ALLIANZ SE
Form 6-K
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer

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

the Securities Exchange Act of 1934

for the period ended March 31, 2009

Commission file Number: 1-15154

ALLIANZ SE

Königinstrasse 28

80802 Munich

Germany

(Address of principal executive offices)

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

Form 20-F x Form 40-F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ______

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ______

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) AND ON FORM F-3 (FILE NO. 333-151308) OF ALLIANZ SE AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.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, INCLUDING WITHOUT LIMITATION REFERENCES TO CONSOLIDATED OPERATING PROFIT AND OPERATING PROFIT AS IT RELATES TO THE ALLIANZ GROUP, INCLUDING THE TABLES ENTITLED OPERATING PROFIT AND OPERATING PROFIT SEGMENTS ON PAGE 4 (AS THEY RELATE TO THE ALLIANZ GROUP) AND THE SECTION ENTITLED RECONCILIATION OF CONSOLIDATED OPERATING PROFIT AND INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS IN EARNINGS , AND TO ANY OTHER NON-GAAP FINANCIAL MEASURES, IS NOT INCORPORATED BY REFERENCE INTO THE ABOVE-MENTIONED REGISTRATION STATEMENTS FILED BY ALLIANZ SE.

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Allianz Share

Development of the Allianz share price since January 1, 2008

indexed on the Allianz share price in

Source: Thomson Reuters Datastream

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

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.

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Allianz Group Key Data

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

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

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

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

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

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

5) 2008 figures as of December 31, 2008.

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Executive Summary and Outlook

Strong revenues of 27.7 billion.

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

Strong solvency ratio of 159 %.

Net income from continuing operations of 424 million.

First Quarter 2009 at a Glance

All business segments contribute positively to operating profit

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

Difficult economic environment

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

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

New segment structure

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

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

[1] Please refer to our definition of operating profit in the condensed consolidated interim financial statements of this Report.

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New segment structure

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

Allianz Group s Consolidated Results of Operations

Total revenues [1]

Total revenues

in bn

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

1) Total revenues comprise Property-Casualty segment s gross premiums written, Life/Health segment s statutory premiums and Financial Services segment s operating revenues.
2) Internal total revenue growth excludes the effects of foreign currency translation as well as acquisitions and disposals. Please refer to page 35 for a reconciliation of nominal total revenue growth to internal total revenue growth for each of our segments and the Allianz Group as a whole.

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

Total revenues Segments

in mn

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

[3] Total revenues include (34) mn, 5 mn and 21 mn from consolidation for 1Q 2009, 2008 and 2007 respectively.

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

Revenues in our Financial Services segment amounted to

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

Operating profit

Operating profit

in mn

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

Operating profit Segments

in mn

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

[1] Operating profit includes 26 mn, 3 mn and (28) mn from consolidation for 1Q 2009, 2008 and 2007 respectively.

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

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

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

Non-operating result

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

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

Net income (loss) from continuing operations

Net income (loss) from continuing operations

in mn

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

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

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Net income (loss) from discontinued operations

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

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

Net income (loss)

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

Earnings per share [1)]

in

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

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

Shareholders equity

Shareholders equity [2)]

in mn

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

2) Does not include minority interests.

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Total revenues and reconciliation of operating profit to net income

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

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

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Risk Management

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

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

Events After the Balance Sheet Date

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

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

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

Outlook

Economic Outlook

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

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

Continuing uncertainty

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

Stabilization

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

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

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

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

Challenging environment for financial services providers

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

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

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

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

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

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

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Outlook for the Allianz Group

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

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

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

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

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

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

Cautionary note regarding forward-looking statements

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

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Property-Casualty Insurance Operations

Robust operating profit of 970 million in soft markets.

Selective premium growth of 1.3% with continued underwriting discipline.

Combined ratio of 98.5%.

Earnings Summary

Gross premiums written [1]

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

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

[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.

Gross premiums written Internal growth rates [2]

in%

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

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

[2] Before elimination of transactions between Allianz Group companies in different countries and geographic regions.

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

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

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

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

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

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

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

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

Operating profit

Operating profit

in mn

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

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

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

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

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

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

Operating net investment income

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

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

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Property-Casualty segment information

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

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).

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Property-Casualty Operations by Business Divisions

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

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

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

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

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

4) Contains operations in Kazakhstan and Ukraine.

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

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

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Life/Health Insurance Operations

Top line increases, revenues of 13.0 billion.

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

Earnings Summary

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

Statutory premiums [1)]

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

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.

Statutory premiums Internal growth rates [2)]

in%

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

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

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

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

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

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

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

Operating profit

Operating profit

in mn

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

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

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

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

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

Interest and similar income remained stable at 3,305 million and even under current market conditions delivered a yield of 1.2%[1)].

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

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

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

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

[1] On debt securities including cash components, based on an average asset base of 260.3 billion.

Life/Health segment information

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

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

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

Life/Health Operations by Business Divisions

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

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

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Financial Services

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

New Financial Services segment

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

Earnings Summary

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

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

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

Asset Management

Third-party assets under management

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

Development of third-party assets under management

in bn

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

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

Operating revenues

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

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

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

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

Operating profit

Operating profit

in mn

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

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

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

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Third-party assets under management of the Allianz Group

Third-party assets under management by geographic region as of March 31, 2009 (December 31, 2008)[1)]

in %

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

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

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

1) Based on the origination of assets.
2) Consists of third-party assets managed by other Allianz Group companies (approximately 21 bn as of March 31, 2009 and 22 bn as of December 31, 2008, respectively) and Dresdner Bank (approximately 9 bn as of December 31, 2008).

Rolling investment performance of Allianz Global Investors[3)]

in %

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

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

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Financial Services segment information

Three months ended March 31,	Asset Management		Banking		Alternative Investment Management		Financial Services[1]	
	2009	2008	2009	2008	2009	2008	2009	2008
	mn	mn	mn	mn	mn	mn	mn	mn
Net fee and commission income[2]	709	706	35	74	30	54	774	833
Net interest income[3]	12	19	80	78	1		93	96
Income from financial assets and liabilities carried at fair value through income (net)	(10)	(4)	1	(12)	(1)	(2)	(10)	(18)
Other income	3	5					3	5
Operating revenues[4]	714	726	**116**	**140**	30	52	**860**	**916**
Administrative expenses (net), excluding acquisition-related expenses	(504)	(486)	(118)	(138)	(32)	(33)	(654)	(655)
Investment expenses	1	1	(1)	3	(1)	(2)	(1)	2
Other expenses				(1)				(1)
Operating expenses	(503)	(485)	**(119)**	**(136)**	(33)	(35)	**(655)**	**(654)**
Loan loss provisions			(7)	(7)			(7)	(7)
Operating profit (loss)	211	241	**(10)**	**(3)**	(3)	17	**198**	**255**
Cost-income ratio[5] in %	70.4	66.8	**102.6**	**97.1**	110.0	67.3	**76.2**	**71.4**

1) Including consolidation in between the financial services segment as recorded in the segment information in Note 5 to the condensed consolidated interim financial statements.
2) Represents fee and commission income less fee and commission expenses.
3) Represents interest and similar income less interest expenses.
4) For the Financial Services segment, total revenues are measured based upon operating revenues.
5) Represents operating expenses divided by operating revenues.

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Corporate Activities

Operating loss increased due to lower net interest income.

Earnings Summary

Operating loss

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

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Balance Sheet Review

Strong solvency ratio of 159%.

Shareholders equity of33.0 billion.

Shareholders Equity[1)]

Shareholders equity

in mn

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

1) Does not include minority interests of 2.1 bn, 3.6 bn and 3.6 bn as of March 31, 2009, December 31, 2008 and December 31, 2007, respectively. For further information please refer to Note 21 to the condensed consolidated interim financial statements.
2) Include foreign currency translation adjustments.

Shareholders equity

	Shareholders equity mn
Balance as of December 31, 2008	**33,684**
Total comprehensive income[3)]	(670)
Paid-in capital	
Treasury shares	21
Transactions between equity holders	(5)
Dividends paid	
Balance as of March 31, 2009	**33,030**

Regulatory capital adequacy

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

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

financial statements.

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Conglomerate solvency[1)]

in bn

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

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

Total Assets and Total Liabilities

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

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

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

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

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

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

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

Fixed-income portfolio by investment country

in %

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

Fixed-income portfolio by type of issuer

in %

1) Excluding internal loans.
2) Including 11.8 billion subordinated debt securities; thereof 9.3 bn related to our exposure in banks as of March 31, 2009.
3) 5%-pts are mainly seasoned self-originated German Private Retail Mortgage Loans and 4%-pts are short-term deposits at banks.
4) Includes 8.5 bn U.S. Agency MBS.
5) Type of covered bond issued in Germany.

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

Government exposures

in %

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

Pfandbrief and covered bond portfolio

in %

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

Assets and liabilities of the Property-Casualty segment

Property-Casualty assets

Property-Casualty asset base [1)]

fair values [2)] in bn

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

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

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

Composition of the Property-Casualty asset base

fair values [2)]

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

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

3) Do not include affiliates of 10.6 bn and 10.7 bn as of March 31, 2009 and December 31, 2008, respectively.
4) Including cash and cash equivalents as stated in our segment balance sheet of 2.9 bn and 2.7 bn and receivables from cash pooling amounting to 5.6 bn and 5.0 bn net of liabilities from securities lending of 0 bn and (0.2) bn as of March 31, 2009 and December 31, 2008, respectively.

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Property-Casualty liabilities

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

in bn

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

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 16 to the condensed consolidated interim financial statements.

Assets and liabilities of the Life/Health segment

Life/Health assets

Life/Health asset base[2)]

fair values[3)] in bn

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

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

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.

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Composition of the Life/Health asset base

fair values[1)]

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

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

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) Do not include affiliates of 1.6 bn and 2.5 bn as of March 31, 2009 and December 31, 2008, respectively.

3) Including cash and cash equivalents as stated in our segment balance sheet of 2.8 bn and 4.8 bn and receivables from cash pooling amounting to 9.0 bn and 6.6 bn net of liabilities from securities lending of 0 bn and (0.4) bn as of March 31, 2009 and December 31, 2008, respectively.

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

Life/Health liabilities

Development of reserves for insurance and investment contracts

in bn

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

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Assets and liabilities of the Financial Services segment

Financial Services assets

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

Loans and advances to banks and customers[2)]

in bn

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

Financial Services liabilities

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

1) For further information on the development of these third-party assets please refer to pages 20 and 22.
2) Includes loan loss allowance of (0.1) bn as of March 31, 2009 and December 31, 2008, respectively.

Assets and liabilities of the Corporate segment

Corporate assets

Corporate asset base[3)]

fair values[4)] in bn

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

3) We have changed the definition of the asset bases to better reflect the economic reality: from 1Q 2009 onwards we include cash and cash equivalents and receivables from cash pooling net of liabilities from securities lending in our asset bases.
4) 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.

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Composition of the Corporate asset base

fair values[1)]

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

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

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) Do not include affiliates of 65.8 bn and 87.1 bn as of March 31, 2009 and December 31, 2008, respectively.
3) Including cash and cash equivalents as stated in our segment balance sheet of 0.2 bn and 0.5 bn and receivables from cash pooling amounting to 0.1 bn and 1.2 bn net of liabilities from securities lending of 0 bn and 0 bn as of March 31, 2009 and December 31, 2008, respectively.

Corporate liabilities

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

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

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Allianz SE issued debt outstanding as of March 31, 2009[1)]

1. Senior bonds[2)]

Floating coupon rate bond	
issued by Allianz Finance II B.V., Amsterdam	
Volume	USD 0.4 bn
Year of issue	2007
Maturity date	4/2/2009
ISIN	XS 029 027 0056
5.625% bond	
issued by Allianz Finance II B.V., Amsterdam	
Volume	0.9 bn
Year of issue	2002
Maturity date	11/29/2012
ISIN	XS 015 879 238 1
5.0% bond	
issued by Allianz Finance II B.V., Amsterdam	
Volume	1.5 bn
Year of issue	2008
Maturity date	3/6/2013
ISIN	DE 000 A0T R7K 7
4.0% bond	
issued by Allianz Finance II B.V., Amsterdam	
Volume	1.5 bn
Year of issue	2006
Maturity date	11/23/2016
ISIN	XS 027 588 026 7

2. Subordinated bonds[3)]

6.125% bond	
issued by Allianz Finance II B.V., Amsterdam	
Volume	2.0 bn
Year of issue	2002
Maturity date	5/31/2022
ISIN	XS 014 888 756 4
6.5% bond	
issued by Allianz Finance II B.V., Amsterdam	
Volume	1.0 bn
Year of issue	2002
Maturity date	1/13/2025
ISIN	XS 015 952 750 5

7.25% bond

issued by Allianz Finance II B.V., Amsterdam	
Volume	USD 0.5 bn
Year of issue	2002
Maturity date	Perpetual Bond
ISIN	XS 015 915 072 0

1) For further information on Allianz SE issued debt outstanding as of March 31, 2009, please refer to Note 19 and 20 to our condensed consolidated interim financial statements.

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

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

5.5% bond

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

4.375% bond

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

5.375% bond

issued by Allianz Finance II B.V., Amsterdam	
Volume	0.8 bn
Year of issue	2006
Maturity date	Perpetual Bond
ISIN	DE000A0GNPZ3

8.375% bond

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

3. Participation certificates

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

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Other Information

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

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

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

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

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

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

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

Three months ended March 31,	2009	2008
	mn	mn
Operating profit	**1,424**	**2,208**
Non-operating realized gains/losses (net) and impairments of investments (net)	(498)	13
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(105)	145
Income (loss) from fully consolidated private equity investments (net)	(56)	23
Interest expenses from external debt	(238)	(252)
Non-operating restructuring charges	(63)	6
Acquisition-related expenses	(9)	(107)
Amortization of intangible assets	(4)	(5)
Reclassification of tax benefits	(6)	(13)
Income before income taxes and minority interests in earnings	**445**	**2,018**

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Composition of Total Revenue[1] Growth

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

Reconciliation of nominal total revenue growth to internal total revenue growth

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

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

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Consolidated Balance Sheets

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

	Note	As of March 31, 2009 mn	As of December 31, 2008 mn
ASSETS			
Cash and cash equivalents		6,700	8,958
Financial assets carried at fair value through income	6	12,629	14,240
Investments	7	260,635	260,147
Loans and advances to banks and customers	8	125,357	115,655
Financial assets for unit-linked contracts		49,123	50,450
Reinsurance assets	9	14,473	14,599
Deferred acquisition costs	10	23,520	22,563
Deferred tax assets		4,327	3,996
Other assets	11	34,673	34,004
Non-current assets and assets of disposal groups classified as held for sale	3, 12	1,627	419,513
Intangible assets	13	12,665	11,451
Total assets		**545,729**	**955,576**

	Note	As of March 31, 2009 mn	As of December 31, 2008 mn
LIABILITIES AND EQUITY			
Financial liabilities carried at fair value through income	14	6,513	6,244
Liabilities to banks and customers	15	19,354	18,451
Unearned premiums		18,966	15,233
Reserves for loss and loss adjustment expenses	16	63,765	63,924
Reserves for insurance and investment contracts	17	298,894	296,557
Financial liabilities for unit-linked contracts		49,123	50,450
Deferred tax liabilities		3,569	3,833
Other liabilities	18	32,232	32,930
Liabilities of disposal groups classified as held for sale	3, 12	1,362	411,816
Certificated liabilities	19	7,372	9,544
Participation certificates and subordinated liabilities	20	9,484	9,346
Total liabilities		**510,634**	**918,328**
Shareholders equity		33,030	33,684
Minority interests		2,065	3,564
Total equity	**21**	**35,095**	**37,248**
Total liabilities and equity		**545,729**	**955,576**

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Consolidated Income Statements

For the three months ended March 31, 2009 and 2008

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

Three months ended March 31,	Note	2009	2008
Basic earnings per share	38	0.06	2.55
from continuing operations		0.94	3.07
from discontinued operations		(0.88)	(0.52)
Diluted earnings per share	**38**	**0.04**	**2.48**
from continuing operations		0.91	2.99

from discontinued operations	(0.87)	(0.51)

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Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2009 and 2008

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

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

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Allianz Group

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2009 and 2008

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

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

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Allianz Group

Condensed Consolidated Statements of Cash Flows

For the three months ended March 31, 2009 and 2008

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

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

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

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

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

Allianz Group

Notes to the Condensed Consolidated

Interim Financial Statements

1 Basis of presentation

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

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

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

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

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

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

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

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

IFRS 8, Operating Segments

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

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

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Property-Casualty:

German Speaking Countries

Europe I incl. South America

Europe II incl. Africa

Anglo Broker Markets/Global Lines

Growth Markets

Life/Health:

German Speaking Countries

Europe I incl. South America

Europe II incl. Africa

Anglo Broker Markets/Global Lines

Growth Markets

Financial Services:

Asset Management

Banking

Alternative Investment Management

Corporate

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

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

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

IAS 1, Presentation of Financial Statements revised

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

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

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

IAS 23, Borrowing Costs amended

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

IFRS 2, Share-based Payment amended