ALLIANZ SE
Form 6-K
November 13, 2007
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer

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

the Securities Exchange Act of 1934

for the period ended September 30, 2007

Commission file Number: 1-15154

ALLIANZ SE

Königinstrasse 28

80802 Munich

Germany

(Address of principal executive offices)

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

Form 20-F x Form 40-F ¨

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ¨ No x

THIS REPORT ON FORM 6-K (EXCEPT FOR ANY NON-GAAP FINANCIAL MEASURE AS SUCH TERM IS DEFINED IN REGULATION G UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED) SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENTS ON FORM S-8 (FILE NO. 333-13462 AND NO. 333-139900) OF ALLIANZ SE AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED. FOR THE AVOIDANCE OF DOUBT, THE DISCLOSURE CONTAINING ANY NON-GAAP FINANCIAL MEASURE CONTAINED IN THE ATTACHED REPORT IS NOT INCORPORATED BY REFERENCE INTO THE ABOVE-MENTIONED REGISTRATION STATEMENTS FILED BY ALLIANZ SE.

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Development of the Allianz share price versus Dow Jones EURO STOXX 50 and Dow Jones EURO STOXX Insurance

indexed on the Allianz share price in €

Source: Thomson Financial Datastream

Current information on the development of the Allianz share price is available on the internet at www.allianz.com/stock.

Basic Allianz share information

Share type	Registered share with restricted transfer
Denomination	No-par-value share
Stock exchanges	All German stock exchanges, London, Paris, Zurich, Milan, New York
Security Codes	WKN 840 400
	ISIN DE 000 840 400 5
Bloomberg	ALV GY
Reuters	ALVG.DE

Investor Relations

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

Allianz SE

Investor Relations

Koeniginstrasse 28

80802 Muenchen

Germany

Investor Line:	+ 49 1802 2554269
	+ 49 1802 ALLIANZ
Fax:	+ 49 89 3800 3899

E-mail: investor.relations@allianz.com

Internet: www.allianz.com/investor-relations

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Allianz Group Key Data

Balance sheet

	As of September 30, 2007	As of December 31, 2006	
	€mn	€mn	Change
Investments	292,185	298,134	(2.0)%
Loans and advances to banks and customers	457,441	408,278	12.0%
Total assets	1,094,763	1,053,226	3.9%
Liabilities to banks and customers	392,629	361,078	8.7%
Reserves for loss and loss adjustment expenses	64,712	65,464	(1.1)%
Reserves for insurance and investment contracts	290,997	287,697	1.1%
Shareholders equity	49,050	50,481	(2.8)%
Minority interests	2,819	6,409	(56.0)%

Allianz SE ratings as of September 30, 2007[1]

	Standard & Poor s	Moody s	A.M. Best
Insurer financial strength	AA	Aa3	A+
Outlook	Stable	Stable	Stable
Counterparty credit	AA	Not rated	aa[2]
Outlook	Stable		Stable
Senior unsecured debt	AA	Aa3	aa
Outlook		Stable	Stable
Subordinated debt	A+/A[3]	A2/A3[3]	a+/a[3]
Outlook		Stable	Stable
Commercial paper (short term)	A-1+	P-1	Not rated
Outlook		Stable	

[1] Includes ratings for securities issued by Allianz Finance B.V., Allianz Finance II B.V. and Allianz Finance Corporation.
[2] Issuer credit rating.
[3] Ratings vary on the basis of maturity period and terms.

Other selected financial data

		Three months ended September 30,			Nine months ended September 30,		
		2007	2006	Change from previous year	2007	2006	Change from previous year
Income statement							
Total revenues[1]	€ mn	23,004	22,599	1.8%	76,664	76,308	0.5%
Operating profit[2]	€ mn	2,604	2,660	(2.1)%	8,762	8,131	7.8%
Income before income taxes and minority interests in earnings	€ mn	2,694	2,673	0.8%	10,448	8,696	20.1%
Net income	€ mn	1,921	1,591	20.7%	7,301	5,649	29.2%
Segments							
Property-Casualty							
Operating profit[2]	€ mn	1,487	1,727	(13.9)%	4,648	4,958	(6.3)%
Loss ratio	%	66.5	64.2	2.3%-p	66.5	65.1	1.4%-p
Expense ratio	%	27.6	26.0	1.6%-p	28.1	27.1	1.0%-p
Combined ratio	%	94.1	90.2	3.9%-p	94.6	92.2	2.4%-p
Life/Health							
Operating profit[2]	€ mn	873	617	41.5%	2,381	1,867	27.5%
Statutory expense ratio	%	11.0	11.3	(0.3)%-p	9.2	9.5	(0.3)%-p
Banking							
Operating profit[2]	€ mn	78	406	(80.8)%	1,226	1,219	0.6%
Cost-income ratio	%	92.2	78.9	13.3%-p	75.0	78.6	(3.6)%-p
Loan loss provisions	€ mn	(21)	52	[4]	(81)	78	[4]
Coverage ratio[3] as of September 30,	%	66.3	58.5[5]	7.8%-p	66.3	58.5[5]	7.8%-p
Asset Management							
Operating profit[2]	€ mn	330	294	12.2%	967	895	8.0%
Cost-income ratio	%	58.9	59.5	(0.6)%-p	59.4	59.4	
Third-party assets under management as of September 30,	€ bn	775	764[5]	1.4%	775	764[5]	1.4%
Share information							
Basic earnings per share	€	4.30	3.93	9.4%	16.72	13.94	19.9%
Diluted earnings per share	€	4.23	3.88	9.0%	16.41	13.69	19.9%
Share price as of September 30,	€	163.85	154.76[5]	5.9%	163.85	154.76[5]	5.9%
Market capitalization as of September 30,	€ bn	73.6	66.9[5]	10.0%	73.6	66.9[5]	10.0%

1) Total revenues comprise Property-Casualty segment's gross premiums written, Life/Health segment's statutory premiums, Banking segment's operating revenues and Asset Management segment's operating revenues.
2) The Allianz Group uses operating profit to evaluate the performance of its business segments and the Group as a whole.
3) Represents total loan loss allowances as a percentage of total non-performing loans and potential problem loans.
4) Presentation not meaningful.
5) As of December 31, 2006.

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Allianz Group Interim Report Third Quarter and First Nine Months of 2007

Executive Summary and Outlook

We are on track to achieve our targets despite some difficult market conditions.

- High level of operating profitability with €2.6 billion maintained.
- 94.1% combined ratio in Property-Casualty.
- Double-digit operating profit growth in Life/Health and Asset Management.
- Dresdner Bank operating profit despite financial markets turbulence.
- Net income significantly increased by 20.7% to €1.9 billion.

Total revenues

in bn

Net income

in mn

Operating profit

in mn

Shareholders equity[2]

in mn

[1] Internal total revenue growth excludes the effects of foreign currency translation as well as acquisitions and disposals. Please see page 36 for a reconciliation of nominal total revenue growth to internal total revenue growth for each of our segments and the Allianz Group as a whole.
[2] Does not include minority interests.

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Allianz Group s Consolidated Results of Operations

Total revenues

Total revenues Segments

in mn

Our total revenues were up 1.8% to €23,004 million for the third quarter and 0.5% to €76,664 million for the first nine months. Total internal revenue growth amounted to 2.5% and 1.4% for the third quarter and the first nine months respectively. The main driver in 3Q was the development in the insurance segments delivering 4.1% internal revenue growth. Asset Management revenues grew on an internal basis by 15.7%, whereas in the Banking segment, effects from the current market situation led to a significant shortfall in net trading income, reflected in negative internal growth of 23.0%.

Property-Casualty Gross premiums written increased by 2.5% to €10,674 million, reflecting our diligent risk selection and focus on profitability. Through this policy we were able to selectively grow premiums. Internal revenue growth amounted to 1.8% (9M 2007: 1.2%).

Life/Health At €10,268 million in the third quarter, statutory premiums were up 4.3% (9M 2007: €34,352 million). We achieved strong double-digit growth in many markets around the world, with substantial contributions from Asia-Pacific, Italy and France. The situation in the United States is still challenging, however good progress is being made, notwithstanding the current revenue shortfall. On an internal basis, premiums grew by 6.2% (9M 2007: 1.1%). At the same time our operating asset base increased from €341.9 billion as of September 30, 2006 to €354.4 billion as of September 30, 2007.

Banking The third quarter was challenging for the Banking business due to the effects of the financial markets turbulence. Revenues showed a decline of 23.9% to €1,269 million, entirely attributable to a significant drop in net trading income, whereas the other revenue components developed positively. The development of the first nine months was also affected by the current market situation which led to a decrease of 1.9% to €5,220 million compared to the same period a year ago. Internal growth was (23.0)% and (1.2)% for the third quarter and the first nine months respectively.

Asset Management The strong performance track record of our asset management business continued. The third quarter was characterized by a challenging market environment which led to a negative market sentiment. Our own net outflows in the third quarter were €8 billion, leaving net inflows for the nine months at €12 billion. In line with the higher asset base operating revenues were up 10.6% in 3Q 2007.

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Allianz Group Interim Report Third Quarter and First Nine Months of 2007

Operating profit

Operating profit Segments

in mn

Operating profit increased by €631 million for the first nine months.

Property-Casualty We saw another quarter of strong operating profitability. At €1,487 million, operating profit was only €240 million below the comparison period which benefited from exceptionally low claims from natural catastrophes. On a nine months basis, the decline in operating profit amounted to 6.3% or €310 million. Higher current investment income partially compensated the €480 million increase in claims due to natural catastrophes in the first nine months of 2007.

Life/Health Operating profit of €873 million was up 41.5%, growing for the fifth quarter in a row. This was mainly driven by a one-time benefit and margin improvements with most operating entities contributing to this development. For the first nine months, operating profit grew by 27.5% to €2,381 million.

Banking As a result of the financial markets turbulence, we recorded an operating profit in the third quarter of only €78 million (3Q 2006: €406 million) mainly stemming from a negative trading income, which was affected by the financial markets turbulence.

Asset Management Our Asset Management's operating profit was up 12.2% and 8.0% in the third quarter and the first nine months of 2007, respectively. At 58.9% for the third quarter, our cost-income ratio remained at a very competitive level.

Non-operating items

Non-operating items resulted in an aggregate gain of €90 million, €77 million higher than a year ago. Although not material in total, there were some line-item movements worth mentioning. While equity harvesting remained at last year s level, realized losses and impairments on debt securities increased by €94 million leaving net realized gains and impairments of investments down €98 million to €367 million. At the same time, interest expense from external debt increased by €80 million to €271 million, mainly in connection with the bridge financing transaction for the acquisition of the outstanding shares in AGF. These negative effects were more than compensated by a positive trading result, lower acquisition-related expenses and movements in restructuring charges due to lower provisions and a partial release of restructuring provisions at Allianz Sach in Germany.

Non-operating items, on a nine months basis resulted in an aggregate gain of €1,686 million, 198.4% above prior year s level. The locking-in of unrealized gains on investments in the first quarter and significantly reduced restructuring charges were the main reasons behind this development.

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Net income

Net income, at €1,921 million, increased by 20.7% on the prior year level, primarily as a result of lower income tax expenses and lower minority interests in earnings. Our effective tax rate declined to 24.3%. Mainly due to the minority buy-out at AGF, minority interests in earnings declined by €167 million.

On a nine months basis, net income grew by 29.2% to €7,301 million. In aggregate, this resulted from our strong operating income and a significantly higher non-operating result as well as lower minority interests in earnings.

Earnings per share[1)]

**in **

[1)] See Note 37 to our condensed consolidated financial statements for further details.

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Allianz Group Interim Report Third Quarter and First Nine Months of 2007

The following table summarizes the total revenues, operating profit and net income for each of our segments for the three and nine months ended September 30, 2007 and 2006, as well as IFRS consolidated net income of the Allianz Group.

	Property-Casualty		Life/Health		Banking		Asset Management		Corporate		Consolidation		Group	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	€mn	€mn	€mn	€mn	€mn	€mn	€mn	€mn	€mn	€mn	€mn	€mn	€mn	€mn
Three months ended September 30,														
Total revenues[1)]	**10,674**	**10,412**	**10,268**	**9,847**	**1,269**	**1,668**	**803**	**726**			**(10)**	**(54)**	**23,004**	**22,599**
Operating profit (loss)	**1,487**	**1,727**	**873**	**617**	**78**	**406**	**330**	**294**	**(155)**	**(331)**	**(9)**	**(53)**	**2,604**	**2,660**
Non-operating items	252	139	9	(8)	61	(8)	(97)	(133)	(166)	27	31	(4)	90	13
Income (loss) before income taxes and minority interests in earnings	**1,739**	**1,866**	**882**	**609**	**139**	**398**	**233**	**161**	**(321)**	**(304)**	**22**	**(57)**	**2,694**	**2,673**
Income taxes	34	(600)	(293)	(240)	(177)	(96)	(87)	(67)	(126)	180	(6)	26	(655)	(797)
Minority interests in earnings	(65)	(177)	(26)	(81)	(16)	(19)	(4)	(10)	(8)		1	2	(118)	(285)
Net income (loss)	**1,708**	**1,089**	**563**	**288**	**(54)**	**283**	**142**	**84**	**(455)**	**(124)**	**17**	**(29)**	**1,921**	**1,591**
Nine months ended September 30,														
Total revenues[1)]	**34,767**	**34,243**	**34,352**	**34,600**	**5,220**	**5,322**	**2,380**	**2,203**			**(55)**	**(60)**	**76,664**	**76,308**
Operating profit (loss)	**4,648**	**4,958**	**2,381**	**1,867**	**1,226**	**1,219**	**967**	**895**	**(266)**	**(585)**	**(194)**	**(223)**	**8,762**	**8,131**
Non-operating items	1,096	1,007	127	133	217	396	(301)	(403)	271		276	(568)	1,686	565
Income (loss) before income taxes and minority interests in earnings	**5,744**	**5,965**	**2,508**	**2,000**	**1,443**	**1,615**	**666**	**492**	**5**	**(585)**	**82**	**(791)**	**10,448**	**8,696**
Income taxes	(1,081)	(1,590)	(728)	(549)	(401)	(430)	(268)	(194)	(71)	414	69	296	(2,480)	(2,053)
Minority interests in earnings	(395)	(604)	(185)	(301)	(60)	(74)	(23)	(34)	(16)	(9)	12	28	(667)	(994)
Net income (loss)	**4,268**	**3,771**	**1,595**	**1,150**	**982**	**1,111**	**375**	**264**	**(82)**	**(180)**	**163**	**(467)**	**7,301**	**5,649**

[1)] Total revenues comprise Property-Casualty segment s gross premiums written, Life/Health segment s statutory premiums, Banking segment s operating revenues and Asset Management segment s operating revenues.

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Risk Management

Risk management is an integral part of our business processes and supports our value-based management. As our internal risk capital model provides management with information which allows for active asset-liability management and monitoring, risk is well controlled and there are no identified risks which could in the future pose a threat to the existence of the Allianz Group.

The financial markets turbulence driven by the sub-prime issue in the US led to abnormal conditions with regard to short-term refinancing, as well as declining market prices in the structural finance business. The negative effects from this development for the banking segment are covered in the 3Q interim financial statements.

If the market disturbances continue, then we cannot rule out further write-downs or the necessity to draw on liquidity facilities. Furthermore, strategic changes in the business area of structured finance could be considered in the long run.

The information contained in the risk report in our 2006 Annual Report is still valid.

Events After the Balance Sheet Date

See Note 41 to the condensed consolidated financial statements.

Opportunities

As presented in our 2006 Annual Report, we remain confident that the business prospects for financial service providers remain positive against the background of continuous dynamic global economic development.

Outlook

Our outlook remains unchanged; we are on track to achieve our targets.

In the years 2007 to 2009, we expect average annual consolidated operating profit growth of 10% from the 2006 level, adjusted for the particularly favorable natural catastrophe trend in 2006. Within the same time period, we are striving to maintain a strong combined ratio of less than 94% on average in our Property-Casualty segment. In Life/Health we aim to achieve an average new business margin[1)] greater than 3%. We also target an average return on risk-adjusted capital in our Banking segment of above 15%. For our Asset Management segment, we are targeting average annual growth of third-party assets under management of 10%, excluding foreign currency conversion effects. We expect net income of around €8 billion for the full year 2007.

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

Cautionary Note Regarding Forward-Looking Statements

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management s current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words may , will , should , expects , plans , intends , anticipates , believes , estimates , predicts , potential , or continue a expressions identify forward-looking statements.

Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Allianz Group s core business and core markets, (ii) performance of financial markets, including emerging markets, (iii) the frequency and severity of insured loss events, (iv) mortality

and morbidity levels and trends, (v) persistency levels, (vi) the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changing levels of competition, (x) changes in laws and regulations, including monetary convergence and the European Monetary Union, (xi) changes in the policies of central banks and/or foreign governments, (xii) the impact of acquisitions, including related integration issues, (xiii) reorganization measures, and (xiv) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

The matters discussed herein may also be affected by risks and uncertainties described from time to time in Allianz SE s filings with the U.S. Securities and Exchange Commission. The company assumes no obligation to update any forward-looking statement.

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1) New business margin according to the definition of European Embedded Value.

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Allianz Group Interim Report Third Quarter and First Nine Months of 2007

Property-Casualty Insurance Operations

Operating profit at the target level.

- Disciplined underwriting continued.
- Steady growth in gross premiums.

Earnings Summary

Gross premiums written

Gross premiums written by region[1)]

in %

[1)] After elimination of transactions between Allianz Group companies in different geographic regions and different segments. Gross premiums written from our specialty lines have been allocated to the respective geographic regions.

Gross premiums written Growth rates[1)]

in %

[1)] Before elimination of transactions between Allianz Group companies in different geographic regions and different segments.
[2)] Together with our property-casualty assumed reinsurance business, primarily attributable to Allianz SE, the decline within Germany was (7.5)% for 3Q 2007 over 3Q 2006 and (6.0)% for 9M 2007 over 9M 2006.

2007 to 2006 third quarter comparison

Compared to previous year, gross premiums written increased by 2.5% to €10,674 million. Internal growth amounted to 1.8%, which excludes €208 million of premiums written by the acquired Russian insurance companies ROSNO and Progress Garant, and large foreign currency translation effects of €(114) million.

The revenue environment remained mixed across our different regions, with ongoing downward pressure on prices in mature markets. Nonetheless, through our policy of selective underwriting we maintained a profit-first approach.

At Allianz Sach within Germany, gross premiums declined by 1.5 % mainly due to price pressures in the motor market. Internal reinsurance business at Allianz SE was also reduced. Taken together, this led to a premium reduction in Germany of €183 million.

The decline in Italy of €30 million stemmed from stagnation in motor markets and the impact from a new regulation, the so-called Bersani law, which will result in an overall price reduction.

Premiums in the United Kingdom decreased primarily due to the internal transfer of business to Allianz Global Corporate & Specialty (or AGCS). Without this effect, the business in the UK grew internally by 11.2%.

The main contributors to growth were our markets in New Europe, the United States and Spain as well as our global travel and assistance business at Mondial.

In New Europe, premiums increased by €251 million. Revenue volume benefited mainly from the first time consolidation of ROSNO and Progress Garant in Russia as already mentioned. Additionally, motor insurance business in Romania and Poland contributed to the rise in premiums.

In our travel insurance business we saw growth across all regions. Gross premiums increased by €60 million.

At Fireman's Fund Insurance Company (or Fireman's Fund) in the United States, revenues increased by 2.7% to €1,644 million, mainly driven by crop insurance business and personal lines. Revenues were up 10.7% on a U.S. Dollar basis.

Our Spanish operations recorded higher revenues from all lines of business. The good ongoing performance of our direct sales channel Fénix Directo also contributed to the development. Total revenues were up by €33 million.

2007 to 2006 nine months comparison

For the first nine months of 2007, gross premiums written increased by 1.5% to €34,767 million. While the developments in most of our markets were consistent with the third quarter comparison, we recorded lower premiums at Fireman's Fund due to the unfavorable development of the U.S. Dollar against the Euro. On an internal basis, segment growth amounted to 1.2%.

Operating profit

Operating profit

in €mn

2007 to 2006 third quarter comparison

At €1,487 million operating profit met our expectation. Compared to a prior year period that was characterized by a high profit level due to unusually low claims from natural catastrophes, the operating profit declined. Except for the specialty lines and Allianz Sach, operating profit development was flat or negative in most of our markets.

Our combined ratio went up by 3.9 percentage points to 94.1%. The accident year loss ratio went up 3.6 percentage points to 69.0%. Thereof, 2.3 percentage points are attributable to claims from natural catastrophes in the third quarter (3Q 2006: 0.6%), following the floods in the United Kingdom and severe storms in several parts of the world. Additionally, the first time consolidation of our Russian entities contributed to the rise in the loss ratio. Adding the positive net development in prior years   loss reserves, our calendar year loss ratio increased by 2.3 percentage points to 66.5%.

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Allianz Group Interim Report Third Quarter and First Nine Months of 2007

The expense ratio increased by 1.6 percentage points to 27.6%.

2007 to 2006 nine months comparison

On a nine months basis, operating profit amounted to €4,648 million, €310 million less than in the prior year period. Both higher net losses from natural catastrophes as well as higher acquisition and administrative expenses are responsible for this change. An increase in profitable, higher-commission business resulted in both an absolute and relative increase in acquisition costs. The increase in administrative expenses resulted from acquisitions (€49 million), higher Group investments (€79 million), and changes in the business mix (€95 million). These increases were partially offset by lower expense run rates of €99 million. Our combined ratio rose by 2.4 percentage points to 94.6%.

Non-operating items

2007 to 2006 third quarter comparison

In aggregate, non-operating items nearly doubled to €252 million. Higher realized gains on investments contributed €79 million to the increase. Additionally, the movements in provisions for restructuring charges added €48 million.

2007 to 2006 nine months comparison

In contrast to the third quarter comparison, non-operating items increased to a lesser extent, namely by 8.8% to €1,096 million, as lower realized gains were more than offset by negative restructuring charges.

Net income

2007 to 2006 third quarter comparison

Net income was up 56.8% to €1,708 million, driven predominantly by a high tax benefit and, to a lesser extent, by lower minorities in earnings.

Income taxes changed by €634 million from an income tax expense of €600 million to an income tax benefit of €34 million in the third quarter. This predominantly reflects the effect of the favorable change in the German tax rate driving our effective tax rate significantly down from 32.2% to (1.9)%.

Minority interests in earnings decreased by €112 million to €65 million mainly due to the minority buy-out at AGF.

2007 to 2006 nine months comparison

Net income for the first nine months increased by 13.2% to €4,268 million. Consistent with the third quarter comparison, income tax benefits due to the tax rate change in Germany and decreased minority interests in earnings contributed to this development. The income tax charge decreased by €509 million to €1,081 million driving the effective tax rate down from 26.7% to 18.8%.

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Group Management Report

The following table sets forth our Property-Casualty insurance segment s income statement, loss ratio, expense ratio and combined ratio for the three and nine months ended September 30, 2007 and 2006.

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
	€mn	€mn	€mn	€mn
Gross premiums written[1)]	**10,674**	**10,412**	**34,767**	**34,243**
Ceded premiums written	(1,460)	(1,486)	(4,291)	(4,428)
Change in unearned premiums	737	750	(1,511)	(1,440)
Premiums earned (net)	**9,951**	**9,676**	**28,965**	**28,375**
Interest and similar income	1,007	928	3,393	3,107
Income from financial assets and liabilities designated at fair value through income (net)[2)]	32	39	103	81
Income from financial assets and liabilities held for trading (net), shared with policyholder[2)]	45		(10)	
Realized gains/losses (net) from investments, shared with policyholders[3)]	13	8	48	44
Fee and commission income	290	253	842	770
Other income	14	13	109	51
Operating revenues	**11,352**	**10,917**	**33,450**	**32,428**
Claims and insurance benefits incurred (net)	(6,615)	(6,208)	(19,264)	(18,480)
Changes in reserves for insurance and investment contracts (net)	(114)	(151)	(292)	(344)
Interest expense	(108)	(67)	(292)	(196)
Loan loss provisions	5		(4)	(3)
Impairments of investments (net), shared with policyholders[4)]	(17)	(5)	(24)	(22)
Investment expenses	(74)	(63)	(217)	(178)
Acquisition and administrative expenses (net)	(2,745)	(2,512)	(8,125)	(7,686)
Fee and commission expenses	(193)	(184)	(580)	(559)
Other expenses	(4)		(4)	(2)
Operating expenses	**(9,865)**	**(9,190)**	**(28,802)**	**(27,470)**
Operating profit	**1,487**	**1,727**	**4,648**	**4,958**
Income from financial assets and liabilities held for trading (net), not shared with policyholders[2)]	(26)	(7)	(56)	(4)
Realized gains/losses (net) from investments, not shared with policyholders[3)]	302	223	1,251	1,540
Impairments of investments (net), not shared with policyholders[4)]	(59)	(64)	(106)	(153)
Amortization of intangible assets	(3)	(3)	(9)	(10)
Restructuring charges	38	(10)	16	(366)
Non-operating items	**252**	**139**	**1,096**	**1,007**
Income before income taxes and minority interests in earnings	**1,739**	**1,866**	**5,744**	**5,965**
Income taxes	34	(600)	(1,081)	(1,590)
Minority interests in earnings	(65)	(177)	(395)	(604)
Net income	**1,708**	**1,089**	**4,268**	**3,771**
Loss ratio[5)] in %	66.5	64.2	66.5	65.1
Expense ratio[6)] in %	27.6	26.0	28.1	27.1
Combined ratio[7)] in %	**94.1**	**90.2**	**94.6**	**92.2**

[1] For the Property-Casualty segment, total revenues are measured based upon gross premiums written.
[2] The total of these items equals income from financial assets and liabilities carried at fair value through income (net) in the segment income statement included in Note 3 to the condensed consolidated financial statements.
[3] The total of these items equals realized gains/losses (net) in the segment income statement included in Note 3 to the condensed consolidated financial statements.
[4] The total of these items equals impairments of investments (net) in the segment income statement included in Note 3 to the condensed consolidated financial statements.
[5] Represents claims and insurance benefits incurred (net) divided by premiums earned (net).
[6] Represents acquisition and administrative expenses (net) divided by premiums earned (net).
[7] Represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).

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Allianz Group Interim Report Third Quarter and First Nine Months of 2007

Property-Casualty Operations by Geographic Region

The following table sets forth our Property-Casualty gross premiums written, premiums earned (net), combined ratio, loss ratio, expense ratio and operating profit by geographic region for the three and nine months ended September 30, 2007 and 2006. Consistent with our general practice, these figures are presented before consolidation adjustments, representing the elimination of transactions between Allianz Group companies in different geographic regions and different segments.

Three months ended September 30,	Gross premiums written 2007	2006	Premiums earned (net) 2007	2006	Combined ratio 2007	2006	Loss ratio 2007	2006	Expense ratio 2007	2006	Operating profit 2007	2006
	€mn	€mn	€mn	€mn	%	%	%	%	%	%	€mn	€mn
Germany	**2,256**	**2,439**	**2,335**	**2,475**	**88.5**	**87.0**	**60.7**	**62.2**	**27.8**	**24.8**	**446**	**454**
France	**1,204**	**1,208**	**1,125**	**1,121**	**98.5**	**99.6**	**71.9**	**72.2**	**26.6**	**27.4**	**78**	**99**
Italy	**1,048**	**1,078**	**1,192**	**1,214**	**91.9**	**89.9**	**68.8**	**68.0**	**23.1**	**21.9**	**195**	**209**
United Kingdom	**536**	**585**	**499**	**473**	**106.9**	**90.7**	**75.3**	**60.7**	**31.6**	**30.0**	**18**	**98**
Switzerland	**339**	**369**	**393**	**401**	**102.1**	**90.7**	**77.9**	**67.5**	**24.2**	**23.2**	**13**	**52**
Spain	**479**	**446**	**460**	**428**	**91.3**	**91.1**	**70.8**	**71.1**	**20.5**	**20.0**	**63**	**62**
Netherlands	207	207	205	206	91.9	87.3	58.8	53.1	33.1	34.2	36	43
Austria	195	195	196	198	95.5	91.1	75.7	65.2	19.8	25.9	16	35
Ireland	181	182	155	157	99.9	56.8	74.3	34.9	25.6	21.9	23	85
Belgium	89	80	75	74	85.2	100.5	50.5	61.5	34.7	39.0	18	10
Portugal	66	68	61	64	91.4	88.1	64.3	63.3	27.1	24.8	9	10
Greece	18	17	13	11	91.0	82.1	60.0	51.2	31.0	30.9	2	3
Western and Southern Europe	**756**	**749**	**705**	**710**	**93.8**	**83.0**	**66.5**	**54.2**	**27.3**	**28.8**	**109**[1]	**191**[1]
Hungary	141	135	127	123	87.4	89.8	57.5	65.4	29.9	24.4	31	22
Slovakia	76	72	71	65	63.7	65.2	37.6	35.7	26.1	29.5	32	27
Czech Republic	58	56	45	45	73.2	76.5	51.5	60.1	21.7	16.4	12	12
Poland	85	71	62	50	103.0	88.6	64.8	54.7	38.2	33.9		7
Romania	84	79	42	37	106.4	85.9	92.3	68.1	14.1	17.8	3	6
Bulgaria	22	24	16	15	98.5	88.7	57.2	56.0	41.3	32.7	2	2
Croatia	18	15	15	12	102.5	101.8	67.5	66.1	35.0	35.7		
Russia[2]	223	8	186	1	101.2	127.0	65.3	68.8	35.9	58.2	5	
New Europe[3]	**707**	**456**	**565**	**349**	**93.1**	**84.6**	**60.7**	**57.6**	**32.4**	**27.0**	**75**	**71**
Other Europe	**1,463**	**1,205**	**1,270**	**1,059**	**93.5**	**83.6**	**63.9**	**55.4**	**29.6**	**28.2**	**184**	**262**
United States	1,644	1,601	1,052	1,049	94.0	89.4	68.8	64.8	25.2	24.6	147	201
Mexico[4]	51	40	23	24	106.3	114.2	84.5	89.3	21.8	24.9	1	1
NAFTA	**1,695**	**1,641**	**1,075**	**1,073**	**94.3**	**90.0**	**69.1**	**65.4**	**25.2**	**24.6**	**148**	**202**
Australia	432	413	321	289	103.9	93.7	79.4	68.6	24.5	25.1	63	60
Other	88	75	45	35	93.6	94.7	57.1	58.8	36.5	35.9	6	5
Asia-Pacific	**520**	**488**	**366**	**324**	**102.7**	**93.9**	**76.7**	**67.6**	**26.0**	**26.3**	**69**	**65**
South America	**204**	**207**	**168**	**157**	**98.8**	**99.9**	**62.3**	**66.4**	**36.5**	**33.5**	**14**	**12**
Other	**19**	**12**	**14**	**9**	5)	5)	5)	5)	5)	5)	**2**	**1**
Specialty lines												

Credit Insurance	**403**	404	**309**	285	**72.8**	74.9	**40.7**	48.8	**32.1**	26.1	**131**	111
Allianz Global Corporate & Specialty	**687**	649	**432**	390	**101.9**	95.3	**70.5**	64.4	**31.4**	30.9	**86**	75
Travel Insurance and Assistance Services	**312**	252	**312**	267	**101.8**	102.3	**58.3**	62.3	**43.5**	40.0	**37**	26
Subtotal	**11,165**	10,983	**9,950**	9,676							**1,484**	1,728
Consolidation adjustments[6]	(491)	(571)									3	(1)
Total	**10,674**	10,412	**9,950**	9,676	**94.1**	90.2	**66.5**	64.2	**27.6**	26.0	**1,487**	1,727

1) Contains run-off of €5 mn in both 2007 and 2006 from a former operating entity located in Luxembourg.
2) Effective February 21, 2007, Russian People s Insurance Society ROSNO was consolidated following the acquisition of approximately 49.2% of the shares in ROSNO by the Allianz Group, increasing our holding to approximately 97%. Effective May 21, 2007 we consolidated Progress Garant for the first time.
3) Contains income and expense items from a management holding in both 2007 and 2006.
4) Effective 1Q 2007, life business in Mexico is shown within the Life/Health segment.
5) Presentation not meaningful.
6) Represents elimination of transactions between Allianz Group companies in different geographic regions.

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Group Management Report

Nine months ended September 30,	Gross premiums written 2007	2006	Premiums earned (net) 2007	2006	Combined ratio 2007	2006	Loss ratio 2007	2006	Expense ratio 2007	2006	Operating profit 2007	2006
	€mn	€mn	€mn	€mn	%	%	%	%	%	%	€mn	€mn
Germany	**8,831**	**9,390**	**6,928**	**7,328**	**94.6**	**90.8**	**66.3**	**63.3**	**28.3**	**27.5**	**1,028**	**1,272**
France	**4,042**	**4,053**	**3,343**	**3,327**	**98.8**	**99.7**	**71.6**	**72.5**	**27.2**	**27.2**	**315**	**315**
Italy	**3,634**	**3,698**	**3,623**	**3,661**	**93.1**	**93.4**	**69.6**	**70.4**	**23.5**	**23.0**	**634**	**567**
United Kingdom	**1,688**	**1,812**	**1,488**	**1,392**	**100.6**	**94.7**	**67.8**	**64.7**	**32.8**	**30.0**	**145**	**225**
Switzerland	**1,611**	**1,610**	**1,199**	**1,269**	**97.3**	**94.0**	**71.5**	**70.2**	**25.8**	**23.8**	**135**	**170**
Spain	**1,672**	**1,567**	**1,345**	**1,240**	**90.8**	**90.9**	**71.7**	**71.5**	**19.7**	**19.4**	**198**	**185**
Netherlands	741	752	606	609	91.7	89.3	60.0	55.9	31.7	33.4	93	117
Austria	746	752	562	578	95.2	99.1	74.0	73.8	21.2	25.3	67	64
Ireland	550	556	461	463	95.9	71.4	71.0	48.3	24.9	23.1	151	180
Belgium	297	286	225	223	97.5	100.3	63.0	63.4	34.5	36.9	39	33
Portugal	213	220	185	194	90.2	87.2	62.6	63.2	27.6	24.0	29	34
Greece	58	55	37	34	91.3	84.9	60.7	55.2	30.6	29.7	6	7
Western and Southern Europe	**2,605**	**2,621**	**2,076**	**2,101**	**94.1**	**89.0**	**66.8**	**60.6**	**27.3**	**28.4**	**401**[1]	**450**[1]
Hungary	463	451	379	373	91.7	88.3	63.5	62.0	28.2	26.3	72	85
Slovakia	252	224	206	187	63.9	69.9	37.7	39.8	26.2	30.1	91	71
Czech Republic	190	194	136	132	76.1	82.8	53.8	63.4	22.3	19.4	37	26
Poland	265	213	179	147	97.5	89.5	62.0	56.5	35.5	33.0	12	19
Romania	257	215	117	97	98.9	91.7	82.0	76.7	16.9	15.0	7	10
Bulgaria	69	67	47	46	89.6	83.6	47.8	50.2	41.8	33.4	9	9
Croatia	62	54	45	39	102.0	97.7	68.6	64.7	33.4	33.0	1	2
Russia[2]	490	19	386	3	102.5	91.1	65.3	45.4	37.2	45.7	9	1
New Europe[3]	**2,048**	**1,437**	**1,493**	**1,024**	**92.0**	**85.4**	**60.5**	**58.3**	**31.5**	**27.1**	**218**	**215**
Other Europe	**4,653**	**4,058**	**3,569**	**3,125**	**93.1**	**87.8**	**64.1**	**59.8**	**29.0**	**28.0**	**619**	**665**
United States	3,555	3,655	2,657	2,772	91.2	88.0	61.4	58.7	29.8	29.3	502	627
Mexico[4]	142	132	65	73	95.5	105.5	71.3	81.0	24.2	24.5	8	9
NAFTA	**3,697**	**3,787**	**2,722**	**2,845**	**91.3**	**88.5**	**61.6**	**59.3**	**29.7**	**29.2**	**510**	**636**
Australia	1,173	1,116	936	890	99.0	94.0	74.1	68.8	24.9	25.2	197	181
Other	250	232	120	104	93.3	94.5	56.2	56.9	37.1	37.6	17	14
Asia-Pacific	**1,423**	**1,348**	**1,056**	**994**	**98.4**	**94.0**	**72.1**	**67.5**	**26.3**	**26.5**	**214**	**195**
South America	**682**	**630**	**515**	**457**	**99.2**	**101.6**	**63.7**	**65.9**	**35.5**	**35.7**	**42**	**39**
Other	**76**	**53**	**35**	**25**	[5]	[5]	[5]	[5]	[5]	[5]	**6**	**5**
Specialty lines												
Credit Insurance	**1,338**	**1,270**	**941**	**828**	**74.0**	**77.6**	**44.1**	**51.1**	**29.9**	**26.5**	**409**	**328**
Allianz Global	**2,243**	**2,206**	**1,361**	**1,147**	**96.6**	**93.6**	**70.3**	**66.2**	**26.3**	**27.4**	**297**	**286**
Corporate &												

Specialty Travel Insurance and Assistance Services	**878**	**767**	**839**	**737**	**103.3**	**100.9**	**57.4**	**60.9**	**45.9**	**40.0**	**92**	**73**
Subtotal	**36,468**	**36,249**	**28,964**	**28,375**							**4,644**	**4,961**
Consolidation adjustments[6]	(1,701)	(2,006)									4	(3)
Total	**34,767**	**34,243**	**28,964**	**28,375**	**94.6**	**92.2**	**66.5**	**65.1**	**28.1**	**27.1**	**4,648**	**4,958**

1) Contains run-off of €16 mn and €15 mn in 2007 and 2006 respectively from a former operating entity located in Luxembourg.

2) Effective February 21, 2007, Russian People s Insurance Society ROSNO was consolidated following the acquisition of approximately 49.2% of the shares in ROSNO by the Allianz Group, increasing our holding to approximately 97%. Effective May 21, 2007 we consolidated Progress Garant for the first time.

3) Contains income and expense items from a management holding in both 2007 and 2006.

4) Effective 1Q 2007, life business in Mexico is shown within the Life/Health segment.

5) Presentation not meaningful.

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

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Allianz Group Interim Report Third Quarter and First Nine Months of 2007

Life/Health Insurance Operations

Operating profit growth driven by strong margin improvements.

- Dynamic statutory premium development in Asia-Pacific.
- Operating asset base increased by €12.5 billion.

Earnings Summary

Statutory premiums

Statutory premiums by region[1)]

in %

[1)] After elimination of transactions between Allianz Group companies in different geographic regions and different segments.

Statutory premiums Growth rates[1)]

in %

[1)] Before elimination of transactions between Allianz Group companies in different geographic regions and different segments.

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2007 to 2006 third quarter comparison

Statutory premiums increased by 4.3% to €10,268 million, and on an internal basis revenues grew by 6.2%. Many of our operating entities worldwide, especially our growth markets of Asia-Pacific and New Europe but also some more mature markets, showed double-digit growth rates. The total revenue volume from Asia-Pacific and New Europe accounted for 14.6% of our Life/Health segment s statutory premiums in the third quarter 2007, compared to 10.6% in the same period last year.

Whereas most of our markets showed a solid performance, statutory premiums in the United States declined by €464 million. Here, the premium development is still challenged by the legal and regulatory environment relating to the sale of indexed-annuity products. However, during the past months we made progress in closing pending litigations. On a local currency basis the decline in statutory premiums amounted to USD 424 million or 15.5%.

The highest absolute growth was achieved in Asia-Pacific, where revenues increased by €435 million in aggregate. Taiwan, with €220 million delivered the biggest portion to the rise, recording increases in new business mainly due to the dynamic sales of unit-linked products and the ongoing good performance of the bancassurance channel. Within South Korea, we saw a further strong increase in single premium income, driving revenues up €107 million. Furthermore, we benefited from organic revenue growth of €78 million in China where we benefited from our strategic partnership with Industrial and Commercial Bank of China Limited (or ICBC).

In Italy, statutory premiums grew by €228 million. This was achieved despite an ongoing poor overall market performance, principally because sales through our bancassurance channel at RAS Group increased and we successfully launched new products.

Within France, we generated revenue growth of €94 million. This positive development was brought about by strong sales within the group life business, and sales of individual life insurance policies also picked up. Growth was achieved both through our tied agents network and the dynamically developing bancassurance channel.

In our German life insurance business, premiums grew by €45 million, mainly coming from growth in our single premium business.

2007 to 2006 nine months comparison

Statutory premiums declined by 0.7% to €34,352 million. In most of our markets, revenue developments were consistent with those described for the third quarter. However, in Germany, premiums declined by €344 million due to an overall weak market environment and high interest rates which made some of our short-term savings products less attractive. Based on internal growth, our statutory premiums increased slightly by 1.1%.

Operating profit

Operating profit

in mn

2007 to 2006 third quarter comparison

Operating profit was up for the fifth consecutive quarter, growing by 41.5% or €256 million. Our technical margin benefited from an extraordinary reserve release. The higher asset base also increased our current investment income. Interest and similar income grew by €81 million as both payments on debt securities and dividends grew. In contrast net realized gains on investments declined as no major single transaction was executed in the third quarter. The high increase of €251 million in income from financial assets and liabilities carried at fair value through income stemmed predominantly from trading activities.

Our statutory expense ratio declined by 0.3 percentage points to 11.0%.

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Most life insurance markets delivered operating profit growth. The highest contributions came from Asia-Pacific (+ €192 million including a one-off reserve release of €170 million), the United States (+ €72 million), France (+ €47 million) and Italy (+ €33 million).

2007 to 2006 nine months comparison

Operating profit was up 27.5% to €2,381 million. Unlike in the third quarter comparison this was mostly impacted by an improved technical margin and an improved expense result.

Non-operating items

2007 to 2006 third quarter comparison

Non-operating items improved to an aggregate gain of €9 million coming from an aggregate loss in 2006 of almost the same amount, as we recorded higher net realized gains not to be shared with policyholders.

2007 to 2006 nine months comparison

Significantly lower net realized gains not to be shared with policyholders in the United States led to a decrease in our non-operating result of €6 million.

Net income

2007 to 2006 third quarter comparison

Driven by the higher operating profit, net income rose by 95.5% to €563 million. The aggregate of higher income tax expenses of €53 million and lower minority interests in earnings of €55 million contributed little to this development. Our effective tax rate went down from 39.4% to 33.2%.

2007 to 2006 nine months comparison

Net income for the first nine months amounted to €1,595 million, up 38.7% from the prior year level. Consistent with the third quarter comparison, this development was predominantly attributable to the improved operating profit. Income tax expenses increased by €179 million, driving our effective tax rate up from 27.5% to 29.0%. Minority interests in earnings declined by €116 million.

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The following table sets forth our Life/Health insurance segment s income statement and statutory expense ratio for the three and nine months ended September 30, 2007 and 2006.

	Three months ended September 30, 2007	2006	Nine months ended September 30, 2007	2006
	€mn	€mn	€mn	€mn
Statutory premiums[1]	**10,268**	**9,847**	**34,352**	**34,600**
Ceded premiums written	(108)	(163)	(487)	(572)
Change in unearned premiums	(17)	(49)	(41)	(200)
Statutory premiums (net)	10,143	9,635	33,824	33,828
Deposits from SFAS 97 insurance and investment contracts	(5,662)	(5,169)	(19,475)	(19,515)
Premiums earned (net)	**4,481**	**4,466**	**14,349**	**14,313**
Interest and similar income	3,174	3,093	10,112	9,838
Income from financial assets and liabilities carried at fair value through income (net), shared with policyholders[2]	231	(20)	(748)	(205)
Realized gains/losses (net) from investments, shared with policyholders[3]	617	537	2,351	2,587
Fee and commission income	171	144	506	435
Other income	10	7	73	20
Operating revenues	**8,684**	**8,227**	**26,643**	**26,988**
Claims and insurance benefits incurred (net)	(3,901)	(3,942)	(12,761)	(12,738)
Changes in reserves for insurance and investment contracts (net)	(2,140)	(2,262)	(6,975)	(7,860)
Interest expense	(85)	(70)	(287)	(207)
Loan loss provisions	1		(2)	1
Impairments of investments (net), shared with policyholders[4]	(288)	(63)	(381)	(308)
Investment expenses	(235)	(129)	(594)	(497)
Acquisition and administrative expenses (net)	(1,113)	(1,087)	(3,102)	(3,217)
Fee and commission expenses	(49)	(57)	(154)	(177)
Operating restructuring charges[4]	(1)		(6)	(118)
Operating expenses	**(7,811)**	**(7,610)**	**(24,262)**	**(25,121)**
Operating profit	**873**	**617**	**2,381**	**1,867**
Income from financial assets and liabilities carried at fair value through income (net), not shared with policyholders[2]	3		3	
Realized gains/losses (net) from investments, not shared with policyholders[3]	11		133	186
Impairments of investments (net), not shared with policyholders[4]	(1)		(1)	
Amortization of intangible assets	(1)		(2)	(2)
Non-operating restructuring charges[5]	(3)	(8)	(6)	(51)
Non-operating items	**9**	**(8)**	**127**	**133**
Income before income taxes and minority interests in earnings	**882**	**609**	**2,508**	**2,000**
Income taxes	(293)	(240)	(728)	(549)
Minority interests in earnings	(26)	(81)	(185)	(301)
Net income	**563**	**288**	**1,595**	**1,150**
Statutory expense ratio[6] in %	**11.0**	**11.3**	**9.2**	**9.5**

[1] For the Life/Health segment, total revenues are measured based upon statutory premiums. Statutory premiums are gross premiums written from sales of life insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the

statutory accounting practices applicable in the insurer s home jurisdiction.

[2] The total of these items equals income from financial assets and liabilities carried at fair value through income (net) in the segment income statement included in Note 3 to the condensed consolidated financial statements.

[3] The total of these items equals realized gains/losses (net) in the segment income statement included in Note 3 to the condensed consolidated financial statements.

[4] The total of these items equals impairments of investments (net) in the segment income statement included in Note 3 to the condensed consolidated financial statements.

[5] The total of these items equals restructuring charges in the segment income statement included in Note 3 to the condensed consolidated financial statements.

[6] Represents acquisition and administrative expenses (net) divided by statutory premiums (net).

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Allianz Group Interim Report Third Quarter and First Nine Months of 2007

Life/Health Operations by Geographic Region

The following table sets forth our Life/Health statutory premiums, premiums earned (net), statutory expense ratio and operating profit by geographic region for the three and nine months ended September 30, 2007 and 2006. Consistent with our general practice, these figures are presented before consolidation adjustments, representing the elimination of transactions between Allianz Group companies in different geographic regions and different segments.

	Statutory premiums[1]		Premiums earned (net)		Statutory expense ratio		Operating profit (loss)	
Three months ended September 30,	2007	2006	2007	2006	2007	2006	2007	2006
	€mn	€mn	€mn	€mn	%	%	€mn	€mn
Germany Life	**2,685**	**2,640**	**2,099**	**2,205**	**8.0**	**9.9**	**139**	**208**
Germany Health[2]	**783**	**776**	**781**	**773**	**9.2**	**10.5**	**25**	**33**
Italy	**1,495**	**1,267**	**186**	**198**	**8.0**	**10.2**	**99**	**66**
France	**1,407**	**1,313**	**458**	**332**	**15.0**	**12.3**	**142**	**95**
Switzerland	**142**	**143**	**66**	**76**	**20.4**	**16.9**	**17**	**14**
Spain	**120**	**111**	**80**	**72**	**12.3**	**15.6**	**26**	**24**
Netherlands	89	96	32	38	3.4	36.8	8	11
Austria	84	86	67	69	15.3	14.8	8	6
Belgium	154	120	73	64	9.4	13.4	1	35
Portugal	26	19	18	16	29.3	13.2	5	5
Luxembourg	10	14	6	7	20.0	12.3	1	
Greece	23	21	15	14	24.1	25.6	2	1
Western and Southern Europe	**386**	**356**	**211**	**208**	**11.7**	**20.7**	**24[3]**	**56[3]**
Hungary	51	24	20	18	15.5	23.9	2	3
Slovakia	65	43	39	33	8.3	11.6	5	1
Czech Republic	19	17	13	13	20.1	8.6	(1)	3
Poland	53	76	32	29	41.3	26.8	5	2
Romania	6	5	3	3	37.6	38.6	1	
Bulgaria	7	6	6	5	18.9	15.4	1	1
Croatia	11	11	9	9	23.9	16.8	1	
Russia	4	2	3	2	134.0	14.1	(3)	
New Europe	**216**	**184**	**125**	**112**	**23.0**	**20.6**	**11**	**10**
Other Europe	**602**	**540**	**336**	**320**	**15.8**	**20.8**	**35**	**66**
United States	1,680	2,144	60	95	14.3	7.6	163	91
Mexico[4]	7		8		18.4		1	
NAFTA	**1,687**	**2,144**	**68**	**95**	**14.3**	**7.6**	**164**	**91**
South Korea	574	467	243	243	13.7	13.1	195	17
Taiwan	516	296	12	24	1.9	6.2	19	3
Malaysia	30	26	25	21	19.2	12.8	3	2
Indonesia	47	21	13	9	15.2	30.4	1	1
Other	103	25	4	4	11.6	19.4	(5)	(2)
Asia-Pacific	**1,270**	**835**	**297**	**301**	**9.0**	**11.3**	**213**	**21**
South America	**19**	**28**	**15**	**8**	**38.1**	**21.3**	**1**	**(1)**
Other[5]	**108**	**96**	**95**	**86**	**[6]**	**[6]**	**11**	
Subtotal	**10,318**	**9,893**	**4,481**	**4,466**			**872**	**617**
Consolidation adjustments[7]	(50)	(46)					1	
Total	**10,268**	**9,847**	**4,481**	**4,466**	**11.0**	**11.3**	**873**	**617**

1) Statutory premiums are gross premiums written from sales of life insurance policies as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer s home jurisdiction.
2) Loss ratios were 71.8% and 67.4% for 2007 and 2006, respectively.
3) Contains run-off of (1) mn and (2) mn in 2007 and 2006 respectively from our former life insurance business in the United Kingdom which we sold in December 2004.
4) Effective 1Q 2007, life business in Mexico is shown within the Life/Health segment.
5) Contains, among others, the Life/Health business assumed by Allianz SE.
6) Presentation not meaningful.
7) Represents elimination of transactions between Allianz Group companies in different geographic regions.

Nine months ended September 30,	Statutory premiums[1]		Premiums earned (net)		Statutory expense ratio		Operating profit (loss)	
	2007	2006	2007	2006	2007	2006	2007	2006
	€mn	€mn	€mn	€mn	%	%	€mn	€mn
Germany Life	**8,500**	**8,844**	**6,887**	**7,103**	**5.7**	**9.4**	**471**	**454**
Germany Health[2]	**2,346**	**2,317**	**2,344**	**2,315**	**9.6**	**8.4**	**107**	**132**
Italy	**6,897**	**5,898**	**684**	**720**	**6.0**	**7.2**	**295**	**269**
France	**4,472**	**4,247**	**1,283**	**1,064**	**14.6**	**12.5**	**504**	**370**
Switzerland	**807**	**840**	**344**	**365**	**9.2**	**9.0**	**52**	**41**
Spain	**444**	**427**	**309**	**294**	**10.2**	**10.7**	**78**	**65**
Netherlands	303	324	101	111	10.1	19.5	32	33
Austria	282	270	206	201	11.3	13.3	33	28
Belgium	503	415	220	209	9.0	11.3	72	67
Portugal	75	64	54	49	28.7	14.6	22	17
Luxembourg	57	35	20	22	12.7	14.1	6	3
Greece	77	71	47	45	21.4	23.9	4	3
Western and Southern Europe	**1,297**	**1,179**	**648**	**637**	**11.7**	**14.9**	**167[3]**	**148[3]**
Hungary	107	69	61	55	19.9	25.9	10	11
Slovakia	191	131	119	100	11.8	16.8	21	15
Czech Republic	64	55	39	40	18.4	17.0	5	7
Poland	368	307	76	69	14.9	14.7	11	5
Romania	22	20	9	9	35.2	39.0		
Bulgaria	21	17	18	15	16.5	15.7	3	2
Croatia	40	31	28	25	14.3	21.9	2	2
Russia	9	6	8	6	133.7	16.4	(7)	
New Europe	**822**	**636**	**358**	**319**	**16.9**	**17.6**	**45**	**42**
Other Europe	**2,119**	**1,815**	**1,006**	**956**	**13.8**	**15.9**	**212**	**190**
United States	5,145	7,120	266	263	11.0	6.9	323	244
Mexico[4]	23		23		16.1		3	
NAFTA	**5,168**	**7,120**	**289**	**263**	**11.1**	**6.9**	**326**	**244**
South Korea	1,506	1,561	734	746	15.0	13.2	273	55
Taiwan	1,410	1,040	42	65	2.5	3.6	27	11
Malaysia	88	76	73	62	18.5	18.3	9	6
Indonesia	153	55	35	25	12.6	31.3	4	1
Other	233	75	12	12	11.5	18.6	(10)	(3)
Asia-Pacific	**3,390**	**2,807**	**896**	**910**	**9.6**	**10.3**	**303**	**70**
South America	**66**	**116**	**32**	**33**	**30.5**	**16.0**		**(2)**
Other[5]	**308**	**338**	**275**	**290**	[6]	[6]	**32**	**33**
Subtotal	**34,517**	**34,769**	**14,349**	**14,313**			**2,380**	**1,866**
Consolidation adjustments[7]	(165)	(169)					1	1
Total	**34,352**	**34,600**	**14,349**	**14,313**	**9.2**	**9.5**	**2,381**	**1,867**

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

2) Loss ratios were 72.5% and 68.9% for 2007 and 2006, respectively.

3) Contains run-off of €(2) mn and €(3) mn in 2007 and 2006 respectively, from our former life insurance business in the United Kingdom which we sold in December 2004.

4) Effective 1Q 2007, life business in Mexico is shown within the Life/Health segment.
5) Contains, among others, the Life/Health business assumed by Allianz SE.
6) Presentation not meaningful.
7) Represents elimination of transactions between Allianz Group companies in different geographic regions.

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Allianz Group Interim Report Third Quarter and First Nine Months of 2007

Banking Operations

Operating profit of €87 million in the third quarter.

- €575 million charges related to the financial markets turbulence.
- Net trading loss of €204 million.
- All other businesses developed favorably.

Earnings Summary[1)]

Operating revenues

2007 to 2006 third quarter comparison

Operating revenues of €1,217 million were down by 24.0%, as the financial markets turbulence had a damaging effect on our trading income (net).

The net trading income declined from €269 million to a loss of €204 million. This decline stemmed predominantly from our investment banking activities.

Conversely, the other two revenue components showed good performance.

Net interest income of €724 million, was up 4.2%. This was driven mainly by strong growth at the Investment Bank and positive developments in the deposit business of the Private & Corporate Clients division. Conversely, loan business in this division is suffering from margin pressure.

Net fee and commission income increased by 9.2% to €689 million. Higher advisory fees of the Investment Bank, principally from mergers & acquisitions and loan advisory activities contributed most to the improvement.

2007 to 2006 nine months comparison

Operating revenues for the first nine months were also affected by the current market situation. Revenues decreased by €103 million to €5,010 million, including a decline of 54.8% in our trading income (net) of €476 million, for the reasons already mentioned.

Impacts from the financial markets turbulence

Dresdner Bank carries asset backed securities (or ABS) within trading assets of €18 billion on its balance sheet, but due to hedging strategies is economically only exposed by €7.9 billion, comprising CDO[2)]/CLO[3)] warehouses of €3.0 billion, other CDO/CLO positions of €1.3 billion and other RMBS[4)]/ABS of €3.6 billion.

Exposure by rating

Our ABS assets are of high quality but CDO/CLO positions were significantly impacted by discounts due to current market conditions.

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[1] The results of operations of our Banking segment are almost exclusively represented by Dresdner Bank, accounting for 96.0% of our total Banking segment s operating revenues for the first nine months of 2007 (9M 2006: 96.1%). Accordingly, the discussion of our Banking segment s results of operations relates solely to the operations of Dresdner Bank.

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[2] Collateralized debt obligations

[3] Collateralized loan obligations

[4] Residential mortgage backed securities

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	Three months ended September 30, 2007	Nine months ended September 30, 2007
	mn	mn
Write-downs on CDO/CLO warehouses	246	282
Write-downs on other ABS	52	52
Write-downs on other CDO/CLO	52	82
Total	**350**	**416**

In addition, spill-over effects on other credit products negatively impacted the net trading income by €195 million in the third quarter and the first nine months of 2007. We had also entered into leveraged buy-out (or LBO) commitments of €5.0 billion which resulted in write-downs of €30 million in the third quarter.

In summary, the negative profit & loss impact from the financial markets turbulence was €575 million in the third quarter.

Operating profit

Operating profit (loss)

in mn

2007 to 2006 third quarter comparison

At €87 million, operating profit was down 77.7%. The €384 million drop in operating revenues, triggered by current market conditions outweighed a €150 million reduction in operating expenses. Net additional loan loss provisions of €70 million make up the balance of the movement.

Operating expenses were down 11.9% to €1,109 million. Personnel expenses decreased by 22.3% to €595 million, driven by reduced performance-related compensation in

Investment Banking and lower personnel costs due to outsourcing. Non-personnel expenses were 8.3% higher at €510 million, due to extended marketing activities and external costs from outsourcing.

Despite the positive effect of lower expenses, the cost-income ratio was driven up by the scale of the revenue shortfall, coming in 12.5 percentage points higher, at 91.1%.

Gross additions to loan loss provisions were €161 million. Gross releases and recoveries amounted to €140 million. Combined, this led to a net charge in the quarter of €21 million, compared to a release of €49 million in the prior period.

2007 to 2006 nine months comparison

Despite the difficult market conditions in the third quarter, our operating profit grew by 2.8% to €1,191 million. We achieved significantly lower operating expenses by 7.2% to €3,743 million, due to further efficiency gains, continuous adherence to cost discipline and lower performance-related expenses, which partially offset the revenue decrease. At 74.7%, the cost-income-ratio was 4.2 percentage points lower than last year.

Net additions to loan loss provisions in the first nine months of 2007 were €76 million, further demonstrating adherence to our cautious risk approach and the high quality of the loan portfolio. As of September 30, 2007, our coverage ratio was 66.3% (September 30, 2006: 59.8%).

Non-operating items

2007 to 2006 third quarter comparison

Non-operating items amounted to an aggregate gain of €48 million, compared to a loss of €8 million a year ago. This is mainly attributable to lower restructuring charges and decreased impairments of investments.

2007 to 2006 nine months comparison

Non-operating items declined by 51.3% to €193 million. This is largely due to the significant reduction in realized gains, as reported at the half year. In the first half of 2006 these included the sale of Dresdner Bank's remaining shareholdings in Munich Re to Allianz SE, and the disposal of our remaining participation in Eurohypo AG. Impairments of investments (net) stood at €35 million compared to €80 million in the previous nine months, and restructuring charges declined by €24 million to €17 million.

Net income

2007 to 2006 third quarter comparison

Net income declined to €(52) million compared to €278 million a year ago, driven by the lower operating profit. The tax expenses at €173 million rose by 96.6% resulting in an effective tax rate of 128.1% (3Q 2006: 23.0%) significantly influenced by the revaluation of our domestic tax assets due to the German tax reform.

2007 to 2006 nine months comparison

Net income declined by 12.0% to €955 million. The higher operating profit was offset by the decline in gains from non-operating items, however the nine months tax expense of €375 million was down 7.6%, leading to an effective tax rate at 27.1%, compared to 26.1% a year earlier.

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The following table sets forth the income statements and cost-income ratios for both our Banking segment as a whole and Dresdner Bank for the three and nine months ended September 30, 2007 and 2006.

	Three months ended September 30,				Nine months ended September 30,			
	2007		2006		2007		2006	
	Banking Segment	Dresdner Bank	Banking Segment	Dresdner Bank[1]	Banking Segment	Dresdner Bank	Banking Segment	Dresdner Bank[1]
	€mn	€mn	€mn	€mn	€mn	€mn	€mn	€mn
Net interest income[2]	745	724	709	695	2,403	2,325	1,962	1,904
Net fee and commission income[3]	727	689	668	631	2,325	2,196	2,228	2,104
Trading income (net)[4]	(210)	(204)	285	269	479	476	1,080	1,053
Income from financial assets and liabilities designated at fair value through income (net)[4]	7	8	6	6	13	13	27	27
Other income							25	25
Operating revenues[5]	**1,269**	**1,217**	**1,668**	**1,601**	**5,220**	**5,010**	**5,322**	**5,113**
Administrative expenses	(1,166)	(1,105)	(1,294)	(1,237)	(3,910)	(3,737)	(4,158)	(4,004)
Investment expenses	(2)	(4)	(19)	(21)	(15)	(20)	(35)	(40)
Other expenses	(2)		(1)	(1)	12	14	12	12
Operating expenses	**(1,170)**	**(1,109)**	**(1,314)**	**(1,259)**	**(3,913)**	**(3,743)**	**(4,181)**	**(4,032)**
Loan loss provisions	(21)	(21)	52	49	(81)	(76)	78	77
Operating profit	**78**	**87**	**406**	**391**	**1,226**	**1,191**	**1,219**	**1,158**
Realized gains/losses (net)	78	65	71	73	268	245	517	517
Impairments of investments (net)	(13)	(13)	(48)	(48)	(35)	(35)	(80)	(80)
Amortization of intangible assets			1					
Restructuring charges	(4)	(4)	(32)	(33)	(16)	(17)	(41)	(41)
Non-operating items	**61**	**48**	**(8)**	**(8)**	**217**	**193**	**396**	**396**
Income before income taxes and minority interests in earnings	**139**	**135**	**398**	**383**	**1,443**	**1,384**	**1,615**	**1,554**
Income taxes	(177)	(173)	(96)	(88)	(401)	(375)	(430)	(406)
Minority interests in earnings	(16)	(14)	(19)	(17)	(60)	(54)	(74)	(63)
Net income (loss)	**(54)**	**(52)**	**283**	**278**	**982**	**955**	**1,111**	**1,085**
Cost-income ratio[6] in %	**92.2**	**91.1**	**78.8**	**78.6**	**75.0**	**74.7**	**78.6**	**78.9**

1) We have restated the presentation of revenues and operating profit stemming from trades in shares of Allianz SE and its affiliates. From 2007 onwards, these results are eliminated on Dresdner Bank level, whereas in 2006 they were adjusted on segment level only.
2) Represents interest and similar income less interest expense.
3) Represents fee and commission income less fee and commission expense.
4) The total of these items equals income from financial assets and liabilities carried at fair value through income (net) in the segment income statement included in Note 3 to the condensed consolidated financial statements.
5) For the Banking segment, total revenues are measured based upon operating revenues.
6) Represents operating expenses divided by operating revenues.

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Allianz Group Interim Report Third Quarter and First Nine Months of 2007

Banking Operations by Division

The following table sets forth our banking operating revenues, operating profit and cost-income ratio by division. Consistent with our general practice, these figures are presented before consolidation adjustments, representing the elimination of transactions between Allianz Group companies in different segments.

	Operating revenues		Operating profit (loss)		Cost-Income ratio	
Three months ended September 30,	2007	2006	2007	2006	2007	2006
	mn	mn	mn	mn	%	%
Private & Corporate Clients[1]	845	863	149	167	82.0	76.9
Investment Banking[1]	347	627	(147)	88	134.9	88.8
Corporate Other[2]	25	111	85	136	[3]	[3]
Dresdner Bank[4]	**1,217**	**1,601**	**87**	**391**	**91.1**	**78.6**
Other Banks[5]	52	67	(9)	15	117.3	82.1
Total	**1,269**	**1,668**	**78**	**406**	**92.2**	**78.8**

	Operating revenues		Operating profit (loss)		Cost-Income ratio	
Nine months ended September 30,	2007	2006	2007	2006	2007	2006
	mn	mn	mn	mn	%	%
Private & Corporate Clients[1]	2,723	2,731	645	660	75.1	73.4
Investment Banking[1]	1,996	2,358	230	489	85.8	81.4
Corporate Other[2]	291	24	316	9	[3]	[3]
Dresdner Bank[4]	**5,010**	**5,113**	**1,191**	**1,158**	**74.7**	**78.9**
Other Banks[5]	210	209	35	61	81.0	71.3
Total	**5,220**	**5,322**	**1,226**	**1,219**	**75.0**	**78.6**

1) Our reporting by division reflects the organizational changes within Dresdner Bank effective starting with 1Q 2007, resulting in two operating divisions, Private & Corporate Clients (PCC) and Investment Banking (IB). PCC combines all banking activities formerly provided by the Personal Banking and Private & Business Banking (including Private Wealth Management) divisions as well as our activities with medium-sized business clients from our former Corporate Banking division. IB, with Global Banking and Capital Markets, unites the activities formerly provided by the Dresdner Kleinwort (formerly Dresdner Kleinwort Wasserstein) division and the remaining activities of the former Corporate Banking division. Prior year balances have been adjusted accordingly to reflect these reorganization measures and allow for comparability across periods.

2) The Corporate Other division contains income and expense items that are not assigned to Dresdner Bank s operating divisions. These items include, in particular, impacts from the accounting treatment for derivative financial instruments which do not qualify for hedge accounting as well as provisioning requirements for country and general risks. For the three and nine months, the impact from the accounting treatment for derivative financial instruments which do not qualify for hedge accounting on Corporate Other s operating revenues amounted to (24) mn and (40) mn respectively (2006: (35) mn and (49) mn respectively).

3) Presentation not meaningful.

4) We have restated the presentation of revenues and operating profit stemming from trades in shares of Allianz SE and its affiliates. From 2007 onwards, these results are eliminated on Dresdner Bank level, whereas in 2006 they were adjusted on segment level only.

5) Consists of non-Dresdner Bank banking operations within our Banking segment.

Reconciliation of Operating Profit and Operating Revenues[1]

Three months ended	2006			
	March 31,	June 30,	September 30,	December 31,
	mn	mn	mn	mn
Operating revenues				
Dresdner Bank previously stated	1,884	1,709	1,520	1,697
Reversal of impact Own shares (previously shown on segment level)		(81)	81	(6)
Dresdner Bank	**1,884**	**1,628**	**1,601**	**1,691**
Operating profit				
Dresdner Bank previously stated	529	319	310	202
Reversal of impact Own shares (previously shown on segment level)		(81)	81	(6)
Dresdner Bank	**529**	**238**	**391**	**196**

[1] We have restated the prior year presentation of revenues and operating profit stemming from trades in own shares (shares of Allianz SE and its affiliates). From 2007 onwards, these results are eliminated on Dresdner Bank level, whereas in 2006 they were adjusted on segment level only.

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Group Management Report

Asset Management Operations

Internal growth in asset base up 7.1%, on track.

- Double digit revenue and operating profit growth.
- Cost income ratio at very competitive 58.9% including investments in future growth.

Third-Party Assets Under Management of the Allianz Group

The vast majority of our assets under management continued to outperform their respective benchmarks. On the fixed income side, our conservative approach over the past year and a half really paid off over the last few months as the macroeconomic outlook we forecast has largely come to fruition.

On an internal basis, growth of our asset base was 7.1% as at September 30, 2007 (total growth amounted to 1.4%) compared to the year end 2006. The net inflows across all regions amounted to €12 billion, driven primarily by the United States, France and Asia-Pacific, and market appreciation amounted to €42 billion. These additions to the asset base were largely offset by negative currency translation effects of €40 billion, resulting primarily from a weaker U.S. Dollar against the Euro.

Third-party assets under management Fair values by geographic region[1]

in bn

1) Based on the origination of the assets.
2) Consists of third-party assets managed by Dresdner Bank (approximately 21 bn as of both, September 30, 2007 and December 31, 2006) and by other Allianz Group companies (approximately 21 bn as of September 30, 2007 and 20 bn as of December 31, 2006).

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Allianz Group Interim Report Third Quarter and First Nine Months of 2007

The allocation between retail and institutional clients remained almost unchanged.

Third-party assets under management Fair values by investor class

in bn

Our fixed income business contributed €11 billion to the total net inflows, the remainder of €1 billion was generated by our equity business.

Third-party assets under management Fair values by investment category

in bn

1) Includes primarily investments in real estate.

The third quarter was characterized by a challenging market environment which led to a negative market sentiment. Our net outflows in the third quarter were €8 billion, leaving net inflows for the nine months at €12 billion as already mentioned. Thereof, the majority was attributable to the fixed income business.

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Third-party assets under management Composition of fair value development in the United States

in bn

Third-party assets under management Composition of fair value development in Germany

in bn

Our major achievements in the first nine months of 2007 included:

- Strategic partnership with Xchanging Transaction Bank in investment account administration.
- PIMCO was awarded Best Third-Party Provider of Fixed Income Portfolio Management Services in Asia from Euromoney Private Banking Survey 2007.

Earnings Summary[1)]

Operating revenues

2007 to 2006 third quarter comparison

On an internal basis, operating revenues were up 15.2%. This considerable increase was subdued by currency-related effects, predominantly the weakening of the U.S. Dollar against the Euro. At stable revenue margins, asset-based management fees increased, driven by the growth of our third party asset base. The development of the performance fees was largely influenced by a performance fee recognition in the third quarter instead of the fourth quarter as a result of a change in German fund contracts. This change affected the majority of those funds.

2007 to 2006 nine months comparison

At €2,314 million operating revenues were up 6.8%. At constant exchange rates, operating revenues would have been 13.1% ahead of the prior year period. The rise in management fees was commensurate with the increase in our third party asset base. The decline of loading and exit fees reflected the development of mutual fund sales.

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
	mn	mn	mn	mn
Management fees	913	818	2,625	2,469
Loading and exit fees	76	75	235	253
Performance fees	31	5	67	30
Other income	25	86	220	261

Fee and commission income	**1,045**	**984**	**3,147**	**3,013**
Commissions	(215)	(214)	(661)	(663)
Other expenses	(83)	(81)	(268)	(256)
Fee and commission expenses	**(298)**	**(295)**	**(929)**	**(919)**
Net fee and commission income	**747**	**689**	**2,218**	**2,094**

[1] The results of operations of our Asset Management segment are almost exclusively represented by Allianz Global Investors (AGI), accounting for 97.2% of our total Asset Management segment s operating revenues and operating profit in the first nine months of 2007 (9M 2006: 98.3% and 99.1%, respectively). Accordingly, the discussion of our Asset Management segment s results of operations relates solely to the operations of AGI.

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Operating profit

Operating profit

in mn

2007 to 2006 third quarter comparison

Operating profit was €322 million, up 10.3%. Internal growth amounted to 17.2%. This sizeable increase was driven by positive business developments across all the regions on a local currency basis.

Administrative expenses, excluding acquisition related expenses, increased by 8.1% to €456 million, containing €290 million compensation-related expenses.

At 58.6%, our cost-income ratio decreased by 0.5 percentage points.

2007 and 2006 nine months comparison

Operating profit of €940 million was 6.0% higher than the prior year period, resulting from further growth in all regions. Excluding the effects of exchange rate movements, operating profit improved by 12.7%.

Administrative expenses, excluding acquisition-related expenses, were up 7.4%. At €883 million, compensation-related expenses increased by €55 million. Non-compensation related expenses rose by €40 million to €491 million. Both developments were in line with our business expansion plans and investments in future growth.

Our cost-income ratio slightly improved by 0.4 percentage points to 59.4%.

Non-operating items

2007 to 2006 third quarter comparison

Acquisition-related expenses significantly dropped from €134 million to €97 million. This decline of 27.6% was predominantly due to a lower number of outstanding PIMCO LLC Class B Units (or Class B Units). As of September 30, 2007, the Allianz Group had acquired 43,917 of the 150,000 units originally outstanding.

2007 to 2006 first nine months comparison

At €302 million, acquisition-related expenses were 25.2% below last year's period. This development was mainly driven by the effect of a lower number of outstanding Class B Units as previously described.

Net income

2007 to 2006 third quarter comparison

Net income increased by 67.1% to €137 million. Internal growth rate amounted to 75.0%. This development was primarily driven by operating profit growth and lower acquisition-related expenses which were partly compensated by higher tax expenses. The effective tax rate was 37.8% (3Q 2006: 42.1%).

2007 to 2006 nine months comparison

Net income was up 37.5%, reaching €356 million for the reasons already mentioned in the quarter-to-quarter comparison. At constant exchange rates, net income exceeded 9M 2006 by 45.7%. The effective tax rate increased by 1.4 percentage points to 41.3%.

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The following table sets forth the income statements and cost-income ratios for both our Asset Management segment as a whole and AGI for the three and nine months ended September 30, 2007 and 2006.

	Three months ended September 30,				Nine months ended September 30,			
	2007		2006		2007		2006	
	Asset Management Segment	Allianz Global Investors	Asset Management Segment	Allianz Global Investors	Asset Management Segment	Allianz Global Investors	Asset Management Segment	Allianz Global Investors
	€mn	€mn	€mn	€mn	€mn	€mn	€mn	€mn
Net fee and commission income[1)]	767	747	699	689	2,278	2,218	2,128	2,094
Net interest income[2)]	24	19	19	17	60	55	49	46
Income from financial assets and liabilities carried at fair value through income (net)	8	8	5	5	31	30	17	17
Other income	4	4	3	3	11	11	9	9
Operating revenues[3)]	**803**	**778**	**726**	**714**	**2,380**	**2,314**	**2,203**	**2,166**
Administrative expenses, excluding acquisition-related expenses[4)]	(473)	(456)	(432)	(422)	(1,413)	(1,374)	(1,308)	(1,279)
Operating expenses	**(473)**	**(456)**	**(432)**	**(422)**	**(1,413)**	**(1,374)**	**(1,308)**	**(1,279)**
Operating profit	**330**	**322**	**294**	**292**	**967**	**940**	**895**	**887**
Realized gains/losses (net)			1	1	3	3	2	1
Impairments of investments (net)			1					
Acquisition-related expenses, thereof[4)]								
Deferred purchases of interests in PIMCO	(97)	(97)	(131)	(131)	(299)	(299)	(397)	(397)
Other acquisition-related expenses[5)]			(3)	(3)	(3)	(3)	(7)	(7)
Subtotal	**(97)**	**(97)**	**(134)**	**(134)**	**(302)**	**(302)**	**(404)**	**(404)**
Amortization of intangible assets			(1)				(1)	
Restructuring charges					(2)	(2)		
	(97)	**(97)**	**(133)**	**(133)**	**(301)**	**(301)**	**(403)**	**(403)**

Non-operating items								
Income before income taxes and minority interests in earnings	**233**	**225**	**161**	**159**	**666**	**639**	**492**	**484**
Income taxes	(87)	(85)	(67)	(67)	(268)	(264)	(194)	(193)
Minority interests in earnings	(4)	(3)	(10)	(10)	(23)	(19)	(34)	(32)
Net income	**142**	**137**	**84**	**82**	**375**	**356**	**264**	**259**
Cost-income ratio[6] in %	**58.9**	**58.6**	**59.5**	**59.1**	**59.4**	**59.4**	**59.4**	**59.0**

1) Represents fee and commission income less fee and commission expense.
2) Represents interest and similar income less interest expense and investment expenses.
3) For the Asset Management segment, total revenues are measured based upon operating revenues.
4) The total of these items equals acquisition and administration expenses (net) in the segment income statement in Note 3 to the condensed consolidated financial statements.
5) Consists of retention payments for the management and employees of PIMCO and Nicholas Applegate.
6) Represents operating expenses divided by operating revenues.

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Allianz Group Interim Report Third Quarter and First Nine Months of 2007

Corporate Activities

Earnings Summary

	Three months ended September 30,				Nine months ended September 30,			
	Holding Function		Private Equity		Holding Function		Private Equity	
	2007	2006	2007	2006	2007	2006	2007	2006
	€mn	€mn	€mn	€mn	€mn	€mn	€mn	€mn
Operating profit (loss)	(128)	(276)	(27)	(55)	(306)	(561)	40	(24)
Non-operating items	(153)	(248)	(13)	275	298	(296)	(27)	296
Income before income taxes and minorities	(281)	(524)	(40)	220	(8)	(857)	13	272
Net income (loss)	(431)	(343)	(24)	219	(68)	(439)	(14)	259

Holding Function

Operating profit

2007 to 2006 third quarter comparison

The operating loss decreased significantly. At €128 million, down €148 million, the main drivers were higher interest and similar income, and positive exchange rate movements. These positive developments were partly offset by a negative operating trading result from our hedge program for Group Equity Incentives.

2007 to 2006 nine months comparison

At €306 million the operating loss was 45.5% lower than the previous year figure, stemming from both an increase in operating revenues of 43.7% and reduced operating expenses.

Non-operating items

2007 to 2006 third quarter comparison

Total non-operating items amounted to an aggregate loss of €153 million, €95 million lower than in the comparison period. A trading loss of €63 million in the prior year was turned into a trading gain of €83 million this year, mainly resulting from derivative transactions. Conversely, there was an increase in interest expense, €70 million of which derived from external debt in connection with AGF bridge financing.

2007 to 2006 nine months comparison

Non-operating profit turned into an aggregate gain of €298 million coming from an aggregate loss of almost the same amount in the prior year. The trading result turned positive, primarily driven by derivative transactions and increased realized gains (net) which more than doubled due to the sale of shares in the first half of the year.

Private Equity

Operating profit

2007 to 2006 third quarter comparison

At €27 million the operating loss was almost halved. Income from fully consolidated private equity investments contributed most on the revenue side. This was partly offset by corresponding costs within the expenses.

2007 to 2006 nine months comparison

On a year-to-date comparison the operating result developed favorably, from a €24 million loss to a profit of €40 million. Whereas higher income from fully consolidated private equity investments was partly compensated by the rise of the corresponding expenses, interest and fee income contributed significantly to the operating profit development.

Non-operating items

2007 to 2006 third quarter comparison

With an aggregate loss of €13 million non-operating items turned negative coming from a €275 million gain a year earlier. This development is almost exclusively due to one-off gains of almost €300 million from the disposal of investments in 2006.

2007 to 2006 nine months comparison

Non-operating items recorded a loss of €27 million. The €296 million gain from a year earlier resulted from one-off disposals of investments.

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Allianz Group Interim Report Third Quarter and First Nine Months of 2007

Balance Sheet Review

Slight decrease in shareholders equity.

Shareholders Equity

Shareholders equity[1]

in mn

[1] Does not include minority interests of 2.8 bn as of September 30, 2007 and of 6.4 bn as of December 31, 2006. Please see Note 18 to the condensed consolidated financial statements for further information.
[2] Includes foreign currency translation adjustments.

Shareholders equity decreased by 2.8% to €49.0 billion. The net income of €7.3 billion earned in the first nine months was offset by the minority buy-out that resulted in various impacts to shareholders equity, primarily stemming from the accounting treatment of the goodwill and the capital increase. Additionally, the transfer on disposal of unrealized gains and losses to realized of €2.6 billion and the dividend payment of €1.6 billion contributed to this development.

Total Assets and Total Liabilities

Total assets and liabilities increased by €41.5 billion and €46.6 billion, respectively. In the following sections we analyze important developments within the balance sheets of our Life/Health, Property-Casualty and Banking segments as presented on page 44. Relative to the Allianz Group's total assets and total liabilities, we consider the total assets and total liabilities from our Asset Management segment as immaterial and have, accordingly, excluded these assets and liabilities from the following discussion. Our Asset Management segment's results of operations stem primarily from its business with third-party assets. Please see pages 25 and 26 for further information on the development of our third-party assets

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Insurance Assets and Liabilities

Life/Health insurance operations

Life/Health asset base

fair values[1] in bn

[1] Loans and advances to banks and customers, held-to-maturity investments, and real estate held for investment are stated at amortized cost. Investments in associates and joint ventures are stated at either amortized cost or equity, depending upon, among other factors, our ownership percentage.
[2] Financial assets for unit-linked contracts represent assets owned by, and managed on the behalf of, policyholders of the Allianz Group, with all appreciation and depreciation in these assets accruing to the benefit of policyholders. As a result, the value of financial assets for unit-linked contracts in our balance sheet corresponds with the value of financial liabilities for unit-linked contracts.
[3] Does not include affiliates at 2.9 bn and 2.8 bn as of September 30, 2007 and December 31, 2006, respectively.
[4] Includes, in each case as of September 30, 2007 and December 31, 2006, respectively, debt securities at 9.4 bn and 7.3 bn, equity securities at 3.6 bn and 2.9 bn, and derivative financial instruments at (5.0) bn and (4.4) bn.

In aggregate, our Life/Health asset base grew by €8.5 billion to €349.8 billion, stemming primarily from increased assets for unit-linked contracts (+ €4.4 billion) and higher loans and advances to banks and customers (+ €4.0 billion). This reflected our strong sales performance with unit-linked insurance and investment contracts.

The reserves for insurance and investment contracts were up €3.2 billion amounting to €281.9 billion since December 31, 2006. This development was mainly driven by higher policy reserves especially out of our German Life- and Health business.

Property-Casualty insurance operations

Property-Casualty asset base

fair values[1] in bn

[1] Loans and advances to banks and customers, held-to-maturity investments, and real estate held for investment are stated at amortized cost. Investments in associates and joint ventures are stated at either amortized cost or equity, depending upon, among other factors, our ownership percentage.
[2] Does not include affiliates at 9.8 bn and 9.5 bn as of September 30, 2007 and December 31, 2006, respectively.
[3] Includes, in each case as of September 30, 2007 and December 31, 2006, respectively, debt securities at 3.7 bn and 3.2 bn, equity securities at 0.5 bn and 0.4 bn, and derivative financial instruments at 0.2 bn and 0.1 bn.

Our Property-Casualty asset base increased by €2.1 billion to €101.9 billion.

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Banking Assets and Liabilities

Banking loans and advances to banks and customers

in bn

[1] Includes loan loss allowance at (1.0) bn as of both September 30, 2007 and December 31, 2006, respectively.

Loans and advances to banks and customers in our Banking segment amounted to €357.7 billion as of September 30, 2007. This increase of 14.0% compared to December 31, 2006 was particularly driven by an increasing volume of the collateralized refinancing business of Dresdner Bank. Therefore, at €369.7 billion, liabilities to banks and customers also experienced an increase up 5.6% namely in the form of repurchase agreements and collateral received from securities lending transactions.

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Group Management Report

Other Information

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

The previous analysis is based on our condensed consolidated financial statements and should be read in conjunction with those statements. The Allianz Group uses operating profit to evaluate the performance of its business segments and the Group as a whole. The Allianz Group considers the presentation of operating profit to be useful and meaningful to investors because it enhances the understanding of the Allianz Group s underlying operating performance and the comparability of its operating performance over time. Operating profit highlights the portion of income before income taxes and minority interests in earnings attributable to the on-going core operations of the Allianz Group. To better understand the ongoing operations of the business, we exclude the effects of acquisition-related expenses and the amortization of intangible assets, as these relate to business

combinations; and we exclude interest expense from external debt and income from financial assets and liabilities held for trading (relating to exchangeables on external debt) as these relate to our capital structure.

We believe that trends in the underlying profitability of our business can be more clearly identified without the fluctuating effects of the realized capital gains and losses or impairments of investment securities, as these are largely dependent on market cycles or issuer-specific events over which we have little or no control, and can and do vary, sometimes materially, across periods. Further, the timing of sales that would result in such gains or losses is largely at our discretion. Similarly, we exclude restructuring charges because the timing of the restructuring charges are largely within our control, and accordingly their exclusion provides additional insight into the operating trends of the underlying business.

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

The following table reconciles operating profit on a consolidated basis to the Allianz Group s income before income taxes and minority interests in earnings.