

ALLIANZ SE  
Form 6-K  
May 14, 2009  
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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## Form 6-K

Report of Foreign Private Issuer

Pursuant to Rules 13a-16 or 15d-16 under

the Securities Exchange Act of 1934

for the period ended March 31, 2009

Commission file Number: 1-15154

# ALLIANZ SE

Königinstrasse 28

80802 Munich

Germany

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

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# Allianz Share

## Development of the Allianz share price since January 1, 2008

indexed on the Allianz share price in

Source: Thomson Reuters Datastream

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

## Basic Allianz share information

|                 |                                                                    |
|-----------------|--------------------------------------------------------------------|
| Share type      | Registered share with restricted transfer                          |
| Denomination    | No-par-value share                                                 |
| Stock exchanges | All German stock exchanges, London, Paris, Zurich, Milan, New York |
| Security Codes  | WKN 840 400                                                        |

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Bloomberg  
Reuters  
**Investor Relations**

ISIN DE 000 840 400 5  
ALV GY  
ALVG.DE

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

Allianz SE

Investor Relations

Koeniginstrasse 28

80802 Muenchen

Germany

Fax: + 49 89 3800 3899

E-Mail: [investor.relations@allianz.com](mailto:investor.relations@allianz.com)

Internet: [www.allianz.com/investor-relations](http://www.allianz.com/investor-relations)

For telephone enquiries, our Allianz Investor Line is available:

+ 49 1802 2554269

+ 49 1802 ALLIANZ

**Table of Contents****Allianz Group Key Data**

|                                                                                                             |    | 2009    | 2008    | Change<br>from<br>previous<br>year |
|-------------------------------------------------------------------------------------------------------------|----|---------|---------|------------------------------------|
| Three months ended March 31,                                                                                |    |         |         |                                    |
| <b>INCOME STATEMENT</b>                                                                                     |    |         |         |                                    |
| Total revenues <sup>1)</sup>                                                                                | mn | 27,725  | 26,958  | 2.8%                               |
| Operating profit <sup>2)</sup>                                                                              | mn | 1,424   | 2,208   | (35.5)%                            |
| Net income from continuing operations <sup>3)</sup>                                                         | mn | 424     | 1,380   | (69.3)%                            |
| Net loss from discontinued operations, net of income taxes and minority interests in earnings <sup>3)</sup> | mn | (395)   | (232)   | (70.3)%                            |
| Net income <sup>3)</sup>                                                                                    | mn | 29      | 1,148   | (97.5)%                            |
| <b>SEGMENTS (Continuing Operations) <sup>4)</sup></b>                                                       |    |         |         |                                    |
| <b>Property-Casualty</b>                                                                                    |    |         |         |                                    |
| Gross premiums written                                                                                      | mn | 13,886  | 13,710  | 1.3%                               |
| Operating profit <sup>2)</sup>                                                                              | mn | 970     | 1,479   | (34.4)%                            |
| Net income                                                                                                  | mn | 431     | 1,057   | (59.2)%                            |
| Combined ratio                                                                                              | %  | 98.5    | 94.8    | 3.7 pts                            |
| <b>Life/Health</b>                                                                                          |    |         |         |                                    |
| Statutory premiums                                                                                          | mn | 13,013  | 12,327  | 5.6%                               |
| Operating profit <sup>2)</sup>                                                                              | mn | 402     | 589     | (31.7)%                            |
| Net income                                                                                                  | mn | 321     | 452     | (29.0)%                            |
| Cost-income ratio                                                                                           | %  | 97.3    | 96.1    | 1.2 pts                            |
| <b>Financial Services</b>                                                                                   |    |         |         |                                    |
| Operating revenues                                                                                          | mn | 860     | 916     | (6.1)%                             |
| Operating profit <sup>2)</sup>                                                                              | mn | 198     | 255     | (22.4)%                            |
| Net income from continuing operations <sup>3)</sup>                                                         | mn | 72      | 66      | 9.1%                               |
| Net loss from discontinued operations, net of income taxes and minority interests in earnings <sup>3)</sup> | mn | (395)   | (514)   | 23.2%                              |
| Net loss <sup>3)</sup>                                                                                      | mn | (323)   | (448)   | 27.9%                              |
| Cost-income ratio                                                                                           | %  | 76.2    | 71.4    | 4.8 pts                            |
| <b>BALANCE SHEET</b>                                                                                        |    |         |         |                                    |
| Total assets as of March 31, <sup>5)</sup>                                                                  | mn | 545,729 | 955,576 | (42.9)%                            |
| Shareholders' equity as of March 31 <sup>5)</sup>                                                           | mn | 33,030  | 33,684  | (1.9)%                             |
| Minority interests as of March 31, <sup>5)</sup>                                                            | mn | 2,065   | 3,564   | (42.1)%                            |
| <b>SHARE INFORMATION</b>                                                                                    |    |         |         |                                    |
| Basic earnings per share                                                                                    |    | 0.06    | 2.55    | (97.6)%                            |
| Diluted earnings per share                                                                                  |    | 0.04    | 2.48    | (98.4)%                            |
| Share price as of March 31, <sup>5)</sup>                                                                   |    | 63.26   | 75.00   | (15.7)%                            |
| Market capitalization as of March 31, <sup>5)</sup>                                                         | bn | 28.7    | 34.0    | (15.7)%                            |
| <b>OTHER DATA</b>                                                                                           |    |         |         |                                    |
| Third-party assets under management as of March 31, <sup>5)</sup>                                           | bn | 766     | 703     | 9.0%                               |

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

<sup>2)</sup> The Allianz Group uses operating profit to evaluate the performance of its business segments and the Group as a whole.

<sup>3)</sup> Following the announcement of the sale on August 31, 2008, Dresdner Bank was qualified as held-for-sale and discontinued operations. The transfer of ownership of Dresdner Bank to Commerzbank was completed on January 12, 2009 as scheduled. Accordingly, assets and liabilities of Dresdner Bank have been deconsolidated in the first quarter 2009. The loss from derecognition of discontinued operations amounts to 395 mn.

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and represents mainly the recycling of components of other comprehensive income. All income and expenses relating to the discontinued operations of Dresdner Bank have been reclassified and presented in a separate line item Net loss from discontinued operations, net of income taxes and minority interests in earnings in the consolidated income statements for all years presented in accordance with IFRS 5.

- 4) The Allianz Group operates and manages its activities through four segments: Property-Casualty, Life/Health, Financial Services and Corporate. For further information please refer to Note 5 of our condensed consolidated interim financial statements.
- 5) 2008 figures as of December 31, 2008.

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## Executive Summary and Outlook

Strong revenues of 27.7 billion.

Robust operating profit of 1.4 billion, all business segments contribute positively.

Strong solvency ratio of 159 %.

Net income from continuing operations of 424 million.

## First Quarter 2009 at a Glance

### **All business segments contribute positively to operating profit**

In the first quarter 2009, Allianz generated total revenues of 27,725 million, an increase of 2.8 % or 767 million compared to the first quarter 2008. Operating profit was 1,424 million, with all business segments contributing positively. This compared to 2,208 million in the first quarter 2008. While net income from continuing operations was 424 million, a loss from discontinued operations amounting to 395 million marked the end of the accounting for the sale of Dresdner Bank. Total net income for the the first quarter 2009 was 29 million.

### **Difficult economic environment**

The first quarter 2009 was impacted by the ongoing financial markets crisis. Equity markets dropped materially. Similarly, structured credit continued to weaken, responding to pessimism surrounding the viability of the banking system and economic recovery. Interest rates world wide were on a general downward trend, albeit we observed recoveries in some areas, especially in the United States. The U.S. Dollar strengthened in the first quarter 2009 compared to the Euro.

In common with the whole financial services industry, Allianz was affected by this market environment, which impacted both asset values and results. However, the impact varied across our business segments. Our operations were impacted by impairments on equity securities, losses from credit insurance as well as lower sales of asset management products. Our investment portfolio remains of high quality, is well diversified, liquid and fungible. For further information on our asset quality please refer to the Balance Sheet Review in this Management Report.

### **New segment structure**

Starting with the first quarter 2009, IFRS 8 Operating Segments, has been implemented at Allianz Group. According to IFRS 8 we have changed the reporting of our business segments to be in line with our management view. Allianz continues to use operating profit<sup>1)</sup> to measure the performance of its business segments and business divisions internally, and this is now fully reflected in our external reporting in accordance with IFRS 8. Information about net income, non-operating items as well as taxes and minorities are presented at the Group level.

The new segment structure is divided into four segments: the insurance business segments Property-Casualty and Life/Health, the Financial Services business segment and the Corporate segment. Following the sale of Dresdner Bank on January 12, 2009, which represented 95% of our banking activities, we have grouped our Asset Management, ongoing Banking and Alternative Investment Management activities together under the umbrella of a new Financial Services business segment. The activities of the asset managers of Alternative Investments were previously reported within the Corporate segment. Furthermore, our private equity assets are now allocated across the respective insurance segments, with the vast majority going into Life/Health. A small portion remains in Corporate. Both insurance business segments are further subdivided into five business divisions reflecting the responsibility of different members of the Board of Management.

<sup>1)</sup> Please refer to our definition of operating profit in the condensed consolidated interim financial statements of this Report.



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### New segment structure

| Property-Casualty                                                                                                                          | Life/Health                                                                                                                                | Financial Services                                                  | Corporate |
|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-----------|
| German Speaking Countries<br>Europe I incl. South America<br>Europe II incl. Africa<br>Anglo Broker Markets/Global Lines<br>Growth Markets | German Speaking Countries<br>Europe I incl. South America<br>Europe II incl. Africa<br>Anglo Broker Markets/Global Lines<br>Growth Markets | Asset Management<br>Banking<br>Alternative Investment<br>Management |           |

## Allianz Group's Consolidated Results of Operations

### Total revenues <sup>1)</sup>

#### Total revenues

in bn

On an internal basis <sup>2)</sup>, total revenues increased by 1.5 %. Both insurance segments contributed to this growth: 1.1% in our Property-Casualty operations and 3.6 % in our Life/Health operations. As a result of the difficult market conditions revenues in the Financial Services segment decreased on an internal basis by 17.6 %.

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

<sup>2)</sup> Internal total revenue growth excludes the effects of foreign currency translation as well as acquisitions and disposals. Please refer to page 35 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.

Foreign currency exchange effects increased total revenues by 218 million. Consolidation effects, resulting from our subsidiary in Turkey and of cominvest, amounted to 156 million. At 27,725 million, total revenues were up by 2.8 % on a nominal basis.

#### Total revenues Segments

in mn

Gross premiums written from **Property-Casualty** operations increased 1.1% on an internal basis, mostly due to higher business volumes. On a nominal basis, gross premiums written were up by 1.3% to 13,886 million; this premium growth reflects the consolidation of our subsidiary in Turkey.

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<sup>3)</sup> Total revenues include (34) mn, 5 mn and 21 mn from consolidation for 1Q 2009, 2008 and 2007 respectively.

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### **Group Management Report** Allianz Group Interim Report First Quarter of 2009

**Life/Health** statutory premiums grew by 3.6 %, on an internal basis. While we observed a decline in demand for regular unit-linked and other non-participating products, there was a strong interest in participating products with minimum guarantees. On a nominal basis, statutory premiums amounted to 13,013 million, up 5.6 %.

Revenues in our **Financial Services** segment amounted to

860 million, down 17.6 % on an internal basis and down 6.1 % on a nominal basis compared to the prior year period. Impacts from the financial markets crisis affected revenue development in all three financial services activities. Asset management revenues from fixed income business developed well, while the remaining business suffered in line with the markets. The acquisition of cominvest in our asset management business added 35 million to operating revenues in the first quarter.

### **Operating profit**

#### **Operating profit**

in mn

**Operating profit** of 1,424 million was down by 35.5 % mainly due to ongoing impairments in the Life/Health segment and a lower underwriting result in the Property-Casualty segment.

#### **Operating profit Segments**

in mn

At 970 million, the **Property-Casualty** segment operating profit decreased by 34.4 % compared to the previous year. This decline was attributable to less favorable developments of prior year claims, higher accident year claims, of which half of the increase was attributable to the credit insurance business of Euler Hermes, and a positive prior year one-off effect from the sale of own-use real estate in Germany.

<sup>1)</sup> Operating profit includes 26 mn, 3 mn and (28) mn from consolidation for 1Q 2009, 2008 and 2007 respectively.

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At 402 million, operating profit from the **Life/Health** business declined by 31.7 %, reflecting the continuing impact from the financial markets crisis, namely high impairments and lower harvesting.

We recorded an operating profit of 198 million in the **Financial Services** segment compared to 255 million in the respective quarter one year ago, mainly reflecting a shortfall from asset management business.

The operating loss from **Corporate** activities increased by 45.8 % to 172 million, due to lower interest income.

### **Non-operating result**

Non-operating items amounted to a loss of 979 million in the first quarter 2009. This was mainly due to impairments of equity investments (708 million). Furthermore, net realized gains amounted to 254 million, a decline of 156 million in comparison to 2008, and we incurred a net loss from financial assets and liabilities carried at fair value through income of 105 million.

Acquisition related expenses declined to 9 million (first quarter 2008 107 million). This development was almost exclusively attributable to our Financial Services segment.

### **Net income (loss) from continuing operations**

#### **Net income (loss) from continuing operations**

in mn

**Net income from continuing operations** was 424 million compared to 1,380 million in the first quarter 2008.

**Income taxes** amounted to 21 million. The application of a European Court of Justice decision resulted in tax benefits of 57 million which together with tax exempt income items reduced the effective tax rate to 4.8 %.

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### **Net income (loss) from discontinued operations**

The **loss from discontinued operations** of 395 million is the final effect from the deconsolidation of Dresdner Bank. As reported in our Annual Report for 2008 results in the first quarter 2009 were affected by unrealized gains and losses and foreign exchange movements resulting from the sale of the Dresdner Bank, which according to IFRS could only be recognised at the completion of the transaction.

The 2008 loss from the sale of Dresdner Bank was computed based on the transactional values as of the closing date (January 12, 2009). Therefore, the losses of Dresdner Bank during the first twelve days of 2009 are already reflected in our financial statements as of December 31, 2008.

### **Net income (loss)**

**Net income** for the first quarter 2009 amounted to 29 million compared to 1,148 million one year ago.

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

in

The net income translates into basic **earnings per share** of 0.06 (diluted: 0.04).

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

### **Shareholders' equity**

### **Shareholders' equity<sup>2)</sup>**

in mn

As of March 31, 2009, **shareholders' equity** amounted to 33.0 billion, down 1.9 % from December 31, 2008. The change was driven by a reduction of unrealized gains of 1.1 billion and the net income from continuing operations in the first quarter of 0.4 billion. Our capital base remains strong, with a 159 % solvency ratio.

<sup>2)</sup> Does not include minority interests.

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|                                                                                                       | 2009          | 2008          |
|-------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                       | mn            | mn            |
| Three months ended March 31,                                                                          |               |               |
| <b>Total revenues <sup>1)</sup></b>                                                                   | <b>27,725</b> | <b>26,958</b> |
| Premiums earned (net)                                                                                 | 14,680        | 14,762        |
| Interest and similar income                                                                           | 4,414         | 4,456         |
| Operating income from financial assets and liabilities carried at fair value through income (net)     | (255)         | 227           |
| Operating realized gains/losses (net)                                                                 | 165           | 649           |
| Fee and commission income                                                                             | 1,336         | 1,505         |
| Other income                                                                                          | 4             | 351           |
| Claims and insurance benefits incurred (net)                                                          | (11,779)      | (11,314)      |
| Change in reserves for insurance and investment contracts (net)                                       | (621)         | (1,845)       |
| Interest expenses, excluding interest expenses from external debt                                     | (172)         | (241)         |
| Loan loss provisions                                                                                  | (15)          | (5)           |
| Operating impairments of investments (net)                                                            | (1,138)       | (1,073)       |
| Investment expenses                                                                                   | 62            | (436)         |
| Acquisition and administrative expenses (net), excluding acquisition-related expenses                 | (4,770)       | (4,288)       |
| Fee and commission expenses                                                                           | (491)         | (551)         |
| Operating restructuring charges                                                                       | (1)           | (1)           |
| Other expenses                                                                                        | (1)           | (1)           |
| Reclassification of tax benefits                                                                      | 6             | 13            |
| <b>Operating profit</b>                                                                               | <b>1,424</b>  | <b>2,208</b>  |
| Non-operating income from financial assets and liabilities carried at fair value through income (net) | (105)         | 145           |
| Non-operating realized gains/losses (net)                                                             | 254           | 410           |
| Income from fully consolidated private equity investments (net)                                       | (56)          | 23            |
| Non-operating impairments of investments (net)                                                        | (752)         | (397)         |
| Interest expenses from external debt                                                                  | (238)         | (252)         |
| Acquisition-related expenses                                                                          | (9)           | (107)         |
| Amortization of intangible assets                                                                     | (4)           | (5)           |
| Non-operating restructuring charges                                                                   | (63)          | 6             |
| Reclassification of tax benefits                                                                      | (6)           | (13)          |
| <b>Non-operating items</b>                                                                            | <b>(979)</b>  | <b>(190)</b>  |
| <b>Income from continuing operations before income taxes and minority interests in earnings</b>       | <b>445</b>    | <b>2,018</b>  |
| Income taxes                                                                                          | (21)          | (572)         |
| Minority interests in earnings                                                                        |               | (66)          |
| <b>Net income from continuing operations</b>                                                          | <b>424</b>    | <b>1,380</b>  |
| <b>Net loss from discontinued operations, net of income taxes and minority interests in earnings</b>  | <b>(395)</b>  | <b>(232)</b>  |
| <b>Net income</b>                                                                                     | <b>29</b>     | <b>1,148</b>  |

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

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## **Risk Management**

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

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

## **Events After the Balance Sheet Date**

### **Sale of Industrial and Commercial Bank of China ( ICBC ) shares**

Allianz sold 3.2 billion ICBC shares on April 28, 2009 to a selected group of investors through a private sale. The sale resulted in a capital gain of approximately 0.7 billion.

For further information see Note 41 to the condensed consolidated interim financial statements. For other further information see Outlook .

## **Outlook**

### **Economic Outlook**

In the first quarter 2009 first signs of a recovery began to appear. This sentiment among analysts improved, stock markets rose and corporate bond spreads narrowed. In the banking markets, credit spreads and money market rates are decreasing.

Nonetheless there are always risks of setbacks especially to a nascent recovery, and for this reason we remain cautious about making predictions. Therefore the outlook at the end of March 2009 provided below is largely unchanged from the one given in our 2008 Annual Report.

### **Continuing uncertainty**

In 2008, the global economy entered the deepest recession it has seen in decades. The situation is expected to stabilize in the next few months, as the massive global expansion of monetary and fiscal policy takes full effect. Nevertheless despite these policy actions, gross national product in the industrialized countries is expected to fall markedly for the year as a whole. In contrast, the emerging economies will show at least weak growth. The financial markets will not be calm in 2009. The distortions from the boom years have not yet fully worked through, particularly in the banking sector. The process of adjustment and consolidation that is required will continue to create an atmosphere of great uncertainty in the markets. Central banks and governments remain obligated to avert the risk of a systemic crisis. Taken together, these developments create a very challenging environment for financial services providers in 2009.

### **Stabilization**

We believe that, following an expansion of nearly 2 % last year, the global economy will contract in 2009 (even including the emerging markets). We expect the industrialized countries to shrink by about 2.9 %, while growth will slow down to around 1.0 % (2008: 5.2 %) in the emerging markets.

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The performance in the emerging markets, however, will be very uneven. Asia remains the most dynamic region, with gains of 2.7%. China leads the way here, although it is expected to turn in its lowest growth rate since 1990. We estimate that Eastern European countries will contract by 1.8%, primarily because recent growth in many Eastern European countries has been financed by the rapid expansion of credit, partly in foreign currencies. These countries have been hit so hard by the financial crisis that some of them have already turned to the International Monetary Fund and the European Union for support. Latin America will not escape the downturn, we expect economic activity to shrink by 0.7%.

In the group of the industrialized countries, we estimate the drop in Japan at 5.7%. Although the Japanese economy itself has been relatively untouched by the financial crisis, its dependence on export demand has a noticeable impact on the economy's performance, given the current environment. The same will hold true for Germany, where we expect economic activity to decline by 3.5%. Also the economy of the United States will shrink in 2009. We forecast a drop of about 2.3% there. However, the negative figures for the entire year obscure the fact that a gradual stabilization is expected to take place in the course of the year. The industrialized countries should be back on the path to growth in the second half of the year. There are three reasons – all of them valid globally – that such a recovery is likely: extensive public economic programs designed to stimulate demand, low interest rates resulting from an extremely expansionary monetary policy and gains in consumer purchasing power due to lower commodity prices.

The financial markets will remain volatile in 2009 because of heavy losses, particularly in the banking sector. Additional public measures may be required to stabilize the financial sector. In any case, a rapid normalization of the markets is not foreseen, but we expect investor confidence to return if the economy picks up during the year. Given the rapid increase in government indebtedness, the focus will likely shift to inflation and rising interest rates. An economic recovery should have a positive impact on the equity markets.

### Challenging environment for financial services providers

Financial services providers will continue to face major challenges in 2009 as a result of the global economic crisis. The most obvious of these are gloomy economic prospects, possible impairments on all types of securities and the loss of consumer confidence. It is imperative that providers restore their customers' faith in a reliable long-term partnership.

Property-Casualty will likely see new business slowing because of the weak economy; individual sectors such as credit insurance are being directly affected by the crisis.

The difficulties on the capital markets and, in particular, the low interest rates could increase pricing discipline among providers.

The aging of society continues. Sustainable retirement and healthcare cannot be built solely on a pay-as-you-go basis (inter-generational contract) – capital markets are required. The long term fundamentals of the Life/Health insurance operations remain intact, but they will be affected by how effectively mandatory health insurance systems are complemented by privately funded health insurance.

Asset Management operations once again have a solid long-term growth and profit outlook, too. First, however, the fund industry will need to provide convincing arguments to customers wary of highly volatile markets.

2009 will clearly be an extremely difficult year for banks. After the direct impact of the financial crisis, additional impairments are now threatening the traditional lending business, where more defaults are expected during the economic downturn. In 2009, banks will attempt to shore up liquidity and capital, though it is far from clear how long it will take for the changed regulations to provide relief and the degree of impact these changes will have.



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**Group Management Report** Allianz Group Interim Report First Quarter of 2009

### **Outlook for the Allianz Group**

Whilst the challenging environment described above will clearly impact our business in 2009, Allianz is well positioned, with a solid platform for delivering earnings in the core insurance and asset accumulation businesses. We are strongly capitalized, and with a solvency ratio of 159% net of a 1.6 billion dividend accrual for 2008 and 0.2 billion for the first quarter 2009, we are able to withstand a prolonged difficult market environment.

The underlying fundamentals in our operations are healthy. The major part of our operating profit is driven by our Property-Casualty business, which is least affected by the financial markets crisis. Our combined ratio is expected to benefit from the ongoing efficiency and effectiveness improvements we are realizing from our operational transformation program and sustainability initiative. This will serve to mitigate claims and cost inflation. Even if a severe recession would cause a shortfall in revenues, the short-term impact on operating profit would not be significant. The level of dividend and interest income is robust.

In the Life/Health operations we expect a consistently positive development in traditional business, and a recovery in investment-oriented products over time. The investment margins will remain vulnerable to adverse financial market developments.

The investment assets of the Allianz Group are held in a defensive portfolio, managed under a sustainable investment strategy and are generating a reliable stream of coupons and dividend yields. Whilst this portfolio includes a significantly reduced level of equity exposure, in the ongoing financial crisis, we cannot rule out further impairments, or indeed credit defaults on corporate bonds.

Our asset management business was managing 766 billion of third-party assets at the end of March, 2009. Whilst the equities side has been badly affected by the turmoil and investors' loss of confidence, the fixed-income side remains resilient, and we expect that to continue.

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

### **Cautionary note regarding forward-looking statements**

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

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# Property-Casualty Insurance Operations

Robust operating profit of 970 million in soft markets.

Selective premium growth of 1.3% with continued underwriting discipline.

Combined ratio of 98.5%.

## Earnings Summary

### Gross premiums written <sup>1)</sup>

At 13,886 million, gross premiums written were 1.3% higher, and 1.1% ahead of previous year on an internal basis. Of this development 0.6% was driven by higher volumes, and 0.2% related to overall price changes. We currently see price hardening in several markets. This positive trend is also reflected in our first quarter renewals, where we measured a positive price impact of approximately 0.8% for our major operating entities which we view as an important lead indicator. Discussion about overall price changes in the paragraphs below relate to developments in the respective operating entity or country.

While our motor business, representing about 44% of our portfolio, reported 224 million less premiums, our non-motor business increased by 401 million. On a nominal basis, premium growth was also driven by the consolidation of our subsidiary in Turkey. Negative currency translation effects amounted to 72 million.

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

### Gross premiums written Internal growth rate<sup>2)</sup>

in%

Gross premiums written at Allianz Sach in Germany decreased by 1.2% or 51 million. This decline was attributable to the motor business, where both price and volume came down. A portfolio cleaning exercise, particularly in non-profitable fleet business was conducted, resulting in intentionally reduced volume. We estimate the positive overall price effect to be 1.0%.

In Italy, revenues declined by 13.9% or 162 million. This development was also due to motor business, where less car registrations and the persistency of a soft market in a highly competitive environment led to lower premiums. Prices were still impacted by the Bersani law. We estimate the negative price effect on premiums written to be 2.9%.

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



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In **Spain**, premiums decreased by 5.2% or 36 million. This shortfall was mainly driven by the current recession and by fierce competition in motor and commercial lines. Despite a negative price impact we estimate it to be around 7.9% our Spanish operation is one of our most profitable businesses.

In **New Europe**, revenues declined on an internal basis by 2.9% or 25 million. This development was basically due to the current financial crisis, affecting negatively both price and volume, especially in Russia, Romania and Hungary, where new car registrations declined significantly. The estimated negative price effect on premiums written was 1.4%.

On an internal basis, revenues in **France** were up by 0.9% or 13 million, supported by a positive price effect of approximately 2.5%, in both personal and commercial lines.

In the **United States** gross premiums written grew by 2.2% or 15 million on an internal basis. This growth was a result of increased volume in the crop insurance business; whereas in personal and other commercial lines we observed declining revenues. We estimate the negative price effect on premiums written to be 2.8%.

In the **United Kingdom** gross premiums written increased by 2.8% or 14 million. We estimate the positive price effect to be 4.1%.

In **South America**, revenues increased by 54 million or 22.8%, mainly due to growth in all lines of business in Brazil with motor and fire insurances being the main drivers.

In **Australia**, where we grew in motor insurance in particular, we recorded revenue growth of 10.3% or 36 million on an internal basis. There was a positive price effect of an estimated 6.4%.

At **AGCS** premiums increased by 13.5% or 123 million driven among other factors by marine, aviation and pharma liability insurances. In addition, Fireman's Fund Insurance Company in the United States transferred the renewal rights for their marine business to AGCS.

## **Operating profit**

### **Operating profit**

in mn

Challenging market conditions continued in the first quarter and impacted our **operating profit**, which decreased by 34.4% to 970 million. The decline was mainly attributable to a lower underwriting result, reflected in an increased combined ratio and a one-off effect in the first quarter 2008 when we sold own-use offices in Germany with a net gain of 238 million.

The **combined ratio** of 98.5% was 3.7 percentage points above the respective quarter in 2008. Our **calendar year loss ratio** was up by 2.4 percentage points to 71.1%. Of this increase, 1.1 percentage points were attributable to a higher accident year loss ratio. Approximately half of that increase was attributable to higher claims in the credit insurance business of Euler Hermes. Quarter-on-quarter the net development in prior years' loss reserves accounted for a further 1.3%.

The **accident year loss ratio** increased to 73.4%. A lower impact from natural catastrophes (0.7 percentage points) and other large claims (1.1 percentage points) were more than compensated by the claims from our credit insurance business and increased frequency and severity, in particular in our property business.

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The macroeconomic environment resulted in a significantly higher frequency of defaults and delayed payments which affected our credit insurance business at Euler Hermes. This development represents almost 50% of the overall segment's deterioration in the accident year loss ratio in this quarter.

The overall impact from natural catastrophes was 200 million, including the windstorms in France and Spain, Klaus and Quinten, as well as the bushfires in Australia.

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**Acquisition and administrative expenses** increased by 7.0% to 2,558 million. This movement was mainly driven by a favorable technical effect in the previous year's quarter affecting acquisition expenses. As a result our **expense ratio** increased by 1.3 percentage points to 27.4%.

**Operating net investment income**

| Three months ended March 31,                                                                      | 2009       | 2008       |
|---------------------------------------------------------------------------------------------------|------------|------------|
|                                                                                                   | mn         | mn         |
| Interest and similar income                                                                       | 933        | 1,051      |
| Operating income from financial assets and liabilities carried at fair value through income (net) | (30)       | 14         |
| Operating realized gains/losses (net)                                                             | (4)        | (3)        |
| Operating impairments of investments (net)                                                        | (62)       | (93)       |
| Investment expenses                                                                               | 22         | (123)      |
| <b>Operating net investment income</b>                                                            | <b>859</b> | <b>846</b> |

**Net investment income** increased by 13 million to 859 million. **Interest and similar income** decreased by 11.2% primarily due to lower dividend income. In contrast, lower **operating impairments of investments** on German UBR business (where the policyholder bears the investment risk, similar to life insurances) than in the first quarter 2008 contributed to the increase of the net investment income. Finally the **investment expenses** profited from favorable foreign exchange effects.

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### Group Management Report Allianz Group Interim Report First Quarter of 2009

#### Property-Casualty segment information

| Three months ended March 31,                                                                      | 2009           | 2008           |
|---------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                   | mn             | mn             |
| <b>Gross premiums written <sup>1)</sup></b>                                                       | <b>13,886</b>  | <b>13,710</b>  |
| Ceded premiums written                                                                            | (1,370)        | (1,285)        |
| Change in unearned premiums                                                                       | (3,184)        | (3,252)        |
| <b>Premiums earned (net)</b>                                                                      | <b>9,332</b>   | <b>9,173</b>   |
| Interest and similar income                                                                       | 933            | 1,051          |
| Operating income from financial assets and liabilities carried at fair value through income (net) | (30)           | 14             |
| Operating realized gains/losses (net)                                                             | (4)            | (3)            |
| Fee and commission income                                                                         | 272            | 267            |
| Other income                                                                                      | 3              | 250            |
| <b>Operating revenues</b>                                                                         | <b>10,506</b>  | <b>10,752</b>  |
| Claims and insurance benefits incurred (net)                                                      | (6,633)        | (6,301)        |
| Changes in reserves for insurance and investment contracts (net)                                  | (30)           | (29)           |
| Interest expenses                                                                                 | (34)           | (88)           |
| Loan loss provisions                                                                              | (6)            |                |
| Operating impairments of investments (net)                                                        | (62)           | (93)           |
| Investment expenses                                                                               | 22             | (123)          |
| Acquisition and administrative expenses (net)                                                     | (2,558)        | (2,391)        |
| Fee and commission expenses                                                                       | (234)          | (248)          |
| Other expenses                                                                                    | (1)            |                |
| <b>Operating expenses</b>                                                                         | <b>(9,536)</b> | <b>(9,273)</b> |
| <b>Operating profit</b>                                                                           | <b>970</b>     | <b>1,479</b>   |
| Loss ratio <sup>2)</sup> in %                                                                     | 71.1           | 68.7           |
| Expense ratio <sup>3)</sup> in %                                                                  | 27.4           | 26.1           |
| <b>Combined ratio <sup>4)</sup> in %</b>                                                          | <b>98.5</b>    | <b>94.8</b>    |

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

<sup>2)</sup> Represents claims and insurance benefits incurred (net) divided by premiums earned (net).

<sup>3)</sup> Represents acquisition and administrative expenses (net) divided by premiums earned (net).

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

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## Property-Casualty Operations by Business Divisions

| Three months ended                        | Gross premiums written |              |                        |              | Premiums earned |              | Operating profit         |                          | Combined ratio |             | Loss ratio  |             | Expense ratio |             |
|-------------------------------------------|------------------------|--------------|------------------------|--------------|-----------------|--------------|--------------------------|--------------------------|----------------|-------------|-------------|-------------|---------------|-------------|
|                                           |                        |              | internal <sup>1)</sup> |              | (net)           |              |                          |                          |                |             |             |             |               |             |
|                                           | 2009                   | 2008         | 2009                   | 2008         | 2009            | 2008         | 2009                     | 2008                     | 2009           | 2008        | 2009        | 2008        | 2009          | 2008        |
|                                           | mn                     | mn           | mn                     | mn           | mn              | mn           | mn                       | mn                       | %              | %           | %           | %           | %             | %           |
| March 31,                                 |                        |              |                        |              |                 |              |                          |                          |                |             |             |             |               |             |
| Germany                                   | 4,034                  | 4,085        | 4,034                  | 4,085        | 1,778           | 1,789        | 278                      | 466                      | 94.5           | 97.0        | 67.0        | 73.3        | 27.5          | 23.7        |
| Switzerland                               | 833                    | 775          | 779                    | 772          | 340             | 309          | 46                       | 50                       | 93.5           | 90.8        | 72.4        | 68.0        | 21.1          | 22.8        |
| Austria                                   | 339                    | 342          | 337                    | 342          | 181             | 182          | 18                       | 18                       | 95.3           | 97.1        | 69.6        | 74.1        | 25.7          | 23.0        |
| <b>German Speaking Countries</b>          | <b>5,206</b>           | <b>5,202</b> | <b>5,150</b>           | <b>5,199</b> | <b>2,299</b>    | <b>2,280</b> | <b>342</b>               | <b>534</b>               | <b>94.4</b>    | <b>96.1</b> | <b>67.9</b> | <b>72.6</b> | <b>26.5</b>   | <b>23.5</b> |
| Italy                                     | 1,003                  | 1,173        | 1,003                  | 1,165        | 1,063           | 1,156        | 111                      | 166                      | 98.9           | 93.1        | 75.8        | 69.7        | 23.1          | 23.4        |
| Spain                                     | 658                    | 694          | 658                    | 694          | 453             | 462          | 76                       | 76                       | 89.5           | 89.0        | 70.0        | 70.0        | 19.5          | 19.0        |
| South America                             | 258                    | 237          | 291                    | 237          | 183             | 181          | 17                       | 17                       | 100.3          | 98.3        | 68.0        | 63.4        | 32.3          | 34.9        |
| Portugal                                  | 81                     | 87           | 81                     | 87           | 60              | 61           | 10                       | 10                       | 90.8           | 89.8        | 65.0        | 63.8        | 25.8          | 26.0        |
| Turkey <sup>2)</sup>                      | 124                    |              |                        |              | 63              |              | 1                        |                          | 113.5          |             | 87.3        |             | 26.2          |             |
| Greece                                    | 23                     | 22           | 23                     | 22           | 12              | 13           | 3                        | 3                        | 84.9           | 85.5        | 57.6        | 56.1        | 27.3          | 29.4        |
| <b>Europe I incl. South America</b>       | <b>2,147</b>           | <b>2,213</b> | <b>2,056</b>           | <b>2,205</b> | <b>1,834</b>    | <b>1,873</b> | <b>218</b>               | <b>272</b>               | <b>96.8</b>    | <b>92.4</b> | <b>73.5</b> | <b>68.9</b> | <b>23.3</b>   | <b>23.5</b> |
| France                                    | 1,407                  | 1,394        | 1,407                  | 1,394        | 802             | 830          | (55)                     | 59                       | 112.0          | 99.4        | 85.8        | 72.3        | 26.2          | 27.1        |
| Credit Insurance                          | 531                    | 532          | 531                    | 532          | 310             | 343          | 8                        | 77                       | 114.4          | 89.1        | 84.3        | 63.2        | 30.1          | 25.9        |
| Travel Insurance and Assistance Services  | 350                    | 327          | 350                    | 327          | 295             | 275          | 13                       | 25                       | 97.2           | 93.5        | 61.2        | 58.0        | 36.0          | 35.5        |
| Netherlands                               | 312                    | 298          | 312                    | 298          | 198             | 193          | 15                       | 19                       | 99.2           | 97.3        | 69.6        | 66.3        | 29.6          | 31.0        |
| Belgium                                   | 114                    | 111          | 114                    | 111          | 64              | 65           | 8                        | 10                       | 99.8           | 96.1        | 64.4        | 57.4        | 35.4          | 38.7        |
| Africa                                    | 26                     | 25           | 26                     | 25           | 7               | 6            | 2                        | 1                        | 92.4           | 75.2        | 73.0        | 65.3        | 19.4          | 9.9         |
| <b>Europe II incl. Africa</b>             | <b>2,740</b>           | <b>2,687</b> | <b>2,740</b>           | <b>2,687</b> | <b>1,676</b>    | <b>1,712</b> | <b>(5) <sup>3)</sup></b> | <b>198 <sup>3)</sup></b> | <b>107.9</b>   | <b>96.1</b> | <b>78.5</b> | <b>67.1</b> | <b>29.4</b>   | <b>29.0</b> |
| United States                             | 788                    | 772          | 685                    | 670          | 762             | 685          | 102                      | 89                       | 98.3           | 97.4        | 64.4        | 66.7        | 33.9          | 30.7        |
| Mexico                                    | 50                     | 38           | 58                     | 38           | 20              | 19           | 4                        | 4                        | 91.6           | 86.8        | 67.6        | 63.4        | 24.0          | 23.4        |
| NAFTA                                     | 838                    | 810          | 743                    | 708          | 782             | 704          | 106                      | 93                       | 98.2           | 97.1        | 64.5        | 66.6        | 33.7          | 30.5        |
| Reinsurance PC                            | 1,484                  | 1,251        | 1,497                  | 1,251        | 771             | 637          | 3                        | 110                      | 105.8          | 86.6        | 76.4        | 67.0        | 29.4          | 19.6        |
| Allianz Global Corporate & Specialty      | 1,035                  | 842          | 1,035                  | 912          | 561             | 406          | 138                      | 46                       | 85.5           | 97.3        | 64.2        | 71.7        | 21.3          | 25.6        |
| AZ Insurance plc                          | 433                    | 506          | 520                    | 506          | 384             | 460          | 45                       | 58                       | 95.7           | 96.3        | 62.9        | 62.2        | 32.8          | 34.1        |
| Australia                                 | 327                    | 351          | 387                    | 351          | 253             | 308          | 30                       | 41                       | 106.0          | 103.8       | 81.6        | 80.6        | 24.4          | 23.2        |
| Ireland                                   | 190                    | 200          | 190                    | 200          | 142             | 150          | (5)                      | 30                       | 112.1          | 90.2        | 84.8        | 65.5        | 27.3          | 24.7        |
| ART                                       | 80                     | 21           | 57                     | 21           | 45              | 19           | 13                       | 7                        | 82.6           | 82.1        | 45.8        | 48.7        | 36.8          | 33.4        |
| <b>Anglo Broker Markets/ Global Lines</b> | <b>4,387</b>           | <b>3,981</b> | <b>4,429</b>           | <b>3,949</b> | <b>2,938</b>    | <b>2,684</b> | <b>330</b>               | <b>385</b>               | <b>98.5</b>    | <b>94.8</b> | <b>69.5</b> | <b>68.1</b> | <b>29.0</b>   | <b>26.7</b> |
| Russia/CIS <sup>4)</sup>                  | 174                    | 225          | 210                    | 225          | 135             | 174          | 7                        | (2)                      | 98.1           | 100.7       | 55.4        | 61.2        | 42.7          | 39.5        |
| Hungary                                   | 147                    | 183          | 167                    | 183          | 101             | 113          | 17                       | 18                       | 103.8          | 94.3        | 77.4        | 63.3        | 26.4          | 31.0        |
| Poland                                    | 86                     | 106          | 108                    | 106          | 70              | 76           | 4                        | 7                        | 99.0           | 95.0        | 61.9        | 63.6        | 37.1          | 31.4        |



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|                                |               |               |               |               |              |              |            |              |             |             |             |             |             |             |
|--------------------------------|---------------|---------------|---------------|---------------|--------------|--------------|------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Romania                        | 76            | 93            | 88            | 93            | 35           | 37           | 0          | 3            | 106.4       | 103.1       | 85.0        | 76.4        | 21.4        | 26.7        |
| Slovakia                       | 122           | 110           | 122           | 110           | 76           | 67           | 21         | 29           | 79.2        | 64.4        | 50.4        | 40.4        | 28.8        | 24.0        |
| Czech Republic                 | 77            | 82            | 83            | 82            | 51           | 54           | 13         | 12           | 79.7        | 82.3        | 60.2        | 60.0        | 19.5        | 22.3        |
| Bulgaria                       | 19            | 25            | 20            | 25            | 19           | 20           | 5          | 4            | 76.2        | 82.1        | 47.8        | 53.1        | 28.4        | 29.0        |
| Croatia                        | 27            | 26            | 27            | 26            | 19           | 19           | 1          | 2            | 103.5       | 93.7        | 66.9        | 64.9        | 36.6        | 28.8        |
| New Europe <sup>5)</sup>       | 728           | 850           | 825           | 850           | 507          | 559          | 62         | 67           | 94.6        | 91.8        | 62.7        | 60.2        | 31.9        | 31.6        |
| Asia-Pacific (excl. Australia) | 126           | 102           | 119           | 102           | 64           | 53           | 5          | 3            | 99.5        | 100.7       | 59.4        | 60.9        | 40.1        | 39.8        |
| Middle East                    | 19            | 14            | 17            | 14            | 8            | 6            | (0)        | 2            | 138.4       | 113.4       | 65.9        | 65.8        | 72.5        | 47.6        |
| <b>Growth Markets</b>          | <b>873</b>    | <b>966</b>    | <b>961</b>    | <b>966</b>    | <b>579</b>   | <b>618</b>   | <b>67</b>  | <b>72</b>    | <b>95.7</b> | <b>92.6</b> | <b>62.4</b> | <b>60.2</b> | <b>33.3</b> | <b>32.4</b> |
| Consolidation <sup>6)</sup>    | (1,467)       | (1,339)       | (1,519)       | (1,340)       | 6            | 6            | 18         | 18           |             |             |             |             |             |             |
| <b>Total</b>                   | <b>13,886</b> | <b>13,710</b> | <b>13,817</b> | <b>13,666</b> | <b>9,332</b> | <b>9,173</b> | <b>970</b> | <b>1,479</b> | <b>98.5</b> | <b>94.8</b> | <b>71.1</b> | <b>68.7</b> | <b>27.4</b> | <b>26.1</b> |

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

<sup>2)</sup> Effective July 21, 2008, Koç Allianz Sigorta AS was consolidated following the acquisition of approximately 47.1% of the shares in Koç Allianz Sigorta AS by the Allianz Group, increasing our holding to approximately 84.2%.

<sup>3)</sup> Contains 3 mn and 5 mn for 1Q 2009 and 1Q 2008, respectively, from a former operating entity located in Luxembourg and also 1 mn and 1 mn for 1Q 2009 and 1Q 2008, respectively, from AGF UK.

<sup>4)</sup> Contains operations in Kazakhstan and Ukraine.

<sup>5)</sup> Contains income and expense items from a management holding.

<sup>6)</sup> Represents elimination of transactions between Allianz Group companies in different geographic regions.

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# Life/Health Insurance Operations

Top line increases, revenues of 13.0 billion.

402 million operating profit after a loss of 302 million in the fourth quarter 2008.

## Earnings Summary

The economic environment during the first quarter 2009 remained challenging, but we were able to achieve robust revenue growth with statutory premiums reaching 13,013 million, and an operating profit of 402 million after a loss in the fourth quarter of 2008.

### Statutory premiums <sup>1)</sup>

Our statutory premiums grew by 3.6% on an internal basis. Bancassurance business, in particular in Italy, picked up again, driven by strong demand for products with minimum guarantees and participating components. The normal unit-linked business is still suffering from the economic crisis in Europe and Asia.

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

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

in%

In **Germany**, one of our key markets, our business declined by 1.9% or 83 million, mainly due to a positive prior year impact on sales of Riester -products and of premiums from large corporate business. Our cooperation with Commerz-bank will begin in 2010.

In **Italy**, we recorded premium growth of 38.4% or 625 million due to the launch of a product with a minimum guarantee and a participating component. This product is successfully sold solely via our banking channel, which clearly outperformed the market.

Up 33.9% or 62 million, the premium development in **Spain** also benefitted from a banking joint-venture following the launch of an investment product at the beginning of the year, as well as from strong sales via our agents network.

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

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As a consequence of a decrease in the unit-linked business our operations in **France** generated 19.3% or 427 million lower revenues. In the first quarter 2008 we secured a large single premium group contract which drove the premium result in that quarter. Also sales of unit-linked contracts from tied agents and brokers declined in the current quarter.

In **Asia-Pacific** sales went down by 26.6% or 290 million. Our business in this region was especially impacted by developments in Taiwan and South Korea. In Taiwan regulatory restrictions stopped the sale of our main unit-linked product and initial sales of newly launched products started slowly. Our business in South Korea was still impacted by the financial markets downturn and a decline in sales of unit-linked and single premium savings contracts.

In the **United States** premiums were up 37.8% or 508 million. As announced at year end 2008 we have actively addressed our product issues in the United States. Some products have been discontinued, others were modified and re-priced. The first quarter saw a spike in the sales of variable annuity products, and we expect significantly lower sales of these products throughout the rest of the year.

## Operating profit

### Operating profit

in mn

**Operating profit** at 402 million was down by 31.7% mainly reflecting the impact from the financial markets crisis.

However, compared to the fourth quarter 2008 when we recorded an operating loss, this represented a strong turn around.

**Net impairments on investments** amounted to 1,076 million, an increase of 96 million which was to a large extent attributable to the once impaired, always impaired rule (IAS 39) following the prolonged decline of equity prices. The highest impairments were recorded in Germany Life (598 million) and in France (253 million).

**Net realized gains** stood at 171 million representing a sharp drop of 73.7%, reflecting fewer opportunities for realizing gains in the current market environment. Main contributor to the realized gains was the sale of debt securities in France.

The prior period's operating gain of 231 million turned to a 233 million loss from financial assets and liabilities carried at fair value through income. This swing was primarily due to an unfavorable result from foreign exchange currency hedging. The corresponding foreign exchange gains of the hedged securities are shown under investment expenses.

**Interest and similar income** remained stable at 3,305 million and even under current market conditions delivered a yield of 1.2%<sup>1)</sup>.

**Changes in reserves for insurance and investment contracts (net)** amounted to 585 million, 1,218 million less than in the first quarter 2008. This was driven by a reduction of reserves for premium refunds to policyholders following a significantly lower investment result.

**Net claims and insurance benefits incurred** were up 2.7% to 5,146 million.

**Acquisition and administrative expenses (net)** amounted to 1,427 million, up 28.8%. Whereas administrative expenses declined, acquisition expenses went up due to increased amortization of deferred acquisition costs at Allianz Life in the United States and also in Germany.

Our **cost income ratio** was 97.3%, up 1.2 percentage points.

<sup>1)</sup> On debt securities including cash components, based on an average asset base of 260.3 billion.

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### Life/Health segment information

| Three months ended March 31,                                                                      | 2009           | 2008           |
|---------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                   | mn             | mn             |
| <b>Statutory premiums <sup>1)</sup></b>                                                           | <b>13,013</b>  | <b>12,327</b>  |
| Ceded premiums written                                                                            | (143)          | (143)          |
| Change in unearned premiums                                                                       | (29)           | (37)           |
| Statutory premiums (net)                                                                          | 12,841         | 12,147         |
| Deposits from SFAS 97 insurance and investment contracts                                          | (7,493)        | (6,558)        |
| <b>Premiums earned (net)</b>                                                                      | <b>5,348</b>   | <b>5,589</b>   |
| Interest and similar income                                                                       | 3,305          | 3,200          |
| Operating income from financial assets and liabilities carried at fair value through income (net) | (233)          | 231            |
| Operating realized gains/losses (net)                                                             | 171            | 649            |
| Fee and commission income                                                                         | 119            | 171            |
| Other income                                                                                      | 3              | 110            |
| <b>Operating revenues</b>                                                                         | <b>8,713</b>   | <b>9,950</b>   |
| Claims and insurance benefits incurred (net)                                                      | (5,146)        | (5,013)        |
| Changes in reserves for insurance and investment contracts (net)                                  | (585)          | (1,803)        |
| Interest expenses                                                                                 | (44)           | (70)           |
| Loan loss provisions                                                                              | (2)            | 2              |
| Operating impairments of investments (net)                                                        | (1,076)        | (980)          |
| Investment expenses                                                                               | 34             | (328)          |
| Acquisition and administrative expenses (net)                                                     | (1,427)        | (1,108)        |
| Fee and commission expenses                                                                       | (64)           | (60)           |
| Operating restructuring charges                                                                   | (1)            | (1)            |
| <b>Operating expenses</b>                                                                         | <b>(8,311)</b> | <b>(9,361)</b> |
| <b>Operating profit</b>                                                                           | <b>402</b>     | <b>589</b>     |
| <b>Cost-income ratio <sup>2)</sup> in %</b>                                                       | <b>97.3</b>    | <b>96.1</b>    |

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

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

**Table of Contents**Allianz Group Interim Report First Quarter of 2009 **Group Management Report****Life/Health Operations by Business Divisions**

| Three months ended March 31,             | Statutory premiums <sup>1)</sup> |               |                        |               | Premiums earned (net) |              | Operating profit |            | Cost-income ratio |             |
|------------------------------------------|----------------------------------|---------------|------------------------|---------------|-----------------------|--------------|------------------|------------|-------------------|-------------|
|                                          |                                  |               | internal <sup>2)</sup> |               |                       |              |                  |            |                   |             |
|                                          | 2009<br>mn                       | 2008<br>mn    | 2009<br>mn             | 2008<br>mn    | 2009<br>mn            | 2008<br>mn   | 2009<br>mn       | 2008<br>mn | 2009<br>%         | 2008<br>%   |
| Germany Life                             | 3,479                            | 3,578         | 3,479                  | 3,578         | 2,360                 | 2,624        | 165              | 187        | 96.1              | 96.3        |
| Germany Health <sup>3)</sup>             | 791                              | 775           | 791                    | 775           | 792                   | 776          | 19               | 37         | 98.0              | 96.2        |
| Switzerland                              | 693                              | 663           | 648                    | 663           | 236                   | 194          | 8                | 17         | 98.9              | 97.5        |
| Austria                                  | 118                              | 108           | 118                    | 108           | 89                    | 82           | 4                | 8          | 96.9              | 93.4        |
| <b>German Speaking Countries</b>         | <b>5,081</b>                     | <b>5,124</b>  | <b>5,036</b>           | <b>5,124</b>  | <b>3,477</b>          | <b>3,676</b> | <b>196</b>       | <b>249</b> | <b>96.8</b>       | <b>96.4</b> |
| Italy                                    | 2,254                            | 1,629         | 2,254                  | 1,629         | 187                   | 214          | 9                | 30         | 99.6              | 98.3        |
| Spain                                    | 245                              | 183           | 245                    | 183           | 110                   | 112          | 27               | 26         | 90.9              | 89.5        |
| Portugal                                 | 35                               | 25            | 35                     | 25            | 20                    | 19           | 5                | 5          | 87.8              | 82.7        |
| Greece                                   | 30                               | 29            | 30                     | 29            | 18                    | 18           | 1                | 1          | 96.3              | 95.7        |
| South America                            | 11                               | 30            | 12                     | 30            | 9                     | 29           | 5                | 6          | 75.2              | 82.6        |
| Turkey <sup>4)</sup>                     | 21                               |               |                        |               | 9                     |              | 1                |            | 95.8              |             |
| <b>Europe I incl. South America</b>      | <b>2,596</b>                     | <b>1,896</b>  | <b>2,576</b>           | <b>1,896</b>  | <b>353</b>            | <b>392</b>   | <b>48</b>        | <b>68</b>  | <b>98.3</b>       | <b>96.8</b> |
| France                                   | 1,784                            | 2,211         | 1,784                  | 2,211         | 709                   | 697          | 123              | 160        | 93.5              | 93.7        |
| Belgium                                  | 155                              | 203           | 155                    | 203           | 87                    | 89           | 7                | 30         | 96.4              | 88.9        |
| Netherlands                              | 105                              | 99            | 105                    | 99            | 48                    | 33           | 10               | 9          | 91.4              | 91.8        |
| Luxembourg                               | 12                               | 23            | 12                     | 23            | 7                     | 7            | 2                | 1          | 89.3              | 95.5        |
| Africa                                   | 11                               | 14            | 11                     | 14            | 6                     | 6            | 1                | 1          | 91.9              | 94.6        |
| Global Life                              | 39                               |               | 39                     |               |                       |              |                  |            | 99.2              |             |
| <b>Europe II incl. Africa</b>            | <b>2,106</b>                     | <b>2,550</b>  | <b>2,106</b>           | <b>2,550</b>  | <b>857</b>            | <b>832</b>   | <b>143</b>       | <b>201</b> | <b>93.7</b>       | <b>93.2</b> |
| United States                            | 2,130                            | 1,344         | 1,852                  | 1,344         | 170                   | 174          | 3                | 6          | 99.9              | 99.6        |
| Mexico                                   | 13                               | 34            | 15                     | 34            | 7                     | 7            | 1                |            | 94.8              | 98.5        |
| NAFTA                                    | 2,143                            | 1,378         | 1,867                  | 1,378         | 177                   | 181          | 4                | 6          | 99.8              | 99.6        |
| AZ Reinsurance LH                        | 73                               | 74            | 73                     | 74            | 76                    | 71           | 1                | 1          | 98.8              | 99.2        |
| <b>Anglo Broker Markets/Global Lines</b> | <b>2,216</b>                     | <b>1,452</b>  | <b>1,940</b>           | <b>1,452</b>  | <b>253</b>            | <b>252</b>   | <b>5</b>         | <b>7</b>   | <b>99.8</b>       | <b>99.6</b> |
| South Korea                              | 299                              | 484           | 385                    | 484           | 153                   | 210          | 16               | 30         | 95.6              | 94.6        |
| Taiwan                                   | 298                              | 455           | 279                    | 455           | 29                    | 27           | 5                | 2          | 98.5              | 99.5        |
| Malaysia                                 | 38                               | 31            | 37                     | 31            | 34                    | 28           | 2                | 2          | 94.3              | 93.3        |
| Indonesia                                | 39                               | 45            | 42                     | 45            | 17                    | 10           | 4                | 3          | 89.4              | 93.6        |
| Other                                    | 71                               | 75            | 57                     | 75            | 18                    | 6            | (20)             | (10)       | 129.5             | 112.5       |
| Asia-Pacific                             | 745                              | 1,090         | 800                    | 1,090         | 251                   | 281          | 7                | 27         | 99.2              | 97.7        |
| Hungary                                  | 22                               | 44            | 25                     | 44            | 15                    | 20           | 5                | 4          | 80.7              | 92.5        |
| Slovakia                                 | 68                               | 80            | 68                     | 80            | 41                    | 42           | 9                | 9          | 87.9              | 89.4        |
| Czech Republic                           | 40                               | 27            | 43                     | 27            | 13                    | 16           | 1                | 4          | 96.8              | 85.8        |
| Poland                                   | 149                              | 63            | 188                    | 63            | 40                    | 38           | 2                | 4          | 98.8              | 93.8        |
| Romania                                  | 6                                | 7             | 8                      | 7             | 4                     | 3            |                  | 1          | 93.6              | 88.3        |
| Bulgaria                                 | 6                                | 7             | 6                      | 7             | 6                     | 6            |                  | 1          | 95.8              | 91.6        |
| Croatia                                  | 11                               | 13            | 11                     | 13            | 10                    | 9            |                  | 2          | 96.9              | 86.4        |
| Russia                                   | 4                                | 4             | 4                      | 4             | 4                     | 4            | (1)              | (3)        | 146.3             | 163.0       |
| New Europe                               | 306                              | 245           | 353                    | 245           | 133                   | 138          | 16               | 22         | 94.8              | 91.7        |
| Middle East                              | 24                               | 23            | 21                     | 23            | 24                    | 18           | (9)              | 1          | 158.2             | 93.7        |
| <b>Growth Markets</b>                    | <b>1,075</b>                     | <b>1,358</b>  | <b>1,174</b>           | <b>1,358</b>  | <b>408</b>            | <b>437</b>   | <b>14</b>        | <b>50</b>  | <b>98.8</b>       | <b>96.6</b> |
| Consolidation <sup>5)</sup>              | (61)                             | (53)          | (62)                   | (53)          |                       |              | (4)              | 14         |                   |             |
| <b>Total</b>                             | <b>13,013</b>                    | <b>12,327</b> | <b>12,770</b>          | <b>12,327</b> | <b>5,348</b>          | <b>5,589</b> | <b>402</b>       | <b>589</b> | <b>97.3</b>       | <b>96.1</b> |

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- 1) Statutory premiums are gross premiums written from sales of life insurance policies as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.
- 2) Reflect statutory premiums on an internal basis (adjusted for foreign currency translation and (de-) consolidation effects).
- 3) Loss ratios were 79.5% and 79.4% for the three months ended March 31, 2009 and 2008, respectively.
- 4) Effective July 21, 2008, Koç Allianz Hayat ve Emeklilik AS was consolidated following the acquisition of approximately 51% of the shares in Koç Allianz Hayat ve Emeklilik AS by the Allianz Group, increasing our holding to approximately 89%.
- 5) Represents elimination of transactions between Allianz Group companies in different geographic regions.

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# Financial Services

New Financial Services segment implemented for reporting.  
Acquisition of cominvest.  
Strong fixed income performance.  
Operating profit of 198 million.

## New Financial Services segment

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

## Earnings Summary

Operating revenues in our Financial Services segment amounted to 860 million, down 6.1% compared to the prior year period. This decline is attributable to the capital market crisis which affected revenue development in all three Financial Services activities. Asset management from fixed-income business developed well, while the remaining business suffered in line with the markets. Therefore revenues in Asset Management were down 1.7% to 714 million, Banking revenues were down 17.1% to 116 million and Alternative Investment Management revenues were down 42.3% to 30 million.

We recorded an operating profit of 198 million compared to 255 million in the respective quarter one year ago driven mainly by the lower operating revenues. Operating expenses of 655 million (1Q 2008: 654 million) and loan loss provisions from our banking business, of 7 million in both periods, remained flat overall.

The results of operations of our Financial Services segment are predominantly represented by our Asset Management business, accounting for 83.0% (1Q 2008: 79.3%) and 106.6% (1Q 2008: 94.5%) of our total Financial Services segment's operating revenues and operating profit in the first three months of 2009, respectively. Accordingly, we discuss the results of our Asset Management business in the following section.

## Asset Management

### Third-party assets under management

As part of the sale of Dresdner Bank to Commerzbank, Allianz acquired cominvest whose third-party assets under management amounted to 47 billion (thereof 15 billion equity assets and 32 billion fixed-income assets) as of March 31, 2009, and those were integrated into our asset management business in the first quarter 2009.

### Development of third-party assets under management

in bn



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As of March 31, 2009 our asset base amounted to 766 billion and was therefore 63 billion higher than at December 31, 2008. We recorded net inflows for the first quarter of 2009 of 7 billion with a positive contribution from fixed-income products of 11 billion, partly offset by outflows from our equity business. The decline in market values especially at the beginning of the year led to market-related losses of 11 billion in the first three months, which impacted equities by 9 billion and fixed-income by 2 billion. The total change in the scope of consolidation and decon-solidation resulted in additional assets under management of 40 billion. Furthermore, the strengthening U.S. Dollar versus the Euro led to a positive currency translation effect

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of 27 billion. For further information on our third-party assets under management please refer to page 22.

**Operating revenues**

At 714 million, operating revenues were 12 million below prior year's level despite the first consolidation of com-invest, with 35 million operating revenues, and favorable movements of exchange rates. Adjusted for these effects, operating revenues were down by 16.1%.

| Three months ended March 31,         | 2009<br>mn   | 2008<br>mn   |
|--------------------------------------|--------------|--------------|
| Management fees                      | 820          | 841          |
| Loading and exit fees                | 59           | 66           |
| Performance fees                     | 14           | 13           |
| Other income                         | 14           | 66           |
| <b>Fee and commission income</b>     | <b>907</b>   | <b>986</b>   |
| Commissions                          | (193)        | (212)        |
| Other expenses                       | (5)          | (68)         |
| <b>Fee and commission expenses</b>   | <b>(198)</b> | <b>(280)</b> |
| <b>Net fee and commission income</b> | <b>709</b>   | <b>706</b>   |

Net fee and commission income amounted to 709 million, up 0.4% on a nominal basis. On an internal basis it was a decline of 14.4%. The reduction in management fees, down by 21 million to 820 million was mainly attributable to the decline of our average third-party assets under management compared to the first quarter 2008. As a result of lower flows and third-party assets under management, our loading fee income declined as well as our fee and commission expenses.

Net loss from financial assets and liabilities carried at fair value through income amounted to 10 million and comprised effects of mark-to-market valuation of seed money investments. In the first quarter 2008 a gain of 21 million from foreign currency hedging lowered the seed money effect.

**Operating profit****Operating profit**

in mn

In an ongoing difficult market environment, operating profit amounted to 211 million in the first quarter 2009, a decline of 27.4% on an internal basis. On a nominal basis the decline was 12.4% partly due to a positive prior year impact of the above mentioned foreign currency hedge. In addition we incurred higher operating expenses which were mainly attributable to the acquisition of cominvest.

Administrative expenses, excluding acquisition related expenses, were down 10.3% on an internal basis. At 504 million, they were 3.7% higher than in the first quarter 2008 on a nominal basis. Personnel expenses at 310 million increased by 2.6% as reduced bonus costs were offset by higher personnel costs due to higher headcount following the acquisition of cominvest. Non-personnel expenses amounted to 194 million (1Q 2008: 184 million).

At 70.4%, our cost-income ratio increased by 3.6 percentage points.



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## **Third-party assets under management of the Allianz Group**

### **Third-party assets under management by geographic region as of March 31, 2009 (December 31, 2008)<sup>1)</sup>**

in %

The acquisition of cominvest increased the proportion of investments originating in Germany, which now account for nearly 17% of Allianz's third-party assets under management.

The relation between equity and fixed-income assets remained almost unchanged. The latter made up for 86% of third-party assets under management – an increase of 1 percentage point versus the year end 2008 – with equity assets accounting for the balance.

The weighting of retail and institutional clients shifted towards retail customers which accounted for 30% of our third-party assets as of March 31, 2009 (December 31, 2008: 26%).

<sup>1)</sup> Based on the origination of assets.

<sup>2)</sup> Consists of third-party assets managed by other Allianz Group companies (approximately 21 bn as of March 31, 2009 and 22 bn as of December 31, 2008, respectively) and Dresdner Bank (approximately 9 bn as of December 31, 2008).

### **Rolling investment performance of Allianz Global Investors<sup>3)</sup>**

in %

Compared to year-end 2008, the performance of Allianz Global Investors' (AGI) assets under management slightly recovered and remained robust. 66% (December 31, 2008: 62%) of our equity products achieved an outperformance against benchmarks. Our fixed-income products were severely hit by the market disruptions since the second half of 2008 and 51% (December 31, 2008: 48%) outperformed their respective benchmarks.

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



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### Financial Services segment information

Three months ended March 31,

|                                                                                         | Asset Management |              | Banking      |              | Alternative Investment Management |             | Financial Services <sup>1)</sup> |              |
|-----------------------------------------------------------------------------------------|------------------|--------------|--------------|--------------|-----------------------------------|-------------|----------------------------------|--------------|
|                                                                                         | 2009             | 2008         | 2009         | 2008         | 2009                              | 2008        | 2009                             | 2008         |
|                                                                                         | mn               | mn           | mn           | mn           | mn                                | mn          | mn                               | mn           |
| Net fee and commission income <sup>2)</sup>                                             | 709              | 706          | 35           | 74           | 30                                | 54          | 774                              | 833          |
| Net interest income <sup>3)</sup>                                                       | 12               | 19           | 80           | 78           | 1                                 |             | 93                               | 96           |
| Income from financial assets and liabilities carried at fair value through income (net) | (10)             | (4)          | 1            | (12)         | (1)                               | (2)         | (10)                             | (18)         |
| Other income                                                                            | 3                | 5            |              |              |                                   |             | 3                                | 5            |
| <b>Operating revenues<sup>4)</sup></b>                                                  | <b>714</b>       | <b>726</b>   | <b>116</b>   | <b>140</b>   | <b>30</b>                         | <b>52</b>   | <b>860</b>                       | <b>916</b>   |
| Administrative expenses (net), excluding acquisition-related expenses                   | (504)            | (486)        | (118)        | (138)        | (32)                              | (33)        | (654)                            | (655)        |
| Investment expenses                                                                     | 1                | 1            | (1)          | 3            | (1)                               | (2)         | (1)                              | 2            |
| Other expenses                                                                          |                  |              |              | (1)          |                                   |             |                                  | (1)          |
| <b>Operating expenses</b>                                                               | <b>(503)</b>     | <b>(485)</b> | <b>(119)</b> | <b>(136)</b> | <b>(33)</b>                       | <b>(35)</b> | <b>(655)</b>                     | <b>(654)</b> |
| Loan loss provisions                                                                    |                  |              | (7)          | (7)          |                                   |             | (7)                              | (7)          |
| <b>Operating profit (loss)</b>                                                          | <b>211</b>       | <b>241</b>   | <b>(10)</b>  | <b>(3)</b>   | <b>(3)</b>                        | <b>17</b>   | <b>198</b>                       | <b>255</b>   |
| <b>Cost-income ratio<sup>5)</sup> in %</b>                                              | <b>70.4</b>      | <b>66.8</b>  | <b>102.6</b> | <b>97.1</b>  | <b>110.0</b>                      | <b>67.3</b> | <b>76.2</b>                      | <b>71.4</b>  |

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

<sup>2)</sup> Represents fee and commission income less fee and commission expenses.

<sup>3)</sup> Represents interest and similar income less interest expenses.

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

<sup>5)</sup> Represents operating expenses divided by operating revenues.

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## Corporate Activities

Operating loss increased due to lower net interest income.

## Earnings Summary

### **Operating loss**

The aggregate operating loss increased from 118 million by 45.8% to 172 million mainly driven by a lower net interest income due to a lower level of short term interest rates compared to the previous year.

**Table of Contents****Balance Sheet Review**

Strong solvency ratio of 159%.

Shareholders' equity of 33.0 billion.

**Shareholders' Equity<sup>1)</sup>****Shareholders' equity**

in mn

As of March 31, 2009, shareholders' equity amounted to 33.0 billion, 1.9% lower than for the year-end 2008. The change was driven by a reduction of unrealized gains of 1.1 billion and the net income from continuing operations of 424 million.

<sup>1)</sup> Does not include minority interests of 2.1 bn, 3.6 bn and 3.6 bn as of March 31, 2009, December 31, 2008 and December 31, 2007, respectively. For further information please refer to Note 21 to the condensed consolidated interim financial statements.

<sup>2)</sup> Include foreign currency translation adjustments.

**Shareholders' equity****Balance as of December 31, 2008**

Total comprehensive income<sup>3)</sup>

Paid-in capital

Treasury shares

Transactions between equity holders

Dividends paid

**Balance as of March 31, 2009**

Shareholders  
equity  
mn

**33,684**

(670)

21

(5)

**33,030**

**Regulatory capital adequacy**

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

<sup>3)</sup> Total comprehensive income comprises net income (after taxes and after minority interests in earnings) and other comprehensive income resulting from foreign currency translation adjustments, available for sale investments, cashflow hedges, share of other comprehensive income of associates and miscellaneous. For further information on our total comprehensive income please refer to our condensed consolidated interim



financial statements.

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

in bn

As of March 31, 2009 our available funds for the solvency margin, required for our insurance segments and our banking and asset management business were 32.9 billion including off-balance sheet reserves<sup>3)</sup>, surpassing the minimum legally stipulated level by 12.2 billion. This margin resulted in a cover ratio <sup>4)</sup> of 159% at March 31, 2009.

- <sup>1)</sup> Solvency computed according to the adjusted FkSolV published by the BaFin, which revises the treatment of unrealized gains/losses on the bond portfolio. Reported solvency ratio under the old method was 157% and available funds were 45.5 bn as of December 31, 2007.
- <sup>2)</sup> Available funds and requirement as of December 31, 2008 including discontinued operations were adjusted to reflect the pro-forma view. For example, we removed hybrid capital related to Dresdner Bank from available funds and adjusted the deduction of goodwill and other intangible assets. Furthermore, we deleted the requirement of our discontinued operations.
- <sup>3)</sup> Represents the difference between fair value and amortized cost of real estate held for investment and investments in associates and joint ventures, net of deferred taxes, policyholders' participation and minority interests.
- <sup>4)</sup> Represents the ratio of available funds to required capital.

## **Total Assets and Total Liabilities**

In the following sections, we show our asset allocation for our insurance portfolio and analyze important developments within the balance sheets of our Property-Casualty, Life/Health, Financial Services and Corporate segments as presented on pages 52 and 53.

Total assets and liabilities decreased by 409.9 billion and 407.7 billion, respectively. This decrease was almost entirely attributable to the deconsolidation of Dresdner Bank on January 12, 2009. For the year-end 2008 we recorded Dresdner Bank in our consolidated balance sheet as Non-current assets and assets of disposal groups classified as held for sale and Liabilities of disposal groups classified as held for sale with the amounts of 417.9 billion and 410.5 billion.

Due to timing differences between premium payments and claims or contractual fulfillment, insurers invest the money they collected from their clients net of acquisition costs and administration expenses. Therefore, insurance assets, including financial assets and liabilities carried at fair value through income, investments, loans and advances to banks and customers, and for the Life/Health segment financial assets for unit-linked contracts, account for the largest part of the assets in our consolidated balance sheet.

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

Liabilities in the insurance business are recorded to account for the obligation to policyholders for claims and insurance benefits.

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## **Asset allocation of Property-Casualty, Life/Health and Corporate segments**

Investment assets from our Property-Casualty, Life/Health and Corporate segments amounted to 374.1 billion as of March 31, 2009. Thereof, the fixed-income portfolio which comprised bonds and loans <sup>1)</sup> accounted for 331.3 billion, equities for 28.8 billion and other investment categories for 14.0 billion.

### **Fixed-income portfolio by investment country**

in %

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

### **Fixed-income portfolio by type of issuer**

in %

<sup>1)</sup> Excluding internal loans.

<sup>2)</sup> Including 11.8 billion subordinated debt securities; thereof 9.3 bn related to our exposure in banks as of March 31, 2009.

<sup>3)</sup> 5%-pts are mainly seasoned self-originated German Private Retail Mortgage Loans and 4%-pts are short-term deposits at banks.

<sup>4)</sup> Includes 8.5 bn U.S. Agency MBS.

<sup>5)</sup> Type of covered bond issued in Germany.

We consider our fixed-income portfolio to be both of high quality and well diversified. A share of more than 60% relates to government and covered bonds that help mitigate against possible future deteriorations in the credit markets. The relatively high share in government bonds amounting to 113.8 billion and German Pfandbriefe at 60.4 billion secure a high fungibility of the portfolio as they are eligible as collateral and markets for government bonds are still liquid. Higher ABS in the first quarter were mainly attributable to the sale of Dresdner Bank to Commerzbank and the commitment of Allianz to purchase certain CDOs as part of the transaction.

### **Government exposures**

in %

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

### **Pfandbrief and covered bond portfolio**

in %



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69 % of covered bonds are German Pfandbriefe backed by either public sector loans or mortgage loans. On these as well as on all other covered bond exposures, minimum required security buffers as well as voluntary over-collateralization offer a substantial cushion for house price deterioration and payment defaults.

## Assets and liabilities of the Property-Casualty segment

### Property-Casualty assets

#### Property-Casualty asset base <sup>1)</sup>

fair values <sup>2)</sup> in bn

Our Property-Casualty asset base increased by 1.0 billion. An increase in debt securities of 2.0 billion to 53.6 billion outweighed the decline in equity investments, which were down 20.3 % to 5.1 billion, due to market movements and disposals. In addition cash and cash pool assets were 1.0 billion above the year-end, and amounted to 8.5 billion.

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

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

#### Composition of the Property-Casualty asset base

fair values <sup>2)</sup>

|                                                                              | As of<br>March 31,<br>2009<br>bn | As of<br>December 31,<br>2008<br>bn |
|------------------------------------------------------------------------------|----------------------------------|-------------------------------------|
| <b>Financial assets and liabilities carried at fair value through income</b> |                                  |                                     |
| Equities                                                                     | 0.1                              | 0.2                                 |
| Debt securities                                                              | 1.4                              | 1.5                                 |
| Other                                                                        | 0.1                              | 0.2                                 |
| <b>Subtotal</b>                                                              | <b>1.6</b>                       | <b>1.9</b>                          |
| <b>Investments <sup>3)</sup></b>                                             |                                  |                                     |
| Equities                                                                     | 5.1                              | 6.4                                 |
| Debt securities                                                              | 53.6                             | 51.6                                |
| Cash and cash pool assets <sup>4)</sup>                                      | 8.5                              | 7.5                                 |
| Other                                                                        | 6.9                              | 6.9                                 |
| <b>Subtotal</b>                                                              | <b>74.1</b>                      | <b>72.4</b>                         |
| <b>Loans and advances to banks and customers</b>                             | <b>17.2</b>                      | <b>17.6</b>                         |
| <b>Property-Casualty asset base</b>                                          | <b>92.9</b>                      | <b>91.9</b>                         |

Of our Property-Casualty asset base, ABS made up 4.9 billion as of March 31, 2009, which is around 5 % of our asset-base. CDOs accounted for 0.1 billion of this amount.

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<sup>3)</sup> Do not include affiliates of 10.6 bn and 10.7 bn as of March 31, 2009 and December 31, 2008, respectively.

<sup>4)</sup> Including cash and cash equivalents as stated in our segment balance sheet of 2.9 bn and 2.7 bn and receivables from cash pooling amounting to 5.6 bn and 5.0 bn net of liabilities from securities lending of 0 bn and (0.2) bn as of March 31, 2009 and December 31, 2008, respectively.

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### **Property-Casualty liabilities**

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

in bn

In the first quarter 2009, the segment's gross reserves for loss and loss adjustment expenses decreased by 0.2% to 55.5 billion. On a net basis reserves were up 0.4% to 48.0 billion. Foreign currency translation effects and other changes accounted for 0.5 billion.

<sup>1)</sup> After group consolidation. For further information about changes in the reserves for loss and loss adjustment expenses for the Property-Casualty segment please refer to Note 16 to the condensed consolidated interim financial statements.

### **Assets and liabilities of the Life/Health segment**

#### **Life/Health assets**

##### **Life/Health asset base<sup>2)</sup>**

fair values<sup>3)</sup> in bn

Our Life/Health asset base increased by 0.4% to € 343.4 billion. A reduction in equity investments of € 3.7 billion to € 18.5 billion due to the weak market environment, which led to market-related effects of € (2.0) billion, together with disposals, was mostly offset by an increase of € 3.2 billion in debt securities to € 157.6 billion. Furthermore, loans and advances to banks and customers increased by 5.1% to € 95.2 billion. Assets for unit-linked contracts declined by € 1.3 billion to € 49.1 billion.

<sup>2)</sup> We have changed the definition of the asset bases to better reflect the economic reality: from 1Q 2009 onwards we include cash and cash equivalents and receivables from cash pooling net of liabilities from securities lending in our asset bases.

<sup>3)</sup> Loans and advances to banks and customers, held-to-maturity investments, and real estate held for investment are stated at amortized cost. Investments in associates and joint ventures are stated at either amortized cost or equity, depending upon, among other factors, our ownership percentage.

**Table of Contents****Group Management Report** Allianz Group Interim Report First Quarter of 2009**Composition of the Life/Health asset base**fair values<sup>1)</sup>

|                                                                              | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|------------------------------------------------------------------------------|----------------------------|-------------------------------|
|                                                                              | bn                         | bn                            |
| <b>Financial assets and liabilities carried at fair value through income</b> |                            |                               |
| Equities                                                                     | 2.3                        | 2.5                           |
| Debt securities                                                              | 6.3                        | 7.7                           |
| Other                                                                        | (5.0)                      | (4.3)                         |
| <b>Subtotal</b>                                                              | <b>3.6</b>                 | <b>5.9</b>                    |
| <b>Investments <sup>2)</sup></b>                                             |                            |                               |
| Equities                                                                     | 18.5                       | 22.2                          |
| Debt securities                                                              | 157.6                      | 154.4                         |
| Cash and cash pool assets <sup>3)</sup>                                      | 11.8                       | 11.0                          |
| Other                                                                        | 7.6                        | 7.7                           |
| <b>Subtotal</b>                                                              | <b>195.5</b>               | <b>195.3</b>                  |
| <b>Loans and advances to banks and customers</b>                             | <b>95.2</b>                | <b>90.6</b>                   |
| <b>Financial assets for unit-linked contracts <sup>4)</sup></b>              | <b>49.1</b>                | <b>50.4</b>                   |
| <b>Life/Health asset base</b>                                                | <b>343.4</b>               | <b>342.2</b>                  |

Within our Life/Health asset base, ABS amounted to 15.8 billion as of March 31, 2009, which is less than 5% of total Life/Health assets. Thereof, 0.3 billion are CDOs. Unrealized losses on CDOs of 8 million were recorded in shareholders' equity.

- <sup>1)</sup> Loans and advances to banks and customers, held-to-maturity investments, and real estate held for investment are stated at amortized cost. Investments in associates and joint ventures are stated at either amortized cost or equity, depending upon, among other factors, our ownership percentage.
- <sup>2)</sup> Do not include affiliates of 1.6 bn and 2.5 bn as of March 31, 2009 and December 31, 2008, respectively.
- <sup>3)</sup> Including cash and cash equivalents as stated in our segment balance sheet of 2.8 bn and 4.8 bn and receivables from cash pooling amounting to 9.0 bn and 6.6 bn net of liabilities from securities lending of 0 bn and (0.4) bn as of March 31, 2009 and December 31, 2008, respectively.
- <sup>4)</sup> Financial assets for unit-linked contracts represent assets owned by, and managed on the behalf of, policyholders of the Allianz Group, with all appreciation and depreciation in these assets accruing to the benefit of policyholders. As a result, the value of financial assets for unit-linked contracts in our balance sheet corresponds to the value of financial liabilities for unit-linked contracts.

**Life/Health liabilities****Development of reserves for insurance and investment contracts**

in bn

Life/Health reserves for insurance and investment contracts increased in the first quarter by 2.4 billion to 290.3 billion. Additional reserves in Italy of 1.3 billion, in the United States of 0.5 billion, in France (0.4 billion), in Germany (0.3 billion) and foreign currency gains of 1.7 billion mainly stemming from the U.S. Dollar, were partly compensated by reductions of reserves for premium refunds, down 2.7 billion, mostly in Germany and France.





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## **Assets and liabilities of the Financial Services segment**

### **Financial Services assets**

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

### **Loans and advances to banks and customers<sup>2)</sup>**

in bn

Loans and advances to banks and customers amounted to € 13.9 billion as of March 31, 2009, down 2.8% from the year-end. Thereof, € 13.5 billion relate to our continuing banking operations.

### **Financial Services liabilities**

Liabilities to banks and customers amounted to € 15.2 billion (down 10.1%). Thereof, liabilities payable on demand accounted for € 3.0 billion, repurchase agreements for € 1.2 billion, term deposits and certificates of deposit for € 3.8 billion and savings deposits for € 1.8 billion.

<sup>1)</sup> For further information on the development of these third-party assets please refer to pages 20 and 22.

<sup>2)</sup> Includes loan loss allowance of (0.1) bn as of March 31, 2009 and December 31, 2008, respectively.

## **Assets and liabilities of the Corporate segment**

### **Corporate assets**

### **Corporate asset base<sup>3)</sup>**

fair values<sup>4)</sup> in bn

Our Corporate asset base increased by 7.3% compared to the year-end 2008 mainly driven by higher loans and advances to banks and customers of € 9.1 billion (December 31, 2008 € 6.0 billion). Thereof, short-term investments and certificates of deposit went up by € 2.1 billion to € 6.4 billion. Additionally, Allianz Group retained CDOs from Dresdner Bank which amounted to € 1.0 billion as of March 31, 2009. Investments were down by € 1.9 billion, mainly as equities were down by € 0.6 billion and cash and cash pool assets declined by € 1.4 billion.

<sup>3)</sup> We have changed the definition of the asset bases to better reflect the economic reality: from 1Q 2009 onwards we include cash and cash equivalents and receivables from cash pooling net of liabilities from securities lending in our asset bases.

<sup>4)</sup> Loans and advances to banks and customers, held-to-maturity investments, and real estate held for investment are stated at amortized cost. Investments in associates and joint ventures are stated at either amortized cost or equity, depending upon, among other factors, our ownership percentage.



**Table of Contents****Group Management Report** Allianz Group Interim Report First Quarter of 2009**Composition of the Corporate asset base**fair values<sup>1)</sup>

|                                                                              | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|------------------------------------------------------------------------------|----------------------------|-------------------------------|
|                                                                              | bn                         | bn                            |
| <b>Financial assets and liabilities carried at fair value through income</b> |                            |                               |
| Equities                                                                     |                            |                               |
| Debt securities                                                              | 0.2                        | 0.2                           |
| Other                                                                        |                            | (0.4)                         |
| <b>Subtotal</b>                                                              | <b>0.2</b>                 | <b>(0.2)</b>                  |
| <b>Investments <sup>2)</sup></b>                                             |                            |                               |
| Equities                                                                     | 5.2                        | 5.8                           |
| Debt securities                                                              | 8.5                        | 8.4                           |
| Cash and cash pool assets <sup>3)</sup>                                      | 0.3                        | 1.7                           |
| Other                                                                        | 0.1                        | 0.1                           |
| <b>Subtotal</b>                                                              | <b>14.1</b>                | <b>16.0</b>                   |
| <b>Loans and advances to banks and customers</b>                             | <b>9.1</b>                 | <b>6.0</b>                    |
| <b>Corporate asset base</b>                                                  | <b>23.4</b>                | <b>21.8</b>                   |

ABS in our Corporate asset base, amounted to € 1.8 billion as of March 31, 2009, which is around 8% of our asset-base. CDOs accounted for € 1.0 billion of this amount, which were retained from Dresdner Bank and classified as loans and advances to banks and customers.

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

<sup>2)</sup> Do not include affiliates of 65.8 bn and 87.1 bn as of March 31, 2009 and December 31, 2008, respectively.

<sup>3)</sup> Including cash and cash equivalents as stated in our segment balance sheet of 0.2 bn and 0.5 bn and receivables from cash pooling amounting to 0.1 bn and 1.2 bn net of liabilities from securities lending of 0 bn and 0 bn as of March 31, 2009 and December 31, 2008, respectively.

**Corporate liabilities**

Other liabilities amounted to € 18.0 billion after € 16.3 billion at year-end 2008. Thereof, liabilities from cash pooling went up by € 2.4 billion to € 7.4 billion. In the first quarter 2009 certificated liabilities decreased by € 2.1 billion to € 11.4 billion. This was mainly attributable to the Allianz SE issued debt outstanding<sup>4)</sup> which went down from € 8.2 billion as of December 31, 2008 to € 6.1 billion as of March 31, 2009.

<sup>4)</sup> For further information on Allianz SE issued debt outstanding as of March 31, 2009, please refer to page 33 and to Note 19 and 20 to our condensed consolidated interim financial statements.

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Allianz Group Interim Report First Quarter of 2009 **Group Management Report**

Allianz SE issued debt outstanding as of March 31, 2009<sup>1)</sup>

**1. Senior bonds<sup>2)</sup>**

Floating coupon rate bond

issued by Allianz Finance II B.V., Amsterdam

|               |                 |
|---------------|-----------------|
| Volume        | USD 0.4 bn      |
| Year of issue | 2007            |
| Maturity date | 4/2/2009        |
| ISIN          | XS 029 027 0056 |

5.625% bond

issued by Allianz Finance II B.V., Amsterdam

|               |                  |
|---------------|------------------|
| Volume        | 0.9 bn           |
| Year of issue | 2002             |
| Maturity date | 11/29/2012       |
| ISIN          | XS 015 879 238 1 |

5.0% bond

issued by Allianz Finance II B.V., Amsterdam

|               |                  |
|---------------|------------------|
| Volume        | 1.5 bn           |
| Year of issue | 2008             |
| Maturity date | 3/6/2013         |
| ISIN          | DE 000 A0T R7K 7 |

4.0% bond

issued by Allianz Finance II B.V., Amsterdam

|               |                  |
|---------------|------------------|
| Volume        | 1.5 bn           |
| Year of issue | 2006             |
| Maturity date | 11/23/2016       |
| ISIN          | XS 027 588 026 7 |

**2. Subordinated bonds<sup>3)</sup>**

6.125% bond

issued by Allianz Finance II B.V., Amsterdam

|               |                  |
|---------------|------------------|
| Volume        | 2.0 bn           |
| Year of issue | 2002             |
| Maturity date | 5/31/2022        |
| ISIN          | XS 014 888 756 4 |

6.5% bond

issued by Allianz Finance II B.V., Amsterdam

|               |                  |
|---------------|------------------|
| Volume        | 1.0 bn           |
| Year of issue | 2002             |
| Maturity date | 1/13/2025        |
| ISIN          | XS 015 952 750 5 |

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### 7.25% bond

issued by Allianz Finance II B.V., Amsterdam  
 Volume  
 Year of issue  
 Maturity date  
 ISIN

USD 0.5 bn  
 2002  
 Perpetual Bond  
 XS 015 915 072 0

- 1) For further information on Allianz SE issued debt outstanding as of March 31, 2009, please refer to Note 19 and 20 to our condensed consolidated interim financial statements.
- 2) Senior bonds and commercial papers provide for early termination rights in case of non-payment of amounts due under the bond (interest and principal) as well as in case of insolvency of the relevant issuer or, if applicable, the relevant guarantor (Allianz SE). The same applies to two subordinated bonds issued in 2002.
- 3) The terms of the subordinated bonds (except for the two subordinated bonds mentioned in footnote 2 above) do not provide for early termination rights in favor of the bond holder. Interest payments are subject to certain conditions which are linked, inter alia, to our net income, and may have to be deferred. Nevertheless, the terms of the relevant bonds provide for alternative settlement mechanisms which allow us to avoid an interest deferral using cash raised from the issuance of specific newly issued instruments.

### 5.5% bond

issued by Allianz SE  
 Volume  
 Year of issue  
 Maturity date  
 ISIN

1.5 bn  
 2004  
 Perpetual Bond  
 XS 018 716 232 5

### 4.375% bond

issued by Allianz Finance II B.V., Amsterdam  
 Volume  
 Year of issue  
 Maturity date  
 ISIN

1.4 bn  
 2005  
 Perpetual Bond  
 XS 021 163 783 9

### 5.375% bond

issued by Allianz Finance II B.V., Amsterdam  
 Volume  
 Year of issue  
 Maturity date  
 ISIN

0.8 bn  
 2006  
 Perpetual Bond  
 DE000A0GNPZ3

### 8.375% bond

issued by Allianz SE  
 Volume  
 Year of issue  
 Maturity date  
 ISIN

USD 2.0 bn  
 2008  
 Perpetual Bond  
 US 018 805 200 7

### 3. Participation certificates

Allianz SE participation certificate  
 Volume  
 ISIN

85.1 mn  
 DE 000 840 405 4



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## Other Information

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

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

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

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

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

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

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

Three months ended March 31,

**Operating profit**

|                                                                                                       |            |              |
|-------------------------------------------------------------------------------------------------------|------------|--------------|
| Non-operating realized gains/losses (net) and impairments of investments (net)                        | (498)      | 13           |
| Non-operating income from financial assets and liabilities carried at fair value through income (net) | (105)      | 145          |
| Income (loss) from fully consolidated private equity investments (net)                                | (56)       | 23           |
| Interest expenses from external debt                                                                  | (238)      | (252)        |
| Non-operating restructuring charges                                                                   | (63)       | 6            |
| Acquisition-related expenses                                                                          | (9)        | (107)        |
| Amortization of intangible assets                                                                     | (4)        | (5)          |
| Reclassification of tax benefits                                                                      | (6)        | (13)         |
| <b>Income before income taxes and minority interests in earnings</b>                                  | <b>445</b> | <b>2,018</b> |

2009  
mn

2008  
mn

**1,424** **2,208**

(498) 13

(105) 145

(56) 23

(238) (252)

(63) 6

(9) (107)

(4) (5)

(6) (13)

**445** **2,018**





**Table of Contents**Allianz Group Interim Report First Quarter of 2009 **Group Management Report****Composition of Total Revenue<sup>1)</sup> Growth**

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

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

| Three months ended             | Nominal    | Changes<br>in scope   | Foreign<br>currency<br>translation | Internal   |
|--------------------------------|------------|-----------------------|------------------------------------|------------|
| March 31, 2009                 | growth     | of consoli-<br>dation |                                    | growth     |
|                                | %          | %                     | %                                  | %          |
| Property-Casualty              | 1.3        | 0.7                   | (0.5)                              | 1.1        |
| Life/Health                    | 5.6        | 0.2                   | 1.8                                | 3.6        |
| Financial Services<br>thereof: | (6.1)      | 4.0                   | 7.5                                | (17.6)     |
| Asset Management               | (1.7)      | 5.0                   | 9.4                                | (16.1)     |
| <b>Allianz Group</b>           | <b>2.8</b> | <b>0.5</b>            | <b>0.8</b>                         | <b>1.5</b> |

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

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## Allianz Group

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## Allianz Group

## Consolidated Balance Sheets

As of March 31, 2009 and as of December 31, 2008

|                                                                              |           | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|------------------------------------------------------------------------------|-----------|----------------------------|-------------------------------|
|                                                                              | Note      | mn                         | mn                            |
| <b>ASSETS</b>                                                                |           |                            |                               |
| Cash and cash equivalents                                                    |           | 6,700                      | 8,958                         |
| Financial assets carried at fair value through income                        | 6         | 12,629                     | 14,240                        |
| Investments                                                                  | 7         | 260,635                    | 260,147                       |
| Loans and advances to banks and customers                                    | 8         | 125,357                    | 115,655                       |
| Financial assets for unit-linked contracts                                   |           | 49,123                     | 50,450                        |
| Reinsurance assets                                                           | 9         | 14,473                     | 14,599                        |
| Deferred acquisition costs                                                   | 10        | 23,520                     | 22,563                        |
| Deferred tax assets                                                          |           | 4,327                      | 3,996                         |
| Other assets                                                                 | 11        | 34,673                     | 34,004                        |
| Non-current assets and assets of disposal groups classified as held for sale | 3, 12     | 1,627                      | 419,513                       |
| Intangible assets                                                            | 13        | 12,665                     | 11,451                        |
| <b>Total assets</b>                                                          |           | <b>545,729</b>             | <b>955,576</b>                |
|                                                                              |           |                            |                               |
|                                                                              |           | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|                                                                              | Note      | mn                         | mn                            |
| <b>LIABILITIES AND EQUITY</b>                                                |           |                            |                               |
| Financial liabilities carried at fair value through income                   | 14        | 6,513                      | 6,244                         |
| Liabilities to banks and customers                                           | 15        | 19,354                     | 18,451                        |
| Unearned premiums                                                            |           | 18,966                     | 15,233                        |
| Reserves for loss and loss adjustment expenses                               | 16        | 63,765                     | 63,924                        |
| Reserves for insurance and investment contracts                              | 17        | 298,894                    | 296,557                       |
| Financial liabilities for unit-linked contracts                              |           | 49,123                     | 50,450                        |
| Deferred tax liabilities                                                     |           | 3,569                      | 3,833                         |
| Other liabilities                                                            | 18        | 32,232                     | 32,930                        |
| Liabilities of disposal groups classified as held for sale                   | 3, 12     | 1,362                      | 411,816                       |
| Certificated liabilities                                                     | 19        | 7,372                      | 9,544                         |
| Participation certificates and subordinated liabilities                      | 20        | 9,484                      | 9,346                         |
| <b>Total liabilities</b>                                                     |           | <b>510,634</b>             | <b>918,328</b>                |
| Shareholders' equity                                                         |           | 33,030                     | 33,684                        |
| Minority interests                                                           |           | 2,065                      | 3,564                         |
| <b>Total equity</b>                                                          | <b>21</b> | <b>35,095</b>              | <b>37,248</b>                 |
| <b>Total liabilities and equity</b>                                          |           | <b>545,729</b>             | <b>955,576</b>                |

**Table of Contents**Allianz Group Interim Report First Quarter of 2009 **Condensed Consolidated Interim Financial Statements****Allianz Group****Consolidated Income Statements****For the three months ended March 31, 2009 and 2008**

| Three months ended March 31,                                                                         |           | 2009            | 2008            |
|------------------------------------------------------------------------------------------------------|-----------|-----------------|-----------------|
|                                                                                                      | Note      | mn              | mn              |
| <b>Premiums written</b>                                                                              |           | <b>19,390</b>   | <b>19,468</b>   |
| Ceded premiums written                                                                               |           | (1,496)         | (1,416)         |
| Change in unearned premiums                                                                          |           | (3,214)         | (3,290)         |
| <b>Premiums earned (net)</b>                                                                         | <b>22</b> | <b>14,680</b>   | <b>14,762</b>   |
| Interest and similar income                                                                          | 23        | 4,414           | 4,456           |
| Income from financial assets and liabilities carried at fair value through income (net)              | 24        | (360)           | 372             |
| Realized gains/losses (net)                                                                          | 25        | 419             | 1,059           |
| Fee and commission income                                                                            | 26        | 1,336           | 1,505           |
| Other income                                                                                         | 27        | 4               | 351             |
| Income from fully consolidated private equity investments                                            | 28        | 469             | 579             |
| <b>Total income</b>                                                                                  |           | <b>20,962</b>   | <b>23,084</b>   |
| Claims and insurance benefits incurred (gross)                                                       |           | (12,391)        | (11,986)        |
| Claims and insurance benefits incurred (ceded)                                                       |           | 612             | 672             |
| <b>Claims and insurance benefits incurred (net)</b>                                                  | <b>29</b> | <b>(11,779)</b> | <b>(11,314)</b> |
| Change in reserves for insurance and investment contracts (net)                                      | 30        | (621)           | (1,845)         |
| Interest expenses                                                                                    | 31        | (410)           | (493)           |
| Loan loss provisions                                                                                 | 32        | (15)            | (5)             |
| Impairments of investments (net)                                                                     | 33        | (1,890)         | (1,470)         |
| Investment expenses                                                                                  | 34        | 62              | (436)           |
| Acquisition and administrative expenses (net)                                                        | 35        | (4,779)         | (4,395)         |
| Fee and commission expenses                                                                          | 36        | (491)           | (551)           |
| Amortization of intangible assets                                                                    |           | (4)             | (5)             |
| Restructuring charges                                                                                |           | (64)            | 5               |
| Other expenses                                                                                       |           | (1)             | (1)             |
| Expenses from fully consolidated private equity investments                                          | 28        | (525)           | (556)           |
| <b>Total expenses</b>                                                                                |           | <b>(20,517)</b> | <b>(21,066)</b> |
| <b>Income from continuing operations before income taxes and minority interests in earnings</b>      |           | <b>445</b>      | <b>2,018</b>    |
| Income taxes                                                                                         | 37        | (21)            | (572)           |
| Minority interests in earnings                                                                       |           |                 | (66)            |
| <b>Net income from continuing operations</b>                                                         |           | <b>424</b>      | <b>1,380</b>    |
| <b>Net loss from discontinued operations, net of income taxes and minority interests in earnings</b> | <b>3</b>  | <b>(395)</b>    | <b>(232)</b>    |
| <b>Net income</b>                                                                                    |           | <b>29</b>       | <b>1,148</b>    |
| Three months ended March 31,                                                                         |           | 2009            | 2008            |
|                                                                                                      | Note      |                 |                 |
| Basic earnings per share                                                                             | 38        | 0.06            | 2.55            |
| from continuing operations                                                                           |           | 0.94            | 3.07            |
| from discontinued operations                                                                         |           | (0.88)          | (0.52)          |
| <b>Diluted earnings per share</b>                                                                    | <b>38</b> | <b>0.04</b>     | <b>2.48</b>     |
| from continuing operations                                                                           |           | 0.91            | 2.99            |

from discontinued operations

(0.87)

(0.51)

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Condensed Consolidated Interim Financial Statements    Allianz Group Interim Report First Quarter of 2009

**Allianz Group****Consolidated Statements of Comprehensive Income****For the three months ended March 31, 2009 and 2008**

| Three months ended March 31,                                          | 2009           | 2008           |
|-----------------------------------------------------------------------|----------------|----------------|
|                                                                       | mn             | mn             |
| <b>Net income (after taxes before minority interests in earnings)</b> | <b>29</b>      | <b>1,228</b>   |
| <b>Other comprehensive income</b>                                     |                |                |
| <b>Foreign currency translation adjustments</b>                       |                |                |
| Reclassifications to net income                                       | 548            |                |
| Changes arising during the period                                     | 151            | (957)          |
| <b>Subtotal</b>                                                       | <b>699</b>     | <b>(957)</b>   |
| <b>Available for sale investments</b>                                 |                |                |
| Reclassifications to net income                                       | 351            | (138)          |
| Changes arising during the period                                     | (1,655)        | (2,826)        |
| <b>Subtotal</b>                                                       | <b>(1,304)</b> | <b>(2,964)</b> |
| <b>Cashflow hedges</b>                                                |                |                |
| Reclassifications to net income                                       | 1              |                |
| Changes arising during the period                                     | (34)           | 40             |
| <b>Subtotal</b>                                                       | <b>(33)</b>    | <b>40</b>      |
| <b>Share of other comprehensive income of associates</b>              |                |                |
| Reclassifications to net income                                       |                |                |
| Changes arising during the period                                     | 9              | (42)           |
| <b>Subtotal</b>                                                       | <b>9</b>       | <b>(42)</b>    |
| <b>Miscellaneous</b>                                                  |                |                |
| Reclassifications to net income                                       |                |                |
| Changes arising during the period                                     | (72)           | (37)           |
| <b>Subtotal</b>                                                       | <b>(72)</b>    | <b>(37)</b>    |
| <b>Total other comprehensive loss</b>                                 | <b>(701)</b>   | <b>(3,960)</b> |
| <b>Total comprehensive loss</b>                                       | <b>(672)</b>   | <b>(2,732)</b> |
| <b>Minority interests</b>                                             | <b>2</b>       | <b>82</b>      |
| <b>Total comprehensive loss (shareholders' interest)</b>              | <b>(670)</b>   | <b>(2,650)</b> |

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

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Allianz Group Interim Report First Quarter of 2009 **Condensed Consolidated Interim Financial Statements**

## Allianz Group

## Consolidated Statements of Changes in Equity

For the three months ended March 31, 2009 and 2008

|                                                   | Paid-in<br>capital | Revenue<br>reserves | Foreign<br>currency<br>translation<br>adjustments | Unrealized<br>gains and<br>losses<br>(net) | Shareholders<br>equity | Minority<br>interests | Total<br>equity |
|---------------------------------------------------|--------------------|---------------------|---------------------------------------------------|--------------------------------------------|------------------------|-----------------------|-----------------|
|                                                   | mn                 | mn                  | mn                                                | mn                                         | mn                     | mn                    | mn              |
| <b>Balance as of December 31, 2007</b>            | 28,321             | 12,618              | (3,656)                                           | 10,470                                     | 47,753                 | 3,628                 | 51,381          |
| Total comprehensive income                        |                    | 1,079               | (830)                                             | (2,899)                                    | (2,650)                | (82)                  | (2,732)         |
| Paid-in capital                                   | 203                |                     |                                                   |                                            | 203                    |                       | 203             |
| Treasury shares                                   |                    | (204)               |                                                   |                                            | (204)                  |                       | (204)           |
| Transactions between equity holders               |                    | (122)               |                                                   | 1                                          | (121)                  | (4)                   | (125)           |
| Dividends paid                                    |                    |                     |                                                   |                                            |                        | (35)                  | (35)            |
| <b>Balance as of March 31, 2008</b>               | 28,524             | 13,371              | (4,486)                                           | 7,572                                      | 44,981                 | 3,507                 | 48,488          |
| <b>Balance as of December 31, 2008</b>            | 28,569             | 7,110               | (4,006)                                           | 2,011                                      | 33,684                 | 3,564                 | 37,248          |
| Total comprehensive income                        |                    | (32)                | 696                                               | (1,334)                                    | (670)                  | (2)                   | (672)           |
| Paid-in capital                                   |                    |                     |                                                   |                                            |                        |                       |                 |
| Treasury shares                                   |                    | 21                  |                                                   |                                            | 21                     |                       | 21              |
| Transactions between equity holders <sup>1)</sup> |                    | (5)                 |                                                   |                                            | (5)                    | (1,472)               | (1,477)         |
| Dividends paid                                    |                    |                     |                                                   |                                            |                        | (25)                  | (25)            |
| <b>Balance as of March 31, 2009</b>               | 28,569             | 7,094               | (3,310)                                           | 677                                        | 33,030                 | 2,065                 | 35,095          |

1) Includes (1,738) mn minority interest changes from the derecognition of Dresdner Bank and 266 mn related to capital movements of subsidiaries owned less than 100 % as of March 31, 2009.

**Table of Contents****Condensed Consolidated Interim Financial Statements** Allianz Group Interim Report First Quarter of 2009**Allianz Group****Condensed Consolidated Statements of Cash Flows****For the three months ended March 31, 2009 and 2008**

| Three months ended March 31,                                                                                                                                     | 2009            | 2008           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|
|                                                                                                                                                                  | mn              | mn             |
| <b>Summary</b>                                                                                                                                                   |                 |                |
| Net cash flow provided by operating activities                                                                                                                   | 3,739           | 5,608          |
| Net cash flow used in investing activities                                                                                                                       | (35,078)        | (11,931)       |
| Net cash flow provided by (used in) financing activities                                                                                                         | (1,170)         | 4,630          |
| Effect of exchange rate changes on cash and cash equivalents                                                                                                     | 13              | (18)           |
| <b>Change in cash and cash equivalents</b>                                                                                                                       | <b>(32,496)</b> | <b>(1,711)</b> |
| Cash and cash equivalents at beginning of period of continuing operations                                                                                        | 8,958           | 31,337         |
| Cash and cash equivalents at beginning of period reclassified to assets of disposal groups held for sale                                                         | 30,238          |                |
| <b>Cash and cash equivalents at end of period</b>                                                                                                                | <b>6,700</b>    | <b>29,626</b>  |
| <b>Cash flow from operating activities</b>                                                                                                                       |                 |                |
| <b>Net income</b>                                                                                                                                                | <b>29</b>       | <b>1,148</b>   |
| <b>Adjustments to reconcile net income to net cash flow provided by operating activities</b>                                                                     |                 |                |
| Minority interests in earnings                                                                                                                                   |                 | 80             |
| Share of earnings from investments in associates and joint ventures                                                                                              | 35              | (21)           |
| Realized gains/losses (net) and impairments of investments (net) of:                                                                                             |                 |                |
| Available-for-sale and held-to-maturity investments, investments in associates and joint ventures, real estate held for investment, loans to banks and customers | 1,471           | 170            |
| Other investments, mainly financial assets held for trading and designated at fair value through income                                                          | 616             | (195)          |
| Depreciation and amortization                                                                                                                                    | 156             | 139            |
| Loan loss provisions                                                                                                                                             | 15              | 10             |
| Interest credited to policyholder accounts                                                                                                                       | 946             | 879            |
| Net change in:                                                                                                                                                   |                 |                |
| Financial assets and liabilities held for trading                                                                                                                | (17)            | (5,843)        |
| Reverse repurchase agreements and collateral paid for securities borrowing transactions                                                                          | (716)           | (39,585)       |
| Repurchase agreements and collateral received from securities lending transactions                                                                               | (531)           | 45,425         |
| Reinsurance assets                                                                                                                                               | 425             | 210            |
| Deferred acquisition costs                                                                                                                                       | (260)           | (744)          |
| Unearned premiums                                                                                                                                                | 3,622           | 3,681          |
| Reserves for losses and loss adjustment expenses                                                                                                                 | (583)           | (315)          |
| Reserves for insurance and investment contracts                                                                                                                  | (509)           | 556            |
| Deferred tax assets/liabilities                                                                                                                                  | (187)           | 168            |
| Financial assets designated at fair value through income (only banking segment)                                                                                  |                 | 988            |
| Financial liabilities designated at fair value through income (only banking segment)                                                                             |                 | (143)          |
| Other (net)                                                                                                                                                      | (773)           | (1,000)        |
| <b>Subtotal</b>                                                                                                                                                  | <b>3,710</b>    | <b>4,460</b>   |
| <b>Net cash flow provided by operating activities</b>                                                                                                            | <b>3,739</b>    | <b>5,608</b>   |
| <b>Cash flow from investing activities</b>                                                                                                                       |                 |                |
| <b>Proceeds from the sale, maturity or repayment of</b>                                                                                                          |                 |                |
| Financial assets designated at fair value through income                                                                                                         | 923             | 754            |
| Available-for-sale investments                                                                                                                                   | 28,464          | 26,144         |
| Held-to-maturity investments                                                                                                                                     | 140             | 64             |
| Investments in associates and joint ventures                                                                                                                     | 959             | 384            |

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|                                                                              |               |               |
|------------------------------------------------------------------------------|---------------|---------------|
| Non-current assets and assets of disposal groups classified as held for sale | 21            | 2,155         |
| Real estate held for investment                                              | 32            | 247           |
| Loans and advances to banks and customers (purchased loans)                  | 3,050         | 986           |
| Property and equipment                                                       | 60            | 186           |
| <b>Subtotal</b>                                                              | <b>33,649</b> | <b>30,920</b> |

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## Allianz Group Interim Report First Quarter of 2009 Condensed Consolidated Interim Financial Statements

| Three months ended March 31,                                                                                    | 2009            | 2008            |
|-----------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
|                                                                                                                 | mn              | mn              |
| <b>Payments for the purchase or origination of</b>                                                              |                 |                 |
| Financial assets designated at fair value through income                                                        | (385)           | (1,042)         |
| Available-for-sale investments                                                                                  | (32,233)        | (29,687)        |
| Held-to-maturity investments                                                                                    | (119)           | (135)           |
| Investments in associates and joint ventures                                                                    | (951)           | (261)           |
| Non-current assets and assets of disposal groups classified as held for sale                                    |                 | (10)            |
| Real estate held for investment                                                                                 | (21)            | (45)            |
| Loans and advances to banks and customers (purchased loans)                                                     | (5,672)         | (1,784)         |
| Property and equipment                                                                                          | (171)           | (214)           |
| <b>Subtotal</b>                                                                                                 | <b>(39,552)</b> | <b>(33,178)</b> |
| <b>Business combinations</b>                                                                                    |                 |                 |
| Proceeds from sale, net of cash disposed                                                                        | (26,975)        |                 |
| Acquisitions of subsidiaries, net of cash acquired                                                              |                 |                 |
| <b>Change in other loans and advances to banks and customers (originated loans)</b>                             | <b>(2,355)</b>  | <b>(9,478)</b>  |
| <b>Other (net)</b>                                                                                              | <b>155</b>      | <b>(195)</b>    |
| <b>Net cash flow used in investing activities</b>                                                               | <b>(35,078)</b> | <b>(11,931)</b> |
| <b>Cash flow from financing activities</b>                                                                      |                 |                 |
| Policyholders' account deposits                                                                                 | 5,674           | 4,369           |
| Policyholders' account withdrawals                                                                              | (3,339)         | (2,735)         |
| Net change in liabilities to banks and customers                                                                | (1,513)         | 7,207           |
| Proceeds from the issuance of certificated liabilities, participation certificates and subordinated liabilities | 5,136           | 12,375          |
| Repayments of certificated liabilities, participation certificates and subordinated liabilities                 | (7,339)         | (16,155)        |
| Cash inflow from capital increases                                                                              |                 | 203             |
| Transactions between equity holders                                                                             | 261             | (125)           |
| Dividends paid to shareholders                                                                                  | (25)            | (35)            |
| Net cash from sale or purchase of treasury shares                                                               | (53)            | (56)            |
| Other (net)                                                                                                     | 28              | (418)           |
| <b>Net cash flow provided by (used in) financing activities</b>                                                 | <b>(1,170)</b>  | <b>4,630</b>    |

The following table shows the net cash flows provided by (used in) discontinued operations for the three months ended March 31, 2009 and 2008 that are included in the condensed consolidated statements of cash flows above.

| Three months ended March 31,                                                | 2009 | 2008    |
|-----------------------------------------------------------------------------|------|---------|
|                                                                             | mn   | mn      |
| Net cash flow used in operating activities from discontinued operations     |      | (1,036) |
| Net cash flow used in investing activities from discontinued operations     |      | (7,191) |
| Net cash flow provided by financing activities from discontinued operations |      | 3,945   |
| Net cash flow used in discontinued operations                               |      | (4,282) |

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**Notes to the Condensed Consolidated Interim Financial Statements** Allianz Group Interim Report First Quarter of 2009

## Allianz Group

## Notes to the Condensed Consolidated

## Interim Financial Statements

### 1 Basis of presentation

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

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

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

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

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

This condensed consolidated interim financial statements of the Allianz Group were authorized for issue by the Board of Management on May 12, 2009.

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

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

#### **IFRS 8, Operating Segments**

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

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Previously, under IAS 14, the Allianz Group reported Property-Casualty, Life/Health, Banking, Asset Management and Corporate as primary segments that, where appropriate, were subsequently organized by geographical areas. The implementation of IFRS 8 led to a change in the segment report (Note 5) from prior periods. In adopting the management approach to segment reporting as mandated by IFRS 8, the Allianz Group has identified its reportable segments on the basis of both products and services and geographic regions. Furthermore, after the sale of Dresdner Bank, the Allianz Group's main product and service offerings consist of property-casualty insurance, life/health insurance, financial services and corporate activities. Financial services refer to the Allianz Group's asset management business, continuing banking operations and its alternative investment management operations. Based on information reported to the Allianz Group's chief operating decision maker for the purposes of allocating resources and measuring performance, the following reportable segments have been identified:

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Allianz Group Interim Report First Quarter of 2009    **Notes to the Condensed Consolidated Interim Financial Statements**

**Property-Casualty:**

German Speaking Countries

Europe I incl. South America

Europe II incl. Africa

Anglo Broker Markets/Global Lines

Growth Markets

**Life/Health:**

German Speaking Countries

Europe I incl. South America

Europe II incl. Africa

Anglo Broker Markets/Global Lines

Growth Markets

**Financial Services:**

Asset Management

Banking

Alternative Investment Management

**Corporate**

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

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

The amendment is effective for annual periods beginning on or after January 1, 2010 and early application is permitted. The Allianz Group adopted the amendment in the first quarter 2009. The amendment has not yet been endorsed by the EU, but does not have a material impact on the Allianz Group's consolidated financial statements.

**IAS 1, Presentation of Financial Statements    revised**



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In September 2007, the IASB issued the revised IAS 1, Presentation of Financial Statements. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The revised standard gives preparers of financial statements the option of presenting items of income and expense and components of other comprehensive income either in a single statement

of comprehensive income with subtotals, or in two separate statements. The revisions also include changes in the titles of some of the financial statements to reflect their function more clearly. The new titles are not mandatory for use in financial statements. Allianz Group has decided not to change the titles of the statements. The Allianz Group adopted revised IAS 1 as of January 1, 2009.

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

### **IAS 23, Borrowing Costs    amended**

In March 2007, the IASB issued amendments to IAS 23, Borrowing Costs. The main change from the previous version is the removal of the option of immediately recognizing as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The cost of an asset will in future include all costs incurred in getting it ready for use or sale. The Allianz Group adopted the amendment as of January 1, 2009 with no material effect on its financial result or financial position.

### **IFRS 2, Share-based Payment    amended**

In January 2008, the IASB issued an amendment to IFRS 2, Share-based Payment. The amendment clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Allianz Group adopted the amendment as of January 1, 2009 with no material effect on its financial result or financial position.

### **IAS 32, Financial Instruments: Presentation, and IAS 1, Presentation of Financial Statements    amended**

In February 2008, the IASB issued amendments to IAS 32, Financial Instruments: Presentation, and IAS 1, Presentation of Financial Statements. IAS 32 requires a financial instrument to be classified as a liability if the holder of that

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### Notes to the Condensed Consolidated Interim Financial Statements Allianz Group Interim Report First Quarter of 2009

instrument can require the issuer to redeem it for cash. The consequence is that some financial instruments that would usually be considered as equity allow the holder to put the instrument and are, therefore, considered liabilities rather than equity. The amendments to IAS 32 address this issue and require entities to classify the following types of financial instruments as equity provided they have particular features and meet specific conditions:

puttable financial instruments (e.g., some shares issued by cooperative entities)

instruments, or components of instruments, that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation

(e.g., some partnership interests and some shares issued by limited life entities).

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

### Improvements to IFRS

In May 2008, the IASB issued improvements to IFRS. The improvements to IFRS project is an annual process that the IASB has adopted to deal with non-urgent but necessary amendments to IFRS (the annual improvements process). The 34 amendments are divided in two parts. Part I deals with changes the IASB identified resulting in accounting changes. Part II deals with terminology and editorial amendments that have a minimal impact.

The following table summarizes the changes relating to Part I that have been adopted by Allianz Group as of January 1, 2009.

| Standard | Description of the change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Impact                                                                                    |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| IAS 1    | Assets and liabilities classified as held for trading in accordance with IAS 39 are not automatically classified as current in the balance sheet.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | no material impact on Allianz Group's condensed consolidated interim financial statements |
| IAS 16   | Net selling price is replaced by fair value less costs to sell. Property, plant and equipment held for rental that are routinely sold in the course of business after rental are transferred to inventory when rental ceases and they are held for sale. Proceeds of the sale are shown as revenue. Cash payments on initial recognition of such items, cash receipts from rents and subsequent sales are shown as cash flows from operating activities.                                                                                                                                                                                                                                                                                                                                               | no material impact on Allianz Group's condensed consolidated interim financial statements |
| IAS 19   | The definition of past service cost is revised to include reductions in benefits related to past services and to exclude reductions in benefits related to future services that arise from plan amendments. Amendments to plans that result in a reduction in benefits related to future services are accounted for as a curtailment. The definition of return on plan assets now excludes plan administration costs if they have already been included in the actuarial assumptions used to measure the defined benefit obligation. The definition of short-term and other long-term employee benefits is revised to focus on the point in time at which the liability is due to be settled. The reference to the recognition of contingent liabilities is deleted to ensure consistency with IAS 37. | no material impact on Allianz Group's condensed consolidated interim financial statements |
| IAS 23   | The definition of borrowing costs is revised, i.e., components of interest expense calculated using the effective interest rate method calculated in accordance with IAS 39.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | no material impact on Allianz Group's condensed consolidated interim financial statements |
| IAS 27   | When an entity accounts for a subsidiary at fair value in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | no material impact on Allianz Group's condensed consolidated                              |

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|        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                           |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| IAS 28 | Certain disclosures are required when investments in associates are accounted for at fair value through profit or loss. For the purpose of testing an investment in an associate for impairment, the investment is considered a single asset. Therefore, any impairment is not separately allocated to goodwill included in the investment.                                                                                                                                                                                                                                              | interim financial statements<br>no material impact on Allianz Group's condensed consolidated interim financial statements |
| IAS 31 | Disclosures are required when interests in jointly controlled entities are accounted for at fair value through profit or loss                                                                                                                                                                                                                                                                                                                                                                                                                                                            | no material impact on Allianz Group's condensed consolidated interim financial statements                                 |
| IAS 36 | Additional disclosure are required with regard to estimates used to determine recoverable amount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | no material impact on Allianz Group's condensed consolidated interim financial statements                                 |
| IAS 38 | Expenditures relating to advertising and promotional activities are recognized as expense when the entity has the right to access the goods or has received the services. These activities now also specifically include mail order catalogues. Amendment deletes references to there being rarely, if ever, persuasive evidence to support an amortisation method for intangible assets with finite useful lives that results in a lower amount of accumulated amortisation than under the straight-line method, thereby effectively allowing the use of the unit of production method. | no material impact on Allianz Group's condensed consolidated interim financial statements                                 |
| IAS 40 | The scope is being revised now including property that is being constructed or developed for future use as an investment property. Where an entity is unable to determine the fair value of an investment property under construction but expects to be able to determine its fair value on completion, the investment under construction shall be measured at cost until the fair value can be determined or the construction is complete.                                                                                                                                              | no material impact on Allianz Group's condensed consolidated interim financial statements                                 |

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Allianz Group Interim Report First Quarter of 2009 **Notes to the Condensed Consolidated Interim Financial Statements**

### **Amendments to IFRIC 9 and IAS 39**

In March 2009, the IASB published amendments to IFRIC 9 and IAS 39 to clarify the accounting treatment of embedded derivatives for entities that use the reclassification amendment to IAS 39 issued by the IASB in October 2008. The reclassification amendment allows entities to reclassify certain financial instruments out of the fair value through profit or loss category when certain requirements are met. These amendments to IFRIC 9 and IAS 39 clarify that on reclassification of a financial asset out of the fair value through profit or loss category, all embedded derivatives have to be assessed in order to determine whether a separation from the host contract is required. The amendments apply retrospectively and are required to be applied for annual periods ending on or after June 30, 2009. They have not yet been adopted by the EU, but do not have any material effect on the Allianz Group's financial result or financial position.

### **IFRIC 13, Customer Loyalty Programmes**

In June 2007, the IFRIC issued IFRIC 13, Customer Loyalty Programmes. IFRIC 13 addresses how companies, that grant their customers loyalty award credits (often called points) when buying goods or services, should account for their obligation to provide free or discounted goods or services if and when the customers redeem the points. Customers are implicitly paying for the points they receive when they buy other goods or services. Some revenue should be allocated to the points. Therefore, IFRIC 13 requires companies to estimate the value of the points to the customer and defer this amount of revenue as a liability until they have fulfilled their obligations to supply awards. The Allianz Group adopted the interpretation as of January 1, 2009 with no material effect on its financial result or financial position.

### **IFRIC 15, Agreements for the Construction of Real Estate**

In July 2008, the IFRIC issued IFRIC 15, Agreements for the Construction of Real Estate. IFRIC 15 clarifies the definition of a construction contract and the articulation between IAS 11 and IAS 18 and provides guidance on how to account for revenue when the agreement for the construction of real estate falls within the scope of IAS 18. The main expected change is a shift from recognition of revenue using the percentage of completion method to recognition of revenue at a single time (e.g. at completion, upon or after delivery). Affected agreements will be mainly those accounted for in accordance with IAS 11 that do not meet the definition of a construction contract as interpreted by the IFRIC and do not result in a continuous transfer (i.e. agreements in which the entity transfers to the buyer control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses). The interpreta-

tion is mandatory for annual periods beginning on or after January 1, 2009. It has not yet been adopted by the EU, but does not have any material effect on the Allianz Group's financial result or financial position.

### **IFRIC 16, Hedges of a Net Investment in a Foreign Operation**

In July 2008, the IFRIC issued IFRIC 16, Hedges of a Net Investment in a Foreign Operation. IFRIC 16 provides guidance on:

identifying the foreign currency risks that qualify as a hedged risk in the hedge of a net investment in a foreign operation;

where, within a group, hedging instruments that are hedges of a net investment in a foreign operation can be held to qualify for hedge accounting; and

how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

IFRIC 16 concludes that the presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation. In addition, the hedging instrument(s) may be held by any entity or entities within the group. While IAS 39 must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, IAS 21 must be applied in respect of the hedged item. The interpretation is mandatory for annual periods beginning on

or after October 1, 2008. It has not yet been adopted by the EU, but does not have any material effect on the Allianz Group's financial result or financial position.

#### **Changes in the presentation of the condensed consolidated interim financial statements**

##### **Reclassification of Dresdner Bank as disposal group held for sale and discontinued operation**

On August 31, 2008, Allianz SE (Allianz) and Commerz-bank AG (Commerzbank) agreed on the sale of Dresdner Bank AG (Dresdner Bank) to Commerzbank. Following the announcement of the sale, Dresdner Bank qualified as disposal group held for sale and discontinued operation according to the requirements of IFRS 5, Non-current Assets Held for Sale and Discontinued Operations. The sale was completed on January 12, 2009.

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### Notes to the Condensed Consolidated Interim Financial Statements Allianz Group Interim Report First Quarter of 2009

Almost all assets and liabilities of Dresdner Bank have been reclassified and presented as separate line items. Non-current assets and assets of disposal groups classified as held for sale and liabilities of disposal groups classified as held for sale, respectively, on the face of the consolidated balance sheet as of December 31, 2008 and have been deconsolidated on January 12, 2009.

All income and expenses relating to the discontinued operations of Dresdner Bank have been reclassified and presented in a separate line item. Net income (loss) from discontinued operations, net of income taxes and minority interests in earnings in the consolidated income statements for all periods presented in accordance with IFRS 5.

The following table summarizes the impact on the consolidated income statement for the three months ended March 31, 2008:

| Three months ended March 31,                                                            | As<br>previously<br>reported | 2008<br>thereof:<br><br>Income and ex-<br>penses from<br>discontinued<br>operations | Reported as<br>income and<br>expenses from<br>continuing<br>operations |
|-----------------------------------------------------------------------------------------|------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------|
|                                                                                         | mn                           | mn                                                                                  | mn                                                                     |
| <b>Premiums written</b>                                                                 | <b>19,468</b>                |                                                                                     | <b>19,468</b>                                                          |
| Ceded premiums written                                                                  | (1,416)                      |                                                                                     | (1,416)                                                                |
| Change in unearned premiums                                                             | (3,290)                      |                                                                                     | (3,290)                                                                |
| <b>Premiums earned (net)</b>                                                            | <b>14,762</b>                |                                                                                     | <b>14,762</b>                                                          |
| Interest and similar income                                                             | 6,410                        | 1,954                                                                               | 4,456                                                                  |
| Income from financial assets and liabilities carried at fair value through income (net) | (52)                         | (424)                                                                               | 372                                                                    |
| Realized gains/losses (net)                                                             | 1,327                        | 268                                                                                 | 1,059                                                                  |
| Fee and commission income                                                               | 2,101                        | 596                                                                                 | 1,505                                                                  |
| Other income                                                                            | 351                          |                                                                                     | 351                                                                    |
| Income from fully consolidated private equity investments                               | 579                          |                                                                                     | 579                                                                    |
| <b>Total income</b>                                                                     | <b>25,478</b>                | <b>2,394</b>                                                                        | <b>23,084</b>                                                          |
| Claims and insurance benefits incurred (gross)                                          | (11,986)                     |                                                                                     | (11,986)                                                               |
| Claims and Insurance benefits incurred (ceded)                                          | 672                          |                                                                                     | 672                                                                    |
| <b>Claims and insurance benefits incurred (net)</b>                                     | <b>(11,314)</b>              |                                                                                     | <b>(11,314)</b>                                                        |
| Change in reserves for insurance and investment contracts (net)                         | (1,845)                      |                                                                                     | (1,845)                                                                |
| Interest expenses                                                                       | (1,826)                      | (1,333)                                                                             | (493)                                                                  |
| Loan loss provisions                                                                    | (10)                         | (5)                                                                                 | (5)                                                                    |
| Impairments of investments (net)                                                        | (1,497)                      | (27)                                                                                | (1,470)                                                                |
| Investment expenses                                                                     | (437)                        | (1)                                                                                 | (436)                                                                  |
| Acquisition and administrative expenses (net)                                           | (5,473)                      | (1,078)                                                                             | (4,395)                                                                |
| Fee and commission expenses                                                             | (628)                        | (77)                                                                                | (551)                                                                  |
| Amortization of intangible assets                                                       | (5)                          |                                                                                     | (5)                                                                    |
| Restructuring charges                                                                   | 21                           | 16                                                                                  | 5                                                                      |
| Other expenses                                                                          | (6)                          | (5)                                                                                 | (1)                                                                    |
| Expenses from fully consolidated private equity investments                             | (556)                        |                                                                                     | (556)                                                                  |
| <b>Total expenses</b>                                                                   | <b>(23,576)</b>              | <b>(2,510)</b>                                                                      | <b>(21,066)</b>                                                        |
| <b>Income (loss) before income taxes and minority interests in earnings</b>             | <b>1,902</b>                 | <b>(116)</b>                                                                        | <b>2,018</b>                                                           |

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|                                |              |              |              |
|--------------------------------|--------------|--------------|--------------|
| Income taxes                   | (674)        | (102)        | (572)        |
| Minority interests in earnings | (80)         | (14)         | (66)         |
| <b>Net income (loss)</b>       | <b>1,148</b> | <b>(232)</b> | <b>1,380</b> |

For further details see Note 3.

### Reclassifications

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

**Table of Contents**Allianz Group Interim Report First Quarter of 2009 **Notes to the Condensed Consolidated Interim Financial Statements****Reclassification of financial assets**

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

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

|                                                                                                                                                                   | As of<br>January 31,<br>2009<br>Carrying<br>value at date<br>of<br>reclassification<br>mn | Carrying<br>value<br>mn | As of<br>March 31, 2009<br>Fair Value<br>mn |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------|---------------------------------------------|
| CDOs reclassified from held for trading to loans to banks and customers (after bifurcation of embedded derivatives)                                               | 1,085                                                                                     | 1,038                   | 1,038                                       |
| Fair value losses recognized in the first quarter 2009 on the CDOs, that were reclassified on January 31, 2009, prior to their reclassification, were immaterial. |                                                                                           |                         |                                             |

The reclassification did not have a material impact on the net income for the first quarter 2009.

The effective interest rate of the CDOs at the date of reclassification was approximately 13% with expected recoverable cash flows of 2.4 bn.

**3 Assets and liabilities of disposal groups classified as held for sale and discontinued operations****Impact of the sale of Dresdner Bank AG to Commerzbank AG**

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

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





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### Notes to the Condensed Consolidated Interim Financial Statements Allianz Group Interim Report First Quarter of 2009

Net loss from discontinued operations for the three months ended March 31, 2009 and 2008, respectively is comprised of:

| Three months ended March 31,                                                                      | 2009         | 2008           |
|---------------------------------------------------------------------------------------------------|--------------|----------------|
|                                                                                                   | mn           | mn             |
| Interest and similar income                                                                       |              | 1,954          |
| Income from financial assets and liabilities carried at fair value through income (net)           |              | (424)          |
| Realized gains/losses (net)                                                                       |              | 268            |
| Fee and commission income                                                                         |              | 596            |
| Other income                                                                                      |              |                |
| <b>Total income from discontinued operations</b>                                                  |              | <b>2,394</b>   |
| Interest expenses                                                                                 |              | (1,333)        |
| Loan loss provisions                                                                              |              | (5)            |
| Impairments of investments (net)                                                                  |              | (27)           |
| Investment expenses                                                                               |              | (1)            |
| Acquisition and administrative expenses (net)                                                     |              | (1,078)        |
| Fee and commission expenses                                                                       |              | (77)           |
| Amortization of intangible assets                                                                 |              |                |
| Restructuring charges                                                                             |              | 16             |
| Other expenses                                                                                    |              | (5)            |
| <b>Total expenses from discontinued operations</b>                                                |              | <b>(2,510)</b> |
| <b>Result from discontinued operations before income taxes and minority interests in earnings</b> |              | <b>(116)</b>   |
| Income taxes                                                                                      |              | (102)          |
| Minority interests in earnings                                                                    |              | (14)           |
| <b>Result from operating activities of discontinued operations</b>                                |              | <b>(232)</b>   |
| Loss from derecognition of discontinued operations                                                | (395)        |                |
| Income taxes related to loss from derecognition of discontinued operations                        |              |                |
| <b>After-tax loss from derecognition of discontinued operations</b>                               | <b>(395)</b> |                |
| <b>Net loss from discontinued operations</b>                                                      | <b>(395)</b> | <b>(232)</b>   |

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Allianz Group Interim Report First Quarter of 2009 **Notes to the Condensed Consolidated Interim Financial Statements**

### 4 Consolidation

### Significant acquisitions

#### Cominvest

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

#### Components of costs

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

The impact of cominvest on the Allianz Group's net income as of March 31, 2009 was (6) mn.

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

|                                                         | Fair value | Carrying amount |
|---------------------------------------------------------|------------|-----------------|
|                                                         | mn         | mn              |
| Cash and cash equivalents                               | 48         | 48              |
| Investments                                             | 186        | 186             |
| Deferred tax assets                                     | 6          | 8               |
| Other assets                                            | 42         | 41              |
| <b>Total assets</b>                                     | <b>282</b> | <b>283</b>      |
| Deferred tax liabilities                                | 1          | 1               |
| Other liabilities                                       | 129        | 128             |
| Participation certificates and subordinated liabilities | 50         | 50              |
| Total equity                                            | 102        | 104             |
| <b>Total liabilities and equity</b>                     | <b>282</b> | <b>283</b>      |

The initial accounting for this acquisition could only be determined provisionally by March 31, 2009. Allianz continues to evaluate the recognition of separately identifiable intangible assets and the relevant amortization period for these intangible assets.

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

If the acquisition date of the combined entity (Allianz Group including cominvest) would have been on January 1, 2009, the revenues and net income for the three months ended March 31, 2009 would have been immaterially different from the revenues and net income as presented in the consolidated income statement for the three months ended March 31, 2009.

### Significant disposals

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



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### **Notes to the Condensed Consolidated Interim Financial Statements** Allianz Group Interim Report First Quarter of 2009

#### **5 Segment reporting**

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

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

German Speaking Countries;

Europe I incl. South America;

Europe II incl. Africa;

Anglo Broker Markets/Global Lines and

Growth Markets.

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

#### **Property-Casualty**

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

#### **Life/Health**

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

#### **Financial Services**

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

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

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

## Corporate

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

## Measurement

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

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

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Allianz Group Interim Report First Quarter of 2009    **Notes to the Condensed Consolidated Interim Financial Statements**

Allianz Group. To better understand the on-going operations of the business, we exclude the effects of acquisition-related expenses and the amortization of intangible assets, as these relate to business combinations; and we exclude interest expenses from external debt and non-operating income from financial assets and liabilities carried at fair value through income (net) as these relate to our capital structure.

The Allianz Group believes that trends in the underlying profitability of its business can be more clearly identified without the fluctuating effects of the realized capital gains and losses or impairments of investment securities, as these are largely dependent on market cycles or issuer-specific events over which the Allianz Group has little or no control, and can and do vary, sometimes materially, across periods. Further, the timing of sales that would result in such gains or losses is largely at the discretion of the Allianz Group. Similarly, restructuring charges are excluded because the timing of the restructuring charges are largely within the control of the Allianz Group, and accordingly their exclusion provides additional insight into the operating trends of the underlying business. This differentiation is not made if the profit sources are shared with policyholders.

**Recent Organizational Changes**

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

**Table of Contents****Notes to the Condensed Consolidated Interim Financial Statements** Allianz Group Interim Report First Quarter of 2009**Business Segment Information Consolidated Balance Sheets****As of March 31, 2009 and as of December 31, 2008**

|                                                                              | Property-Casualty |                | Life/Health    |                |
|------------------------------------------------------------------------------|-------------------|----------------|----------------|----------------|
|                                                                              | As of             | As of          | As of          | As of          |
|                                                                              | March 31,         | December 31,   | March 31,      | December 31,   |
|                                                                              | 2009              | 2008           | 2009           | 2008           |
|                                                                              | mn                | mn             | mn             | mn             |
| <b>ASSETS</b>                                                                |                   |                |                |                |
| Cash and cash equivalents                                                    | 2,939             | 2,669          | 2,825          | 4,827          |
| Financial assets carried at fair value through income                        | 1,719             | 1,998          | 9,828          | 11,739         |
| Investments                                                                  | 76,268            | 75,563         | 185,381        | 186,794        |
| Loans and advances to banks and customers                                    | 17,154            | 17,648         | 95,188         | 90,619         |
| Financial assets for unit linked contracts                                   |                   |                | 49,123         | 50,450         |
| Reinsurance assets                                                           | 9,463             | 9,442          | 5,028          | 5,178          |
| Deferred acquisition costs                                                   | 4,087             | 3,723          | 19,291         | 18,693         |
| Deferred tax assets                                                          | 1,625             | 1,579          | 983            | 737            |
| Other assets                                                                 | 26,427            | 23,876         | 21,668         | 18,085         |
| Non-current assets and assets of disposal groups classified as held for sale |                   |                |                |                |
| Intangible assets                                                            | 2,340             | 2,384          | 2,304          | 2,300          |
| <b>Total assets</b>                                                          | <b>142,022</b>    | <b>138,882</b> | <b>391,619</b> | <b>389,422</b> |

|                                                            | Property-Casualty |                | Life/Health    |                |
|------------------------------------------------------------|-------------------|----------------|----------------|----------------|
|                                                            | As of             | As of          | As of          | As of          |
|                                                            | March 31,         | December 31,   | March 31,      | December 31,   |
|                                                            | 2009              | 2008           | 2009           | 2008           |
|                                                            | mn                | mn             | mn             | mn             |
| <b>LIABILITIES AND EQUITY</b>                              |                   |                |                |                |
| Financial liabilities carried at fair value through income | 94                | 103            | 6,241          | 5,833          |
| Liabilities to banks and customers                         | 274               | 530            | 1,172          | 1,274          |
| Unearned premiums                                          | 16,668            | 12,984         | 2,305          | 2,258          |
| Reserves for loss and loss adjustment expenses             | 55,493            | 55,616         | 8,283          | 8,320          |
| Reserves for insurance and investment contracts            | 8,531             | 8,595          | 290,283        | 287,932        |
| Financial liabilities for unit linked contracts            |                   |                | 49,123         | 50,450         |
| Deferred tax liabilities                                   | 2,387             | 2,580          | 725            | 833            |
| Other liabilities                                          | 20,759            | 20,523         | 17,251         | 16,625         |
| Liabilities of disposal groups classified as held for sale |                   |                |                |                |
| Certificated liabilities                                   | 166               | 167            | 2              | 2              |
| Participation certificates and subordinated liabilities    | 846               | 846            | 65             | 65             |
| <b>Total liabilities</b>                                   | <b>105,218</b>    | <b>101,944</b> | <b>375,450</b> | <b>373,592</b> |



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Allianz Group Interim Report First Quarter of 2009

Notes to the Condensed Consolidated Interim Financial Statements

| Financial Services |                | Corporate     |                | Consolidation    |                  | Group          |                |
|--------------------|----------------|---------------|----------------|------------------|------------------|----------------|----------------|
| As of              | As of          | As of         | As of          | As of            | As of            | As of          | As of          |
| March 31,          | December 31,   | March 31,     | December 31,   | March 31,        | December 31,     | March 31,      | December 31,   |
| 2009               | 2008           | 2009          | 2008           | 2009             | 2008             | 2009           | 2008           |
| mn                 | mn             | mn            | mn             | mn               | mn               | mn             | mn             |
| 1,019              | 1,590          | 244           | 492            | (327)            | (620)            | 6,700          | 8,958          |
| 833                | 756            | 621           | 631            | (372)            | (884)            | 12,629         | 14,240         |
| 3,779              | 3,493          | 79,644        | 101,461        | (84,437)         | (107,164)        | 260,635        | 260,147        |
| 13,889             | 14,257         | 9,101         | 5,957          | (9,975)          | (12,826)         | 125,357        | 115,655        |
|                    |                |               |                | (18)             | (21)             | 49,123         | 50,450         |
| 142                | 147            |               |                |                  |                  | 14,473         | 14,599         |
| 286                | 270            | 1,428         | 1,455          | 5                | (45)             | 23,520         | 22,563         |
| 2,442              | 3,528          | 6,618         | 7,681          | (22,482)         | (19,166)         | 4,327          | 3,996          |
|                    | 420,658        | 1,627         | 1,639          |                  | (2,784)          | 34,673         | 34,004         |
| 7,309              | 6,527          | 712           | 240            |                  |                  | 1,627          | 419,513        |
| <b>29,699</b>      | <b>451,226</b> | <b>99,995</b> | <b>119,556</b> | <b>(117,606)</b> | <b>(143,510)</b> | <b>545,729</b> | <b>955,576</b> |

| Financial Services |                | Corporate     |               | Consolidation                       |                 | Group          |                |
|--------------------|----------------|---------------|---------------|-------------------------------------|-----------------|----------------|----------------|
| As of              | As of          | As of         | As of         | As of                               | As of           | As of          | As of          |
| March 31,          | December 31,   | March 31,     | December 31,  | March 31,                           | December 31,    | March 31,      | December 31,   |
| 2009               | 2008           | 2009          | 2008          | 2009                                | 2008            | 2009           | 2008           |
| mn                 | mn             | mn            | mn            | mn                                  | mn              | mn             | mn             |
| 58                 | 51             | 464           | 877           | (344)                               | (620)           | 6,513          | 6,244          |
| 15,231             | 16,943         | 7,026         | 5,970         | (4,349)                             | (6,266)         | 19,354         | 18,451         |
|                    |                |               |               | (7)                                 | (9)             | 18,966         | 15,233         |
|                    |                |               |               | (11)                                | (12)            | 63,765         | 63,924         |
|                    |                | 241           | 227           | (161)                               | (197)           | 298,894        | 296,557        |
|                    |                |               |               |                                     |                 | 49,123         | 50,450         |
| 42                 | 30             | 415           | 433           |                                     | (43)            | 3,569          | 3,833          |
| 3,813              | 4,260          | 17,958        | 16,324        | (27,549)                            | (24,802)        | 32,232         | 32,930         |
|                    | 414,134        | 1,362         | 1,347         |                                     | (3,665)         | 1,362          | 411,816        |
| 1,256              | 1,279          | 11,431        | 13,497        | (5,483)                             | (5,401)         | 7,372          | 9,544          |
| 249                | 199            | 8,582         | 8,493         | (258)                               | (257)           | 9,484          | 9,346          |
| <b>20,649</b>      | <b>436,896</b> | <b>47,479</b> | <b>47,168</b> | <b>(38,162)</b>                     | <b>(41,272)</b> | <b>510,634</b> | <b>918,328</b> |
|                    |                |               |               | <b>Total equity</b>                 |                 | <b>35,095</b>  | <b>37,248</b>  |
|                    |                |               |               | <b>Total liabilities and equity</b> |                 | <b>545,729</b> | <b>955,576</b> |

**Table of Contents****Notes to the Condensed Consolidated Interim Financial Statements** Allianz Group Interim Report First Quarter of 2009**Business Segment Information** Total revenues and reconciliation of Operating profit (loss) to Net income (loss) For the three months ended March 31, 2009 and 2008

| Three months ended March 31,                                                                           | Property-Casualty |               | Life/Health   |               |
|--------------------------------------------------------------------------------------------------------|-------------------|---------------|---------------|---------------|
|                                                                                                        | 2009              | 2008          | 2009          | 2008          |
|                                                                                                        | mn                | mn            | mn            | mn            |
| <b>Total revenues <sup>1)</sup></b>                                                                    | <b>13,886</b>     | <b>13,710</b> | <b>13,013</b> | <b>12,327</b> |
| Premiums earned (net)                                                                                  | 9,332             | 9,173         | 5,348         | 5,589         |
| Interest and similar income                                                                            | 933               | 1,051         | 3,305         | 3,200         |
| Operating income from financial assets and liabilities carried at fair value through income (net)      | (30)              | 14            | (233)         | 231           |
| Operating realized gains/losses (net)                                                                  | (4)               | (3)           | 171           | 649           |
| Fee and commission income                                                                              | 272               | 267           | 119           | 171           |
| Other income                                                                                           | 3                 | 250           | 3             | 110           |
| Claims and insurance benefits incurred (net)                                                           | (6,633)           | (6,301)       | (5,146)       | (5,013)       |
| Change in reserves for insurance and investment contracts (net)                                        | (30)              | (29)          | (585)         | (1,803)       |
| Interest expenses, excluding interest expenses from external debt                                      | (34)              | (88)          | (44)          | (70)          |
| Loan loss provisions                                                                                   | (6)               |               | (2)           | 2             |
| Operating impairments of investments (net)                                                             | (62)              | (93)          | (1,076)       | (980)         |
| Investment expenses                                                                                    | 22                | (123)         | 34            | (328)         |
| Acquisition and administrative expenses (net), excluding acquisition-related expenses                  | (2,558)           | (2,391)       | (1,427)       | (1,108)       |
| Fee and commission expenses                                                                            | (234)             | (248)         | (64)          | (60)          |
| Operating restructuring charges                                                                        |                   |               | (1)           | (1)           |
| Other expenses                                                                                         | (1)               |               |               |               |
| Reclassification of tax benefits                                                                       |                   |               |               |               |
| <b>Operating profit (loss)</b>                                                                         | <b>970</b>        | <b>1,479</b>  | <b>402</b>    | <b>589</b>    |
| Non-operating income from financial assets and liabilities carried at fair value through income (net)  | (25)              | 63            | (7)           | 11            |
| Non-operating realized gains/losses (net)                                                              | 191               | 372           | (2)           | 12            |
| Income from fully consolidated private equity investments (net)                                        | 1                 |               | 6             |               |
| Non-operating impairments of investments (net)                                                         | (332)             | (342)         | (59)          | (4)           |
| Interest expenses from external debt                                                                   |                   |               |               |               |
| Acquisition-related expenses                                                                           |                   |               |               |               |
| Amortization of intangible assets                                                                      | (3)               | (4)           | (1)           | (1)           |
| Non-operating restructuring charges                                                                    | (26)              | 6             | (4)           |               |
| Reclassification of tax benefits                                                                       |                   |               |               |               |
| <b>Non-operating items</b>                                                                             | <b>(194)</b>      | <b>95</b>     | <b>(67)</b>   | <b>18</b>     |
| <b>Income (loss) from continuing operations before income taxes and minority interests in earnings</b> | <b>776</b>        | <b>1,574</b>  | <b>335</b>    | <b>607</b>    |
| Income taxes                                                                                           | (333)             | (478)         | (9)           | (136)         |
| Minority interests in earnings                                                                         | (12)              | (39)          | (5)           | (19)          |
| Net income (loss) from continuing operations                                                           | 431               | 1,057         | 321           | 452           |
| Net loss from discontinued operations, net of income taxes and minority interests in earnings          |                   |               |               |               |
| <b>Net income (loss)</b>                                                                               | <b>431</b>        | <b>1,057</b>  | <b>321</b>    | <b>452</b>    |

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



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Allianz Group Interim Report First Quarter of 2009 **Notes to the Condensed Consolidated Interim Financial Statements**

| Financial Services |              | Corporate    |              | Consolidation |              | Group         |               |
|--------------------|--------------|--------------|--------------|---------------|--------------|---------------|---------------|
| 2009               | 2008         | 2009         | 2008         | 2009          | 2008         | 2009          | 2008          |
| mn                 | mn           | mn           | mn           | mn            | mn           | mn            | mn            |
| <b>860</b>         | <b>916</b>   |              |              | <b>(34)</b>   | <b>5</b>     | <b>27,725</b> | <b>26,958</b> |
|                    |              |              |              |               |              | 14,680        | 14,762        |
| 217                | 267          | 115          | 232          | (156)         | (294)        | 4,414         | 4,456         |
| (10)               | (18)         | (8)          | 11           | 26            | (11)         | (255)         | 227           |
|                    |              |              |              | (2)           | 3            | 165           | 649           |
| 995                | 1,144        | 35           | 11           | (85)          | (88)         | 1,336         | 1,505         |
| 3                  | 5            |              | 1            | (5)           | (15)         | 4             | 351           |
|                    |              |              |              |               |              | (11,779)      | (11,314)      |
|                    |              |              |              | (6)           | (13)         | (621)         | (1,845)       |
| (124)              | (171)        | (125)        | (175)        | 155           | 263          | (172)         | (241)         |
| (7)                | (7)          |              |              |               |              | (15)          | (5)           |
|                    |              |              |              |               |              | (1,138)       | (1,073)       |
| (1)                | 2            | (36)         | (45)         | 43            | 58           | 62            | (436)         |
| (654)              | (655)        | (145)        | (152)        | 14            | 18           | (4,770)       | (4,288)       |
| (221)              | (311)        | (8)          | (1)          | 36            | 69           | (491)         | (551)         |
|                    |              |              |              |               |              | (1)           | (1)           |
|                    | (1)          |              |              |               |              | (1)           | (1)           |
|                    |              |              |              | 6             | 13           | 6             | 13            |
| <b>198</b>         | <b>255</b>   | <b>(172)</b> | <b>(118)</b> | <b>26</b>     | <b>3</b>     | <b>1,424</b>  | <b>2,208</b>  |
|                    |              | (81)         | 200          | 8             | (129)        | (105)         | 145           |
| 1                  | 6            | 64           | (16)         |               | 36           | 254           | 410           |
|                    |              | (63)         | 23           |               |              | (56)          | 23            |
| (9)                | (5)          | (352)        | (46)         |               |              | (752)         | (397)         |
|                    |              | (238)        | (252)        |               |              | (238)         | (252)         |
| (11)               | (120)        | 2            | 13           |               |              | (9)           | (107)         |
|                    |              |              |              |               |              | (4)           | (5)           |
| (33)               |              |              |              |               |              | (63)          | 6             |
|                    |              |              |              | (6)           | (13)         | (6)           | (13)          |
| <b>(52)</b>        | <b>(119)</b> | <b>(668)</b> | <b>(78)</b>  | <b>2</b>      | <b>(106)</b> | <b>(979)</b>  | <b>(190)</b>  |
|                    |              |              |              |               |              |               |               |
| <b>146</b>         | <b>136</b>   | <b>(840)</b> | <b>(196)</b> | <b>28</b>     | <b>(103)</b> | <b>445</b>    | <b>2,018</b>  |
| (71)               | (67)         | 385          | 92           | 7             | 17           | (21)          | (572)         |
| (3)                | (3)          | 20           | (7)          |               | 2            |               | (66)          |
| <b>72</b>          | <b>66</b>    | <b>(435)</b> | <b>(111)</b> | <b>35</b>     | <b>(84)</b>  | <b>424</b>    | <b>1,380</b>  |
| <b>(395)</b>       | <b>(514)</b> |              |              |               | <b>282</b>   | <b>(395)</b>  | <b>(232)</b>  |
| <b>(323)</b>       | <b>(448)</b> | <b>(435)</b> | <b>(111)</b> | <b>35</b>     | <b>198</b>   | <b>29</b>     | <b>1,148</b>  |

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## Reportable segments Property-Casualty business

For the three months ended March 31, 2009 and 2008

| Three months ended March 31,                                                                      | German Speaking Countries |                | Europe I incl. South America |                |
|---------------------------------------------------------------------------------------------------|---------------------------|----------------|------------------------------|----------------|
|                                                                                                   | 2009                      | 2008           | 2009                         | 2008           |
|                                                                                                   | mn                        | mn             | mn                           | mn             |
| <b>Gross premiums written <sup>1)</sup></b>                                                       | <b>5,206</b>              | <b>5,202</b>   | <b>2,147</b>                 | <b>2,213</b>   |
| Ceded premiums written                                                                            | (887)                     | (870)          | (289)                        | (241)          |
| Change in unearned premiums                                                                       | (2,020)                   | (2,052)        | (24)                         | (99)           |
| <b>Premiums earned (net)</b>                                                                      | <b>2,299</b>              | <b>2,280</b>   | <b>1,834</b>                 | <b>1,873</b>   |
| Interest and similar income                                                                       | 316                       | 384            | 139                          | 139            |
| Operating income from financial assets and liabilities carried at fair value through income (net) | (22)                      | 53             | 21                           | 1              |
| Operating realized gains/losses (net)                                                             | (4)                       | (3)            |                              |                |
| Fee and commission income                                                                         | 35                        | 187            | 4                            | 3              |
| Other income                                                                                      | 1                         | 239            |                              | 7              |
| <b>Operating revenues</b>                                                                         | <b>2,625</b>              | <b>3,140</b>   | <b>1,998</b>                 | <b>2,023</b>   |
| Claims and insurance benefits incurred (net)                                                      | (1,562)                   | (1,655)        | (1,348)                      | (1,291)        |
| Changes in reserves for insurance and investment contracts (net)                                  | (16)                      | (7)            | (1)                          | (2)            |
| Interest expenses                                                                                 | (23)                      | (56)           | (2)                          | (1)            |
| Loan loss provisions                                                                              |                           |                |                              |                |
| Operating impairments of investments (net)                                                        | (62)                      | (93)           |                              |                |
| Investment expenses                                                                               | 18                        | (64)           | 4                            | (14)           |
| Acquisition and administrative expenses (net)                                                     | (609)                     | (536)          | (428)                        | (440)          |
| Fee and commission expenses                                                                       | (29)                      | (195)          | (5)                          | (3)            |
| Other expenses                                                                                    |                           |                |                              |                |
| <b>Operating expenses</b>                                                                         | <b>(2,283)</b>            | <b>(2,606)</b> | <b>(1,780)</b>               | <b>(1,751)</b> |
| <b>Operating profit (loss)</b>                                                                    | <b>342</b>                | <b>534</b>     | <b>218</b>                   | <b>272</b>     |
| Loss ratio <sup>2)</sup> in %                                                                     | 67.9                      | 72.6           | 73.5                         | 68.9           |
| Expense ratio <sup>3)</sup> in %                                                                  | 26.5                      | 23.5           | 23.3                         | 23.5           |
| <b>Combined ratio <sup>4)</sup> in %</b>                                                          | <b>94.4</b>               | <b>96.1</b>    | <b>96.8</b>                  | <b>92.4</b>    |

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

<sup>2)</sup> Represents claims and insurance benefits incurred (net) divided by premiums earned (net).

<sup>3)</sup> Represents acquisition and administrative expenses (net) divided by premiums earned (net).

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

<sup>5)</sup> Presentation not meaningful.

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Allianz Group Interim Report First Quarter of 2009 **Notes to the Condensed Consolidated Interim Financial Statements**

Anglo Broker Markets/

| Europe II incl. Africa |                | Global Lines   |                | Growth Markets |              | Consolidation  |                | Property-Casualty |                |
|------------------------|----------------|----------------|----------------|----------------|--------------|----------------|----------------|-------------------|----------------|
| 2009                   | 2008           | 2009           | 2008           | 2009           | 2008         | 2009           | 2008           | 2009              | 2008           |
| mn                     | mn             | mn             | mn             | mn             | mn           | mn             | mn             | mn                | mn             |
| <b>2,740</b>           | <b>2,687</b>   | <b>4,387</b>   | <b>3,981</b>   | <b>873</b>     | <b>966</b>   | <b>(1,467)</b> | <b>(1,339)</b> | <b>13,886</b>     | <b>13,710</b>  |
| (537)                  | (448)          | (903)          | (834)          | (227)          | (237)        | 1,473          | 1,345          | (1,370)           | (1,285)        |
| (527)                  | (527)          | (546)          | (463)          | (67)           | (111)        |                |                | (3,184)           | (3,252)        |
| <b>1,676</b>           | <b>1,712</b>   | <b>2,938</b>   | <b>2,684</b>   | <b>579</b>     | <b>618</b>   | <b>6</b>       | <b>6</b>       | <b>9,332</b>      | <b>9,173</b>   |
| 157                    | 204            | 307            | 313            | 40             | 37           | (26)           | (26)           | 933               | 1,051          |
| (20)                   | (23)           | (8)            | (24)           | (1)            | (9)          |                | 16             | (30)              | 14             |
|                        |                |                |                |                |              |                |                | (4)               | (3)            |
| 193                    | 189            | 31             | 40             | 15             | 14           | (6)            | (166)          | 272               | 267            |
|                        | 3              |                |                | 2              | 1            |                |                | 3                 | 250            |
| <b>2,006</b>           | <b>2,085</b>   | <b>3,268</b>   | <b>3,013</b>   | <b>635</b>     | <b>661</b>   | <b>(26)</b>    | <b>(170)</b>   | <b>10,506</b>     | <b>10,752</b>  |
| (1,315)                | (1,149)        | (2,043)        | (1,829)        | (361)          | (372)        | (4)            | (5)            | (6,633)           | (6,301)        |
| (3)                    |                | (9)            | (17)           | (1)            | (3)          |                |                | (30)              | (29)           |
| (31)                   | (53)           | (5)            | (5)            | (1)            | (3)          | 28             | 30             | (34)              | (88)           |
|                        |                |                |                | (6)            |              |                |                | (6)               |                |
|                        | (22)           | (9)            | (29)           | 9              | 2            |                | 4              | (62)              | (93)           |
| (493)                  | (497)          | (852)          | (716)          | (193)          | (200)        | 17             | (2)            | 22                | (123)          |
| (169)                  | (166)          | (20)           | (32)           | (14)           | (13)         | 3              | 161            | (2,558)           | (2,391)        |
|                        |                |                |                | (1)            |              |                |                | (234)             | (248)          |
| <b>(2,011)</b>         | <b>(1,887)</b> | <b>(2,938)</b> | <b>(2,628)</b> | <b>(568)</b>   | <b>(589)</b> | <b>44</b>      | <b>188</b>     | <b>(9,536)</b>    | <b>(9,273)</b> |
|                        |                |                |                |                |              |                |                | (1)               |                |
| <b>(5)</b>             | <b>198</b>     | <b>330</b>     | <b>385</b>     | <b>67</b>      | <b>72</b>    | <b>18</b>      | <b>18</b>      | <b>970</b>        | <b>1,479</b>   |
| 78.5                   | 67.1           | 69.5           | 68.1           | 62.4           | 60.2         | 5)             | 5)             | 71.1              | 68.7           |
| 29.4                   | 29.0           | 29.0           | 26.7           | 33.3           | 32.4         | 5)             | 5)             | 27.4              | 26.1           |
| <b>107.9</b>           | <b>96.1</b>    | <b>98.5</b>    | <b>94.8</b>    | <b>95.7</b>    | <b>92.6</b>  | <b>5)</b>      | <b>5)</b>      | <b>98.5</b>       | <b>94.8</b>    |

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## Reportable segments Life/Health business

For the three months ended March 31, 2009 and 2008

| Three months ended March 31,                                                                      | German Speaking Countries |                | Europe I incl. South America |              |
|---------------------------------------------------------------------------------------------------|---------------------------|----------------|------------------------------|--------------|
|                                                                                                   | 2009                      | 2008           | 2009                         | 2008         |
|                                                                                                   | mn                        | mn             | mn                           | mn           |
| <b>Statutory premiums <sup>1)</sup></b>                                                           | <b>5,081</b>              | <b>5,124</b>   | <b>2,596</b>                 | <b>1,896</b> |
| Ceded premiums written                                                                            | (51)                      | (52)           | (35)                         | (30)         |
| Change in unearned premiums                                                                       | (23)                      | (3)            | 21                           | 19           |
| Statutory premiums (net)                                                                          | 5,007                     | 5,069          | 2,582                        | 1,885        |
| Deposits from SFAS 97 insurance and investment contracts                                          | (1,530)                   | (1,393)        | (2,229)                      | (1,493)      |
| <b>Premiums earned (net)</b>                                                                      | <b>3,477</b>              | <b>3,676</b>   | <b>353</b>                   | <b>392</b>   |
| Interest and similar income                                                                       | 1,772                     | 1,784          | 320                          | 311          |
| Operating income from financial assets and liabilities carried at fair value through income (net) | (15)                      | 730            | (8)                          | 3            |
| Operating realized gains/losses (net)                                                             | (67)                      | 183            | 2                            | 3            |
| Fee and commission income                                                                         | 3                         | 8              | 72                           | 87           |
| Other income                                                                                      | 2                         | 106            |                              |              |
| <b>Operating revenues</b>                                                                         | <b>5,172</b>              | <b>6,487</b>   | <b>739</b>                   | <b>796</b>   |
| Claims and insurance benefits incurred (net)                                                      | (3,710)                   | (3,618)        | (412)                        | (391)        |
| Changes in reserves for insurance and investment contracts (net)                                  | (144)                     | (1,225)        | 6                            | (31)         |
| Interest expenses                                                                                 | (34)                      | (40)           | (2)                          | (4)          |
| Loan loss provisions                                                                              |                           | 2              |                              |              |
| Operating impairments of investments (net)                                                        | (692)                     | (731)          | (82)                         | (88)         |
| Investment expenses                                                                               | 90                        | (259)          | (2)                          | (9)          |
| Acquisition and administrative expenses (net)                                                     | (482)                     | (361)          | (162)                        | (165)        |
| Fee and commission expenses                                                                       | (3)                       | (5)            | (37)                         | (40)         |
| Operating restructuring charges                                                                   | (1)                       | (1)            |                              |              |
| <b>Operating expenses</b>                                                                         | <b>(4,976)</b>            | <b>(6,238)</b> | <b>(691)</b>                 | <b>(728)</b> |
| <b>Operating profit</b>                                                                           | <b>196</b>                | <b>249</b>     | <b>48</b>                    | <b>68</b>    |
| <b>Cost-income ratio <sup>2)</sup> in %</b>                                                       | <b>96.8</b>               | <b>96.4</b>    | <b>98.3</b>                  | <b>96.8</b>  |

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

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

<sup>3)</sup> Presentation not meaningful.

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Allianz Group Interim Report First Quarter of 2009 **Notes to the Condensed Consolidated Interim Financial Statements**

## Anglo Broker Markets/

| Europe II incl. Africa |                | Global Lines |              | Growth Markets |              | Consolidation |           | Life/Health    |                |
|------------------------|----------------|--------------|--------------|----------------|--------------|---------------|-----------|----------------|----------------|
| 2009                   | 2008           | 2009         | 2008         | 2009           | 2008         | 2009          | 2008      | 2009           | 2008           |
| mn                     | mn             | mn           | mn           | mn             | mn           | mn            | mn        | mn             | mn             |
| 2,106                  | 2,550          | 2,216        | 1,452        | 1,075          | 1,358        | (61)          | (53)      | 13,013         | 12,327         |
| (66)                   | (60)           | (39)         | (38)         | (13)           | (16)         | 61            | 53        | (143)          | (143)          |
| (15)                   | (32)           | (4)          | (6)          | (8)            | (15)         |               |           | (29)           | (37)           |
| 2,025                  | 2,458          | 2,173        | 1,408        | 1,054          | 1,327        |               |           | 12,841         | 12,147         |
| (1,168)                | (1,626)        | (1,920)      | (1,156)      | (646)          | (890)        |               |           | (7,493)        | (6,558)        |
| <b>857</b>             | <b>832</b>     | <b>253</b>   | <b>252</b>   | <b>408</b>     | <b>437</b>   |               |           | <b>5,348</b>   | <b>5,589</b>   |
| 567                    | 566            | 547          | 415          | 114            | 127          | (15)          | (3)       | 3,305          | 3,200          |
| (235)                  | (315)          | 26           | (202)        | 3              | 5            | (4)           | 10        | (233)          | 231            |
| 235                    | 460            | 1            | (1)          |                | 4            |               |           | 171            | 649            |
| 18                     | 18             | 9            | 33           | 18             | 26           | (1)           | (1)       | 119            | 171            |
|                        | 4              |              |              | 1              |              |               |           | 3              | 110            |
| <b>1,442</b>           | <b>1,565</b>   | <b>836</b>   | <b>497</b>   | <b>544</b>     | <b>599</b>   | <b>(20)</b>   | <b>6</b>  | <b>8,713</b>   | <b>9,950</b>   |
| (703)                  | (668)          | (107)        | (97)         | (214)          | (239)        |               |           | (5,146)        | (5,013)        |
| 64                     | (133)          | (376)        | (290)        | (135)          | (124)        |               |           | (585)          | (1,803)        |
| (20)                   | (41)           | (2)          | (3)          | (2)            | (3)          | 16            | 21        | (44)           | (70)           |
|                        |                | (3)          |              | 1              |              |               |           | (2)            | 2              |
| (266)                  | (146)          | (34)         |              | (2)            | (1)          |               | (14)      | (1,076)        | (980)          |
| (39)                   | (43)           | (8)          | (6)          | (5)            | (10)         | (2)           | (1)       | 34             | (328)          |
| (326)                  | (325)          | (285)        | (86)         | (173)          | (172)        | 1             | 1         | (1,427)        | (1,108)        |
| (9)                    | (8)            | (16)         | (8)          |                |              | 1             | 1         | (64)           | (60)           |
|                        |                |              |              |                |              |               |           | (1)            | (1)            |
| <b>(1,299)</b>         | <b>(1,364)</b> | <b>(831)</b> | <b>(490)</b> | <b>(530)</b>   | <b>(549)</b> | <b>16</b>     | <b>8</b>  | <b>(8,311)</b> | <b>(9,361)</b> |
| <b>143</b>             | <b>201</b>     | <b>5</b>     | <b>7</b>     | <b>14</b>      | <b>50</b>    | <b>(4)</b>    | <b>14</b> | <b>402</b>     | <b>589</b>     |
| <b>93.7</b>            | <b>93.2</b>    | <b>99.8</b>  | <b>99.6</b>  | <b>98.8</b>    | <b>96.6</b>  | <b>3)</b>     | <b>3)</b> | <b>97.3</b>    | <b>96.1</b>    |



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Notes to the Condensed Consolidated Interim Financial Statements Allianz Group Interim Report First Quarter of 2009

## Reportable segments Financial Services business

For the three months ended March 31, 2009 and 2008

| Three months ended March 31,                                                            | Asset Management |              |
|-----------------------------------------------------------------------------------------|------------------|--------------|
|                                                                                         | 2009             | 2008         |
|                                                                                         | mn               | mn           |
| Net fee and commission income <sup>1)</sup>                                             | 709              | 706          |
| Net interest income <sup>2)</sup>                                                       | 12               | 19           |
| Income from financial assets and liabilities carried at fair value through income (net) | (10)             | (4)          |
| Other income                                                                            | 3                | 5            |
| <b>Operating revenues <sup>3)</sup></b>                                                 | <b>714</b>       | <b>726</b>   |
| Administrative expenses (net), excluding acquisition-related expenses                   | (504)            | (486)        |
| Investment expenses                                                                     | 1                | 1            |
| Other expenses                                                                          |                  |              |
| <b>Operating expenses</b>                                                               | <b>(503)</b>     | <b>(485)</b> |
| Loan loss provisions                                                                    |                  |              |
| <b>Operating profit (loss)</b>                                                          | <b>211</b>       | <b>241</b>   |
| <b>Cost-income ratio <sup>4)</sup> in %</b>                                             | <b>70.4</b>      | <b>66.8</b>  |

<sup>1)</sup> Represents fee and commission income less fee and commission expenses.

<sup>2)</sup> Represents interest and similar income less interest expenses.

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

<sup>4)</sup> Represents operating expenses divided by operating revenues.

<sup>5)</sup> Presentation not meaningful.

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Allianz Group Interim Report First Quarter of 2009 **Notes to the Condensed Consolidated Interim Financial Statements**

Alternative Investment

| Banking<br>2009 | 2008         | Management<br>2009 | 2008        | Consolidation<br>2009 | 2008       | Financial Services<br>2009 | 2008         |
|-----------------|--------------|--------------------|-------------|-----------------------|------------|----------------------------|--------------|
| mn              | mn           | mn                 | mn          | mn                    | mn         | mn                         | mn           |
| <b>35</b>       | <b>74</b>    | <b>30</b>          | <b>54</b>   |                       | <b>(1)</b> | <b>774</b>                 | <b>833</b>   |
| <b>80</b>       | <b>78</b>    | <b>1</b>           |             |                       | <b>(1)</b> | <b>93</b>                  | <b>96</b>    |
| 1               | (12)         | (1)                | (2)         |                       |            | (10)                       | (18)         |
|                 |              |                    |             |                       |            | 3                          | 5            |
| 116             | 140          | 30                 | 52          |                       | (2)        | 860                        | 916          |
| (118)           | (138)        | (32)               | (33)        |                       | 2          | (654)                      | (655)        |
| (1)             | 3            | (1)                | (2)         |                       |            | (1)                        | 2            |
|                 | (1)          |                    |             |                       |            |                            | (1)          |
| <b>(119)</b>    | <b>(136)</b> | <b>(33)</b>        | <b>(35)</b> |                       | <b>2</b>   | <b>(655)</b>               | <b>(654)</b> |
| (7)             | (7)          |                    |             |                       |            | (7)                        | (7)          |
| <b>(10)</b>     | <b>(3)</b>   | <b>(3)</b>         | <b>17</b>   |                       |            | <b>198</b>                 | <b>255</b>   |
| <b>102.6</b>    | <b>97.1</b>  | <b>110.0</b>       | <b>67.3</b> | 5)                    | 5)         | <b>76.2</b>                | <b>71.4</b>  |

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**Table of Contents****Notes to the Condensed Consolidated Interim Financial Statements** Allianz Group Interim Report First Quarter of 2009**Supplementary Information to the Consolidated Balance Sheets**

## 6 Financial assets carried at fair value through income

|                                                                 | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|-----------------------------------------------------------------|----------------------------|-------------------------------|
|                                                                 | mn                         | mn                            |
| <b>Financial assets held for trading</b>                        |                            |                               |
| Debt securities                                                 | 479                        | 547                           |
| Equity securities                                               | 85                         | 99                            |
| Derivative financial instruments                                | 1,684                      | 1,978                         |
| <b>Subtotal</b>                                                 | <b>2,248</b>               | <b>2,624</b>                  |
| <b>Financial assets designated at fair value through income</b> |                            |                               |
| Debt securities <sup>1)</sup>                                   | 7,683                      | 8,589                         |
| Equity securities                                               | 2,698                      | 3,027                         |
| <b>Subtotal</b>                                                 | <b>10,381</b>              | <b>11,616</b>                 |
| <b>Total</b>                                                    | <b>12,629</b>              | <b>14,240</b>                 |

1) Debt securities designated at fair value through income include 0.2 bn (2008: 0.2 bn) of asset-backed securities of the Life/Health segment as of March 31, 2009.

## 7 Investments

|                                                          | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|----------------------------------------------------------|----------------------------|-------------------------------|
|                                                          | mn                         | mn                            |
| Available-for-sale investments                           | 242,743                    | 242,099                       |
| Held-to-maturity investments                             | 4,902                      | 4,934                         |
| Funds held by others under reinsurance contracts assumed | 806                        | 1,039                         |
| Investments in associates and joint ventures             | 4,693                      | 4,524                         |
| Real estate held for investment                          | 7,491                      | 7,551                         |
| <b>Total</b>                                             | <b>260,635</b>             | <b>260,147</b>                |

## Available-for-sale investments

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|                                                                                             | Amortized<br>Cost | As of March 31, 2009 |                      | Fair Value     | Amortized<br>Cost | As of December 31, 2008 |                      | Fair Value     |
|---------------------------------------------------------------------------------------------|-------------------|----------------------|----------------------|----------------|-------------------|-------------------------|----------------------|----------------|
|                                                                                             |                   | Unrealized<br>Gains  | Unrealized<br>Losses |                |                   | Unrealized<br>Gains     | Unrealized<br>Losses |                |
|                                                                                             | mn                | mn                   | mn                   | mn             | mn                | mn                      | mn                   | mn             |
| <b>Debt securities</b>                                                                      |                   |                      |                      |                |                   |                         |                      |                |
| Government and agency mortgage-backed securities (residential and commercial) <sup>1)</sup> | 8,776             | 286                  | (27)                 | 9,035          | 7,814             | 177                     | (2)                  | 7,989          |
| Corporate mortgage-backed securities (residential and commercial) <sup>1)</sup>             | 8,871             | 10                   | (1,700)              | 7,181          | 8,714             | 14                      | (1,417)              | 7,311          |
| Other asset-backed securities <sup>1)</sup>                                                 | 4,795             | 44                   | (323)                | 4,516          | 4,858             | 16                      | (385)                | 4,489          |
| Government and government agency bonds                                                      | 97,398            | 3,782                | (1,220)              | 99,960         | 94,742            | 4,573                   | (1,020)              | 98,295         |
| Corporate bonds                                                                             | 103,901           | 1,513                | (9,043)              | 96,371         | 98,864            | 1,367                   | (7,028)              | 93,203         |
| Other                                                                                       | 1,260             | 33                   | (41)                 | 1,252          | 1,283             | 58                      | (18)                 | 1,323          |
| <b>Subtotal</b>                                                                             | <b>225,001</b>    | <b>5,668</b>         | <b>(12,354)</b>      | <b>218,315</b> | <b>216,275</b>    | <b>6,205</b>            | <b>(9,870)</b>       | <b>212,610</b> |
| <b>Equity securities</b>                                                                    | <b>19,834</b>     | <b>5,295</b>         | <b>(701)</b>         | <b>24,428</b>  | <b>23,802</b>     | <b>6,538</b>            | <b>(851)</b>         | <b>29,489</b>  |
| <b>Total</b>                                                                                | <b>244,835</b>    | <b>10,963</b>        | <b>(13,055)</b>      | <b>242,743</b> | <b>240,077</b>    | <b>12,743</b>           | <b>(10,721)</b>      | <b>242,099</b> |

<sup>1)</sup> Includes asset-backed securities of the Property-Casualty segment of 4.8 bn (2008: 4.4 bn) and of the Life/Health segment of 15.0 bn (2008: 14.5 bn) as of March 31, 2009.

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Allianz Group Interim Report First Quarter of 2009 **Notes to the Condensed Consolidated Interim Financial Statements**

## 8 Loans and advances to banks and customers

|                                                    | As of March 31, 2009 |               |                | As of December 31, 2008 |               |                |
|----------------------------------------------------|----------------------|---------------|----------------|-------------------------|---------------|----------------|
|                                                    | Banks                | Customers     | Total          | Banks                   | Customers     | Total          |
|                                                    | mn                   | mn            | mn             | mn                      | mn            | mn             |
| Short-term investments and certificates of deposit | 13,713               |               | 13,713         | 9,622                   |               | 9,622          |
| Reverse repurchase agreements                      | 2,317                | 15            | 2,332          | 1,612                   | 5             | 1,617          |
| Loans                                              | 65,500               | 40,635        | 106,135        | 63,734                  | 37,501        | 101,235        |
| Other                                              | 3,224                | 79            | 3,303          | 3,223                   | 77            | 3,300          |
| <b>Subtotal</b>                                    | <b>84,754</b>        | <b>40,729</b> | <b>125,483</b> | <b>78,191</b>           | <b>37,583</b> | <b>115,774</b> |
| Loan loss allowance                                |                      | (126)         | (126)          |                         | (119)         | (119)          |
| <b>Total</b>                                       | <b>84,754</b>        | <b>40,603</b> | <b>125,357</b> | <b>78,191</b>           | <b>37,464</b> | <b>115,655</b> |

## Loans and advances to customers by type of customer

|                     | As of         | As of         |
|---------------------|---------------|---------------|
|                     | March 31,     | December 31,  |
|                     | 2009          | 2008          |
|                     | mn            | mn            |
| Corporate customers | 12,655        | 10,448        |
| Private customers   | 22,798        | 23,309        |
| Public authorities  | 5,276         | 3,826         |
| <b>Total</b>        | <b>40,729</b> | <b>37,583</b> |

## 9 Reinsurance assets

|                                                | As of         | As of         |
|------------------------------------------------|---------------|---------------|
|                                                | March 31,     | December 31,  |
|                                                | 2009          | 2008          |
|                                                | mn            | mn            |
| Unearned premiums                              | 1,699         | 1,294         |
| Reserves for loss and loss adjustment expenses | 7,836         | 8,180         |
| Aggregate policy reserves                      | 4,870         | 5,018         |
| Other insurance reserves                       | 68            | 107           |
| <b>Total</b>                                   | <b>14,473</b> | <b>14,599</b> |

## 10 Deferred acquisition costs

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|                                        | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|----------------------------------------|----------------------------|-------------------------------|
|                                        | mn                         | mn                            |
| <b>Deferred acquisition costs</b>      |                            |                               |
| Property-Casualty                      | 4,086                      | 3,721                         |
| Life/Health                            | 17,283                     | 16,709                        |
| Financial Services                     | 142                        | 147                           |
| <b>Subtotal</b>                        | <b>21,511</b>              | <b>20,577</b>                 |
| <b>Present value of future profits</b> | <b>1,176</b>               | <b>1,239</b>                  |
| <b>Deferred sales inducements</b>      | <b>833</b>                 | <b>747</b>                    |
| <b>Total</b>                           | <b>23,520</b>              | <b>22,563</b>                 |

## 11 Other assets

|                                                                                                                           | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|---------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------------|
|                                                                                                                           | mn                         | mn                            |
| <b>Receivables</b>                                                                                                        |                            |                               |
| Policyholders                                                                                                             | 4,843                      | 4,467                         |
| Agents                                                                                                                    | 4,895                      | 4,129                         |
| Reinsurers                                                                                                                | 2,631                      | 2,989                         |
| Other                                                                                                                     | 4,367                      | 3,068                         |
| Less allowance for doubtful accounts                                                                                      | (498)                      | (499)                         |
| <b>Subtotal</b>                                                                                                           | <b>16,238</b>              | <b>14,154</b>                 |
| <b>Tax receivables</b>                                                                                                    |                            |                               |
| Income tax                                                                                                                | 2,478                      | 2,467                         |
| Other tax                                                                                                                 | 814                        | 813                           |
| <b>Subtotal</b>                                                                                                           | <b>3,292</b>               | <b>3,280</b>                  |
| <b>Accrued dividends, interest and rent</b>                                                                               | <b>5,671</b>               | <b>5,918</b>                  |
| <b>Prepaid expenses</b>                                                                                                   |                            |                               |
| Interest and rent                                                                                                         | 29                         | 28                            |
| Other prepaid expenses                                                                                                    | 324                        | 313                           |
| <b>Subtotal</b>                                                                                                           | <b>353</b>                 | <b>341</b>                    |
| <b>Derivative financial instruments used for hedging that meet the criteria for hedge accounting and firm commitments</b> | <b>1,243</b>               | <b>1,101</b>                  |
| <b>Property and equipment</b>                                                                                             |                            |                               |
| Real estate held for own use                                                                                              | 3,104                      | 3,122                         |
| Equipment                                                                                                                 | 1,236                      | 1,242                         |
| Software                                                                                                                  | 1,144                      | 1,116                         |
| <b>Subtotal</b>                                                                                                           | <b>5,484</b>               | <b>5,480</b>                  |
| <b>Other assets <sup>1)</sup></b>                                                                                         | <b>2,392</b>               | <b>3,730</b>                  |
| <b>Total</b>                                                                                                              | <b>34,673</b>              | <b>34,004</b>                 |

<sup>1)</sup> As of March 31, 2009, includes prepaid benefit costs for defined benefit plans of 262 mn.

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### Notes to the Condensed Consolidated Interim Financial Statements Allianz Group Interim Report First Quarter of 2009

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

|                                                                                     | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|-------------------------------------------------------------------------------------|----------------------------|-------------------------------|
|                                                                                     | mn                         | mn                            |
| <b>Non-current assets and assets of disposal groups classified as held for sale</b> |                            |                               |
| Dresdner Bank Group                                                                 |                            | 417,874                       |
| Selecta AG                                                                          | 1,627                      | 1,639                         |
| <b>Total</b>                                                                        | <b>1,627</b>               | <b>419,513</b>                |
| <b>Liabilities of disposal groups classified as held for sale</b>                   |                            |                               |
| Dresdner Bank Group                                                                 |                            | 410,469                       |
| Selecta AG                                                                          | 1,362                      | 1,347                         |
| <b>Total</b>                                                                        | <b>1,362</b>               | <b>411,816</b>                |
| <b>Dresdner Bank Group</b>                                                          |                            |                               |

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

#### 13 Intangible assets

|                     | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|---------------------|----------------------------|-------------------------------|
|                     | mn                         | mn                            |
| Goodwill            | 11,924                     | 11,221                        |
| Other <sup>1)</sup> | 741                        | 230                           |
| <b>Total</b>        | <b>12,665</b>              | <b>11,451</b>                 |

1) Includes primarily brand names ( 22 mn), research and development costs ( 93 mn), bancassurance agreements ( 16 mn) and longterm distribution agreements with Commerzbank ( 480 mn).

Changes in goodwill for the three months ended March 31, 2009, were as follows:

|                                          | 2009          |
|------------------------------------------|---------------|
|                                          | mn            |
| Cost as of January 1,                    | 11,445        |
| Accumulated impairments as of January 1, | (224)         |
| <b>Carrying amount as of January 1,</b>  | <b>11,221</b> |
| Additions                                | 602           |
| Foreign currency translation adjustments | 101           |
| <b>Carrying amount as of March 31,</b>   | <b>11,924</b> |
| Accumulated impairments as of March 31,  | 224           |

**Cost as of March 31,**  
Additions include goodwill from

**12,148**

the acquisition of a 100 % participation in cominvest Asset Management GmbH, Frankfurt.



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Allianz Group Interim Report First Quarter of 2009 **Notes to the Condensed Consolidated Interim Financial Statements**

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

|                                               | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2009 |
|-----------------------------------------------|----------------------------|-------------------------------|
|                                               | mn                         | mn                            |
| <b>Financial liabilities held for trading</b> |                            |                               |
| Derivative financial instruments              | 6,451                      | 6,242                         |
| Other trading liabilities                     | 62                         | 2                             |
| <b>Total</b>                                  | <b>6,513</b>               | <b>6,244</b>                  |

### 15 Liabilities to banks and customers

|                                                           | As of March 31, 2009 |               |               | As of December 31, 2008 |               |               |
|-----------------------------------------------------------|----------------------|---------------|---------------|-------------------------|---------------|---------------|
|                                                           | Banks                | Customers     | Total         | Banks                   | Customers     | Total         |
|                                                           | mn                   | mn            | mn            | mn                      | mn            | mn            |
| Payable on demand                                         | 397                  | 2,625         | 3,022         | 311                     | 4,096         | 4,407         |
| Savings deposits                                          |                      | 1,774         | 1,774         |                         | 1,790         | 1,790         |
| Term deposits and certificates of deposit                 | 1,384                | 2,298         | 3,682         | 1,296                   | 3,035         | 4,331         |
| Repurchase agreements                                     | 282                  | 326           | 608           |                         | 568           | 568           |
| Collaterals received from securities lending transactions | 56                   |               | 56            | 627                     |               | 627           |
| Other                                                     | 6,771                | 3,441         | 10,212        | 3,194                   | 3,534         | 6,728         |
| <b>Total</b>                                              | <b>8,890</b>         | <b>10,464</b> | <b>19,354</b> | <b>5,428</b>            | <b>13,023</b> | <b>18,451</b> |

### 16 Reserves for loss and loss adjustment expenses

|                   | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|-------------------|----------------------------|-------------------------------|
|                   | mn                         | mn                            |
| Property-Casualty | 55,493                     | 55,616                        |
| Life/Health       | 8,283                      | 8,320                         |
| Consolidation     | (11)                       | (12)                          |
| <b>Total</b>      | <b>63,765</b>              | <b>63,924</b>                 |

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Changes in the reserves for loss and loss adjustment expenses for the Property-Casualty segment for the three months ended March 31, 2009 and 2008, are as follows:

|                                                                   | 2009           |                |                | 2008           |                |                |
|-------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                                                   | Gross          | Ceded          | Net            | Gross          | Ceded          | Net            |
|                                                                   | mn             | mn             | mn             | mn             | mn             | mn             |
| <b>As of January 1,</b>                                           | <b>55,616</b>  | <b>(7,820)</b> | <b>47,796</b>  | <b>56,943</b>  | <b>(8,266)</b> | <b>48,677</b>  |
| <b>Loss and loss adjustment expenses incurred</b>                 |                |                |                |                |                |                |
| Current year                                                      | 7,491          | (646)          | 6,845          | 7,401          | (772)          | 6,629          |
| Prior years                                                       | (355)          | 143            | (212)          | (543)          | 215            | (328)          |
| <b>Subtotal</b>                                                   | <b>7,136</b>   | <b>(503)</b>   | <b>6,633</b>   | <b>6,858</b>   | <b>(557)</b>   | <b>6,301</b>   |
| <b>Loss and loss adjustment expenses paid</b>                     |                |                |                |                |                |                |
| Current year                                                      | (1,846)        | 97             | (1,749)        | (1,603)        | 80             | (1,523)        |
| Prior years                                                       | (5,987)        | 862            | (5,125)        | (5,337)        | 606            | (4,731)        |
| <b>Subtotal</b>                                                   | <b>(7,833)</b> | <b>959</b>     | <b>(6,874)</b> | <b>(6,940)</b> | <b>686</b>     | <b>(6,254)</b> |
| <b>Foreign currency translation adjustments and other changes</b> | <b>574</b>     | <b>(115)</b>   | <b>459</b>     | <b>(929)</b>   | <b>267</b>     | <b>(662)</b>   |
| <b>Reclassifications <sup>1)</sup></b>                            |                |                |                | <b>(1,481)</b> | <b>90</b>      | <b>(1,391)</b> |
| <b>As of March 31,</b>                                            | <b>55,493</b>  | <b>(7,479)</b> | <b>48,014</b>  | <b>54,451</b>  | <b>(7,780)</b> | <b>46,671</b>  |

<sup>1)</sup> Since the first quarter 2008, health business in Belgium and France is shown within Life/health segment. Prior periods have not been adjusted.

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## 17 Reserves for insurance and investment contracts

|                              | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|------------------------------|----------------------------|-------------------------------|
|                              | mn                         | mn                            |
| Aggregate policy reserves    | 283,898                    | 278,700                       |
| Reserves for premium refunds | 14,407                     | 17,195                        |
| Other insurance reserves     | 589                        | 662                           |
| <b>Total</b>                 | <b>298,894</b>             | <b>296,557</b>                |

## 18 Other liabilities

|                                                                                                                           | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|---------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------------|
|                                                                                                                           | mn                         | mn                            |
| <b>Payables</b>                                                                                                           |                            |                               |
| Policyholders                                                                                                             | 4,337                      | 4,695                         |
| Reinsurers                                                                                                                | 2,209                      | 2,062                         |
| Agents                                                                                                                    | 1,661                      | 1,485                         |
| <b>Subtotal</b>                                                                                                           | <b>8,207</b>               | <b>8,242</b>                  |
| <b>Payables for social security</b>                                                                                       | <b>372</b>                 | <b>316</b>                    |
| <b>Tax payables</b>                                                                                                       |                            |                               |
| Income tax                                                                                                                | 1,296                      | 1,446                         |
| Other                                                                                                                     | 1,260                      | 971                           |
| <b>Subtotal</b>                                                                                                           | <b>2,556</b>               | <b>2,417</b>                  |
| <b>Accrued interest and rent</b>                                                                                          | <b>556</b>                 | <b>723</b>                    |
| <b>Unearned income</b>                                                                                                    |                            |                               |
| Interest and rent                                                                                                         | 11                         | 10                            |
| Other                                                                                                                     | 345                        | 361                           |
| <b>Subtotal</b>                                                                                                           | <b>356</b>                 | <b>371</b>                    |
| <b>Provisions</b>                                                                                                         |                            |                               |
| Pensions and similar obligations                                                                                          | 3,841                      | 3,867                         |
| Employee related                                                                                                          | 1,748                      | 1,904                         |
| Share-based compensation                                                                                                  | 974                        | 1,295                         |
| Restructuring plans                                                                                                       | 419                        | 343                           |
| Loan commitments                                                                                                          | 9                          | 8                             |
| Contingent losses from non-insurance business                                                                             | 97                         | 109                           |
| Other provisions                                                                                                          | 1,224                      | 1,481                         |
| <b>Subtotal</b>                                                                                                           | <b>8,312</b>               | <b>9,007</b>                  |
| <b>Deposits retained for reinsurance ceded</b>                                                                            | <b>2,663</b>               | <b>2,852</b>                  |
| <b>Derivative financial instruments used for hedging that meet the criteria for hedge accounting and firm commitments</b> | <b>164</b>                 | <b>208</b>                    |
| <b>Financial liabilities for puttable equity instruments</b>                                                              | <b>2,355</b>               | <b>2,718</b>                  |
| <b>Other liabilities</b>                                                                                                  | <b>6,691</b>               | <b>6,076</b>                  |
| <b>Total</b>                                                                                                              | <b>32,232</b>              | <b>32,930</b>                 |

## 19 Certificated liabilities

|                                 | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|---------------------------------|----------------------------|-------------------------------|
|                                 | mn                         | mn                            |
| <b>Allianz SE <sup>1)</sup></b> |                            |                               |
| Senior bonds                    | 4,150                      | 4,135                         |
| Money market securities         | 1,938                      | 4,103                         |
| <b>Subtotal</b>                 | <b>6,088</b>               | <b>8,238</b>                  |
| <b>Banking subsidiaries</b>     |                            |                               |
| Senior bonds                    | 1,256                      | 1,278                         |
| <b>Subtotal</b>                 | <b>1,256</b>               | <b>1,278</b>                  |
| <b>All other subsidiaries</b>   |                            |                               |
| Certificated liabilities        | 28                         | 28                            |
| <b>Subtotal</b>                 | <b>28</b>                  | <b>28</b>                     |
| <b>Total</b>                    | <b>7,372</b>               | <b>9,544</b>                  |

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

## 20 Participation certificates and subordinated liabilities

|                                 | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|---------------------------------|----------------------------|-------------------------------|
|                                 | mn                         | mn                            |
| <b>Allianz SE <sup>1)</sup></b> |                            |                               |
| Subordinated bonds              | 8,285                      | 8,197                         |
| Participation certificates      | 85                         | 85                            |
| <b>Subtotal</b>                 | <b>8,370</b>               | <b>8,282</b>                  |
| <b>Banking subsidiaries</b>     |                            |                               |
| Subordinated bonds              | 173                        | 173                           |
| <b>Subtotal</b>                 | <b>173</b>                 | <b>173</b>                    |
| <b>All other subsidiaries</b>   |                            |                               |
| Subordinated liabilities        | 846                        | 846                           |
| Hybrid equity                   | 95                         | 45                            |
| <b>Subtotal</b>                 | <b>941</b>                 | <b>891</b>                    |
| <b>Total</b>                    | <b>9,484</b>               | <b>9,346</b>                  |

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

## 21 Equity

|  | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|--|----------------------------|-------------------------------|
|--|----------------------------|-------------------------------|

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|                                                 | 2009          | 2008          |
|-------------------------------------------------|---------------|---------------|
|                                                 | mn            | mn            |
| <b>Shareholders' equity</b>                     |               |               |
| Issued capital                                  | 1,160         | 1,160         |
| Capital reserve                                 | 27,409        | 27,409        |
| Revenue reserves                                | 7,220         | 7,257         |
| Treasury shares                                 | (126)         | (147)         |
| Foreign currency translation adjustments        | (3,310)       | (4,006)       |
| Unrealized gains and losses (net) <sup>1)</sup> | 677           | 2,011         |
| <b>Subtotal</b>                                 | <b>33,030</b> | <b>33,684</b> |
| <b>Minority interests</b>                       | <b>2,065</b>  | <b>3,564</b>  |
| <b>Total</b>                                    | <b>35,095</b> | <b>37,248</b> |

<sup>1)</sup> As of March 31, 2009 includes 171 mn (2008: 203 mn) related to cash flow hedges.

**Table of Contents**Allianz Group Interim Report First Quarter of 2009 **Notes to the Condensed Consolidated Interim Financial Statements****Supplementary Information to the Consolidated Income Statements**

## 22 Premiums earned (net)

Three months ended March 31,

|                                    | Property-<br>Casualty | Life/Health  | Consolidation | Group          |
|------------------------------------|-----------------------|--------------|---------------|----------------|
|                                    | mn                    | mn           | mn            | mn             |
| <b>2009</b>                        |                       |              |               |                |
| <b>Premiums written</b>            |                       |              |               |                |
| Direct                             | 13,117                | 5,429        |               | 18,546         |
| Assumed                            | 769                   | 81           | (6)           | 844            |
| <b>Subtotal</b>                    | <b>13,886</b>         | <b>5,510</b> | <b>(6)</b>    | <b>19,390</b>  |
| Ceded                              | (1,370)               | (132)        | 6             | (1,496)        |
| <b>Net</b>                         | <b>12,516</b>         | <b>5,378</b> |               | <b>17,894</b>  |
| <b>Change in unearned premiums</b> |                       |              |               |                |
| Direct                             | (3,462)               | (31)         |               | (3,493)        |
| Assumed                            | (97)                  |              | (3)           | (100)          |
| <b>Subtotal</b>                    | <b>(3,559)</b>        | <b>(31)</b>  | <b>(3)</b>    | <b>(3,593)</b> |
| Ceded                              | 375                   | 1            | 3             | 379            |
| <b>Net</b>                         | <b>(3,184)</b>        | <b>(30)</b>  |               | <b>(3,214)</b> |
| <b>Premiums earned</b>             |                       |              |               |                |
| Direct                             | 9,655                 | 5,398        |               | 15,053         |
| Assumed                            | 672                   | 81           | (9)           | 744            |
| <b>Subtotal</b>                    | <b>10,327</b>         | <b>5,479</b> | <b>(9)</b>    | <b>15,797</b>  |
| Ceded                              | (995)                 | (131)        | 9             | (1,117)        |
| <b>Net</b>                         | <b>9,332</b>          | <b>5,348</b> |               | <b>14,680</b>  |
| <b>2008</b>                        |                       |              |               |                |
| <b>Premiums written</b>            |                       |              |               |                |
| Direct                             | 13,138                | 5,673        |               | 18,811         |
| Assumed                            | 572                   | 91           | (6)           | 657            |
| <b>Subtotal</b>                    | <b>13,710</b>         | <b>5,764</b> | <b>(6)</b>    | <b>19,468</b>  |
| Ceded                              | (1,285)               | (137)        | 6             | (1,416)        |
| <b>Net</b>                         | <b>12,425</b>         | <b>5,627</b> |               | <b>18,052</b>  |
| <b>Change in unearned premiums</b> |                       |              |               |                |
| Direct                             | (3,462)               | (38)         |               | (3,500)        |
| Assumed                            | (98)                  | (2)          |               | (100)          |
| <b>Subtotal</b>                    | <b>(3,560)</b>        | <b>(40)</b>  |               | <b>(3,600)</b> |
| Ceded                              | 308                   | 2            |               | 310            |
| <b>Net</b>                         | <b>(3,252)</b>        | <b>(38)</b>  |               | <b>(3,290)</b> |
| <b>Premiums earned</b>             |                       |              |               |                |
| Direct                             | 9,676                 | 5,635        |               | 15,311         |
| Assumed                            | 474                   | 89           | (6)           | 557            |
| <b>Subtotal</b>                    | <b>10,150</b>         | <b>5,724</b> | <b>(6)</b>    | <b>15,868</b>  |
| Ceded                              | (977)                 | (135)        | 6             | (1,106)        |
| <b>Net</b>                         | <b>9,173</b>          | <b>5,589</b> |               | <b>14,762</b>  |

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### Notes to the Condensed Consolidated Interim Financial Statements Allianz Group Interim Report First Quarter of 2009

#### 23 Interest and similar income

|                                                                     | 2009<br>mn   | 2008<br>mn   |
|---------------------------------------------------------------------|--------------|--------------|
| Three months ended March 31,                                        |              |              |
| Interest from held-to-maturity investments                          | 60           | 57           |
| Dividends from available-for-sale investments                       | 138          | 276          |
| Interest from available-for-sale investments                        | 2,639        | 2,383        |
| Share of earnings from investments in associates and joint ventures | (35)         | 5            |
| Rent from real estate held for investment                           | 165          | 186          |
| Interest from loans to banks and customers                          | 1,410        | 1,516        |
| Other interest                                                      | 37           | 33           |
| <b>Total</b>                                                        | <b>4,414</b> | <b>4,456</b> |

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

|                                                                                 | Property-<br>Casualty<br>mn | Life/Health<br>mn | Financial<br>Services<br>mn | Corporate<br>mn | Consolidation<br>mn | Group<br>mn  |
|---------------------------------------------------------------------------------|-----------------------------|-------------------|-----------------------------|-----------------|---------------------|--------------|
| Three months ended March 31,                                                    |                             |                   |                             |                 |                     |              |
| 2009                                                                            |                             |                   |                             |                 |                     |              |
| Expenses from financial assets and liabilities held for trading                 | (84)                        | (22)              | (3)                         | (91)            | 34                  | (166)        |
| Income (expenses) from financial assets designated at fair value through income | 30                          | (310)             | (25)                        | 3               |                     | (302)        |
| Income (expenses) from financial liabilities for puttable equity instruments    | (1)                         | 92                | 18                          | (1)             |                     | 108          |
| <b>Total</b>                                                                    | <b>(55)</b>                 | <b>(240)</b>      | <b>(10)</b>                 | <b>(89)</b>     | <b>34</b>           | <b>(360)</b> |
| 2008                                                                            |                             |                   |                             |                 |                     |              |
| Income from financial assets and liabilities held for trading                   | 90                          | 558               | 2                           | 210             | (140)               | 720          |
| Income (expenses) from financial assets designated at fair value through income | (23)                        | (531)             | (74)                        | 1               |                     | (627)        |
| Income from financial liabilities for puttable equity instruments               | 10                          | 215               | 54                          |                 |                     | 279          |
| <b>Total</b>                                                                    | <b>77</b>                   | <b>242</b>        | <b>(18)</b>                 | <b>211</b>      | <b>(140)</b>        | <b>372</b>   |

**Table of Contents**Allianz Group Interim Report First Quarter of 2009 **Notes to the Condensed Consolidated Interim Financial Statements****Income from financial assets and liabilities held for trading (net)****Life/Health Segment**

Income from financial assets and liabilities held for trading for the three months ended March 31, 2009 includes in the Life/Health segment expenses of 13 mn (2008: income of 569 mn) from derivative financial instruments. This includes expenses of 4 mn (2008: income of 763 mn) of German entities from derivative financial positions to protect against equity and foreign exchange rate fluctuations as well as for duration management. Also included is income from derivative financial instruments in the U.S.A. amongst others related to equity-indexed annuity contracts and guaranteed benefits under unit-linked contracts of 108 mn (2008: expenses of 241 mn).

**Corporate Segment**

Income from financial assets and liabilities held for trading for the three months ended March 31, 2009 includes in the Corporate segment expenses of 145 mn (2008: income of 56 mn) from derivative financial instruments. In 2009 thereof expenses of 151 mn (2008: income of 58 mn) are related to financial derivative instruments for which hedge accounting is not applied. This includes expenses of 87 mn (2008: income of 120 mn) from financial derivatives to protect against foreign exchange rate fluctuations as well as partly group internal concluded derivative financial contracts to hedge single strategic equity positions. Additionally income from financial assets and liabilities held for trading for the year ended March 31, 2009 includes income of 55 mn (2008: 154 mn) from group internal hedges of share based compensation plans granted by restricted stock units.

**25 Realized gains/losses (net)**

| Three months ended March 31,                                      | 2009         | 2008         |
|-------------------------------------------------------------------|--------------|--------------|
|                                                                   | mn           | mn           |
| <b>Realized gains</b>                                             |              |              |
| <b>Available-for-sale investments</b>                             |              |              |
| Equity securities                                                 | 752          | 1,458        |
| Debt securities                                                   | 507          | 175          |
| <b>Subtotal</b>                                                   | <b>1,259</b> | <b>1,633</b> |
| <b>Investments in associates and joint ventures <sup>1)</sup></b> | <b>6</b>     |              |
| <b>Real estate held for investment</b>                            | <b>12</b>    | <b>165</b>   |
| <b>Loans to banks and customers</b>                               | <b>25</b>    | <b>7</b>     |
| <b>Subtotal</b>                                                   | <b>1,302</b> | <b>1,805</b> |
| <b>Realized losses</b>                                            |              |              |
| <b>Available-for-sale investments</b>                             |              |              |
| Equity securities                                                 | (588)        | (560)        |
| Debt securities                                                   | (286)        | (85)         |
| <b>Subtotal</b>                                                   | <b>(874)</b> | <b>(645)</b> |
| <b>Investments in associates and joint ventures <sup>2)</sup></b> | <b>(3)</b>   |              |
| <b>Real estate held for investment</b>                            | <b>(3)</b>   | <b>(97)</b>  |
| <b>Loans to banks and customers</b>                               | <b>(3)</b>   | <b>(4)</b>   |
| <b>Subtotal</b>                                                   | <b>(883)</b> | <b>(746)</b> |
| <b>Total</b>                                                      | <b>419</b>   | <b>1,059</b> |

<sup>1)</sup> During the three months ended March 31, 2009, includes realized gains from the disposal of subsidiaries and businesses of mn (2008: mn).

<sup>2)</sup> During the three months ended March 31, 2009, includes realized losses from the disposal of subsidiaries of mn (2008: mn).





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### Notes to the Condensed Consolidated Interim Financial Statements Allianz Group Interim Report First Quarter of 2009

#### 26 Fee and commission income

| Three months ended March 31,             | Segment      | 2009<br>Consolidation | Group        | Segment      | 2008<br>Consolidation | Group        |
|------------------------------------------|--------------|-----------------------|--------------|--------------|-----------------------|--------------|
|                                          | mn           | mn                    | mn           | mn           | mn                    | mn           |
| <b>Property-Casualty</b>                 |              |                       |              |              |                       |              |
| Fees from credit and assistance business | 179          |                       | 179          | 171          |                       | 171          |
| Service agreements                       | 90           | (14)                  | 76           | 96           | (3)                   | 93           |
| Investment advisory                      | 3            |                       | 3            |              |                       |              |
| <b>Subtotal</b>                          | <b>272</b>   | <b>(14)</b>           | <b>258</b>   | <b>267</b>   | <b>(3)</b>            | <b>264</b>   |
| <b>Life/Health</b>                       |              |                       |              |              |                       |              |
| Service agreements                       | 20           | (7)                   | 13           | 34           | (3)                   | 31           |
| Investment advisory                      | 97           | (5)                   | 92           | 134          | (9)                   | 125          |
| Other                                    | 2            | (2)                   |              | 3            | (3)                   |              |
| <b>Subtotal</b>                          | <b>119</b>   | <b>(14)</b>           | <b>105</b>   | <b>171</b>   | <b>(15)</b>           | <b>156</b>   |
| <b>Financial Services</b>                |              |                       |              |              |                       |              |
| <b>Banking</b>                           |              |                       |              |              |                       |              |
| Securities business                      | 5            |                       | 5            | 28           |                       | 28           |
| Investment advisory                      | 29           | (18)                  | 11           | 48           | (30)                  | 18           |
| Payment transactions                     | 12           |                       | 12           | 13           |                       | 13           |
| Other                                    | 30           | (5)                   | 25           | 44           | (8)                   | 36           |
| <b>Subtotal</b>                          | <b>76</b>    | <b>(23)</b>           | <b>53</b>    | <b>133</b>   | <b>(38)</b>           | <b>95</b>    |
| <b>Asset Management</b>                  |              |                       |              |              |                       |              |
| Management fees                          | 820          | (25)                  | 795          | 841          | (27)                  | 814          |
| Loading and exit fees                    | 59           |                       | 59           | 66           |                       | 66           |
| Performance fees                         | 14           |                       | 14           | 13           |                       | 13           |
| Other                                    | 14           | (1)                   | 13           | 66           | (1)                   | 65           |
| <b>Subtotal</b>                          | <b>907</b>   | <b>(26)</b>           | <b>881</b>   | <b>986</b>   | <b>(28)</b>           | <b>958</b>   |
| <b>Alternative Investment Management</b> |              |                       |              |              |                       |              |
| Service agreements                       | 33           | (24)                  | 9            | 56           | (32)                  | 24           |
| <b>Subtotal</b>                          | <b>33</b>    | <b>(24)</b>           | <b>9</b>     | <b>56</b>    | <b>(32)</b>           | <b>24</b>    |
| <b>Consolidation</b>                     | <b>(21)</b>  | <b>21</b>             |              | <b>(31)</b>  | <b>31</b>             |              |
| <b>Subtotal</b>                          | <b>995</b>   | <b>(52)</b>           | <b>943</b>   | <b>1,144</b> | <b>(67)</b>           | <b>1,077</b> |
| <b>Corporate</b>                         |              |                       |              |              |                       |              |
| Service agreements                       | 34           | (5)                   | 29           | 11           | (3)                   | 8            |
| Other                                    | 1            |                       | 1            |              |                       |              |
| <b>Subtotal</b>                          | <b>35</b>    | <b>(5)</b>            | <b>30</b>    | <b>11</b>    | <b>(3)</b>            | <b>8</b>     |
| <b>Total</b>                             | <b>1,421</b> | <b>(85)</b>           | <b>1,336</b> | <b>1,593</b> | <b>(88)</b>           | <b>1,505</b> |

#### 27 Other income

| Three months ended March 31,                                  | 2009     | 2008       |
|---------------------------------------------------------------|----------|------------|
|                                                               | mn       | mn         |
| Realized gains from disposals of real estate held for own use | 1        | 348        |
| Other                                                         | 3        | 3          |
| <b>Total</b>                                                  | <b>4</b> | <b>351</b> |



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Allianz Group Interim Report First Quarter of 2009 **Notes to the Condensed Consolidated Interim Financial Statements**

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

Three months ended March 31,

|                                     | manroland    | Selecta AG   | Other      | Total        |
|-------------------------------------|--------------|--------------|------------|--------------|
|                                     | AG           |              |            |              |
|                                     | mn           | mn           | mn         | mn           |
| <b>2009</b>                         |              |              |            |              |
| <b>Income</b>                       |              |              |            |              |
| Sales and service revenues          | 275          | 174          | 15         | 464          |
| Other operating revenues            | 4            |              |            | 4            |
| Interest income                     | 1            |              |            | 1            |
| <b>Subtotal</b>                     | <b>280</b>   | <b>174</b>   | <b>15</b>  | <b>469</b>   |
| <b>Expenses</b>                     |              |              |            |              |
| Cost of goods sold                  | (244)        | (52)         | (8)        | (304)        |
| Commissions                         | (34)         |              |            | (34)         |
| General and administrative expenses | (20)         | (97)         |            | (117)        |
| Other operating expenses            | (46)         |              |            | (46)         |
| Interest expenses                   | (8)          | (16)         |            | (24)         |
| <b>Subtotal</b>                     | <b>(352)</b> | <b>(165)</b> | <b>(8)</b> | <b>(525)</b> |
| <b>Total</b>                        | <b>(72)</b>  | <b>9</b>     | <b>7</b>   | <b>(56)</b>  |
| <b>2008</b>                         |              |              |            |              |
| <b>Income</b>                       |              |              |            |              |
| Sales and service revenues          | 374          | 184          | 14         | 572          |
| Other operating revenues            | 4            |              |            | 4            |
| Interest income                     | 3            |              |            | 3            |
| <b>Subtotal</b>                     | <b>381</b>   | <b>184</b>   | <b>14</b>  | <b>579</b>   |
| <b>Expenses</b>                     |              |              |            |              |
| Cost of goods sold                  | (290)        | (59)         | (2)        | (351)        |
| Commissions                         | (36)         |              |            | (36)         |
| General and administrative expenses | (17)         | (109)        |            | (126)        |
| Other operating expenses            | (22)         |              |            | (22)         |
| Interest expenses                   | (4)          | (17)         |            | (21)         |
| <b>Subtotal</b>                     | <b>(369)</b> | <b>(185)</b> | <b>(2)</b> | <b>(556)</b> |
| <b>Total</b>                        | <b>12</b>    | <b>(1)</b>   | <b>12</b>  | <b>23</b>    |

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### Notes to the Condensed Consolidated Interim Financial Statements Allianz Group Interim Report First Quarter of 2009

#### 29 Claims and insurance benefits incurred (net)

Three months ended March 31,

|                                             | Property-<br>Casualty | Life/Health    | Consolidation | Group           |
|---------------------------------------------|-----------------------|----------------|---------------|-----------------|
|                                             | mn                    | mn             | mn            | mn              |
| <b>2009</b>                                 |                       |                |               |                 |
| <b>Gross</b>                                |                       |                |               |                 |
| Claims and insurance benefits paid          | (7,833)               | (5,234)        | 5             | (13,062)        |
| Change in loss and loss adjustment expenses | 697                   | (26)           |               | 671             |
| <b>Subtotal</b>                             | <b>(7,136)</b>        | <b>(5,260)</b> | <b>5</b>      | <b>(12,391)</b> |
| <b>Ceded</b>                                |                       |                |               |                 |
| Claims and insurance benefits paid          | 959                   | 127            | (5)           | 1,081           |
| Change in loss and loss adjustment expenses | (456)                 | (13)           |               | (469)           |
| <b>Subtotal</b>                             | <b>503</b>            | <b>114</b>     | <b>(5)</b>    | <b>612</b>      |
| <b>Net</b>                                  |                       |                |               |                 |
| Claims and insurance benefits paid          | (6,874)               | (5,107)        |               | (11,981)        |
| Change in loss and loss adjustment expenses | 241                   | (39)           |               | 202             |
| <b>Total</b>                                | <b>(6,633)</b>        | <b>(5,146)</b> |               | <b>(11,779)</b> |
| <b>2008</b>                                 |                       |                |               |                 |
| <b>Gross</b>                                |                       |                |               |                 |
| Claims and insurance benefits paid          | (6,940)               | (5,179)        | 2             | (12,117)        |
| Change in loss and loss adjustment expenses | 82                    | 49             |               | 131             |
| <b>Subtotal</b>                             | <b>(6,858)</b>        | <b>(5,130)</b> | <b>2</b>      | <b>(11,986)</b> |
| <b>Ceded</b>                                |                       |                |               |                 |
| Claims and insurance benefits paid          | 686                   | 141            | (2)           | 825             |
| Change in loss and loss adjustment expenses | (129)                 | (24)           |               | (153)           |
| <b>Subtotal</b>                             | <b>557</b>            | <b>117</b>     | <b>(2)</b>    | <b>672</b>      |
| <b>Net</b>                                  |                       |                |               |                 |
| Claims and insurance benefits paid          | (6,254)               | (5,038)        |               | (11,292)        |
| Change in loss and loss adjustment expenses | (47)                  | 25             |               | (22)            |
| <b>Total</b>                                | <b>(6,301)</b>        | <b>(5,013)</b> |               | <b>(11,314)</b> |

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Allianz Group Interim Report First Quarter of 2009 **Notes to the Condensed Consolidated Interim Financial Statements**

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

Three months ended March 31,

|                              | Property-<br>Casualty | Life/Health    | Consolidation | Group          |
|------------------------------|-----------------------|----------------|---------------|----------------|
|                              | mn                    | mn             | mn            | mn             |
| <b>2009</b>                  |                       |                |               |                |
| <b>Gross</b>                 |                       |                |               |                |
| Aggregate policy reserves    | (44)                  | (617)          |               | (661)          |
| Other insurance reserves     | 39                    | 16             |               | 55             |
| Expenses for premium refunds | 11                    | 13             | (6)           | 18             |
| <b>Subtotal</b>              | <b>6</b>              | <b>(588)</b>   | <b>(6)</b>    | <b>(588)</b>   |
| <b>Ceded</b>                 |                       |                |               |                |
| Aggregate policy reserves    | 1                     | 2              |               | 3              |
| Other insurance reserves     | (36)                  | 1              |               | (35)           |
| Expenses for premium refunds | (1)                   |                |               | (1)            |
| <b>Subtotal</b>              | <b>(36)</b>           | <b>3</b>       |               | <b>(33)</b>    |
| <b>Net</b>                   |                       |                |               |                |
| Aggregate policy reserves    | (43)                  | (615)          |               | (658)          |
| Other insurance reserves     | 3                     | 17             |               | 20             |
| Expenses for premium refunds | 10                    | 13             | (6)           | 17             |
| <b>Total</b>                 | <b>(30)</b>           | <b>(585)</b>   | <b>(6)</b>    | <b>(621)</b>   |
| <b>2008</b>                  |                       |                |               |                |
| <b>Gross</b>                 |                       |                |               |                |
| Aggregate policy reserves    | (65)                  | (1,280)        |               | (1,345)        |
| Other insurance reserves     | (3)                   | (12)           |               | (15)           |
| Expenses for premium refunds | 41                    | (523)          | (13)          | (495)          |
| <b>Subtotal</b>              | <b>(27)</b>           | <b>(1,815)</b> | <b>(13)</b>   | <b>(1,855)</b> |
| <b>Ceded</b>                 |                       |                |               |                |
| Aggregate policy reserves    | (17)                  | 4              |               | (13)           |
| Other insurance reserves     | 7                     | 2              |               | 9              |
| Expenses for premium refunds | 8                     | 6              |               | 14             |
| <b>Subtotal</b>              | <b>(2)</b>            | <b>12</b>      |               | <b>10</b>      |
| <b>Net</b>                   |                       |                |               |                |
| Aggregate policy reserves    | (82)                  | (1,276)        |               | (1,358)        |
| Other insurance reserves     | 4                     | (10)           |               | (6)            |
| Expenses for premium refunds | 49                    | (517)          | (13)          | (481)          |
| <b>Total</b>                 | <b>(29)</b>           | <b>(1,803)</b> | <b>(13)</b>   | <b>(1,845)</b> |

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### Notes to the Condensed Consolidated Interim Financial Statements Allianz Group Interim Report First Quarter of 2009

#### 31 Interest expenses

| Three months ended March 31,                            | 2009         | 2008         |
|---------------------------------------------------------|--------------|--------------|
|                                                         | mn           | mn           |
| Liabilities to banks and customers                      | (138)        | (212)        |
| Deposits retained on reinsurance ceded                  | (20)         | (26)         |
| Certificated liabilities                                | (76)         | (113)        |
| Participating certificates and subordinated liabilities | (140)        | (108)        |
| Other                                                   | (36)         | (34)         |
| <b>Total</b>                                            | <b>(410)</b> | <b>(493)</b> |

#### 32 Loan loss provisions

| Three months ended March 31,                         | 2009        | 2008       |
|------------------------------------------------------|-------------|------------|
|                                                      | mn          | mn         |
| Additions to allowances including direct impairments | (36)        | (28)       |
| Amounts released                                     | 13          | 11         |
| Recoveries on loans previously impaired              | 8           | 12         |
| <b>Total</b>                                         | <b>(15)</b> | <b>(5)</b> |

#### 33 Impairments of investments (net)

| Three months ended March 31,           | 2009           | 2008           |
|----------------------------------------|----------------|----------------|
|                                        | mn             | mn             |
| <b>Impairments</b>                     |                |                |
| <b>Available-for-sale investments</b>  |                |                |
| Equity securities                      | (1,803)        | (1,435)        |
| Debt securities                        | (82)           | (35)           |
| <b>Subtotal</b>                        | <b>(1,885)</b> | <b>(1,470)</b> |
| <b>Real estate held for investment</b> |                |                |
| <b>Subtotal</b>                        | <b>(6)</b>     | <b>(18)</b>    |
| <b>Reversals of impairments</b>        |                |                |
| Real estate held for investment        | 1              | 18             |
| <b>Subtotal</b>                        | <b>1</b>       | <b>18</b>      |
| <b>Total</b>                           | <b>(1,890)</b> | <b>(1,470)</b> |

#### 34 Investment expenses

| Three months ended March 31,                             | 2009        | 2008         |
|----------------------------------------------------------|-------------|--------------|
|                                                          | mn          | mn           |
| <b>Investment management expenses</b>                    | <b>(85)</b> | <b>(104)</b> |
| <b>Depreciation from real estate held for investment</b> | <b>(48)</b> | <b>(43)</b>  |

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|                                                            |             |              |
|------------------------------------------------------------|-------------|--------------|
| <b>Other expenses from real estate held for investment</b> | <b>(34)</b> | <b>(27)</b>  |
| <b>Foreign currency gains and losses (net)</b>             |             |              |
| Foreign currency gains                                     | 2,534       | 310          |
| Foreign currency losses                                    | (2,305)     | (572)        |
| <b>Subtotal</b>                                            | <b>229</b>  | <b>(262)</b> |
| <b>Total</b>                                               | <b>62</b>   | <b>(436)</b> |



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Allianz Group Interim Report First Quarter of 2009 **Notes to the Condensed Consolidated Interim Financial Statements**

## 35 Acquisition and administrative expenses (net)

Three months ended March 31,

|                                                               | Segment        | 2009<br>Consolidation | Group          | Segment        | 2008<br>Consolidation | Group          |
|---------------------------------------------------------------|----------------|-----------------------|----------------|----------------|-----------------------|----------------|
|                                                               | mn             | mn                    | mn             | mn             | mn                    | mn             |
| <b>Property-Casualty</b>                                      |                |                       |                |                |                       |                |
| <b>Acquisition costs</b>                                      |                |                       |                |                |                       |                |
| Incurred                                                      | (2,234)        |                       | (2,234)        | (2,140)        |                       | (2,140)        |
| Commissions and profit received on reinsurance business ceded | 94             | (1)                   | 93             | 216            | (1)                   | 215            |
| Deferrals of acquisition costs                                | 1,466          |                       | 1,466          | 1,451          |                       | 1,451          |
| Amortization of deferred acquisition costs                    | (1,076)        |                       | (1,076)        | (1,114)        |                       | (1,114)        |
| <b>Subtotal</b>                                               | <b>(1,750)</b> | <b>(1)</b>            | <b>(1,751)</b> | <b>(1,587)</b> | <b>(1)</b>            | <b>(1,588)</b> |
| <b>Administrative expenses</b>                                | <b>(808)</b>   | <b>8</b>              | <b>(800)</b>   | <b>(804)</b>   | <b>9</b>              | <b>(795)</b>   |
| <b>Subtotal</b>                                               | <b>(2,558)</b> | <b>7</b>              | <b>(2,551)</b> | <b>(2,391)</b> | <b>8</b>              | <b>(2,383)</b> |
| <b>Life/Health</b>                                            |                |                       |                |                |                       |                |
| <b>Acquisition costs</b>                                      |                |                       |                |                |                       |                |
| Incurred                                                      | (964)          | 1                     | (963)          | (983)          | 1                     | (982)          |
| Commissions and profit received on reinsurance business ceded | 20             |                       | 20             | 25             |                       | 25             |
| Deferrals of acquisition costs                                | 556            |                       | 556            | 620            |                       | 620            |
| Amortization of deferred acquisition costs                    | (685)          |                       | (685)          | (368)          |                       | (368)          |
| <b>Subtotal</b>                                               | <b>(1,073)</b> | <b>1</b>              | <b>(1,072)</b> | <b>(706)</b>   | <b>1</b>              | <b>(705)</b>   |
| <b>Administrative expenses</b>                                | <b>(354)</b>   | <b>5</b>              | <b>(349)</b>   | <b>(402)</b>   | <b>4</b>              | <b>(398)</b>   |
| <b>Subtotal</b>                                               | <b>(1,427)</b> | <b>6</b>              | <b>(1,421)</b> | <b>(1,108)</b> | <b>5</b>              | <b>(1,103)</b> |
| Financial Services                                            |                |                       |                |                |                       |                |
| Personnel expenses                                            | (402)          |                       | (402)          | (499)          |                       | (499)          |
| Non-personnel expenses                                        | (263)          | 8                     | (255)          | (276)          |                       | (276)          |
| <b>Subtotal</b>                                               | <b>(665)</b>   | <b>8</b>              | <b>(657)</b>   | <b>(775)</b>   |                       | <b>(775)</b>   |
| <b>Corporate</b>                                              |                |                       |                |                |                       |                |
| Administrative expenses                                       | (143)          | (7)                   | (150)          | (139)          | 5                     | (134)          |
| <b>Subtotal</b>                                               | <b>(143)</b>   | <b>(7)</b>            | <b>(150)</b>   | <b>(139)</b>   | <b>5</b>              | <b>(134)</b>   |
| <b>Total</b>                                                  | <b>(4,793)</b> | <b>14</b>             | <b>(4,779)</b> | <b>(4,413)</b> | <b>18</b>             | <b>(4,395)</b> |

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### Notes to the Condensed Consolidated Interim Financial Statements Allianz Group Interim Report First Quarter of 2009

#### 36 Fee and commission expenses

Three months ended March 31,

|                                          | 2009          |             |              | 2008          |              |
|------------------------------------------|---------------|-------------|--------------|---------------|--------------|
|                                          | Consolidation | Group       | Segment      | Consolidation | Group        |
| Segment                                  |               |             |              |               |              |
| mn                                       | mn            | mn          | mn           | mn            | mn           |
| <b>Property-Casualty</b>                 |               |             |              |               |              |
| Fees from credit and assistance business | (141)         | (141)       | (138)        |               | (138)        |
| Service agreements                       | (93)          | 12          | (81)         | 1             | (109)        |
| <b>Subtotal</b>                          | <b>(234)</b>  | <b>12</b>   | <b>(222)</b> | <b>1</b>      | <b>(247)</b> |
| <b>Life/Health</b>                       |               |             |              |               |              |
| Service agreements                       | (10)          | 4           | (6)          | 4             | (16)         |
| Investment advisory                      | (54)          | 6           | (48)         | 5             | (35)         |
| <b>Subtotal</b>                          | <b>(64)</b>   | <b>10</b>   | <b>(54)</b>  | <b>9</b>      | <b>(51)</b>  |
| <b>Financial Services</b>                |               |             |              |               |              |
| <b>Banking</b>                           |               |             |              |               |              |
| Securities business                      | (1)           | (1)         | (2)          |               | (2)          |
| Investment advisory                      | (29)          | (29)        | (38)         |               | (38)         |
| Payment transactions                     | (3)           | (3)         | (1)          |               | (1)          |
| Other                                    | (8)           | (8)         | (18)         | 1             | (17)         |
| <b>Subtotal</b>                          | <b>(41)</b>   | <b>(41)</b> | <b>(59)</b>  | <b>1</b>      | <b>(58)</b>  |
| <b>Asset Management</b>                  |               |             |              |               |              |
| Commissions                              | (193)         | 30          | (163)        | 84            | (128)        |
| Other                                    | (5)           | (5)         | (68)         | 4             | (64)         |
| <b>Subtotal</b>                          | <b>(198)</b>  | <b>30</b>   | <b>(168)</b> | <b>88</b>     | <b>(192)</b> |
| <b>Alternative Investment Management</b> |               |             |              |               |              |
| Service Agreements                       | (3)           | 1           | (2)          |               | (2)          |
| <b>Subtotal</b>                          | <b>(3)</b>    | <b>1</b>    | <b>(2)</b>   |               | <b>(2)</b>   |
| <b>Consolidation</b>                     | <b>21</b>     | <b>(21)</b> | <b>30</b>    | <b>(30)</b>   |              |
| <b>Subtotal</b>                          | <b>(221)</b>  | <b>10</b>   | <b>(211)</b> | <b>59</b>     | <b>(252)</b> |
| <b>Corporate</b>                         |               |             |              |               |              |
| Service agreements                       | (8)           | 4           | (1)          |               | (1)          |
| <b>Subtotal</b>                          | <b>(8)</b>    | <b>4</b>    | <b>(1)</b>   |               | <b>(1)</b>   |
| <b>Total</b>                             | <b>(527)</b>  | <b>36</b>   | <b>(491)</b> | <b>69</b>     | <b>(551)</b> |

#### 37 Income taxes

Three months ended March 31,

|                              | 2009        | 2008         |
|------------------------------|-------------|--------------|
|                              | mn          | mn           |
| Current income tax expenses  | (157)       | (396)        |
| Deferred income tax expenses | 136         | (176)        |
| <b>Total</b>                 | <b>(21)</b> | <b>(572)</b> |

For the three months ended March 31, 2009 and 2008 the income taxes relating to components of the other comprehensive income consist of the following:

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Three months ended March 31,

|                                                   | 2009       | 2008       |
|---------------------------------------------------|------------|------------|
|                                                   | mn         | mn         |
| Foreign currency translation adjustments          | 31         | (14)       |
| Available for sale investments                    | 410        | 367        |
| Cashflow hedges                                   | 13         | (14)       |
| Share of other comprehensive income of associates | 1          |            |
| Miscellaneous                                     | 3          | 2          |
| <b>Total</b>                                      | <b>458</b> | <b>341</b> |

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Allianz Group Interim Report First Quarter of 2009 **Notes to the Condensed Consolidated Interim Financial Statements**

### 38 Earnings per share

#### Basic earnings per share

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

| Three months ended                                    | 2009        | 2008        |
|-------------------------------------------------------|-------------|-------------|
| March 31,                                             |             |             |
|                                                       | € mn        | € mn        |
| Net income used to calculate basic earnings per share | 29          | 1,148       |
| from continuing operations                            | 424         | 1,380       |
| from discontinued operations                          | (395)       | (232)       |
| Weighted average number of common shares outstanding  | 451,699,418 | 449,417,813 |
| Basic earnings per share (in €)                       | 0.06        | 2.55        |
| from continuing operations                            | 0.94        | 3.07        |
| from discontinued operations                          | (0.88)      | (0.52)      |

#### Diluted earnings per share

Diluted earnings per share are calculated by dividing net income by the weighted average number of common shares outstanding for the period, both adjusted for the effects of potentially dilutive common shares. Potentially dilutive common shares arise from the assumed conversion of participation certificates issued by Allianz SE, warrants issued by Allianz SE and share-based compensation plans, as well as from the conversion of derivatives on own shares.

| Three months ended March 31,                                                  | 2009        | 2008        |
|-------------------------------------------------------------------------------|-------------|-------------|
|                                                                               | € mn        | € mn        |
| Net income                                                                    | 29          | 1,148       |
| Effect of potential dilutive common shares                                    | (12)        | (24)        |
| Net income used to calculate diluted earnings per share                       | 17          | 1,124       |
| from continuing operations                                                    | 412         | 1,356       |
| from discontinued operations                                                  | (395)       | (232)       |
| Weighted average number of common shares outstanding                          | 451,699,418 | 449,417,813 |
| Potentially dilutive common shares resulting from assumed conversion of       |             |             |
| Participation certificates                                                    |             | 1,469,443   |
| Warrants                                                                      |             | 273,699     |
| Share-based compensation plans                                                | 1,456,306   | 1,701,773   |
| Derivatives on own shares                                                     |             | 1,026,683   |
| Subtotal                                                                      | 1,456,306   | 4,471,598   |
| Weighted average number of common shares outstanding after assumed conversion | 453,155,724 | 453,889,411 |
| Diluted earnings per share (in €)                                             | 0.04        | 2.48        |
| from continuing operations                                                    | 0.91        | 2.99        |
| from discontinued operations                                                  | (0.87)      | (0.51)      |

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For the three months ended March 31, 2009, the weighted average number of common shares excludes 1,350,582 (2008: 1,820,099) treasury shares.

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#### 39 Supplemental information on the condensed consolidated statements of cash flows

| Three months ended March 31,                                                          | 2009  | 2008    |
|---------------------------------------------------------------------------------------|-------|---------|
|                                                                                       | mn    | mn      |
| Income taxes paid                                                                     | (268) | (318)   |
| Dividends received                                                                    | 137   | 244     |
| Interest received                                                                     | 4,414 | 5,715   |
| Interest paid                                                                         | (575) | (2,204) |
| <b>Significant non-cash transactions</b>                                              |       |         |
| <b>Settlement of exchangeable bonds issued by Allianz Finance II B.V. for shares:</b> |       |         |
| Available-for-sale investments                                                        |       | (450)   |
| Certificated liabilities                                                              |       | (450)   |
| <b>Novation of quota share reinsurance agreement</b>                                  |       |         |
| Reinsurance assets                                                                    |       | (29)    |
| Deferred acquisition costs                                                            |       | 1       |
| Payables from reinsurance contracts                                                   |       | (28)    |
| <b>Effects from deconsolidation of Dresdner Bank</b>                                  |       |         |
| <b>Commerzbank shares</b>                                                             |       |         |
| Available for sale investments                                                        | 746   |         |
| Assets of disposal groups held for sale                                               | (746) |         |
| <b>Distribution channel</b>                                                           |       |         |
| Intangible assets                                                                     | 480   |         |
| Assets of disposal groups held for sale                                               | (480) |         |
| <b>Cominvest</b>                                                                      |       |         |
| Available for sale investments                                                        | 179   |         |
| Loans and advances to banks                                                           | 7     |         |
| Deferred tax assets                                                                   | 6     |         |
| Intangible assets                                                                     | 602   |         |
| Property and equipment                                                                | 3     |         |
| Other assets                                                                          | 38    |         |
| Assets of disposal groups held for sale                                               | (835) |         |
| Liabilities to banks and customers                                                    | 1     |         |
| Deferred tax liabilities                                                              | (1)   |         |
| Certificated liabilities, participation certificates and subordinated liabilities     | (50)  |         |
| Other liabilities                                                                     | (133) |         |
| Liabilities of disposal groups held for sale                                          | 183   |         |

The transfer of ownership of Dresdner Bank to Commerz-bank was completed on January 12, 2009. According to the agreement Allianz received a total of 3.215 bn in cash plus cash and cash equivalents of the Asset Manager cominvest of 48 mn. The impact of the disposal, net of cash disposed, on the consolidated statement of cash flows for the three months ended March 31, 2009 was:

|                                              |                           |
|----------------------------------------------|---------------------------|
|                                              | January 12,<br>2009<br>mn |
| Assets of disposal groups held for sale      | 417,874                   |
| less: cash and cash equivalents              | (30,238)                  |
| Liabilities of disposal groups held for sale | (410,469)                 |
| Minority interests                           | (1,738)                   |

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|                                                         |                 |
|---------------------------------------------------------|-----------------|
| Treasury shares                                         | 69              |
| less non-cash components of the consideration received: |                 |
| Commerzbank shares                                      | (746)           |
| Distribution agreement                                  | (480)           |
| Cominvest (net of cash acquired)                        | (652)           |
| Consolidation                                           | (595)           |
| <b>Disposal of subsidiary, net of cash disposed</b>     | <b>(26,975)</b> |
| <a href="#">40 Other information</a>                    |                 |

## Number of employees

|                 | As of<br>March 31,<br>2009 | As of<br>December 31,<br>2008 |
|-----------------|----------------------------|-------------------------------|
| Germany         | 49,158                     | 71,267                        |
| Other countries | 105,622                    | 111,598                       |
| <b>Total</b>    | <b>154,780</b>             | <b>182,865</b>                |

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Allianz Group Interim Report First Quarter of 2009    **Notes to the Condensed Consolidated Interim Financial Statements**

41 Subsequent events

Sale of Industrial and Commercial Bank of China ( ICBC ) shares

On April 28, 2009 the Allianz Group sold 3.2 bn ICBC shares to a selected group of investors through a private sale. The sale resulted in capital gains of approximately 0.7 bn.

Munich, May 12, 2009

Allianz SE

The Board of Management



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**Review Report** Allianz Group Interim Report First Quarter of 2009

## **Review report**

To Allianz SE, Munich

We have reviewed the condensed consolidated interim financial statements of the Allianz SE, Munich comprising the consolidated balance sheets, consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity, condensed consolidated statements of cash flow and selected explanatory notes - together with the interim group management report of the Allianz SE, Munich for the period from January 1 to March 31, 2009 that are part of the quarterly financial report according to § 37 x WpHG [ Wertpapierhandelsgesetz : German Securities Trading Act ]. The preparation of the condensed consolidated interim financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU and in accordance with the IFRS for interim financial reporting as issued by the International Accounting Standards Board (IASB), and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We performed our review of the condensed consolidated interim financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed consolidated interim

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

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

Munich, May 13, 2009

KPMG AG

Wirtschaftsprüfungsgesellschaft

Dr. Frank Ellenbürger  
Independent Auditor

Johannes Pastor  
Independent Auditor

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Allianz SE

Koeniginstrasse 28

80802 Muenchen

Germany

Telephone +49 89 38 00 0

Telefax +49 89 38 00 3425

[info@allianz.com](mailto:info@allianz.com)

[www.allianz.com](http://www.allianz.com)

Interim Report on the Internet

[www.allianz.com/interim-report](http://www.allianz.com/interim-report)

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 13, 2009

ALLIANZ SE

By /s/ Burkhard Keese  
Name: Burkhard Keese  
Title: Executive Vice President

Group Financial Reporting

ALLIANZ SE

By /s/ Harold Michael Langley-Poole  
Name: Harold Michael Langley-Poole  
Title: Head of Group Management Reporting