary	72	77	74	77	59	72	14	12
Slovakia	82	85	82	85	70	71	15	12
Czech Republic	66	68	68	68	57	58	9	6
Romania	42	44	44	44	37	41	–	–
Bulgaria	19	18	19	18	17	16	7	5
Croatia	20	19	20	19	19	18	2	2
Ukraine	3	3	3	3	2	2	–	–
Kazakhstan	–	3	–	–	–	1	–	1
Central and Eastern Europe[8]	567	601	569	599	493	530	46	48
Asia-Pacific	170	128	156	128	81	72	16	10
Middle East and North Africa	15	16	13	15	13	12	2	1
Growth Markets	**752**	**745**	**738**	**742**	**587**	**614**	**64**	**59**
Allianz Global Assistance	468	430	468	431	482	446	30	30
Allianz Worldwide Care[6]	77	70	77	70	92	72	7	4
Global Assistance	**545**	**500**	**545**	**501**	**574**	**518**	**37**	**34**
Consolidation and Other[9,10]	(930)	(920)	(984)	(923)	–	(2)	–	128
Total	**11,392**	**10,832**	**11,011**	**10,829**	**10,804**	**10,289**	**1,159**	**1,111**

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

2 | In 2012, "Münchener und Magdeburger Agrarversicherung AG" was transferred from Consolidation and Other to German Speaking Countries. Prior year figures have not been adjusted. The three months ended 30 September 2012 contain € 2 mn gross premiums written, € (2) mn premiums earned (net) and € 3 mn operating profit.

3 | Contains € 4 mn and € 3 mn operating profit for 3Q 2012 and 3Q 2011, respectively, from a management holding located in Luxembourg.

4 | In 4Q 2011 the premium accounting method changed which is adjusted in the internal growth.

5 | The reserve strengthening for asbestos risks in 2012 at Fireman's Fund Insurance Company of € 71 mn had no impact on the financial results of the Allianz Group and Fireman's Fund's combined ratio under IFRS. The reserve strengthening for asbestos risks in 2011 at Allianz S.p.A., at Fireman's Fund Insurance Company and at AGCS of in total € 153 mn had no impact on the financial results of the Allianz Group and the single entities' combined ratio under IFRS.

	Combined ratio		Loss ratio		Expense ratio	
Three months ended 30 September | in %	2012	2011	2012	2011	2012	2011
Germany	97.0	111.1	69.4	83.3	27.6	27.8
Switzerland	96.5	106.1	73.2	83.7	23.3	22.4
Austria	100.9	93.9	75.8	68.7	25.1	25.2
German Speaking Countries[2]	**97.2**	**108.9**	**70.3**	**82.2**	**26.9**	**26.7**
Italy[5]	81.2	86.3	57.6	63.4	23.6	22.9
France	95.4	94.1	68.0	68.3	27.4	25.8
Netherlands	100.8	99.9	76.2	68.7	24.6	31.2
Turkey	93.0	94.9	66.5	69.0	26.5	25.9
Belgium	99.5	96.4	67.5	62.3	32.0	34.1
Greece	69.5	83.8	36.9	52.1	32.6	31.7
Africa	105.9	93.7	57.0	48.0	48.9	45.7
Western & Southern Europe[3]	**89.3**	**91.1**	**63.5**	**65.7**	**25.8**	**25.4**
South America	100.8	98.3	67.7	68.0	33.1	30.3
Mexico	93.7	111.3	69.0	87.6	24.7	23.7
Latin America	100.3	99.5	67.8	69.8	32.5	29.7
Spain	88.3	83.3	67.4	62.4	20.9	20.9
Portugal[4]	92.9	91.4	68.9	67.7	24.0	23.7
Iberia & Latin America	**93.9**	**90.4**	**67.8**	**65.8**	**26.1**	**24.6**
United States	132.5	124.2	110.6	101.3	21.9	22.9
USA[5]	**132.5**	**124.2**	**110.6**	**101.3**	**21.9**	**22.9**
Allianz Global Corporate & Specialty[5]	93.7	96.6	66.9	71.7	26.8	24.9
Reinsurance PC	85.8	89.3	60.0	62.9	25.8	26.4
Australia	95.5	95.5	69.4	70.8	26.1	24.7
United Kingdom	96.9	94.9	66.7	61.4	30.2	33.5
Credit Insurance	77.4	74.2	46.7	43.1	30.7	31.1
Ireland[6]	96.5	95.7	66.2	66.3	30.3	29.4
Global Insurance Lines & Anglo Markets[7]	**91.2**	**91.7**	**63.5**	**64.2**	**27.7**	**27.5**
Russia	101.2	98.9	57.0	59.7	44.2	39.2
Poland	108.6	101.1	74.7	66.5	33.9	34.6
Hungary	89.4	97.7	62.2	55.4	27.2	42.3
Slovakia	84.3	88.7	51.4	49.4	32.9	39.3
Czech Republic	88.9	94.9	64.0	67.5	24.9	27.4
Romania	106.1	105.0	78.3	76.7	27.8	28.3
Bulgaria	61.6	74.7	37.6	54.4	24.0	20.3
Croatia	95.2	95.4	60.6	57.2	34.6	38.2
Ukraine	109.8	138.1	46.1	84.3	63.7	53.8
Kazakhstan	–	72.2	–	9.3	–	62.9
Central and Eastern Europe[8]	96.2	97.0	61.9	60.8	34.3	36.2
Asia-Pacific	89.4	94.6	58.4	62.6	31.0	32.0
Middle East and North Africa	98.5	97.0	62.8	64.3	35.7	32.7
Growth Markets	**95.2**	**96.7**	**61.5**	**61.0**	**33.7**	**35.7**
Allianz Global Assistance	95.0	95.7	60.2	59.6	34.8	36.1
Allianz Worldwide Care[6]	93.8	95.2	74.2	74.5	19.6	20.7
Global Assistance	**94.8**	**95.9**	**62.4**	**61.9**	**32.4**	**34.0**
Consolidation and Other[9]	–	–	–	–	–	–
Total	**96.3**	**97.6**	**69.2**	**70.5**	**27.1**	**27.1**

6 | From the third quarter of 2012 onwards, Allianz Worldwide Care was transferred from Global Insurance Lines & Anglo Markets to Global Assistance. Prior year figures have been adjusted.
7 | Contains € (4) mn and € 2 mn operating profit for 3Q 2012 and 3Q 2011, respectively, from AGF UK.
8 | Contains income and expense items from a management holding and consolidations between countries in this region.
9 | Represents elimination of transactions between Allianz Group companies in different geographic regions.
10 | The 2011 analysis of the Allianz Group's asbestos risks resulted in a reduction of reserves and a positive run-off result of € 130 mn reflected in the operating profit for 3Q 2011.

Property-Casualty Operations by Business Divisions – first nine months

	Gross premiums written				Premiums earned (net)		Operating profit (loss)	
			internal[1]					
Nine months ended 30 September | in € mn	2012	2011	2012	2011	2012	2011	2012	2011
Germany	7,474	7,333	7,474	7,333	5,518	5,432	589	303
Switzerland	1,389	1,327	1,332	1,327	1,091	1,071	136	103
Austria	751	735	751	735	590	552	45	51
German Speaking Countries[2]	**9,645**	**9,395**	**9,588**	**9,424**	**7,218**	**7,055**	**780**	**457**
Italy[5]	2,821	2,785	2,821	2,785	2,905	2,873	629	486
France	2,661	2,625	2,661	2,625	2,375	2,338	291	326
Netherlands	566	656	566	652	501	582	26	35
Turkey	427	370	434	370	296	252	22	12
Belgium	288	277	285	271	246	211	32	31
Greece	83	92	83	92	68	70	20	12
Africa	70	66	70	66	37	36	5	5
Western & Southern Europe[3]	**6,916**	**6,871**	**6,920**	**6,861**	**6,428**	**6,362**	**1,037**	**915**
South America	1,528	1,330	1,575	1,330	1,093	920	73	107
Mexico	202	170	203	170	89	83	15	4
Latin America	1,730	1,500	1,778	1,500	1,182	1,003	88	111
Spain	1,517	1,562	1,517	1,562	1,365	1,379	207	259
Portugal[4]	254	228	240	228	198	190	28	31
Iberia & Latin America	**3,501**	**3,290**	**3,535**	**3,290**	**2,745**	**2,572**	**323**	**401**
United States	3,076	2,930	2,776	2,929	2,055	1,973	(292)	(161)
USA[5]	**3,076**	**2,930**	**2,776**	**2,929**	**2,055**	**1,973**	**(292)**	**(161)**
Allianz Global Corporate & Specialty[5]	4,249	3,885	4,249	3,884	2,441	2,255	327	437
Reinsurance PC	2,898	2,846	2,898	2,846	2,346	2,359	252	(105)
Australia	2,304	1,871	2,096	1,871	1,648	1,396	262	212
United Kingdom	1,767	1,577	1,646	1,577	1,616	1,387	142	142
Credit Insurance	1,576	1,484	1,576	1,484	1,004	917	332	378
Ireland[6]	341	350	341	350	297	297	33	42
Global Insurance Lines & Anglo Markets[7]	**13,135**	**12,013**	**12,806**	**12,012**	**9,352**	**8,611**	**1,343**	**1,109**
Russia	519	570	510	570	458	462	4	6
Poland	319	351	334	351	269	280	7	4
Hungary	246	284	265	284	175	223	19	29
Slovakia	267	275	267	275	204	209	49	56
Czech Republic	213	221	220	221	169	170	24	22
Romania	135	142	142	142	109	130	2	1
Bulgaria	61	61	61	61	48	47	11	13
Croatia	71	68	72	68	57	55	8	8
Ukraine	10	10	10	10	5	5	2	–
Kazakhstan	–	17	–	–	–	4	–	2
Central and Eastern Europe[8]	1,839	1,999	1,879	1,982	1,494	1,585	122	130
Asia-Pacific	470	378	437	378	238	210	45	36
Middle East and North Africa	53	53	49	50	37	36	4	2
Growth Markets	**2,362**	**2,430**	**2,365**	**2,410**	**1,769**	**1,831**	**171**	**168**
Allianz Global Assistance	1,373	1,298	1,373	1,300	1,319	1,220	80	71
Allianz Worldwide Care[6]	308	236	308	236	265	201	18	10
Global Assistance	**1,681**	**1,534**	**1,681**	**1,536**	**1,584**	**1,421**	**98**	**81**
Consolidation and Other[9,10]	(3,401)	(3,186)	(3,542)	(3,205)	–	18	–	133
Total	**36,915**	**35,277**	**36,129**	**35,257**	**31,151**	**29,843**	**3,460**	**3,103**

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

2 | In 2012, "Münchener und Magdeburger Agrarversicherung AG" was transferred from Consolidation and Other to German Speaking Countries. Prior year figures have not been adjusted. The nine months ended 30 September 2012 contain € 31 mn gross premiums written, € 19 mn premiums earned (net) and € 10 mn operating profit.

3 | Contains € 12 mn and € 8 mn operating profit for 9M 2012 and 9M 2011, respectively, from a management holding located in Luxembourg.

4 | In 4Q 2011 the premium accounting method changed which is adjusted in the internal growth.

5 | The reserve strengthening for asbestos risks in 2012 at Fireman's Fund Insurance Company of € 71 mn had no impact on the financial results of the Allianz Group and Fireman's Fund's combined ratio under IFRS. The reserve strengthening for asbestos risks in 2011 at Allianz S.p.A., at Fireman's Fund Insurance Company and at AGCS of in total € 153 mn had no impact on the financial results of the Allianz Group and the single entities' combined ratio under IFRS.

	Combined ratio		Loss ratio		Expense ratio	
Nine months ended 30 September | in %	2012	2011	2012	2011	2012	2011
Germany	98.2	103.8	70.6	76.3	27.6	27.5
Switzerland	93.5	96.3	70.9	74.5	22.6	21.8
Austria	98.4	93.9	72.2	67.7	26.2	26.2
German Speaking Countries[2]	**97.4**	**101.9**	**70.7**	**75.4**	**26.7**	**26.5**
Italy[5]	87.2	93.6	63.1	69.5	24.1	24.1
France	97.4	96.1	70.9	69.7	26.5	26.4
Netherlands	100.9	99.7	73.7	69.1	27.2	30.6
Turkey	99.4	102.6	71.9	75.1	27.5	27.5
Belgium	98.2	97.7	65.1	63.8	33.1	33.9
Greece	75.1	89.1	41.6	55.1	33.5	34.0
Africa	98.9	97.2	55.2	54.1	43.7	43.1
Western & Southern Europe[3]	**93.0**	**95.5**	**67.1**	**69.3**	**25.9**	**26.2**
South America	100.1	96.9	68.2	65.9	31.9	31.0
Mexico	90.6	101.2	65.9	75.7	24.7	25.5
Latin America	99.4	97.3	68.0	66.7	31.4	30.6
Spain	89.7	87.3	69.0	66.8	20.7	20.5
Portugal[4]	92.1	91.4	69.0	67.7	23.1	23.7
Iberia & Latin America	**94.0**	**91.5**	**68.5**	**66.8**	**25.5**	**24.7**
United States	122.7	118.8	94.5	89.4	28.2	29.4
USA[5]	**122.7**	**118.8**	**94.5**	**89.4**	**28.2**	**29.4**
Allianz Global Corporate & Specialty[5]	96.3	91.8	69.2	64.9	27.1	26.9
Reinsurance PC	93.2	107.9	66.2	80.5	27.0	27.4
Australia	96.5	99.1	70.3	74.1	26.2	25.0
United Kingdom	96.8	95.8	65.3	63.1	31.5	32.7
Credit Insurance	78.0	70.0	50.2	41.7	27.8	28.3
Ireland[6]	97.7	96.5	67.3	67.8	30.4	28.7
Global Insurance Lines & Anglo Markets[7]	**93.8**	**95.9**	**65.8**	**68.0**	**28.0**	**27.9**
Russia	102.7	102.0	60.4	63.1	42.3	38.9
Poland	101.8	103.0	68.7	69.1	33.1	33.9
Hungary	101.5	98.5	60.0	56.1	41.5	42.4
Slovakia	83.0	79.4	52.0	47.6	31.0	31.8
Czech Republic	90.6	91.6	64.1	65.0	26.5	26.6
Romania	105.0	103.7	78.4	73.6	26.6	30.1
Bulgaria	80.0	75.9	51.1	47.8	28.9	28.1
Croatia	92.9	93.1	56.4	55.7	36.5	37.4
Ukraine	77.5	118.7	27.0	50.7	50.5	68.0
Kazakhstan	–	60.6	–	14.4	–	46.2
Central and Eastern Europe[8]	97.5	96.7	61.8	61.3	35.7	35.4
Asia-Pacific	89.8	90.9	59.2	60.5	30.6	30.4
Middle East and North Africa	104.1	103.7	69.9	70.4	34.2	33.3
Growth Markets	**96.6**	**96.2**	**61.7**	**61.4**	**34.9**	**34.8**
Allianz Global Assistance	95.8	96.0	60.2	60.0	35.6	36.0
Allianz Worldwide Care[6]	94.0	96.1	75.2	76.1	18.8	20.0
Global Assistance	**95.5**	**96.1**	**62.7**	**62.3**	**32.8**	**33.8**
Consolidation and Other[9]	–	–	–	–	–	–
Total	**96.6**	**97.9**	**69.0**	**70.2**	**27.6**	**27.7**

6 | From the third quarter of 2012 onwards, Allianz Worldwide Care was transferred from Global Insurance Lines & Anglo Markets to Global Assistance. Prior year figures have been adjusted.

7 | Contains € (5) mn and € 3 mn operating profit for 9M 2012 and 9M 2011, respectively, from AGF UK.

8 | Contains income and expense items from a management holding and consolidations between countries in this region.

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

10 | The 2011 analysis of the Allianz Group's asbestos risks resulted in a reduction of reserves and a positive run-off result of € 130 mn reflected in the operating profit for 3Q 2011.

I. Life/Health Insurance Operations

THIRD QUARTER 2012

- Statutory premiums stable at € 11.9 bn.
- Operating profit increased by € 302 mn driven by a rebounding operating investment result.

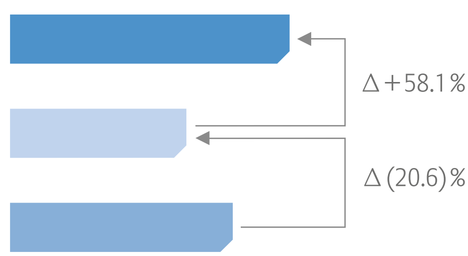
SEGMENT OVERVIEW

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

KEY FIGURES

Three months ended 30 September	Statutory premiums € mn	Operating profit € mn	Margin on reserves[1] bps
2012	11,912	822	74
2011	11,806	520	50
2010	12,553	655	65

Δ | DIFFERENCE QUARTER OVER QUARTER



EARNINGS SUMMARY FOR THE THIRD QUARTER 2012

STATUTORY PREMIUMS increased slightly to € 11,912 mn, supported by positive foreign currency translation effects of € 307 mn. On an internal basis[2], premiums decreased by 1.6 % which was broadly in line with our expectations. Revenues were impacted by the continuing difficult environment in some of our major markets and our ongoing efforts to protect our margin through pricing actions. We saw an increase in traditional product sales in Spain, France and Asia-Pacific. Sales growth of investment-oriented products in a number of our markets was more than offset by a decline in the United States and Germany. The decrease also reflected the discontinuation of selling new business in Japan since year-end 2011.

OPERATING PROFIT increased by € 302 mn to € 822 mn, driven by a higher operating investment result after being impacted by the effects of the financial market turmoil in the third quarter of 2011.

MARGIN ON RESERVES increased from 50 to 74 basis points, due to the improved operating profit.

1 | Represents operating profit divided by the average of current quarter end and prior quarter end net reserves, whereby net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets.

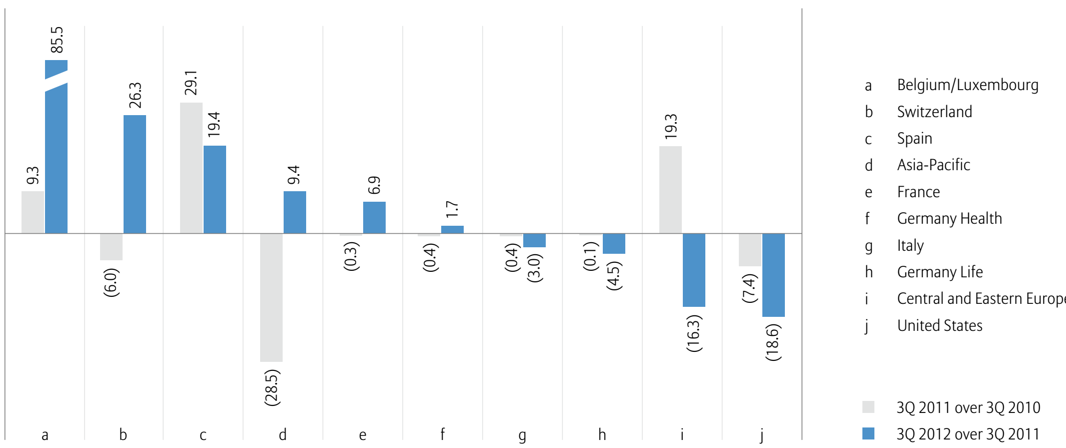
2 | Statutory premiums adjusted for foreign currency translation and (de-)consolidation effects.

Statutory Premiums[1]

2012 TO 2011 THIRD QUARTER COMPARISON

In the following section, we comment on the development of our statutory premiums written on an internal basis, i.e. adjusted for foreign currency translation and (de-)consolidation effects in order to provide more comparable information.

STATUTORY PREMIUMS – INTERNAL GROWTH RATES IN SELECTED MARKETS[2] | in %



In BELGIUM/LUXEMBOURG we recorded premiums of € 486 mn, an increase of 85.5 %, mainly resulting from our investment-oriented products in Luxembourg, which is largely related to French originated business. This was marginally offset by a minor decrease in employee benefit product sales in Belgium to sustain profitability in the current interest rate environment.

In SWITZERLAND premiums totaled € 283 mn. Adjusting for negative foreign currency translation effects of € 10 mn, premiums grew by 26.3 %. Increased single premiums in our group life investment-oriented business – mainly driven by new business generated through acquisition-related employee growth of a major client – more than offset the minor decrease in regular premiums in our individual traditional business.

Despite the continuing recessionary market environment, including high unemployment and turmoil in the banking industry, premiums in SPAIN increased 19.4 % to € 234 mn. The ongoing positive trend in individual traditional product and long-term investment-oriented product sales was supported by an extraordinary one-off pension contract.

In ASIA-PACIFIC premiums increased 9.4 % to € 1,405 mn, after adjusting for positive foreign currency translation effects of € 108 mn. Sales of unit-linked products rose in Taiwan - following a reduction in competitor sales due to a necessary market repricing in July 2012. In South Korea single premium investment-oriented product business strongly increased throughout the quarter. However, in line with our competitors, we stopped selling one of our major growth products in September 2012, due to the low interest rate environment as well as the imminent termination of associated tax advantages. In Japan premiums declined by € 105 mn reflecting the discontinuation of selling new business.

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

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

Premiums in FRANCE grew 6.9 % – € 121 mn on an internal basis – to € 1,877 mn. An increase of approximately € 200 mn was attributable to our internal reinsurance of partnership business with our Belgium/Luxembourg operations. This more than compensated for the decrease in single premium traditional products distributed by other partnerships.

In our GERMAN life business, premiums decreased 4.5 % to € 3,311 mn. This decrease was largely attributable to single premium investment-oriented products. Overall, we saw a positive product mix shift to regular premiums while the share of individual life business volumes remained stable. Premiums in our German health business increased 1.7 % to € 819 mn. Sales of new supplementary coverage compensated for the slight decrease in full health care coverage.

In ITALY premiums decreased 3.0 % to € 1,338 mn. The market environment remained extremely difficult with a significant decline in the individual life business primarily driven by lower volumes in the bancassurance sales channel as banks focused on selling local sovereign bonds and own products rather than insurance products. Higher sales of investment-oriented products distributed by Agents and Financial Advisors partially compensated for this decrease.

Premiums in CENTRAL AND EASTERN EUROPE decreased 16.3 % to € 218 mn, after adjusting for € 1 mn adverse foreign currency translation effects. Increased sales of investment-oriented products in the Czech Republic and growth in Russia partially offset the decline from high third quarter levels in 2011, driven by sales campaigns, in Poland and Hungary.

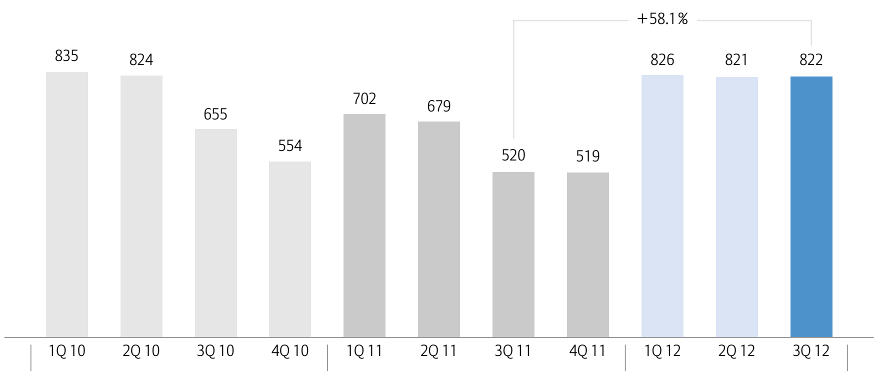
Premiums in the UNITED STATES declined to € 1,740 mn, representing a decrease of 18.6 % after excluding a positive foreign currency translation effect of € 199 mn. This development was driven by a drop in both fixed-indexed and variable annuity sales. The downturn in both lines reflects product and commission changes that were implemented in the second and third quarter of 2012 in reaction to low interest rates.

2012 TO 2011 FIRST NINE MONTHS COMPARISON

STATUTORY PREMIUMS were 1.5 % below the first nine months of 2011 and amounted to € 38,472 mn. On an internal basis, premiums decreased by 3.3 %. The decline in premiums in Italy, the United States, Japan and Germany was partly offset by higher revenues in Belgium/Luxembourg, Indonesia and South Korea.

Operating Profit

OPERATING PROFIT | in € mn



2012 TO 2011 THIRD QUARTER COMPARISON

Our OPERATING PROFIT amounted to € 822 mn. The increase of € 302 mn was driven by a higher operating investment result that benefited from lower impairments on equities versus the third quarter of 2011. This higher investment result was partially offset by a corresponding increase in policyholder participation.

INTEREST AND SIMILAR INCOME (NET OF INTEREST EXPENSES) increased by € 120 mn and amounted to € 4,145 mn. We recorded growth in interest income from debt securities due to a higher asset base – more than offsetting the modest decline in interest yield and the marginal decrease in dividends.

OPERATING INCOME FROM FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE THROUGH INCOME (NET) improved by € 205 mn to a loss of € 120 mn. This increase was mainly due to the favorable impact of the equity market performance on our Fair Value Option assets in France and a positive trading result in the United States compared to the third quarter of 2011. While derivatives – used to hedge stock price and interest rate movements – contributed adversely to this development. Gains resulting from foreign currency hedges more than offset the foreign currency translation losses in Germany.

OPERATING REALIZED GAINS AND LOSSES (NET) remained stable at € 596 mn. Higher realizations on debt investments were offset by lower realized gains on equity investments.

OPERATING IMPAIRMENTS ON INVESTMENTS (NET) amounted to € 68 mn, a decline of € 911 mn. Compared to the third quarter of 2011, which was hit by the turmoil of the financial markets, equity impairments decreased significantly in particular in Germany, France and Italy. Lower impairments on debt investments also contributed to the favorable development as the comparable quarter in 2011 had been primarily burdened by impairments on Greek sovereign bonds.

CLAIMS AND INSURANCE BENEFITS INCURRED (NET) remained stable at € 4,550 mn.

CHANGES IN RESERVES FOR INSURANCE AND INVESTMENT CONTRACTS (NET) increased significantly by € 907 mn to € 3,422 mn. This was largely driven by policyholder participation in the higher operating investment result.

INVESTMENT EXPENSES decreased from € 210 mn to € 189 mn as a result of lower expenses for real estate maintenance and repair in Germany.

ACQUISITION AND ADMINISTRATIVE EXPENSES (NET) were up by € 264 mn to € 1,302 mn. The slight decrease in administrative expenses only partially offset higher acquisition costs.

MARGIN ON RESERVES increased from 50 to 74 basis points, following the improvement in the operating profit.

2012 TO 2011 FIRST NINE MONTHS COMPARISON

OPERATING PROFIT increased by € 568 mn to € 2,469 mn, mainly due to a higher operating investment result driven by higher realized gains and significantly lower impairments on equity and debt investments, which had burdened the investment result in the first nine months of 2011. The results were also supported by higher interest income from debt investments as a consequence of the higher asset base. This positive development was partly offset by higher policyholder participation as a result of the improved operating investment result and increased acquisition costs.

MARGIN ON RESERVES improved from 62 to 76 basis points, mainly as a result of a higher operating profit.

LIFE/HEALTH SEGMENT INFORMATION

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
Statutory premiums[1]	**11,912**	**11,806**	**38,472**	**39,054**
Ceded premiums written	(195)	(148)	(528)	(430)
Change in unearned premiums	(69)	(70)	(187)	(214)
Statutory premiums (net)	11,648	11,588	37,757	38,410
Deposits from insurance and investment contracts	(6,005)	(6,154)	(20,219)	(21,347)
Premiums earned (net)	**5,643**	**5,434**	**17,538**	**17,063**
Interest and similar income	4,166	4,053	12,651	12,083
Operating income from financial assets and liabilities carried at fair value through income (net)	(120)	(325)	(487)	(597)
Operating realized gains/losses (net)	596	590	2,396	1,643
Fee and commission income	135	139	393	407
Other income	31	22	110	67
Operating revenues	**10,451**	**9,913**	**32,601**	**30,666**
Claims and insurance benefits incurred (net)	(4,550)	(4,562)	(14,229)	(14,174)
Changes in reserves for insurance and investment contracts (net)	(3,422)	(2,515)	(10,653)	(8,882)
Interest expenses	(21)	(28)	(62)	(75)
Loan loss provisions	–	–	–	–
Operating impairments of investments (net)	(68)	(979)	(334)	(1,425)
Investment expenses	(189)	(210)	(542)	(571)
Acquisition and administrative expenses (net)	(1,302)	(1,038)	(4,075)	(3,440)
Fee and commission expenses	(57)	(48)	(175)	(153)
Operating restructuring charges	2	–	1	(1)
Other expenses	(22)	(13)	(63)	(44)
Operating expenses	**(9,629)**	**(9,393)**	**(30,132)**	**(28,765)**
Operating profit	**822**	**520**	**2,469**	**1,901**
Margin on reserves[2] in basis points	**74**	**50**	**76**	**62**

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

2 | Represents operating profit divided by the average of (a) current quarter end and prior quarter end net reserves and (b) current quarter end and prior year end net reserves, whereby net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets.

Life/Health Operations by Business Divisions – third quarter

	Statutory premiums[1]				Premiums earned (net)		Operating profit (loss)		Margin on reserves[2] in bps	
			internal[3]							
Three months ended 30 September | in € mn	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Germany Life	3,311	3,466	3,311	3,466	2,425	2,438	222	224	53	56
Germany Health	819	805	819	805	816	802	78	42	131	77
Switzerland	283	233	293	232	118	123	20	20	59	65
Austria	82	81	82	81	53	55	3	–	23	–
German Speaking Countries	**4,495**	**4,585**	**4,505**	**4,584**	**3,412**	**3,418**	**323**	**286**	**62**	**58**
Italy	1,338	1,379	1,338	1,379	109	120	82	10	75	9
France[4]	1,877	1,771	1,877	1,756	778	726	94	71	53	42
Belgium/Luxembourg	486	259	486	262	89	91	18	15	75	70
Netherlands	66	71	66	68	35	34	16	19	160	178
Greece	20	24	20	24	13	14	1	1	137	241
Turkey	29	22	27	22	9	8	1	1	49	95
Africa	12	11	12	11	5	5	1	1	125	190
Western & Southern Europe	**3,828**	**3,537**	**3,826**	**3,522**	**1,038**	**998**	**213**	**118**	**66**	**38**
South America	25	20	23	20	24	18	2	2	236	326
Mexico	30	39	28	39	5	7	1	1	133	203
Latin America	55	59	51	59	29	25	3	3	186	273
Spain	234	195	234	196	133	76	16	33	107	230
Portugal	40	40	40	40	20	21	6	6	463	483
Iberia & Latin America	**329**	**294**	**325**	**295**	**182**	**122**	**25**	**42**	**138**	**252**
United States	1,740	1,894	1,541	1,894	218	159	143	45	83	30
USA	**1,740**	**1,894**	**1,541**	**1,894**	**218**	**159**	**143**	**45**	**83**	**30**
Reinsurance LH	138	93	138	93	114	89	41	18	720	320
Global Insurance Lines & Anglo Markets	**138**	**93**	**138**	**93**	**114**	**89**	**41**	**18**	**720**	**320**
South Korea	554	406	513	406	158	148	10	1	41	6
Taiwan	399	283	361	283	17	41	2	(6)	16	(50)
Indonesia	162	156	158	156	102	80	13	11	391	460
Malaysia	81	65	74	65	55	46	5	3	197	188
Japan	–	105	–	105	1	5	2	(14)	30	(272)
Other	209	171	191	171	151	150	16	6	177	85
Asia-Pacific	1,405	1,186	1,297	1,186	484	470	48	1	83	5
Poland	48	98	48	98	31	31	5	5	295	263
Slovakia	59	60	59	60	52	46	10	8	327	268
Hungary	24	42	25	42	12	14	3	2	309	130
Czech Republic	39	24	40	24	16	16	5	3	391	176
Russia	23	16	23	16	23	16	–	–	–	–
Croatia	13	13	14	13	13	12	1	2	125	260
Bulgaria	7	6	7	6	6	6	2	1	512	454
Romania	5	5	5	5	3	3	–	–	–	–
Central and Eastern Europe	218	264	221	264	156	144	26	21	301	236
Middle East and North Africa	48	40	43	38	39	34	2	–	341	–
Global Life	1	1	1	1	–	–	–	(1)	–[5]	–[5]
Growth Markets	**1,672**	**1,491**	**1,562**	**1,489**	**679**	**648**	**76**	**21**	**115**	**35**
Consolidation[6]	(290)	(88)	(292)	(89)	–	–	1	(10)	–[5]	–[5]
Total	**11,912**	**11,806**	**11,605**	**11,788**	**5,643**	**5,434**	**822**	**520**	**74**	**50**

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

2 | Represents operating profit divided by the average of (a) current quarter end and prior quarter end net reserves and (b) current quarter end and prior year end net reserves, whereby net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets.

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

4 | In December 2011, the Allianz Group sold the subsidiary Coparc.

5 | Presentation not meaningful.

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

Life/Health Operations by Business Divisions – first nine months

	Statutory premiums[1]				Premiums earned (net)		Operating profit (loss)		Margin on reserves[2] in bps	
			internal[3]							
Nine months ended 30 September | in € mn	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Germany Life	10,593	11,035	10,593	11,035	7,763	7,809	780	678	63	58
Germany Health	2,454	2,405	2,454	2,405	2,452	2,403	161	105	92	64
Switzerland	1,648	1,449	1,576	1,446	550	521	60	58	62	65
Austria	307	297	307	297	215	208	22	18	73	64
German Speaking Countries	**15,002**	**15,186**	**14,930**	**15,183**	**10,980**	**10,941**	**1,023**	**859**	**66**	**59**
Italy	4,521	5,191	4,521	5,191	380	422	218	144	67	44
France[4]	5,833	5,557	5,833	5,498	2,276	2,247	304	294	59	58
Belgium/Luxembourg	1,406	905	1,406	914	300	325	63	51	92	83
Netherlands	209	251	209	242	102	122	42	43	138	136
Greece	71	81	71	81	43	47	2	3	98	151
Turkey	79	73	80	73	27	25	4	3	117	90
Africa	41	34	41	34	17	15	3	3	157	188
Western & Southern Europe	**12,160**	**12,092**	**12,161**	**12,033**	**3,145**	**3,203**	**636**	**541**	**67**	**58**
South America	79	48	71	48	74	39	5	7	208	318
Mexico	100	113	100	113	15	33	3	3	140	187
Latin America	179	161	171	161	89	72	8	10	175	264
Spain	754	689	754	692	398	277	77	88	174	207
Portugal	124	131	124	131	63	63	–	15	–	427
Iberia & Latin America	**1,057**	**981**	**1,049**	**984**	**550**	**412**	**85**	**113**	**162**	**227**
United States	5,739	5,902	5,231	5,902	616	492	436	268	87	59
USA	**5,739**	**5,902**	**5,231**	**5,902**	**616**	**492**	**436**	**268**	**87**	**59**
Reinsurance LH	378	286	378	286	329	261	49	22	286	134
Global Insurance Lines & Anglo Markets	**378**	**286**	**378**	**286**	**329**	**261**	**49**	**22**	**286**	**134**
South Korea	1,519	1,260	1,437	1,260	443	459	64	37	92	61
Taiwan	902	1,099	837	1,099	92	97	6	(27)	16	(68)
Indonesia	586	404	570	404	227	172	39	33	435	504
Malaysia	236	195	220	195	155	142	13	11	178	193
Japan	1	450	1	450	4	10	(2)	(28)	(13)	(191)
Other	553	462	510	462	437	370	48	12	181	47
Asia-Pacific	3,797	3,870	3,575	3,870	1,358	1,250	168	38	101	25
Poland	357	317	375	317	89	75	13	14	302	271
Slovakia	182	185	182	185	147	139	26	23	295	264
Hungary	122	150	133	150	37	43	3	5	120	164
Czech Republic	142	108	146	108	49	45	16	9	403	239
Russia	67	40	66	40	65	38	(2)	–	(219)	–
Croatia	40	36	41	36	39	34	2	4	113	212
Bulgaria	21	20	21	20	18	17	5	4	490	488
Romania	17	17	18	17	10	9	1	1	324	315
Central and Eastern Europe	948	873	982	873	454	400	64	60	263	249
Middle East and North Africa	128	124	119	117	106	104	9	5	312	169
Global Life	3	3	3	3	–	–	–	(1)	–[5]	–[5]
Growth Markets	**4,876**	**4,870**	**4,679**	**4,863**	**1,918**	**1,754**	**241**	**102**	**125**	**56**
Consolidation[6]	(740)	(263)	(739)	(264)	–	–	(1)	(4)	–[5]	–[5]
Total	38,472	39,054	37,689	38,987	17,538	17,063	2,469	1,901	76	62

I. Asset Management

THIRD QUARTER 2012

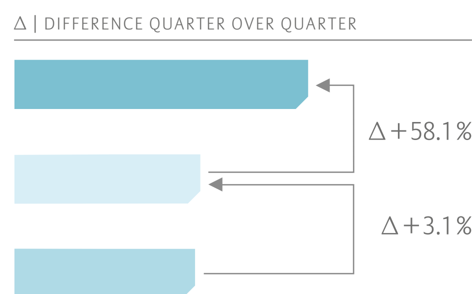
- Total assets under management at a new record of € 1,827 bn.
- Third-party net inflows amounted to € 31 bn in the third quarter of 2012.
- Operating profit of € 849 mn.
- Cost-Income Ratio improved to 54.0 % benefiting from high performance fees.

SEGMENT OVERVIEW

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

KEY FIGURES

Three months ended 30 September	Total assets under management € bn	Operating revenues € mn	Operating profit € mn	Cost-Income Ratio %
2012	1,827	1,845	849	54.0
2011	1,592	1,326	537	59.5
2010	1,443	1,256	521	58.5



EARNINGS SUMMARY FOR THE THIRD QUARTER 2012

Our OPERATING REVENUES increased by € 519 mn, or 39.1 %, to € 1,845 mn. On an internal basis, operating revenues grew by 25.5 % compared to the third quarter of 2011, benefiting from the robust growth in our assets under management and an increase in performance fees. We recorded strong net inflows in our third-party assets under management of € 31 bn.

As a result, we achieved an OPERATING PROFIT of € 849 mn, an increase of € 312 mn. On an internal basis[1], our operating profit grew by 40.9 %.

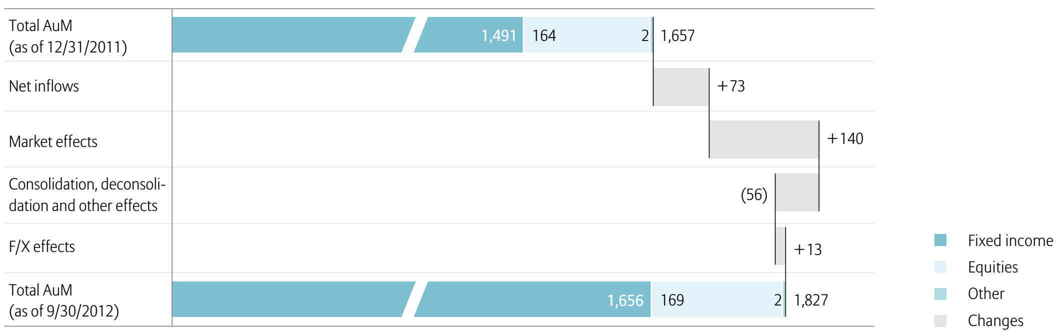
The COST-INCOME RATIO of 54.0 % improved by 5.5 percentage points compared to the third quarter of the previous year, also supported by the increase in performance fees.

1 | Internal operating profit growth excludes the effects of foreign currency translation as well as acquisitions and disposals.

Assets under Management

As of 30 September 2012, total assets under management reached a new record high of € 1,827 bn consisting of third-party assets of € 1,419 bn and € 408 bn of Allianz Group assets. We show the development of total assets under management based on asset classes as they are relevant for the segment's business development.

DEVELOPMENT OF TOTAL ASSETS UNDER MANAGEMENT | in € bn



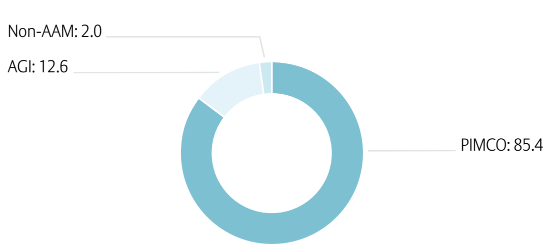
In the first nine months of 2012, we achieved impressive growth with net inflows of € 73 bn all of which came from third-party assets under management. We registered strong net inflows in all regions, particularly in the United States and Europe. Our fixed income net flows added € 76 bn while our equities saw net outflows of € 3 bn.

Favorable market developments contributed an additional € 140 bn, mainly driven by fixed income – with € 124 bn – and equities with € 16 bn. These were partly offset by negative effects of € 56 bn, which were primarily related to a reclassification from "assets under management" to "assets under administration" with no impact on our revenue base. In addition, we recorded favorable foreign currency translation effects of € 13 bn, largely resulting from the slight appreciation of the U.S. Dollar against the Euro[1].

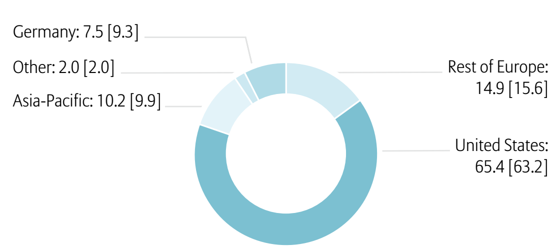
In the following section, we focus on the development of third-party assets under management.

THIRD-PARTY ASSETS UNDER MANAGEMENT | in %

BY BUSINESS UNIT AS OF 30 SEPTEMBER 2012[2]



BY REGION/COUNTRY AS OF 30 SEPTEMBER 2012 [31 DECEMBER 2011][3,4]



The regional split of third-party assets under management shifted slightly. Driven by strong net inflows, positive market conditions and favorable foreign currency translation effects, the United States increased its share by 2.2 percentage points to 65.4 %. Germany decreased by 1.8 percentage points to 7.5 %, mainly due to the reclassification from "assets under management" to "assets under administration".

Overall, the share of third-party assets from fixed income and equities remained unchanged at 89 % and 11 % respectively.

1 | Based on the closing rate on the respective balance sheet dates.

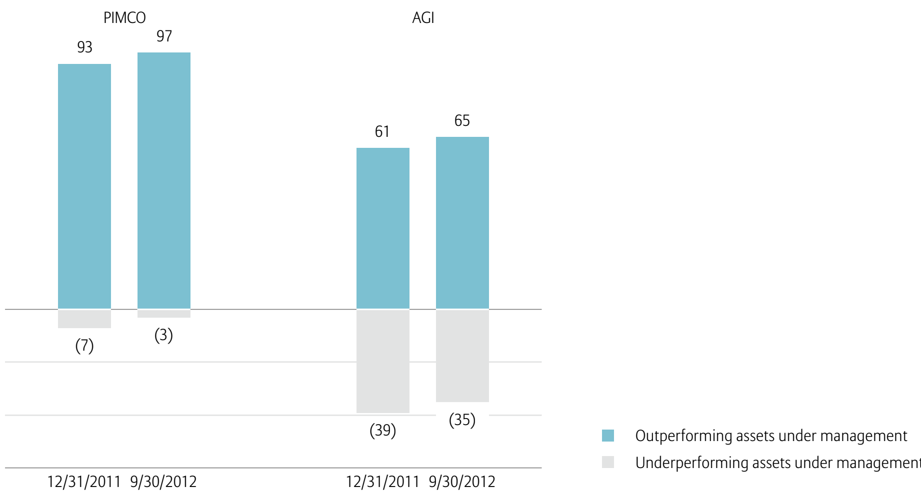
2 | Retrospective figures as of 31 December 2011 are not provided since the composition of total assets under management is impacted by the new structure for Asset Management in effect since 1 January 2012.

3 | Based on the origin of assets by the asset management company.

4 | The region "Other" consists of third-party assets managed by other Allianz Group companies (approximately € 28 bn as of 30 September 2012 and € 26 bn as of 31 December 2011, respectively).

Supported by strong net inflows from our retail clients, the share of third-party assets under management between retail and institutional clients changed slightly, with a two percentage point increase in favor of our retail clients to 36% versus 64% for institutional clients.

ROLLING INVESTMENT PERFORMANCE OF PIMCO AND AGI[1] | in %



The overall investment performance of our AAM business was exceptional, with 93% outperforming their respective benchmarks (31 December 2011: 89%). PIMCO recorded an outstanding performance of 97% versus its respective benchmarks, with AGI outperforming 65% of its benchmarks.

Operating Revenues

2012 TO 2011 THIRD QUARTER COMPARISON

Our OPERATING REVENUES increased by € 519 mn, or 39.1%, to € 1,845 mn. This reflects further growth in assets under management and an increase in performance fees. On an internal basis, operating revenues went up 25.5%.

Our NET FEE AND COMMISSION INCOME grew by € 486 mn to € 1,821 mn. This was largely due to higher management fees in line with the higher asset base. Driven primarily by carried interest from maturing private funds, our PERFORMANCE FEES increased by € 239 mn to € 284 mn.

INCOME FROM FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE THROUGH INCOME (NET) amounted to € 10 mn, up € 31 mn, benefiting from positive effects of mark-to-market valuations of seed money in the United States.

2012 TO 2011 FIRST NINE MONTHS COMPARISON

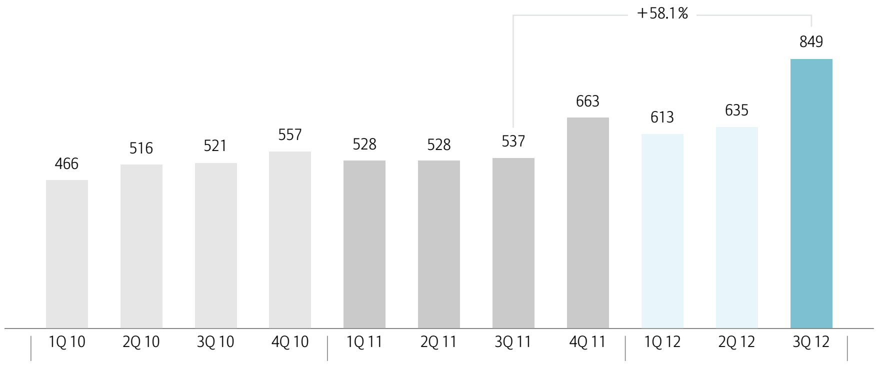
Our OPERATING REVENUES grew by € 879 mn – or 22.5% – to € 4,781 mn supported by higher assets under management and an increase in our performance fees. On an internal basis, operating revenues grew by 12.6%.

1 | On 1 January 2012, we brought our PIMCO and Allianz Global Investors (AGI) business units under the common governance of Allianz Asset Management Holding (AAM). Therefore, we show the rolling investment performance of PIMCO and AGI versus their respective benchmarks. In addition, we enhanced our investment performance measurement methodology. For comparability, the enhanced methodology is applied retrospectively. The investment performance is based on Allianz Asset Management account-based, asset-weighted three-year investment performance of third-party assets versus the primary target including all accounts managed by equity and fixed income managers of Allianz Asset Management. For some retail funds, the net of fee performance is compared to the median performance of the corresponding Morningstar peer group (first and second quartile mean outperformance). For all other retail funds and for all institutional accounts, the gross of fee performance (revaluated based on closing prices) is compared to the respective benchmark based on different metrics.

Operating Profit

2012 TO 2011 THIRD QUARTER COMPARISON

OPERATING PROFIT | in € mn



We achieved an outstanding OPERATING PROFIT of € 849 mn, up 58.1 %, benefiting from growth in our assets under management, an increase in performance fees and a strong cost-income ratio. Excluding both the impact of foreign currency translation effects of € 86 mn[1] and consolidation/deconsolidation effects of € 9 mn, internal growth amounted to 40.9 %.

ADMINISTRATIVE EXPENSES increased to € 996 mn in line with the favorable business development and the appreciation of the U.S. Dollar against the Euro. On an internal basis, administrative expenses increased by 14.9 %.

Revenue growth continued to exceed the increase in our operational cost base. This resulted in a 5.5 percentage point improvement in our COST-INCOME RATIO to 54.0 %.

2012 TO 2011 FIRST NINE MONTHS COMPARISON

Our OPERATING PROFIT amounted to € 2,097 mn – an increase of 31.6 %. On an internal basis, operating profit grew by 19.6 %. This outstanding performance resulted from higher assets under management and an increase in performance fees as well as from an improvement of the COST-INCOME RATIO by 3.1 percentage points to 56.1 %.

1 | Based on the quarterly average exchange rates of 2012 compared to 2011.

ASSET MANAGEMENT SEGMENT INFORMATION

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
Management and loading fees	1,871	1,520	5,221	4,396
Performance fees	284	45	383	182
Other income	27	57	95	152
Fee and commission income	**2,182**	**1,622**	**5,699**	**4,730**
Commissions	(327)	(267)	(919)	(812)
Other expenses	(34)	(20)	(50)	(30)
Fee and commission expenses	**(361)**	**(287)**	**(969)**	**(842)**
Net fee and commission income	**1,821**	**1,335**	**4,730**	**3,888**
Net interest income[1]	10	7	22	18
Income from financial assets and liabilities carried at fair value through income (net)	10	(21)	17	(18)
Other income	4	5	12	14
Operating revenues	**1,845**	**1,326**	**4,781**	**3,902**
Administrative expenses (net), excluding acquisition-related expenses	(996)	(789)	(2,684)	(2,309)
Operating expenses	**(996)**	**(789)**	**(2,684)**	**(2,309)**
Operating profit	**849**	**537**	**2,097**	**1,593**
Cost-income ratio[2] in %	**54.0**	**59.5**	**56.1**	**59.2**

1 | Represents interest and similar income less interest expenses.
2 | Represents operating expenses divided by operating revenue.

I. Corporate and Other

THIRD QUARTER 2012

Operating loss increased by € 39 mn to € 272 mn, driven by Holding & Treasury.

SEGMENT OVERVIEW

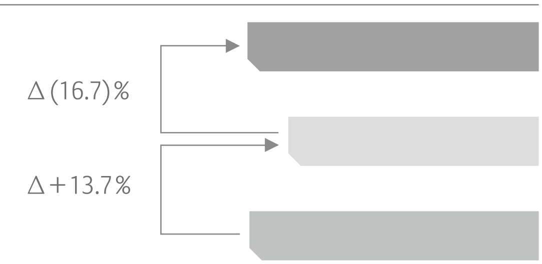
Corporate and Other encompasses the operations of Holding & Treasury, Banking and Alternative Investments. Holding & Treasury includes the management and support of the Allianz Group's businesses through its strategy, risk management, corporate finance, treasury, financial control, communication, legal, human resources and technology functions. Our banking products offered in Germany, Italy, France, the Netherlands and Bulgaria complement our insurance product portfolio. We also provide global alternative investment management services in the private equity, real estate, renewable energy and infrastructure sectors, mainly on behalf of the Allianz Group.[1]

KEY FIGURES

CORPORATE AND OTHER[2]

Three months ended 30 September	Operating revenues € mn	Operating expenses € mn	Operating result € mn
2012	396	(668)	(272)
2011	412	(645)	(233)
2010	378	(648)	(270)
HOLDING & TREASURY			
2012	71	(346)	(275)
2011	98	(332)	(234)
2010	72	(309)	(237)
BANKING			
2012	293	(293)	0
2011	278	(287)	(9)
2010	283	(307)	(24)
ALTERNATIVE INVESTMENTS			
2012	34	(31)	3
2011	38	(29)	9
2010	25	(34)	(9)

Δ | DIFFERENCE QUARTER OVER QUARTER



1 | For further information on private equity investments, please refer to note 27 to the condensed consolidated interim financial statements.

2 | Consolidation included. For further information about our Corporate and Other segment, please refer to note 4 to the condensed consolidated interim financial statements. Banking figures include loan loss provisions in operating expenses.

EARNINGS SUMMARY FOR THE THIRD QUARTER 2012

Our OPERATING RESULT worsened by € 39 mn to a loss of € 272 mn. This was almost entirely driven by a higher loss in Holding & Treasury. The operating result improved in Banking by € 9 mn and was partly offset by a € 6 mn decrease in our Alternative Investments' operating result.

Earnings Summary – Holding & Treasury

2012 TO 2011 THIRD QUARTER COMPARISON

Holding & Treasury's OPERATING RESULT worsened by € 41 mn to a loss of € 275 mn. This was due to lower operating revenues and higher operating expenses.

Our NET INTEREST RESULT weakened by € 11 mn to a loss of € 47 mn. INTEREST AND SIMILAR INCOME amounted to € 58 mn, a decrease of € 17 mn compared to the previous year's quarter. This reflects lower income on debt securities as a result of lower interest yields – partly offset by higher income from associates. The decline in interest and similar income could only be partially compensated for by the slight reduction in INTEREST EXPENSES, EXCLUDING INTEREST EXPENSES FROM EXTERNAL DEBT, which amounted to € 105 mn (3Q 2011: € 111 mn).

Our NET FEE AND COMMISSION RESULT declined by € 24 mn to a loss of € 35 mn. This downturn was driven by unrecovered costs within our internal IT service provider.

ADMINISTRATIVE EXPENSES (NET), EXCLUDING ACQUISITION-RELATED EXPENSES, were up by € 10 mn to € 165 mn. This increase was primarily attributable to higher pension costs and salaries mainly due to the increased business of our internal IT service provider.

OPERATING INCOME FROM FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE THROUGH INCOME remained almost stable at € (7) mn (3Q 2011: € (5) mn).

2012 TO 2011 FIRST NINE MONTHS COMPARISON

The OPERATING LOSS grew by € 101 mn and amounted to € 726 mn. This increase largely resulted from a lower net interest result, which was a consequence of lower equity related returns (dividends and income from associates) and interest yields. To a lesser extent it was attributable to a lower net fee and commission result.

Earnings Summary – Banking

2012 TO 2011 THIRD QUARTER COMPARISON

Overall, the OPERATING RESULT of € 0 mn was € 9 mn above the previous year's level. This improvement was primarily driven by higher operating income from financial assets and liabilities carried at fair value (trading income), partly offset by an increase in administrative expenses.

Our NET INTEREST, FEE AND COMMISSION RESULT increased slightly by € 2 mn to € 138 mn. Overall, the decline in our interest and similar income was completely offset by lower interest expenses, driven by lower interest yields, resulting in a stable net interest result of € 89 mn. Net fee and commission income also remained almost flat at € 49 mn (3Q 2011: € 47 mn).

OPERATING INCOME FROM FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE (trading income) amounted to € 6 mn, compared to a loss of € 8 mn in the third quarter of 2011. This improvement was largely due to changed interest rates and spreads.

ADMINISTRATIVE EXPENSES increased by € 5 mn to € 129 mn due to higher expenses related to our financial advisors network in Italy.

Our LOAN LOSS PROVISIONS remained unchanged at € 13 mn.

2012 TO 2011 FIRST NINE MONTHS COMPARISON

Our OPERATING RESULT worsened by € 5 mn to a loss of € 36 mn. A € 13 mn increase in our net interest, fee and commission result and € 11 mn lower administrative expenses were more than offset by the negative development of our loan loss provisions, which were up by € 39 mn. This increase in provisions was mainly due to financial guarantees within certain unit-linked products related to peripheral sovereign bonds, which were largely sold by the end of the second quarter.

Earnings Summary – Alternative Investments

2012 TO 2011 THIRD QUARTER COMPARISON

Alternative Investments' OPERATING RESULT decreased from € 9 mn to € 3 mn, largely as a result of higher administrative expenses and a lower net interest result.

2012 TO 2011 FIRST NINE MONTHS COMPARISON

The OPERATING RESULT improved from a loss of € 6 mn to a gain of € 15 mn. This positive development was largely driven by higher fee and commission income. Lower administrative expenses further contributed to this recovery.

I. Outlook

- Global economic growth still uncertain but likely to regain some momentum into 2013.
- We expect the full year operating profit to exceed € 9 bn.

Economic Outlook

As we approach the end of 2012, the economic outlook remains clouded by uncertainty. In order to achieve at least a moderate recovery in global economic activity, it is crucial that the sovereign debt crisis in the Eurozone gradually subsides. The prospects for this have improved in recent months. The German Federal Constitutional Court ruling in mid-September paved the way for the swift establishment of the European Stability Mechanism (ESM). In conjunction with measures taken by the European Central Bank (ECB), and providing national policymakers push ahead with consolidation and structural reforms and European policymakers make further headway on economic and political integration, there are reasons to hope we are moving closer to a resolution of the debt crisis. This is one of the two central premises upon which our outlook rests. The second main assumption relates to the Middle East and North Africa region, where we anticipate we will be spared any dramatic escalation, even though the political situation remains tense.

Based on these assumptions, the world economy is likely to regain some momentum in the coming months. Global output is expected to grow by 2.9 % next year, following an increase of about 2.4 % this year. On both sides of the Atlantic, public and private sector consolidation needs, due to high debt levels, will continue to restrain economic activity. Monetary policy, however, is still very accommodative in the United States, Japan and Europe and overall favorable financing conditions are providing economic impetus for private households and the corporate sector alike. A monetary tightening in the Eurozone is unlikely before late 2013 and in the United States it might take even longer. The emerging markets remain key drivers of global growth, although their future growth rates will be lower than in previous years. We expect the emerging markets to expand by 4.6 % this year and 5.5 % next year. By way of comparison: from 2004 to 2008, the annual growth rate averaged 7.2 %.

In the United States, economic growth will probably be very moderate – at around 2.0 % – both this year and next. Hurricane "Sandy" will very likely add to volatility in economic indicators, as the inevitable disruptions to economic activity will be followed by additional demand from reconstruction work. Looking ahead to 2013, the downside risks are considerable due to the sizeable fiscal policy uncertainties. In the Eurozone, we expect to see a gradual recovery in 2013, following a slight decline in overall economic activity this year. The arguments in support of this include: political successes in getting to grips with the crisis that will boost confidence levels among economic players, the substantial support provided by the ECB's monetary policy and the relatively low external value of the Euro. Nevertheless, budgetary consolidation will exert a drag on the domestic economy. Furthermore, developments still vary considerably from country to country. Real GDP in the Eurozone is expected to grow by 0.5 % in 2013, following a decline of 0.3 % this year. The German economy will continue to outperform the Eurozone average thanks to robust domestic demand, a stable labor market and relatively low public sector consolidation needs. Following real GDP growth of 0.8 % this year, we expect an increase of 1.5 % next year.

Financial market jitters related to the European sovereign debt crisis have decreased in recent weeks. However, German government bonds continue to be considered a "safe haven", with yields on 10-year bonds hovering around 1.5 %. Provided the debt crisis abates, the "safe haven" effect will start to fade somewhat and yields on German government bonds are likely to creep up modestly. The picture is the same for 10-year U.S. Treasury yields, which are currently only slightly higher than those on German bonds. When the debt crisis abates, spreads on other EMU government bonds are likely to narrow gradually, although their level will remain high. As far as the stock market is concerned, low interest rates and relatively attractive price/earnings ratios provide a sound foundation for further gains in equities. However, as we have seen repeatedly in recent months, a renewed pick-up in risk aversion can easily send stock markets down again, no matter how positive corporate sector fundamentals appear to be.

Industry Outlook

The economic outlook for the next two years is more of the same sub-optimal growth we have experienced through 2012. As a consequence, world premium growth will be slow, with fairly robust growth in emerging markets outpacing that in developed markets. Any comprehensive solution to the Euro crisis will take time, as will the structural reforms needed to boost competitiveness and growth. Therefore, financial markets are expected to remain unsettled and interest rates to stay at very low levels to support the economy. Against this backdrop, we forecast a muted earnings outlook for the industry that will also be impacted by expected further investment de-risking. While balance sheets for the most part are likely to remain relatively strong, they will continue to be affected by financial market volatility and clouded by the uncertain future of Solvency II in Europe.

In the property-casualty sector, we anticipate that the modest increase in premium rates in 2011 and 2012 will continue in 2013, despite the need for further increases to offset the impact of low investment yields. Consequently, premium growth will also remain sluggish in advanced markets where the headwinds of low economic growth and high unemployment depress insurance demand. However, in emerging markets, robust economic growth, rising incomes and heightened risk awareness will drive stronger premium growth.

In the life sector, we expect relatively low interest rates to continue, limiting sales and profitability in mature markets. However, growth in emerging markets is expected to remain robust. Competition with banks in the short-term savings market is also expected to persist – to the detriment of bancassurance life sales. If interest rates continue to be low, as anticipated, we also envisage that the life business mix will continue to slowly evolve towards more attractive unit-linked and protection business. As this shift takes place we expect new business profitability and the quality of earnings to gradually improve on a risk-adjusted basis.

Due to the persistent uncertainty regarding the further development of the global economy as well as the surrounding political conditions, financial markets are expected to stay volatile well into 2013 and flow expectations for the Asset Management industry remain subdued. Assuming that economic growth rates in the main OECD markets will continue to lag behind the long-term trends – due to high national debt levels and the growing propensity of private households to save – the short-term growth prospects will be limited by the conditions in the market environment, both in the fixed income and the equity space. Further, it is hard to tell how the development of the global regulatory environment will impact the Asset Management industry (e.g. due to potentially increased administrative and equity requirements).

Outlook for the Allianz Group

The Allianz Group remains strongly capitalized with a solvency ratio of 190 %.[1]

Compared to the first nine months of 2011, our operating profit grew strongly by 23.2 % to € 7,226 mn. All our operating segments made a significant contribution to the positive development. Life/Health operating profit was strong mainly thanks to a higher operating investment result as last year was heavily burdened by impairments. Our Property-Casualty business benefited from lower losses from natural catastrophes. The growth and performance of our Asset Management segment continued to be outstanding and achieved a record level of operating profit in the third quarter.

Following this strong operating performance, we expect the 2012 full year operating profit to exceed € 9 bn, assuming no adverse developments during the remainder of the year. This is a change in comparison to our previously stated outlook which was € 8.2 bn, plus or minus € 0.5 bn.

However, net income development will continue to be influenced by balance sheet strengthening including investment de-risking and restructuring activities.

This outlook considers preliminary estimates regarding the impacts of hurricane "Sandy" as per date of ratification of this interim report (8 November 2012). As common with such large catastrophes, comprehensive and reliable loss estimates from all our affected clients across our various business segments and operating entities can only be made weeks or even months after the event. Furthermore, as always, other natural catastrophes, adverse developments in the capital markets as well as subsequent events and factors stated in our cautionary note regarding forward-looking statements, may also affect the results of our operations.

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

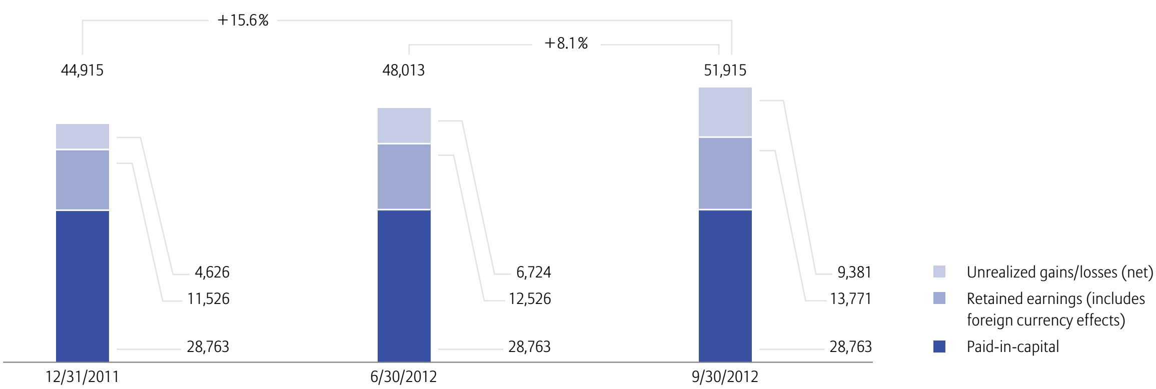
1 | Solvency according to the E.U. Financial Conglomerates Directive. Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request. Allianz SE has not submitted an application so far. Excluding off-balance sheet reserves, the solvency ratio as of 30 September 2012 would be 181 %.

I. Balance Sheet Review

- Shareholders' equity increased by € 7.0 bn to € 51.9 bn.
- Strong solvency ratio up by 11 percentage points to 190 %.[1]

Shareholders' Equity[2]

SHAREHOLDERS' EQUITY | in € mn



As of 30 September 2012, SHAREHOLDERS' EQUITY increased by € 7,000 mn – or 15.6 % – to € 51,915 mn compared to 31 December 2011, despite dividend payments of € 2,037 mn in May 2012. This growth was largely driven by the net income attributable to shareholders of € 3,949 mn and the rise in unrealized gains of € 4,755 mn. The latter was fueled by our debt securities, which benefited from the reduction of selected sovereign yields and lower interest rates.

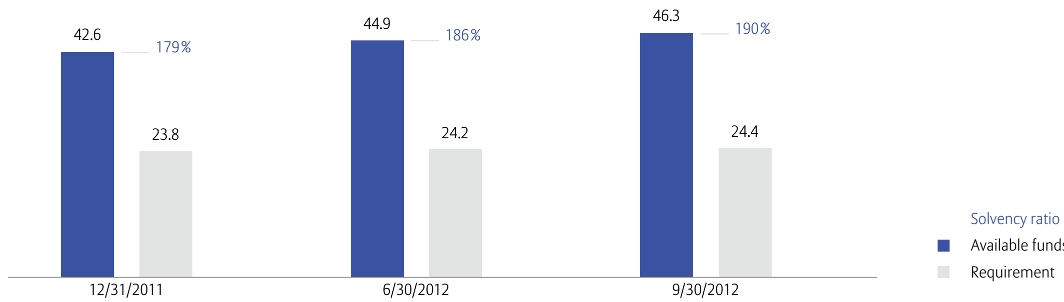
Regulatory Capital Adequacy

The Allianz Group is a financial conglomerate within the scope of the E.U. Financial Conglomerates Directive and the related German law in force since 2005. The law requires that a financial conglomerate calculates the capital available to meet its solvency requirements on a consolidated basis, which we refer to as "eligible capital".

1 | Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request. Allianz SE has not submitted an application so far. Excluding off-balance sheet reserves, the solvency ratio as of 30 September 2012 would be 181 % (30 June 2012: 177 %, 31 December 2011: 170 %).

2 | This does not include non-controlling interests of € 2,513 mn, € 2,389 mn and € 2,338 mn as of 30 September 2012, 30 June 2012 and 31 December 2011, respectively. For further information, please refer to note 20 to the condensed consolidated interim financial statements. Retained earnings include foreign currency translation effects of € (1,688) mn, € (1,555) mn and € (1,996) mn as of 30 September 2012, 30 June 2012 and 31 December 2011, respectively.

CONGLOMERATE SOLVENCY[1] | in € bn



Our CONGLOMERATE SOLVENCY RATIO has strengthened by 11 percentage points to 190% since the end of 2011. As of 30 September 2012, the Group's eligible capital for solvency purposes amounted to € 46.3 bn (31 December 2011: € 42.6 bn), including an off-balance sheet reserve of € 2.2 bn (31 December 2011: € 2.2 bn). The increase of € 3.7 bn was largely driven by our net income (net of accrued dividends) of € 2.4 bn. The required funds went up by € 0.6 bn to € 24.4 bn, mainly due to higher aggregate policy reserves in our Life/Health business. Thus, our eligible capital surpassed the minimum legally stipulated level by € 21.9 bn and our already strong solvency position improved further.

Total Assets and Total Liabilities

In the following sections, we show the asset allocation for our insurance portfolio and analyze important developments in the balance sheets of our segments.

As of 30 September 2012, total assets amounted to € 688.0 bn and total liabilities were € 633.6 bn. Compared to year-end 2011, total assets and total liabilities increased by € 46.5 bn and € 39.3 bn, respectively.

This section mainly focuses on our financial investments in debt instruments, equities, real estate and cash and other as well as on our insurance reserves and external financing, since these reflect the major developments in our balance sheet.

MARKET ENVIRONMENT OF DIFFERENT ASSET CLASSES

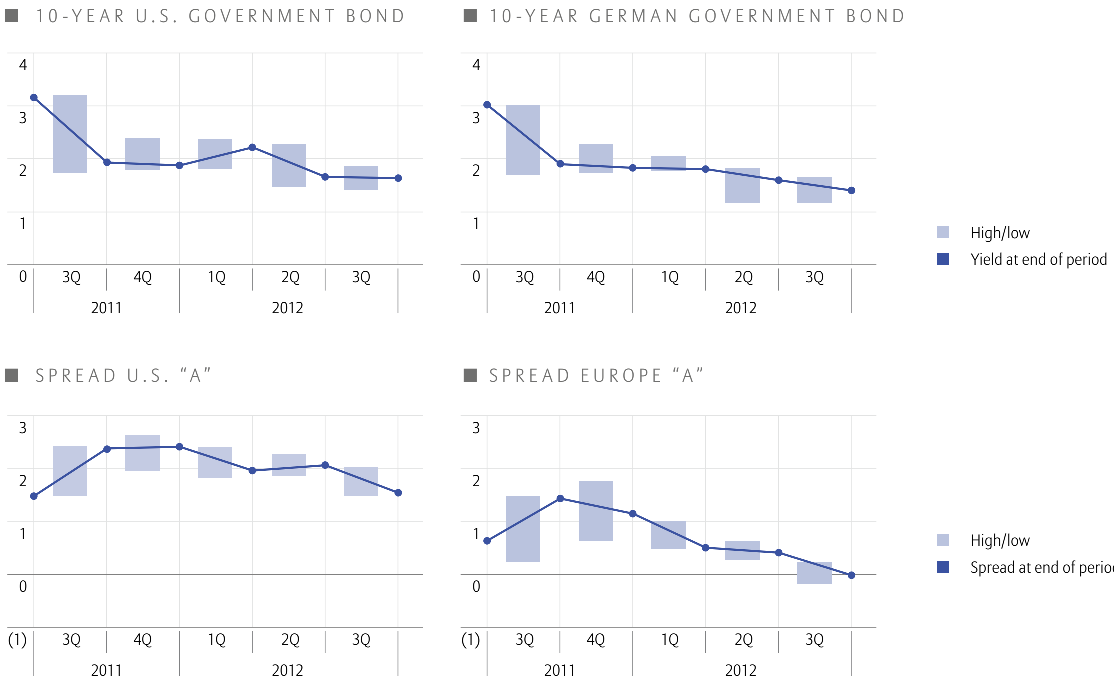
In the third quarter of 2012, FINANCIAL MARKET developments revealed a mixed picture.

Stock market indices in Europe and the United States overcame second quarter declines and experienced a positive development. Although German and U.S. government bond yields remained on a low level, compared to the end of the second quarter 2012, U.S. government bond yields stabilized while German government bond yields decreased. Yields on Italian government bonds dropped in the first half of 2012 and decreased further by the end of September.

In the first nine months of 2012, U.S. and European corporate CREDIT SPREADS for A-rated debtors narrowed.

1 | Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request. Allianz SE has not submitted an application so far. Excluding off-balance sheet reserves, the solvency ratio as of 30 September 2012 would be 181% (30 June 2012: 177%, 31 December 2011: 170%).

INTEREST RATES AND CREDIT SPREADS DEVELOPMENT | in %

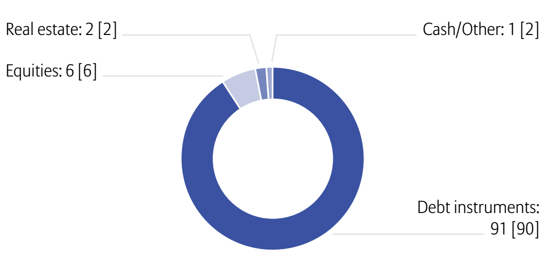


STRUCTURE OF INVESTMENTS – PORTFOLIO OVERVIEW

The Allianz Group's investment portfolio is mainly derived from our core business of insurance. The following portfolio overview covers the insurance segments and the Corporate and Other segment.

ASSET ALLOCATION[1] | in %

Investment portfolio as of 30 September 2012: € 497.5 bn
[as of 31 December 2011: € 461.1 bn]



This investment portfolio increased by € 36.4 bn, or 7.9 %, to € 497.5 bn. This was mainly due to the investment performance of our underlying operating businesses, primarily from our Life/Health segment. Overall, the asset allocation remained stable.

Our gross exposure to EQUITIES grew slightly from € 28.8 bn to € 28.9 bn, driven by market improvements and a partially offsetting effect from realizations. Our equity gearing – a ratio of our equity holdings allocated to the shareholder after policyholder participation and hedges to shareholder's equity plus off-balance sheet reserves less goodwill – dropped 7 percentage points from 31 % to 24 %, predominantly due to the growth in shareholders' equity.

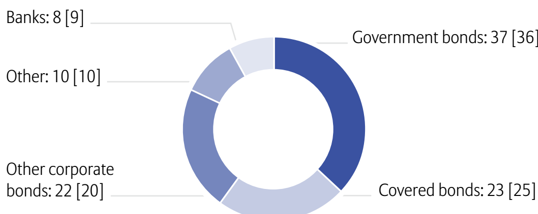
1 | This does not include our banking operations.

The vast majority of our investment portfolio is comprised of DEBT INSTRUMENTS. Our investments in this asset class rose 8.7 % to € 452.8 bn, mainly due to lower interest rates and reinvested interest flows. Our exposure in this asset class was well diversified, with 60 % in government and covered bonds. In line with our operating business profile, 61 % of our fixed income portfolio was invested in Eurozone bonds and loans. About 95 % of our portfolio of debt instruments[1] was invested in investment-grade bonds and loans.

Our exposure to REAL ESTATE held for investment increased slightly to € 8.9 bn (31 December 2011: € 8.7 bn).

FIXED INCOME PORTFOLIO | in %

Fixed income portfolio as of 30 September 2012: € 452.8 bn
[as of 31 December 2011: € 416.5 bn]



Our total SOVEREIGN EXPOSURE amounted to € 167.4 bn, which equals 37 % of our fixed income portfolio. In the first nine months of 2012, we reduced our investments in Spanish, Portuguese, Greek and Irish sovereign bonds. As of 30 September 2012, our sovereign bond exposure in Italy, Spain, Portugal, Greece and Ireland comprised approximately 7.6 % of our fixed income portfolio, of which about 0.6 % was in Spain and 7.0 % in Italy.

CARRYING VALUES AND UNREALIZED GAINS AND LOSSES IN SPANISH, GREEK, IRISH, PORTUGUESE AND ITALIAN SOVEREIGN BONDS

As of 30 September 2012 | in € mn	Carrying value	Unrealized loss (gross)[2]	Unrealized loss (net)[3]
Spain	2,624	(290)	(54)
Greece	31	(7)	(4)
Ireland	57	–	–
Portugal	219	(31)	(20)
Subtotal	**2,931**	**(328)**	**(78)**
Italy	31,522	(270)	(6)
Total	**34,453**	**(598)**	**(84)**

Reflecting primarily the decline in yields on Italian government bonds, unrealized losses (gross) on the above mentioned sovereign bond exposures decreased by € 3,115 mn to € 598 mn compared to 31 December 2011.

51 % of the COVERED BONDS were German Pfandbriefe, backed by either public sector loans or mortgage loans. Another 15 % and 9 % of our covered bonds portfolio were allocated to France and Spain, respectively. Covered bonds provide a cushion against real estate price deterioration and payment defaults through minimum required security buffers and over-collateralization.

Due to a reduction in the Tier 2 share, our exposure to subordinated securities in banks amounted to € 7.0 bn, representing a decrease of € 1.4 bn compared to year-end 2011.

Our portfolio included asset-backed securities (ABS) of € 20.9 bn (31 December 2011: € 19.9 bn), of which more than 80 % were related to mortgage backed securities (MBS). Around 25 % of our ABS securities are made up of MBS issued by U.S. agencies which are backed by the U.S. government. Overall, 97 % of the total ABS portfolio received an investment grade rating, with 87 % rated "AA" or better (31 December 2011: 84 %).

Overall, the reduction of our exposure to equities and bonds of selected European peripheral countries leaves us better prepared to withstand further adverse effects of the European sovereign debt crisis and related market turmoil.

1 | Excluding self-originated German private retail mortgage loans. For 2 %, no ratings were available.
2 | Before policyholder participation and taxes.
3 | After policyholder participation and taxes; based on 30 September 2012, balance sheet figures reflected in accumulated other comprehensive income.

INVESTMENT RESULT

NET INVESTMENT INCOME

In € mn	Three months ended 30 September 2012	Three months ended 30 September 2011	Nine months ended 30 September 2012	Nine months ended 30 September 2011
Interest and similar income (net)[1]	5,092	5,037	15,472	15,028
Income from financial assets and liabilities carried at fair value through income (net)	(139)	(669)	(229)	(1,049)
Realized gains/losses (net)	735	906	3,038	2,505
Impairments of investments (net)	(101)	(1,947)	(711)	(2,912)
Investment expenses	(230)	(247)	(643)	(657)
Net investment income	**5,357**	**3,080**	**16,927**	**12,915**

2012 TO 2011 THIRD QUARTER COMPARISON

In the third quarter of 2012, our NET INVESTMENT INCOME increased 73.9 % to € 5,357 mn. The growth of € 2,277 mn was largely driven by lower impairments and to a lesser extent by the improvement in our income from financial assets and liabilities carried at fair value through income (net).

Mainly resulting from our growing asset base in the Life/Health segment and almost offset by lower yields, INTEREST AND SIMILAR INCOME (NET)[1] rose slightly from € 5,037 mn to € 5,092 mn.

The loss in our INCOME FROM FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE THROUGH INCOME (NET) was reduced by € 530 mn to € 139 mn – driven by favorable equity market developments in Europe, especially in France, and a positive trading result. In addition, the comparison figures were affected by the negative valuation effects on The Hartford warrants, which were sold in April 2012. The positive development was partially offset by an unfavorable foreign currency result. Financial derivatives are used to protect against equity and foreign currency fluctuations as well as to manage duration and other interest rate-related exposures.

REALIZED GAINS AND LOSSES (NET) decreased by € 171 mn to € 735 mn. This was predominantly due to the lower realizations on equities and real estate, which were only partly compensated for by higher debt security realizations.

IMPAIRMENTS (NET) fell 94.8 % to € 101 mn. This was mainly due to the previous year's results, which have been impacted by effects from the financial market turmoil, resulting in high impairments on equity investments.

INVESTMENT EXPENSES (NET) were almost stable at € 230 mn compared to € 247 mn in the previous year's third quarter.

2012 TO 2011 FIRST NINE MONTHS COMPARISON

Our NET INVESTMENT INCOME increased by € 4,012 mn to € 16,927 mn, reflecting the relative improvement in market conditions compared to 2011. More than half of this growth was driven by a decrease in IMPAIRMENTS (NET) of € 2,201 mn. Furthermore, the INCOME FROM FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE THROUGH INCOME (NET) contributed € 820 mn to the improvement. Our INTEREST AND SIMILAR INCOME (NET) rose by € 444 mn to € 15,472 mn. REALIZED GAINS AND LOSSES (NET) grew by € 533 mn. INVESTMENT EXPENSES remained almost unchanged.

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

ASSETS AND LIABILITIES OF THE PROPERTY-CASUALTY SEGMENT

PROPERTY-CASUALTY ASSETS

Our Property-Casualty asset base grew by € 6.9 bn to € 105.1 bn during the first nine months of 2012, primarily due to increasing debt investments as well as cash and cash pool assets.

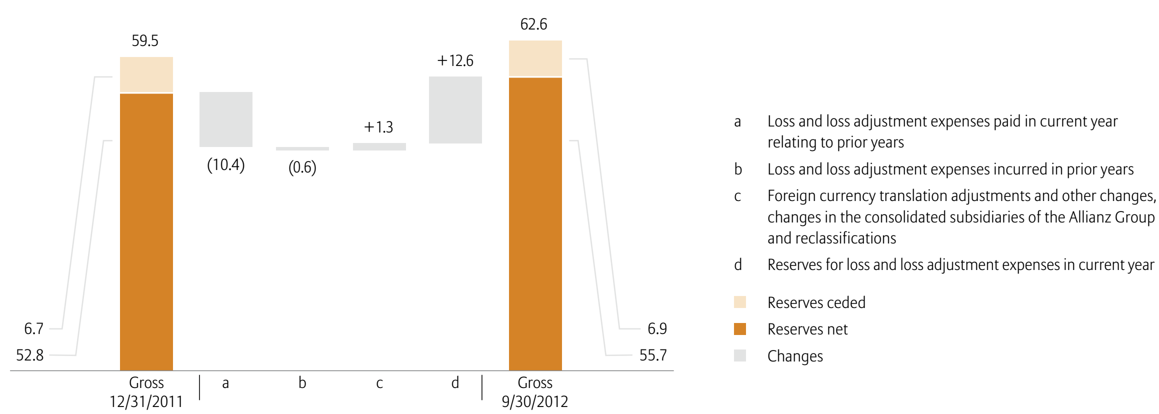
COMPOSITION OF ASSET BASE | fair values[1]

In € bn	As of 30 September 2012	As of 31 December 2011
Financial assets and liabilities carried at fair value through income		
Equities	0.3	0.2
Debt securities	0.3	0.9
Other[2]	–	–
Subtotal	0.6	1.1
Investments[3]		
Equities	4.1	4.9
Debt securities	67.7	63.2
Cash and cash pool assets[4]	6.9	4.1
Other	7.4	7.1
Subtotal	86.1	79.3
Loans and advances to banks and customers	18.4	17.8
Property-Casualty asset base	105.1	98.2

Within our Property-Casualty asset base, ABS amounted to € 4.4 bn as of 30 September 2012. This was approximately 4.2 % of its asset base.

PROPERTY-CASUALTY LIABILITIES

DEVELOPMENT OF RESERVES FOR LOSS AND LOSS ADJUSTMENT EXPENSES[5] | in € bn



As of 30 September 2012, the segment's gross reserves for loss and loss adjustment expenses increased by € 3.1 bn to € 62.6 bn. On a net basis, reserves grew by € 2.9 bn to € 55.7 bn. Foreign currency translation effects and other changes accounted for € 1.3 bn of the increase, including the activities acquired from Mensura CCA and Mensura Assurances SA.[6]

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 on – among other factors – our ownership percentage.

2 | This comprises assets of € 0.1 bn and € 0.1 bn and liabilities of € (0.1) bn and € (0.1) bn as of 30 September 2012 and 31 December 2011, respectively.

3 | These do not include affiliates of € 8.8 bn and € 9.1 bn as of 30 September 2012 and 31 December 2011, respectively.

4 | Including cash and cash equivalents, as stated in our segment balance sheet of € 4.2 bn and € 2.4 bn and receivables from cash pooling amounting to € 3.1 bn and € 2.1 bn, net of liabilities from securities lending and derivatives of € (0.2) bn and € (0.3) bn, as well as liabilities from cash pooling of € (0.2) bn and € (0.1) bn as of 30 September 2012 and 31 December 2011, respectively. As of 1 January 2012, the definition of cash and cash pool assets has changed. Now, they also include liabilities from cash pooling. Therefore the previous year's figures have been adjusted accordingly.

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 15 to the condensed consolidated interim financial statements.

6 | For further details please refer to note 3 to the condensed consolidated interim financial statements.

ASSETS AND LIABILITIES OF THE LIFE/HEALTH SEGMENT

LIFE/HEALTH ASSETS

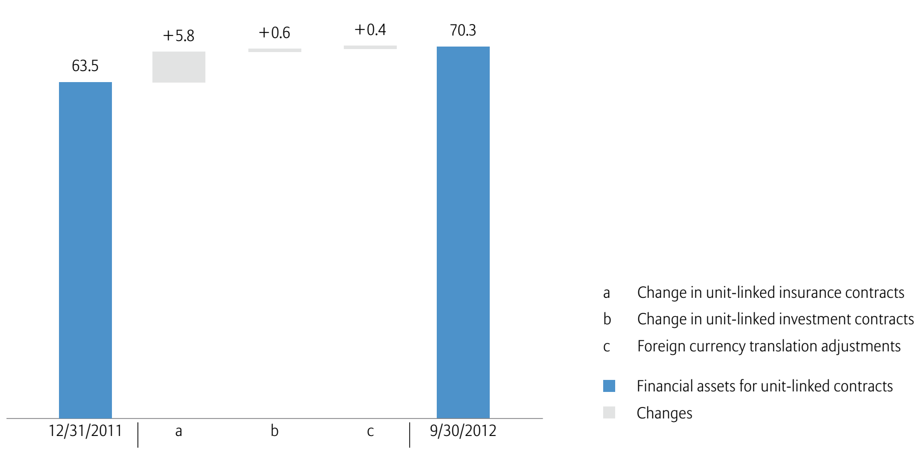
As of 30 September 2012, the Life/Health asset base rose by 8.5 % to € 463.8 bn. The growth of the segment's asset base was almost completely attributable to a growth in our debt investments (up by € 30.5 bn), primarily due to investment performance.

COMPOSITION OF ASSET BASE | fair values

In € bn	As of 30 September 2012	As of 31 December 2011
Financial assets and liabilities carried at fair value through income		
Equities	2.4	2.1
Debt securities	2.2	2.5
Other[1]	(4.0)	(4.4)
Subtotal	**0.6**	**0.2**
Investments[2]		
Equities	23.3	22.1
Debt securities	260.1	229.6
Cash and cash pool assets[3]	4.3	5.1
Other	9.2	9.0
Subtotal	**296.9**	**265.8**
Loans and advances to banks and customers	96.0	98.0
Financial assets for unit-linked contracts[4]	70.3	63.5
Life/Health asset base	463.8	427.5

As of 30 September 2012, our Life/Health asset base included ABS of € 16.0 bn. This represents 3.5 % of its asset base. Financial assets for unit-linked contracts amounted to € 70.3 bn.

FINANCIAL ASSETS FOR UNIT-LINKED CONTRACTS[4] | in € bn



Financial assets for unit-linked contracts increased by € 6.8 bn or 10.7 %. Unit-linked insurance contracts grew by € 5.8 bn due to good fund performance (€ 4.2 bn) and because premium inflows exceeded outflows by € 2.7 bn. Unit-linked investment contracts were up € 0.6 bn as the good fund performance of € 1.3 bn more than offset net outflows of € 0.7 bn. The net outflow recorded in Italy in the first quarter stabilized. The main drivers of currency effects were the stronger U.S. Dollar (€ 0.2 bn) and Asian currencies (€ 0.2 bn).[5]

1 | This comprises assets of € 2.0 bn and € 1.9 bn and liabilities (including the market value liability option) of € (6.0) bn and € (6.3) bn as of 30 September 2012 and 31 December 2011, respectively.

2 | These do not include affiliates of € 1.3 bn and € 1.4 bn as of 30 September 2012 and 31 December 2011, respectively.

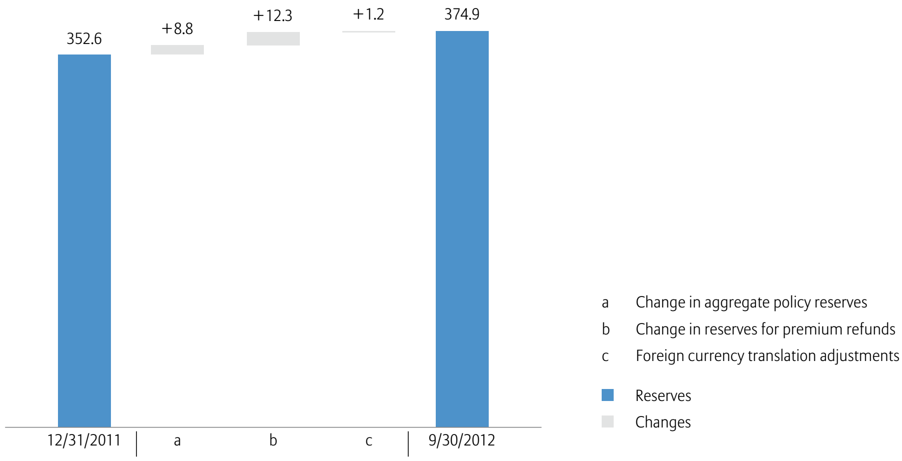
3 | Including cash and cash equivalents, as stated in our segment balance sheet, of € 4.9 bn and € 5.3 bn and receivables from cash pooling amounting to € 2.1 bn and € 2.5 bn, net of liabilities from securities lending and derivatives of € (1.6) bn and € (1.8) bn, as well as liabilities from cash pooling of € (1.1) bn and € (0.9) bn as of 30 September 2012 and 31 December 2011, respectively.

4 | Financial assets for unit-linked contracts represent assets owned by, and managed on behalf of, policyholders of the Allianz Group, with all appreciation and depreciation in these assets accruing to the benefit of policyholders. As a result, the value of financial assets for unit-linked contracts in our balance sheet corresponds to the value of financial liabilities for unit-linked contracts. The International Financial Reporting Standards (IFRS) require the classification of any contract written by an insurance company either as an insurance contract or as an investment contract, depending on whether an insurance component is included. This requirement also applies to unit-linked products. In contrast to unit-linked investment contracts, unit-linked insurance contracts include a coverage for significant mortality or morbidity risk.

5 | Based on the closing rate on the respective balance sheet dates.

LIFE/HEALTH LIABILITIES

DEVELOPMENT OF RESERVES FOR INSURANCE AND INVESTMENT CONTRACTS | in € bn



Life/Health reserves for insurance and investment contracts increased by € 22.3 bn or 6.3 % in the first nine months of 2012. The growth of € 8.8 bn in aggregate policy reserves was mainly driven by our operations in Germany (€ 5.6 bn), Switzerland (€ 0.6 bn, excluding currency effects), Luxemburg (€ 0.5 bn) and South Korea (€ 0.4 bn, excluding currency effects). Reserves for premium refunds increased by € 12.3 bn as the policyholders' share in net unrealized gains on bonds has increased significantly (€ 9.6 bn). Currency gains resulted mainly from the stronger U.S. Dollar and Asian currencies (€ 0.5 bn each).[1]

ASSETS AND LIABILITIES OF THE ASSET MANAGEMENT SEGMENT

ASSET MANAGEMENT ASSETS

Our Asset Management segment's results are derived primarily from third-party asset management. In this section, we refer only to the segment's own assets.[2]

The main components of the Asset Management segment's asset base were cash and cash pool assets, loans and advances and debt securities. The segment's asset base climbed from € 4.5 bn as of 31 December 2011 to € 5.6 bn, as of 30 September 2012. Loans and advances and cash and cash pool assets amounted to € 1.7 bn and € 2.1 bn, respectively.

ASSET MANAGEMENT LIABILITIES

Liabilities in our Asset Management segment remained stable at € 5.7 bn.

1 | Based on the closing rate on the respective balance sheet dates.
2 | For further information on the development of these third-party assets, please refer to the Asset Management chapter.

ASSETS AND LIABILITIES OF THE CORPORATE AND OTHER SEGMENT

CORPORATE AND OTHER ASSETS

In the first nine months of 2012, our Corporate and Other segment's asset base amounted to € 40.9 bn. The increase in our debt securities and loans and advances accounted for nearly all of the growth of € 5.1 bn.

COMPOSITION OF ASSET BASE | fair values

In € bn	As of 30 September 2012	As of 31 December 2011
Financial assets and liabilities carried at fair value through income		
Equities	–	0.1
Debt securities	–	–
Other[1]	(0.2)	(0.3)
Subtotal	**(0.2)**	**(0.2)**
Investments[2]		
Equities	1.5	1.9
Debt securities	22.1	18.1
Cash and cash pool assets[3]	(1.4)	(1.9)
Other	0.3	0.2
Subtotal	**22.5**	**18.3**
Loans and advances to banks and customers	**18.6**	**17.7**
Corporate and Other asset base	**40.9**	**35.8**

As of 30 September 2012, ABS amounted to € 0.4 bn, representing 1.0 % of its asset base.

CORPORATE AND OTHER LIABILITIES

Other liabilities increased by € 1.7 bn to € 17.5 bn. The growth in certificated liabilities from € 13.8 bn to € 15.7 bn was primarily driven by a senior bond of € 1.5 bn issued in February 2012. Participation certificates and subordinated liabilities decreased by € 2.0 bn, reflecting the redemption of a subordinated bond of € 2.0 bn in May 2012.[4]

1 | This comprises assets of € 0.1 bn and € 0.2 bn and liabilities of € (0.3) bn and € (0.5) bn as of 30 September 2012 and 31 December 2011, respectively.

2 | These do not include affiliates of € 74.0 bn and € 73.4 bn as of 30 September 2012 and 31 December 2011, respectively.

3 | Including cash and cash equivalents, as stated in our segment balance sheet, of € 3.4 bn and € 1.8 bn and receivables from cash pooling amounting to € 0.3 bn and € 0.5 bn, net of liabilities from securities lending and derivatives of € (0.1) bn and € 0.0 bn, as well as liabilities from cash pooling of € (5.0) bn and € (4.2) bn as of 30 September 2012 and 31 December 2011, respectively.

4 | For further information on Allianz SE debt as of 30 September 2012, please refer to notes 18 and 19 of our condensed consolidated interim financial statements.

ALLIANZ SE BONDS[1] OUTSTANDING AS OF 30 SEPTEMBER 2012 AND INTEREST EXPENSES FOR THE FIRST NINE MONTHS

1. SENIOR BONDS[2]		
5.625 % bond issued by Allianz Finance II B.V., Amsterdam		
Volume	€ 0.9 bn	
Year of issue	2002	
Maturity date	11/29/2012	
ISIN	XS 015 879 238 1	
Interest expense		€ 38.4 mn
5.0 % bond issued by Allianz Finance II B.V., Amsterdam		
Volume	€ 1.5 bn	
Year of issue	2008	
Maturity date	3/6/2013	
ISIN	DE 000 A0T R7K 7	
Interest expense		€ 57.5 mn
4.0 % bond issued by Allianz Finance II B.V., Amsterdam		
Volume	€ 1.5 bn	
Year of issue	2006	
Maturity date	11/23/2016	
ISIN	XS 027 588 026 7	
Interest expense		€ 46.5 mn
4.75 % bond issued by Allianz Finance II B.V., Amsterdam		
Volume	€ 1.5 bn	
Year of issue	2009	
Maturity date	7/22/2019	
ISIN	DE 000 A1A KHB 8	
Interest expense		€ 55.0 mn
3.5 % bond issued by Allianz Finance II B.V., Amsterdam		
Volume	€ 1.5 bn	
Year of issue	2012	
Maturity date	2/14/2022	
ISIN	DE 000 A1G 0RU 9	
Interest expense		€ 34.0 mn
Total interest expense for senior bonds		**€ 231.4 mn**
2. SUBORDINATED BONDS[3]		
6.5 % bond issued by Allianz Finance II B. V., Amsterdam		
Volume	€ 1.0 bn	
Year of issue	2002	
Maturity date	1/13/2025	
ISIN	XS 015 952 750 5	
Interest expense		€ 49.7 mn
5.5 % bond issued by Allianz SE		
Volume	€ 1.5 bn	
Year of issue	2004	
Maturity date	Perpetual Bond	
ISIN	XS 018 716 232 5	
Interest expense		€ 63.2 mn
4.375 % bond issued by Allianz Finance II B. V., Amsterdam		
Volume	€ 1.4 bn	
Year of issue	2005	
Maturity date	Perpetual Bond	
ISIN	XS 021 163 783 9	
Interest expense		€ 47.6 mn
5.375 % bond issued by Allianz Finance II B. V., Amsterdam		
Volume	€ 0.8 bn	
Year of issue	2006	
Maturity date	Perpetual Bond	
ISIN	DE 000 A0G NPZ 3	
Interest expense		€ 32.2 mn
8.375 % bond issued by Allianz SE		
Volume	USD 2.0 bn	
Year of issue	2008	
Maturity date	Perpetual Bond	
ISIN	US 018 805 200 7	
Interest expense		€ 105.7 mn
5.75 % bond issued by Allianz Finance II B. V., Amsterdam		
Volume	€ 2.0 bn	
Year of issue	2011	
Maturity date	7/8/2041	
ISIN	DE 000 A1GNAH1	
Interest expense		€ 87.2 mn
Total interest expense for subordinated bonds		**€ 385.6 mn**
3. ISSUES REDEEMED IN 2012		
6.125 % bond issued by Allianz Finance II B. V., Amsterdam		
Volume	€ 2.0 bn	
Year of issue	2002	
Maturity date	5/31/2022	
ISIN	XS 014 888 756 4	
Interest expense		€ 46.5 mn
Total interest expense		**€ 663.5 mn**

1 | This does not include, among others, the € 0.5 bn 30-year convertible subordinated note issued in July 2011. For further information on Allianz SE debt (issued or guaranteed) as of 30 September 2012, please refer to notes 18 and 19 of our condensed consolidated interim financial statements.

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

3 | The terms of the subordinated bonds do not explicitly provide for early termination rights in favor of the bondholder. 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.

I. Reconciliations

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

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

Composition of Total Revenues

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

COMPOSITION OF TOTAL REVENUES

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
Property-Casualty				
Gross premiums written	**11,392**	**10,832**	**36,915**	**35,277**
Life/Health				
Statutory premiums	**11,912**	**11,806**	**38,472**	**39,054**
Asset Management				
Operating revenues	**1,845**	**1,326**	**4,781**	**3,902**
consisting of:				
Net fee and commission income	1,821	1,335	4730	3,888
Net interest income	10	7	22	18
Income from financial assets and liabilities carried at fair value through income (net)	10	(21)	17	(18)
Other income	4	5	12	14
Corporate and Other				
Total revenues (Banking)	**142**	**129**	**438**	**417**
consisting of:				
Interest and similar income	180	186	553	547
Income from financial assets and liabilities carried at fair value through income (net)	6	(8)	13	2
Fee and commission income	107	100	326	318
Interest expenses	(91)	(97)	(269)	(281)
Fee and commission expenses	(58)	(53)	(183)	(170)
Consolidation effects (Banking within Corporate and Other)	(2)	1	(2)	1
Consolidation	**(84)**	**(23)**	**(150)**	**(101)**
Allianz Group total revenues	**25,207**	**24,070**	**80,456**	**78,549**

Composition of Total Revenue Growth

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

RECONCILIATION OF NOMINAL TOTAL REVENUE GROWTH TO INTERNAL TOTAL REVENUE GROWTH

	Three months ended 30 September 2012				Nine months ended 30 September 2012			
In %	Internal growth	Changes in scope of consolidation	Foreign currency translation	Nominal growth	Internal growth	Changes in scope of consolidation	Foreign currency translation	Nominal growth
Property-Casualty	1.7	0.0	3.5	5.2	2.5	0.0	2.1	4.6
Life/Health	(1.6)	(0.1)	2.6	0.9	(3.3)	(0.2)	2.0	(1.5)
Asset Management	25.5	0.3	13.3	39.1	12.6	0.6	9.3	22.5
Corporate and Other	7.8	2.3	0.0	10.1	4.4	0.6	0.0	5.0
Allianz Group	**1.2**	**(0.1)**	**3.6**	**4.7**	**0.0**	**0.0**	**2.4**	**2.4**


ALLIANZ
VERSICHERUNGS-AKTIENGESELLSCHAFT
HAFTPFLICHT-VERSICHERUNGSSCHEIN
für Privathaftpflicht-Versicherung (PH)
Zuschlag
Abschlag
Erste Jahresprämie
Vers.-Steuer
Hebegebühr
Einlösungsbetrag
Versicherung gegen die gesetzliche Haftpflicht
Stuttgart, Uhlandstraße 1—7
STUTTGARTER VEREIN
ZWEIGNIEDERLASSUNG DER
ALLIANZ
VERSICHERUNGS-AKTIENGESELLSCHAFT
H 11.3 (Bl.) 10.55

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1955: All it took was a signature on the pre-printed form and the Allianz "standard form policy" *(Blockpolice)* for liability insurance granted insurance coverage right away.
(Translator's note: The Blockpolice (Standard form policy) was a standard policy based on a form that insurance agents would fill out on a clipboard during their visit to the customer's home. This meant that customers enjoyed insurance coverage from the moment the completed form was handed over to them.)
2012: Today, more than 135,000 Allianz agents across the globe use specially developed software and online solutions to tailor insurance coverage to suit customers' needs.

CONTENT

II. Condensed Consolidated Interim Financial Statements

Consolidated Balance Sheets

In € mn	Note	As of 30 September 2012	As of 31 December 2011
ASSETS			
Cash and cash equivalents		12,060	10,492
Financial assets carried at fair value through income	5	7,789	8,466
Investments	6	389,867	350,645
Loans and advances to banks and customers	7	123,481	124,738
Financial assets for unit-linked contracts		70,273	63,500
Reinsurance assets	8	13,688	12,874
Deferred acquisition costs	9	19,197	20,772
Deferred tax assets		2,206	2,321
Other assets	10	36,144	34,346
Non-current assets and assets of disposal groups classified as held for sale	11	100	14
Intangible assets	12	13,176	13,304
Total assets		**687,981**	**641,472**

In € mn	Note	As of 30 September 2012	As of 31 December 2011
LIABILITIES AND EQUITY			
Financial liabilities carried at fair value through income	13	6,108	6,610
Liabilities to banks and customers	14	22,951	22,155
Unearned premiums		19,748	17,255
Reserves for loss and loss adjustment expenses	15	72,236	68,832
Reserves for insurance and investment contracts	16	384,736	361,954
Financial liabilities for unit-linked contracts		70,273	63,500
Deferred tax liabilities		5,621	3,881
Other liabilities	17	33,087	31,210
Liabilities of disposal groups classified as held for sale	11	–	–
Certificated liabilities	18	9,379	7,649
Participation certificates and subordinated liabilities	19	9,414	11,173
Total liabilities		**633,553**	**594,219**
Shareholders' equity		51,915	44,915
Non-controlling interests		2,513	2,338
Total equity	**20**	**54,428**	**47,253**
Total liabilities and equity		**687,981**	**641,472**

Consolidated Income Statements

		Three months ended 30 September		Nine months ended 30 September	
In € mn	Note	**2012**	2011	**2012**	2011
Premiums written		**17,231**	**16,463**	**55,057**	**52,940**
Ceded premiums written		(1,552)	(1,524)	(4,466)	(4,252)
Change in unearned premiums		715	784	(1,955)	(1,782)
Premiums earned (net)	**21**	**16,394**	**15,723**	**48,636**	**46,906**
Interest and similar income	22	5,214	5,174	15,834	15,418
Income from financial assets and liabilities carried at fair value through income (net)	23	(139)	(669)	(229)	(1,049)
Realized gains/losses (net)	24	735	906	3,038	2,505
Fee and commission income	25	2,629	2,057	7,059	6,082
Other income	26	49	39	158	103
Income from fully consolidated private equity investments	27	197	442	590	1,291
Total income		**25,079**	**23,672**	**75,086**	**71,256**
Claims and insurance benefits incurred (gross)		(12,752)	(12,597)	(37,643)	(37,069)
Claims and insurance benefits incurred (ceded)		720	784	1,931	1,935
Claims and insurance benefits incurred (net)	**28**	**(12,032)**	**(11,813)**	**(35,712)**	**(35,134)**
Change in reserves for insurance and investment contracts (net)	29	(3,514)	(2,557)	(10,872)	(9,155)
Interest expenses	30	(355)	(389)	(1,105)	(1,106)
Loan loss provisions	31	(13)	(13)	(101)	(62)
Impairments of investments (net)	32	(101)	(1,947)	(711)	(2,912)
Investment expenses	33	(230)	(247)	(643)	(657)
Acquisition and administrative expenses (net)	34	(5,594)	(4,932)	(16,330)	(15,057)
Fee and commission expenses	35	(729)	(619)	(2,099)	(1,925)
Amortization of intangible assets		(91)	(23)	(147)	(64)
Restructuring charges		(13)	(17)	(160)	(57)
Other expenses	36	(25)	(14)	(69)	(45)
Expenses from fully consolidated private equity investments	27	(201)	(457)	(647)	(1,338)
Total expenses		**(22,898)**	**(23,028)**	**(68,596)**	**(67,512)**
Income before income taxes		**2,181**	**644**	**6,490**	**3,744**
Income taxes	37	(744)	(386)	(2,288)	(1,500)
Net income		**1,437**	**258**	**4,202**	**2,244**
Net income attributable to:					
Non-controlling interests		93	62	253	191
Shareholders		1,344	196	3,949	2,053

		Three months ended 30 September		Nine months ended 30 September	
In €	Note	**2012**	2011	**2012**	2011
Basic earnings per share	38	2.97	0.43	8.73	4.55
Diluted earnings per share	38	2.94	0.34	8.68	4.42

Consolidated Statements of Comprehensive Income

	Three months ended 30 September		Nine months ended 30 September	
In € mn	2012	2011	2012	2011
Net income	**1,437**	**258**	**4,202**	**2,244**
Other comprehensive income				
Foreign currency translation adjustments				
Reclassifications to net income	–	–	–	–
Changes arising during the period	(127)	686	312	(259)
Subtotal	**(127)**	**686**	**312**	**(259)**
Available-for-sale investments				
Reclassifications to net income	(129)	792	(271)	612
Changes arising during the period	2,808	(696)	5,077	(1,334)
Subtotal	**2,679**	**96**	**4,806**	**(722)**
Cash flow hedges				
Reclassifications to net income	–	–	(1)	(1)
Changes arising during the period	39	9	67	3
Subtotal	**39**	**9**	**66**	**2**
Share of other comprehensive income of associates				
Reclassifications to net income	–	–	–	–
Changes arising during the period	7	(9)	12	48
Subtotal	**7**	**(9)**	**12**	**48**
Miscellaneous				
Reclassifications to net income	–	–	–	–
Changes arising during the period	36	33	126	31
Subtotal	**36**	**33**	**126**	**31**
Total other comprehensive income	**2,634**	**815**	**5,322**	**(900)**
Total comprehensive income	**4,071**	**1,073**	**9,524**	**1,344**
Total comprehensive income attributable to:				
Non-controlling interests	168	98	450	218
Shareholders	3,903	975	9,074	1,126

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

Consolidated Statements of Changes in Equity

In € mn	Paid-in capital	Retained earnings	Foreign currency translation adjustments	Unrealized gains and losses (net)	Share-holders' equity	Non-controlling interests	Total equity
Balance as of 1 January 2011	**28,685**	**13,088**	**(2,339)**	**5,057**	**44,491**	**2,071**	**46,562**
Total comprehensive income[1]	–	2,048	(246)	(676)	1,126	218	1,344
Paid-in capital	26	–	–	–	26	–	26
Treasury shares	–	10	–	–	10	–	10
Transactions between equity holders	–	(56)	–	(1)	(57)	132	75
Dividends paid	–	(2,032)	–	–	(2,032)	(148)	(2,180)
Balance as of 30 September 2011	**28,711**	**13,058**	**(2,585)**	**4,380**	**43,564**	**2,273**	**45,837**
Balance as of 1 January 2012	**28,763**	**13,522**	**(1,996)**	**4,626**	**44,915**	**2,338**	**47,253**
Total comprehensive income[1]	–	4,023	299	4,752	9,074	450	9,524
Paid-in capital	–	–	–	–	–	–	–
Treasury shares	–	13	–	–	13	–	13
Transactions between equity holders	–	(62)	9	3	(50)	(120)	(170)
Dividends paid	–	(2,037)	–	–	(2,037)	(155)	(2,192)
Balance as of 30 September 2012	**28,763**	**15,459**	**(1,688)**	**9,381**	**51,915**	**2,513**	**54,428**

1 | Total comprehensive income in shareholders' equity for the nine months ended 30 September 2012 comprises net income attributable to shareholders of € 3,949 mn (2011: € 2,053 mn).

Condensed Consolidated Statements of Cash Flows

Nine months ended 30 September | in € mn	2012	2011
SUMMARY		
Net cash flow provided by operating activities	15,907	14,341
Net cash flow used in investing activities	(13,035)	(14,554)
Net cash flow provided by (used in) financing activities	(1,374)	1,844
Effect of exchange rate changes on cash and cash equivalents	70	(17)
Change in cash and cash equivalents	**1,568**	**1,614**
Cash and cash equivalents at beginning of period	10,492	8,747
Cash and cash equivalents at end of period	**12,060**	**10,361**
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	**4,202**	**2,244**
Adjustments to reconcile net income to net cash flow provided by operating activities		
Share of earnings from investments in associates and joint ventures	(95)	(154)
Realized gains/losses (net) and impairments of investments (net) of:		
Available-for-sale and held-to-maturity investments, investments in associates and joint ventures, real estate held for investment, loans and advances to banks and customers	(2,327)	407
Other investments, mainly financial assets held for trading and designated at fair value through income	396	217
Depreciation and amortization	802	765
Loan loss provisions	101	62
Interest credited to policyholder accounts	3,042	3,205
Net change in:		
Financial assets and liabilities held for trading	(1,646)	1,222
Reverse repurchase agreements and collateral paid for securities borrowing transactions	84	(2,385)
Repurchase agreements and collateral received from securities lending transactions	686	1,263
Reinsurance assets	(652)	(102)
Deferred acquisition costs	(311)	(909)
Unearned premiums	2,383	2,334
Reserves for loss and loss adjustment expenses	2,008	1,956
Reserves for insurance and investment contracts	7,393	5,359
Deferred tax assets/liabilities	(65)	6
Other (net)	(94)	(1,149)
Subtotal	11,705	12,097
Net cash flow provided by operating activities	**15,907**	**14,341**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from the sale, maturity or repayment of:		
Financial assets designated at fair value through income	1,723	5,391
Available-for-sale investments	94,675	96,558
Held-to-maturity investments	510	118
Investments in associates and joint ventures	214	154
Non-current assets and assets of disposal groups classified as held for sale	196	142
Real estate held for investment	135	478
Loans and advances to banks and customers (purchased loans)	8,348	5,363
Property and equipment	157	128
Subtotal	105,958	108,332

Condensed Consolidated Statements of Cash Flows (continued)

Nine months ended 30 September | in € mn	2012	2011
Payments for the purchase or origination of:		
Financial assets designated at fair value through income	(805)	(4,452)
Available-for-sale investments	(109,200)	(109,497)
Held-to-maturity investments	(842)	(158)
Investments in associates and joint ventures	(268)	(104)
Non-current assets and assets of disposal groups classified as held for sale	(225)	–
Real estate held for investment	(400)	(244)
Loans and advances to banks and customers (purchased loans)	(4,683)	(6,428)
Property and equipment	(1,038)	(865)
Subtotal	**(117,461)**	**(121,748)**
Business combinations		
Proceeds from sale of subsidiaries, net of cash disposed	–	–
Acquisitions of subsidiaries, net of cash acquired	22	(69)
Change in loans and advances to banks and customers (originated loans)	**(1,597)**	**(861)**
Other (net)	**43**	**(208)**
Net cash flow used in investing activities	**(13,035)**	**(14,554)**
CASH FLOW FROM FINANCING ACTIVITIES		
Policyholders' account deposits	13,233	13,265
Policyholders' account withdrawals	(12,136)	(10,741)
Net change in liabilities to banks and customers	70	128
Proceeds from the issuance of certificated liabilities, participation certificates and subordinated liabilities	6,200	5,986
Repayments of certificated liabilities, participation certificates and subordinated liabilities	(6,262)	(4,517)
Cash inflow from capital increases	–	26
Transactions between equity holders	(170)	(62)
Dividends paid to shareholders	(2,192)	(2,180)
Net cash flow from sale or purchase of treasury shares	13	9
Other (net)	(130)	(70)
Net cash flow provided by (used in) financing activities	**(1,374)**	**1,844**
SUPPLEMENTARY INFORMATION TO THE CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS		
Income taxes paid	(1,357)	(1,333)
Dividends received	923	980
Interest received	14,821	14,095
Interest paid	(1,182)	(1,123)

II. Notes to the Condensed Consolidated Interim Financial Statements

1 Basis of presentation

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

Within these condensed consolidated interim financial statements, the Allianz Group has applied all IFRS issued by the IASB and endorsed by the E.U. that are compulsory as of 1 January 2012 or adopted earlier. See note 2 for further details.

For existing and unchanged IFRS, the accounting policies for recognition, measurement, consolidation and presentation applied in the preparation of the condensed consolidated interim financial statements are consistent with the accounting policies that have been applied in the preparation of the consolidated financial statements for the year ended 31 December 2011. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements included in the Allianz Group Annual Report 2011.

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

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

These condensed consolidated interim financial statements of the Allianz Group were authorized for issue by the Board of Management on 8 November 2012.

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

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS | effective 1 January 2012

The following amendments to standards have become effective for the Allianz Group's consolidated financial statements as of 1 January 2012:

- IFRS 7 Financial Instruments: Disclosures – Amendment for Transfers of Financial Assets
- IAS 12 Income Taxes – Amendment for Deferred Tax: Recovery of Underlying Assets

The Allianz Group adopted the amendments as of 1 January 2012, with no material impact on its financial results or financial position.

OTHER RECLASSIFICATIONS

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

3 Consolidation

SIGNIFICANT ACQUISITIONS

MENSURA CCA AND MENSURA ASSURANCES SA

Effective as of 1 August 2012, Allianz Belgium acquired the assets and assumed the liabilities related to the insurance activities of Mensura CCA and its 100% subsidiary Mensura Assurances SA. Through this acquisition, Allianz Belgium completed its range of products for the self-employed, SMEs and large companies with worker's accident insurance.

The transaction was approved by the General Assembly of Mensura CCA on 13 July 2012, and by the Belgian National Bank on 17 July 2012.

No consideration has been paid in the course of this transaction. Acquisition-related costs in the amount of € 1 mn are included in administrative expenses.

The amounts recognized for major classes of identifiable assets acquired and liabilities assumed are as follows:

In € mn	Fair value
Cash and cash equivalents	22
Investments	918
Reinsurance assets	30
Deferred acquisition costs	2
Deferred tax assets	5
Other assets	80
Total assets	**1,057**
Financial liabilities carried at fair value through income	4
Unearned premiums	26
Reserves for loss and loss adjustment expenses	992
Other liabilities	32
Total equity	3
Total liabilities and equity	**1,057**

The negative goodwill of € 3 mn arising from the acquisition is derived from the development of the value of the acquired business between 1 January 2012 and 1 August 2012. The amount has been recognized, as of the acquisition date, in the consolidated income statement and is reported in realized gains/losses (net).

The impact of the activities acquired from Mensura CCA, including Mensura Assurances SA, on the Allianz Group's total revenues and net income since the acquisition was € 3 mn and € 6 mn, respectively.

The gross premiums written, total revenues and net income of the combined entity (Allianz Group including the activities acquired from Mensura CCA, including Mensura Assurances SA) for the nine months ended 30 September 2012, would have been € 55,165 mn, € 80,564 mn and € 4,209 mn, respectively, if the acquisition date was 1 January 2012.

The impact of the activities acquired from Mensura CCA, including Mensura Assurances SA, net of cash acquired, on the condensed consolidated statement of cashflows since the acquisition, was:

In € mn

Investments	(918)
Reinsurance assets	(30)
Deferred acquisition costs	(2)
Deferred tax assets	(5)
Other assets	(80)
Financial liabilities carried at fair value through income	4
Unearned premiums	26
Reserves for loss and loss adjustment expenses	992
Other liabilities	32
Total equity	3
Acquisition, net of cash acquired	22

GAN EUROCOURTAGE

Effective as of 1 October 2012, Allianz France acquired the Property-Casualty brokerage portfolio-related activities (excluding transport) of Gan Eurocourtage, a wholly owned subsidiary of Groupama S.A., after having received the formal approvals from the European anti-trust authorities and from the French regulatory authority, Autorité de Contrôle Prudentiel (ACP). Gan Eurocourtage is a leading Property and Casualty franchise in the French brokerage market. This acquisition will create one of the largest brokerage franchises in France.

The total consideration paid in cash amounted to € 160 mn. This consideration was partly determined by reference to the net asset value of the transferred portfolio as of 30 April 2012 and does not represent the full shareholders' equity of Gan Eurocourtage. Acquisition-related costs in the amount of € 4 mn are included in administrative expenses.

Total identifiable assets acquired and liabilities assumed to be recognized as of 1 October 2012 amount to approximately € 2.0 bn each. At the time the condensed consolidated interim financial statements were authorized for issue, the purchase accounting for the business combination was not entirely completed due to the pending receipt of the final valuations for investments, intangible assets, reinsurance assets, other assets, reserves for insurance and investment contracts, current and deferred tax liabilities, other liabilities and goodwill.

Information regarding total revenues and net income the acquired business would have contributed to the Allianz Group for the nine months ended 30 September 2012 is not available as the Allianz Group has not yet had access to the respective reporting systems. Accordingly, pro forma consolidated figures for gross premiums written, total revenues and net income of the combined entity (Allianz Group including the Property-Casualty brokerage portfolio-related activities of Gan Eurocourtage) for the nine months ended 30 September 2012, had the acquisition date been 1 January 2012, can at this stage not be provided.

4 Segment Reporting

IDENTIFICATION OF REPORTABLE SEGMENTS

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

- German Speaking Countries
- Western & Southern Europe
- Iberia & Latin America
- USA
- Global Insurance Lines & Anglo Markets
- Growth Markets
- Global Assistance (Property-Casualty only)

Asset management activities represent a separate reportable segment. Due to differences in the nature of products, risks and capital allocation, corporate and other activities are divided into three reportable segments: Holding & Treasury, Banking and Alternative Investments. In total, the Allianz Group has identified 17 reportable segments in accordance with IFRS 8, Operating Segments.

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

PROPERTY-CASUALTY

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

LIFE/HEALTH

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

ASSET MANAGEMENT

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

CORPORATE AND OTHER

The reportable segment Holding & Treasury includes the management and support of the Allianz Group's businesses through its strategy, risk, corporate finance, treasury, financial reporting, controlling, communication, legal, human resources and technology functions. The reportable segment Banking consists of the banking activities in Germany, France, Italy, the Netherlands and Bulgaria. The banks offer a wide range of products for corporate and retail clients with the main focus on the latter. The reportable segment Alternative Investments provides global alternative investment management services in the private equity, real estate, renewable energy and infrastructure sectors, mainly on behalf of the Allianz Group's insurance operations. The Alternative Investments reportable segment also includes a fully consolidated private equity investment. The income and expenses of this investment are included in the non-operating result. For further details, please see note 27.

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

REPORTABLE SEGMENTS MEASURE OF PROFIT OR LOSS

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

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

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

Against this general rule, the following exceptions apply:

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

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

RECENT ORGANIZATIONAL CHANGES

At the beginning of 2012, the Allianz Group reorganized the structure of its insurance activities to reflect the changes in the responsibilities of the Board of Management. The insurance activities of Spain, Portugal, Mexico and South America were combined in the newly created reportable segment Iberia & Latin America. As a consequence, the former Europe incl. South America was renamed into Western & Southern Europe and NAFTA Markets was reduced to USA. Previously reported information has been adjusted to reflect this change in the composition of the Allianz Group's reportable segments. Additionally, some minor reallocations between the reportable segments have been made.

Business Segment Information – Consolidated Balance Sheets

	Property-Casualty		Life/Health	
In € mn	**As of 30 September 2012**	As of 31 December 2011	**As of 30 September 2012**	As of 31 December 2011
ASSETS				
Cash and cash equivalents	4,258	2,405	4,919	5,301
Financial assets carried at fair value through income	666	1,187	6,593	6,518
Investments	87,929	84,195	293,902	262,126
Loans and advances to banks and customers	18,414	17,842	96,003	98,019
Financial assets for unit-linked contracts	–	–	70,273	63,500
Reinsurance assets	8,775	8,050	4,946	4,846
Deferred acquisition costs	4,388	4,197	14,672	16,429
Deferred tax assets	812	1,050	248	236
Other assets	23,566	20,772	16,011	16,085
Non-current assets and assets of disposal groups classified as held for sale	3	3	95	4
Intangible assets	2,243	2,232	2,199	2,195
Total assets	**151,054**	**141,933**	**509,861**	**475,259**

	Property-Casualty		Life/Health	
In € mn	**As of 30 September 2012**	As of 31 December 2011	**As of 30 September 2012**	As of 31 December 2011
LIABILITIES AND EQUITY				
Financial liabilities carried at fair value through income	108	122	5,951	6,302
Liabilities to banks and customers	1,465	1,488	2,136	2,348
Unearned premiums	17,131	14,697	2,623	2,562
Reserves for loss and loss adjustment expenses	62,616	59,493	9,640	9,357
Reserves for insurance and investment contracts	10,035	9,520	374,882	352,558
Financial liabilities for unit-linked contracts	–	–	70,273	63,500
Deferred tax liabilities	2,401	2,246	3,150	2,186
Other liabilities	16,008	14,999	14,112	13,077
Liabilities of disposal groups classified as held for sale	–	–	–	–
Certificated liabilities	25	25	–	–
Participation certificates and subordinated liabilities	–	–	95	65
Total liabilities	**109,789**	**102,590**	**482,862**	**451,955**

Asset Management		Corporate and Other		Consolidation		Group	
As of 30 September 2012	As of 31 December 2011	**As of 30 September 2012**	As of 31 December 2011	**As of 30 September 2012**	As of 31 December 2011	**As of 30 September 2012**	As of 31 December 2011
1,483	1,406	3,340	1,846	(1,940)	(466)	12,060	10,492
713	726	146	312	(329)	(277)	7,789	8,466
1,084	1,087	97,980	93,665	(91,028)	(90,428)	389,867	350,645
1,680	1,443	18,587	17,717	(11,203)	(10,283)	123,481	124,738
–	–	–	–	–	–	70,273	63,500
–	–	–	–	(33)	(22)	13,688	12,874
137	146	–	–	–	–	19,197	20,772
256	262	1,267	1,657	(377)	(884)	2,206	2,321
2,448	1,889	4,997	5,066	(10,878)	(9,466)	36,144	34,346
–	7	2	–	–	–	100	14
7,494	7,498	1,240	1,379	–	–	13,176	13,304
15,295	**14,464**	**127,559**	**121,642**	**(115,788)**	**(111,826)**	**687,981**	**641,472**

Asset Management		Corporate and Other		Consolidation		Group	
As of 30 September 2012	As of 31 December 2011	**As of 30 September 2012**	As of 31 December 2011	**As of 30 September 2012**	As of 31 December 2011	**As of 30 September 2012**	As of 31 December 2011
–	–	377	516	(328)	(330)	6,108	6,610
2,391	2,231	23,434	20,112	(6,475)	(4,024)	22,951	22,155
–	–	–	–	(6)	(4)	19,748	17,255
–	–	–	–	(20)	(18)	72,236	68,832
–	–	–	–	(181)	(124)	384,736	361,954
–	–	–	–	–	–	70,273	63,500
162	168	285	165	(377)	(884)	5,621	3,881
3,104	3,237	17,496	15,822	(17,633)	(15,925)	33,087	31,210
–	–	–	–	–	–	–	–
–	–	15,744	13,845	(6,390)	(6,221)	9,379	7,649
14	14	9,369	11,349	(64)	(255)	9,414	11,173
5,671	**5,650**	**66,705**	**61,809**	**(31,474)**	**(27,785)**	**633,553**	**594,219**
				Total equity		54,428	47,253
				Total liabilities and equity		687,981	641,472

Business Segment Information – Total Revenues and Reconciliation of Operating Profit (Loss) to Net Income (Loss)

	Property-Casualty		Life/Health	
Three months ended 30 September | in € mn	2012	2011	2012	2011
Total revenues[1]	**11,392**	**10,832**	**11,912**	**11,806**
Premiums earned (net)	10,804	10,289	5,643	5,434
Operating investment result				
Interest and similar income	922	976	4,166	4,053
Operating income from financial assets and liabilities carried at fair value through income (net)	(20)	12	(120)	(325)
Operating realized gains/losses (net)	32	2	596	590
Interest expenses, excluding interest expenses from external debt	(11)	(19)	(21)	(28)
Operating impairments of investments (net)	(1)	(37)	(68)	(979)
Investment expenses	(75)	(64)	(189)	(210)
Subtotal	847	870	4,364	3,101
Fee and commission income	277	278	135	139
Other income	10	12	31	22
Claims and insurance benefits incurred (net)	(7,483)	(7,251)	(4,550)	(4,562)
Change in reserves for insurance and investment contracts (net)[2]	(108)	(39)	(3,422)	(2,515)
Loan loss provisions	–	–	–	–
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(2,923)	(2,786)	(1,302)	(1,038)
Fee and commission expenses	(259)	(259)	(57)	(48)
Operating restructuring charges	–	–	2	–
Other expenses	(6)	(3)	(22)	(13)
Reclassification of tax benefits	–	–	–	–
Operating profit (loss)	**1,159**	**1,111**	**822**	**520**
Non-operating investment result				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	7	(42)	2	(24)
Non-operating realized gains/losses (net)	45	14	(26)	26
Non-operating impairments of investments (net)	(14)	(257)	(4)	(87)
Subtotal	38	(285)	(28)	(85)
Income from fully consolidated private equity investments (net)	–	–	–	–
Interest expenses from external debt	–	–	–	–
Acquisition-related expenses	–	–	–	–
Amortization of intangible assets	(7)	(2)	–	(3)
Non-operating restructuring charges	(6)	(13)	(8)	–
Reclassification of tax benefits	–	–	–	–
Non-operating items	**25**	**(300)**	**(36)**	**(88)**
Income (loss) before income taxes	**1,184**	**811**	**786**	**432**
Income taxes	(370)	(298)	(246)	(197)
Net income (loss)	**814**	**513**	**540**	**235**
Net income (loss) attributable to:				
Non-controlling interests	48	38	26	21
Shareholders	766	475	514	214

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

2 | During the three months ended 30 September 2012, includes expenses for premium refunds (net) in Property-Casualty of € (52) mn (2011: income of € 19 mn).

	Asset Management		Corporate and Other		Consolidation		Group	
	2012	2011	2012	2011	2012	2011	2012	2011
	1,845	1,326	142	129	(84)	(23)	25,207	24,070
	–	–	–	–	(53)	–	16,394	15,723
	13	14	241	266	(128)	(135)	5,214	5,174
	10	(21)	(3)	(13)	6	(9)	(127)	(356)
	–	–	–	–	–	–	628	592
	(3)	(7)	(196)	(208)	109	125	(122)	(137)
	–	–	–	–	24	–	(45)	(1,016)
	–	–	(26)	(28)	60	55	(230)	(247)
	20	(14)	16	17	71	36	5,318	4,010
	2,182	1,622	153	159	(118)	(141)	2,629	2,057
	4	5	5	–	(1)	–	49	39
	–	–	–	–	1	–	(12,032)	(11,813)
	–	–	–	–	16	(3)	(3,514)	(2,557)
	–	–	(13)	(13)	–	–	(13)	(13)
	(996)	(789)	(324)	(304)	(7)	22	(5,552)	(4,895)
	(361)	(287)	(108)	(92)	56	67	(729)	(619)
	–	–	–	–	–	–	2	–
	–	–	(1)	–	4	2	(25)	(14)
	–	–	–	–	5	(12)	5	(12)
	849	537	(272)	(233)	(26)	(29)	2,532	1,906
	–	–	(24)	(294)	3	47	(12)	(313)
	–	3	88	256	–	15	107	314
	–	(3)	(38)	(545)	–	(39)	(56)	(931)
	–	–	26	(583)	3	23	39	(930)
	–	–	(10)	(30)	6	15	(4)	(15)
	–	–	(233)	(252)	–	–	(233)	(252)
	(40)	(41)	(2)	4	–	–	(42)	(37)
	(11)	(9)	(97)	(9)	24	–	(91)	(23)
	(1)	(4)	–	–	–	–	(15)	(17)
	–	–	–	–	(5)	12	(5)	12
	(52)	(54)	(316)	(870)	28	50	(351)	(1,262)
	797	483	(588)	(1,103)	2	21	2,181	644
	(276)	(150)	143	271	5	(12)	(744)	(386)
	521	333	(445)	(832)	7	9	1,437	258
	15	5	4	(2)	–	–	93	62
	506	328	(449)	(830)	7	9	1,344	196

Business Segment Information – Total Revenues and Reconciliation of Operating Profit (Loss) to Net Income (Loss) (continued)

	Property-Casualty		Life/Health	
Nine months ended 30 September | in € mn	2012	2011	2012	2011
Total revenues[1]	**36,915**	**35,277**	**38,472**	**39,054**
Premiums earned (net)	31,151	29,843	17,538	17,063
Operating investment result				
Interest and similar income	2,837	2,852	12,651	12,083
Operating income from financial assets and liabilities carried at fair value through income (net)	(25)	40	(487)	(597)
Operating realized gains/losses (net)	46	14	2,396	1,643
Interest expenses, excluding interest expenses from external debt	(33)	(46)	(62)	(75)
Operating impairments of investments (net)	(15)	(44)	(334)	(1,425)
Investment expenses	(212)	(181)	(542)	(571)
Subtotal	**2,598**	**2,635**	**13,622**	**11,058**
Fee and commission income	858	840	393	407
Other income	27	23	110	67
Claims and insurance benefits incurred (net)	(21,484)	(20,960)	(14,229)	(14,174)
Change in reserves for insurance and investment contracts (net)[2]	(264)	(219)	(10,653)	(8,882)
Loan loss provisions	–	–	–	–
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(8,611)	(8,262)	(4,075)	(3,440)
Fee and commission expenses	(799)	(788)	(175)	(153)
Operating restructuring charges	–	–	1	(1)
Other expenses	(16)	(9)	(63)	(44)
Reclassification of tax benefits	–	–	–	–
Operating profit (loss)	**3,460**	**3,103**	**2,469**	**1,901**
Non-operating investment result				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(55)	(54)	19	(36)
Non-operating realized gains/losses (net)	411	346	(13)	(93)
Non-operating impairments of investments (net)	(180)	(373)	(31)	(286)
Subtotal	**176**	**(81)**	**(25)**	**(415)**
Income from fully consolidated private equity investments (net)	–	–	–	–
Interest expenses from external debt	–	–	–	–
Acquisition-related expenses	–	–	–	–
Amortization of intangible assets	(23)	(7)	(2)	(5)
Non-operating restructuring charges	(88)	(48)	(11)	(1)
Reclassification of tax benefits	–	–	–	–
Non-operating items	**65**	**(136)**	**(38)**	**(421)**
Income (loss) before income taxes	**3,525**	**2,967**	**2,431**	**1,480**
Income taxes	(1,068)	(945)	(759)	(549)
Net income (loss)	**2,457**	**2,022**	**1,672**	**931**
Net income (loss) attributable to:				
Non-controlling interests	137	136	69	53
Shareholders	2,320	1,886	1,603	878

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

2 | During the nine months ended 30 September 2012, includes expenses for premium refunds (net) in Property-Casualty of € (103) mn (2011: € (58) mn).

	Asset Management		Corporate and Other		Consolidation		Group	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
	4,781	**3,902**	**438**	**417**	**(150)**	**(101)**	**80,456**	**78,549**
	–	–	–	–	(53)	–	48,636	46,906
	37	41	750	831	(441)	(389)	15,834	15,418
	17	(18)	17	(8)	5	(4)	(473)	(587)
	–	–	–	–	3	2	2,445	1,659
	(15)	(23)	(587)	(605)	335	359	(362)	(390)
	–	–	–	–	24	–	(325)	(1,469)
	–	–	(74)	(76)	185	171	(643)	(657)
	39	**–**	**106**	**142**	**111**	**139**	**16,476**	**13,974**
	5,699	4,730	476	516	(367)	(411)	7,059	6,082
	12	14	6	2	3	(3)	158	103
	–	–	–	–	1	–	(35,712)	(35,134)
	–	–	–	–	45	(54)	(10,872)	(9,155)
	–	–	(101)	(62)	–	–	(101)	(62)
	(2,684)	(2,309)	(917)	(928)	21	54	(16,266)	(14,885)
	(969)	(842)	(315)	(329)	159	187	(2,099)	(1,925)
	–	–	–	–	–	–	1	(1)
	–	–	(2)	(2)	12	10	(69)	(45)
	–	–	–	–	15	8	15	8
	2,097	**1,593**	**(747)**	**(661)**	**(53)**	**(70)**	**7,226**	**5,866**
	–	–	285	(415)	(5)	43	244	(462)
	–	6	195	430	–	157	593	846
	(1)	(5)	(174)	(610)	–	(169)	(386)	(1,443)
	(1)	**1**	**306**	**(595)**	**(5)**	**31**	**451**	**(1,059)**
	–	–	(23)	(93)	(34)	46	(57)	(47)
	–	–	(743)	(716)	–	–	(743)	(716)
	(59)	(173)	(5)	1	–	–	(64)	(172)
	(34)	(23)	(112)	(29)	24	–	(147)	(64)
	(62)	(5)	–	(2)	–	–	(161)	(56)
	–	–	–	–	(15)	(8)	(15)	(8)
	(156)	**(200)**	**(577)**	**(1,434)**	**(30)**	**69**	**(736)**	**(2,122)**
	1,941	**1,393**	**(1,324)**	**(2,095)**	**(83)**	**(1)**	**6,490**	**3,744**
	(696)	(462)	223	448	12	8	(2,288)	(1,500)
	1,245	**931**	**(1,101)**	**(1,647)**	**(71)**	**7**	**4,202**	**2,244**
	36	12	11	(10)	–	–	253	191
	1,209	919	(1,112)	(1,637)	(71)	7	3,949	2,053

Reportable Segments – Property-Casualty

	German Speaking Countries[1]		Western & Southern Europe[2,3]		Iberia & Latin America	
Three months ended 30 September | in € mn	**2012**	2011	**2012**	2011	**2012**	2011
Gross premiums written	**2,361**	**2,307**	**2,042**	**1,977**	**1,067**	**1,011**
Ceded premiums written	(427)	(407)	(152)	(149)	(153)	(170)
Change in unearned premiums	488	487	277	275	23	30
Premiums earned (net)	**2,422**	**2,387**	**2,167**	**2,103**	**937**	**871**
Interest and similar income	295	314	199	241	51	43
Operating income from financial assets and liabilities carried at fair value through income (net)	2	(6)	2	(8)	1	22
Operating realized gains/losses (net)	32	2	–	–	–	–
Fee and commission income	34	32	5	3	–	–
Other income	8	10	2	2	–	1
Operating revenues	**2,793**	**2,739**	**2,375**	**2,341**	**989**	**937**
Claims and insurance benefits incurred (net)	(1,702)	(1,961)	(1,375)	(1,380)	(635)	(573)
Change in reserves for insurance and investment contracts (net)	(97)	(28)	–	–	–	(1)
Interest expenses	(17)	(18)	(3)	(6)	(4)	(2)
Operating impairments of investments (net)	(1)	(37)	–	–	–	–
Investment expenses	(24)	(29)	(19)	(19)	(4)	(3)
Acquisition and administrative expenses (net)	(651)	(638)	(560)	(535)	(245)	(214)
Fee and commission expenses	(36)	(34)	(4)	(5)	–	1
Other expenses	(5)	(2)	–	(1)	–	–
Operating expenses	**(2,533)**	**(2,747)**	**(1,961)**	**(1,946)**	**(888)**	**(792)**
Operating profit (loss)	**260**	**(8)**	**414**	**395**	**101**	**145**
Loss ratio[6] in %	70.3	82.2	63.5	65.7	67.8	65.8
Expense ratio[7] in %	26.9	26.7	25.8	25.4	26.1	24.6
Combined ratio[8] in %	**97.2**	**108.9**	**89.3**	**91.1**	**93.9**	**90.4**

1 | In 2012, Münchener und Magdeburger Agrarversicherung AG was transferred from Consolidation and Other to German Speaking Countries. Prior year figures have not been adjusted.

2 | From 2012 on, AGF UK is shown in Global Insurance Lines & Anglo Markets instead of Western & Southern Europe. Prior year figures have been adjusted.

3 | The reserve strengthening for asbestos risks in 2012 at Fireman's Fund Insurance Company of € 71 mn had no impact on the financial results of the Allianz Group and Fireman's Fund's combined ratio under IFRS. The reserve strenghtening for asbestos risks in 2011 at Allianz S.p.A., at Fireman's Fund Insurance Company and at AGCS of in total € 153 mn had no impact on the financial results of the Allianz Group and the single entities' combined ratio under IFRS.

4 | From the third quarter of 2012 on, Allianz Worldwide Care is shown in Global Assistance instead of Global Insurance Lines & Anglo Markets. Prior year figures have been adjusted.

5 | The 2011 analysis of the Allianz Group's asbestos risks resulted in a reduction of reserves and a positive run-off result of € 130 mn, which is included in claims and insurance benefits incurred (net) within Consolidation and Other.

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

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

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

9 | Presentation not meaningful.

	USA[3]		Global Insurance Lines & Anglo Markets[2,3,4]		Growth Markets		Global Assistance[4]		Consolidation and Other[1,5]		Property-Casualty	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
	1,615	**1,635**	**3,940**	**3,577**	**752**	**745**	**545**	**500**	**(930)**	**(920)**	**11,392**	**10,832**
	(636)	(654)	(744)	(770)	(182)	(162)	(8)	(3)	930	918	(1,372)	(1,397)
	(55)	(86)	(3)	96	17	31	37	21	–	–	784	854
	924	**895**	**3,193**	**2,903**	**587**	**614**	**574**	**518**	**–**	**(2)**	**10,804**	**10,289**
	53	69	291	277	43	40	8	10	(18)	(18)	922	976
	(1)	–	(20)	(2)	(4)	5	–	–	–	1	(20)	12
	–	–	–	–	–	–	–	–	–	–	32	2
	–	–	139	148	15	19	108	96	(24)	(20)	277	278
	–	–	1	–	(1)	–	–	–	–	(1)	10	12
	976	**964**	**3,604**	**3,326**	**640**	**678**	**690**	**624**	**(42)**	**(40)**	**12,025**	**11,569**
	(1,022)	(907)	(2,030)	(1,865)	(361)	(375)	(358)	(321)	–	131	(7,483)	(7,251)
	(1)	–	(10)	(11)	–	–	–	1	–	–	(108)	(39)
	–	–	(5)	(11)	(1)	(1)	1	1	18	18	(11)	(19)
	–	–	–	–	–	–	–	–	–	–	(1)	(37)
	(1)	(1)	(24)	(10)	(2)	(2)	(1)	(1)	–	1	(75)	(64)
	(202)	(205)	(883)	(798)	(198)	(219)	(186)	(176)	2	(1)	(2,923)	(2,786)
	–	–	(118)	(124)	(14)	(22)	(109)	(94)	22	19	(259)	(259)
	–	–	(1)	–	–	–	–	–	–	–	(6)	(3)
	(1,226)	**(1,113)**	**(3,071)**	**(2,819)**	**(576)**	**(619)**	**(653)**	**(590)**	**42**	**168**	**(10,866)**	**(10,458)**
	(250)	**(149)**	**533**	**507**	**64**	**59**	**37**	**34**	**–**	**128**	**1,159**	**1,111**
	110.6	101.3	63.5	64.2	61.5	61.0	62.4	61.9	–[9]	–[9]	69.2	70.5
	21.9	22.9	27.7	27.5	33.7	35.7	32.4	34.0	–[9]	–[9]	27.1	27.1
	132.5	**124.2**	**91.2**	**91.7**	**95.2**	**96.7**	**94.8**	**95.9**	**–[9]**	**–[9]**	**96.3**	**97.6**

Reportable Segments – Property-Casualty (continued)

	German Speaking Countries[1]		Western & Southern Europe[2,3]		Iberia & Latin America	
Nine months ended 30 September | in € mn	2012	2011	2012	2011	2012	2011
Gross premiums written	**9,645**	9,395	**6,916**	6,871	**3,501**	3,290
Ceded premiums written	(1,582)	(1,558)	(495)	(497)	(590)	(640)
Change in unearned premiums	(845)	(782)	7	(12)	(166)	(78)
Premiums earned (net)	**7,218**	**7,055**	**6,428**	**6,362**	**2,745**	**2,572**
Interest and similar income	896	921	650	690	160	130
Operating income from financial assets and liabilities carried at fair value through income (net)	5	(5)	1	17	15	62
Operating realized gains/losses (net)	46	14	–	–	–	–
Fee and commission income	109	102	15	18	1	–
Other income	22	18	4	2	–	3
Operating revenues	**8,296**	**8,105**	**7,098**	**7,089**	**2,921**	**2,767**
Claims and insurance benefits incurred (net)	(5,104)	(5,316)	(4,311)	(4,411)	(1,882)	(1,719)
Change in reserves for insurance and investment contracts (net)	(226)	(178)	–	–	–	(1)
Interest expenses	(57)	(57)	(7)	(12)	(6)	(4)
Operating impairments of investments (net)	(15)	(44)	–	–	–	–
Investment expenses	(67)	(69)	(56)	(64)	(11)	(9)
Acquisition and administrative expenses (net)	(1,925)	(1,873)	(1,665)	(1,666)	(699)	(634)
Fee and commission expenses	(109)	(103)	(20)	(20)	–	1
Other expenses	(13)	(8)	(2)	(1)	–	–
Operating expenses	**(7,516)**	**(7,648)**	**(6,061)**	**(6,174)**	**(2,598)**	**(2,366)**
Operating profit (loss)	**780**	**457**	**1,037**	**915**	**323**	**401**
Loss ratio[6] in %	70.7	75.4	67.1	69.3	68.5	66.8
Expense ratio[7] in %	26.7	26.5	25.9	26.2	25.5	24.7
Combined ratio[8] in %	**97.4**	**101.9**	**93.0**	**95.5**	**94.0**	**91.5**

1 | In 2012, Münchener und Magdeburger Agrarversicherung AG was transferred from Consolidation and Other to German Speaking Countries. Prior year figures have not been adjusted.

2 | From 2012 on, AGF UK is shown in Global Insurance Lines & Anglo Markets instead of Western & Southern Europe. Prior year figures have been adjusted.

3 | The reserve strengthening for asbestos risks in 2012 at Fireman's Fund Insurance Company of € 71 mn had no impact on the financial results of the Allianz Group and Fireman's Fund's combined ratio under IFRS. The reserve strenghtening for asbestos risks in 2011 at Allianz S.p.A., at Fireman's Fund Insurance Company and at AGCS of in total € 153 mn had no impact on the financial results of the Allianz Group and the single entities' combined ratio under IFRS.

4 | From the third quarter of 2012 on, Allianz Worldwide Care is shown in Global Assistance instead of Global Insurance Lines & Anglo Markets. Prior year figures have been adjusted.

5 | The 2011 analysis of the Allianz Group's asbestos risks resulted in a reduction of reserves and a positive run-off result of € 130 mn, which is included in claims and insurance benefits incurred (net) within Consolidation and Other.

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

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

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

9 | Presentation not meaningful.

USA[3]		Global Insurance Lines & Anglo Markets[2,3,4]		Growth Markets		Global Assistance[4]		Consolidation and Other[1,5]		Property-Casualty	
2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
3,076	**2,930**	**13,135**	**12,013**	**2,362**	**2,430**	**1,681**	**1,534**	**(3,401)**	**(3,186)**	**36,915**	**35,277**
(924)	(878)	(3,208)	(2,954)	(564)	(525)	(34)	(18)	3,401	3,204	(3,996)	(3,866)
(97)	(79)	(575)	(448)	(29)	(74)	(63)	(95)	–	–	(1,768)	(1,568)
2,055	**1,973**	**9,352**	**8,611**	**1,769**	**1,831**	**1,584**	**1,421**	**–**	**18**	**31,151**	**29,843**
177	213	858	812	124	117	26	24	(54)	(55)	2,837	2,852
–	–	(41)	(34)	(5)	–	–	(1)	–	1	(25)	40
–	–	–	–	–	–	–	–	–	–	46	14
–	–	424	453	45	45	323	280	(59)	(58)	858	840
–	–	1	–	–	–	–	2	–	(2)	27	23
2,232	**2,186**	**10,594**	**9,842**	**1,933**	**1,993**	**1,933**	**1,726**	**(113)**	**(96)**	**34,894**	**33,612**
(1,941)	(1,764)	(6,162)	(5,858)	(1,091)	(1,125)	(993)	(885)	–	118	(21,484)	(20,960)
(1)	–	(39)	(41)	2	–	–	1	–	–	(264)	(219)
–	–	(15)	(23)	(2)	(5)	–	–	54	55	(33)	(46)
–	–	–	–	–	–	–	–	–	–	(15)	(44)
(2)	(3)	(68)	(28)	(7)	(8)	(1)	(1)	–	1	(212)	(181)
(580)	(580)	(2,614)	(2,400)	(618)	(637)	(520)	(480)	10	8	(8,611)	(8,262)
–	–	(352)	(383)	(46)	(50)	(321)	(280)	49	47	(799)	(788)
–	–	(1)	–	–	–	–	–	–	–	(16)	(9)
(2,524)	**(2,347)**	**(9,251)**	**(8,733)**	**(1,762)**	**(1,825)**	**(1,835)**	**(1,645)**	**113**	**229**	**(31,434)**	**(30,509)**
(292)	**(161)**	**1,343**	**1,109**	**171**	**168**	**98**	**81**	**–**	**133**	**3,460**	**3,103**
94.5	89.4	65.8	68.0	61.7	61.4	62.7	62.3	–[9]	–[9]	69.0	70.2
28.2	29.4	28.0	27.9	34.9	34.8	32.8	33.8	–[9]	–[9]	27.6	27.7
122.7	**118.8**	**93.8**	**95.9**	**96.6**	**96.2**	**95.5**	**96.1**	**–[9]**	**–[9]**	**96.6**	**97.9**

Reportable Segments – Life/Health

	German Speaking Countries		Western & Southern Europe		Iberia & Latin America	
Three months ended 30 September | in € mn	2012	2011	2012	2011	2012	2011
Statutory premiums[1]	**4,495**	**4,585**	**3,828**	**3,537**	**329**	**294**
Ceded premiums written	(36)	(45)	(301)	(107)	(2)	(12)
Change in unearned premiums	(57)	(68)	18	2	(1)	–
Statutory premiums (net)	**4,402**	**4,472**	**3,545**	**3,432**	**326**	**282**
Deposits from insurance and investment contracts	(990)	(1,054)	(2,507)	(2,434)	(144)	(160)
Premiums earned (net)	**3,412**	**3,418**	**1,038**	**998**	**182**	**122**
Interest and similar income	2,185	2,128	943	984	93	89
Operating income from financial assets and liabilities carried at fair value through income (net)	36	219	27	(205)	8	(4)
Operating realized gains/losses (net)	423	485	97	68	(16)	(2)
Fee and commission income	12	13	87	90	2	1
Other income	27	20	4	2	–	–
Operating revenues	**6,095**	**6,283**	**2,196**	**1,937**	**269**	**206**
Claims and insurance benefits incurred (net)	(3,043)	(3,216)	(888)	(789)	(124)	(118)
Change in reserves for insurance and investment contracts (net)	(2,191)	(1,674)	(588)	(171)	(66)	(13)
Interest expenses	(25)	(26)	(8)	(13)	–	–
Operating impairments of investments (net)	(44)	(595)	(19)	(386)	–	–
Investment expenses	(131)	(142)	(40)	(51)	(2)	(2)
Acquisition and administrative expenses (net)	(316)	(327)	(394)	(373)	(51)	(31)
Fee and commission expenses	(5)	(4)	(43)	(36)	(1)	–
Operating restructuring charges	2	–	–	–	–	–
Other expenses	(19)	(13)	(3)	–	–	–
Operating expenses	**(5,772)**	**(5,997)**	**(1,983)**	**(1,819)**	**(244)**	**(164)**
Operating profit	**323**	**286**	**213**	**118**	**25**	**42**
Margin on reserves[2] in basis points	**62**	**58**	**66**	**38**	**138**	**252**

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

2 | Represents operating profit (loss) divided by the average of the current quarter end and prior quarter end net reserves, whereby net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets.

3 | Presentation not meaningful.

USA		Global Insurance Lines & Anglo Markets		Growth Markets		Consolidation		Life/Health	
2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
1,740	**1,894**	**138**	**93**	**1,672**	**1,491**	**(290)**	**(88)**	**11,912**	**11,806**
(32)	(29)	(24)	(4)	(90)	(39)	290	88	(195)	(148)
4	2	–	–	(33)	(6)	–	–	(69)	(70)
1,712	**1,867**	**114**	**89**	**1,549**	**1,446**	**–**	**–**	**11,648**	**11,588**
(1,494)	(1,708)	–	–	(870)	(798)	–	–	(6,005)	(6,154)
218	**159**	**114**	**89**	**679**	**648**	**–**	**–**	**5,643**	**5,434**
718	654	24	19	218	196	(15)	(17)	4,166	4,053
(206)	(319)	16	(1)	(1)	(6)	–	(9)	(120)	(325)
84	32	–	–	8	7	–	–	596	590
17	14	–	–	18	21	(1)	–	135	139
–	–	–	–	–	–	–	–	31	22
831	**540**	**154**	**107**	**922**	**866**	**(16)**	**(26)**	**10,451**	**9,913**
(23)	(19)	(71)	(79)	(401)	(341)	–	–	(4,550)	(4,562)
(353)	(449)	(23)	8	(201)	(216)	–	–	(3,422)	(2,515)
(2)	(2)	–	(1)	(2)	(1)	16	15	(21)	(28)
(1)	26	–	–	(4)	(24)	–	–	(68)	(979)
(9)	(10)	–	–	(7)	(6)	–	1	(189)	(210)
(291)	(33)	(19)	(17)	(231)	(257)	–	–	(1,302)	(1,038)
(9)	(8)	–	–	–	–	1	–	(57)	(48)
–	–	–	–	–	–	–	–	2	–
–	–	–	–	–	–	–	–	(22)	(13)
(688)	**(495)**	**(113)**	**(89)**	**(846)**	**(845)**	**17**	**16**	**(9,629)**	**(9,393)**
143	45	41	18	76	21	1	(10)	822	520
83	30	720	320	115	35	–[3]	–[3]	74	50

Reportable Segments – Life/Health (continued)

	German Speaking Countries		Western & Southern Europe		Iberia & Latin America	
Nine months ended 30 September | in € mn	**2012**	2011	**2012**	2011	**2012**	2011
Statutory premiums[1]	**15,002**	**15,186**	**12,160**	**12,092**	**1,057**	**981**
Ceded premiums written	(121)	(129)	(774)	(274)	(28)	(37)
Change in unearned premiums	(133)	(148)	36	10	(2)	–
Statutory premiums (net)	**14,748**	**14,909**	**11,422**	**11,828**	**1,027**	**944**
Deposits from insurance and investment contracts	(3,768)	(3,968)	(8,277)	(8,625)	(477)	(532)
Premiums earned (net)	**10,980**	**10,941**	**3,145**	**3,203**	**550**	**412**
Interest and similar income	6,581	6,314	3,031	3,023	277	264
Operating income from financial assets and liabilities carried at fair value through income (net)	117	154	22	(118)	13	(3)
Operating realized gains/losses (net)	1,861	1,074	352	430	(35)	–
Fee and commission income	34	27	252	276	5	3
Other income	100	63	10	4	–	–
Operating revenues	**19,673**	**18,573**	**6,812**	**6,818**	**810**	**676**
Claims and insurance benefits incurred (net)	(9,609)	(9,898)	(2,767)	(2,618)	(425)	(396)
Change in reserves for insurance and investment contracts (net)	(7,133)	(5,476)	(1,753)	(1,531)	(143)	(51)
Interest expenses	(76)	(88)	(20)	(27)	(2)	(2)
Operating impairments of investments (net)	(175)	(813)	(157)	(611)	–	(1)
Investment expenses	(365)	(359)	(126)	(156)	(5)	(5)
Acquisition and administrative expenses (net)	(1,220)	(1,026)	(1,219)	(1,213)	(149)	(108)
Fee and commission expenses	(17)	(11)	(127)	(119)	(1)	–
Operating restructuring charges	1	(1)	–	–	–	–
Other expenses	(56)	(42)	(7)	(2)	–	–
Operating expenses	**(18,650)**	**(17,714)**	**(6,176)**	**(6,277)**	**(725)**	**(563)**
Operating profit	**1,023**	**859**	**636**	**541**	**85**	**113**
Margin on reserves[2] **in basis points**	**66**	**59**	**67**	**58**	**162**	**227**

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

2 | Represents operating profit divided by the average of the current quarter end and prior year end net reserves, whereby net reserves equals reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets.

3 | Presentation not meaningful.

USA		Global Insurance Lines & Anglo Markets		Growth Markets		Consolidation		Life/Health	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
5,739	5,902	378	286	4,876	4,870	(740)	(263)	38,472	39,054
(93)	(90)	(49)	(25)	(203)	(138)	740	263	(528)	(430)
4	1	–	–	(92)	(77)	–	–	(187)	(214)
5,650	5,813	329	261	4,581	4,655	–	–	37,757	38,410
(5,034)	(5,321)	–	–	(2,663)	(2,901)	–	–	(20,219)	(21,347)
616	492	329	261	1,918	1,754	–	–	17,538	17,063
2,123	1,910	60	63	626	564	(47)	(55)	12,651	12,083
(629)	(585)	(5)	(33)	(4)	(10)	(1)	(2)	(487)	(597)
156	60	–	–	62	79	–	–	2,396	1,643
48	41	–	–	55	60	(1)	–	393	407
–	–	–	–	–	–	–	–	110	67
2,314	1,918	384	291	2,657	2,447	(49)	(57)	32,601	30,666
(70)	(56)	(238)	(248)	(1,120)	(958)	–	–	(14,229)	(14,174)
(1,033)	(1,230)	(32)	26	(559)	(620)	–	–	(10,653)	(8,882)
(5)	(5)	(1)	(2)	(6)	(6)	48	55	(62)	(75)
7	22	–	–	(9)	(22)	–	–	(334)	(1,425)
(26)	(30)	–	(2)	(20)	(19)	–	–	(542)	(571)
(720)	(328)	(64)	(43)	(702)	(720)	(1)	(2)	(4,075)	(3,440)
(31)	(23)	–	–	–	–	1	–	(175)	(153)
–	–	–	–	–	–	–	–	1	(1)
–	–	–	–	–	–	–	–	(63)	(44)
(1,878)	(1,650)	(335)	(269)	(2,416)	(2,345)	48	53	(30,132)	(28,765)
436	268	49	22	241	102	(1)	(4)	2,469	1,901
87	59	286	134	125	56	–[3]	–[3]	76	62

Reportable Segments – Asset Management

Three months ended 30 September | in € mn	2012	2011
Net fee and commission income[1]	1,821	1,335
Net interest income[2]	10	7
Income from financial assets and liabilities carried at fair value through income (net)	10	(21)
Other income	4	5
Operating revenues	**1,845**	**1,326**
Administrative expenses (net), excluding acquisition-related expenses	(996)	(789)
Operating expenses	**(996)**	**(789)**
Operating profit	**849**	**537**
Cost-income ratio[3] in %	**54.0**	**59.5**

1 | Represents fee and commission income less fee and commission expenses.
2 | Represents interest and similar income less interest expenses.
3 | Represents operating expenses divided by operating revenues.

Nine months ended 30 September | in € mn	2012	2011
Net fee and commission income[1]	4,730	3,888
Net interest income[2]	22	18
Income from financial assets and liabilities carried at fair value through income (net)	17	(18)
Other income	12	14
Operating revenues	**4,781**	**3,902**
Administrative expenses (net), excluding acquisition-related expenses	(2,684)	(2,309)
Operating expenses	**(2,684)**	**(2,309)**
Operating profit	**2,097**	**1,593**
Cost-income ratio[3] in %	**56.1**	**59.2**

1 | Represents fee and commission income less fee and commission expenses.
2 | Represents interest and similar income less interest expenses.
3 | Represents operating expenses divided by operating revenues.

Reportable Segments – Corporate and Other

	Holding & Treasury	
Three months ended 30 September | in € mn	**2012**	2011
Interest and similar income	58	75
Operating income from financial assets and liabilities carried at fair value through income (net)	(7)	(5)
Fee and commission income	15	28
Other income	5	–
Operating revenues	**71**	**98**
Interest expenses, excluding interest expenses from external debt	(105)	(111)
Loan loss provisions	–	–
Investment expenses	(26)	(27)
Administrative expenses (net), excluding acquisition-related expenses	(165)	(155)
Fee and commission expenses	(50)	(39)
Other expenses	–	–
Operating expenses	**(346)**	**(332)**
Operating profit (loss)	**(275)**	**(234)**
Cost-income ratio[1] for the reportable segment Banking in %		

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

	Holding & Treasury	
Nine months ended 30 September | in € mn	**2012**	2011
Interest and similar income	185	274
Operating income from financial assets and liabilities carried at fair value through income (net)	7	(10)
Fee and commission income	46	111
Other income	5	–
Operating revenues	**243**	**375**
Interest expenses, excluding interest expenses from external debt	(317)	(325)
Loan loss provisions	–	–
Investment expenses	(73)	(73)
Administrative expenses (net), excluding acquisition-related expenses	(446)	(442)
Fee and commission expenses	(133)	(160)
Other expenses	–	–
Operating expenses	**(969)**	**(1,000)**
Operating profit (loss)	**(726)**	**(625)**
Cost-income ratio[1] for the reportable segment Banking in %		

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

Banking		Alternative Investments		Consolidation		Corporate and Other	
2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
180	186	3	6	–	(1)	241	266
6	(8)	(1)	(1)	(1)	1	(3)	(13)
107	100	32	32	(1)	(1)	153	159
–	–	–	1	–	(1)	5	–
293	**278**	**34**	**38**	**(2)**	**(2)**	**396**	**412**
(91)	(97)	–	(1)	–	1	(196)	(208)
(13)	(13)	–	–	–	–	(13)	(13)
(1)	–	–	(1)	1	–	(26)	(28)
(129)	(124)	(31)	(27)	1	2	(324)	(304)
(58)	(53)	–	–	–	–	(108)	(92)
(1)	–	–	–	–	–	(1)	–
(293)	**(287)**	**(31)**	**(29)**	**2**	**3**	**(668)**	**(645)**
–	**(9)**	**3**	**9**	**–**	**1**	**(272)**	**(233)**
91.0	**96.9**						

Banking		Alternative Investments		Consolidation		Corporate and Other	
2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
553	547	13	12	(1)	(2)	750	831
13	2	(2)	(1)	(1)	1	17	(8)
326	318	110	91	(6)	(4)	476	516
–	–	2	4	(1)	(2)	6	2
892	**867**	**123**	**106**	**(9)**	**(7)**	**1,249**	**1,341**
(269)	(281)	(2)	(1)	1	2	(587)	(605)
(101)	(62)	–	–	–	–	(101)	(62)
(1)	–	(2)	(3)	2	–	(74)	(76)
(372)	(383)	(104)	(108)	5	5	(917)	(928)
(183)	(170)	–	–	1	1	(315)	(329)
(2)	(2)	–	–	–	–	(2)	(2)
(928)	**(898)**	**(108)**	**(112)**	**9**	**8**	**(1,996)**	**(2,002)**
(36)	**(31)**	**15**	**(6)**	**–**	**1**	**(747)**	**(661)**
85.2	**92.5**						

II. Notes to the Consolidated Balance Sheets

5 Financial assets carried at fair value through income

In € mn	As of 30 September 2012	As of 31 December 2011
Financial assets held for trading		
Debt securities	185	238
Equity securities	150	135
Derivative financial instruments	2,144	2,096
Subtotal	**2,479**	**2,469**
Financial assets designated at fair value through income		
Debt securities	2,443	3,375
Equity securities	2,867	2,622
Subtotal	**5,310**	**5,997**
Total	**7,789**	**8,466**

6 Investments

In € mn	As of 30 September 2012	As of 31 December 2011
Available-for-sale investments	372,311	333,880
Held-to-maturity investments	4,612	4,220
Funds held by others under reinsurance contracts assumed	1,177	1,123
Investments in associates and joint ventures	2,914	2,758
Real estate held for investment	8,853	8,664
Total	**389,867**	**350,645**

AVAILABLE-FOR-SALE INVESTMENTS

In € mn	As of 30 September 2012				As of 31 December 2011			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Debt securities								
Government and agency mortgage-backed securities (residential and commercial)	4,913	370	(1)	5,282	5,095	300	(1)	5,394
Corporate mortgage-backed securities (residential and commercial)	11,297	1,257	(117)	12,437	10,868	863	(182)	11,549
Other asset-backed securities	2,495	278	(27)	2,746	2,393	196	(30)	2,559
Government and government agency bonds								
Germany	12,521	1,444	(5)	13,960	11,988	1,269	(3)	13,254
Italy	31,726	521	(783)	31,464	30,158	4	(3,263)	26,899
France	29,415	3,551	(21)	32,945	25,326	1,531	(45)	26,812
United States	8,435	904	(5)	9,334	7,202	704	(3)	7,903
Spain	2,912	5	(294)	2,623	5,097	46	(286)	4,857
Belgium	8,250	1,001	–	9,251	5,801	175	(25)	5,951
Greece	37	–	(7)	30	303	–	–	303
Portugal	250	–	(31)	219	761	–	(209)	552
Ireland	77	2	–	79	439	–	(51)	388
Hungary	719	16	–	735	723	–	(60)	663
All other countries	47,920	4,753	(135)	52,538	41,887	2,903	(155)	44,635
Subtotal	**142,262**	**12,197**	**(1,281)**	**153,178**	**129,685**	**6,632**	**(4,100)**	**132,217**
Corporate bonds[1]	158,596	13,016	(1,654)	169,958	151,481	6,571	(4,298)	153,754
Other	2,429	235	(14)	2,650	2,045	190	(16)	2,219
Subtotal	**321,992**	**27,353**	**(3,094)**	**346,251**	**301,567**	**14,752**	**(8,627)**	**307,692**
Equity securities[2]	17,541	8,627	(108)	26,060	18,746	7,623	(181)	26,188
Total	**339,533**	**35,980**	**(3,202)**	**372,311**	**320,313**	**22,375**	**(8,808)**	**333,880**

1 | Includes bonds issued by Spanish banks with a fair value of € 438 mn (2011: € 1,115 mn), thereof subordinated bonds with a fair value of € 130 mn (2011: € 322 mn).
2 | Includes shares invested in Spanish banks with a fair value of € 271 mn (2011: € 521 mn).

7 Loans and advances to banks and customers

In € mn	As of 30 September 2012			As of 31 December 2011		
	Banks	Customers	Total	Banks	Customers	Total
Short-term investments and certificates of deposit	6,208	–	6,208	6,341	–	6,341
Reverse repurchase agreements	1,030	–	1,030	1,147	–	1,147
Collateral paid for securities borrowing transactions and derivatives	297	–	297	264	–	264
Loans	65,758	49,312	115,070	67,442	48,393	115,835
Other	970	56	1,026	1,310	38	1,348
Subtotal	**74,263**	**49,368**	**123,631**	**76,504**	**48,431**	**124,935**
Loan loss allowance	–	(150)	(150)	–	(197)	(197)
Total	**74,263**	**49,218**	**123,481**	**76,504**	**48,234**	**124,738**

LOANS AND ADVANCES TO CUSTOMERS BY TYPE OF CUSTOMER

In € mn	As of 30 September 2012	As of 31 December 2011
Corporate customers	18,196	17,354
Private customers	23,688	23,430
Public customers	7,484	7,647
Total	**49,368**	**48,431**

8 Reinsurance assets

In € mn	As of 30 September 2012	As of 31 December 2011
Unearned premiums	1,889	1,394
Reserves for loss and loss adjustment expenses	7,303	7,006
Aggregate policy reserves	4,402	4,364
Other insurance reserves	94	110
Total	**13,688**	**12,874**

9 Deferred acquisition costs

In € mn	As of 30 September 2012	As of 31 December 2011
Deferred acquisition costs		
Property-Casualty	4,388	4,197
Life/Health	13,189	14,579
Asset Management	137	146
Subtotal	**17,714**	**18,922**
Present value of future profits	943	1,053
Deferred sales inducements	540	797
Total	**19,197**	**20,772**

10 Other assets

In € mn	As of 30 September 2012	As of 31 December 2011
Receivables		
Policyholders	6,254	5,653
Agents	4,347	4,352
Reinsurers	3,491	2,497
Other	4,348	3,405
Less allowance for doubtful accounts	(685)	(669)
Subtotal	**17,755**	**15,238**
Tax receivables		
Income taxes	1,270	1,708
Other taxes	1,038	1,150
Subtotal	**2,308**	**2,858**
Accrued dividends, interest and rent	7,165	7,672
Prepaid expenses		
Interest and rent	13	18
Other prepaid expenses	305	286
Subtotal	**318**	**304**
Derivative financial instruments used for hedging that meet the criteria for hedge accounting and firm commitments	198	430
Property and equipment		
Real estate held for own use	2,894	2,806
Software	1,518	1,393
Equipment	939	849
Fixed assets of Alternative Investments	1,188	1,113
Subtotal	**6,539**	**6,161**
Other assets	1,861	1,683
Total	**36,144**	**34,346**

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

In € mn	As of 30 September 2012	As of 31 December 2011
Assets of disposal groups classified as held for sale		
LLC Allianz Life, Moscow	–	4
Seed money investments	63	7
Subtotal	**63**	**11**
Non-current assets classified as held for sale		
Real estate held for investment	37	3
Subtotal	**37**	**3**
Total	**100**	**14**

As of 30 September 2012, the Allianz Group owned a seed money investment for which a sale is expected to occur within one year. This seed money investment pertains to Allianz Life Insurance Company of North America, which made the investment to launch a new investment fund for its variable annuity business. The assets in the amount of € 63 mn relating to this investment fund have been classified as a disposal group held for sale and pertain to the segment Life/Health. The investment fund is primarily comprised of equity and debt securities. Upon measurement of the disposal group at fair value less costs to sell, no impairment loss was recognized in the consolidated income statement for the nine months ended 30 September 2012.

The real estate held for investment classified as held for sale comprises real estate in Germany and France.

12 Intangible assets

In € mn	As of 30 September 2012	As of 31 December 2011
Intangible assets with indefinite useful lives		
Goodwill	11,696	11,722
Brand names[1]	303	310
Subtotal	**11,999**	**12,032**
Intangible assets with finite useful lives		
Long-term distribution agreements[2]	895	941
Customer relationships	165	207
Other[3]	117	124
Subtotal	**1,177**	**1,272**
Total	**13,176**	**13,304**

1 | Includes primarily the brand name of Selecta AG, Muntelier.
2 | Consists of the long-term distribution agreements with Commerzbank AG of € 505 mn (2011: € 539 mn) and Banco Popular S.A. of € 390 mn (2011: € 402 mn).
3 | Includes primarily acquired business portfolios and renewal rights of € 37 mn (2011: € 44 mn), other distribution rights of € 21 mn (2011: € 22 mn), bancassurance agreements of € 11 mn (2011: € 12 mn) and research and development costs of € 13 mn (2011: € 9 mn).

GOODWILL

In € mn	2012
Cost as of 1 January	12,527
Accumulated impairments as of 1 January	(805)
Carrying amount as of 1 January	**11,722**
Additions	1
Disposals	–
Foreign currency translation adjustments	62
Impairments	(89)
Carrying amount as of 30 September	**11,696**
Accumulated impairments as of 30 September	894
Cost as of 30 September	12,590

In the third quarter of 2012, the goodwill of the Cash Generating Unit (CGU) Selecta AG was impaired by € 89 mn in the segment Corporate and Other. This impairment was triggered by lower expectations regarding future economic developments of Selecta's core markets and lower multiples. The recoverable amount of this CGU is based on a value in use calculation.

13 Financial liabilities carried at fair value through income

In € mn	As of 30 September 2012	As of 31 December 2011
Financial liabilities held for trading		
Derivative financial instruments	6,106	6,608
Other trading liabilities	2	2
Subtotal	**6,108**	**6,610**
Financial liabilities designated at fair value through income	–	–
Total	**6,108**	**6,610**

14 Liabilities to banks and customers

	As of 30 September 2012			As of 31 December 2011		
In € mn	Banks	Customers	Total	Banks	Customers	Total
Payable on demand	155	4,711	4,866	409	4,138	4,547
Savings deposits	–	2,951	2,951	–	2,879	2,879
Term deposits and certificates of deposit	967	1,932	2,899	1,107	2,234	3,341
Repurchase agreements	695	562	1,257	229	106	335
Collateral received from securities lending transactions and derivatives	1,926	–	1,926	2,151	–	2,151
Other	5,643	3,409	9,052	5,693	3,209	8,902
Total	**9,386**	**13,565**	**22,951**	**9,589**	**12,566**	**22,155**

15 Reserves for loss and loss adjustment expenses

In € mn	As of 30 September 2012	As of 31 December 2011
Property-Casualty	62,616	59,493
Life/Health	9,640	9,357
Consolidation	(20)	(18)
Total	**72,236**	**68,832**

CHANGE IN THE RESERVES FOR LOSS AND LOSS ADJUSTMENT EXPENSES FOR THE PROPERTY-CASUALTY SEGMENT

	2012			2011		
In € mn	Gross	Ceded	Net	Gross	Ceded	Net
As of 1 January	**59,493**	**(6,658)**	**52,835**	**57,509**	**(6,659)**	**50,850**
Loss and loss adjustment expenses incurred						
Current year	23,694	(1,565)	22,129	24,051	(1,944)	22,107
Prior years	(654)	9	(645)	(1,508)	361	(1,147)
Subtotal	**23,040**	**(1,556)**	**21,484**	**22,543**	**(1,583)**	**20,960**
Loss and loss adjustment expenses paid						
Current year	(9,898)	389	(9,509)	(9,695)	354	(9,341)
Prior years	(11,465)	1,042	(10,423)	(11,108)	1,125	(9,983)
Subtotal	**(21,363)**	**1,431**	**(19,932)**	**(20,803)**	**1,479**	**(19,324)**
Foreign currency translation adjustments and other changes	454	(89)	365	(199)	77	(122)
Changes in the consolidated subsidiaries of the Allianz Group[1]	992	(30)	962	20	(8)	12
Reclassifications	–	–	–	(7)	5	(2)
As of 30 September	**62,616**	**(6,902)**	**55,714**	**59,063**	**(6,689)**	**52,374**

1 | Effective as of 1 August 2012, Allianz Belgium acquired the assets and assumed the liabilities related to the insurance activities of Mensura CCA and its 100% subsidiary Mensura Assurances SA. For further details, please refer to note 3.

16 Reserves for insurance and investment contracts

In € mn	As of 30 September 2012	As of 31 December 2011
Aggregate policy reserves	348,369	338,318
Reserves for premium refunds	35,574	22,868
Other insurance reserves	793	768
Total	**384,736**	**361,954**

17 Other liabilities

In € mn	As of 30 September 2012	As of 31 December 2011
Payables		
Policyholders	3,853	4,979
Reinsurance	2,495	1,990
Agents	1,452	1,443
Subtotal	**7,800**	**8,412**
Payables for social security	445	469
Tax payables		
Income taxes	2,378	1,504
Other taxes	1,145	1,086
Subtotal	**3,523**	**2,590**
Accrued interest and rent	620	695
Unearned income		
Interest and rent	13	6
Other	285	268
Subtotal	**298**	**274**
Provisions		
Pensions and similar obligations	3,817	3,754
Employee related	2,287	1,901
Share-based compensation plans	656	792
Restructuring plans	309	280
Loan commitments	73	24
Contingent losses from non-insurance business	174	374
Other provisions	1,419	1,430
Subtotal	**8,735**	**8,555**
Deposits retained for reinsurance ceded	1,879	1,760
Derivative financial instruments used for hedging that meet the criteria for hedge accounting and firm commitments	374	237
Financial liabilities for puttable equity instruments	2,917	2,881
Other liabilities	6,496	5,337
Total	**33,087**	**31,210**

RESTRUCTURING PLANS

The increase in the restructuring provisions is mainly driven by two new restructuring programs initiated in the second quarter of 2012. Allianz Global Investors recorded restructuring provisions of € 58 mn and restructuring charges of € 62 mn in order to create a global investment platform with the purpose of improving efficiency and positioning for growth. The restructuring measures primarily comprise reductions in headcount.

In addition, Allianz Beratungs- und Vertriebs-AG recorded restructuring provisions as well as restructuring charges of € 51 mn in order to reduce staff in the bancassurance operations.

The use of the provisions as well as the transfers to other provisions of other restructuring programs partially offset this increase. There were no other significant changes in the estimates for restructuring charges as described in the Allianz Group Annual Report 2011.

18 Certificated liabilities

In € mn	As of 30 September 2012	As of 31 December 2011
Allianz SE[1]		
Senior bonds[2]	6,826	5,343
Money market securities	1,592	1,119
Subtotal	**8,418**	**6,462**
Banking subsidiaries		
Senior bonds	936	1,162
Subtotal	**936**	**1,162**
All other subsidiaries		
Certificated liabilities	25	25
Subtotal	**25**	**25**
Total	9,379	7,649

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 | Change due to the issuance of a € 1.5 bn bond in the first quarter of 2012.

19 Participation certificates and subordinated liabilities

In € mn	As of 30 September 2012	As of 31 December 2011
Allianz SE[1]		
Subordinated bonds[2]	8,696	10,456
Subtotal	**8,696**	**10,456**
Banking subsidiaries		
Subordinated bonds	274	274
Subtotal	**274**	**274**
All other subsidiaries		
Subordinated bonds	399	398
Hybrid equity	45	45
Subtotal	**444**	**443**
Total	9,414	11,173

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

2 | Change due to redemption of a € 2 bn subordinated bond in the second quarter of 2012.

20 Equity

In € mn	As of 30 September 2012	As of 31 December 2011
Shareholders' equity		
Issued capital	1,166	1,166
Capital reserves	27,597	27,597
Retained earnings[1]	15,459	13,522
Foreign currency translation adjustments	(1,688)	(1,996)
Unrealized gains and losses (net)[2]	9,381	4,626
Subtotal	**51,915**	**44,915**
Non-controlling interests	2,513	2,338
Total	54,428	47,253

1 | Include € (210) mn (2011: € (223) mn) related to treasury shares.

2 | Include € 257 mn (2011: € 191 mn) related to cash flow hedges.

II. Notes to the Consolidated Income Statements

21 Premiums earned (net)

Three months ended 30 September | in € mn	Property-Casualty	Life/Health	Consolidation	Group
2012				
Premiums written				
Direct	10,326	5,734	(53)	16,007
Assumed	1,066	170	(12)	1,224
Subtotal	**11,392**	**5,904**	**(65)**	**17,231**
Ceded	(1,372)	(192)	12	(1,552)
Net	**10,020**	**5,712**	**(53)**	**15,679**
Change in unearned premiums				
Direct	996	(69)	–	927
Assumed	(23)	(2)	–	(25)
Subtotal	**973**	**(71)**	**–**	**902**
Ceded	(189)	2	–	(187)
Net	**784**	**(69)**	**–**	**715**
Premiums earned				
Direct	11,322	5,665	(53)	16,934
Assumed	1,043	168	(12)	1,199
Subtotal	**12,365**	**5,833**	**(65)**	**18,133**
Ceded	(1,561)	(190)	12	(1,739)
Net	**10,804**	**5,643**	**(53)**	**16,394**
2011				
Premiums written				
Direct	9,730	5,516	–	15,246
Assumed	1,102	124	(9)	1,217
Subtotal	**10,832**	**5,640**	**(9)**	**16,463**
Ceded	(1,397)	(136)	9	(1,524)
Net	**9,435**	**5,504**	**–**	**14,939**
Change in unearned premiums				
Direct	977	(67)	–	910
Assumed	(34)	(1)	2	(33)
Subtotal	**943**	**(68)**	**2**	**877**
Ceded	(89)	(2)	(2)	(93)
Net	**854**	**(70)**	**–**	**784**
Premiums earned				
Direct	10,707	5,449	–	16,156
Assumed	1,068	123	(7)	1,184
Subtotal	**11,775**	**5,572**	**(7)**	**17,340**
Ceded	(1,486)	(138)	7	(1,617)
Net	**10,289**	**5,434**	**–**	**15,723**

21 Premiums earned (net) (continued)

Nine months ended 30 September | in € mn	Property-Casualty	Life/Health	Consolidation	Group
2012				
Premiums written				
Direct	34,177	17,775	(53)	51,899
Assumed	2,738	453	(33)	3,158
Subtotal	**36,915**	**18,228**	**(86)**	**55,057**
Ceded	(3,996)	(503)	33	(4,466)
Net	**32,919**	**17,725**	**(53)**	**50,591**
Change in unearned premiums				
Direct	(1,852)	(187)	–	(2,039)
Assumed	(373)	(1)	2	(372)
Subtotal	**(2,225)**	**(188)**	**2**	**(2,411)**
Ceded	457	1	(2)	456
Net	**(1,768)**	**(187)**	**–**	**(1,955)**
Premiums earned				
Direct	32,325	17,588	(53)	49,860
Assumed	2,365	452	(31)	2,786
Subtotal	**34,690**	**18,040**	**(84)**	**52,646**
Ceded	(3,539)	(502)	31	(4,010)
Net	**31,151**	**17,538**	**(53)**	**48,636**
2011				
Premiums written				
Direct	32,691	17,328	–	50,019
Assumed	2,586	356	(21)	2,921
Subtotal	**35,277**	**17,684**	**(21)**	**52,940**
Ceded	(3,866)	(407)	21	(4,252)
Net	**31,411**	**17,277**	**–**	**48,688**
Change in unearned premiums				
Direct	(1,737)	(212)	–	(1,949)
Assumed	(313)	–	2	(311)
Subtotal	**(2,050)**	**(212)**	**2**	**(2,260)**
Ceded	482	(2)	(2)	478
Net	**(1,568)**	**(214)**	**–**	**(1,782)**
Premiums earned				
Direct	30,954	17,116	–	48,070
Assumed	2,273	356	(19)	2,610
Subtotal	**33,227**	**17,472**	**(19)**	**50,680**
Ceded	(3,384)	(409)	19	(3,774)
Net	**29,843**	**17,063**	**–**	**46,906**

22 Interest and similar income

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
Interest from held-to-maturity investments	51	49	153	139
Dividends from available-for-sale investments	250	287	923	980
Interest from available-for-sale investments	3,289	3,124	9,944	9,324
Share of earnings from investments in associates and joint ventures	50	70	95	154
Rent from real estate held for investment	180	194	548	573
Interest from loans to banks and customers	1,349	1,384	4,060	4,112
Other interest	45	66	111	136
Total	**5,214**	**5,174**	**15,834**	**15,418**

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

Three months ended 30 September | in € mn	Property-Casualty	Life/Health	Asset Management	Corporate and Other	Consolidation	Group
2012						
Income (expenses) from financial assets and liabilities held for trading (net)	4	(176)	2	(34)	9	(195)
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	5	215	34	1	–	255
Income (expenses) from financial liabilities for puttable equity instruments (net)	(1)	(127)	(25)	–	–	(153)
Foreign currency gains and losses (net)	(21)	(30)	(1)	6	–	(46)
Total	**(13)**	**(118)**	**10**	**(27)**	**9**	**(139)**
2011						
Income (expenses) from financial assets and liabilities held for trading (net)	(90)	(393)	(9)	(307)	39	(760)
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	13	(365)	(59)	(1)	(1)	(413)
Income (expenses) from financial liabilities for puttable equity instruments (net)	(3)	167	45	–	–	209
Foreign currency gains and losses (net)	50	242	2	1	–	295
Total	**(30)**	**(349)**	**(21)**	**(307)**	**38**	**(669)**

Nine months ended 30 September | in € mn	Property-Casualty	Life/Health	Asset Management	Corporate and Other	Consolidation	Group
2012						
Income (expenses) from financial assets and liabilities held for trading (net)	(92)	(862)	(2)	322	1	(633)
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	33	371	65	(1)	(1)	467
Income (expenses) from financial liabilities for puttable equity instruments (net)	(14)	(209)	(45)	–	–	(268)
Foreign currency gains and losses (net)	(7)	232	(1)	(19)	–	205
Total	**(80)**	**(468)**	**17**	**302**	**–**	**(229)**
2011						
Income (expenses) from financial assets and liabilities held for trading (net)	(49)	(150)	(7)	(420)	40	(586)
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	57	(319)	(54)	(7)	(1)	(324)
Income (expenses) from financial liabilities for puttable equity instruments (net)	3	212	48	–	–	263
Foreign currency gains and losses (net)	(25)	(376)	(5)	4	–	(402)
Total	**(14)**	**(633)**	**(18)**	**(423)**	**39**	**(1,049)**

INCOME (EXPENSES) FROM FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING (NET)

LIFE/HEALTH SEGMENT

For the nine months ended 30 September 2012, income (expenses) from financial assets and liabilities held for trading (net) in the Life/Health segment includes expenses of € 899 mn (2011: € 137 mn) from derivative financial instruments. This includes expenses of € 138 mn (2011: income of € 555 mn) of German entities from financial derivative positions held for duration management and protection against equity and foreign exchange rate fluctuations. Also included are expenses related to fixed-indexed annuity products and guaranteed benefits under unit-linked contracts of € 645 mn (2011: € 590 mn) from U.S. entities.

CORPORATE AND OTHER SEGMENT

For the nine months ended 30 September 2012, income (expenses) from financial assets and liabilities held for trading (net) in the Corporate and Other segment includes income of € 391 mn (2011: expenses of € 463 mn) from derivative financial instruments. This includes income of € 16 mn (2011: expenses of € 16 mn) from financial derivative instruments to protect investments and liabilities against foreign exchange rate fluctuations. In 2012, hedging of equity investments not designated for hedge accounting induced income of € 5 mn (2011: expenses of € 31 mn). Financial derivatives related to investment strategies generated income of € 180 mn (2011: expenses of € 322 mn). Expenses of € 78 mn (2011: income of € 42 mn) from the hedges of share based compensation plans (restricted stock units) are also included.

INCOME (EXPENSES) FROM FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE THROUGH INCOME (NET)

For the nine months ended 30 September 2012, income (expenses) from financial assets and liabilities designated at fair value through income (net) in the Life/Health segment includes income from equity investments of € 229 mn (2011: expenses of € 263 mn) and income of € 142 mn (2011: expenses of € 56 mn) from debt investments.

FOREIGN CURRENCY GAINS AND LOSSES (NET)

Foreign currency gains and losses are reported within income from financial assets and liabilities carried at fair value through income (net). These foreign currency gains and losses arise subsequent to initial recognition on all assets and liabilities denominated in a foreign currency, that are monetary items. This excludes exchange differences arising from financial assets and liabilities measured at fair value through profit or loss, which do not have to be disclosed separately. The Allianz Group uses freestanding derivatives to hedge against foreign currency fluctuations, for which it recognized expenses of € 146 mn (2011: income of € 101 mn) for the nine months ended 30 September 2012.

24 Realized gains/losses (net)

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
REALIZED GAINS				
Available-for-sale investments				
Equity securities	462	734	1,850	1,758
Debt securities	677	569	1,632	1,350
Subtotal	**1,139**	**1,303**	**3,482**	**3,108**
Investments in associates and joint ventures[1]	12	101	14	104
Real estate held for investment	8	51	69	190
Loans and advances to banks and customers	76	48	682	136
Non-current assets and assets and liabilities of disposal groups classified as held for sale	–	3	8	79
Subtotal	**1,235**	**1,506**	**4,255**	**3,617**
REALIZED LOSSES				
Available-for-sale investments				
Equity securities	(41)	(208)	(169)	(291)
Debt securities	(451)	(384)	(1,038)	(788)
Subtotal	**(492)**	**(592)**	**(1,207)**	**(1,079)**
Investments in associates and joint ventures[2]	(5)	(8)	(5)	(24)
Real estate held for investment	–	–	(1)	(1)
Loans and advances to banks and customers	(3)	–	(4)	(6)
Non-current assets and assets and liabilities of disposal groups classified as held for sale	–	–	–	(2)
Subtotal	**(500)**	**(600)**	**(1,217)**	**(1,112)**
Total	**735**	**906**	**3,038**	**2,505**

1 | During the three and nine months ended 30 September 2012, includes realized gains from the disposal of subsidiaries of € 12 mn (2011: € 1 mn) and € 12 mn (2011: € 1 mn), respectively.
2 | During the three and nine months ended 30 September 2012, includes realized losses from the disposal of subsidiaries and businesses of € 5 mn (2011: € 8 mn) and € 5 mn (2011: € 22 mn), respectively.

25 Fee and commission income

Three months ended 30 September | in € mn	2012			2011		
	Segment	Consolidation	Group	Segment	Consolidation	Group
PROPERTY-CASUALTY						
Fees from credit and assistance business	178	(1)	177	170	(1)	169
Service agreements	99	(16)	83	108	(15)	93
Subtotal	**277**	**(17)**	**260**	**278**	**(16)**	**262**
LIFE/HEALTH						
Service agreements	18	–	18	22	(4)	18
Investment advisory	117	(15)	102	117	(15)	102
Subtotal	**135**	**(15)**	**120**	**139**	**(19)**	**120**
ASSET MANAGEMENT						
Management fees	1,683	(29)	1,654	1,403	(32)	1,371
Loading and exit fees	188	–	188	117	–	117
Performance fees	284	–	284	45	(3)	42
Other	27	(4)	23	57	(3)	54
Subtotal	**2,182**	**(33)**	**2,149**	**1,622**	**(38)**	**1,584**
CORPORATE AND OTHER						
Service agreements	16	(2)	14	28	(4)	24
Investment advisory and Banking activities	137	(51)	86	131	(64)	67
Subtotal	**153**	**(53)**	**100**	**159**	**(68)**	**91**
Total	**2,747**	**(118)**	**2,629**	**2,198**	**(141)**	**2,057**

Nine months ended 30 September | in € mn	2012			2011		
	Segment	Consolidation	Group	Segment	Consolidation	Group
PROPERTY-CASUALTY						
Fees from credit and assistance business	541	(4)	537	508	(3)	505
Service agreements	317	(44)	273	332	(45)	287
Subtotal	**858**	**(48)**	**810**	**840**	**(48)**	**792**
LIFE/HEALTH						
Service agreements	55	(2)	53	61	(13)	48
Investment advisory	338	(41)	297	346	(37)	309
Subtotal	**393**	**(43)**	**350**	**407**	**(50)**	**357**
ASSET MANAGEMENT						
Management fees	4,768	(95)	4,673	4,092	(102)	3,990
Loading and exit fees	453	–	453	304	–	304
Performance fees	383	(1)	382	182	(2)	180
Other	95	(11)	84	152	(10)	142
Subtotal	**5,699**	**(107)**	**5,592**	**4,730**	**(114)**	**4,616**
CORPORATE AND OTHER						
Service agreements	48	(8)	40	110	(11)	99
Investment advisory and Banking activities	428	(161)	267	406	(188)	218
Subtotal	**476**	**(169)**	**307**	**516**	**(199)**	**317**
Total	**7,426**	**(367)**	**7,059**	**6,493**	**(411)**	**6,082**

26 Other income

In € mn	Three months ended 30 September 2012	Three months ended 30 September 2011	Nine months ended 30 September 2012	Nine months ended 30 September 2011
Income from real estate held for own use				
Realized gains from disposals of real estate held for own use	–	8	14	10
Other income from real estate held for own use	8	2	8	2
Subtotal	**8**	**10**	**22**	**12**
Income from alternative investments	37	25	125	78
Other	4	4	11	13
Total	**49**	**39**	**158**	**103**

27 Income and expenses from fully consolidated private equity investments

In € mn	Three months ended 30 September 2012	Three months ended 30 September 2011	Nine months ended 30 September 2012	Nine months ended 30 September 2011
Income				
Sales and service revenues	197	421	590	1,253
Other operating revenues	–	20	–	36
Interest income	–	1	–	2
Subtotal	**197**	**442**	**590**	**1,291**
Expenses				
Cost of goods sold	(62)	(244)	(188)	(727)
Commissions	–	(28)	–	(78)
General and administrative expenses	(135)	(155)	(393)	(462)
Other operating expenses	–	(25)	–	(64)
Interest expenses	(10)	(20)	(32)	(53)
Subtotal[1]	**(207)**	**(472)**	**(613)**	**(1,384)**
Total[1]	**(10)**	**(30)**	**(23)**	**(93)**

1 | The presented subtotal for expenses and total income and expenses from fully consolidated private equity investments for the three and the nine months ended 30 September 2012 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 € 6 mn (2011: € 15 mn) and € (34) mn (2011: € 46 mn) for the three and the nine months ended 30 September 2012, respectively. This consolidation effect results from the deferred policyholder participation, recognized on the result from fully consolidated private equity investments within operating profit in the Life/Health segment, that was reclassified into expenses from fully consolidated private equity investments in non-operating profit to ensure a consistent presentation of the Allianz Group's operating profit.

28 Claims and insurance benefits incurred (net)

Three months ended 30 September | in € mn	Property-Casualty	Life/Health	Consolidation	Group
2012				
Gross				
Claims and insurance benefits paid	(6,979)	(4,608)	–	(11,587)
Change in reserves for loss and loss adjustment expenses	(1,120)	(47)	2	(1,165)
Subtotal	**(8,099)**	**(4,655)**	**2**	**(12,752)**
Ceded				
Claims and insurance benefits paid	391	104	1	496
Change in reserves for loss and loss adjustment expenses	225	1	(2)	224
Subtotal	**616**	**105**	**(1)**	**720**
Net				
Claims and insurance benefits paid	(6,588)	(4,504)	1	(11,091)
Change in reserves for loss and loss adjustment expenses	(895)	(46)	–	(941)
Total	**(7,483)**	**(4,550)**	**1**	**(12,032)**
2011				
Gross				
Claims and insurance benefits paid	(6,805)	(4,664)	2	(11,467)
Change in reserves for loss and loss adjustment expenses	(1,109)	(23)	2	(1,130)
Subtotal	**(7,914)**	**(4,687)**	**4**	**(12,597)**
Ceded				
Claims and insurance benefits paid	485	122	(2)	605
Change in reserves for loss and loss adjustment expenses	178	3	(2)	179
Subtotal	**663**	**125**	**(4)**	**784**
Net				
Claims and insurance benefits paid	(6,320)	(4,542)	–	(10,862)
Change in reserves for loss and loss adjustment expenses	(931)	(20)	–	(951)
Total	**(7,251)**	**(4,562)**	**–**	**(11,813)**

Nine months ended 30 September | in € mn	Property-Casualty	Life/Health	Consolidation	Group
2012				
Gross				
Claims and insurance benefits paid	(21,363)	(14,297)	16	(35,644)
Change in reserves for loss and loss adjustment expenses	(1,677)	(326)	4	(1,999)
Subtotal	**(23,040)**	**(14,623)**	**20**	**(37,643)**
Ceded				
Claims and insurance benefits paid	1,431	341	(15)	1,757
Change in reserves for loss and loss adjustment expenses	125	53	(4)	174
Subtotal	**1,556**	**394**	**(19)**	**1,931**
Net				
Claims and insurance benefits paid	(19,932)	(13,956)	1	(33,887)
Change in reserves for loss and loss adjustment expenses	(1,552)	(273)	–	(1,825)
Total	**(21,484)**	**(14,229)**	**1**	**(35,712)**
2011				
Gross				
Claims and insurance benefits paid	(20,803)	(14,374)	10	(35,167)
Change in reserves for loss and loss adjustment expenses	(1,740)	(163)	1	(1,902)
Subtotal	**(22,543)**	**(14,537)**	**11**	**(37,069)**
Ceded				
Claims and insurance benefits paid	1,479	355	(10)	1,824
Change in reserves for loss and loss adjustment expenses	104	8	(1)	111
Subtotal	**1,583**	**363**	**(11)**	**1,935**
Net				
Claims and insurance benefits paid	(19,324)	(14,019)	–	(33,343)
Change in reserves for loss and loss adjustment expenses	(1,636)	(155)	–	(1,791)
Total	**(20,960)**	**(14,174)**	**–**	**(35,134)**

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

Three months ended 30 September | in € mn	Property-Casualty	Life/Health	Consolidation	Group
2012				
Gross				
Aggregate policy reserves	(56)	(2,084)	51	(2,089)
Other insurance reserves	–	(59)	–	(59)
Expenses for premium refunds	(52)	(1,359)	(35)	(1,446)
Subtotal	**(108)**	**(3,502)**	**16**	**(3,594)**
Ceded				
Aggregate policy reserves	–	68	–	68
Other insurance reserves	–	3	–	3
Expenses for premium refunds	–	9	–	9
Subtotal	**–**	**80**	**–**	**80**
Net				
Aggregate policy reserves	(56)	(2,016)	51	(2,021)
Other insurance reserves	–	(56)	–	(56)
Expenses for premium refunds	(52)	(1,350)	(35)	(1,437)
Total	**(108)**	**(3,422)**	**16**	**(3,514)**
2011				
Gross				
Aggregate policy reserves	(59)	(1,876)	–	(1,935)
Other insurance reserves	–	(32)	–	(32)
Expenses for premium refunds	22	(623)	(3)	(604)
Subtotal	**(37)**	**(2,531)**	**(3)**	**(2,571)**
Ceded				
Aggregate policy reserves	1	11	–	12
Other insurance reserves	–	3	–	3
Expenses for premium refunds	(3)	2	–	(1)
Subtotal	**(2)**	**16**	**–**	**14**
Net				
Aggregate policy reserves	(58)	(1,865)	–	(1,923)
Other insurance reserves	–	(29)	–	(29)
Expenses for premium refunds	19	(621)	(3)	(605)
Total	**(39)**	**(2,515)**	**(3)**	**(2,557)**

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

Nine months ended 30 September | in € mn	Property-Casualty	Life/Health	Consolidation	Group
2012				
Gross				
Aggregate policy reserves	(161)	(5,961)	51	(6,071)
Other insurance reserves	–	(120)	–	(120)
Expenses for premium refunds	(103)	(4,702)	(6)	(4,811)
Subtotal	**(264)**	**(10,783)**	**45**	**(11,002)**
Ceded				
Aggregate policy reserves	–	118	–	118
Other insurance reserves	–	6	–	6
Expenses for premium refunds	–	6	–	6
Subtotal	**–**	**130**	**–**	**130**
Net				
Aggregate policy reserves	(161)	(5,843)	51	(5,953)
Other insurance reserves	–	(114)	–	(114)
Expenses for premium refunds	(103)	(4,696)	(6)	(4,805)
Total	**(264)**	**(10,653)**	**45**	**(10,872)**
2011				
Gross				
Aggregate policy reserves	(149)	(5,915)	–	(6,064)
Other insurance reserves	2	(97)	–	(95)
Expenses for premium refunds	(66)	(2,906)	(54)	(3,026)
Subtotal	**(213)**	**(8,918)**	**(54)**	**(9,185)**
Ceded				
Aggregate policy reserves	(15)	22	–	7
Other insurance reserves	1	9	–	10
Expenses for premium refunds	8	5	–	13
Subtotal	**(6)**	**36**	**–**	**30**
Net				
Aggregate policy reserves	(164)	(5,893)	–	(6,057)
Other insurance reserves	3	(88)	–	(85)
Expenses for premium refunds	(58)	(2,901)	(54)	(3,013)
Total	**(219)**	**(8,882)**	**(54)**	**(9,155)**

30 Interest expenses

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
Liabilities to banks and customers	(82)	(99)	(260)	(289)
Deposits retained on reinsurance ceded	(13)	(13)	(37)	(34)
Certificated liabilities	(89)	(76)	(259)	(223)
Participation certificates and subordinated liabilities	(144)	(174)	(481)	(489)
Other	(27)	(27)	(68)	(71)
Total	**(355)**	**(389)**	**(1,105)**	**(1,106)**

31 Loan loss provisions

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
Additions to allowances including direct impairments	(38)	(25)	(159)	(120)
Amounts released	22	8	43	44
Recoveries on loans previously impaired	3	4	15	14
Total	**(13)**	**(13)**	**(101)**	**(62)**

32 Impairments of investments (net)

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
IMPAIRMENTS				
Available-for-sale investments				
Equity securities	(65)	(1,688)	(684)	(1,932)
Debt securities	(34)	(269)	(47)	(922)
Subtotal	**(99)**	**(1,957)**	**(731)**	**(2,854)**
Held-to-maturity investments	–	(6)	–	(29)
Investments in associates and joint ventures	(22)	–	(23)	–
Real estate held for investment	(6)	(23)	(8)	(41)
Loans and advances to banks and customers	(4)	(8)	(7)	(14)
Non-current assets and assets and liabilities of disposal groups classified as held for sale	–	(9)	–	(33)
Subtotal	**(131)**	**(2,003)**	**(769)**	**(2,971)**
REVERSALS OF IMPAIRMENTS				
Available-for-sale investments				
Debt securities	1	–	16	1
Real estate held for investment	29	29	29	29
Loans and advances to banks and customers	–	27	13	29
Subtotal	**30**	**56**	**58**	**59**
Total	**(101)**	**(1,947)**	**(711)**	**(2,912)**

33 Investment expenses

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
Investment management expenses	(150)	(129)	(401)	(361)
Depreciation of real estate held for investment	(50)	(52)	(141)	(144)
Other expenses from real estate held for investment	(30)	(66)	(101)	(152)
Total	**(230)**	**(247)**	**(643)**	**(657)**

34 Acquisition and administrative expenses (net)

Three months ended 30 September | in € mn	2012			2011		
	Segment	Consolidation	Group	Segment	Consolidation	Group
PROPERTY-CASUALTY						
Acquisition costs						
Incurred	(2,283)	1	(2,282)	(2,118)	2	(2,116)
Commissions and profit received on reinsurance business ceded	151	(3)	148	148	(1)	147
Deferrals of acquisition costs	1,290	–	1,290	1,127	–	1,127
Amortization of deferred acquisition costs	(1,445)	–	(1,445)	(1,276)	–	(1,276)
Subtotal	(2,287)	(2)	(2,289)	(2,119)	1	(2,118)
Administrative expenses	(636)	48	(588)	(667)	(25)	(692)
Subtotal	(2,923)	46	(2,877)	(2,786)	(24)	(2,810)
LIFE/HEALTH						
Acquisition costs						
Incurred	(1,056)	3	(1,053)	(1,033)	2	(1,031)
Commissions and profit received on reinsurance business ceded	27	–	27	21	(1)	20
Deferrals of acquisition costs	638	–	638	699	(1)	698
Amortization of deferred acquisition costs	(579)	–	(579)	(383)	–	(383)
Subtotal	(970)	3	(967)	(696)	–	(696)
Administrative expenses	(332)	(3)	(335)	(342)	43	(299)
Subtotal	(1,302)	–	(1,302)	(1,038)	43	(995)
ASSET MANAGEMENT						
Personnel expenses	(705)	(1)	(706)	(530)	–	(530)
Non-personnel expenses	(331)	3	(328)	(300)	3	(297)
Subtotal	(1,036)	2	(1,034)	(830)	3	(827)
CORPORATE AND OTHER						
Administrative expenses	(326)	(55)	(381)	(300)	–	(300)
Subtotal	(326)	(55)	(381)	(300)	–	(300)
Total	(5,587)	(7)	(5,594)	(4,954)	22	(4,932)

34 Acquisition and administrative expenses (net) (continued)

Nine months ended 30 September | in € mn	2012			2011		
	Segment	Consolidation	Group	Segment	Consolidation	Group
PROPERTY-CASUALTY						
Acquisition costs						
Incurred	(7,086)	1	(7,085)	(6,770)	5	(6,765)
Commissions and profit received on reinsurance business ceded	368	(8)	360	354	(3)	351
Deferrals of acquisition costs	4,345	–	4,345	3,971	–	3,971
Amortization of deferred acquisition costs	(4,172)	–	(4,172)	(3,784)	–	(3,784)
Subtotal	(6,545)	(7)	(6,552)	(6,229)	2	(6,227)
Administrative expenses	(2,066)	51	(2,015)	(2,033)	6	(2,027)
Subtotal	(8,611)	44	(8,567)	(8,262)	8	(8,254)
LIFE/HEALTH						
Acquisition costs						
Incurred	(3,289)	9	(3,280)	(3,203)	4	(3,199)
Commissions and profit received on reinsurance business ceded	81	(1)	80	67	(4)	63
Deferrals of acquisition costs	2,078	(1)	2,077	2,283	(1)	2,282
Amortization of deferred acquisition costs	(1,928)	–	(1,928)	(1,518)	–	(1,518)
Subtotal	(3,058)	7	(3,051)	(2,371)	(1)	(2,372)
Administrative expenses	(1,017)	(18)	(1,035)	(1,069)	68	(1,001)
Subtotal	(4,075)	(11)	(4,086)	(3,440)	67	(3,373)
ASSET MANAGEMENT						
Personnel expenses	(1,796)	(1)	(1,797)	(1,614)	–	(1,614)
Non-personnel expenses	(947)	15	(932)	(868)	15	(853)
Subtotal	(2,743)	14	(2,729)	(2,482)	15	(2,467)
CORPORATE AND OTHER						
Administrative expenses	(922)	(26)	(948)	(927)	(36)	(963)
Subtotal	(922)	(26)	(948)	(927)	(36)	(963)
Total	(16,351)	21	(16,330)	(15,111)	54	(15,057)

35 Fee and commission expenses

Three months ended 30 September | in € mn	2012			2011		
	Segment	Consolidation	Group	Segment	Consolidation	Group
PROPERTY-CASUALTY						
Fees from credit and assistance business	(177)	1	(176)	(149)	–	(149)
Service agreements	(82)	11	(71)	(110)	15	(95)
Subtotal	(259)	12	(247)	(259)	15	(244)
LIFE/HEALTH						
Service agreements	(12)	1	(11)	(8)	1	(7)
Investment advisory	(45)	(1)	(46)	(40)	(1)	(41)
Subtotal	(57)	–	(57)	(48)	–	(48)
ASSET MANAGEMENT						
Commissions	(327)	36	(291)	(267)	48	(219)
Other	(34)	–	(34)	(20)	1	(19)
Subtotal	(361)	36	(325)	(287)	49	(238)
CORPORATE AND OTHER						
Service agreements	(50)	3	(47)	(39)	3	(36)
Investment advisory and Banking activities	(58)	5	(53)	(53)	–	(53)
Subtotal	(108)	8	(100)	(92)	3	(89)
Total	(785)	56	(729)	(686)	67	(619)

35 Fee and commission expenses (continued)

Nine months ended 30 September | in € mn	2012			2011		
	Segment	Consolidation	Group	Segment	Consolidation	Group
PROPERTY-CASUALTY						
Fees from credit and assistance business	(527)	1	(526)	(461)	–	(461)
Service agreements	(272)	38	(234)	(327)	43	(284)
Subtotal	**(799)**	**39**	**(760)**	**(788)**	**43**	**(745)**
LIFE/HEALTH						
Service agreements	(37)	3	(34)	(22)	2	(20)
Investment advisory	(138)	1	(137)	(131)	2	(129)
Subtotal	**(175)**	**4**	**(171)**	**(153)**	**4**	**(149)**
ASSET MANAGEMENT						
Commissions	(919)	94	(825)	(812)	129	(683)
Other	(50)	–	(50)	(30)	2	(28)
Subtotal	**(969)**	**94**	**(875)**	**(842)**	**131**	**(711)**
CORPORATE AND OTHER						
Service agreements	(132)	6	(126)	(159)	8	(151)
Investment advisory and Banking activities	(183)	16	(167)	(170)	1	(169)
Subtotal	**(315)**	**22**	**(293)**	**(329)**	**9**	**(320)**
Total	**(2,258)**	**159**	**(2,099)**	**(2,112)**	**187**	**(1,925)**

36 Other expenses

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
Realized losses from disposals of real estate held for own use	(1)	–	(2)	–
Expenses from alternative investments	(23)	(14)	(65)	(43)
Other	(1)	–	(2)	(2)
Total	**(25)**	**(14)**	**(69)**	**(45)**

37 Income taxes

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
Current income taxes	(893)	(238)	(2,465)	(1,413)
Deferred income taxes	149	(148)	177	(87)
Total	**(744)**	**(386)**	**(2,288)**	**(1,500)**

For the three and nine months ended 30 September 2012 and 2011, respectively, the income taxes relating to components of the other comprehensive income consist of the following:

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
Foreign currency translation adjustments	–	7	(2)	(8)
Available-for-sale investments	(1,114)	(195)	(2,012)	(40)
Cash flow hedges	(14)	(4)	(25)	–
Share of other comprehensive income of associates	–	1	(1)	1
Miscellaneous	16	12	33	61
Total	**(1,112)**	**(179)**	**(2,007)**	**14**

38 Earnings per share

BASIC EARNINGS PER SHARE

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

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
Net income attributable to shareholders used to calculate basic earnings per share	1,344	196	3,949	2,053
Weighted average number of common shares outstanding	452,603,462	451,639,672	452,559,292	451,606,941
Basic earnings per share (in €)	**2.97**	**0.43**	**8.73**	**4.55**

DILUTED EARNINGS PER SHARE

Diluted earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of common shares outstanding for the period, both adjusted for the effects of potentially dilutive common shares. Potentially dilutive common shares arise from various share-based compensation plans of the Allianz Group.

	Three months ended 30 September		Nine months ended 30 September	
In € mn	**2012**	2011	**2012**	2011
Net income attributable to shareholders	1,344	196	3,949	2,053
Effect of potentially dilutive common shares	(11)	(42)	(18)	(50)
Net income used to calculate diluted earnings per share	**1,333**	**154**	**3,931**	**2,003**
Weighted average number of common shares outstanding	452,603,462	451,639,672	452,559,292	451,606,941
Potentially dilutive common shares resulting from assumed conversion of:				
Share-based compensation plans	136,764	1,683,995	371,962	1,217,568
Weighted average number of common shares outstanding after assumed conversion	**452,740,226**	**453,323,667**	**452,931,254**	**452,824,509**
Diluted earnings per share (in €)	**2.94**	**0.34**	**8.68**	**4.42**

For the nine months ended 30 September 2012, the weighted average number of common shares excludes 2,740,708 (2011: 2,893,059) treasury shares.

II. Other Information

39 Financial instruments

RECLASSIFICATION OF FINANCIAL ASSETS

On 31 January 2009, the CDOs were reclassified from financial assets held for trading to loans and advances to banks and customers in accordance with IAS 39. The fair value of € 1.1 bn became the new carrying amount of the CDOs at the reclassification date.

For 2011, the carrying amount and fair value of the CDOs significantly declined due to the liquidation of the Palmer Square 2 CDO tranche, which resulted in direct ownership of the underlying collateral securities. As of 31 December 2011, the carrying amount and fair value of the CDOs was € 431 mn and € 428 mn, respectively. As of 30 September 2012, the carrying amount and fair value of the CDOs was € 397 mn and € 396 mn, respectively. For the nine months ended 30 September 2012, the net profit related to the CDOs was not significant.

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As of 30 September 2012, there were no significant changes in the fair value hierarchy of financial instruments and no significant transfers of financial instruments between the levels of the fair value hierarchy compared to the consolidated financial statements for the year ended 31 December 2011.

40 Other information

EMPLOYEE INFORMATION

	As of 30 September 2012	As of 31 December 2011
Germany	40,947	40,837
Other countries	102,058	101,101
Total	**143,005**	**141,938**

CONTINGENT LIABILITIES AND COMMITMENTS

As of 30 September 2012, there were no significant changes in contingent liabilities compared to the consolidated financial statements for the year ended 31 December 2011.

As of 30 September 2012, commitments outstanding to invest in private equity funds and similar financial instruments amounted to € 4,015 mn (31 December 2011: € 3,536 mn) and commitments outstanding to invest in real estate and infrastructure amounted to € 1,045 mn (31 December 2011: € 1,565 mn). All other commitments showed no significant changes.

41 Subsequent events

ISSUE OF A € 1.5 BN HYBRID BOND

On 16 October 2012, Allianz SE issued a hybrid bond in the amount of € 1.5 bn with a scheduled maturity in 2042.

LIFE INSURANCE DISTRIBUTION AGREEMENT IN ASIA

On 26 October 2012, Allianz and HSBC signed a 10-year exclusive bancassurance distribution agreement for life insurance in Asia. Allianz life insurance products will be distributed by HSBC in Australia, China, Indonesia, Malaysia, Sri Lanka and Taiwan as well as by other strategic partners of Allianz in Brunei and the Philippines. The upfront cash consideration by Allianz amounts to € 77 mn.

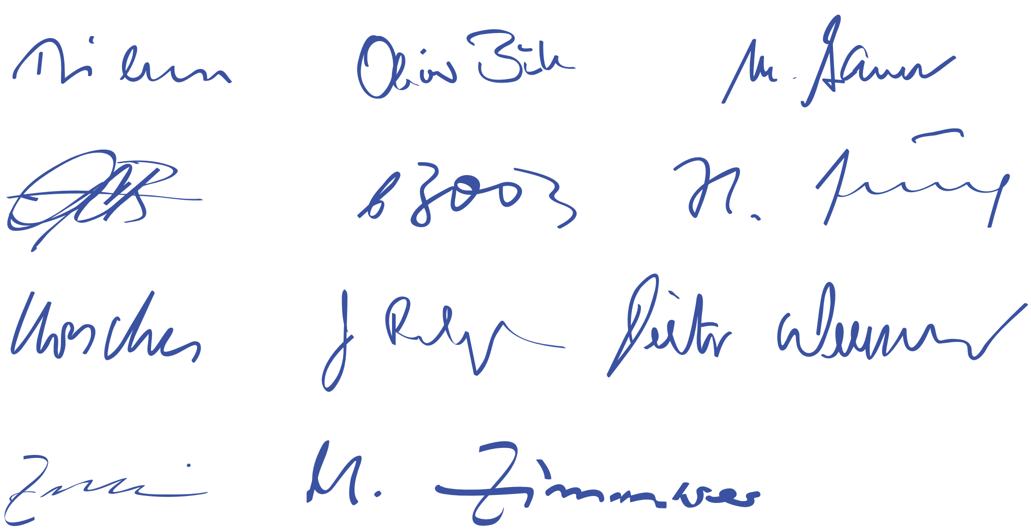
As part of the strategic partnership it has been agreed, that the assets and liabilities, other than the statutory deposits of approximately € 8 mn of HSBC Life (International), Taiwan Branch, will be transferred to Allianz Taiwan Life Insurance for a consideration of € 14 mn.

HURRICANE "SANDY" IN THE UNITED STATES

At the end of October 2012, hurricane "Sandy" caused severe damage in the north-eastern parts of the United States. Based on current information, the expected losses cannot be reliably estimated.

Munich, 8 November 2012

Allianz SE
The Board of Management



Review report

To Allianz SE, Munich

We have reviewed the condensed consolidated interim financial statements of Allianz SE, Munich – comprising the consolidated balance sheets, consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity, condensed consolidated statements of cash flows and selected explanatory notes – together with the interim group management report of Allianz SE, Munich, for the period from 1 January to 30 September 2012, that are part of the quarterly financial report according to § 37x Abs. 3 WpHG („Wertpapierhandelsgesetz“: „German Securities Trading Act“). The preparation of the condensed consolidated interim financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the E.U., and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company’s management. Our responsibility is to issue a report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Munich, 8 November 2012

KPMG AG
Wirtschaftsprüfungsgesellschaft

Johannes Pastor
Wirtschaftsprüfer
(Independent Auditor)

Dr. Frank Pfaffenzeller
Wirtschaftsprüfer
(Independent Auditor)

ALLIANZ APPS

Since there is a trend towards the use of iPhones and iPads among our shareholders, investors and analysts, our current Investor Relations information as well as Allianz Financial Reports are available as Apps. You can find our iPhone and iPad Apps in the Apple App store. To get directly to the specific Allianz App, you can also scan the respective QR Code below.

ALLIANZ INVESTOR RELATIONS HD

QR-Code | iPad App

QR-Code | iPhone App

ALLIANZ FINANCIAL REPORTS

QR-Code | iPad App

FINANCIAL CALENDAR

IMPORTANT DATES FOR SHAREHOLDERS AND ANALYSTS[1]

Financial Results 2012 .... 21 February 2013
Annual Report 2012 .... 15 March 2013
Annual General Meeting .... 7 May 2013
Interim Report 1Q .... 15 May 2013
Interim Report 2Q .... 2 August 2013
Interim Report 3Q .... 8 November 2013

Allianz SE | Königinstrasse 28 | 80802 Munich | Germany | Telephone +49.89.3800 0 | Fax +49.89.3800 3425 | info@allianz.com | www.allianz.com
Interim Report on the internet – www.allianz.com/interim-report | Design/Concept: Allianz SE – Group Management Reporting | Photo Story: Allianz SE – Group Management Reporting and Allianz Center for Corporate History | Photo iPad: © manaemedia/fotolia.com
This is a translation of the German Interim Report Third Quarter and First Nine Months of 2012 of the Allianz Group. In case of any divergences, the German original is legally binding.

1 | The German Securities Trading Act ("Wertpapierhandelsgesetz") obliges issuers to announce immediately any information which may have a substantial price impact, irrespective of the communicated schedules. Therefore we cannot exclude that we have to announce key figures of quarterly and fiscal year results ahead of the dates mentioned above. As we can never rule out changes of dates, we recommend checking them on the internet at www.allianz.com/financialcalendar.