Allianz Group

Interim Report Second Quarter and First Half Year of 2011

Allianz

Content

Group Management Report

Condensed Consolidated Interim Financial Statements for the Second Quarter and the First Half Year of 2011

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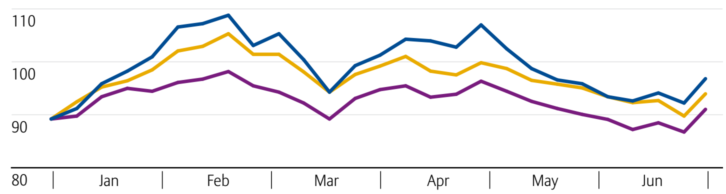
Vienna, the Prater

In the fall of 2010, we launched the "One" campaign, which focuses on sharing the knowledge and experience of real people in authentic situations. The campaign will be active in more than 20 countries around the world by the end of this year. This report includes a selection of images that have already appeared.

Allianz Share

Development of the Allianz share price since January 1, 2011
indexed on the Allianz share price in €



Allianz
EURO STOXX 50
STOXX Europe 600 Insurance

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

Basic share information

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

Contact Investor Relations

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

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Allianz Group Key Data

		Three months ended June 30,			Six months ended June 30,		
		2011	2010	Change from previous year	2011	2010	Change from previous year
INCOME STATEMENT[1]							
Total revenues[2]	€ mn	24,574	25,389	(3.2)%	54,479	55,956	(2.6)%
Operating profit[3]	€ mn	2,300	2,302	(0.1)%	3,960	4,034	(1.8)%
Net income	€ mn	1,071	1,157	(7.4)%	1,986	2,760	(28.0)%
SEGMENTS[4]							
Property-Casualty							
Gross premiums written	€ mn	10,194	9,951	2.4%	24,445	23,945	2.1%
Operating profit[3]	€ mn	1,329	1,147	15.9%	1,992	1,859	7.2%
Combined ratio	%	95.0	96.3	(1.3) pts	98.1	98.4	(0.3) pts
Life/Health[1]							
Statutory premiums	€ mn	12,978	14,124	(8.1)%	27,248	29,480	(7.6)%
Operating profit[3]	€ mn	679	824	(17.6)%	1,381	1,659	(16.8)%
Cost-income ratio	%	95.9	95.4	0.5 pts	96.0	95.6	0.4 pts
Asset Management							
Operating revenues	€ mn	1,303	1,188	9.7%	2,576	2,304	11.8%
Operating profit[3]	€ mn	528	516	2.3%	1,056	982	7.5%
Cost-income ratio	%	59.5	56.6	2.9 pts	59.0	57.4	1.6 pts
Corporate and Other							
Total revenues	€ mn	137	138	(0.7)%	288	266	8.3%
Operating profit[3]	€ mn	(205)	(155)	32.3%	(428)	(406)	5.4%
Cost-income ratio (Banking)	%	93.4	103.7	(10.3) pts	90.6	105.7	(15.1) pts
BALANCE SHEET[1]							
Total assets as of June 30,[5]	€ mn	627,407	624,945	0.4%	627,407	624,945	0.4%
Shareholders' equity as of June 30,[5]	€ mn	42,615	44,491	(4.2)%	42,615	44,491	(4.2)%
Non-controlling interests as of June 30,[5]	€ mn	2,074	2,071	0.1%	2,074	2,071	0.1%
SHARE INFORMATION							
Basic earnings per share[1]	€	2.21	2.41	(8.3)%	4.11	5.88	(30.1)%
Diluted earnings per share[1]	€	2.17	2.37	(8.4)%	4.07	5.84	(30.3)%
Share price as of June 30,[5]	€	96.33	88.93	8.3%	96.33	88.93	8.3%
Market capitalization as of June 30,[5]	€ bn	43.8	40.4	8.3%	43.8	40.4	8.3%
OTHER DATA							
Total assets under management as of June 30,[5]	€ bn	1,508	1,518	(0.7)%	1,508	1,518	(0.7)%
thereof: Third-party assets under management as of June 30,[5]	€ bn	1,151	1,164	(1.1)%	1,151	1,164	(1.1)%

1 Figures for the second quarter and first half of 2010 have been restated to reflect a change in the Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.
2 Total revenues comprise statutory gross premiums written in Property-Casualty and Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).
3 The Allianz Group uses operating profit as a key financial indicator to assess the performance of its business segments and the Group as a whole.
4 The Allianz Group operates and manages its activities through four segments: Property-Casualty, Life/Health, Asset Management and Corporate and Other. For further information please refer to note 3 of our condensed consolidated interim financial statements.
5 2010 figures as of December 31, 2010.

Executive Summary

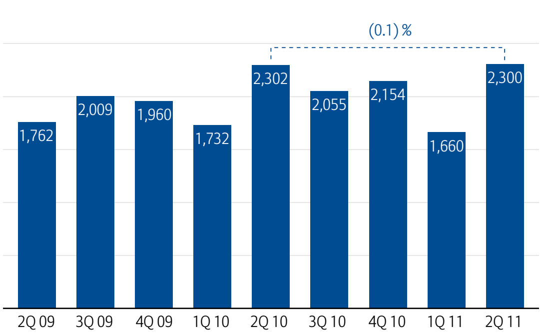
- Revenues at € 24.6 billion.
- Operating profit of € 2,300 million.
- Net income of € 1,071 million, despite impact of Greek sovereign bond impairments.
- Solvency ratio strong at 180 %.[1]

Allianz Group Overview

- The Group's results are reported by business segment: Property-Casualty insurance, Life/Health insurance, Asset Management and Corporate and Other activities.
- Although the majority of profits are still derived from our insurance operations, our Asset Management contributions have grown steadily over recent years.

Operating profit[2]
in € mn

€ 2,300 mn



1 Solvency according to the E.U. Financial Conglomerates Directive. Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request; Allianz SE has not submitted an application so far. The solvency ratio excluding off-balance sheet reserves would be 171 % (2010: 164 %, 2009: 155 %).
2 Figures prior to the third quarter of 2010 have been restated to reflect a change in the Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.
3 Net income from continuing operations.
4 2010 and 2009 figures as of December 31.
5 Internal total revenue growth excludes the effects of foreign currency translation as well as acquisitions and disposals. For further information please refer to the 'Reconciliations' chapter.
6 In accordance with IAS 39, our investments in Greek sovereign bonds were considered impaired and written down to current market value as of June 30, 2011. For further information please refer to note 31 of our condensed consolidated interim financial statements.

Key Figures

	Three months ended June 30,			Six months ended June 30,		
	2011 € mn	2010 € mn	2009 € mn	**2011** € mn	2010 € mn	2009 € mn
Total revenues	24,574	25,389	22,170	54,479	55,956	49,890
Operating profit[2]	**2,300**	**2,302**	**1,762**	**3,960**	**4,034**	**3,075**
Net income[2]	1,071	1,157	1,872	1,986	2,760	2,227[3]
Solvency ratio in %[1,4]	**180**	**173**	**164**	**180**	**173**	**164**

Summary: second quarter of 2011

Management's assessment of 2011 second quarter result

We generated total revenues of € 24.6 billion. On an internal basis[5] revenues declined by 0.9 % because higher Property-Casualty and Asset Management revenues did not compensate for the broadly expected decline in Life/Health sales.

The profitability of the second quarter of 2011 was impacted by the need to impair all Greek sovereign bonds to current market values.[6]

Three months ended June 30, 2011	Group € mn
Operating profit (gross impairments)	(279)
Policyholder participation	203
Impact on operating profit (net)	(76)
Non-operating impairments / result	(365)
Income tax	115
Impact on net income	**(326)**

Despite the difficult economic environment and the ongoing sovereign debt crisis, we achieved a strong operating profit of € 2,300 million. Property-Casualty and Asset Management delivered operating profit growth, while nearly half of the decrease in Life/Health was directly attributable to the net effect of the Greek sovereign bond impairments (of € 76 million).

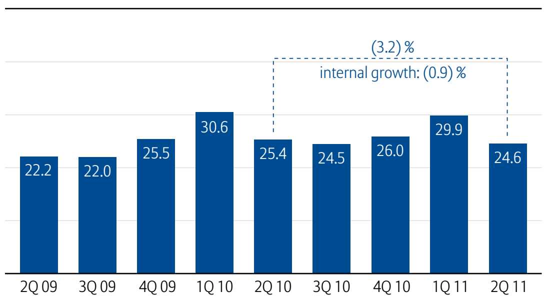
Net income decreased by € 86 million – or 7.4 % – to € 1,071 million, and was burdened by the net impact of the Greek sovereign bond impairments of € 326 million.

Total Revenues[1]

2011 to 2010 second quarter comparison

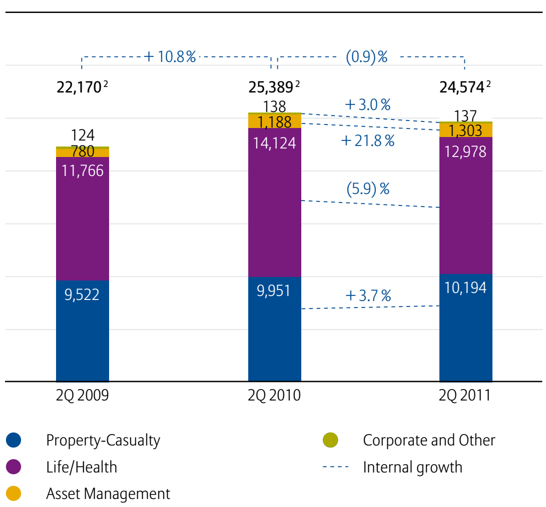
Total revenues

in € bn



Total revenues – Segments

in € mn



Gross premiums written from the Property-Casualty business increased by 3.7 % on an internal basis. Both volume and pricing effects were positive at 2.7 % and 1.0 % respectively. However, this growth was supported by a single large premium.

Statutory premiums from our Life/Health business declined by 5.9 % on an internal basis, which is broadly in line with our expectations. Last year's sales were exceptionally high as our traditional business had benefited from large single premium contracts from the corporate business. Sales of investment-oriented products in Italy and Asia also suffered primarily from tough market conditions and lower bancassurance sales partially offset by continued strong volumes in our U.S. business.

Our Asset Management business achieved internal growth of 21.8 %, largely attributable to the growth in average assets under management. We recorded net inflows of € 31 billion for the first half of 2011. As of June 30, 2011 total assets under management amounted to € 1,508 billion.

Total revenues from our Banking operations (reported in our Corporate and Other segment) grew by 3.0 % on an internal basis as a result of higher net interest income in Italy and an increase in trading income.

2011 to 2010 first half year comparison

We generated total revenues of € 54,479 million compared to € 55,956 million for the first half of 2010. On an internal basis total revenues declined by 2.4 %. Lower revenues from investment-oriented Life/Health products could not be fully compensated for by the positive contribution from our other segments.

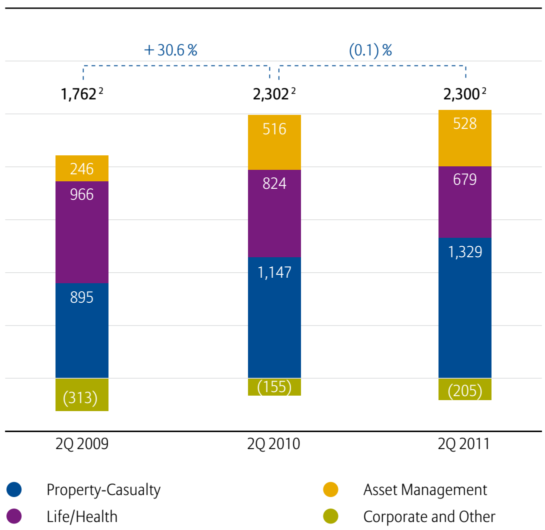
1 Total revenues comprise statutory gross premiums written in Property-Casualty and in Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).

2 Total revenues include € (38) mn, € (12) mn and € (22) mn from consolidation for 2Q 2011, 2010 and 2009, respectively.

Operating Profit[1]

2011 to 2010 second quarter comparison

Operating profit – Segments
in € mn



Property-Casualty operating profit grew by 15.9 % to € 1,329 million largely due to a higher underwriting result (up € 160 million). This resulted from lower losses from natural catastrophes as well as positive price momentum and volume growth. Our combined ratio improved by 1.3 percentage points to 95.0 %. The operating investment result (after expenses for premium refunds) also grew, by € 21 million.

Life/Health operating profit of € 679 million was € 145 million below last year's high level of € 824 million. Operating profit was impacted by a lower investment result, driven by a decrease in income from financial assets and liabilities carried at fair value and the net effect of impairments on Greek sovereign bonds of € 76 million[3] (after policyholder participation).

The strong performance in our Asset Management segment continued with a 2.3 % increase in operating profit to € 528 million (including a negative foreign currency effect of € 59 million). The cost-income ratio remained low at 59.5 %.

The Corporate and Other operating loss increased by € 50 million to € 205 million mostly attributable to Holding & Treasury due to higher pension costs and lower interest and similar income (net).

2011 to 2010 first half year comparison

Operating profit amounted to € 3,960 million compared to € 4,034 million for the first half of 2010. Property-Casualty and Asset Management operating profit increased by € 133 million and € 74 million respectively, while Life-Health operating profit declined by € 278 million. The Corporate and Other operating loss increased slightly.

Non-operating Result

2011 to 2010 second quarter comparison

Our non-operating result declined by € 89 million to a loss of € 686 million, mostly attributable to a lower non-operating investment result.

Realized gains and losses (net) declined from € 181 million to € 146 million. In the second quarter of 2010 we had benefited from the sale of shares in the Industrial and Commercial Bank of China (ICBC) with a gain of € 115 million. The lack of these gains was partially offset by lower losses from debt securities in the current quarter.

1 Figures prior to the third quarter of 2010 have been restated to reflect a change in the Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.
2 Includes € (31) mn, € (30) mn and € (32) mn from consolidation for 2Q 2011, 2010 and 2009, respectively.
3 In accordance with IAS 39, our investments in Greek sovereign bonds were considered impaired and written down to current market value as of June 30, 2011. We also booked impairments in the non-operating investment result. For further information please refer to note 31 of our condensed consolidated interim financial statements.

Non-operating income from financial assets and liabilities carried at fair value through income (net) improved by € 132 million to a net loss of € 53 million as valuation losses on The Hartford warrants decreased from € 167 million to € 26 million.

Impairments (net) increased by € 242 million to € 429 million, largely due to € 365 million of Greek sovereign bond impairments[1] partly offset by lower impairments on equities.

Acquisition-related expenses decreased by € 76 million to € 34 million – mainly resulting from lower PIMCO B-unit expenses[2]. No B-units were actually purchased in the second quarter of 2011 nor in the second quarter of 2010. We have now acquired 88.4 % of all B-units: 17,415 are still outstanding. Due to higher operating profit, the value of the outstanding B-units increased resulting in fair value adjustments to the provision for future repurchases of B-units. However, the decline in the number of B-units outstanding by 44 % compared to June 30, 2010 resulted in a decrease of fair value expenses by € 70 million and distribution expenses by € 7 million compared to the second quarter of 2010.

2011 to 2010 first half year comparison

Our non-operating result deteriorated by € 522 million to negative € 860 million. The non-operating investment result accounted for € 732 million of this decline and amounted to negative € 129 million. This was mainly due to lower realized gains and higher impairments (net).

1 In accordance with IAS 39, our investments in Greek sovereign bonds were considered impaired and written down to current market value as of June 30, 2011. For further information please refer to note 31 of our condensed consolidated interim financial statements.

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

Income Taxes

2011 to 2010 second quarter comparison

Income tax was almost unchanged at € 543 million; the effective tax rate was 33.6 % (2Q 2010: 32.1 %).

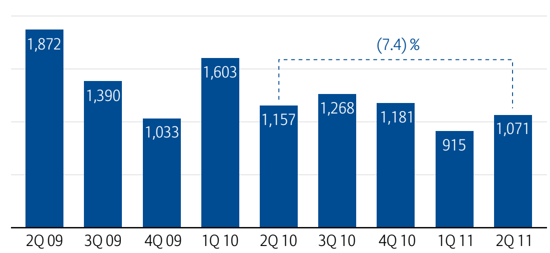
2011 to 2010 first half year comparison

Income tax increased by € 178 million to € 1,114 million in the first half year of 2011 driven by higher tax expenses in the first quarter of 2011. This was primarily because of losses from natural catastrophes incurred in jurisdictions with low effective tax rates. In addition, the first half of 2010 benefited from tax exempt gains on the sale of ICBC shares.

Net Income[3]

2011 to 2010 second quarter comparison

Net income
in € mn

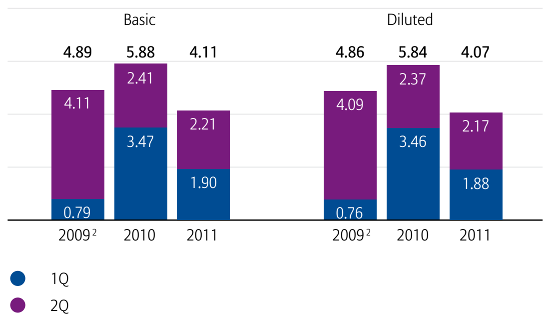


Net income decreased by € 86 million to € 1,071 million, largely due to a lower non-operating result, which was burdened by Greek sovereign bond impairments of € 326 million, partly offset by lower valuation losses on The Hartford warrants as well as a decrease in B-unit expenses.

Net income attributable to shareholders amounted to € 1,000 million.

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

Earnings per share[1]
in €



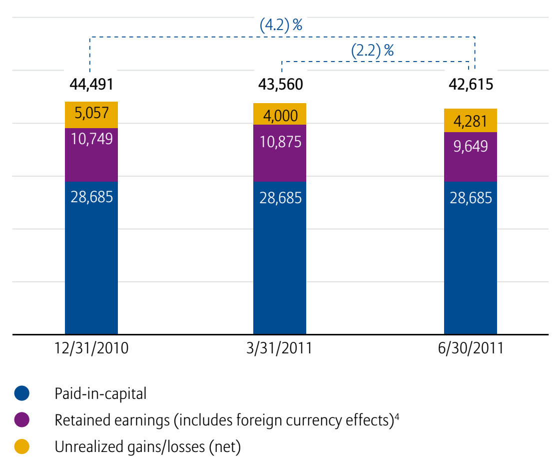
2011 to 2010 first half year comparison

Net income of € 1,986 million was below the previous year's result of € 2,760 million and was mainly driven by a lower non-operating investment result (due to Greek sovereign bond impairments), a higher effective tax rate, as well as a € 99 million increase in losses from natural catastrophes.

1 For further information please refer to note 37 of our condensed consolidated interim financial statements.
2 Earnings per share from continuing operations.

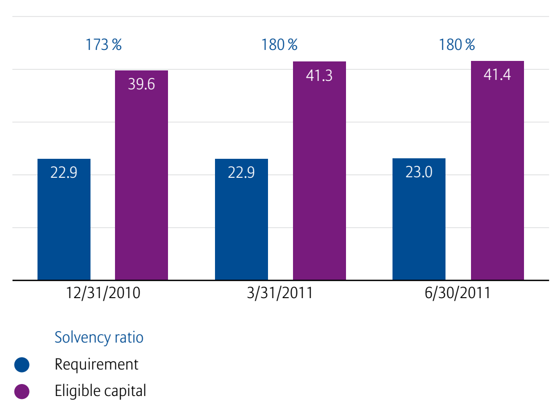
Shareholders' Equity

Shareholders' equity[3]
in € mn



Please refer to the 'Balance Sheet Review' chapter for further information on the development of shareholders' equity.

Conglomerate solvency[5]
in € bn



Please refer to the 'Balance Sheet Review' chapter for further information on the development of conglomerate solvency.

3 This does not include non-controlling interests.
4 This includes foreign currency translation effects of € (3,250) mn, € (3,115) mn and € (2,339) mn as of June 30, 2011, March 31, 2011 and December 31, 2010, respectively.
5 Solvency according to the E.U. Financial Conglomerates Directive. Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request; Allianz SE has not submitted an application so far. The solvency ratio excluding off-balance sheet reserves would be 171 % (March 31, 2011: 171 %, December 31, 2010: 164 %).

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

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Total revenues[2]	**24,574**	**25,389**	**54,479**	**55,956**
Premiums earned (net)	15,322	15,485	31,183	30,773
Operating investment result				
Interest and similar income	5,350	5,169	10,244	9,748
Operating income from financial assets and liabilities carried at fair value through income (net)	(102)	213	(231)	333
Operating realized gains/losses (net)	339	215	1,067	762
Interest expenses, excluding interest expenses from external debt	(128)	(139)	(253)	(268)
Operating impairments of investments (net)	(391)	(190)	(453)	(229)
Investment expenses	(208)	(215)	(410)	(392)
Subtotal	**4,860**	**5,053**	**9,964**	**9,954**
Fee and commission income	2,038	1,909	4,025	3,710
Other income	33	36	64	65
Claims and insurance benefits incurred (net)	(11,343)	(11,096)	(23,321)	(22,763)
Change in reserves for insurance and investment contracts (net)[3]	(2,836)	(3,517)	(6,598)	(6,743)
Loan loss provisions	(33)	(9)	(49)	(21)
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(5,075)	(4,903)	(9,990)	(9,696)
Fee and commission expenses	(657)	(629)	(1,306)	(1,228)
Operating restructuring charges	(1)	—	(1)	(1)
Other expenses	(16)	(29)	(31)	(32)
Reclassification of tax benefits	8	2	20	16
Operating profit	**2,300**	**2,302**	**3,960**	**4,034**
Non-operating investment result				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(53)	(185)	(149)	(102)
Non-operating realized gains/losses (net)	146	181	532	944
Non-operating impairments of investments (net)	(429)	(187)	(512)	(239)
Subtotal	**(336)**	**(191)**	**(129)**	**603**
Income from fully consolidated private equity investments (net)	(13)	(15)	(32)	(52)
Interest expenses from external debt	(239)	(220)	(464)	(442)
Acquisition-related expenses	(34)	(110)	(135)	(308)
Amortization of intangible assets	(19)	(17)	(41)	(34)
Non-operating restructuring charges	(37)	(42)	(39)	(89)
Reclassification of tax benefits	(8)	(2)	(20)	(16)
Non-operating items	**(686)**	**(597)**	**(860)**	**(338)**
Income (loss) before income taxes	**1,614**	**1,705**	**3,100**	**3,696**
Income taxes	(543)	(548)	(1,114)	(936)
Net income (loss)	**1,071**	**1,157**	**1,986**	**2,760**
Net income (loss) attributable to:				
Non-controlling interests	71	68	129	106
Shareholders	1,000	1,089	1,857	2,654

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

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

3 For the three months ended June 30, 2011, expenses for premium refunds (net) in Property-Casualty of € (32) mn (2010: € (19) mn) are included. For the six months ended June 30, 2011, expenses for premium refunds (net) in Property-Casualty of € (77) mn (2010: € (62) mn) are included.

Risk Management

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

For further information, we refer you to the 'Risk Report' in our 2010 Annual Report. The risks described therein essentially remain unchanged. However, recent events have led management to assign a higher probability to a Greek sovereign bond restructuring, consistent with the impairment conclusion.

Nonetheless, the Allianz Group's management feels comfortable with the Group's overall risk profile and is confident the Group's risk management framework can meet the challenges of a rapidly changing environment as well as day-to-day business needs.

Events After the Balance Sheet Date

Placement of a € 500 million convertible subordinated bond

On July 5, 2011, the Allianz Group announced the placement of a € 500 million convertible subordinated bond.

Thunderstorms in Switzerland

At the beginning of July 2011, thunderstorms caused damages throughout Switzerland. Based on current information, net claims are expected to amount to approximately Swiss Franc 49 million before income taxes.

Hail storms and heavy rain in Germany

Between July 7 and July 13, 2011, severe hail storms and heavy rain caused damages throughout Germany. Based on current information, net claims are expected to amount to approximately € 50 million before income taxes.

Damage to power station through an explosion at adjacent naval basis in Cyprus

On July 11, 2011 the explosion of an adjacent naval basis caused severe damage to a power station in Cyprus. Based on current information the net claims cannot be reliably estimated.

Decision on second bailout package for Greece on July 21, 2011

On July 21, 2011, European policymakers announced a new debt reorganization plan for Greece that includes, among other features, a voluntary refinancing program involving private investors currently holding Greek sovereign bonds. Under the terms of the voluntary refinancing program, investors will be able to choose among a variety of bond exchanges, rollovers and buybacks. The Allianz Group supports this voluntary refinancing program. Based on current information, the Allianz Group cannot yet estimate the expected financial impact of the voluntary refinancing program on future period results.

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

In July 2011, the Allianz Group sold 0.4 billion ICBC shares with a realized gain of approximately € 0.2 billion.

Allianz extends real estate investments

In July 2011, Allianz Real Estate GmbH entered on behalf of various German Allianz-insurance companies into a number of strategic real estate investments in the U.S. and Germany with a total volume of around € 200 million.

New venture Allianz Popular in Spain

On March 24, 2011, Allianz SE and Banco Popular agreed to form "Allianz Popular" in Spain to strengthen the existing partnership and unite all existing ventures under one roof. Allianz SE will own 60 % of Allianz Popular. In this context, EUROPENSIONES S.A., Madrid, which is currently accounted for at equity, will be accounted for as a fully consolidated subsidiary of the Allianz Group. As a result, a revaluation gain of approximately € 100 million is expected to be recognized during the third quarter of 2011. All regulatory approvals have been granted so that the transaction will be approved by the boards of the companies during the third quarter of 2011.

Other Information

Business operations and Group Structure

The Allianz Group business operations and structure are described in the 'Worldwide Presence and Business Divisions' and 'Our Business' chapters of our Annual Report 2010. There have been no organizational changes during the first half of 2011.

Strategy

The Allianz Group strategy is described in the 'Our Strategy' chapter of our Annual Report 2010. There have been no material changes to our strategy since.

Products, services and sales channels

For an overview of the products and services offered by the Allianz Group, as well as the sales channels, please refer to the 'Worldwide Presence and Business Divisions' and 'Our Business' chapters of our Annual Report 2010. Information on our brand can also be found in the 'Allianz Brand' chapter.

Property-Casualty Insurance Operations

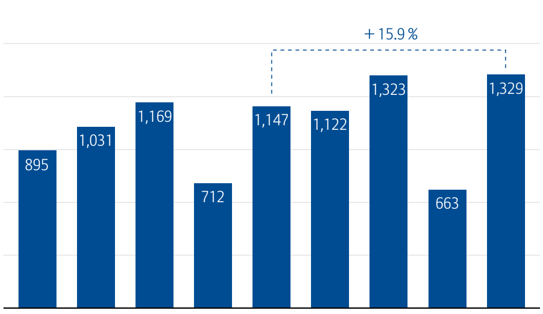
- Revenues at € 10.2 billion, up by 2.4 %.
- Operating profit increased by 15.9 % to € 1,329 million.
- Combined ratio at 95.0 %.

Segment Overview

- Our Property-Casualty business offers a broad range of products and services for both private and corporate clients.
- Our product and service offering covers many insurance classes such as accident/disability, property, general liability, and motor.
- We conduct business worldwide in more than 55 countries.
- We are also a global leader for travel and assistance services and for credit insurance.
- We distribute our products via a broad network of self-employed agents, brokers, banks and direct channels.

Operating profit
in € mn

€ 1,329 mn



Key Figures

	Three months ended June 30,			Six months ended June 30,		
	2011 € mn	2010 € mn	2009 € mn	**2011** € mn	2010 € mn	2009 € mn
Gross premiums written	10,194	9,951	9,522	24,445	23,945	23,408
Operating profit	**1,329**	**1,147**	**895**	**1,992**	**1,859**	**1,864**
Loss ratio in %	67.0	68.6	70.6	70.1	70.5	70.8
Expense ratio in %	28.0	27.7	28.3	28.0	27.9	28.0
Combined ratio in %	95.0	96.3	98.9	98.1	98.4	98.8

Summary: second quarter of 2011

Gross premiums written amounted to € 10,194 million, an increase of € 243 million. On an internal basis gross premiums increased by 3.7 %.

Our operating profit increased by 15.9 % to € 1,329 million, mainly due to a higher underwriting result. Benefiting from lower losses from natural catastrophes as well as positive price momentum and volume growth, our underwriting result increased by 55.9 %. Our operating investment result (after expenses for premium refunds) also improved, up by 2.5 %.

The combined ratio was 95.0 % compared to 96.3 % in the previous year. This decrease was driven by a lower level of natural catastrophes and an overall positive price and volume development, partly offset by slightly higher expenses and less favorable run-off.

Gross Premiums Written[1]

2011 to 2010 second quarter comparison

Gross premiums written increased by 3.7 %, supported by a positive volume effect of 2.7 % and a positive price effect of 1.0 %. The growth in gross premiums stemmed mainly from AGCS, our Credit Insurance business as well as South America and Australia, which was partially offset by reductions in Reinsurance.

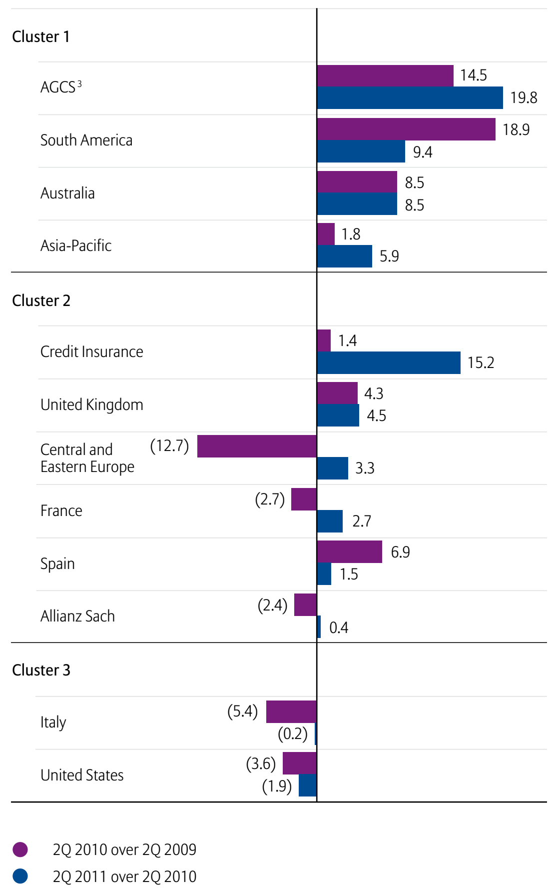
On a nominal basis, gross premiums written increased by 2.4 % or € 243 million to € 10,194 million. Foreign currency translation effects had a negative impact on our nominal growth of € 121 million, primarily because of the depreciation of the U.S. Dollar, Turkish Lira and the British Pound against the Euro.

In analyzing internal premium growth in terms of "price" and "volume" effects, we use four clusters based on the internal growth 2Q 2011 over 2Q 2010:

Cluster 1: Overall positive growth;
both price and volume effects are positive.
Cluster 2: Overall positive growth;
either price or volume effects are positive.
Cluster 3: Overall negative growth;
either price or volume effects are positive.
Cluster 4: Overall negative growth;
both price and volume effects are negative.

In this quarter, Cluster 4 was not populated as none of our operating entities represented here recorded both negative price and volume effects.

Gross premiums written by operating entity – Internal growth rates[2]
in %



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

2 Before elimination of transactions between Allianz Group companies in different geographic regions and different segments.
3 Allianz Risk Transfer (ART) business now shown within AGCS. Prior years were adjusted accordingly.

Cluster 1

At AGCS gross premiums amounted to € 1,387 million. Adjusting for several portfolio transfers to AGCS within the Property-Casualty segment, our internal growth was 19.8 %. This increase includes € 108 million from the insurance-linked market activities of ART. In addition, we saw volume growth in various lines of business, mainly marine and liability.

In South America gross premiums grew by 9.4 % with all countries in the region contributing positively. Brazil contributed most to the positive growth, largely driven by its motor and health businesses. Gross premiums totaled € 407 million.

In Australia gross premiums were € 642 million, including positive foreign currency translation effects of € 39 million. Both retail and commercial lines, in particular our motor and agricultural businesses, contributed to the strong positive internal growth of 8.5 %. We estimate the positive price effect to be 2.8 %.

In Asia-Pacific gross premiums amounted to € 118 million. Internal growth was 5.9 %. A strong increase in commercial property business and continued strong volume growth in the Malaysian motor business were the main drivers of our growth. The price effect was overall positive at around 0.8 %.

Cluster 2

In our Credit Insurance business, gross premiums increased by 15.2 % to € 492 million. This was attributable to a strong positive volume effect due to an increase in our customers' business volumes as a result of economic recovery. We recorded an overall negative price effect of about 6.7 %, following two years of tariff increases and higher rebates to our customers due to a lower claims environment.

In the United Kingdom gross premiums stood at € 533 million. Excluding € 19 million of unfavorable foreign currency translation effects, gross premiums increased by 4.5 %. This growth resulted from a positive price effect of about 4.6 % following tariff increases, particularly in our motor business. In addition, we continued to grow our private household business through further expansion of our distribution network.

In Central and Eastern Europe gross premiums amounted to € 624 million. Excluding unfavorable foreign currency translation effects of € 4 million, we achieved positive internal growth of 3.3 %. The increase in gross premiums was driven mainly by a positive volume effect as our motor and health businesses in Russia picked up in line with economic recovery. However, other countries in the region were still affected by a difficult economic environment. This resulted in lower renewal tariffs, in particular in our motor businesses in Hungary and Romania. We estimate the overall negative price effect to be 5.9 %.

In France gross premiums were € 733 million, an increase of 2.7 % and mostly driven by tariff increases in our personal lines. Our growth also benefited from a slight recovery of the commercial lines compared to the previous year's quarter which had been affected by portfolio cleaning, in particular in motor fleets. Overall we estimate a positive price effect of 3.5 %.

In Spain gross premiums amounted to € 481 million, an increase of 1.5 %. Despite higher VAT and the end of car scrapping incentives, we managed to increase volume especially in our motor business thanks to good cycle management. Due to the ongoing economic recession we continued to suffer from a soft pricing environment, particularly in commercial lines, resulting in a negative price effect of approximately 2.3 %.

At Allianz Sach gross premiums were € 1,636 million. Adjusting for the transfer of our China branch to Asia-Pacific, gross premiums increased by 0.4 %. The growth resulted from our motor business supported by the successful introduction of a new insurance product. The positive price effect was estimated at 2.2 %.

Cluster 3

In Italy gross premiums were at € 1,021 million, a slight decrease of 0.2 %. Double-digit growth in our direct channel and strong tariff increases, particularly in our motor business, almost offset the decline in gross premiums in our non-motor business. However, our non-motor business was still affected by the economic recession and our application of strict underwriting rules. We estimate the overall positive price effect to be 5.1 %.

In the United States gross premiums amounted to € 690 million. Adjusting for the transfer of our marine business to AGCS and unfavorable foreign currency translation effects of € 91 million, gross premiums declined by 1.9 %. This decrease stemmed largely from volume losses in our commercial and personal lines, reflecting the continuing soft market conditions. Positive growth in our crop business as a result of increasing commodity prices partly offset this decline. Tariff increases in our personal lines led to an overall positive price effect of about 2.1 %.

2011 to 2010 first half year comparison

On an internal basis, gross premiums written increased by 1.7 %, driven by a positive volume effect of 0.8 % and a positive price effect of 0.9 %. On a nominal basis gross premiums were up by 2.1 % or € 500 million to € 24,445 million. Favorable foreign currency translation effects accounted for € 152 million of this increase. (De-)consolidation effects mainly from two Swiss subsidiaries had an offsetting effect of minus € 50 million.

Operating Profit

We analyze the operating profit in the Property-Casualty segment in terms of underwriting result, operating investment result (after expenses for premium refunds) and other result[1].

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn
Underwriting result	446	286	266	203
Operating investment result (after expenses for premium refunds)	865	844	1,688	1,618
Other result	18	17	38	38
Operating profit	**1,329**	**1,147**	**1,992**	**1,859**

2011 to 2010 second quarter comparison

Operating profit increased by 15.9 % or € 182 million to € 1,329 million.

The underwriting result improved by € 160 million to € 446 million benefiting from lower losses from natural catastrophes. By taking advantage of positive price momentum and a further recovery of our Credit Insurance business, we were able to partially compensate the negative impact from slightly higher expenses. Our run-off result was almost flat but remained at a high level due to the favorable settlement of prior year large losses and the release of reserves built during the financial crisis.

The operating investment result (after expenses for premium refunds) improved by € 21 million to € 865 million. This was mostly attributable to higher interest and similar income net of interest expenses due to growth in the asset base and an increase in operating income from financial assets and liabilities carried at fair value through income (net).

The combined ratio was 95.0 % compared to 96.3 % in the previous year. This improvement was driven by a lower level of natural catastrophes and an overall positive price and volume development, partly offset by slightly higher expenses and less favorable run-off.

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

Underwriting result

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn
Premiums earned (net)	9,878	9,689	19,554	19,102
Accident year claims	(7,015)	(7,049)	(14,484)	(14,202)
Previous year claims (run-off)	396	404	775	735
Claims and insurance benefits incurred (net)	(6,619)	(6,645)	(13,709)	(13,467)
Acquisition and administrative expenses (net)	(2,768)	(2,688)	(5,476)	(5,321)
Change in reserves for insurance and investment contracts (net) (without expenses for premium refunds)[1]	(45)	(70)	(103)	(111)
Underwriting result	**446**	**286**	**266**	**203**

Our accident year loss ratio stood at 71.0 %. Compared to the first quarter of this year, the impact from natural catastrophes was lower, at 1.8 percentage points. The second quarter net losses from natural catastrophes amounted to € 174 million, largely driven by the series of tornados in the United States and thunderstorms in Germany. By comparison, in the second quarter of 2010, natural catastrophes represented 2.6 percentage points of the accident year loss ratio of 72.8 %.

Excluding natural catastrophes, our accident year loss ratio improved by 1.0 percentage points mainly due to an overall higher average annual premium. The changes in claims frequency and severity fully compensated each other and had no impact on our accident year loss ratio.

The following operations contributed positively to the development of the Property-Casualty segment accident year loss ratio:

– France 0.7 percentage points. We had tariff increases – mainly in our personal lines – and a lower level of large claims. Furthermore, no major natural catastrophe events were recorded in the second quarter of 2011 compared to the high losses from flash floods and hailstorms in 2010.

– Italy 0.7 percentage points. This was mainly due to price increases, in particular in third-party motor liability, as well as strict profitability management. Also, in third-party motor liability, the overall positive trend in claims frequency offset the increase in severity.

– Central and Eastern Europe 0.7 percentage points. This was mostly attributable to a lower level of losses from natural catastrophes compared to the second quarter of 2010 which was impacted by floodings in Poland, Slovakia, Hungary and the Czech Republic. In addition, we recorded less large losses.

– Credit Insurance 0.2 percentage points. This was driven by a further decline in claims frequency due to de-risking measures taken since the beginning of the global economic crisis and an overall better macro-economic environment.

The following operations contributed negatively to the development of the Property-Casualty segment accident year loss ratio:

– United States 0.5 percentage points. This was mainly due to the high losses from the series of tornados in April and May of this year.

– Germany 0.4 percentage points. This was primarily driven by a higher volume of large losses, especially in our property business. Losses from natural catastrophes were almost at the same level as in the previous year.

Total expenses stood at € 2,768 million compared to € 2,688 million in 2010. The expense ratio went up by 0.3 percentage points to 28.0 %.

1 Consists of the underwriting-related part (aggregate policy reserves and other insurance reserves) of 'Change in reserves for insurance and investment contracts (net)'.

Operating investment result (after expenses for premium refunds)

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Interest and similar income (net of interest expenses)	953	941	1,849	1,795
Operating income from financial assets and liabilities carried at fair value through income (net)	9	(21)	28	(12)
Operating realized gains/losses (net)	3	3	12	12
Operating impairments of investments (net)	(7)	(6)	(7)	(6)
Investment expenses	(61)	(54)	(117)	(109)
Operating investment result	**897**	**863**	**1,765**	**1,680**
Expenses for premium refunds (net)[1]	(32)	(19)	(77)	(62)
Operating investment result (after expenses for premium refunds)	**865**	**844**	**1,688**	**1,618**

The operating investment result (after expenses for premium refunds) improved by € 21 million to € 865 million. This was mostly attributable to higher interest and similar income net of interest expenses and an increase in operating income from financial assets and liabilities carried at fair value through income (net).

Interest and similar income (net of interest expenses) increased by € 12 million to € 953 million. Higher income from debt investments, cash and real estate as well as lower interest expenses accounted for most of this positive development. Income from equity investments was below the previous year's level as in the second quarter of 2010 we recorded higher income from associated entities. The total average asset base increased by 2.1 % from € 94.9 billion in the second quarter of 2010, to € 96.9 billion in the second quarter of 2011.

Operating income from financial assets and liabilities carried at fair value through income (net) improved by € 30 million to € 9 million.

Operating realized gains/losses (net) remained stable at € 3 million.

Other result

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Fee and commission income	289	282	562	536
Other income	7	4	11	8
Fee and commission expenses	(275)	(264)	(529)	(501)
Other expenses	(3)	(5)	(6)	(5)
Other result	**18**	**17**	**38**	**38**

2011 to 2010 first half year comparison

Operating profit increased by € 133 million to € 1,992 million. This improvement was driven by higher profitability in France, Italy, our Credit Insurance business and AGCS, partly offset by higher losses from natural catastrophes at our Reinsurance operations.

The combined ratio decreased by 0.3 percentage points to 98.1 %, despite higher losses from natural catastrophes. Although the impact of natural catastrophes was rather normal in the second quarter, we were burdened by severe losses in the first quarter of 2011 (mainly in Japan, New Zealand and Australia). Overall the impact from natural catastrophes accounted for 4.7 percentage points of our combined ratio (6M 2010: 4.3 percentage points). Excluding natural catastrophes, our combined ratio dropped 0.7 percentage points due to an overall higher average annual premium, the further recovery of our credit insurance business and favorable frequency/severity development.

The expense ratio increased slightly by 0.1 percentage points to 28.0 %.

1 Consists of the investment-related part (expenses for premium refunds) of 'Change in reserves for insurance and investment contracts (net)'.

Property-Casualty segment information

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn
Gross premiums written[1]	**10,194**	**9,951**	**24,445**	**23,945**
Ceded premiums written	(1,123)	(1,076)	(2,469)	(2,425)
Change in unearned premiums	807	814	(2,422)	(2,418)
Premiums earned (net)	**9,878**	**9,689**	**19,554**	**19,102**
Interest and similar income	967	960	1,876	1,839
Operating income from financial assets and liabilities carried at fair value through income (net)	9	(21)	28	(12)
Operating realized gains/losses (net)	3	3	12	12
Fee and commission income	289	282	562	536
Other income	7	4	11	8
Operating revenues	**11,153**	**10,917**	**22,043**	**21,485**
Claims and insurance benefits incurred (net)	(6,619)	(6,645)	(13,709)	(13,467)
Change in reserves for insurance and investment contracts (net)	(77)	(89)	(180)	(173)
Interest expenses	(14)	(19)	(27)	(44)
Operating impairments of investments (net)	(7)	(6)	(7)	(6)
Investment expenses	(61)	(54)	(117)	(109)
Acquisition and administrative expenses (net)	(2,768)	(2,688)	(5,476)	(5,321)
Fee and commission expenses	(275)	(264)	(529)	(501)
Other expenses	(3)	(5)	(6)	(5)
Operating expenses	**(9,824)**	**(9,770)**	**(20,051)**	**(19,626)**
Operating profit	**1,329**	**1,147**	**1,992**	**1,859**
Loss ratio[2] in %	67.0	68.6	70.1	70.5
Expense ratio[3] in %	28.0	27.7	28.0	27.9
Combined ratio[4] in %	**95.0**	**96.3**	**98.1**	**98.4**

1 For the Property-Casualty segment, total revenues are measured based upon gross premiums written.
2 Represents claims and insurance benefits incurred (net) divided by premiums earned (net).
3 Represents acquisition and administrative expenses (net) divided by premiums earned (net).
4 Represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).

Property-Casualty Operations by Business Divisions

	Gross premiums written				Premiums earned (net)		Operating profit (loss)	
			internal[1]					
Three months ended June 30,	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Germany[2]	1,636	1,642	1,636	1,630	1,813	1,809	143	149
Switzerland[3]	134	137	119	124	344	339	60	50
Austria	205	199	205	199	186	176	23	20
German Speaking Countries	**1,975**	**1,978**	**1,960**	**1,953**	**2,343**	**2,324**	**226**	**219**
Italy	1,021	1,023	1,021	1,023	963	984	136	82
France	733	714	733	714	773	768	117	42
Spain[4]	481	474	481	474	472	460	76	68
South America	407	383	419	383	307	272	40	25
Netherlands[5]	195	203	195	192	195	201	17	24
Turkey	138	131	159	131	85	85	—	4
Belgium[5]	82	85	82	74	71	68	10	13
Portugal	67	67	67	67	63	60	10	9
Greece	32	27	32	27	24	21	5	4
Africa	17	19	17	19	12	11	—	1
Europe incl. South America	**3,173**	**3,126**	**3,206**	**3,104**	**2,965**	**2,930**	**414[6]**	**277[6]**
United States	690	805	780	795	548	643	(74)	40
Mexico	62	56	66	56	27	22	3	2
NAFTA Markets	**752**	**861**	**846**	**851**	**575**	**665**	**(71)**	**42**
Allianz Global Corporate & Specialty (AGCS)[4,5,7]	1,387	1,138	1,378	1,150	767	737	264	120
Reinsurance PC	662	730	662	730	819	784	77	119
United Kingdom	533	528	552	528	450	438	49	49
Credit Insurance	492	427	492	427	316	285	163	123
Australia	642	555	602	555	461	403	102	117
Ireland	179	173	179	173	166	146	26	14
Global Insurance Lines & Anglo Markets	**3,895**	**3,551**	**3,865**	**3,563**	**2,979**	**2,793**	**681**	**542**
Russia	185	165	194	165	151	145	(4)	(2)
Hungary	70	83	68	83	75	91	2	10
Poland	124	111	122	111	95	83	(1)	(7)
Slovakia	76	76	76	76	69	72	29	4
Romania	43	57	43	57	43	40	1	—
Czech Republic	71	64	67	64	57	51	8	7
Croatia	22	22	23	22	18	18	3	2
Bulgaria	26	26	27	26	14	14	3	3
Kazakhstan	4	2	5	2	2	2	1	(1)
Ukraine	3	2	3	2	1	1	—	—
Central and Eastern Europe[8]	624	608	628	608	525	517	36	11
Asia-Pacific (excl. Australia)[2,5]	118	130	126	119	69	73	13	10
Middle East and North Africa	18	21	21	21	12	11	2	1
Growth Markets	**760**	**759**	**775**	**748**	**606**	**601**	**51**	**22**
Assistance	**408**	**376**	**408**	**376**	**394**	**364**	**25**	**24**
Consolidation[4,7,9]	(769)	(700)	(754)	(658)	16	12	3	21
Total	**10,194**	**9,951**	**10,306**	**9,937**	**9,878**	**9,689**	**1,329**	**1,147**

1 This reflects gross premiums written on an internal basis (adjusted for foreign currency translation and (de-)consolidation effects).
2 In 2011, Allianz China General Insurance Company Ltd., a former branch of Allianz Versicherungs-AG, was transferred from Germany to Asia-Pacific (excl. Australia). Prior year figures have not been adjusted.
3 In November 2010, the Allianz Group sold the subsidiaries Alba and Phenix Iart.
4 Corporate customer business in Spain transferred to AGCS in 2010. Prior year figures have been adjusted accordingly.
5 Corporate customer business in the Netherlands and Belgium as well as Allianz Insurance (Hong Kong) Ltd. and Allianz Insurance Company of Singapore Pte. Ltd. were transferred to AGCS in 2010 and 2011. Prior year figures have not been adjusted.

	Combined ratio		Loss ratio		Expense ratio	
Three months ended June 30,	**2011** %	2010 %	**2011** %	2010 %	**2011** %	2010 %
Germany[2]	101.8	100.4	74.7	72.3	27.1	28.1
Switzerland[3]	88.5	91.9	66.1	72.8	22.4	19.1
Austria	92.5	93.5	65.7	67.9	26.8	25.6
German Speaking Countries	**99.1**	**98.6**	**72.7**	**72.1**	**26.4**	**26.5**
Italy	96.5	100.7	71.6	77.4	24.9	23.3
France	96.4	103.8	67.7	76.8	28.7	27.0
Spain[4]	89.9	90.5	69.2	70.0	20.7	20.5
South America	95.8	98.4	64.5	65.7	31.3	32.7
Netherlands[5]	98.6	93.8	68.5	63.4	30.1	30.4
Turkey	108.5	102.4	80.9	75.1	27.6	27.3
Belgium[5]	98.3	93.9	64.3	61.3	34.0	32.6
Portugal	91.8	92.1	68.2	68.0	23.6	24.1
Greece	85.2	84.9	55.3	52.3	29.9	32.6
Africa	103.6	99.6	56.9	55.9	46.7	43.7
Europe incl. South America	**95.8**	**98.9**	**69.2**	**73.2**	**26.6**	**25.7**
United States	125.9	107.3	93.0	73.8	32.9	33.5
Mexico	95.1	99.5	67.9	67.7	27.2	31.8
NAFTA Markets	**124.2**	**106.9**	**91.7**	**73.5**	**32.5**	**33.4**
Allianz Global Corporate & Specialty (AGCS)[4,5,7]	76.3	93.6	50.0	63.9	26.3	29.7
Reinsurance PC	93.9	89.3	66.0	66.4	27.9	22.9
United Kingdom	95.4	94.2	62.6	59.6	32.8	34.6
Credit Insurance	58.7	67.4	33.5	36.9	25.2	30.5
Australia	92.0	85.0	65.3	59.2	26.7	25.8
Ireland	92.2	99.6	67.3	77.6	24.9	22.0
Global Insurance Lines & Anglo Markets	**85.5**	**88.9**	**57.9**	**61.2**	**27.6**	**27.7**
Russia	105.8	107.8	65.7	66.3	40.1	41.5
Hungary	107.6	99.0	62.4	62.5	45.2	36.5
Poland	106.0	111.8	72.4	74.2	33.6	37.6
Slovakia	62.8	101.9	35.3	73.2	27.5	28.7
Romania	104.2	109.3	70.6	89.6	33.6	19.7
Czech Republic	90.1	92.2	61.6	64.9	28.5	27.3
Croatia	91.5	94.2	53.8	59.2	37.7	35.0
Bulgaria	82.1	83.5	47.8	52.9	34.3	30.6
Kazakhstan	24.0	134.6	18.3	54.8	5.7	79.8
Ukraine	113.5	105.0	51.3	4.8	62.2	100.2
Central and Eastern Europe[8]	97.6	103.7	61.4	68.8	36.2	34.9
Asia-Pacific (excl. Australia)[2,5]	89.7	91.7	59.5	62.5	30.2	29.2
Middle East and North Africa	97.9	104.6	70.2	69.8	27.7	34.8
Growth Markets	**96.7**	**102.2**	**61.4**	**68.1**	**35.3**	**34.1**
Assistance	**94.7**	**95.6**	**58.4**	**59.9**	**36.3**	**35.7**
Consolidation[4,7,9]	—	—	—	—	—	—
Total	**95.0**	**96.3**	**67.0**	**68.6**	**28.0**	**27.7**

6 Contains € 2 mn and € 4 mn for 2Q 2011 and 2Q 2010, respectively, from a management holding located in Luxembourg and also € 1 mn and € 1 mn for 2Q 2011 and 2Q 2010, respectively, from AGF UK.
7 Allianz Risk Transfer (ART) business now shown within AGCS. Prior year figures have been adjusted accordingly.
8 Contains income and expense items from a management holding.
9 Represents elimination of transactions between Allianz Group companies in different geographic regions.

	Gross premiums written				Premiums earned (net)		Operating profit (loss)	
			internal[1]					
Six months ended June 30,	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn
Germany[2]	5,500	5,542	5,500	5,525	3,606	3,596	329	318
Switzerland[3]	1,047	1,001	924	924	699	683	101	82
Austria	541	531	541	531	363	349	35	41
German Speaking Countries	**7,088**	**7,074**	**6,965**	**6,980**	**4,668**	**4,628**	**465**	**441**
Italy	1,960	1,968	1,960	1,968	1,916	1,969	244	151
France	1,871	1,860	1,871	1,860	1,574	1,547	217	51
Spain[4]	1,113	1,111	1,113	1,106	919	907	154	138
South America	904	716	886	716	604	513	75	49
Netherlands[5]	490	529	490	499	392	407	24	25
Turkey	275	268	300	268	169	160	1	8
Belgium[5]	184	195	184	165	139	133	19	21
Portugal	153	152	153	152	124	121	21	16
Greece	64	58	64	58	46	40	7	8
Africa	50	47	50	47	24	19	2	3
Europe incl. South America	**7,064**	**6,904**	**7,071**	**6,839**	**5,907**	**5,816**	**771[6]**	**479[6]**
United States	1,295	1,443	1,379	1,411	1,078	1,222	(12)	80
Mexico	109	98	109	98	53	42	6	4
NAFTA Markets	**1,404**	**1,541**	**1,488**	**1,509**	**1,131**	**1,264**	**(6)**	**84**
Allianz Global Corporate & Specialty (AGCS)[4,5,7]	2,818	2,519	2,805	2,560	1,496	1,480	320	255
Reinsurance PC	2,112	2,378	2,112	2,378	1,572	1,579	(218)	60
United Kingdom	1,052	991	1,052	991	910	848	89	91
Credit Insurance	1,027	939	1,027	939	607	552	257	174
Australia	1,184	995	1,072	995	929	756	125	137
Ireland	409	367	409	367	323	281	34	8
Global Insurance Lines & Anglo Markets	**8,602**	**8,189**	**8,477**	**8,230**	**5,837**	**5,496**	**607**	**725**
Russia	402	362	404	362	305	275	(3)	(3)
Hungary	207	246	207	246	151	188	17	26
Poland	235	214	233	214	186	165	—	(4)
Slovakia	190	194	190	194	138	146	44	20
Romania	98	119	99	119	89	78	1	1
Czech Republic	153	139	145	139	112	101	16	13
Croatia	49	49	50	49	37	37	6	4
Bulgaria	43	43	44	43	31	34	8	8
Kazakhstan	14	20	15	20	3	4	1	1
Ukraine	7	4	7	4	3	2	—	—
Central and Eastern Europe[8]	1,398	1,390	1,394	1,390	1,055	1,030	82	56
Asia-Pacific (excl. Australia)[2,5]	250	252	246	222	138	135	26	21
Middle East and North Africa	37	40	40	40	24	21	1	—
Growth Markets	**1,685**	**1,682**	**1,680**	**1,652**	**1,217**	**1,186**	**109**	**77**
Assistance	**868**	**773**	**868**	**773**	**774**	**697**	**41**	**42**
Consolidation[4,7,9]	(2,266)	(2,218)	(2,284)	(2,116)	20	15	5	11
Total	**24,445**	**23,945**	**24,265**	**23,867**	**19,554**	**19,102**	**1,992**	**1,859**

1 This reflects gross premiums written on an internal basis (adjusted for foreign currency translation and (de-)consolidation effects).
2 In 2011, Allianz China General Insurance Company Ltd., a former branch of Allianz Versicherungs-AG, was transferred from Germany to Asia-Pacific (excl. Australia). Prior year figures have not been adjusted.
3 In November 2010, the Allianz Group sold the subsidiaries Alba and Phenix Iart.
4 Corporate customer business in Spain transferred to AGCS in 2010. Prior year figures have been adjusted accordingly.
5 Corporate customer business in the Netherlands and Belgium as well as Allianz Insurance (Hong Kong) Ltd. and Allianz Insurance Company of Singapore Pte. Ltd. were transferred to AGCS in 2010 and 2011. Prior year figures have not been adjusted.

	Combined ratio		Loss ratio		Expense ratio	
Six months ended June 30,	2011 %	2010 %	2011 %	2010 %	2011 %	2010 %
Germany[2]	100.2	100.1	72.8	72.2	27.4	27.9
Switzerland[3]	91.1	93.9	69.6	73.8	21.5	20.1
Austria	93.9	94.3	67.1	68.2	26.8	26.1
German Speaking Countries	**98.3**	**98.7**	**71.8**	**72.1**	**26.5**	**26.6**
Italy	97.2	100.9	72.6	76.5	24.6	24.4
France	97.0	105.3	70.3	78.5	26.7	26.8
Spain[4]	89.3	89.9	69.0	69.6	20.3	20.3
South America	96.2	98.2	64.8	66.0	31.4	32.2
Netherlands[5]	99.6	99.5	69.2	69.5	30.4	30.0
Turkey	106.4	102.9	78.2	75.5	28.2	27.4
Belgium[5]	98.3	97.9	64.5	63.7	33.8	34.2
Portugal	91.4	94.1	67.6	69.7	23.8	24.4
Greece	91.9	86.7	56.7	54.2	35.2	32.5
Africa	99.0	96.0	57.2	59.4	41.8	36.6
Europe incl. South America	**96.2**	**99.8**	**70.2**	**73.9**	**26.0**	**25.9**
United States	114.3	107.0	79.5	70.8	34.8	36.2
Mexico	95.4	99.5	69.0	69.1	26.4	30.4
NAFTA Markets	**113.4**	**106.7**	**79.0**	**70.7**	**34.4**	**36.0**
Allianz Global Corporate & Specialty (AGCS)[4,5,7]	89.4	92.9	61.5	65.5	27.9	27.4
Reinsurance PC	117.2	99.1	89.2	76.1	28.0	23.0
United Kingdom	96.2	95.3	63.9	61.1	32.3	34.2
Credit Insurance	67.8	79.1	41.0	47.1	26.8	32.0
Australia	100.8	96.8	75.6	71.4	25.2	25.4
Ireland	96.8	106.5	72.0	85.1	24.8	21.4
Global Insurance Lines & Anglo Markets	**97.9**	**94.9**	**70.0**	**67.8**	**27.9**	**27.1**
Russia	103.6	106.7	64.9	64.1	38.7	42.6
Hungary	98.9	95.9	56.4	62.4	42.5	33.5
Poland	103.9	105.8	70.4	71.1	33.5	34.7
Slovakia	74.6	92.9	46.7	65.3	27.9	27.6
Romania	103.1	103.8	72.2	82.9	30.9	20.9
Czech Republic	89.9	92.1	63.7	68.3	26.2	23.8
Croatia	92.0	95.1	54.9	61.1	37.1	34.0
Bulgaria	76.5	79.8	44.5	48.9	32.0	30.9
Kazakhstan	54.5	77.6	17.3	24.6	37.2	53.0
Ukraine	112.1	110.7	39.2	28.7	72.9	82.0
Central and Eastern Europe[8]	96.6	99.8	61.6	66.1	35.0	33.7
Asia-Pacific (excl. Australia)[2,5]	89.0	91.5	59.4	61.7	29.6	29.8
Middle East and North Africa	107.2	110.9	73.5	75.5	33.7	35.4
Growth Markets	**96.0**	**99.1**	**61.7**	**65.8**	**34.3**	**33.3**
Assistance	**96.1**	**96.3**	**60.1**	**60.7**	**36.0**	**35.6**
Consolidation[4,7,9]	—	—	—	—	—	—
Total	**98.1**	**98.4**	**70.1**	**70.5**	**28.0**	**27.9**

6 Contains € 5 mn and € 8 mn for 6M 2011 and 6M 2010, respectively, from a management holding located in Luxembourg and also € 2 mn and € 1 mn for 6M 2011 and 6M 2010, respectively, from AGF UK.
7 Allianz Risk Transfer (ART) business now shown within AGCS. Prior year figures have been adjusted accordingly.
8 Contains income and expense items from a management holding.
9 Represents elimination of transactions between Allianz Group companies in different geographic regions.

Life/Health Insurance Operations

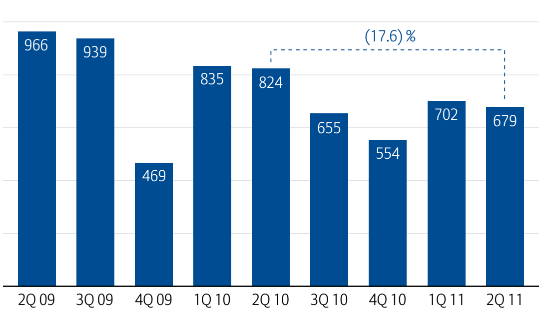
– Statutory premiums amounted to € 12,978 million.
– Operating profit of € 679 million.

Segment Overview

– Allianz offers a broad range of life, savings and investment-oriented products including individual and group life insurance contracts.
– Via our distribution channels (mainly tied agents, brokers and bank partnerships) we offer life and health products for both private and corporate clients.
– As one of the worldwide market leaders in life business we serve clients in more than 45 countries.
– In 12 countries we are one of the market leaders based on premiums.

Operating profit[1]
in € mn

€ 679 mn



Key Figures

	Three months ended June 30,			Six months ended June 30,		
	2011 € mn	2010 € mn	2009 € mn	**2011** € mn	2010 € mn	2009 € mn
Statutory premiums	12,978	14,124	11,766	27,248	29,480	24,779
Operating profit[1]	**679**	**824**	**966**	**1,381**	**1,659**	**1,262**
Cost-income ratio[1] in %	95.9	95.4	93.9	96.0	95.6	95.9

Summary: second quarter of 2011

Statutory premiums reached € 12,978 million after an exceptional prior quarter (2Q 2010: € 14,124 million). This development represents a decrease of 5.9 % on an internal basis, which is broadly in line with our expectations. We had a decline in premiums at our Italian operations and, to a lesser extent, our German traditional life business which benefited from large single premium contracts on corporate business in the second quarter of 2010. Partly offsetting was the continued strong growth in our U.S. business.

Operating profit decreased from last year's high level by € 145 million to € 679 million, largely due to a lower investment result which was impacted by lower income from financial assets and liabilities carried at fair value, mainly from our business in Germany and the United States, as well as impairments on Greek sovereign bonds[2].

1 Figures prior to the third quarter of 2010 have been restated to reflect a change in the Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.
2 In accordance with IAS 39, our investments in Greek sovereign bonds were considered impaired and written. down to current market value as of June 30, 2011. We also booked impairments in the non-operating investment result. For further information please refer to note 31 of our condensed consolidated interim financial statements.

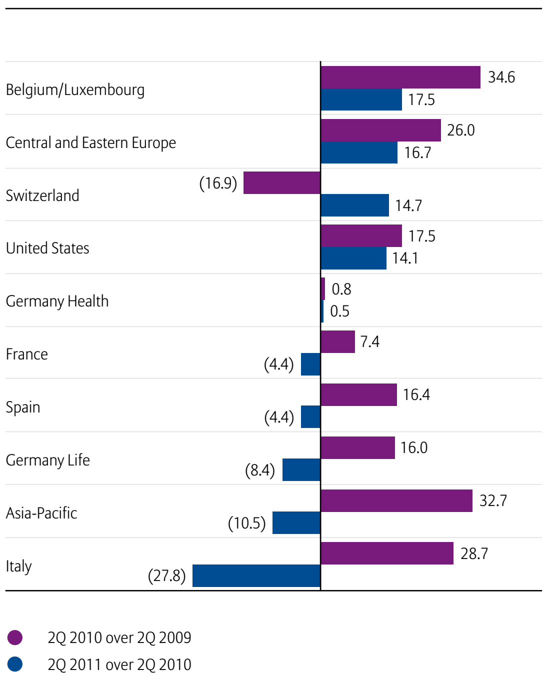
Statutory Premiums[1]

2011 to 2010 second quarter comparison

Statutory premiums decreased by 5.9 % on an internal basis to € 12,978 million which is broadly in line with our expectations.

Statutory premiums – Internal growth rates[2]

in %



Total premiums in Belgium/Luxembourg increased by 17.5 % on an internal basis to € 329 million mainly driven by increasing premiums from our investment-oriented products but also from our traditional business. In Luxembourg, growth was largely due to an increase in single premium business. In Belgium the premium increase primarily came from personal lines as well as employee benefits.

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

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

Premiums in Central and Eastern Europe grew by 16.7 % on an internal basis and amounted to € 326 million, largely driven by Poland and Russia. In Poland revenues increased due to higher sales of life deposits as well as unit-linked products. In Russia revenues went up driven by an investment product launched in 2010 which is still developing strongly. Revenues in Hungary declined compared to the second quarter of 2010, which benefited from a single premium investment product campaign that will be relaunched later in 2011.

Premiums in Switzerland increased by 14.7 % on an internal basis to € 289 million as we recorded an increase in premiums from our investment-related products as well as traditional business. Premium growth in our individual life business was driven by our single premium traditional life business.

In the United States, premiums amounted to € 2,069 million with internal growth of 14.1 %. Sales of fixed index annuity products continued to develop strongly following a sales promotion in March and April 2011. Strong sales of our new variable annuity products led to premium levels well above the second quarter of 2010.

In our German life business, premiums amounted to € 3,650 million, a decrease of € 336 million, or 8.4 % on an internal basis. This was primarily driven by a decline in single premiums in comparison to the second quarter of 2010 which benefited from large contracts from corporate clients. Regular premiums increased slightly. In our German Health business, premiums increased slightly to € 802 million. Net production and the number of new supplementary insurance customers were stronger, partially offset by a decrease in the number of new full coverage insurance customers.

Premiums in France decreased by 4.4 % on an internal basis and amounted to € 1,828 million, largely explained by the reduction of investment contracts. The decline in premiums was mostly driven by single premium business while recurrent premium business was almost flat.

In Spain premiums amounted to € 238 million. Despite a very difficult economic environment including high unemployment, we recorded only a slight decrease in premiums of € 11 million. Overall traditional products declined whereas premiums for our investment-oriented products grew slightly.

Premiums in the Asia-Pacific region decreased by 10.5 % on an internal basis to € 1,272 million mainly due to the sales slowdown in South Korea and Japan. In South Korea, premiums decreased by € 93 million to € 387 million as the bancassurance market was challenged with new regulations, affecting both our traditional and investment-oriented business. Premiums of equity-indexed products and annuity products decreased, both of which are main products of the bancassurance sales channel in South Korea. In Japan premiums decreased by € 113 million to € 141 million due to a shrinking variable annuity market.

In Italy premiums amounted to € 1,814 million, a decrease of 27.8 % on an internal basis, explained by current difficult market conditions and, to a lesser extent, by exceptional premium revenue last year due to tax incentives on repatriated foreign investments. The stagnating economic environment and strong competition, as banks hoarded liquidity, translated into the strong bancassurance-driven market decline. As a result, premiums for our investment-oriented products decreased significantly whereas traditional business premiums were only slightly down.

2011 to 2010 first half year comparison

Statutory premiums decreased by 7.3 % on an internal basis and amounted to € 27,248 million. Strong growth in the United States and Belgium was not enough to compensate for reductions in other major markets such as Italy, France, Germany and the Asia-Pacific.

Operating Profit

2011 to 2010 second quarter comparison

Operating profit decreased by € 145 million to € 679 million, the majority of which related to lower income from financial assets and liabilities carried at fair value and the net effect (after policyholder participation) of Greek sovereign bond impairments of € 76 million[1].

Interest and similar income net of interest expenses amounted to € 4,176 million, an increase of € 202 million. This positive development resulted largely from higher interest income due to a higher asset base as well as higher income from equities.

Net gains from financial assets and liabilities carried at fair value decreased by € 355 million to a loss of € 110 million. Our Fair Value Bond portfolio was sold in the United States in 2010 and reinvested in assets classified as available-for-sale. In addition, we were impacted negatively by a decrease in the fair value of derivatives in Germany, used to manage our economic interest rate related exposures.

Realized gains and losses (net) increased by 58.0 % to € 335 million, mainly driven by realizations of equity investments in France and Germany.

Net impairments on investments increased by € 200 million to € 384 million. Lower impairments of equities and real estate of € 90 million were more than offset by the gross impairment of Greek sovereign bonds of € 279 million[1].

Claims and insurance benefits incurred (net) increased by € 273 million to € 4,724 million mostly due to higher payments for maturing traditional life products in Germany.

1 In accordance with IAS 39, our investments in Greek sovereign bonds were considered impaired and written down to current market value as of June 30, 2011. We also booked impairments in the non-operating investment result. For further information please refer to note 31 of our condensed consolidated interim financial statements.

Change in reserves for insurance and investment contracts (net) decreased from € 3,409 million to € 2,738 million. The main drivers of the decrease were a lower allocation of premiums to aggregate policy reserves and policyholder participation in the lower investment result. Also contributing was a decrease in expenses for premium refunds.

Acquisition and administrative expenses (net) decreased by 1.1 % to € 1,233 million. Acquisition costs decreased by € 23 million to € 867 million due to lower deferred acquisition cost amortization in the United States. This was partially offset by a € 9 million increase in administrative expenses.

2011 to 2010 first half year comparison

Operating profit amounted to € 1,381 million, a decrease of € 278 million. Line item movements were largely consistent with the developments in the second quarter.

Life/Health segment information[1]

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Statutory premiums[2]	12,978	14,124	27,248	29,480
Ceded premiums written	(115)	(129)	(282)	(263)
Change in unearned premiums	(55)	(55)	(144)	(108)
Statutory premiums (net)	12,808	13,940	26,822	29,109
Deposits from insurance and investment contracts	(7,364)	(8,144)	(15,193)	(17,438)
Premiums earned (net)	5,444	5,796	11,629	11,671
Interest and similar income	4,197	4,005	8,030	7,550
Operating income from financial assets and liabilities carried at fair value through income (net)	(110)	245	(272)	391
Operating realized gains/losses (net)	335	212	1,053	750
Fee and commission income	138	129	268	247
Other income	22	29	45	49
Operating revenues	10,026	10,416	20,753	20,658
Claims and insurance benefits incurred (net)	(4,724)	(4,451)	(9,612)	(9,296)
Change in reserves for insurance and investment contracts (net)	(2,738)	(3,409)	(6,367)	(6,505)
Interest expenses	(21)	(31)	(47)	(54)
Loan loss provisions	—	1	—	2
Operating impairments of investments (net)	(384)	(184)	(446)	(223)
Investment expenses	(183)	(184)	(361)	(329)
Acquisition and administrative expenses (net)	(1,233)	(1,247)	(2,402)	(2,450)
Fee and commission expenses	(46)	(63)	(105)	(117)
Operating restructuring charges	(1)	—	(1)	(1)
Other expenses	(17)	(24)	(31)	(26)
Operating expenses	(9,347)	(9,592)	(19,372)	(18,999)
Operating profit	679	824	1,381	1,659
Cost-income ratio[3] **in %**	95.9	95.4	96.0	95.6

1 Figures for the second quarter and the first half of 2010 have been restated to reflect a change in the Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.
2 Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.
3 Represents deposits from insurance and investment contracts, claims and insurance benefits incurred (net), change in reserves for insurance and investment contracts (net) and acquisition and administrative expenses (net) divided by statutory premiums (net), interest and similar income, operating income from financial assets and liabilities carried at fair value through income (net), operating realized gains/losses (net), fee and commission income, other income, interest expenses, loan loss provisions, operating impairments of investments (net), investment expenses, fee and commission expenses, operating restructuring charges and other expenses.

Life/Health Operations by Business Divisions[1]

Three months ended June 30,	Statutory premiums[2]				Premiums earned (net)		Operating profit (loss)		Cost-income ratio	
			internal[3]							
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn	**2011** %	2010 %
Germany Life[4]	3,650	3,985	3,650	3,986	2,445	2,795	209	255	96.1	95.6
Germany Health[5]	802	798	802	798	802	798	39	48	96.2	95.5
Switzerland	289	233	257	224	130	107	19	18	94.8	94.2
Austria	101	89	101	89	65	63	7	5	94.0	94.9
German Speaking Countries	**4,842**	**5,105**	**4,810**	**5,097**	**3,442**	**3,763**	**274**	**326**	**96.0**	**95.5**
Italy[4]	1,814	2,491	1,814	2,513	157	154	66	73	96.8	97.4
France[4]	1,828	1,876	1,828	1,913	761	745	115	123	95.4	94.7
Spain	238	249	238	249	90	105	28	27	90.8	91.1
South America	14	12	14	12	11	10	2	2	91.6	88.5
Netherlands	76	77	76	77	32	31	12	12	86.7	87.4
Turkey	24	25	29	25	9	9	1	1	96.2	97.4
Belgium/Luxembourg	329	280	329	280	105	96	22	23	94.1	93.8
Portugal	46	46	46	46	22	20	4	4	91.5	90.5
Greece	28	30	28	30	16	18	1	2	98.0	93.2
Africa	11	11	11	11	4	6	1	2	91.2	89.6
Europe incl. South America	**4,408**	**5,097**	**4,413**	**5,156**	**1,207**	**1,194**	**252**	**269**	**95.4**	**95.5**
United States	2,069	2,053	2,342	2,053	167	165	131	164	94.9	94.1
Mexico	35	24	37	24	10	16	1	—	97.7	99.6
NAFTA Markets	**2,104**	**2,077**	**2,379**	**2,077**	**177**	**181**	**132**	**164**	**94.9**	**94.2**
Reinsurance LH	94	56	94	56	80	58	(1)	(2)	101.3	104.2
Global Insurance Lines & Anglo Markets	**94**	**56**	**94**	**56**	**80**	**58**	**(1)**	**(2)**	**101.3**	**104.2**
South Korea	387	501	408	501	145	193	(3)	24	100.8	95.8
Taiwan	410	420	421	420	22	36	2	25	99.5	94.3
Malaysia	65	58	68	58	45	46	4	3	94.3	94.9
Indonesia	122	106	130	106	44	40	7	10	94.0	90.7
Other	288	396	298	396	125	119	(10)	(14)	103.6	103.4
Asia-Pacific	1,272	1,481	1,325	1,481	381	434	—	48	100.1	96.9
Hungary	59	63	57	63	14	17	1	5	97.8	92.8
Slovakia	64	60	64	60	47	46	7	8	90.9	89.8
Czech Republic	47	46	45	46	15	13	3	3	93.6	93.7
Poland	117	74	115	74	24	30	5	5	95.6	93.5
Romania	6	6	6	6	3	2	—	1	98.7	77.4
Croatia	12	12	12	12	11	12	1	1	90.1	92.5
Bulgaria	7	6	7	6	5	6	2	3	80.1	74.9
Russia	14	8	15	8	13	7	—	(2)	95.5	123.6
Central and Eastern Europe	326	275	321	275	132	133	19	24	94.2	92.3
Middle East and North Africa	31	33	36	33	25	31	2	4	94.7	90.3
Global Life[4]	1	61	1	1	—	2	—	(1)	537.1	103.3
Growth Markets	**1,630**	**1,850**	**1,683**	**1,790**	**538**	**600**	**21**	**75**	**98.8**	**96.3**
Consolidation[6]	(100)	(61)	(101)	(61)	—	—	1	(8)	—	—
Total	**12,978**	**14,124**	**13,278**	**14,115**	**5,444**	**5,796**	**679**	**824**	**95.9**	**95.4**

1 Figures for the second quarter and the first half of 2010 have been restated to reflect a change in the Allianz Group's accounting policy. For further information please refer to note 2 of our condensed consolidated interim financial statements.
2 Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.
3 Statutory premiums adjusted for foreign currency translation and (de-)consolidation effects.

Six months ended June 30,	Statutory premiums[2]		internal[3]		Premiums earned (net)		Operating profit (loss)		Cost-income ratio	
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn	**2011** %	2010 %
Germany Life[4]	7,569	7,904	7,569	7,905	5,371	5,477	454	510	95.9	95.5
Germany Health[5]	1,600	1,601	1,600	1,601	1,601	1,602	63	94	96.9	95.6
Switzerland	1,216	1,039	1,074	1,021	398	346	38	39	97.2	96.7
Austria	216	211	216	211	153	156	18	18	93.5	93.4
German Speaking Countries	**10,601**	**10,755**	**10,459**	**10,738**	**7,523**	**7,581**	**573**	**661**	**96.1**	**95.6**
Italy[4]	3,812	5,331	3,812	5,375	302	311	134	145	96.9	97.5
France[4]	3,786	4,347	3,786	4,419	1,522	1,511	223	301	95.7	94.4
Spain	494	447	494	447	199	212	55	55	91.2	90.3
South America	28	24	28	24	21	18	5	4	87.4	88.4
Netherlands	180	162	180	162	88	65	24	26	88.7	87.2
Turkey	51	48	56	48	17	18	2	3	96.7	95.6
Belgium/Luxembourg	646	534	646	534	234	194	36	44	95.4	93.8
Portugal	91	81	91	81	42	40	9	9	90.5	89.2
Greece	57	60	57	60	33	34	2	2	96.7	96.5
Africa	23	18	23	18	10	11	2	—	92.9	101.1
Europe incl. South America	**9,168**	**11,052**	**9,173**	**11,168**	**2,468**	**2,414**	**492**	**589**	**95.7**	**95.5**
United States	4,008	3,704	4,263	3,704	334	318	223	266	95.5	94.6
Mexico	74	48	73	48	26	29	2	2	97.5	96.4
NAFTA Markets	**4,082**	**3,752**	**4,336**	**3,752**	**360**	**347**	**225**	**268**	**95.5**	**94.6**
Reinsurance LH	193	150	193	150	172	150	4	8	97.8	95.1
Global Insurance Lines & Anglo Markets	**193**	**150**	**193**	**150**	**172**	**150**	**4**	**8**	**97.8**	**95.1**
South Korea	854	943	863	943	311	365	37	57	96.6	95.0
Taiwan	816	1,066	781	1,066	56	83	(21)	35	102.5	96.8
Malaysia	130	110	126	110	96	91	8	6	94.2	94.7
Indonesia	248	185	251	185	92	74	22	24	91.2	87.6
Other	636	802	616	802	225	224	(9)	(23)	101.5	102.7
Asia-Pacific	2,684	3,106	2,637	3,106	780	837	37	99	98.8	97.0
Hungary	108	131	107	131	29	32	3	8	97.1	94.4
Slovakia	125	124	124	124	93	90	15	16	89.8	89.3
Czech Republic	84	75	80	75	29	28	6	6	92.8	93.1
Poland	219	218	217	218	44	79	9	10	95.9	95.6
Romania	12	12	12	12	6	5	1	1	93.5	87.8
Croatia	23	23	24	23	22	22	2	2	92.1	90.7
Bulgaria	14	12	14	12	11	12	3	4	79.8	79.8
Russia	24	13	24	13	22	12	—	(2)	99.1	114.7
Central and Eastern Europe	609	608	602	608	256	280	39	45	93.9	93.3
Middle East and North Africa	84	63	96	63	70	59	5	6	94.2	92.0
Global Life[4]	2	117	2	1	—	3	—	(2)	581.2	102.2
Growth Markets	**3,379**	**3,894**	**3,337**	**3,778**	**1,106**	**1,179**	**81**	**148**	**97.8**	**96.5**
Consolidation[6]	(175)	(123)	(178)	(124)	—	—	6	(15)	—	—
Total	**27,248**	**29,480**	**27,320**	**29,462**	**11,629**	**11,671**	**1,381**	**1,659**	**96.0**	**95.6**

4 From the first quarter of 2011 on, the variable annuity business of Allianz Global Life is shown within Germany, France and Italy, respectively. Prior year figures have not been adjusted.

5 Loss ratios were 72.5 % and 69.2 % for the three months ended June 30, 2011 and 2010, respectively, and 78.0 % and 74.4 % for the six months ended June 30, 2011 and 2010, respectively.

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

Asset Management

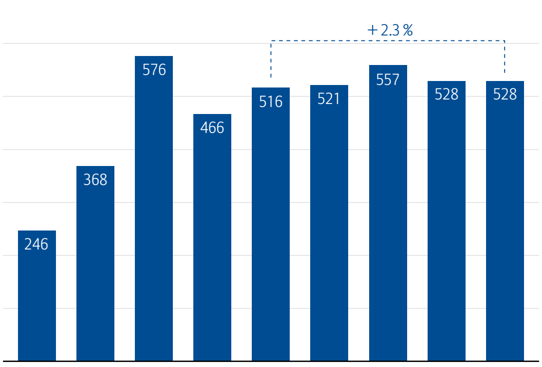
– Total assets under management amounted to € 1,508 billion.
– Net inflows of € 31 billion in the first six months of 2011.
– Quarterly operating profit of € 528 million.

Segment Overview

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

Operating profit
in € mn

€ 528 mn



Key Figures

	Three months ended June 30,			Six months ended June 30,		
	2011 € mn	2010 € mn	2009 € mn	**2011** € mn	2010 € mn	2009 € mn
Operating revenues	1,303	1,188	780	2,576	2,304	1,496
Operating profit	**528**	**516**	**246**	**1,056**	**982**	**457**
Cost-income ratio in %	59.5	56.6	68.5	59.0	57.4	69.5
Total assets under management in € bn[1]	1,508	1,518	1,202	1,508	1,518	1,202

1 2010 and 2009 figures as of December 31.

Summary: second quarter of 2011

On an internal basis, we saw strong revenue and operating profit growth. Our operating revenues increased by € 115 million to € 1,303 million in the second quarter of 2011. On an internal basis, operating revenues increased by 21.8 % compared to the second quarter of 2010.

The strong performance continued with a 2.3 % increase in operating profit to € 528 million (including negative foreign currency translation effects of € 59 million mostly due to the depreciation of the U.S. Dollar against the Euro).

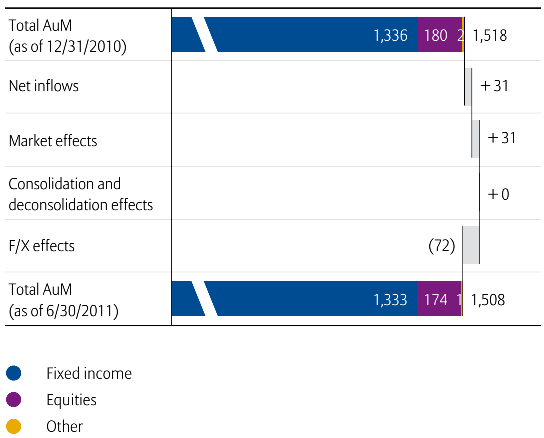
Our cost-income ratio stood at 59.5 % (2Q 2010: 56.6 %).

Assets under Management

As of June 30, 2011, total assets under management amounted to € 1,508 billion. Of this, third-party assets under management accounted for € 1,151 billion and Allianz Group assets for € 357 billion.

Development of total assets under management

in € bn



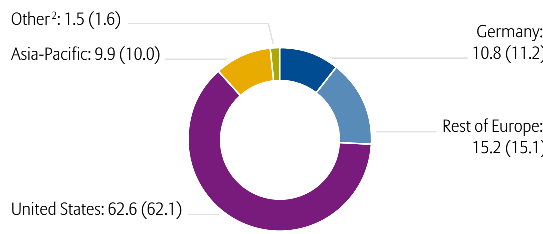
We had strong internal growth with net inflows of € 31 billion for the first six months of 2011. This positive development derived from fixed income assets with net inflows of € 33 billion, whereas our equity business saw net outflows of € 2 billion. Positive market effects contributed a further € 31 billion with € 28 billion from fixed income and € 3 billion from equity.

The negative foreign currency effect of € 72 billion more than offset the increase in assets under management resulting in a net decline of assets under management of € 10 billion. However, when adjusting for this effect, internal growth in total assets under management amounted to 4.1 %.

In the following section we focus on the development of third-party assets under management since December 31, 2010.

Third-party assets under management by regions/countries as of June 30, 2011 (December 31, 2010)[1]

in %



The regional split between third-party assets under management has remained stable with a slight shift between the United States (up 0.5 %) and Germany (down 0.4 %).

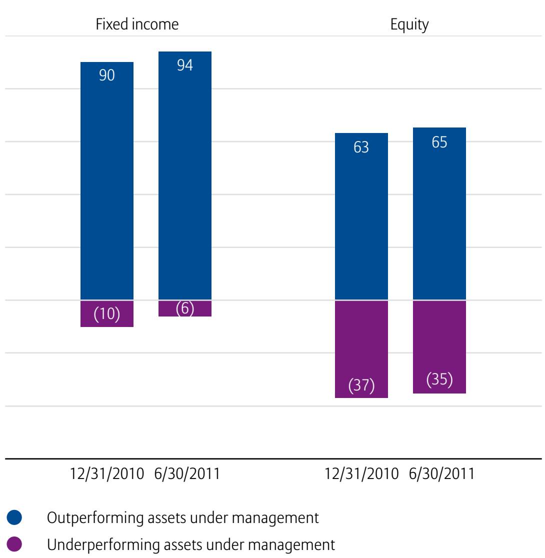
The ratio of third-party assets from fixed income and equities was almost unchanged at 87 % and 13 %, respectively.

The institutional (66 %) and retail clients' (34 %) share of third-party assets under management remained unchanged.

1 Based on the origination of assets.
2 Consists of third-party assets managed by other Allianz Group companies (approximately € 17 bn as of June 30, 2011 and € 19 bn as of December 31, 2010, respectively).

Rolling investment performance of Allianz Global Investors[1]

in %



Allianz Global Investors continued their outstanding investment performance with 90% of assets under management outperforming their respective benchmarks (December 31, 2010: 87%). Fixed income assets recorded an extraordinary performance of 94% versus their respective benchmarks. 65% of our equity assets outperformed their respective benchmarks, which is an increase by 2 percentage points compared to December 31, 2010.

1 AllianzGI account-based, asset-weighted 3-year investment performance of third-party assets vs. benchmark including all accounts managed by equity and fixed income managers of AllianzGI. For some retail equity funds the net of fee performance is compared to the median performance of an appropriate peer group (Morningstar or Lipper; first and second quartile mean out-performance). For all other retail funds and for all institutional accounts performance is calculated gross of fees using closing prices (revaluated) where appropriate and compared to the benchmark of each individual fund or account. Other than under GIPS (Global Investment Performance Standards), the performance of closed funds/accounts is not included in the analysis. Accounts at AllianzGI Investments Europe, Zurich Branch and Joint-Venture GTJA China and in parts WRAP accounts are not considered.

Operating Revenues

2011 to 2010 second quarter comparison

Operating revenues amounted to € 1,303 million, an increase of € 115 million, largely driven by higher average assets under management (up 19%, adjusted for foreign currency effects). On an internal basis, operating revenues increased by 21.8%.

Net fee and commission income improved by € 109 million to € 1,297 million. We earned strong performance fees of € 81 million (2Q 2010: € 88 million). Management fees increased by € 105 million resulting in an overall positive impact on our net fee and commission income.

2011 to 2010 first half year comparison

Our operating revenues increased by € 272 million to € 2,576 million, up 18.0% on an internal basis.

Operating Profit

2011 to 2010 second quarter comparison

Operating profit increased by € 12 million to € 528 million, despite a negative foreign currency effect (largely related to the U.S. Dollar depreciation versus the Euro) of € 59 million , mainly due to our higher asset base and the resulting increase in fees driven by assets under management.

Administrative expenses amounted to € 775 million, an increase of 27.5% on an internal basis. This was driven by the positive business development resulting in higher performance-related personnel expenses as well as increased non-personnel expenses due to higher average asset under management and, in particular, from investments in our U.S. business.

Our cost-income ratio increased by 2.9 percentage points to 59.5%.

2011 to 2010 first half year comparison

Our operating profit increased by 7.5 % to € 1,056 million, supported by growth in average assets under management and outbalanced by negative foreign currency effects of € 54 million.

Asset Management segment information

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn
Management and loading fees	1,445	1,339	2,876	2,532
Performance fees	81	88	137	216
Other income	51	31	95	63
Fee and commission income	**1,577**	**1,458**	**3,108**	**2,811**
Commissions	(273)	(266)	(545)	(517)
Other expenses	(7)	(4)	(10)	(9)
Fee and commission expenses	**(280)**	**(270)**	**(555)**	**(526)**
Net fee and commission income	**1,297**	**1,188**	**2,553**	**2,285**
Net interest income[1]	4	(1)	11	8
Income from financial assets and liabilities carried at fair value through income (net)	(3)	(4)	3	1
Other income	5	5	9	10
Operating revenues	**1,303**	**1,188**	**2,576**	**2,304**
Administrative expenses (net), excluding acquisition-related expenses	(775)	(672)	(1,520)	(1,322)
Operating expenses	**(775)**	**(672)**	**(1,520)**	**(1,322)**
Operating profit	**528**	**516**	**1,056**	**982**
Cost-income ratio[2] in %	**59.5**	**56.6**	**59.0**	**57.4**

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

Corporate and Other

– Operating loss increased by € 50 million, mostly driven by Holding & Treasury.
– Increase in operating loss of Holding & Treasury mostly attributable to higher pension costs and lower interest and similar income (net).

Segment Overview

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

Key Figures

	Three months ended June 30,			Six months ended June 30,		
	2011 € mn	2010 € mn	2009 € mn	2011 € mn	2010 € mn	2009 € mn
Corporate and Other[1]						
Operating revenues	495	468	382	929	859	825
Operating expenses	(700)	(623)	(695)	(1,357)	(1,265)	(1,322)
Operating loss	(205)	(155)	(313)	(428)	(406)	(497)
Holding & Treasury						
Operating revenues	167	157	104	277	250	241
Operating expenses	(337)	(295)	(314)	(668)	(614)	(621)
Operating loss	(170)	(138)	(210)	(391)	(364)	(380)
Banking						
Operating revenues	295	277	255	589	542	532
Operating expenses[2]	(319)	(292)	(348)	(611)	(580)	(634)
Operating loss	(24)	(15)	(93)	(22)	(38)	(102)
Alternative Investments						
Operating revenues	35	36	26	68	71	57
Operating expenses	(46)	(38)	(35)	(83)	(75)	(71)
Operating loss	(11)	(2)	(9)	(15)	(4)	(14)

Summary: second quarter of 2011

Operating loss increased by € 50 million to € 205 million largely driven by Holding & Treasury with a € 32 million higher operating loss. Banking and Alternative Investments also recorded an increase in operating loss.

1 Consolidation included; for further information about our Corporate and Other segment please refer to note 3 to the consolidated financial statements.
2 Including loan loss provisions.

Earnings Summary Holding & Treasury

2011 to 2010 second quarter comparison

The Holding & Treasury's operating loss increased by € 32 million to € 170 million mostly attributable to lower interest and similar income (net) and higher administrative expenses.

Interest and similar income grew by € 9 million driven by higher interest received. Interest expenses, excluding interest expenses from external debt increased by € 17 million to € 113 million mainly due to group internal financing.

Administrative expenses (net), excluding acquisition-related expenses rose by € 14 million to € 147 million. Higher pension costs, due to actuarial related changes, were the main contributor to this development.

Operating income from financial assets and liabilities carried at fair value (net) decreased by € 9 million to a loss of € 4 million due to a lower foreign currency result.

Our net fee and commission result was almost unchanged at negative € 17 million.

2011 to 2010 first half year comparison

The operating loss increased by € 27 million to € 391 million. This development stemmed largely from higher administrative expenses (net), driven by pension costs (due to changes in actuarial assumptions).

Earnings Summary Banking

2011 to 2010 second quarter comparison

Our net interest, fee and commission result was almost unchanged at € 135 million in the second quarter of 2011, compared to € 139 million in the second quarter of the previous year.

Our operating income from financial assets and liabilities carried at fair value through income (trading income) improved by € 4 million to € 1 million due to higher interest rate levels.

Administrative expenses amounted to € 126 million, compared to € 141 million in the same period in the previous year. The reduction includes € 14 million attributable to our disposed banking businesses in Hungary and Poland.

Our loan loss provisions increased by € 23 million to € 33 million.

Overall, our Banking business operating loss increased by € 9 million to € 24 million. The cost income ratio amounted to 93.4 %.

2011 to 2010 first half year comparison

The operating loss reduced to € 22 million compared to € 38 million in the first half 2010. A better trading result and reduced administrative expenses – due to the disposal of our Banking business in Poland and Hungary – were the main drivers. Our increased loan loss provisions partly compensated this effect.

Earnings Summary Alternative Investments

2011 to 2010 second quarter comparison

Alternative Investment's operating loss stood at € 11 million compared to a loss of € 2 million in the second quarter of the previous year. This change was due to higher administrative expenses and lower net fee and commission income.

2011 to 2010 first half year comparison

The operating loss went up by € 11 million to € 15 million due to higher administrative expenses and lower net fee and commission income.

Outlook

- Although the global economy cooled in the recent quarter, the global economic upswing is expected to continue for the rest of 2011 and 2012.
- Our published outlook for Allianz Group operating profit for 2011 remains unchanged at € 8.0 billion, plus or minus € 0.5 billion.

Economic Outlook

After a robust start to the current year, the global economy lost momentum in the second quarter. Two factors are chiefly to blame. Firstly, the natural and nuclear catastrophe in Japan temporarily disrupted supply chains around the globe. Secondly, the steep rise in commodity prices took a chunk out of the real incomes of both households and businesses. Although we see the economic upswing continuing around the globe, it is expected to be more moderate than in the past 1½ years. World trade will continue to expand but not at the pace seen in the immediate aftermath of the global economic slump. And the ongoing consolidation drives in many industrial countries are likely to weigh on growth there, at least in the short and medium term. All told, global output is set to increase at a pace of between 3 and 3.5% both this year and next (2010: +4.1%). Growth in the emerging market countries, and in particular in Emerging Asia, continues to outpace growth in the industrialized world considerably, further pushing up their share in global output. Without doubt the risks to the global economy have risen in recent months. These include an escalation of the sovereign debt crisis in Europe and in the United States, and a renewed surge in oil prices as a result of the upheaval in North Africa and the Middle East.

The U.S. economy is expected to grow by a good 2% on average both this year and next. Not least due to declining government expenditures, we expect to see only a moderate upward economic trend. The same is true for the eurozone, with increasingly restrictive fiscal policy set to dampen economic momentum. GDP is expected to rise by between 1.5 and 2% both in 2011 and in 2012. The German economy looks poised to record above-average growth of more than 3% in 2011, before falling back more or less into line with the European average again in 2012.

Over recent months, the sovereign debt crisis in Europe has escalated with investors in other eurozone countries that have so far not been at the centre of attention fleeing to safer havens. This has led to a sharp increase in the respective bond spreads. The conclusions of the eurozone emergency summit, that took place on July 21, have so far helped to calm the markets to a limited extent. The outcome of the summit marks clear progress, some of the former major barriers to a sensible solution have been lifted. The plan addresses the issue of solvency of the Greek government and is more than a fix of its liquidity shortage. It is now vital that the rescue measures be put into practice swiftly. After a downward movement until mid-July – caused by the escalation in the debt crisis both in the Euro area and the United States – yields on German and U.S. bonds are likely to creep up once again in view of a gradual normalization of monetary policy (in particular at the ECB) and an at least somewhat fading “safe haven” effect. As far as the stock market is concerned, further increases in corporate earnings should mean that the overall environment in 2011, and presumably also in 2012, will remain broadly benign, despite the existing risks.

Outlook for the Allianz Group

The Allianz Group remains strongly capitalized with a solvency ratio of 180 %[1] at the end of the second quarter of 2011 compared to 173 % at the end of the fourth quarter of 2010.

Our operating profit for the first half of 2011 of € 3,960 million was only slightly below the first half of 2010 and despite high losses from natural catastrophes in the first quarter our results in Property-Casualty improved compared to last year. Life/Health operating profit was in line with expectations, but stands below last year's extraordinary level. Asset Management continued to perform strongly. We have once again demonstrated that we can balance the earnings volatility in individual business segments.

Despite the difficult operating environment and the sovereign debt crisis we are on track to achieve our target. Our published outlook for Allianz Group operating profit for 2011 remains unchanged at € 8.0 billion, plus or minus € 0.5 billion. For full details of the assumptions and sensitivities on which this outlook is based upon, please refer to the Allianz Group Annual Report 2010.

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

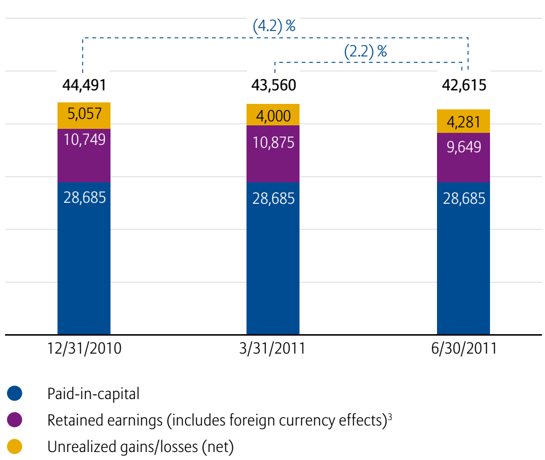
1 Solvency according to the E.U. Financial Conglomerates Directive. Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request. Allianz SE has not submitted an application so far. The solvency ratio excluding off-balance sheet reserves would be 171 % (2010: 164 %).

Balance Sheet Review

– Shareholders' equity decreased by 4.2 % to € 42.6 billion including dividend payments of € 2.0 billion.
– Solvency ratio up 7 percentage points to a strong 180 %.[1]

Shareholders' Equity[2]

Shareholders' equity
in € mn

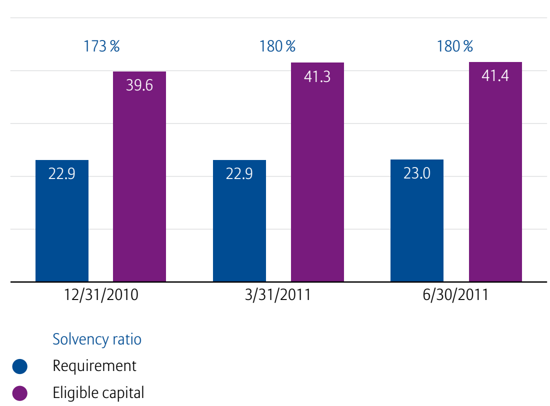


As of June 30, 2011, shareholders' equity amounted to € 42,615 million, a decrease of € 1,876 million compared to December 31, 2010. Net income attributable to shareholders contributed € 1,857 million while negative foreign currency translation effects led to a € 911 million reduction. Dividend payments of € 2,032 million further reduced equity. Unrealized gains declined by € 776 million. This is mainly driven by a decline in value of available-for-sale equities.

Regulatory Capital Adequacy

The Allianz Group is a financial conglomerate within the scope of the Financial Conglomerates Directive and the related German law in force since January 1, 2005. The law requires that a financial conglomerate calculate the capital needed to meet the respective solvency requirements on a consolidated basis.

Conglomerate solvency[1]
in € bn



The conglomerate solvency ratio[4] strengthened by 7 percentage points to 180 % (2010: 173 %) mainly due to the issuance of subordinated debt of € 2.0 billion and net income (net of accrued dividends) of € 1.1 billion. These effects were partially offset by negative foreign currency effects and lower unrealized gains on available-for-sale equity securities, which both decreased eligible capital. As of June 30, 2011, our eligible capital for solvency purposes, required for our insurance segments and our Banking and Asset Management businesses, was € 41.4 billion, including off-balance sheet reserves of € 2.1 billion.

1 Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request; Allianz SE has not submitted an application so far. The solvency ratio excluding off-balance sheet reserves would be 171 % (March 31, 2011: 171 %, December 31, 2010: 164 %).
2 This does not include non-controlling interests of € 2,074 mn, € 2,055 mn and € 2,071 mn as of June 30, 2011, March 31, 2011 and December 31, 2010, respectively. For further information, please refer to note 19 of the condensed consolidated interim financial statements.
3 This includes foreign currency translation effects of € (3,250) mn, € (3,115) mn and € (2,339) mn as of June 30, 2011, March 31 2011 and December 31, 2010, respectively.

4 Solvency according to the E.U. Financial Conglomerates Directive.

Eligible capital surpassed the minimum legally stipulated level by € 18.4 billion. Eligible capital as of June 30, 2011 also includes a deduction for accrued dividends of € 0.7 billion for the first half of 2011, which represents 40 % of net income attributable to shareholders. Our solvency position thus remains very strong.

Total Assets and Total Liabilities

In the following sections, we show the asset allocation for our insurance portfolio and analyze important developments within the balance sheets of our Property-Casualty, Life/Health, Asset Management and Corporate and Other segments.

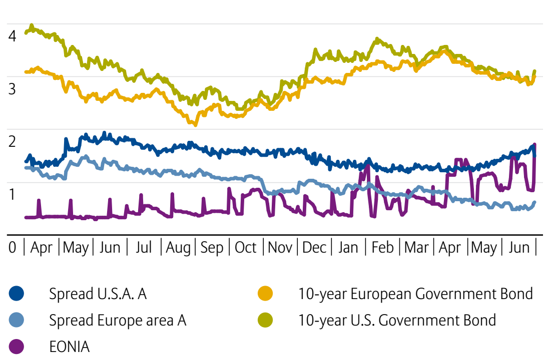
As of June 30, 2011, total assets amounted to € 627.4 billion and total liabilities amounted to € 582.7 billion. When compared to year-end 2010, total assets and total liabilities increased by € 2.5 billion and by € 4.3 billion, respectively.

Market environment for different asset classes

While the first quarter of 2011 showed a positive trend for most equity markets, the development during the second quarter was overall negative.

Interest rates and credit spreads development

in %



10-year interest rates of major countries decreased slightly after the upward trend during the two previous quarters. The EONIA – almost constant in the first quarter of 2011 – increased in the second quarter. Credit spreads widened in the United States, whereas spreads narrowed in Europe during the second quarter.

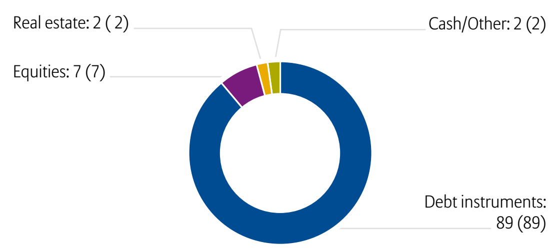
Structure of investments – portfolio overview

Allianz Group's asset portfolio is mainly determined by our core business of insurance. The following asset allocation covers the insurance segments and the Corporate and Other segment.

Asset allocation[1]

in %

Allianz Group's asset portfolio as of June 30, 2011: € 448.4 billion
(as of December 31, 2010: € 444.9 billion)



The Group's investment portfolio grew slightly by € 3.5 billion or 0.8 % compared to the end of 2010.

Equities

During the first six months of 2011, our gross exposure to equities increased slightly from € 33.0 billion to € 33.4 billion driven by new investments. Our equity gearing after policyholder participation and hedges – which is a ratio of our equity holdings allocated to the shareholder to shareholder's equity plus off-balance sheet reserves less goodwill – remained stable at 0.4.

Debt instruments

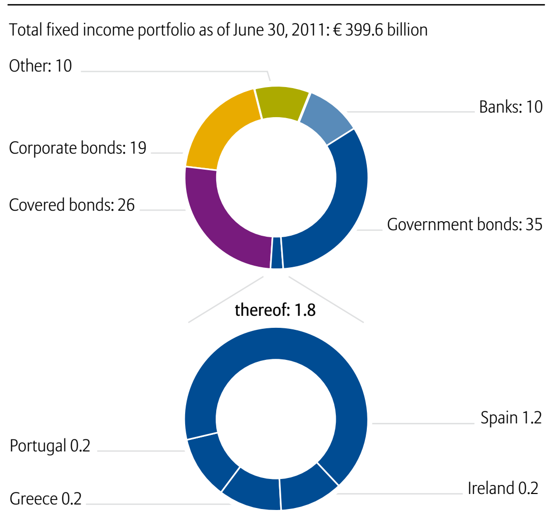
The vast majority of our investment portfolio comprises debt instruments. Our investments in this asset class increased slightly from € 395.6 billion to € 399.6 billion in the first six months of 2011. Net inflows,

1 Does not include our banking operations.

primarily from our life-health business, were partially offset by lower market values and foreign currency effects. Our exposure in this asset class is well-diversified with around 60 % allocated to governments and covered bonds. In line with our operating business profile, 66 % of our fixed income portfolio is invested in eurozone bonds and loans. Approximately 94 % of this portfolio is invested in investment-grade bonds and loans.

Our government exposure accounts for 35 % of our investments in debt instruments. As of June 30, 2011 our sovereign bond exposure in Spain (1.2 %), Ireland (0.2 %), Greece (0.2 %) and Portugal (0.2 %) comprised less than 2 % of our investments in debt instruments.

Fixed income portfolio
in %



In absolute terms (carrying values) our exposure decreased from € 8.1 billion as of December 31, 2010 to € 7.3 billion as of June 30, 2011. We booked a gross impairment of Greek sovereign bonds of € 644 million[1]. The (gross) unrealized losses related to these sovereign bond holdings were € 0.7 billion[2] as of June 30, 2011.

Carrying values and unrealized losses in Spanish, Greek, Irish and Portuguese sovereign bonds

As of June 30, 2011	Carrying value € mn	Unrealized loss (gross)[2] € mn	Unrealized loss (net)[3] € mn
Spain	5,077	(280)	(72)
Greece[4]	782	(6)	(4)
Ireland	646	(195)	(58)
Portugal	780	(245)	(102)
Total	**7,285**	**(726)**	**(236)**

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

Our portfolio includes asset-backed securities (ABS) of € 18.6 billion. Around 25 % or € 4.5 billion of our ABS securities are made up of U.S. agency mortgage-backed securities (MBS) which are backed by the U.S. government.

Our exposure in subordinated securities in banks amounted to € 9.8 billion. The tier 1 share, however, remains low at € 1.8 billion.

Real Estate

Our exposure to real estate held for investment remained stable at € 8.6 billion.

Investment result

Net investment income

Three months ended June 30,	2011 € mn	2010 € mn
Interest and similar income (net)[5]	5,222	5,030
Income from financial assets and liabilities carried at fair value through income (net)	(155)	28
Realized gains/losses (net)	485	396
Impairments of investments (net)	(820)	(377)
Investment expenses	(208)	(215)
Net investment income	**4,524**	**4,862**

1 In accordance with IAS 39, our investments in Greek sovereign bonds were considered impaired and written down to current market value as of June 30, 2011. For further information please refer to note 31 of our condensed consolidated interim financial statements.
2 Before policyholder participation and taxes.
3 After policyholder participation and taxes; based on June 30, 2011 balance sheet figures reflected in accumulated other comprehensive income.
4 After impairments.
5 Net of interest expenses (excluding interest expenses from external debt).

In the second quarter, our total net investment result amounted to € 4,524 million. The decrease of 7.0% was mainly driven by impairments on investments.

Interest and similar income (net)[1] increased by € 192 million largely due to a growing asset base, especially in our insurance businesses.

Income from investments held on fair value option and trading (net) declined from € 28 million to a loss of € 155 million. In the United States we sold assets which were designated at fair value through income and reinvested them in assets classified as available for sale. Another main impact stemmed from our life business in France, where we reduced the assets classified as Fair Value Option and from a direct impact of mark to market valuation of various funds. Positive effects from lower valuation losses on The Hartford warrants partly offset this effect. Furthermore, losses from foreign currencies were partly compensated by increased income from financial derivative positions. Financial derivatives are used to protect against equity and foreign currency fluctuations as well as to manage duration and other interest rate-related exposures.

Realized gains and losses (net) amounted to € 485 million, an increase of € 89 million, primarily related to higher gains on debt securities.

Impairments (net) increased from € 377 million to € 820 million, of which € 644 million related to the impairment on Greek sovereign bonds[2] partly offset by lower impairments on equities.

Assets and liabilities of the Property-Casualty segment

Property-Casualty assets

During the first six months of 2011, our Property-Casualty asset base increased slightly by € 1.2 billion or 1.2% to € 98.5 billion. Our debt securities rose by € 0.6 billion. The increase of other investments amounted to € 0.4 billion. Equity investments and our cash and cash pool assets both contributed € 0.2 billion to this development.

Composition of asset base

fair values[3]

	As of June 30, 2011 € bn	As of December 31, 2010 € bn
Financial assets and liabilities carried at fair value through income		
Equities	0.3	0.2
Debt securities	1.3	1.5
Other[4]	0.1	0.1
Subtotal	**1.7**	**1.8**
Investments[5]		
Equities	5.6	5.4
Debt securities	61.0	60.4
Cash and cash pool assets[6]	5.5	5.3
Other	7.1	6.7
Subtotal	**79.2**	**77.8**
Loans and advances to banks and customers	17.6	17.7
Property-Casualty asset base	98.5	97.3

Of our Property-Casualty asset base, ABS made up € 3.7 billion as of June 30, 2011, which is approximately 3.8% of its asset base.

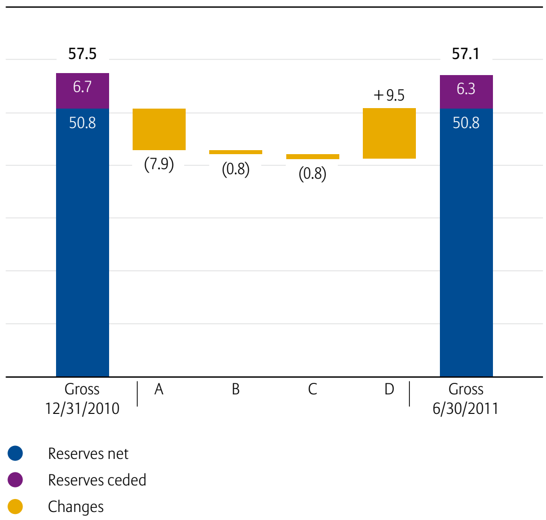
1 Net of interest expenses (excluding interest expenses from external debt).
2 In accordance with IAS 39, our investments in Greek sovereign bonds were considered impaired and written down to current market value as of June 30, 2011. For further information please refer to note 31 of our condensed consolidated interim financial statements.

3 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.
4 This comprises assets of € 0.2 bn and € 0.2 bn and liabilities of € (0.1) bn and € (0.1) bn as of June 30, 2011 and December 31, 2010 respectively.
5 These do not include affiliates of € 10.2 bn and € 10.3 bn as of June 30, 2011 and December 31, 2010, respectively.
6 Including cash and cash equivalents as stated in our segment balance sheet of € 2.9 bn and € 2.5 bn and receivables from cash pooling amounting to € 2.9 bn and € 3.0 bn net of liabilities from securities lending and derivatives of € (0.3) bn and € (0.2) bn as of June 30, 2011 and December 31, 2010, respectively.

Property-Casualty liabilities

Development of reserves for loss and loss adjustment expenses[1]

in € bn



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

As of June 30, 2011, the segment's gross reserves for loss and loss adjustment expenses decreased by € 0.4 billion to € 57.1 billion. On a net basis, reserves were unchanged at € 50.8 billion. Foreign currency translation effects and other changes accounted for negative € 0.8 billion.

1 After group consolidation. For further information about changes in the reserves for loss and loss adjustment expenses for the Property-Casualty segment, please refer to note 14 of the condensed consolidated interim financial statements.

Assets and liabilities of the Life/Health segment

Life/Health assets

During the first six months of 2011, the Life/Health asset base grew slightly by 0.4 % to € 419.2 billion. Of this total, € 64.8 billion were financial assets for unit-linked contracts. Overall, our debt investments increased by € 3.2 billion whereas cash and cash pool assets were down by € 0.8 billion to € 6.6 billion.

Composition of asset base

fair values

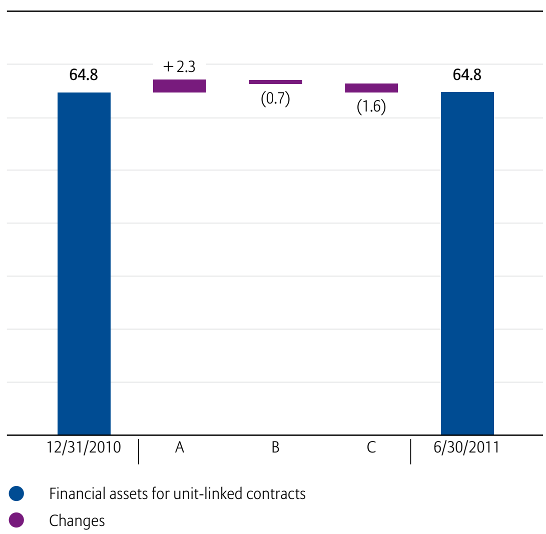
	As of June 30, 2011 € bn	As of December 31, 2010 € bn
Financial assets and liabilities carried at fair value through income		
Equities	2.2	2.7
Debt securities	2.5	3.2
Other[2]	(3.4)	(3.9)
Subtotal	1.3	2.0
Investments[3]		
Equities	24.7	24.4
Debt securities	216.0	212.8
Cash and cash pool assets[4]	6.6	7.4
Other	8.7	8.8
Subtotal	256.0	253.4
Loans and advances to banks and customers	97.1	97.4
Financial assets for unit-linked contracts[5]	64.8	64.8
Life/Health asset base	419.2	417.6

2 This comprises assets of € 1.4 bn and € 1.0 bn and liabilities (including the market value liability option) of € (4.8) bn and € (4.9) bn as of June 30, 2011 and December 31, 2010 respectively.
3 These do not include affiliates of € 1.6 bn and € 1.6 bn as of June 30, 2011 and December 31, 2010, respectively.
4 Including cash and cash equivalents as stated in our segment balance sheet of € 4.7 bn and € 4.4 bn and receivables from cash pooling amounting to € 3.3 bn and € 3.3 bn net of liabilities from securities lending and derivatives of € (1.4) bn and € (0.3) bn as of June 30, 2011 and December 31, 2010, respectively.
5 Financial assets for unit-linked contracts represent assets owned by, and managed on behalf of, policyholders of the Allianz Group, with all appreciation and depreciation in these assets accruing to the benefit of policyholders. As a result, the value of financial assets for unit-linked contracts in our balance sheet corresponds to the value of financial liabilities for unit-linked contracts.

ABS amounted to € 14.5 billion as of June 30, 2011, which is less than 4 % of total Life/Health assets.

Financial assets for unit-linked contracts

in € bn



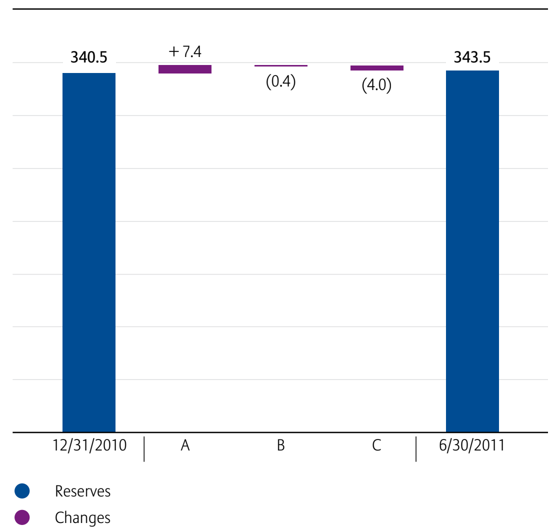
A Change in unit-linked insurance contracts
B Change in unit-linked investment contracts
C Foreign currency translation adjustments

Financial assets for unit-linked contracts remained unchanged at € 64.8 billion. Unit-linked insurance contracts increased by € 2.3 billion mainly due to premium inflows exceeding outflows. The most significant contributions came from our operations in the United States (€ 1.3 billion) and France (€ 0.7 billion). Unit-linked investment contracts decreased by € 0.7 billion, mainly driven by Italy. The majority of currency effects resulted from the weaker U.S. Dollar (€ (1.1) billion) and Asian currencies (€ (0.4) billion).

Life/Health liabilities

Development of reserves for insurance and investment contracts

in € bn



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

Life/Health reserves for insurance and investment contracts increased by € 3.0 billion or 0.9 % in the first six months of 2011. The € 7.4 billion increase in aggregate policy reserves was largely driven by our operations in Germany (€ 3.8 billion), the United States (€ 1.7 billion, excluding currency effects), Switzerland (€ 0.6 billion, excluding currency effects) and Italy (€ 0.6 billion). Impacted by the lower investment result reserves for premium refunds decreased slightly by € 0.4 billion. Significant currency effects resulted mainly from the weaker U.S. Dollar (€ (3.7) billion) and Asian currencies (€ (0.5) billion), partly compensated by the strong Swiss Franc (€ 0.2 billion).

Assets and liabilities of the Asset Management segment

Asset Management assets

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

The main components of the Asset Management segment's asset base are cash and cash pool assets and debt securities. In the first half of 2011 the asset base increased by € 0.2 billion to € 3.5 billion driven by higher cash and cash pool assets.

Asset Management liabilities

Liabilities in our Asset Management segment amounted to € 4.0 billion (down € 0.3 billion or 7.0 %).

Assets and liabilities of the Corporate and Other segment

Corporate and Other assets

Our asset base for Corporate and Other was up by € 0.7 billion or 1.8 % in the first six months of 2011 to € 39.8 billion. Loans and advances to banks and customers were up by € 0.9 billion to € 17.3 billion. Our investments remained largely unchanged since year-end 2010.

Composition of asset base

fair values

	As of June 30, 2011 € bn	As of December 31, 2010 € bn
Financial assets and liabilities carried at fair value through income		
Equities	0.1	0.1
Debt securities	0.1	0.2
Other[2]	(0.1)	0.0
Subtotal	**0.1**	**0.3**
Investments[3]		
Equities	3.1	3.3
Debt securities	18.1	17.3
Cash and cash pool assets[4]	1.0	1.6
Other	0.2	0.2
Subtotal	**22.4**	**22.4**
Loans and advances to banks and customers	17.3	16.4
Corporate and Other asset base	39.8	39.1

ABS in our Corporate and Other asset base amounted to € 0.4 billion as of June 30, 2011, which is around 1.0 % of our Corporate and Other asset base.

Corporate and Other liabilities

Other liabilities increased by € 0.5 billion to € 15.8 billion. The development of certificated liabilities from € 14.4 billion to € 13.6 billion was driven by a decrease of Allianz SE's outstanding issued debt of € 0.7 billion[5]. The increase in participation certificates and subordinated liabilities by € 1.9 billion to € 10.7 billion was mostly attributable to a Subordinated Bond issued by Allianz Finance II B.V.

1 For further information on the development of these third-party assets, please refer to the 'Asset Management' chapter.

2 This comprises assets of € 0.4 bn and € 0.5 bn and liabilities of € (0.5) bn and € (0.5) bn as of June 30, 2011 and December 31, 2010, respectively.

3 These do not include affiliates of € 69.7 bn and € 69.2 bn as of June 30, 2011 and December 31, 2010, respectively.

4 Including cash and cash equivalents as stated in our segment balance sheet of € 0.9 bn and € 1.1 bn and receivables from cash pooling amounting to € 0.1 bn and € 0.5 bn net of liabilities from securities lending and derivatives of € 0 bn and € 0 bn as of June 30, 2011 and December 31, 2010, respectively.

5 For further information on Allianz SE debt as of June 30, 2011, please refer to note 17 and 18 of our condensed interim financial statements.

Allianz SE bonds outstanding as of June 30, 2011[1]

		Interest expense in 2Q 2011
1. Senior bonds[2]		
5.625 % bond issued by Allianz Finance II B.V., Amsterdam		
Volume	€ 0.9 bn	
Year of issue	2002	
Maturity date	11/29/2012	
ISIN	XS 015 879 238 1	
Interest expense		€ 25.4 mn
5.0 % bond issued by Allianz Finance II B.V., Amsterdam		
Volume	€ 1.5 bn	
Year of issue	2008	
Maturity date	3/6/2013	
ISIN	DE 000 A0T R7K 7	
Interest expense		€ 37.8 mn
4.0 % bond issued by Allianz Finance II B.V., Amsterdam		
Volume	€ 1.5 bn	
Year of issue	2006	
Maturity date	11/23/2016	
ISIN	XS 027 588 026 7	
Interest expense		€ 30.7 mn
4.75 % bond issued by Allianz Finance II B.V., Amsterdam		
Volume	€ 1.5 bn	
Year of issue	2009	
Maturity date	7/22/2019	
ISIN	DE 000 A1A KHB 8	
Interest expense		€ 36.3 mn
Total interest expense for senior bonds		**€ 130.2 mn**
2. Subordinated bonds[3]		
6.125 % bond issued by Allianz Finance II B. V., Amsterdam		
Volume	€ 2.0 bn	
Year of issue	2002	
Maturity date	5/31/2022	
ISIN	XS 014 888 756 4	
Interest expense		€ 57.9 mn
6.5 % bond issued by Allianz Finance II B. V., Amsterdam		
Volume	€ 1.0 bn	
Year of issue	2002	
Maturity date	1/13/2025	
ISIN	XS 015 952 750 5	
Interest expense		€ 32.8 mn
5.5 % bond issued by Allianz SE		
Volume	€ 1.5 bn	
Year of issue	2004	
Maturity date	Perpetual Bond	
ISIN	XS 018 716 232 5	
Interest expense		€ 40.9 mn
4.375 % bond issued by Allianz Finance II B. V., Amsterdam		
Volume	€ 1.4 bn	
Year of issue	2005	
Maturity date	Perpetual Bond	
ISIN	XS 021 163 783 9	
Interest expense		€ 31.4 mn
5.375 % bond issued by Allianz Finance II B. V., Amsterdam		
Volume	€ 0.8 bn	
Year of issue	2006	
Maturity date	Perpetual Bond	
ISIN	DE 000 A0G NPZ 3	
Interest expense		€ 21.9 mn
8.375 % bond[4] issued by Allianz SE		
Volume	USD 2.0 bn	
Year of issue	2008	
Maturity date	Perpetual Bond	
ISIN	US 018 805 200 7	
Interest expense		€ 59.0 mn
5.75 % bond issued by Allianz Finance II B. V., Amsterdam		
Volume	€ 2.0 bn	
Year of issue	2011	
Maturity date	7/8/2041	
ISIN	DE 000 A1GNAH1	
Interest expense		€ 36.6 mn
Total interest expense for subordinated bonds		**€ 280.5 mn**
3. Issues matured in 2011		
7.25 % bond issued by Allianz Finance II B. V., Amsterdam		
Volume	USD 0.5 bn	
Year of issue	2002	
Maturity date	Perpetual Bond	
ISIN	XS 015 915 072 0	
Interest expense		€ 11.3 mn
Total interest expense		**€ 422.0 mn**

1 For further information on Allianz SE debt (issued or guaranteed) as of June 30, 2011, please refer to note 17 and 18 to our consolidated 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 one subordinated bond issued in 2002.
3 The terms of the subordinated bonds (except for the one subordinated bond mentioned in footnote 2 above) do not explicitly provide for early termination rights in favor of the bond holder. Interest payments are subject to certain conditions which are linked, inter alia, to our net income, and may have to be deferred. Nevertheless, the terms of the relevant bonds provide for alternative settlement mechanisms which allow us to avoid an interest deferral using cash raised from the issuance of specific newly issued instruments.
4 On October 23, 2009 the 8.375 % subordinated bond was traded on the New York Stock Exchange for the last time. The bond is now traded in the U.S. OTC market and information on traded prices can be obtained from the website of FINRA (U.S. Financial Industry Regulatory Authority, Inc.).

Reconciliations

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

For further information, please refer to note 3 to the condensed consolidated interim financial statements.

Composition of Total Revenues

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

Composition of total revenues

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Property-Casualty				
Gross premiums written	10,194	9,951	24,445	23,945
Life/Health				
Statutory premiums	12,978	14,124	27,248	29,480
Asset Management				
Operating revenues	1,303	1,188	2,576	2,304
consisting of:				
Net fee and commission income	1,297	1,188	2,553	2,285
Net interest income	4	(1)	11	8
Income from financial assets and liabilities carried at fair value through income (net)	(3)	(4)	3	1
Other income	5	5	9	10
Corporate and Other				
Total revenues	137	138	288	266
consisting of:				
Interest and similar income	183	173	361	342
Income from financial assets and liabilities carried at fair value through income (net)	1	(3)	10	(9)
Fee and commission income	111	107	218	209
Interest expenses, excluding interest expenses from external debt	(95)	(83)	(184)	(167)
Fee and commission expenses	(64)	(58)	(117)	(110)
Consolidation effects (Banking within Corporate and Other)	1	2	—	1
Consolidation	(38)	(12)	(78)	(39)
Allianz Group	24,574	25,389	54,479	55,956

Composition of Total Revenue Growth

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

Reconciliation of nominal total revenue growth to internal total revenue growth

	Three months ended June 30, 2011				Six months ended June 30, 2011			
	Internal growth %	Changes in scope of consolidation %	Foreign currency translation %	Nominal growth %	Internal growth %	Changes in scope of consolidation %	Foreign currency translation %	Nominal growth %
Property-Casualty	3.7	—	(1.3)	2.4	1.7	(0.2)	0.6	2.1
Life/Health	(5.9)	(0.1)	(2.1)	(8.1)	(7.3)	(0.1)	(0.2)	(7.6)
Asset Management	21.8	(0.4)	(11.7)	9.7	18.0	(0.7)	(5.5)	11.8
Corporate and Other	3.0	(3.7)	—	(0.7)	12.1	(3.8)	—	8.3
Allianz Group	**(0.9)**	**(0.1)**	**(2.2)**	**(3.2)**	**(2.4)**	**(0.1)**	**(0.1)**	**(2.6)**

Budapest, Bajcsy-Zsilinszky út


K+K Hotel
Opera
COSTA
COFFEE

Barcelona, Plaça de Colón

Allianz Group Condensed Consolidated Interim Financial Statements

Detailed Index

Allianz Group
Consolidated Balance Sheets

	Note	As of June 30, 2011 € mn	As of December 31, 2010 € mn
ASSETS			
Cash and cash equivalents		9,234	8,747
Financial assets carried at fair value through income	4	8,799	9,843
Investments	5	339,244	334,618
Loans and advances to banks and customers	6	122,860	122,678
Financial assets for unit-linked contracts		64,835	64,847
Reinsurance assets	7	12,553	13,135
Deferred acquisition costs	8	20,876	20,733
Deferred tax assets		2,618	2,663
Other assets	9	33,233	34,001
Non-current assets and assets of disposal groups classified as held for sale	10	103	299
Intangible assets	11	13,052	13,381
Total assets		**627,407**	**624,945**

	Note	As of June 30, 2011 € mn	As of December 31, 2010 € mn
LIABILITIES AND EQUITY			
Financial liabilities carried at fair value through income	12	4,898	5,013
Liabilities to banks and customers	13	21,440	21,155
Unearned premiums		19,224	16,497
Reserves for loss and loss adjustment expenses	14	66,247	66,474
Reserves for insurance and investment contracts	15	352,914	349,793
Financial liabilities for unit-linked contracts		64,835	64,847
Deferred tax liabilities		3,753	3,976
Other liabilities	16	31,417	33,213
Liabilities of disposal groups classified as held for sale	10	32	188
Certificated liabilities	17	7,428	8,229
Participation certificates and subordinated liabilities	18	10,530	8,998
Total liabilities		**582,718**	**578,383**
Shareholders' equity		42,615	44,491
Non-controlling interests		2,074	2,071
Total equity	19	**44,689**	**46,562**
Total liabilities and equity		627,407	624,945

Allianz Group
Consolidated Income Statements

		Three months ended June 30,		Six months ended June 30,	
	Note	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Premiums written		**15,803**	**15,934**	**36,477**	**35,977**
Ceded premiums written		(1,233)	(1,208)	(2,728)	(2,678)
Change in unearned premiums		752	759	(2,566)	(2,526)
Premiums earned (net)	**20**	**15,322**	**15,485**	**31,183**	**30,773**
Interest and similar income	21	5,350	5,169	10,244	9,748
Income from financial assets and liabilities carried at fair value through income (net)	22	(155)	28	(380)	231
Realized gains/losses (net)	23	485	396	1,599	1,706
Fee and commission income	24	2,038	1,909	4,025	3,710
Other income	25	33	36	64	65
Income from fully consolidated private equity investments	26	456	398	849	766
Total income		**23,529**	**23,421**	**47,584**	**46,999**
Claims and insurance benefits incurred (gross)		(12,018)	(11,632)	(24,472)	(23,620)
Claims and insurance benefits incurred (ceded)		675	536	1,151	857
Claims and insurance benefits incurred (net)	**27**	**(11,343)**	**(11,096)**	**(23,321)**	**(22,763)**
Change in reserves for insurance and investment contracts (net)	28	(2,836)	(3,517)	(6,598)	(6,743)
Interest expenses	29	(367)	(359)	(717)	(710)
Loan loss provisions	30	(33)	(9)	(49)	(21)
Impairments of investments (net)	31	(820)	(377)	(965)	(468)
Investment expenses	32	(208)	(215)	(410)	(392)
Acquisition and administrative expenses (net)	33	(5,109)	(5,013)	(10,125)	(10,004)
Fee and commission expenses	34	(657)	(629)	(1,306)	(1,228)
Amortization of intangible assets		(19)	(17)	(41)	(34)
Restructuring charges		(38)	(42)	(40)	(90)
Other expenses	35	(16)	(29)	(31)	(32)
Expenses from fully consolidated private equity investments	26	(469)	(413)	(881)	(818)
Total expenses		**(21,915)**	**(21,716)**	**(44,484)**	**(43,303)**
Income before income taxes		**1,614**	**1,705**	**3,100**	**3,696**
Income taxes	36	(543)	(548)	(1,114)	(936)
Net income		**1,071**	**1,157**	**1,986**	**2,760**
Net income attributable to:					
Non-controlling interests		71	68	129	106
Shareholders		1,000	1,089	1,857	2,654

		Three months ended June 30,		Six months ended June 30,	
	Note	2011 €	2010 €	2011 €	2010 €
Basic earnings per share	37	2.21	2.41	4.11	5.88
Diluted earnings per share	37	2.17	2.37	4.07	5.84

Allianz Group
Consolidated Statements of Comprehensive Income

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn
Net income	**1,071**	**1,157**	**1,986**	**2,760**
Other comprehensive income				
Foreign currency translation adjustments				
Reclassifications to net income	—	2	—	2
Changes arising during the period	(150)	1,462	(945)	2,399
Subtotal	**(150)**	**1,464**	**(945)**	**2,401**
Available-for-sale investments				
Reclassifications to net income	131	(86)	(180)	(818)
Changes arising during the period	133	(211)	(638)	1,331
Subtotal	**264**	**(297)**	**(818)**	**513**
Cash flow hedges				
Reclassifications to net income	—	(1)	(1)	(1)
Changes arising during the period	1	(21)	(6)	(18)
Subtotal	**1**	**(22)**	**(7)**	**(19)**
Share of other comprehensive income of associates				
Reclassifications to net income	—	—	—	—
Changes arising during the period	7	9	57	32
Subtotal	**7**	**9**	**57**	**32**
Miscellaneous				
Reclassifications to net income	—	—	—	—
Changes arising during the period	3	16	(2)	34
Subtotal	**3**	**16**	**(2)**	**34**
Total other comprehensive income	**125**	**1,170**	**(1,715)**	**2,961**
Total comprehensive income	**1,196**	**2,327**	**271**	**5,721**
Total comprehensive income attributable to:				
Non-controlling interests	112	110	120	206
Shareholders	1,084	2,217	151	5,515

For further details concerning income taxes relating to components of the other comprehensive income, please see note 36.

Allianz Group
Consolidated Statements of Changes in Equity

	Paid-in capital € mn	Retained earnings € mn	Foreign currency translation adjustments € mn	Unrealized gains and losses (net) € mn	Share-holders' equity € mn	Non-controlling interests € mn	Total equity € mn
Balance as of January 1, 2010	28,635	9,642	(3,626)	5,457	40,108	2,121	42,229
Total comprehensive income	—	2,722	2,325	468	5,515	206	5,721
Paid-in capital	—	—	—	—	—	—	—
Treasury shares	—	4	—	—	4	—	4
Transactions between equity holders	—	20	(10)	—	10	(55)	(45)
Dividends paid	—	(1,850)	—	—	(1,850)	(103)	(1,953)
Balance as of June 30, 2010	28,635	10,538	(1,311)	5,925	43,787	2,169	45,956
Balance as of January 1, 2011	28,685	13,088	(2,339)	5,057	44,491	2,071	46,562
Total comprehensive income	—	1,838	(911)	(776)	151	120	271
Paid-in capital	—	—	—	—	—	—	—
Treasury shares	—	9	—	—	9	—	9
Transactions between equity holders	—	(4)	—	—	(4)	4	—
Dividends paid	—	(2,032)	—	—	(2,032)	(121)	(2,153)
Balance as of June 30, 2011	28,685	12,899	(3,250)	4,281	42,615	2,074	44,689

Allianz Group
Condensed Consolidated Statements of Cash Flows

Six months ended June 30,	2011 € mn	2010 € mn
Summary		
Net cash flow provided by operating activities	11,836	9,256
Net cash flow used in investing activities	(10,935)	(10,469)
Net cash flow provided by (used in) financing activities	(172)	2,019
Effect of exchange rate changes on cash and cash equivalents	(242)	318
Change in cash and cash equivalents	**487**	**1,124**
Cash and cash equivalents at beginning of period	8,747	6,089
Cash and cash equivalents at end of period	**9,234**	**7,213**
Cash flow from operating activities		
Net income	**1,986**	**2,760**
Adjustments to reconcile net income to net cash flow provided by operating activities		
Share of earnings from investments in associates and joint ventures	(84)	(116)
Realized gains/losses (net) and impairments of investments (net) of		
Available-for-sale and held-to-maturity investments, investments in associates and joint ventures, real estate held for investment, loans and advances to banks and customers	(634)	(1,238)
Other investments, mainly financial assets held for trading and designated at fair value through income	(351)	383
Depreciation and amortization	528	499
Loan loss provisions	49	21
Interest credited to policyholder accounts	2,116	2,261
Net change in		
Financial assets and liabilities held for trading	242	(1,687)
Reverse repurchase agreements and collateral paid for securities borrowing transactions	(303)	(41)
Repurchase agreements and collateral received from securities lending transactions	1,179	167
Reinsurance assets	72	331
Deferred acquisition costs	(725)	(731)
Unearned premiums	3,009	2,942
Reserves for loss and loss adjustment expenses	544	151
Reserves for insurance and investment contracts	4,079	5,276
Deferred tax assets/liabilities	(65)	35
Other (net)	194	(1,757)
Subtotal	**9,850**	**6,496**
Net cash flow provided by operating activities	**11,836**	**9,256**
Cash flow from investing activities		
Proceeds from the sale, maturity or repayment of		
Financial assets designated at fair value through income	4,914	7,088
Available-for-sale investments	62,465	57,873
Held-to-maturity investments	93	123
Investments in associates and joint ventures	112	419
Non-current assets and assets of disposal groups classified as held for sale	142	—
Real estate held for investment	338	247
Loans and advances to banks and customers (purchased loans)	3,407	3,239
Property and equipment	49	129
Subtotal	**71,520**	**69,118**

Allianz Group
Condensed Consolidated Statements of Cash Flows (continued)

Six months ended June 30,	2011 € mn	2010 € mn
Payments for the purchase or origination of		
Financial assets designated at fair value through income	(4,193)	(4,665)
Available-for-sale investments	(73,867)	(75,080)
Held-to-maturity investments	(124)	(213)
Investments in associates and joint ventures	(66)	(267)
Non-current assets and assets of disposal groups classified as held for sale	—	(232)
Real estate held for investment	(163)	(511)
Loans and advances to banks and customers (purchased loans)	(3,693)	(3,198)
Property and equipment	(571)	(521)
Subtotal	**(82,677)**	**(84,687)**
Business combinations		
Proceeds from sale of subsidiaries, net of cash disposed	—	—
Acquisitions of subsidiaries, net of cash acquired	—	—
Change in loans and advances to banks and customers (originated loans)	**73**	**5,264**
Other (net)	**149**	**(164)**
Net cash flow used in investing activities	**(10,935)**	**(10,469)**
Cash flow from financing activities		
Policyholders' account deposits	9,161	11,351
Policyholders' account withdrawals	(7,271)	(6,391)
Net change in liabilities to banks and customers	(792)	(934)
Proceeds from the issuance of certificated liabilities, participation certificates and subordinated liabilities	4,345	3,878
Repayments of certificated liabilities, participation certificates and subordinated liabilities	(3,465)	(3,747)
Cash inflow from capital increases	—	—
Transactions between equity holders	—	(45)
Dividends paid to shareholders	(2,153)	(1,953)
Net cash flow from sale or purchase of treasury shares	8	5
Other (net)	(5)	(145)
Net cash flow provided by (used in) financing activities	**(172)**	**2,019**
Supplementary information on the condensed consolidated statements of cash flows		
Income taxes paid	(1,008)	(605)
Dividends received	696	646
Interest received	9,748	9,053
Interest paid	(855)	(967)

Allianz Group

Notes to the Condensed Consolidated Interim Financial Statements

1 Basis of presentation

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

Within these condensed consolidated interim financial statements, the Allianz Group has applied all IFRS issued by the IASB and endorsed by the E.U., that are compulsory as of January 1, 2011 or adopted early. See note 2 for further details.

For existing and unchanged IFRS the accounting policies for recognition, measurement, consolidation and presentation applied in the preparation of the condensed consolidated interim financial statements are consistent with the accounting policies that have been applied in the preparation of the consolidated financial statements for the year ended December 31, 2010. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements included in the Allianz Group Annual Report 2010.

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

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

These condensed consolidated interim financial statements of the Allianz Group were authorized for issue by the Board of Management on August 4, 2011.

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

Recently adopted accounting pronouncements (effective January 1, 2011)

The following amendments and revisions to standards as well as interpretations have become effective for the Allianz Group's consolidated financial statements as of January 1, 2011:

- IAS 32, Financial Instruments: Presentation – Amendments relating to classification of rights issues
- IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments
- IAS 24, Related Party Disclosures – revised
- IFRIC 14, IAS 19, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Amendments
- Annual Improvements to IFRSs 2010

The Allianz Group adopted the revisions, amendments and interpretations as of January 1, 2011, with no material impact on its financial results or financial position.

Changes in accounting policies of the consolidated financial statements

Change in accounting policy for fixed-indexed annuities

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

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

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

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

Other reclassifications

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

Impacts of the changes in accounting policies on the Allianz Group's consolidated income statements

The following table summarizes the impacts on the consolidated income statements for the three months and the six months ended June 30, 2010 relating to the change in accounting policy for fixed-indexed annuities:

	Three months ended June 30, 2010			Six months ended June 30, 2010		
	As previously reported € mn	Change in accounting policy for fixed-indexed annuities € mn	As reported € mn	As previously reported € mn	Change in accounting policy for fixed-indexed annuities € mn	As reported € mn
Premiums written	**15,945**	**(11)**	**15,934**	**35,997**	**(20)**	**35,977**
Ceded premiums written	(1,208)	—	(1,208)	(2,678)	—	(2,678)
Change in unearned premiums	759	—	759	(2,526)	—	(2,526)
Premiums earned (net)	**15,496**	**(11)**	**15,485**	**30,793**	**(20)**	**30,773**
Interest and similar income	5,169	—	5,169	9,748	—	9,748
Income from financial assets and liabilities carried at fair value through income (net)	(235)	263	28	(116)	347	231
Realized gains/losses (net)	396	—	396	1,706	—	1,706
Fee and commission income	1,909	—	1,909	3,710	—	3,710
Other income	36	—	36	65	—	65
Income from fully consolidated private equity investments	398	—	398	766	—	766
Total income	**23,169**	**252**	**23,421**	**46,672**	**327**	**46,999**
Claims and insurance benefits incurred (gross)	(11,632)	—	(11,632)	(23,620)	—	(23,620)
Claims and insurance benefits incurred (ceded)	536	—	536	857	—	857
Claims and insurance benefits incurred (net)	**(11,096)**	**—**	**(11,096)**	**(22,763)**	**—**	**(22,763)**
Change in reserves for insurance and investment contracts (net)	(3,473)	(44)	(3,517)	(6,649)	(94)	(6,743)
Interest expenses	(359)	—	(359)	(710)	—	(710)
Loan loss provisions	(9)	—	(9)	(21)	—	(21)
Impairments of investments (net)	(377)	—	(377)	(468)	—	(468)
Investment expenses	(215)	—	(215)	(392)	—	(392)
Acquisition and administrative expenses (net)	(4,916)	(97)	(5,013)	(9,905)	(99)	(10,004)
Fee and commission expenses	(629)	—	(629)	(1,228)	—	(1,228)
Amortization of intangible assets	(17)	—	(17)	(34)	—	(34)
Restructuring charges	(42)	—	(42)	(90)	—	(90)
Other expenses	(29)	—	(29)	(32)	—	(32)
Expenses from fully consolidated private equity investments	(413)	—	(413)	(818)	—	(818)
Total expenses	**(21,575)**	**(141)**	**(21,716)**	**(43,110)**	**(193)**	**(43,303)**
Income before income taxes	**1,594**	**111**	**1,705**	**3,562**	**134**	**3,696**
Income taxes	(509)	(39)	(548)	(889)	(47)	(936)
Net income	**1,085**	**72**	**1,157**	**2,673**	**87**	**2,760**
Net income attributable to:						
Non-controlling interests	68	—	68	106	—	106
Shareholders	1,017	72	1,089	2,567	87	2,654
Basic earnings per share (in €)	2.25	0.16	2.41	5.69	0.19	5.88
Diluted earnings per share (in €)	2.21	0.16	2.37	5.65	0.19	5.84

3 Segment reporting

Identification of reportable segments

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

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

Asset management activities represent a separate reportable segment. Due to differences in the nature of products, risks and capital allocation, corporate and other activities are divided into three reportable segments: Holding & Treasury, Banking and Alternative Investments. In total, the Allianz Group has identified 15 reportable segments in accordance with IFRS 8, Operating Segments.

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

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

Life/Health
In the Life/Health category, reportable segments offer a comprehensive range of life and health insurance products on both 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 long-term care insurance.

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

Corporate and Other
The reportable segment Holding & Treasury includes the management and support of the Allianz Group's businesses through its strategy, risk, corporate finance, treasury, financial control, communication, legal, human resources and technology functions.

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

The reportable segment Alternative Investments provides global alternative investment management services in the private equity, real estate, renewable energy and infrastructure sectors mainly on behalf of the Allianz Group's insurance operations. The Alternative Investments reportable segment also includes certain fully consolidated private equity investments.

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

Reportable segments measure of profit or loss

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

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

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

Against this general rule the following exceptions apply:

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

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

Business Segment Information – Consolidated Balance Sheets

	Property-Casualty		Life/Health	
	As of June 30, 2011 € mn	As of December 31, 2010 € mn	**As of June 30, 2011** € mn	As of December 31, 2010 € mn
ASSETS				
Cash and cash equivalents	2,919	2,520	4,740	4,482
Financial assets carried at fair value through income	1,770	1,852	6,132	6,867
Investments	83,832	82,786	250,909	247,568
Loans and advances to banks and customers	17,615	17,697	97,140	97,377
Financial assets for unit-linked contracts	—	—	64,835	64,847
Reinsurance assets	8,104	8,365	4,467	4,793
Deferred acquisition costs	4,375	4,121	16,349	16,460
Deferred tax assets	1,021	1,110	242	208
Other assets[1]	20,765	21,738	15,954	16,424
Non-current assets and assets of disposal groups classified as held for sale[2]	58	28	34	24
Intangible assets	2,277	2,308	2,330	2,346
Total assets	**142,736**	**142,525**	**463,132**	**461,396**

	Property-Casualty		Life/Health	
	As of June 30, 2011 € mn	As of December 31, 2010 € mn	**As of June 30, 2011** € mn	As of December 31, 2010 € mn
LIABILITIES AND EQUITY				
Financial liabilities carried at fair value through income	52	79	4,789	4,905
Liabilities to banks and customers	1,163	1,368	1,917	796
Unearned premiums	16,793	14,206	2,431	2,291
Reserves for loss and loss adjustment expenses	57,066	57,509	9,198	8,984
Reserves for insurance and investment contracts	9,472	9,338	343,531	340,539
Financial liabilities for unit-linked contracts	—	—	64,835	64,847
Deferred tax liabilities	2,375	2,461	1,535	1,559
Other liabilities	15,599	16,756	13,513	15,124
Liabilities of disposal groups classified as held for sale[3]	30	—	—	—
Certificated liabilities	25	—	—	2
Participation certificates and subordinated liabilities	—	398	65	65
Total liabilities	**102,575**	**102,115**	**441,814**	**439,112**

1 Includes a change of € 1.9 bn in Asset Management and Consolidation resulting from a harmonization of the consolidation logic as of June 30, 2011.
2 Comprise as of June 30, 2011, the assets from the disposal group Allianz Kazakhstan ZAO, Almaty, in Property-Casualty, the assets from the disposal group Allianz Asset Management a.s., Bratislava, in Asset Management and other non-current assets classified as held for sale in Property-Casualty, Life/Health and Corporate and Other. See note 10 for further information.
3 Comprise as of June 30, 2011, the liabilities from the disposal group Allianz Kazakhstan ZAO, Almaty, in Property-Casualty and the liabilities from the disposal group Allianz Asset Management a.s., Bratislava, in Asset Management. See note 10 for further information.

Asset Management		Corporate and Other		Consolidation		Group	
As of June 30, 2011 € mn	As of December 31, 2010 € mn	**As of June 30, 2011 € mn**	As of December 31, 2010 € mn	**As of June 30, 2011 € mn**	As of December 31, 2010 € mn	**As of June 30, 2011 € mn**	As of December 31, 2010 € mn
1,060	899	889	1,045	(374)	(199)	9,234	8,747
735	729	634	826	(472)	(431)	8,799	9,843
1,109	1,208	91,116	90,039	(87,722)	(86,983)	339,244	334,618
384	358	17,342	16,443	(9,621)	(9,197)	122,860	122,678
—	—	—	—	—	—	64,835	64,847
—	—	—	—	(18)	(23)	12,553	13,135
152	152	—	—	—	—	20,876	20,733
240	271	1,514	1,372	(399)	(298)	2,618	2,663
1,732	3,725	4,608	5,525	(9,826)	(13,411)	33,233	34,001
3	—	8	248	—	(1)	103	299
6,828	7,065	1,617	1,662	—	—	13,052	13,381
12,243	**14,407**	**117,728**	**117,160**	**(108,432)**	**(110,543)**	**627,407**	**624,945**

Asset Management		Corporate and Other		Consolidation		Group	
As of June 30, 2011 € mn	As of December 31, 2010 € mn	**As of June 30, 2011 € mn**	As of December 31, 2010 € mn	**As of June 30, 2011 € mn**	As of December 31, 2010 € mn	**As of June 30, 2011 € mn**	As of December 31, 2010 € mn
2	—	530	461	(475)	(432)	4,898	5,013
1,022	876	20,476	20,499	(3,138)	(2,384)	21,440	21,155
—	—	—	—	—	—	19,224	16,497
—	—	—	—	(17)	(19)	66,247	66,474
—	—	35	42	(124)	(126)	352,914	349,793
—	—	—	—	—	—	64,835	64,847
51	80	191	174	(399)	(298)	3,753	3,976
2,944	3,364	15,786	15,333	(16,425)	(17,364)	31,417	33,213
2	—	—	241	—	(53)	32	188
—	—	13,624	14,448	(6,221)	(6,221)	7,428	8,229
14	14	10,708	8,778	(257)	(257)	10,530	8,998
4,035	**4,334**	**61,350**	**59,976**	**(27,056)**	**(27,154)**	**582,718**	**578,383**
				Total equity		**44,689**	**46,562**
				Total liabilities and equity		**627,407**	**624,945**

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

	Property-Casualty		Life/Health	
Three months ended June 30,	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Total revenues[1]	**10,194**	**9,951**	**12,978**	**14,124**
Premiums earned (net)	9,878	9,689	5,444	5,796
Operating investment result				
Interest and similar income	967	960	4,197	4,005
Operating income from financial assets and liabilities carried at fair value through income (net)	9	(21)	(110)	245
Operating realized gains/losses (net)	3	3	335	212
Interest expenses, excluding interest expenses from external debt	(14)	(19)	(21)	(31)
Operating impairments of investments (net)	(7)	(6)	(384)	(184)
Investment expenses	(61)	(54)	(183)	(184)
Subtotal	**897**	**863**	**3,834**	**4,063**
Fee and commission income	289	282	138	129
Other income	7	4	22	29
Claims and insurance benefits incurred (net)	(6,619)	(6,645)	(4,724)	(4,451)
Change in reserves for insurance and investment contracts (net)[2]	(77)	(89)	(2,738)	(3,409)
Loan loss provisions	—	—	—	1
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(2,768)	(2,688)	(1,233)	(1,247)
Fee and commission expenses	(275)	(264)	(46)	(63)
Operating restructuring charges	—	—	(1)	—
Other expenses	(3)	(5)	(17)	(24)
Reclassification of tax benefits	—	—	—	—
Operating profit (loss)	**1,329**	**1,147**	**679**	**824**
Non-operating investment result				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(14)	4	(3)	26
Non-operating realized gains/losses (net)	123	93	(129)	13
Non-operating impairments of investments (net)	(83)	(85)	(195)	(10)
Subtotal	**26**	**12**	**(327)**	**29**
Income from fully consolidated private equity investments (net)	—	—	—	—
Interest expenses from external debt	—	—	—	—
Acquisition-related expenses	—	—	—	—
Amortization of intangible assets	(1)	(4)	(1)	—
Non-operating restructuring charges	(34)	(15)	(1)	(6)
Reclassification of tax benefits	—	—	—	—
Non-operating items	**(9)**	**(7)**	**(329)**	**23**
Income (loss) before income taxes	**1,320**	**1,140**	**350**	**847**
Income taxes	(368)	(303)	(136)	(287)
Net income (loss)	**952**	**837**	**214**	**560**
Net income (loss) attributable to:				
Non-controlling interests	60	51	11	19
Shareholders	892	786	203	541

1 Total revenues comprise statutory gross premiums written in Property-Casualty and Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).
2 During the three months ended June 30, 2011, includes expenses for premium refunds (net) in Property-Casualty of € (32) mn (2010: € (19) mn).

Asset Management		Corporate and Other		Consolidation		Group	
2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
1,303	1,188	137	138	(38)	(12)	24,574	25,389
—	—	—	—	—	—	15,322	15,485
14	12	320	297	(148)	(105)	5,350	5,169
(3)	(4)	(2)	2	4	(9)	(102)	213
—	—	—	—	1	—	339	215
(10)	(13)	(207)	(179)	124	103	(128)	(139)
—	—	—	—	—	—	(391)	(190)
—	—	(25)	(23)	61	46	(208)	(215)
1	(5)	86	97	42	35	4,860	5,053
1,577	1,458	175	169	(141)	(129)	2,038	1,909
5	5	2	—	(3)	(2)	33	36
—	—	—	—	—	—	(11,343)	(11,096)
—	—	—	—	(21)	(19)	(2,836)	(3,517)
—	—	(33)	(10)	—	—	(33)	(9)
(775)	(672)	(317)	(309)	18	13	(5,075)	(4,903)
(280)	(270)	(117)	(102)	61	70	(657)	(629)
—	—	—	—	—	—	(1)	—
—	—	(1)	—	5	—	(16)	(29)
—	—	—	—	8	2	8	2
528	516	(205)	(155)	(31)	(30)	2,300	2,302
—	—	(33)	(224)	(3)	9	(53)	(185)
—	—	22	71	130	4	146	181
(2)	—	(19)	(92)	(130)	—	(429)	(187)
(2)	—	(30)	(245)	(3)	13	(336)	(191)
—	—	(26)	(32)	13	17	(13)	(15)
—	—	(239)	(220)	—	—	(239)	(220)
(37)	(114)	3	4	—	—	(34)	(110)
(7)	(7)	(10)	(6)	—	—	(19)	(17)
(1)	(7)	(1)	(14)	—	—	(37)	(42)
—	—	—	—	(8)	(2)	(8)	(2)
(47)	(128)	(303)	(513)	2	28	(686)	(597)
481	388	(508)	(668)	(29)	(2)	1,614	1,705
(192)	(158)	145	197	8	3	(543)	(548)
289	230	(363)	(471)	(21)	1	1,071	1,157
4	3	(4)	(5)	—	—	71	68
285	227	(359)	(466)	(21)	1	1,000	1,089

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

	Property-Casualty		Life/Health	
Six months ended June 30,	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn
Total revenues[1]	**24,445**	**23,945**	**27,248**	**29,480**
Premiums earned (net)	19,554	19,102	11,629	11,671
Operating investment result				
Interest and similar income	1,876	1,839	8,030	7,550
Operating income from financial assets and liabilities carried at fair value through income (net)	28	(12)	(272)	391
Operating realized gains/losses (net)	12	12	1,053	750
Interest expenses, excluding interest expenses from external debt	(27)	(44)	(47)	(54)
Operating impairments of investments (net)	(7)	(6)	(446)	(223)
Investment expenses	(117)	(109)	(361)	(329)
Subtotal	**1,765**	**1,680**	**7,957**	**8,085**
Fee and commission income	562	536	268	247
Other income	11	8	45	49
Claims and insurance benefits incurred (net)	(13,709)	(13,467)	(9,612)	(9,296)
Change in reserves for insurance and investment contracts (net)[2]	(180)	(173)	(6,367)	(6,505)
Loan loss provisions	—	—	—	2
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(5,476)	(5,321)	(2,402)	(2,450)
Fee and commission expenses	(529)	(501)	(105)	(117)
Operating restructuring charges	—	—	(1)	(1)
Other expenses	(6)	(5)	(31)	(26)
Reclassification of tax benefits	—	—	—	—
Operating profit (loss)	**1,992**	**1,859**	**1,381**	**1,659**
Non-operating investment result				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(12)	(19)	(12)	(12)
Non-operating realized gains/losses (net)	332	294	(119)	31
Non-operating impairments of investments (net)	(116)	(84)	(199)	(8)
Subtotal	**204**	**191**	**(330)**	**11**
Income from fully consolidated private equity investments (net)	—	—	—	—
Interest expenses from external debt	—	—	—	—
Acquisition-related expenses	—	—	—	—
Amortization of intangible assets	(5)	(7)	(2)	(1)
Non-operating restructuring charges	(35)	(42)	(1)	(22)
Reclassification of tax benefits	—	—	—	—
Non-operating items	**164**	**142**	**(333)**	**(12)**
Income (loss) before income taxes	**2,156**	**2,001**	**1,048**	**1,647**
Income taxes	(647)	(573)	(352)	(511)
Net income (loss)	**1,509**	**1,428**	**696**	**1,136**
Net income (loss) attributable to:				
Non-controlling interests	98	82	32	40
Shareholders	1,411	1,346	664	1,096

1 Total revenues comprise statutory gross premiums written in Property-Casualty and Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).
2 During the six months ended June 30, 2011, includes expenses for premium refunds (net) in Property-Casualty of € (77) mn (2010: € (62) mn).

Asset Management		Corporate and Other		Consolidation		Group	
2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn
2,576	2,304	288	266	(78)	(39)	54,479	55,956
—	—	—	—	—	—	31,183	30,773
27	25	565	526	(254)	(192)	10,244	9,748
3	1	5	(23)	5	(24)	(231)	333
—	—	—	—	2	—	1,067	762
(16)	(17)	(397)	(358)	234	205	(253)	(268)
—	—	—	—	—	—	(453)	(229)
—	—	(48)	(44)	116	90	(410)	(392)
14	9	125	101	103	79	9,964	9,954
3,108	2,811	357	356	(270)	(240)	4,025	3,710
9	10	2	—	(3)	(2)	64	65
—	—	—	—	—	—	(23,321)	(22,763)
—	—	—	—	(51)	(65)	(6,598)	(6,743)
—	—	(49)	(23)	—	—	(49)	(21)
(1,520)	(1,322)	(624)	(626)	32	23	(9,990)	(9,696)
(555)	(526)	(237)	(213)	120	129	(1,306)	(1,228)
—	—	—	—	—	—	(1)	(1)
—	—	(2)	(1)	8	—	(31)	(32)
—	—	—	—	20	16	20	16
1,056	982	(428)	(406)	(41)	(60)	3,960	4,034
—	—	(121)	(97)	(4)	26	(149)	(102)
3	1	174	564	142	54	532	944
(2)	—	(65)	(147)	(130)	—	(512)	(239)
1	1	(12)	320	8	80	(129)	603
—	—	(63)	(102)	31	50	(32)	(52)
—	—	(464)	(442)	—	—	(464)	(442)
(132)	(310)	(3)	2	—	—	(135)	(308)
(14)	(15)	(20)	(11)	—	—	(41)	(34)
(1)	(11)	(2)	(14)	—	—	(39)	(89)
—	—	—	—	(20)	(16)	(20)	(16)
(146)	(335)	(564)	(247)	19	114	(860)	(338)
910	647	(992)	(653)	(22)	54	3,100	3,696
(312)	(274)	177	406	20	16	(1,114)	(936)
598	373	(815)	(247)	(2)	70	1,986	2,760
7	(3)	(8)	(13)	—	—	129	106
591	376	(807)	(234)	(2)	70	1,857	2,654

Reportable segments – Property-Casualty business

	German Speaking Countries[1]		Europe incl. South America[2,3]	
Three months ended June 30,	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn
Gross premiums written	**1,975**	**1,978**	**3,173**	**3,126**
Ceded premiums written	(345)	(357)	(269)	(300)
Change in unearned premiums	713	703	61	104
Premiums earned (net)	**2,343**	**2,324**	**2,965**	**2,930**
Interest and similar income	311	300	290	294
Operating income from financial assets and liabilities carried at fair value through income (net)	1	(3)	30	(16)
Operating realized gains/losses (net)	3	3	—	—
Fee and commission income	35	32	7	7
Other income	4	5	2	—
Operating revenues	**2,697**	**2,661**	**3,294**	**3,215**
Claims and insurance benefits incurred (net)	(1,705)	(1,675)	(2,050)	(2,144)
Change in reserves for insurance and investment contracts (net)	(68)	(71)	—	(2)
Interest expenses	(17)	(20)	(4)	(11)
Operating impairments on investments (net)	(7)	(6)	—	—
Investment expenses	(19)	(17)	(28)	(21)
Acquisition and administrative expenses (net)	(618)	(617)	(790)	(753)
Fee and commission expenses	(34)	(32)	(8)	(7)
Other expenses	(3)	(4)	—	—
Operating expenses	**(2,471)**	**(2,442)**	**(2,880)**	**(2,938)**
Operating profit (loss)	**226**	**219**	**414**	**277**
Loss ratio[4] in %	72.7	72.1	69.2	73.2
Expense ratio[5] in %	26.4	26.5	26.6	25.7
Combined ratio[6] in %	**99.1**	**98.6**	**95.8**	**98.9**

1 In 2011, Allianz China General Insurance Company Ltd., a former branch of Allianz Versicherungs-AG, was transferred from German Speaking Countries to Growth Markets. Prior year figures have not been adjusted.
2 Corporate customer business in Spain transferred to AGCS in 2010. Prior year figures have been adjusted accordingly.
3 Corporate customer business in the Netherlands and Belgium as well as Allianz Insurance (Hong Kong) Ltd. and Allianz Insurance Company of Singapore Pte. Ltd. were transferred to AGCS in 2010 and 2011. Prior year figures have not been adjusted.
4 Represents claims and insurance benefits incurred (net) divided by premiums earned (net).
5 Represents acquisition and administrative expenses (net) divided by premiums earned (net).
6 Represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).
7 Presentation not meaningful.

NAFTA Markets		Global Insurance Lines & Anglo Markets[2,3]		Growth Markets[1,3]		Assistance		Consolidation[2]		Property-Casualty	
2011 € mn	2010 € mn	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn
752	**861**	**3,895**	**3,551**	**760**	**759**	**408**	**376**	**(769)**	**(700)**	**10,194**	**9,951**
(146)	(187)	(986)	(785)	(157)	(156)	(5)	(3)	785	712	(1,123)	(1,076)
(31)	(9)	70	27	3	(2)	(9)	(9)	—	—	807	814
575	**665**	**2,979**	**2,793**	**606**	**601**	**394**	**364**	**16**	**12**	**9,878**	**9,689**
70	89	269	255	39	42	6	5	(18)	(25)	967	960
(1)	(1)	(21)	(5)	—	4	—	(1)	—	1	9	(21)
—	—	—	—	—	—	—	—	—	—	3	3
—	—	162	153	13	11	94	94	(22)	(15)	289	282
—	—	—	—	—	(1)	2	—	(1)	—	7	4
644	**753**	**3,389**	**3,196**	**658**	**657**	**496**	**462**	**(25)**	**(27)**	**11,153**	**10,917**
(527)	(489)	(1,724)	(1,709)	(372)	(409)	(230)	(218)	(11)	(1)	(6,619)	(6,645)
—	1	(8)	(18)	(1)	1	—	—	—	—	(77)	(89)
—	—	(7)	(8)	(3)	(1)	(1)	—	18	21	(14)	(19)
—	—	—	—	—	—	—	—	—	—	(7)	(6)
(1)	(1)	(10)	(12)	(3)	(4)	—	—	—	1	(61)	(54)
(187)	(222)	(822)	(775)	(214)	(205)	(143)	(130)	6	14	(2,768)	(2,688)
—	—	(137)	(132)	(14)	(16)	(97)	(90)	15	13	(275)	(264)
—	—	—	—	—	(1)	—	—	—	—	(3)	(5)
(715)	**(711)**	**(2,708)**	**(2,654)**	**(607)**	**(635)**	**(471)**	**(438)**	**28**	**48**	**(9,824)**	**(9,770)**
(71)	**42**	**681**	**542**	**51**	**22**	**25**	**24**	**3**	**21**	**1,329**	**1,147**
91.7	73.5	57.9	61.2	61.4	68.1	58.4	59.9	—[7]	—[7]	67.0	68.6
32.5	33.4	27.6	27.7	35.3	34.1	36.3	35.7	—[7]	—[7]	28.0	27.7
124.2	**106.9**	**85.5**	**88.9**	**96.7**	**102.2**	**94.7**	**95.6**	**—[7]**	**—[7]**	**95.0**	**96.3**

Reportable segments – Property-Casualty business (continued)

	German Speaking Countries[1]		Europe incl. South America[2,3]	
Six months ended June 30,	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn
Gross premiums written	**7,088**	**7,074**	**7,064**	**6,904**
Ceded premiums written	(1,151)	(1,180)	(760)	(708)
Change in unearned premiums	(1,269)	(1,266)	(397)	(380)
Premiums earned (net)	**4,668**	**4,628**	**5,907**	**5,816**
Interest and similar income	607	589	537	536
Operating income from financial assets and liabilities carried at fair value through income (net)	1	—	65	4
Operating realized gains/losses (net)	12	12	—	—
Fee and commission income	70	63	15	15
Other income	8	6	2	1
Operating revenues	**5,366**	**5,298**	**6,526**	**6,372**
Claims and insurance benefits incurred (net)	(3,355)	(3,339)	(4,144)	(4,299)
Change in reserves for insurance and investment contracts (net)	(150)	(134)	—	(4)
Interest expenses	(39)	(44)	(8)	(28)
Operating impairments on investments (net)	(7)	(6)	—	—
Investment expenses	(40)	(37)	(51)	(42)
Acquisition and administrative expenses (net)	(1,235)	(1,231)	(1,537)	(1,506)
Fee and commission expenses	(69)	(62)	(15)	(14)
Other expenses	(6)	(4)	—	—
Operating expenses	**(4,901)**	**(4,857)**	**(5,755)**	**(5,893)**
Operating profit (loss)	**465**	**441**	**771**	**479**
Loss ratio[4] in %	71.8	72.1	70.2	73.9
Expense ratio[5] in %	26.5	26.6	26.0	25.9
Combined ratio[6] in %	**98.3**	**98.7**	**96.2**	**99.8**

1 In 2011, Allianz China General Insurance Company Ltd., a former branch of Allianz Versicherungs-AG, was transferred from German Speaking Countries to Growth Markets. Prior year figures have not been adjusted.
2 Corporate customer business in Spain transferred to AGCS in 2010. Prior year figures have been adjusted accordingly.
3 Corporate customer business in the Netherlands and Belgium as well as Allianz Insurance (Hong Kong) Ltd. and Allianz Insurance Company of Singapore Pte. Ltd. were transferred to AGCS in 2010 and 2011. Prior year figures have not been adjusted.
4 Represents claims and insurance benefits incurred (net) divided by premiums earned (net).
5 Represents acquisition and administrative expenses (net) divided by premiums earned (net).
6 Represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).
7 Presentation not meaningful.

NAFTA Markets		Global Insurance Lines & Anglo Markets[2,3]		Growth Markets[1,3]		Assistance		Consolidation[2]		Property-Casualty	
2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
1,404	**1,541**	**8,602**	**8,189**	**1,685**	**1,682**	**868**	**773**	**(2,266)**	**(2,218)**	**24,445**	**23,945**
(282)	(323)	(2,192)	(2,065)	(363)	(377)	(7)	(5)	2,286	2,233	(2,469)	(2,425)
9	46	(573)	(628)	(105)	(119)	(87)	(71)	—	—	(2,422)	(2,418)
1,131	**1,264**	**5,837**	**5,496**	**1,217**	**1,186**	**774**	**697**	**20**	**15**	**19,554**	**19,102**
147	171	532	494	77	83	13	12	(37)	(46)	1,876	1,839
—	(1)	(32)	(16)	(5)	1	(1)	(2)	—	2	28	(12)
—	—	—	—	—	—	—	—	—	—	12	12
—	—	304	283	26	27	184	179	(37)	(31)	562	536
—	—	—	—	—	1	2	—	(1)	—	11	8
1,278	**1,434**	**6,641**	**6,257**	**1,315**	**1,298**	**972**	**886**	**(55)**	**(60)**	**22,043**	**21,485**
(893)	(894)	(4,089)	(3,729)	(750)	(780)	(465)	(423)	(13)	(3)	(13,709)	(13,467)
—	1	(30)	(36)	—	—	—	—	—	—	(180)	(173)
—	—	(12)	(15)	(4)	(2)	(1)	—	37	45	(27)	(44)
—	—	—	—	—	—	—	—	—	—	(7)	(6)
(2)	(2)	(18)	(21)	(6)	(7)	—	—	—	—	(117)	(109)
(389)	(455)	(1,627)	(1,488)	(418)	(395)	(279)	(248)	9	2	(5,476)	(5,321)
—	—	(258)	(243)	(28)	(36)	(186)	(173)	27	27	(529)	(501)
—	—	—	—	—	(1)	—	—	—	—	(6)	(5)
(1,284)	**(1,350)**	**(6,034)**	**(5,532)**	**(1,206)**	**(1,221)**	**(931)**	**(844)**	**60**	**71**	**(20,051)**	**(19,626)**
(6)	**84**	**607**	**725**	**109**	**77**	**41**	**42**	**5**	**11**	**1,992**	**1,859**
79.0	70.7	70.0	67.8	61.7	65.8	60.1	60.7	—[7]	—[7]	70.1	70.5
34.4	36.0	27.9	27.1	34.3	33.3	36.0	35.6	—[7]	—[7]	28.0	27.9
113.4	**106.7**	**97.9**	**94.9**	**96.0**	**99.1**	**96.1**	**96.3**	**—[7]**	**—[7]**	**98.1**	**98.4**

Reportable segments – Life/Health business

	German Speaking Countries[1]		Europe incl. South America[1]	
Three months ended June 30,	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn
Statutory premiums[2]	**4,842**	**5,105**	**4,408**	**5,097**
Ceded premiums written	(42)	(47)	(83)	(70)
Change in unearned premiums	(34)	(34)	21	1
Statutory premiums (net)	4,766	5,024	4,346	5,028
Deposits from insurance and investment contracts	(1,324)	(1,261)	(3,139)	(3,834)
Premiums earned (net)	**3,442**	**3,763**	**1,207**	**1,194**
Interest and similar income	2,203	2,120	1,183	1,097
Operating income from financial assets and liabilities carried at fair value through income (net)	17	179	5	(137)
Operating realized gains/losses (net)	190	122	113	79
Fee and commission income	9	9	96	94
Other income	21	26	1	—
Operating revenues	**5,882**	**6,219**	**2,605**	**2,327**
Claims and insurance benefits incurred (net)	(3,168)	(3,018)	(1,102)	(1,077)
Change in reserves for insurance and investment contracts (net)	(1,730)	(2,353)	(486)	(374)
Interest expenses	(30)	(22)	(6)	(7)
Loan loss provisions	—	—	—	—
Operating impairments of investments (net)	(181)	(119)	(200)	(57)
Investment expenses	(110)	(101)	(55)	(54)
Acquisition and administrative expenses (net)	(369)	(248)	(468)	(443)
Fee and commission expenses	(3)	(8)	(35)	(46)
Operating restructuring charges	(1)	—	—	—
Other expenses	(16)	(24)	(1)	—
Operating expenses	**(5,608)**	**(5,893)**	**(2,353)**	**(2,058)**
Operating profit (loss)	**274**	**326**	**252**	**269**
Cost-income ratio[3] in %	**96.0**	**95.5**	**95.4**	**95.5**

1 From 2011 on, the variable annuity business of Allianz Global Life is shown within Germany, France and Italy, respectively. Prior year figures have not been adjusted.
2 Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.
3 Represents deposits from insurance and investment contracts, claims and insurance benefits incurred (net), change in reserves for insurance and investment contracts (net) and acquisition and administrative expenses (net) divided by statutory premiums (net), interest and similar income, operating income from financial assets and liabilities carried at fair value through income (net), operating realized gains/losses (net), fee and commission income, other income, interest expenses, loan loss provisions, operating impairments of investments (net), investment expenses, fee and commission expenses, operating restructuring charges and other expenses.
4 Presentation not meaningful.

NAFTA Markets		Global Insurance Lines & Anglo Markets		Growth Markets[1]		Consolidation		Life/Health	
2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn	2011 € mn	2010 € mn
2,104	2,077	94	56	1,630	1,850	(100)	(61)	12,978	14,124
(36)	(43)	(14)	(1)	(40)	(29)	100	61	(115)	(129)
1	2	—	3	(43)	(27)	—	—	(55)	(55)
2,069	2,036	80	58	1,547	1,794	—	—	12,808	13,940
(1,892)	(1,855)	—	—	(1,009)	(1,194)	—	—	(7,364)	(8,144)
177	181	80	58	538	600	—	—	5,444	5,796
620	584	21	13	189	178	(19)	13	4,197	4,005
(112)	228	(19)	(22)	(3)	11	2	(14)	(110)	245
18	3	—	—	14	8	—	—	335	212
14	13	—	—	19	17	—	(4)	138	129
—	—	—	—	—	3	—	—	22	29
717	1,009	82	49	757	817	(17)	(5)	10,026	10,416
(23)	(27)	(86)	(60)	(345)	(269)	—	—	(4,724)	(4,451)
(384)	(473)	18	24	(156)	(232)	—	(1)	(2,738)	(3,409)
(1)	(2)	(1)	—	(3)	(2)	20	2	(21)	(31)
—	—	—	—	—	1	—	—	—	1
(4)	(5)	—	—	1	(3)	—	—	(384)	(184)
(10)	(14)	(1)	(1)	(7)	(6)	—	(8)	(183)	(184)
(155)	(312)	(13)	(14)	(226)	(231)	(2)	1	(1,233)	(1,247)
(8)	(12)	—	—	—	—	—	3	(46)	(63)
—	—	—	—	—	—	—	—	(1)	—
—	—	—	—	—	—	—	—	(17)	(24)
(585)	(845)	(83)	(51)	(736)	(742)	18	(3)	(9,347)	(9,592)
132	164	(1)	(2)	21	75	1	(8)	679	824
94.9	94.2	101.3	104.2	98.8	96.3	—[4]	—[4]	95.9	95.4

Reportable segments – Life/Health business (continued)

	German Speaking Countries[1]		Europe incl. South America[1]	
Six months ended June 30,	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Statutory premiums[2]	**10,601**	**10,755**	**9,168**	**11,052**
Ceded premiums written	(84)	(90)	(185)	(162)
Change in unearned premiums	(80)	(53)	8	(14)
Statutory premiums (net)	10,437	10,612	8,991	10,876
Deposits from insurance and investment contracts	(2,914)	(3,031)	(6,523)	(8,462)
Premiums earned (net)	**7,523**	**7,581**	**2,468**	**2,414**
Interest and similar income	4,186	3,988	2,209	2,060
Operating income from financial assets and liabilities carried at fair value through income (net)	(65)	293	88	(51)
Operating realized gains/losses (net)	589	502	363	200
Fee and commission income	14	12	188	191
Other income	43	35	2	—
Operating revenues	**12,290**	**12,411**	**5,318**	**4,814**
Claims and insurance benefits incurred (net)	(6,682)	(6,435)	(2,096)	(2,147)
Change in reserves for insurance and investment contracts (net)	(3,802)	(4,311)	(1,385)	(913)
Interest expenses	(62)	(52)	(16)	(15)
Loan loss provisions	—	—	—	—
Operating impairments of investments (net)	(218)	(133)	(226)	(85)
Investment expenses	(217)	(183)	(108)	(99)
Acquisition and administrative expenses (net)	(699)	(600)	(910)	(874)
Fee and commission expenses	(7)	(11)	(83)	(92)
Operating restructuring charges	(1)	(1)	—	—
Other expenses	(29)	(24)	(2)	—
Operating expenses	**(11,717)**	**(11,750)**	**(4,826)**	**(4,225)**
Operating profit	**573**	**661**	**492**	**589**
Cost-income ratio[3] in %	**96.1**	**95.6**	**95.7**	**95.5**

1 From 2011 on, the variable annuity business of Allianz Global Life is shown within Germany, France and Italy, respectively. Prior year figures have not been adjusted.
2 Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.
3 Represents deposits from insurance and investment contracts, claims and insurance benefits incurred (net), change in reserves for insurance and investment contracts (net) and acquisition and administrative expenses (net) divided by statutory premiums (net), interest and similar income, operating income from financial assets and liabilities carried at fair value through income (net), operating realized gains/losses (net), fee and commission income, other income, interest expenses, loan loss provisions, operating impairments of investments (net), investment expenses, fee and commission expenses, operating restructuring charges and other expenses.
4 Presentation not meaningful.

	NAFTA Markets		Global Insurance Lines & Anglo Markets		Growth Markets[1]		Consolidation		Life/Health	
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn	**2011** € mn	2010 € mn
	4,082	**3,752**	**193**	**150**	**3,379**	**3,894**	**(175)**	**(123)**	**27,248**	**29,480**
	(68)	(78)	(21)	(3)	(99)	(53)	175	123	(282)	(263)
	(1)	3	—	3	(71)	(47)	—	—	(144)	(108)
	4,013	3,677	172	150	3,209	3,794	—	—	26,822	29,109
	(3,653)	(3,330)	—	—	(2,103)	(2,615)	—	—	(15,193)	(17,438)
	360	**347**	**172**	**150**	**1,106**	**1,179**	**—**	**—**	**11,629**	**11,671**
	1,261	1,133	44	38	368	336	(38)	(5)	8,030	7,550
	(266)	166	(32)	(23)	(4)	25	7	(19)	(272)	391
	29	14	—	—	72	34	—	—	1,053	750
	27	22	—	—	39	28	—	(6)	268	247
	—	—	—	—	—	14	—	—	45	49
	1,411	**1,682**	**184**	**165**	**1,581**	**1,616**	**(31)**	**(30)**	**20,753**	**20,658**
	(48)	(53)	(169)	(146)	(617)	(515)	—	—	(9,612)	(9,296)
	(794)	(841)	18	22	(404)	(462)	—	—	(6,367)	(6,505)
	(3)	(3)	(1)	(1)	(5)	(3)	40	20	(47)	(54)
	—	1	—	—	—	1	—	—	—	2
	(4)	(5)	—	—	2	—	—	—	(446)	(223)
	(20)	(24)	(2)	(2)	(13)	(12)	(1)	(9)	(361)	(329)
	(302)	(468)	(26)	(30)	(463)	(475)	(2)	(3)	(2,402)	(2,450)
	(15)	(21)	—	—	—	—	—	7	(105)	(117)
	—	—	—	—	—	—	—	—	(1)	(1)
	—	—	—	—	—	(2)	—	—	(31)	(26)
	(1,186)	**(1,414)**	**(180)**	**(157)**	**(1,500)**	**(1,468)**	**37**	**15**	**(19,372)**	**(18,999)**
	225	**268**	**4**	**8**	**81**	**148**	**6**	**(15)**	**1,381**	**1,659**
	95.5	**94.6**	**97.8**	**95.1**	**97.8**	**96.5**	**—[4]**	**—[4]**	**96.0**	**95.6**

Reportable segments – Asset Management business

Three months ended June 30,	2011 € mn	2010 € mn
Net fee and commission income[1]	1,297	1,188
Net interest income[2]	4	(1)
Income from financial assets and liabilities carried at fair value through income (net)	(3)	(4)
Other income	5	5
Operating revenues	**1,303**	**1,188**
Administrative expenses (net), excluding acquisition-related expenses	(775)	(672)
Operating expenses	**(775)**	**(672)**
Operating profit	**528**	**516**
Cost-income ratio[3] in %	**59.5**	**56.6**

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

Six months ended June 30,	2011 € mn	2010 € mn
Net fee and commission income[1]	2,553	2,285
Net interest income[2]	11	8
Income from financial assets and liabilities carried at fair value through income (net)	3	1
Other income	9	10
Operating revenues	**2,576**	**2,304**
Administrative expenses (net), excluding acquisition-related expenses	(1,520)	(1,322)
Operating expenses	**(1,520)**	**(1,322)**
Operating profit	**1,056**	**982**
Cost-income ratio[3] in %	**59.0**	**57.4**

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

Reportable segments – Corporate and Other business

	Holding & Treasury	
Three months ended June 30,	**2011** € mn	2010 € mn
Interest and similar income	134	125
Operating income from financial assets and liabilities carried at fair value through income (net)	(4)	5
Fee and commission income	37	27
Other income	—	—
Operating revenues	**167**	**157**
Interest expenses, excluding interest expenses from external debt	(113)	(96)
Loan loss provisions	—	—
Investment expenses	(23)	(22)
Administrative expenses (net), excluding acquisition-related expenses	(147)	(133)
Fee and commission expenses	(54)	(44)
Other expenses	—	—
Operating expenses	**(337)**	**(295)**
Operating loss	**(170)**	**(138)**
Cost-income ratio[1] for the reportable segment Banking in %		

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

	Holding & Treasury	
Six months ended June 30,	**2011** € mn	2010 € mn
Interest and similar income	199	178
Operating income from financial assets and liabilities carried at fair value through income (net)	(5)	(14)
Fee and commission income	83	86
Other income	—	—
Operating revenues	**277**	**250**
Interest expenses. excluding interest expenses from external debt	(214)	(191)
Loan loss provisions	—	—
Investment expenses	(46)	(43)
Administrative expenses (net), excluding acquisition-related expenses	(287)	(277)
Fee and commission expenses	(121)	(103)
Other expenses	—	—
Operating expenses	**(668)**	**(614)**
Operating loss	**(391)**	**(364)**
Cost-income ratio[1] for the reportable segment Banking in %		

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

Banking		Alternative Investments		Consolidation		Corporate and Other	
2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
183	173	4	(1)	(1)	—	320	297
1	(3)	—	(1)	1	1	(2)	2
111	107	29	37	(2)	(2)	175	169
—	—	2	1	—	(1)	2	—
295	**277**	**35**	**36**	**(2)**	**(2)**	**495**	**468**
(95)	(83)	1	—	—	—	(207)	(179)
(33)	(10)	—	—	—	—	(33)	(10)
—	—	(2)	(1)	—	—	(25)	(23)
(126)	(141)	(45)	(37)	1	2	(317)	(309)
(64)	(58)	—	—	1	—	(117)	(102)
(1)	—	—	—	—	—	(1)	—
(319)	**(292)**	**(46)**	**(38)**	**2**	**2**	**(700)**	**(623)**
(24)	**(15)**	**(11)**	**(2)**	**—**	**—**	**(205)**	**(155)**
93.4	**103.7**						

Banking		Alternative Investments		Consolidation		Corporate and Other	
2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
361	342	6	7	(1)	(1)	565	526
10	(9)	—	(1)	—	1	5	(23)
218	209	59	64	(3)	(3)	357	356
—	—	3	1	(1)	(1)	2	—
589	**542**	**68**	**71**	**(5)**	**(4)**	**929**	**859**
(184)	(167)	—	—	1	—	(397)	(358)
(49)	(23)	—	—	—	—	(49)	(23)
—	—	(2)	(1)	—	—	(48)	(44)
(259)	(279)	(81)	(74)	3	4	(624)	(626)
(117)	(110)	—	—	1	—	(237)	(213)
(2)	(1)	—	—	—	—	(2)	(1)
(611)	**(580)**	**(83)**	**(75)**	**5**	**4**	**(1,357)**	**(1,265)**
(22)	**(38)**	**(15)**	**(4)**	**—**	**—**	**(428)**	**(406)**
90.6	**105.7**						

Supplementary Information to the Consolidated Balance Sheets

4 Financial assets carried at fair value through income

	As of June 30, 2011 €mn	As of December 31, 2010 €mn
Financial assets held for trading		
Debt securities	312	546
Equity securities	131	139
Derivative financial instruments	1,730	1,416
Subtotal	2,173	2,101
Financial assets designated at fair value through income		
Debt securities	3,762	4,430
Equity securities	2,864	3,312
Subtotal	6,626	7,742
Total	8,799	9,843

5 Investments

	As of June 30, 2011 €mn	As of December 31, 2010 €mn
Available-for-sale investments	322,973	318,315
Held-to-maturity investments	4,060	3,987
Funds held by others under reinsurance contracts assumed	1,089	1,117
Investments in associates and joint ventures	2,548	2,527
Real estate held for investment	8,574	8,672
Total	339,244	334,618

Available-for-sale investments

	As of June 30, 2011				As of December 31, 2010			
	Amortized Cost €mn	Unrealized Gains €mn	Unrealized Losses €mn	Fair Value €mn	Amortized Cost €mn	Unrealized Gains €mn	Unrealized Losses €mn	Fair Value €mn
Debt securities								
Government and agency mortgage-backed securities (residential and commercial)	4,604	222	(2)	4,824	5,043	235	(6)	5,272
Corporate mortgage-backed securities (residential and commercial)	9,793	688	(139)	10,342	10,023	625	(174)	10,474
Other asset-backed securities	2,607	160	(22)	2,745	3,501	186	(34)	3,653
Government and government agency bonds								
Germany	12,958	503	(50)	13,411	14,475	740	(24)	15,191
Italy	30,300	129	(867)	29,562	29,242	183	(778)	28,647
France	18,281	882	(182)	18,981	18,248	1,194	(73)	19,369
United States	6,196	234	(40)	6,390	6,667	197	(97)	6,767
Spain	5,299	25	(309)	5,015	5,142	31	(332)	4,841
Belgium	5,157	68	(116)	5,109	4,466	102	(56)	4,512
Greece	772	—	(6)	766	1,815	—	(554)	1,261
Portugal	1,021	—	(243)	778	1,148	1	(90)	1,059
Ireland	799	—	(197)	602	990	3	(136)	857
All other countries	41,729	1,705	(171)	43,263	41,533	1,888	(113)	43,308
Subtotal	122,512	3,546	(2,181)	123,877	123,726	4,339	(2,253)	125,812
Corporate bonds	146,559	4,131	(2,551)	148,139	138,576	4,786	(2,743)	140,619
Other	1,933	131	(14)	2,050	1,723	123	(9)	1,837
Subtotal	288,008	8,878	(4,909)	291,977	282,592	10,294	(5,219)	287,667
Equity securities	21,335	10,094	(433)	30,996	19,893	10,903	(148)	30,648
Total	309,343	18,972	(5,342)	322,973	302,485	21,197	(5,367)	318,315

6 Loans and advances to banks and customers

	As of June 30, 2011			As of December 31, 2010		
	Banks € mn	Customers € mn	Total € mn	Banks € mn	Customers € mn	Total € mn
Short-term investments and certificates of deposit	5,038	—	5,038	5,216	—	5,216
Reverse repurchase agreements	1,561	—	1,561	1,018	—	1,018
Collateral paid for securities borrowing transactions and derivatives	58	—	58	38	—	38
Loans	67,808	46,403	114,211	67,303	46,575	113,878
Other	2,105	40	2,145	2,605	69	2,674
Subtotal	**76,570**	**46,443**	**123,013**	**76,180**	**46,644**	**122,824**
Loan loss allowance	—	(153)	(153)	—	(146)	(146)
Total	**76,570**	**46,290**	**122,860**	**76,180**	**46,498**	**122,678**

Loans and advances to customers by type of customer

	As of June 30, 2011 € mn	As of December 31, 2010 € mn
Corporate customers	16,289	16,303
Private customers	23,331	23,433
Public customers	6,823	6,908
Total	**46,443**	**46,644**

7 Reinsurance assets

	As of June 30, 2011 € mn	As of December 31, 2010 € mn
Unearned premiums	1,828	1,372
Reserves for loss and loss adjustment expenses	6,603	6,986
Aggregate policy reserves	4,017	4,674
Other insurance reserves	105	103
Total	**12,553**	**13,135**

8 Deferred acquisition costs

	As of June 30, 2011 € mn	As of December 31, 2010 € mn
Deferred acquisition costs		
Property-Casualty	4,375	4,121
Life/Health	14,450	14,459
Asset Management	152	152
Subtotal	18,977	18,732
Present value of future profits	1,090	1,180
Deferred sales inducements	809	821
Total	20,876	20,733

9 Other assets

	As of June 30, 2011 € mn	As of December 31, 2010 € mn
Receivables		
Policyholders	5,277	5,322
Agents	4,528	4,129
Reinsurers	2,108	2,581
Other	3,663	3,515
Less allowance for doubtful accounts	(660)	(629)
Subtotal	14,916	14,918
Tax receivables		
Income taxes	1,510	1,691
Other taxes	942	1,043
Subtotal	2,452	2,734
Accrued dividends, interest and rent	6,699	7,356
Prepaid expenses		
Interest and rent	17	16
Other prepaid expenses	325	334
Subtotal	342	350
Derivative financial instruments used for hedging that meet the criteria for hedge accounting and firm commitments	487	452
Property and equipment		
Real estate held for own use	2,946	3,075
Software	1,351	1,287
Equipment	782	735
Fixed assets of Alternative Investments	1,121	1,117
Subtotal	6,200	6,214
Other assets	2,137	1,977
Total	33,233	34,001

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

	As of June 30, 2011 € mn	As of December 31, 2010 € mn
Non-current assets and assets of disposal groups classified as held for sale		
Allianz Bank Polska S.A.	—	247
Allianz Kazakhstan ZAO	31	—
Allianz Asset Management a.s.	3	—
Real estate held for investment (Property-Casualty)	27	22
Real estate held for investment (Life/Health)	34	24
Real estate held for investment (Corporate and Other)	8	—
Real estate held for own use (Property-Casualty)	—	6
Total	103	299
Liabilities of disposal groups classified as held for sale		
Allianz Bank Polska S.A.	—	188
Allianz Kazakhstan ZAO	30	—
Allianz Asset Management a.s.	2	—
Total	32	188

Non-current assets and assets and liabilities of disposal groups classified as held for sale as of June 30, 2011

Allianz Kazakhstan ZAO, Almaty

During the first quarter of 2011, the Allianz Group decided to dispose of Allianz Kazakhstan ZAO. Thus, the assets and liabilities related to the Allianz Group's 100 % ownership of Allianz Kazakhstan ZAO and allocated to the segment Property-Casualty, were reclassified as disposal group held for sale.

As of June 30, 2011, cumulative losses recognized in other comprehensive income relating to the disposal group classified as held for sale amounted to € 3 mn. The sale is expected to occur during the year 2011. Upon measurement of the disposal group at fair value less costs to sell an impairment loss of € 16 mn was recognized in the consolidated income statement for the six months ended June 30, 2011.

Allianz Asset Management a.s., Bratislava
During the second quarter of 2011, the Allianz Group decided to dispose of Allianz Asset Management a.s. Thus, the assets and liabilities related to the Allianz Group's 100% ownership of Allianz Asset Management a.s. and allocated to the segment Asset Management, were reclassified as disposal group classified as held for sale.

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

As of June 30, 2011	Allianz Asset Management a.s., Bratislava € mn
Loans and advances to banks and customers	1
Other assets	2
Total assets of disposal groups classified as held for sale	3
Other liabilities	2
Total liabilities of disposal groups classified as held for sale	2

As of June 30, 2011, cumulative gains recognized in other comprehensive income relating to the disposal group classified as held for sale amounted to € 0.5 mn. The sale is expected to occur during the second half year of 2011. Upon measurement of the disposal group at fair value less costs to sell, an impairment loss of € 2 mn was recognized in the consolidated income statement for the six months ended June 30, 2011.

Real estate held for investment classified as held for sale
During the second quarter of 2011, the Allianz Group contractually agreed to dispose of an office building held by Allianz Deutschland AG. Further, during the second quarter of 2011, the Allianz Group decided to dispose of several office buildings held by Allianz Life Insurance of America and the German Real Estate Equity Fund. Thus, the assets allocated to the segments Property-Casualty, Life/Health and Corporate and Other, respectively, and previously classified as real estate held for investment were reclassified and presented as non-current assets held for sale.

The sales of these buildings are expected to occur during the second half year of 2011.

Upon remeasurement of the non-current assets at fair value less costs to sell, an impairment loss of € 6 mn for the reclassified building held by the German Real Estate Equity Fund was recognized for the six months ended June 30, 2011. For the other buildings no impairment loss was recognized for the six months ended June 30, 2011.

Disposals during the first half year of 2011
Allianz Bank Polska S.A., Warsaw
In May 2011, the Allianz Group completed the sale of Allianz Polska S.A., Warsaw, which was classified as disposal group held for sale during the fourth quarter of 2010. The disposal resulted in realized losses of € 4 mn which were recognized in the consolidated income statement.

Total impairment losses from the measurement at fair value less costs to sell until disposal amounted to € 34 mn which were recorded in the fourth quarter of 2010.

Real estate held for investment classified as held for sale
During the fourth quarter of 2010, the Allianz Group contractually agreed to dispose of various residential properties of Allianz IARD S.A. and Allianz Vie S.A. in Paris on an individual basis. Thus, the assets allocated to the segments Property-Casualty and Life/Health and previously classified as real estate held for investment were reclassified and presented as non-current assets held for sale. The individual sales were completed during the first quarter of 2011.

Real estate held for own use classified as held for sale
During the fourth quarter of 2010, the Allianz Group contractually agreed to dispose of one commercial property of Allianz Hungaria in Budapest. Thus, the asset allocated to the segment Property-Casualty and previously classified as real estate held for own use was reclassified and presented as non-current assets held for sale. The sale was completed in the second quarter of 2011.

11 Intangible assets

	As of June 30, 2011 € mn	As of December 31, 2010 € mn
Intangible assets with indefinite useful lives		
Goodwill	11,750	12,020
Brand names[1]	311	311
Subtotal	**12,061**	**12,331**
Intangible assets with finite useful lives		
Long-term distribution agreement with Commerzbank AG	562	585
Customer relationships	258	287
Other[2]	171	178
Subtotal	**991**	**1,050**
Total	**13,052**	**13,381**

1 Includes primarily the brand name of Selecta AG, Muntelier.
2 Includes primarily research and development costs of € 60 mn (2010: € 67 mn) and bancassurance agreements of € 13 mn (2010: € 14 mn).

Goodwill

	2011 € mn
Cost as of January 1,	12,603
Accumulated impairments as of January 1,	(583)
Carrying amount as of January 1,	**12,020**
Additions	1
Foreign currency translation adjustments	(264)
Reclassification into non-current assets and assets of disposal groups classified as held for sale	(7)
Carrying amount as of June 30,	**11,750**
Accumulated impairments as of June 30,	583
Cost as of June 30,	12,333

The goodwill of Allianz Kazakhstan ZAO, Almaty, was reclassified to disposal groups classified as held for sale.

12 Financial liabilities carried at fair value through income

	As of June 30, 2011 € mn	As of December 31, 2010 € mn
Financial liabilities held for trading		
Derivative financial instruments	4,896	5,012
Other trading liabilities	2	1
Subtotal	**4,898**	**5,013**
Financial liabilities designated at fair value through income	—	—
Total	**4,898**	**5,013**

13 Liabilities to banks and customers

	As of June 30, 2011			As of December 31, 2010		
	Banks € mn	Customers € mn	Total € mn	Banks € mn	Customers € mn	Total € mn
Payable on demand	326	4,623	4,949	68	4,110	4,178
Savings deposits	—	2,753	2,753	—	2,504	2,504
Term deposits and certificates of deposit	994	1,901	2,895	1,328	2,301	3,629
Repurchase agreements	872	113	985	867	129	996
Collateral received from securities lending transactions and derivatives	1,780	—	1,780	591	—	591
Other	5,470	2,608	8,078	6,278	2,979	9,257
Total	**9,442**	**11,998**	**21,440**	**9,132**	**12,023**	**21,155**

14 Reserves for loss and loss adjustment expenses

	As of June 30, 2011 € mn	As of December 31, 2010 € mn
Property-Casualty	57,066	57,509
Life/Health	9,198	8,984
Consolidation	(17)	(19)
Total	**66,247**	**66,474**

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

	2011			2010		
	Gross € mn	Ceded € mn	Net € mn	Gross € mn	Ceded € mn	Net € mn
As of January 1,	57,509	(6,659)	50,850	55,715	(7,175)	48,540
Loss and loss adjustment expenses incurred						
Current year	15,817	(1,333)	14,484	15,582	(1,380)	14,202
Prior years	(1,188)	413	(775)	(1,502)	767	(735)
Subtotal	14,629	(920)	13,709	14,080	(613)	13,467
Loss and loss adjustment expenses paid						
Current year	(5,251)	193	(5,058)	(5,437)	295	(5,142)
Prior years	(8,747)	801	(7,946)	(8,930)	877	(8,053)
Subtotal	(13,998)	994	(13,004)	(14,367)	1,172	(13,195)
Foreign currency translation adjustments and other changes	(1,088)	310	(778)	2,889	(636)	2,253
Changes in the consolidated subsidiaries of the Allianz Group	20	(8)	12	—	—	—
Reclassifications[1]	(6)	3	(3)	—	—	—
As of June 30,	57,066	(6,280)	50,786	58,317	(7,252)	51,065

1 In the first quarter of 2011, Allianz Kazakhstan ZAO was classified as held for sale. See note 10 for further information.

15 Reserves for insurance and investment contracts

	As of June 30, 2011 € mn	As of December 31, 2010 € mn
Aggregate policy reserves	327,685	324,189
Reserves for premium refunds	24,438	24,802
Other insurance reserves	791	802
Total	352,914	349,793

16 Other liabilities

	As of June 30, 2011 € mn	As of December 31, 2010 € mn
Payables		
Policyholders	4,234	4,855
Reinsurers	1,959	1,813
Agents	1,448	1,471
Subtotal	7,641	8,139
Payables for social security	411	434
Tax payables		
Income taxes	1,679	1,661
Other taxes	1,146	1,086
Subtotal	2,825	2,747
Accrued interest and rent	519	659
Unearned income		
Interest and rent	12	13
Other	295	293
Subtotal	307	306
Provisions		
Pensions and similar obligations	3,966	3,925
Employee-related	1,792	1,887
Share-based compensation plans	752	1,099
Restructuring plans	350	409
Loan commitments	19	7
Contingent losses from non-insurance business	170	155
Other provisions	1,293	1,564
Subtotal	8,342	9,046
Deposits retained for reinsurance ceded	2,264	2,320
Derivative financial instruments used for hedging that meet the criteria for hedge accounting and firm commitments	273	225
Financial liabilities for puttable equity instruments	2,653	3,111
Other liabilities	6,182	6,226
Total	31,417	33,213

17 Certificated liabilities

	As of June 30, 2011 € mn	As of December 31, 2010 € mn
Allianz SE[1]		
Senior bonds	5,339	5,336
Money market securities	951	1,791
Subtotal	6,290	7,127
Banking subsidiaries		
Senior bonds	1,113	1,099
Subtotal	1,113	1,099
All other subsidiaries		
Certificated liabilities	25	3
Subtotal	25	3
Total	7,428	8,229

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

18 Participation certificates and subordinated liabilities

	As of June 30, 2011 € mn	As of December 31, 2010 € mn
Allianz SE[1]		
Subordinated bonds[2]	9,813	8,301
Subtotal	9,813	8,301
Banking subsidiaries		
Subordinated bonds	274	254
Subtotal	274	254
All other subsidiaries		
Subordinated bonds	398	398
Hybrid equity	45	45
Subtotal	443	443
Total	10,530	8,998

1 Includes subordinated bonds issued by Allianz Finance II B.V. and guaranteed by Allianz SE.
2 Change due to the issuance of a € 2.0 bn subordinated bond in the first quarter of 2011 and the repayment of a USD 0.5 bn subordinated bond in the second quarter of 2011.

19 Equity

	As of June 30, 2011 € mn	As of December 31, 2010 € mn
Shareholders' equity		
Issued capital	1,164	1,164
Capital reserves	27,521	27,521
Retained earnings[1]	12,899	13,088
Foreign currency translation adjustments	(3,250)	(2,339)
Unrealized gains and losses (net)[2]	4,281	5,057
Subtotal	42,615	44,491
Non-controlling interests	2,074	2,071
Total	44,689	46,562

1 As of June 30, 2011, includes € (228) mn (2010: € (237) mn) related to treasury shares.
2 As of June 30, 2011, includes € 189 mn (2010: € 196 mn) related to cash flow hedges.

Dividends

In the second quarter of 2011, a total dividend of € 2,032 mn (2010: € 1,850 mn) or € 4.50 (2010: € 4.10) per qualifying share was paid to the shareholders.

Supplementary Information to the Consolidated Income Statements

20 Premiums earned (net)

Three months ended June 30,	Property-Casualty € mn	Life/Health € mn	Consolidation € mn	Group € mn
2011				
Premiums written				
Direct	9,368	5,499	—	14,867
Assumed	826	116	(6)	936
Subtotal	**10,194**	**5,615**	**(6)**	**15,803**
Ceded	(1,123)	(116)	6	(1,233)
Net	**9,071**	**5,499**	**—**	**14,570**
Change in unearned premiums				
Direct	791	(54)	—	737
Assumed	(173)	—	—	(173)
Subtotal	**618**	**(54)**	**—**	**564**
Ceded	189	(1)	—	188
Net	**807**	**(55)**	**—**	**752**
Premiums earned				
Direct	10,159	5,445	—	15,604
Assumed	653	116	(6)	763
Subtotal	**10,812**	**5,561**	**(6)**	**16,367**
Ceded	(934)	(117)	6	(1,045)
Net	**9,878**	**5,444**	**—**	**15,322**
2010				
Premiums written				
Direct	9,170	5,893	—	15,063
Assumed	781	96	(6)	871
Subtotal	**9,951**	**5,989**	**(6)**	**15,934**
Ceded	(1,076)	(138)	6	(1,208)
Net	**8,875**	**5,851**	**—**	**14,726**
Change in unearned premiums				
Direct	874	(56)	—	818
Assumed	(62)	2	—	(60)
Subtotal	**812**	**(54)**	**—**	**758**
Ceded	2	(1)	—	1
Net	**814**	**(55)**	**—**	**759**
Premiums earned				
Direct	10,044	5,837	—	15,881
Assumed	719	98	(6)	811
Subtotal	**10,763**	**5,935**	**(6)**	**16,692**
Ceded	(1,074)	(139)	6	(1,207)
Net	**9,689**	**5,796**	**—**	**15,485**

20 Premiums earned (net) (continued)

Six months ended June 30,	Property-Casualty €mn	Life/Health €mn	Consolidation €mn	Group €mn
2011				
Premiums written				
Direct	22,961	11,812	—	34,773
Assumed	1,484	232	(12)	1,704
Subtotal	**24,445**	**12,044**	**(12)**	**36,477**
Ceded	(2,469)	(271)	12	(2,728)
Net	**21,976**	**11,773**	**—**	**33,749**
Change in unearned premiums				
Direct	(2,714)	(145)	—	(2,859)
Assumed	(279)	1	—	(278)
Subtotal	**(2,993)**	**(144)**	**—**	**(3,137)**
Ceded	571	—	—	571
Net	**(2,422)**	**(144)**	**—**	**(2,566)**
Premiums earned				
Direct	20,247	11,667	—	31,914
Assumed	1,205	233	(12)	1,426
Subtotal	**21,452**	**11,900**	**(12)**	**33,340**
Ceded	(1,898)	(271)	12	(2,157)
Net	**19,554**	**11,629**	**—**	**31,183**
2010				
Premiums written				
Direct	22,273	11,840	—	34,113
Assumed	1,672	202	(10)	1,864
Subtotal	**23,945**	**12,042**	**(10)**	**35,977**
Ceded	(2,425)	(263)	10	(2,678)
Net	**21,520**	**11,779**	**—**	**33,299**
Change in unearned premiums				
Direct	(2,528)	(110)	—	(2,638)
Assumed	(275)	2	(2)	(275)
Subtotal	**(2,803)**	**(108)**	**(2)**	**(2,913)**
Ceded	385	—	2	387
Net	**(2,418)**	**(108)**	**—**	**(2,526)**
Premiums earned				
Direct	19,745	11,730	—	31,475
Assumed	1,397	204	(12)	1,589
Subtotal	**21,142**	**11,934**	**(12)**	**33,064**
Ceded	(2,040)	(263)	12	(2,291)
Net	**19,102**	**11,671**	**—**	**30,773**

21 Interest and similar income

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn
Interest from held-to-maturity investments	44	42	90	86
Dividends from available-for-sale investments	546	511	693	632
Interest from available-for-sale investments	3,106	2,933	6,200	5,704
Share of earnings from investments in associates and joint ventures	65	67	84	116
Rent from real estate held for investment	187	189	379	351
Interest from loans to banks and customers	1,373	1,396	2,728	2,788
Other interest	29	31	70	71
Total	**5,350**	**5,169**	**10,244**	**9,748**

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

Three months ended June 30,	Property-Casualty € mn	Life/Health € mn	Asset Management € mn	Corporate and Other € mn	Consolidation € mn	Group € mn
2011						
Income (expenses) from financial assets and liabilities held for trading (net)	(5)	17	1	(9)	5	9
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	33	(34)	—	(1)	—	(2)
Income (expenses) from financial liabilities for puttable equity instruments (net)	(4)	64	2	—	—	62
Foreign currency gains and losses (net)	(29)	(160)	(6)	(25)	(4)	(224)
Total	**(5)**	**(113)**	**(3)**	**(35)**	**1**	**(155)**
2010						
Income (expenses) from financial assets and liabilities held for trading (net)	(30)	(274)	(2)	(203)	1	(508)
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	12	145	(22)	(1)	—	134
Income (expenses) from financial liabilities for puttable equity instruments (net)	—	(54)	13	—	—	(41)
Foreign currency gains and losses (net)	1	454	7	(18)	(1)	443
Total	**(17)**	**271**	**(4)**	**(222)**	**—**	**28**

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

Six months ended June 30,	Property-Casualty €mn	Life/Health €mn	Asset Management €mn	Corporate and Other €mn	Consoli-dation €mn	Group €mn
2011						
Income (expenses) from financial assets and liabilities held for trading (net)	41	243	2	(113)	1	174
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	44	46	5	(6)	—	89
Income (expenses) from financial liabilities for puttable equity instruments (net)	6	45	3	—	—	54
Foreign currency gains and losses (net)	(75)	(618)	(7)	3	—	(697)
Total	**16**	**(284)**	**3**	**(116)**	**1**	**(380)**
2010						
Income (expenses) from financial assets and liabilities held for trading (net)	(103)	(732)	(1)	(86)	4	(918)
Income (expenses) from financial assets and liabilities designated at fair value through income (net)	40	468	(9)	1	—	500
Income (expenses) from financial liabilities for puttable equity instruments (net)	(5)	(136)	2	—	—	(139)
Foreign currency gains and losses (net)	37	779	9	(35)	(2)	788
Total	**(31)**	**379**	**1**	**(120)**	**2**	**231**

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

Life/Health segment

For the six months ended June 30, 2011, income (expenses) from financial assets and liabilities held for trading (net) in the Life/Health segment includes income of € 235 mn (2010: expenses of € 741 mn) from derivative financial instruments. This includes income of € 534 mn (2010: expenses of € 475 mn) in German entities from financial derivative positions held for duration management and protection against equity and foreign exchange rate fluctuations. Also included are expenses related to fixed-indexed annuity products and guaranteed benefits under unit-linked contracts of € 275 mn (2010: € 183 mn) from U.S. entities.

Corporate and Other segment

For the six months ended June 30, 2011, income (expenses) from financial assets and liabilities held for trading (net) in the Corporate and Other segment includes expenses of € 92 mn (2010: € 103 mn) from derivative financial instruments. This includes expenses of € 5 mn (2010: € 3 mn) from financial derivative instruments to protect investments and liabilities against foreign exchange rate fluctuations. In 2011, hedging of strategic equity investments not designated for hedge accounting induced expenses of € 17 mn (2010: € 31 mn). Financial derivatives related to investment strategies exhibited expenses of € 109 mn (2010: € 13 mn). Expenses of € 31 mn (2010: income of € 3 mn) from the hedges of share based compensation plans (restricted stock units) are also included.

Foreign currency gains and losses (net)

Foreign currency gains and losses are reported within income from financial assets and liabilities carried at fair value through income (net). These foreign currency gains and losses arise subsequent to initial recognition on all assets and liabilities denominated in a foreign currency, that are monetary items. The Allianz Group is hedged against foreign currency fluctuations with free-standing derivatives resulting in an offsetting effect of € 506 mn (2010: € (672) mn) on the foreign currency gains and losses (net) for the six months ended June 30, 2011.

23 Realized gains/losses (net)

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Realized gains				
Available-for-sale investments				
Equity securities	321	348	1,024	1,285
Debt securities	336	461	781	859
Subtotal	657	809	1,805	2,144
Investments in associates and joint ventures[1]	3	19	3	24
Real estate held for investment	66	45	139	120
Loans and advances to banks and customers	29	22	88	63
Non-current assets and assets and liabilities of disposal groups classified as held for sale	—	—	76	—
Subtotal	755	895	2,111	2,351
Realized losses				
Available-for-sale investments				
Equity securities	(40)	(51)	(83)	(85)
Debt securities	(207)	(415)	(404)	(525)
Subtotal	(247)	(466)	(487)	(610)
Investments in associates and joint ventures[2]	(16)	(4)	(16)	(4)
Real estate held for investment	(1)	(1)	(1)	(3)
Loans and advances to banks and customers	(6)	(28)	(6)	(28)
Non-current assets and assets and liabilities of disposal groups classified as held for sale	—	—	(2)	—
Subtotal	(270)	(499)	(512)	(645)
Total	485	396	1,599	1,706

1 During the three and the six months ended June 30, 2011 and 2010, includes realized gains from the disposal of subsidiaries of € — mn (2010: € 16 mn) and € — mn (2010: € 16 mn), respectively.

2 During the three and the six months ended June 30, 2011 and 2010, includes realized losses from the disposal of subsidiaries of € 14 mn (2010: € 4 mn) and € 14 mn (2010: € 4 mn), respectively.

24 Fee and commission income

Three months ended June 30,	2011			2010		
	Segment €mn	Consolidation €mn	Group €mn	Segment €mn	Consolidation €mn	Group €mn
Property-Casualty						
Fees from credit and assistance business	174	(2)	172	176	(1)	175
Service agreements	115	(15)	100	106	(11)	95
Subtotal	**289**	**(17)**	**272**	**282**	**(12)**	**270**
Life/Health						
Service agreements	22	(5)	17	25	(7)	18
Investment advisory	116	(13)	103	104	(8)	96
Subtotal	**138**	**(18)**	**120**	**129**	**(15)**	**114**
Asset Management						
Management fees	1,353	(36)	1,317	1,248	(26)	1,222
Loading and exit fees	92	—	92	91	—	91
Performance fees	81	1	82	88	—	88
Other	51	(3)	48	31	(3)	28
Subtotal	**1,577**	**(38)**	**1,539**	**1,458**	**(29)**	**1,429**
Corporate and Other						
Service agreements	36	(3)	33	27	(11)	16
Investment advisory and Banking activities	139	(65)	74	142	(62)	80
Subtotal	**175**	**(68)**	**107**	**169**	**(73)**	**96**
Total	**2,179**	**(141)**	**2,038**	**2,038**	**(129)**	**1,909**

Six months ended June 30,	2011			2010		
	Segment €mn	Consolidation €mn	Group €mn	Segment €mn	Consolidation €mn	Group €mn
Property-Casualty						
Fees from credit and assistance business	338	(2)	336	333	(2)	331
Service agreements	224	(30)	194	203	(23)	180
Subtotal	**562**	**(32)**	**530**	**536**	**(25)**	**511**
Life/Health						
Service agreements	39	(9)	30	42	(11)	31
Investment advisory	229	(22)	207	205	(15)	190
Subtotal	**268**	**(31)**	**237**	**247**	**(26)**	**221**
Asset Management						
Management fees	2,689	(70)	2,619	2,352	(52)	2,300
Loading and exit fees	187	—	187	180	—	180
Performance fees	137	1	138	216	—	216
Other	95	(7)	88	63	(5)	58
Subtotal	**3,108**	**(76)**	**3,032**	**2,811**	**(57)**	**2,754**
Corporate and Other						
Service agreements	82	(7)	75	86	(17)	69
Investment advisory and Banking activities	275	(124)	151	270	(115)	155
Subtotal	**357**	**(131)**	**226**	**356**	**(132)**	**224**
Total	**4,295**	**(270)**	**4,025**	**3,950**	**(240)**	**3,710**

25 Other income

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn
Realized gains from disposals of real estate held for own use	1	3	2	15
Income from alternative investments	27	31	53	41
Other	5	2	9	9
Total	**33**	**36**	**64**	**65**

26 Income and expenses from fully consolidated private equity investments

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn
Income				
Sales and service revenues	442	394	832	760
Other operating revenues	13	3	16	5
Interest income	1	1	1	1
Subtotal	**456**	**398**	**849**	**766**
Expenses				
Cost of goods sold	(265)	(232)	(483)	(458)
Commissions	(24)	(31)	(50)	(58)
General and administrative expenses	(156)	(134)	(307)	(280)
Other operating expenses	(23)	(10)	(39)	(29)
Interest expenses	(14)	(23)	(33)	(43)
Subtotal	**(482)**[1]	**(430)**[1]	**(912)**[1]	**(868)**[1]
Total	**(26)**[1]	**(32)**[1]	**(63)**[1]	**(102)**[1]

1 The presented subtotal for expenses and total income and expenses from fully consolidated private equity investment for the three and the six months ended June 30, 2011 differs from the amounts presented in the "Consolidated Income Statements" and in "Total revenues and reconciliation of Operating profit (loss) to Net income (loss)". This difference is due to a consolidation effect of € 13 mn (2010: € 17 mn) and € 31 mn (2010: € 50 mn) for the three and the six months ended June 30, 2011, respectively. This consolidation effect results from the deferred policyholder participation, recognized on the result from fully consolidated private equity investments within operating profit in the Life/Health segment, that was reclassified into expenses from fully consolidated private equity investments in non-operating profit to ensure a consistent presentation of the Allianz Group's operating profit.

27 Claims and insurance benefits incurred (net)

Three months ended June 30,	Property-Casualty € mn	Life/Health € mn	Consolidation € mn	Group € mn
2011				
Gross				
Claims and insurance benefits paid	(6,981)	(4,708)	4	(11,685)
Change in reserves for loss and loss adjustment expenses	(208)	(126)	1	(333)
Subtotal	**(7,189)**	**(4,834)**	**5**	**(12,018)**
Ceded				
Claims and insurance benefits paid	589	125	(4)	710
Change in reserves for loss and loss adjustment expenses	(19)	(15)	(1)	(35)
Subtotal	**570**	**110**	**(5)**	**675**
Net				
Claims and insurance benefits paid	(6,392)	(4,583)	—	(10,975)
Change in reserves for loss and loss adjustment expenses	(227)	(141)	—	(368)
Total	**(6,619)**	**(4,724)**	**—**	**(11,343)**
2010				
Gross				
Claims and insurance benefits paid	(7,235)	(4,490)	1	(11,724)
Change in reserves for loss and loss adjustment expenses	175	(80)	(3)	92
Subtotal	**(7,060)**	**(4,570)**	**(2)**	**(11,632)**
Ceded				
Claims and insurance benefits paid	577	118	(1)	694
Change in reserves for loss and loss adjustment expenses	(162)	1	3	(158)
Subtotal	**415**	**119**	**2**	**536**
Net				
Claims and insurance benefits paid	(6,658)	(4,372)	—	(11,030)
Change in reserves for loss and loss adjustment expenses	13	(79)	—	(66)
Total	**(6,645)**	**(4,451)**	**—**	**(11,096)**

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

Six months ended June 30,	Property-Casualty €mn	Life/Health €mn	Consolidation €mn	Group €mn
2011				
Gross				
Claims and insurance benefits paid	(13,998)	(9,710)	8	(23,700)
Change in reserves for loss and loss adjustment expenses	(631)	(140)	(1)	(772)
Subtotal	**(14,629)**	**(9,850)**	**7**	**(24,472)**
Ceded				
Claims and insurance benefits paid	994	233	(8)	1,219
Change in reserves for loss and loss adjustment expenses	(74)	5	1	(68)
Subtotal	**920**	**238**	**(7)**	**1,151**
Net				
Claims and insurance benefits paid	(13,004)	(9,477)	—	(22,481)
Change in reserves for loss and loss adjustment expenses	(705)	(135)	—	(840)
Total	**(13,709)**	**(9,612)**	**—**	**(23,321)**
2010				
Gross				
Claims and insurance benefits paid	(14,367)	(9,439)	4	(23,802)
Change in reserves for loss and loss adjustment expenses	287	(104)	(1)	182
Subtotal	**(14,080)**	**(9,543)**	**3**	**(23,620)**
Ceded				
Claims and insurance benefits paid	1,172	234	(4)	1,402
Change in reserves for loss and loss adjustment expenses	(559)	13	1	(545)
Subtotal	**613**	**247**	**(3)**	**857**
Net				
Claims and insurance benefits paid	(13,195)	(9,205)	—	(22,400)
Change in reserves for loss and loss adjustment expenses	(272)	(91)	—	(363)
Total	**(13,467)**	**(9,296)**	**—**	**(22,763)**

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

Three months ended June 30,	Property-Casualty €mn	Life/Health €mn	Consolidation €mn	Group €mn
2011				
Gross				
Aggregate policy reserves	(41)	(1,714)	—	(1,755)
Other insurance reserves	2	(19)	—	(17)
Expenses for premium refunds	(43)	(994)	(21)	(1,058)
Subtotal	**(82)**	**(2,727)**	**(21)**	**(2,830)**
Ceded				
Aggregate policy reserves	(7)	(15)	—	(22)
Other insurance reserves	1	3	—	4
Expenses for premium refunds	11	1	—	12
Subtotal	**5**	**(11)**	**—**	**(6)**
Net				
Aggregate policy reserves	(48)	(1,729)	—	(1,777)
Other insurance reserves	3	(16)	—	(13)
Expenses for premium refunds	(32)	(993)	(21)	(1,046)
Total	**(77)**	**(2,738)**	**(21)**	**(2,836)**
2010				
Gross				
Aggregate policy reserves	(70)	(1,968)	1	(2,037)
Other insurance reserves	(4)	(26)	—	(30)
Expenses for premium refunds	(18)	(1,392)	(19)	(1,429)
Subtotal	**(92)**	**(3,386)**	**(18)**	**(3,496)**
Ceded				
Aggregate policy reserves	4	(31)	(1)	(28)
Other insurance reserves	—	4	—	4
Expenses for premium refunds	(1)	4	—	3
Subtotal	**3**	**(23)**	**(1)**	**(21)**
Net				
Aggregate policy reserves	(66)	(1,999)	—	(2,065)
Other insurance reserves	(4)	(22)	—	(26)
Expenses for premium refunds	(19)	(1,388)	(19)	(1,426)
Total	**(89)**	**(3,409)**	**(19)**	**(3,517)**

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

Six months ended June 30,	Property-Casualty €mn	Life/Health €mn	Consolidation €mn	Group €mn
2011				
Gross				
Aggregate policy reserves	(90)	(4,039)	—	(4,129)
Other insurance reserves	2	(65)	—	(63)
Expenses for premium refunds	(88)	(2,283)	(51)	(2,422)
Subtotal	**(176)**	**(6,387)**	**(51)**	**(6,614)**
Ceded				
Aggregate policy reserves	(16)	11	—	(5)
Other insurance reserves	1	6	—	7
Expenses for premium refunds	11	3	—	14
Subtotal	**(4)**	**20**	**—**	**16**
Net				
Aggregate policy reserves	(106)	(4,028)	—	(4,134)
Other insurance reserves	3	(59)	—	(56)
Expenses for premium refunds	(77)	(2,280)	(51)	(2,408)
Total	**(180)**	**(6,367)**	**(51)**	**(6,598)**
2010				
Gross				
Aggregate policy reserves	(112)	(3,830)	1	(3,941)
Other insurance reserves	(4)	(154)	—	(158)
Expenses for premium refunds	(61)	(2,518)	(65)	(2,644)
Subtotal	**(177)**	**(6,502)**	**(64)**	**(6,743)**
Ceded				
Aggregate policy reserves	6	(15)	(1)	(10)
Other insurance reserves	(1)	7	—	6
Expenses for premium refunds	(1)	5	—	4
Subtotal	**4**	**(3)**	**(1)**	**—**
Net				
Aggregate policy reserves	(106)	(3,845)	—	(3,951)
Other insurance reserves	(5)	(147)	—	(152)
Expenses for premium refunds	(62)	(2,513)	(65)	(2,640)
Total	**(173)**	**(6,505)**	**(65)**	**(6,743)**

29 Interest expenses

	Three months ended June 30,		Six months ended June 30,	
	2011 €mn	2010 €mn	**2011** €mn	2010 €mn
Liabilities to banks and customers	(98)	(95)	(190)	(189)
Deposits retained on reinsurance ceded	(7)	(17)	(21)	(36)
Certificated liabilities	(74)	(77)	(147)	(152)
Participation certificates and subordinated liabilities	(168)	(140)	(315)	(278)
Other	(20)	(30)	(44)	(55)
Total	**(367)**	**(359)**	**(717)**	**(710)**

30 Loan loss provisions

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn
Additions to allowances including direct impairments	(58)	(26)	(95)	(56)
Amounts released	21	12	36	25
Recoveries on loans previously impaired	4	5	10	10
Total	(33)	(9)	(49)	(21)

31 Impairments of investments (net)

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn
Impairments				
Available-for-sale investments				
Equity securities	(148)	(302)	(244)	(311)
Debt securities	(629)	(46)	(653)	(127)
Subtotal	(777)	(348)	(897)	(438)
Held-to-maturity investments	(23)	—	(23)	—
Real estate held for investment	(8)	(19)	(18)	(19)
Loans and advances to banks and customers	(5)	(11)	(6)	(12)
Non-current assets and assets and liabilities of disposal groups classified as held for sale	(8)	(34)	(24)	(34)
Subtotal	(821)	(412)	(968)	(503)
Reversals of impairments				
Available-for-sale investments				
Debt securities	1	33	1	33
Real estate held for investment	—	2	—	2
Loans and advances to banks and customers	—	—	2	—
Subtotal	1	35	3	35
Total	(820)	(377)	(965)	(468)

Impairments of Greek sovereign bond portfolio

As of June 30, 2011, Greek sovereign bonds were impaired and consequently written down to the current market value in accordance with IFRS impairment rules for available-for-sale debt securities.

The following table provides an overview of the gross and net impact of the impairment losses on operating profit and non-operating result as well as on net income for the three months ended June 30, 2011:

Greek sovereign bond impairments

Three months ended June 30, 2011	**Total** € mn
Gross impact (before policyholder participation)	
Operating profit	(279)
Non-operating result	(365)
Total gross impairments	(644)
Net impact (after policyholder participation)	
Operating profit	(76)
Non-operating result	(365)
Total net impairments	(441)
Income taxes	115
Impact on net income	(326)

32 Investment expenses

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn
Investment management expenses	(117)	(108)	(232)	(210)
Depreciation of real estate held for investment	(46)	(54)	(92)	(92)
Other expenses for real estate held for investment	(45)	(53)	(86)	(90)
Total	**(208)**	**(215)**	**(410)**	**(392)**

33 Acquisition and administrative expenses (net)

Three months ended June 30,	**2011**			2010		
	Segment € mn	Consolidation € mn	Group € mn	Segment € mn	Consolidation € mn	Group € mn
Property-Casualty						
Acquisition costs						
Incurred	(2,165)	2	(2,163)	(2,126)	—	(2,126)
Commissions and profit received on reinsurance business ceded	130	(1)	129	94	(1)	93
Deferrals of acquisition costs	1,229	—	1,229	1,230	—	1,230
Amortization of deferred acquisition costs	(1,293)	—	(1,293)	(1,278)	—	(1,278)
Subtotal	**(2,099)**	**1**	**(2,098)**	**(2,080)**	**(1)**	**(2,081)**
Administrative expenses	**(669)**	**(6)**	**(675)**	**(608)**	**12**	**(596)**
Subtotal	**(2,768)**	**(5)**	**(2,773)**	**(2,688)**	**11**	**(2,677)**
Life/Health						
Acquisition costs						
Incurred	(1,079)	1	(1,078)	(1,056)	2	(1,054)
Commissions and profit received on reinsurance business ceded	21	(2)	19	22	—	22
Deferrals of acquisition costs	813	—	813	752	—	752
Amortization of deferred acquisition costs	(622)	—	(622)	(608)	—	(608)
Subtotal	**(867)**	**(1)**	**(868)**	**(890)**	**2**	**(888)**
Administrative expenses	**(366)**	**21**	**(345)**	**(357)**	**15**	**(342)**
Subtotal	**(1,233)**	**20**	**(1,213)**	**(1,247)**	**17**	**(1,230)**
Asset Management						
Personnel expenses	(512)	—	(512)	(535)	—	(535)
Non-personnel expenses	(300)	8	(292)	(251)	(1)	(252)
Subtotal	**(812)**	**8**	**(804)**	**(786)**	**(1)**	**(787)**
Corporate and Other						
Administrative expenses	(314)	(5)	(319)	(305)	(14)	(319)
Subtotal	**(314)**	**(5)**	**(319)**	**(305)**	**(14)**	**(319)**
Total	**(5,127)**	**18**	**(5,109)**	**(5,026)**	**13**	**(5,013)**

33 Acquisition and administrative expenses (net) (continued)

Six months ended June 30,	2011			2010		
	Segment € mn	Consoli- dation € mn	Group € mn	Segment € mn	Consoli- dation € mn	Group € mn
Property-Casualty						
Acquisition costs						
Incurred	(4,652)	3	(4,649)	(4,583)	—	(4,583)
Commissions and profit received on reinsurance business ceded	206	(2)	204	250	(2)	248
Deferrals of acquisition costs	2,844	—	2,844	2,798	—	2,798
Amortization of deferred acquisition costs	(2,508)	—	(2,508)	(2,466)	—	(2,466)
Subtotal	(4,110)	1	(4,109)	(4,001)	(2)	(4,003)
Administrative expenses	(1,366)	31	(1,335)	(1,320)	11	(1,309)
Subtotal	(5,476)	32	(5,444)	(5,321)	9	(5,312)
Life/Health						
Acquisition costs						
Incurred	(2,170)	2	(2,168)	(2,101)	2	(2,099)
Commissions and profit received on reinsurance business ceded	46	(3)	43	47	—	47
Deferrals of acquisition costs	1,584	—	1,584	1,491	—	1,491
Amortization of deferred acquisition costs	(1,135)	—	(1,135)	(1,153)	1	(1,152)
Subtotal	(1,675)	(1)	(1,676)	(1,716)	3	(1,713)
Administrative expenses	(727)	25	(702)	(734)	30	(704)
Subtotal	(2,402)	24	(2,378)	(2,450)	33	(2,417)
Asset Management						
Personnel expenses	(1,084)	—	(1,084)	(1,162)	—	(1,162)
Non-personnel expenses	(568)	12	(556)	(470)	(2)	(472)
Subtotal	(1,652)	12	(1,640)	(1,632)	(2)	(1,634)
Corporate and Other						
Administrative expenses	(627)	(36)	(663)	(624)	(17)	(641)
Subtotal	(627)	(36)	(663)	(624)	(17)	(641)
Total	(10,157)	32	(10,125)	(10,027)	23	(10,004)

34 Fee and commission expenses

Three months ended June 30,	2011			2010		
	Segment	Consoli-dation	Group	Segment	Consoli-dation	Group
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
Property-Casualty						
Fees from credit and assistance business	(164)	—	(164)	(158)	—	(158)
Service agreements	(111)	13	(98)	(106)	11	(95)
Subtotal	**(275)**	**13**	**(262)**	**(264)**	**11**	**(253)**
Life/Health						
Service agreements	(8)	—	(8)	(13)	3	(10)
Investment advisory	(38)	1	(37)	(50)	—	(50)
Subtotal	**(46)**	**1**	**(45)**	**(63)**	**3**	**(60)**
Asset Management						
Commissions	(273)	43	(230)	(266)	46	(220)
Other	(7)	1	(6)	(4)	1	(3)
Subtotal	**(280)**	**44**	**(236)**	**(270)**	**47**	**(223)**
Corporate and Other						
Service agreements	(53)	2	(51)	(44)	9	(35)
Investment advisory and Banking activities	(64)	1	(63)	(58)	—	(58)
Subtotal	**(117)**	**3**	**(114)**	**(102)**	**9**	**(93)**
Total	**(718)**	**61**	**(657)**	**(699)**	**70**	**(629)**

Six months ended June 30,	2011			2010		
	Segment	Consoli-dation	Group	Segment	Consoli-dation	Group
	€ mn	€ mn	€ mn	€ mn	€ mn	€ mn
Property-Casualty						
Fees from credit and assistance business	(312)	—	(312)	(304)	—	(304)
Service agreements	(217)	28	(189)	(197)	23	(174)
Subtotal	**(529)**	**28**	**(501)**	**(501)**	**23**	**(478)**
Life/Health						
Service agreements	(14)	1	(13)	(18)	4	(14)
Investment advisory	(91)	3	(88)	(99)	2	(97)
Subtotal	**(105)**	**4**	**(101)**	**(117)**	**6**	**(111)**
Asset Management						
Commissions	(545)	81	(464)	(517)	84	(433)
Other	(10)	1	(9)	(9)	2	(7)
Subtotal	**(555)**	**82**	**(473)**	**(526)**	**86**	**(440)**
Corporate and Other						
Service agreements	(120)	5	(115)	(103)	14	(89)
Investment advisory and Banking activities	(117)	1	(116)	(110)	—	(110)
Subtotal	**(237)**	**6**	**(231)**	**(213)**	**14**	**(199)**
Total	**(1,426)**	**120**	**(1,306)**	**(1,357)**	**129**	**(1,228)**

35 Other expenses

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn
Realized losses from disposals of real estate held for own use	—	(1)	—	(3)
Expenses for alternative investments	(15)	(28)	(29)	(28)
Other	(1)	—	(2)	(1)
Total	**(16)**	**(29)**	**(31)**	**(32)**

36 Income taxes

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn
Current income taxes	(522)	(612)	(1,175)	(1,050)
Deferred income taxes	(21)	64	61	114
Total	**(543)**	**(548)**	**(1,114)**	**(936)**

For the three and the six months ended June 30, 2011 and 2010, the income taxes relating to components of the other comprehensive income consist of the following:

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	**2011** € mn	2010 € mn
Foreign currency translation adjustments	1	16	(15)	46
Available-for-sale investments	(250)	(144)	155	(649)
Cash flow hedges	1	7	4	—
Share of other comprehensive income of associates	(2)	1	—	(4)
Miscellaneous	7	(12)	49	(10)
Total	**(243)**	**(132)**	**193**	**(617)**

37 Earnings per share

Basic earnings per share

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

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Net income attributable to shareholders used to calculate basic earnings per share	1,000	1,089	1,857	2,654
Weighted average number of common shares outstanding	451,622,459	451,230,566	451,590,305	451,214,974
Basic earnings per share (in €)	2.21	2.41	4.11	5.88

Diluted earnings per share

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

	Three months ended June 30,		Six months ended June 30,	
	2011 € mn	2010 € mn	2011 € mn	2010 € mn
Net income attributable to shareholders	1,000	1,089	1,857	2,654
Effect of potentially dilutive common shares	(15)	(15)	(18)	(12)
Net income used to calculate diluted earnings per share	985	1,074	1,839	2,642
Weighted average number of common shares outstanding	451,622,459	451,230,566	451,590,305	451,214,974
Potentially dilutive common shares resulting from assumed conversion of:				
Share-based compensation plans	1,302,331	1,411,254	620,641	1,236,671
Subtotal	1,302,331	1,411,254	620,641	1,236,671
Weighted average number of common shares outstanding after assumed conversion	452,924,790	452,641,820	452,210,946	452,451,645
Diluted earnings per share (in €)	2.17	2.37	4.07	5.84

For the six months ended June 30, 2011, the weighted average number of common shares excludes 2,909,695 (2010: 2,685,026) treasury shares.

Other Information

38 Financial instruments

Reclassification of financial assets

In January 2009, certain U.S. Dollar-denominated CDOs with a fair value of € 1.1 bn (notional amount of € 2.2 bn) were retained from Dresdner Bank. On January 31, 2009, subsequent to the derecognition of Dresdner Bank, the CDOs were reclassified from financial assets held for trading to loans and advances to banks and customers in accordance with IAS 39. The fair value of € 1.1 bn became the new carrying amount of the CDOs at the reclassification date. The expected recoverable cash flows as of the date of reclassification were € 1.8 bn, leading to an effective interest rate of approximately 7 %.

In mid-2009, the CDOs were transferred to one of the Allianz Group's U.S. Dollar functional currency subsidiaries. As of December 31, 2010, the carrying amount and fair value of the CDOs were € 808 mn and € 810 mn, respectively. As of June 30, 2011, the carrying amount and fair value of the CDOs were € 722 mn and € 728 mn, respectively. For the six months ended June 30, 2011, the changes in carrying amount and fair value were primarily impacted by cash receipts and the depreciation of the U.S. Dollar. The foreign currency effects were recognized in other comprehensive income. The net profit related to the CDOs was not significant.

Fair value hierarchy of financial instruments

As of June 30, 2011, there were no significant changes in the fair value hierarchy of financial instruments and no significant transfers of financial instruments between the levels of the fair value hierarchy compared to the consolidated financial statements for the year ended December 31, 2010.

39 Other information

Number of employees

	As of June 30, 2011	As of December 31, 2010
Germany	46,892	47,889
Other countries	103,278	103,449
Total	**150,170**	**151,338**

40 Subsequent events

Placement of a € 500 mn convertible subordinated bond

On July 5, 2011, the Allianz Group announced the placement of a € 500 mn convertible subordinated bond.

Thunderstorms in Switzerland

At the beginning of July 2011, thunderstorms caused damages throughout Switzerland. Based on current information, net claims are expected to amount to approximately CHF 49 mn before income taxes.

Hail storms and heavy rain in Germany

Between July 7 and July 13, 2011, severe hail storms and heavy rain caused damages throughout Germany. Based on current information, net claims are expected to amount to approximately € 50 mn before income taxes.

Damage to power station through an explosion at adjacent naval basis in Cyprus

On July 11, 2011 the explosion of an adjacent naval basis caused severe damage to a power station in Cyprus. Based on current information the net claims cannot be reliably estimated.

Decision on second bailout package for Greece on July 21, 2011

On July 21, 2011, European policymakers announced a new debt reorganization plan for Greece that includes, among other features, a voluntary refinancing program involving private investors currently holding Greek sovereign bonds. Under the terms of the voluntary refinancing program, investors will be able to choose among a variety of bond exchanges, rollovers and buybacks. The Allianz Group supports this voluntary refinancing program. Based on current information, the Allianz Group cannot yet estimate the expected financial impact of the voluntary refinancing program on future period results.

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

In July 2011, the Allianz Group sold 0.4 bn ICBC shares with a realized gain of approximately € 0.2 bn.

Allianz extends real estate investments

In July 2011, Allianz Real Estate GmbH entered on behalf of various German Allianz-insurance companies into a number of strategic real estate investments in the U.S. and Germany with a total volume of around € 200 mn.

New venture Allianz Popular in Spain

On March 24, 2011, Allianz SE and Banco Popular agreed to form "Allianz Popular" in Spain to strengthen the existing partnership and unite all existing ventures under one roof. Allianz SE will own 60 % of Allianz Popular. In this context, EUROPENSIONES S.A., Madrid, which is currently accounted for at equity, will be accounted for as a fully consolidated subsidiary of the Allianz Group. As a result, a revaluation gain of approximately € 100 mn is expected to be recognized during the third quarter of 2011. All regulatory approvals have been granted so that the transaction will be approved by the boards of the companies during the third quarter of 2011.

Munich, August 4, 2011

Allianz SE
The Board of Management

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Munich, August 4, 2011

Allianz SE
The Board of Management

Review report

To Allianz SE, Munich

We have reviewed the condensed consolidated interim financial statements of Allianz SE, Munich – comprising the consolidated balance sheets, consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity, condensed consolidated statements of cash flows and selected explanatory notes – together with the interim group management report of Allianz SE, Munich, for the period from January 1 to June 30, 2011 that are part of the semi annual report according to § 37w WpHG [„Wertpapierhandelsgesetz“: „German Securities Trading Act“]. The preparation of the condensed consolidated interim financial statements in accordance with those International Financial Reporting Standards (IFRS) applicable to interim financial reporting as adopted by the E.U., and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Munich, August 4, 2011

KPMG AG
Wirtschaftsprüfungsgesellschaft

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

Financial Calendar

Important dates for shareholders and analysts

November 11, 2011	Interim Report 3rd quarter 2011
February 23, 2012	Financial press conference for 2011 financial year
February 24, 2012	Analysts' conference for 2011 financial year
March 23, 2012	Annual Report 2011
May 9, 2012	Annual General Meeting

The German Securities Trading Act ("Wertpapierhandelsgesetz") obliges issuers to announce immediately any information which may have a substantial price impact, irrespective of the communicated schedules. Therefore we cannot exclude that we have to announce key figures of quarterly and fiscal year results ahead of the dates mentioned above.

As we can never rule out changes of dates, we recommend checking them on the internet at www.allianz.com/financialcalendar

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