

**Allianz Europe Limited**

**Directors' report and financial  
statements**

**Registered number 1571671**

**Year End Date 31 December 2009**



## **Directors' report and financial statements**

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## Directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the company for the year ended 31 December 2009. The accounts have been presented in Euros.

### Activities

The company is and will continue to be a holding company. The principal activity of its subsidiary undertakings is the provision of financial services, including the transaction of insurance and reinsurance business of all classes.

### General

#### *Shares in Group companies*

On 4 November 2009 the company acquired all shares of Allianz Investments II Luxembourg S à r l for an amount of EUR 0.8 million.

On 8 December 2009 the company sold its investment AZ Jupiter 8 B V within the Allianz Group.

On 24 December 2009 the company acquired 25,500 new shares of Allianz Egypt Insurance Company, Cairo, Egypt. The amount to be paid, EGP 15.3 million (EUR 1.9 million), was netted against a dividend payment for exactly the same amount paid by Allianz Egypt Insurance Company, Cairo, Egypt.

On various dates during the financial year 2009, the Company made capital contributions of in total BHD 1.6 million (EUR 3.1 million) in Takaful B S C , Bahrain.

#### *Loans to group companies*

On 16 July 2009, the Company granted a loan to Allianz New Europe Holding GmbH, Vienna, Austria, for an amount of EUR 14.4 million.

On 30 July 2009, the Company granted a loan to Allianz SE, Munich, Germany, for an amount of EUR 670.0 million, cash received from Allianz Compagnia Italiana Finanziamenti (A C I F ) S p A, Milan, Italy due to a dividend distribution.

On 25 September 2009, the Company granted a loan of EUR 200.0 million to Allianz SE, Munich, Germany, proceeds mainly coming from interest received on Profit Participation Loans.

### Securities

On 18 February 2009, the Company subscribed in convertible bonds (CASHES) for a nominal amount of EUR 50.0 million, cash received out of repayment of loans towards Allianz SE, Munich, Germany for an amount of EUR 60.0 million nominal originally.

### Dividend

During the financial year 2009, the Company received a total dividend from its subsidiaries of EUR 755.2 million (2008: 2,701.0 million) and EUR 5.2 million on its securities (2008: 12.3 million).

The company declared no dividend during the year 2009 (2008: nil).

### Results

The result for the financial year 2009 amounts to a gain of EUR 1,204.0 million (2008: loss of EUR 3,273.2 million). The increase in result is mainly due to the impairment booked on the Italian subsidiary in 2008.

The results for the year are given in the profit and loss account on page 6.

## **Risk Management**

The Company is exposed to risks inherent to the Company's activities described above. The most important types of financial risk to which the Company is exposed are currency risk and operational risk.

### ***Currency risk***

Currency risk is the risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of assets and liabilities denominated in currencies other than the euro.

Currency risks are limited as dividend receivables (in other currency than the euro) are hedged on the same day they are declared.

### **Credit Risk**

The credit risk is the risk of default by one of the Allianz Europe's subsidiaries on its loans outstanding with

### **Operational risk**

Operational risk related mainly to issues like fraud, IT matters and legal matters. For operational IT support a service level agreement is concluded with Allianz Nederland. The Company considers it has set up adequate internal controls to mitigate operational risks.

## **Directors**

The directors who served from 1 January 2009 to date were

Dr P Achleitner	Chairman,
C Bunschoten	Managing Director, appointed 15 April 2010
H J J Schoon	Managing Director, resigned 1 March 2010
S J Theissing	Managing Director
H D A Wentzel	Managing Director, resigned 1 September 2010
J C M Zarnitz	Managing Director, appointed 1 March 2010

Dr P Achleitner has Austrian nationality, C Bunschoten, H D A Wentzel and H J J Schoon have Dutch nationality, S Theissing and J C M Zarnitz have German nationality.

## **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

## **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the board

**J.C.M. Zarnitz**  
*Managing Director and Secretary*



Amsterdam

24 September 2010

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIANZ EUROPE LIMITED**

We have audited the financial statements of Allianz Europe Limited for the year ended 31 December 2009 set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Murray Alexander Raisbeck (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
8 Salisbury Square  
London  
EC4Y 8BB

26 September 2010

**Profit and loss account**  
*for the year ended 31 December 2009*

	Note	2009 EUR'000	2008 EUR'000
<b>Income from shares in group undertakings</b>			
Dividends from shares		760,389	2,713,246
Other interest receivable and similar income	2	456,345	425,373
Other operating income	3	10	14
		<hr/>	<hr/>
Administrative expenses	4	1,216,744 (402)	3,138,633 (359)
		<hr/>	<hr/>
<b>Operating profit on continuing activities</b>		<b>1,216,342</b>	<b>3,138,274</b>
Impairment of fixed assets investments		-	(6,127,000)
Depreciation of securities		23,592	(246 221)
Withholding taxes	5	(17,288)	(17,288)
Interest payable and similar charges	6	(989)	(9,496)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,221,657	(3,261,731)
Tax on profit on ordinary activities	7	(17,622)	(11,456)
		<hr/>	<hr/>
Profit for the financial year		<b>1,204,035</b>	<b>(3,273,187)</b>
		<hr/>	<hr/>

The notes on pages 8 to 21 form part of these financial statements

The company had no recognised gains or losses other than the profit for the year

All income and expenditure relates to continuing operations





## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### *Basis of preparation*

The financial statements are presented in Euros because the company operates in the Netherlands and accounts for its transactions in Euros

The company does not have more than one business or geographical segment

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and under historical cost accounting rules except that investments and derivative financial instruments are stated at their fair value

The financial statements present information about the undertaking as an individual undertaking and not about its group. The accounting policies set out below have been applied consistently to all periods presented in these financial statements

The financial statements of the Company have been drawn up on a going concern basis, on the basis that the directors of the company have considered resources within the group available to the Company and group, and having taking these into consideration, the directors believe the Company has the resources to continue in operational existence for the foreseeable future

#### *Exemption from requirement to prepare group financial statements*

The company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. The company's financial statements are included in the consolidated financial statements of Allianz SE which are drawn up according to German law in accordance with the EU Seventh Directive, and have been audited. Copies of Allianz SE's Annual Report for 2009, in English, including the consolidated financial statements and the auditors' report on them, will be filed with the UK Registrar of Companies, Companies House, Cardiff, CF4 3UZ.

#### *Exemption from requirement to prepare a cash flow statement*

Due to the existence of certain control agreements with the other shareholder, more than 90% of the voting rights of the company are controlled within the Allianz SE Group and the company is included within the published consolidated financial statements of Allianz SE Group. Advantage has therefore been taken of the exemption in FRS 1 from the requirement to prepare a cash flow statement.

#### *Depreciation*

Depreciation of tangible fixed assets is provided on cost at rates calculated by reference to the expected economic lives of the assets on a straight line basis. The rates are:

Office and computer equipment 20%

#### *Fixed asset investments*

Investments in group undertakings are stated at cost less provisions for permanent diminution in value.

***Securities***

Securities are recorded at the lower of acquisition cost or fair value which is determined by reference to their quoted bid price at the reporting date

***Foreign currencies***

Transactions in foreign currencies are translated using the rate of exchange ruling at the date of the transaction. Foreign currency balances at the year-end are translated at the rate ruling at the year-end. All exchange differences are dealt with through the profit and loss account. Share capital is translated at the rate ruling on the day it is called up.

***Deferred Taxation***

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

## Notes (continued)

### 2 Other interest receivable and similar income

	2009 EUR'000	2008 EUR'000
Interest on bank deposits	97	1,380
Inter company interest	453,554	423,788
Interest income bonds	2,461	-
Other income	233	205
	<u>456,345</u>	<u>425,373</u>

### 3 Other operating income

Other operating income consists of management fee charged to Allianz Lebensversicherungs AG

### 4 Administrative expenses

	2009 EUR'000	2008 EUR'000
Depreciation of fixed assets	-	10
Fees payable to the company's auditor for the audit of the company	62	74
Fees payable to the company's auditor for other services - services relating to taxation	245	144
	<u>307</u>	<u>218</u>
Total auditors' remuneration		
Other expenses *	95	131
	<u>402</u>	<u>359</u>
Total administrative expenses		

\* Other expenses consist of travel and car expenses, office expenses, bank charges, legal fees and others

The average number of employees (including directors) during the year was four (2008 four) The directors did not receive any remuneration

### 5 Withholding tax

This item relates to withholding tax on interest received regarding profit participation loans

### 6 Interest payable and similar charges

This item relates to cash pool charges with other Allianz group companies

## Notes (continued)

### 7 Taxation

Analysis of the charge in period

	2009		2008	
	EUR'000	EUR'000	EUR'000	EUR'000
<i>Dutch corporation tax</i>				
Corporation tax current year		17,630		11,456
Corporation tax prior years		(8)		-
		<u>17,622</u>		<u>11,456</u>
Tax on profit on ordinary activities		<u>17,622</u>		<u>11,456</u>

Current tax reconciliation

	2009		2008	
	EUR'000	EUR'000	EUR'000	EUR'000
Profit / (Loss) on ordinary activities before taxation	1,221,657		(3,261,731)	
	<u>1,221,657</u>		<u>(3,261,731)</u>	
Less:				
Dividends received	(760,389)		(2,713,246)	
Interest income from profit participation loans	(380,753)		(370,582)	
	<u>(1,141,142)</u>		<u>(3,083,828)</u>	
Add:				
Impairment of fixed assets investments	-		6,127,000	
Withholding tax	17,288		17,288	
Depreciation securities	(28,822)		246,221	
	<u>(11,534)</u>		<u>6,390,509</u>	
Taxable income		68,981		44,950
<i>Corporation tax</i>				
Total corporation tax for the year		<u>17,630</u>		<u>11,456</u>

## Notes (continued)

### 8 Deferred tax

There is no provision for deferred tax as there are no transactions on events that have occurred by the balance sheet date that give rise to an obligation to pay more tax in the future or a right to pay less tax in the future

### 9 Tangible assets

	Office and Computer Equipment EUR'000
<i>Cost</i>	
At 31 December 2008 and 31 December 2009	137
	<hr/>
<i>Depreciation</i>	
At 31 December 2008	137
Charge for year	-
	<hr/>
At 31 December 2009	137
	<hr/>
<i>Net book value</i>	
31 December 2009	-
	<hr/>
31 December 2008	-
	<hr/>

## Notes (continued)

### 10 Investments

#### *Fixed asset investments*

	2009 EUR'000	2008 EUR'000
Shares in group undertakings	11,327,102	11,321,225
	<hr/>	<hr/>
As at 31 December	11,327,102	11,321,225
	<hr/>	<hr/>

The movement in investments held as fixed assets, may be analysed as follows

#### *Shares in group undertakings*

	EUR'000
At 31 December 2008 at cost	11,321,225
Additions	5,895
Repayments	(18)
	<hr/>
At 31 December 2009 at cost	11,327,102
	<hr/>

On 4 November 2009 the company acquired all share of Allianz Investments II Luxembourg S à r l for an amount of EUR 0.8 million

On 8 December 2009 the company sold its investment AZ Jupiter 8 B V within the Allianz Group

On 24 December 2009 the company acquired 25,500 new shares of Allianz Egypt Insurance Company, Cairo, Egypt. The amount to be paid, EGP 15.3 million (EUR 1.9 million), was netted against a dividend payment for exactly the same amount paid by Allianz Egypt Insurance Company, Cairo, Egypt

On various dates during the financial year 2009, the Company made capital contributions of in total BHD 1.6 million (EUR 3.1 million) in Takaful B S C , Bahrain

The principal subsidiary undertakings are shown in note 23. None of the above investments are listed

## Notes (continued)

### 11 Profit participation loans

#### *Loan to ACIF*

The perpetual subordinated loan to ACIF for EUR 2,365,000,000 bears interest of 7.31 % per annum and is subject to an interest payment trigger condition (the obligation to pay interest is conditional upon the borrower's average net income after tax during the previous three business years as determined pursuant to local GAAP having been positive. If this condition is not fulfilled, no interest will be payable for the corresponding interest period. Any interest not payable under this condition will not accrue and will not become payable in future periods).

The loan may be prepaid, in whole or in part, at the sole option of the borrower, giving 5 years previous notice and subject to prior authorization of the Italian insurance supervisory authority (ISVAP). The loan can be converted into the ordinary shares of the borrower subject to the lender's agreement and subject to compliance with applicable corporation law and specific Italian regulations on insurance companies.

#### *Loan to Allianz Holding France SAS*

The perpetual subordinated loan to Allianz Holding France SAS for EUR 2,100,000,000 bears a minimum interest of 0.25 % per annum and maximum interest of 7.40 % per annum. The amount of interest shall be the maximum interest amount except:

- a) if the amount of interest calculated in respect of any interest period exceeds the borrower's statutory pretax net income for such interest period, the amount of interest due shall be capped at the borrower's statutory pre-tax net income for such interest period, provided, however, that if the borrower's simplified consolidated income for such interest period exceeds the borrower's statutory pre-tax net income for such interest period, the amount of interest shall then be capped at the borrower's simplified consolidated income for such interest period. However, the amount of interest can under no circumstances exceed the maximum interest amount.
- b) If the borrower's statutory pre-tax net income and the borrower's simplified consolidated income for any interest period are less than the minimum interest amount for such interest period, then the amount of interest due shall be equal to the minimum interest amount for such interest period.
- c) Any negative difference between the amount of interest and the maximum interest amount for a considered interest period will not accrue and will not become payable in future periods.

The loan may be prepaid, annually at the end of each calendar year, but at the earliest on 31 December 2017, in whole or in part, at the sole option of the borrower, by giving 6 months prior notice. Any repayment is yet subject to prior authorization of the Autorité de Contrôle des Assurances et des Mutuelles. The loan can be converted into the ordinary shares of the borrower, giving 60 days prior notice, subject to the lender and subject to compliance with applicable stock corporation law and specific French regulations on insurance companies.



## Notes (continued)

### *Loan to Allianz Holding Ems GmbH*

The offer for a perpetual subordinated loan to Allianz Holding Ems GmbH for EUR 660,000,000 bears an interest of 7.95 % per annum for the interest periods ending before or on December 31, 2013. Thereafter, the maximum interest rate for each interest period shall be determined annually as the 12-month-Euribor plus margin. The interest amount shall be the product of (I) the maximum interest rate, (II) the weighed average outstanding loan amount and (III) the no. of days in an interest period, on which any amount of the loan is outstanding, divided by the total no. of days in the interest period. However the interest amount shall be capped at the incremental value of the Allianz Holding Ems GmbH. If the incremental value is negative, the interest amount shall be zero.

a) if the amount of interest calculated in respect of any interest period exceeds the borrower's statutory pretax net income for such interest period, the amount of interest due shall be capped at the borrower's statutory pre-tax net income for such interest period, provided, however, that if the borrower's simplified consolidated income for such interest period exceeds the borrower's statutory pre-tax net income for such interest period, the amount of interest shall then be capped at the borrower's simplified consolidated income for such interest period. However, the amount of interest can under no circumstances exceed the maximum interest amount.

b) If the borrower's statutory pre-tax net income and the borrower's simplified consolidated income for any interest period are less than the minimum interest amount for such interest period, then the amount of interest due shall be equal to the minimum interest amount for such interest period.

c) Any amount exceeding the cap will not accrue and will not become payable in future periods. The incremental value shall be the equivalent to the increase of the equity increase of Allianz Holding Ems GmbH during the interest period. The loan may be repaid annually at the end of each calendar year, but at the earliest on 31 December 2013, in whole or in part, at the sole option of the borrower Allianz Holding Ems GmbH, by giving three months prior notice.

The loan can be converted. Subject to (I) the Company giving 60 days prior notice of its decision to convert its receivable into a share of the Allianz Holding Ems GmbH, (II) compliance with applicable Austrian limited liability company law and insurance supervisory law as well as subject to (III) approval of the shareholder of Allianz Holding Ems GmbH, Allianz Holding Ems GmbH will issue a new share to the Company.

In the event of liquidation, dissolution and insolvency of Allianz Holding Ems GmbH, its obligations will be subordinated to the claims of all other creditors.

## 12 Loans to group companies

	EUR'000
At 31 December 2008	4,344,953
Additions	1,115,531
Disposals	(60,162)
	<hr/>
At 31 December 2009	5,400,322
	<hr/>

## Notes (continued)

On 18 February 2009, two loans of originally EUR 30 0 million were repaid by Allianz SE, Munich, Germany including capitalised interest

On 16 July 2009, the Company granted a loan to Allianz New Europe Holding GmbH, Vienna, Austria, for an amount of EUR 14 4 million

On 30 July 2009, the Company granted a loan to Allianz SE, Munich, Germany, for an amount of EUR 670 0 million, cash received from Allianz Compagnia Italiana Finanziamenti (A C I F) S p A, Milan, Italy due to a dividend distribution

On 25 September 2009, the Company granted a loan of EUR 200 0 million to Allianz SE, Munich, Germany, proceeds mainly coming from interest received on Profit Participation Loans

### 13 Debtors

	2009 EUR'000	2008 EUR'000
Amounts owed by group undertakings	442,084	256,589
Receivable withholding tax	-	2,456
Other debtors	100	135
Prepayments and accrued income	264	-
	<hr/>	<hr/>
	442,448	259,180
	<hr/>	<hr/>

### 14 Securities

#### Convertible bonds (CASHES)

On 18 February 2009 the Company subscribed in convertible bonds (CASHES) for an amount of EUR 50 0 million. The CASHES are priced with a coupon of 3 month EURIBOR plus 450 bps and have a fixed exchange price of EUR 3 083, which is the reference price of the shares at the close of the market on the Italian Stock Exchange on 5 October 2008 and can be converted into new UniCredit (UCI) common shares either

- \* at the investor's option at anytime after 40 days from issue, or
- \* automatically either at maturity or if after 7 years, UCI stock is higher than EUR 4 60, or
- \* other extraordinary events as defined in term sheet (UCI default, clean up call)

Interest payments of the bonds are quarterly and basically can be cancelled only for two kinds of events

- \* conversion,
- \* no earnings, if UCI has no earnings capacity after dividends have been paid

The CASHES qualify as a hybrid financial product that is comprised of a combination of a nonderivative host financial instrument (the subordinated bonds) and an embedded derivative (call option)

As at 31 December 2009, the fair value of the bonds amounted to EUR 44 8 million. The fair value movement of EUR 5 2 million was recognised in the profit and loss account. The fair value of the call option as at 31 December 2009 amounts to EUR 13 0 million.

**Shares Banco Português de Investimento S.A. (BPI S.A.)**

On 18 September 2007, the Company acquired 65,659,233 shares in PI S.A., Oporto, Portugal, from RAS International N.V. for a total amount of EUR 400.5 million. On 16 June 2008, the Company acquired an additional 12,237,328 shares for a total amount of EUR 30.6 million.

As at 31 December 2009, the Company holds 77,896,561 shares of BPI S.A., Oporto, Portugal, being an interest of 8.7%. As at 31 December 2009, the quoted market value of the shares amounted to EUR 165.1 million (2008: EUR 136.3 million). The increase of EUR 28.8 million was recognised in the profit and loss account.

**15 Called up share capital**

	At 31 December 2009		At 31 December 2008	
	£1	EUR'000	£1	EUR'000
Allotted, called up and fully paid £1 A-ordinary shares	3,331,053,323		3,331,053,323	
Allotted, called up and fully paid £1 B-ordinary shares	6,865,013,076		6,865,013,076	
	<u>10,196,066,399</u>	<u>14,773,243</u>	<u>10,196,066,399</u>	<u>14,773,243</u>

**16 Share Premium account**

	2009	2008
	EUR'000	EUR'000
As at 1 January	-	7,125,410
Transfer of share premium to other reserves	-	(7,125,410)
	<u>-</u>	<u>-</u>
As at 31 December	-	-

On 30 November 2008, the amount of share premium was transferred to the other reserves by way of a written share premium cancellation resolution.

**Notes** *(continued)*

**17 Profit and loss account and reserves**

	<b>Profit and Loss account</b>	<b>Other Reserves</b>	<b>Total Reserves</b>
	EUR'000	EUR'000	EUR'000
As at 31 December 2008	-	6,414,961	6,414,961
Result for the year	1,204,035	-	1,204,035
Transfer to other reserves	(1,204,035)	1,204,035	-
	<hr/>	<hr/>	<hr/>
<b>As at 31 December 2009</b>	<b>-</b>	<b>7,618,996</b>	<b>7,618,996</b>
	<hr/>	<hr/>	<hr/>

## Notes (continued)

### 18 Reconciliation of movements in shareholders' funds

	2009 EUR'000	2008 EUR'000
Opening shareholders' funds	21,188,204	24,461,391
Profit for the financial year	1,204,035	(3,273,187)
	<hr/>	<hr/>
Closing shareholders' funds	22,392,239	21,188,204
	<hr/>	<hr/>

### 19 Creditors: amounts falling due within one year

	2009 EUR'000	2008 EUR'000
Amounts owed to group undertakings	113,074	44,651
Other creditors including taxation and social security	447	1,274
Accruals and deferred income	25	45
	<hr/>	<hr/>
	113,546	45,970
	<hr/>	<hr/>
Other creditors including taxation and social security		
Corporation tax	361	1,258
Value added tax	50	10
Insurance premium tax	-	6
Other creditors	36	-
	<hr/>	<hr/>
	447	1,274
	<hr/>	<hr/>

## Notes (continued)

### 20 Rental Commitments

As at 31 December 2009, the company had the following annual rental commitments

	2009 EUR'000	2008 EUR'000
Other leases which expire within one year	19	19
within 2 to 5 years	19	29
	<hr/>	<hr/>
	38	48
	<hr/>	<hr/>

### 21 Principal subsidiary undertakings

The principal companies in which the company's interest at the year end is more than 20% are as follows

	Country of Incorporation	Principal activity	Proportion of ordinary shares held directly
Allianz UK	United Kingdom	Non-trading	66.7%
Allianz Compagnia Italiana Finanziamenti S.p.A.	Italy	Non-trading	100%
Tihama Investments B.V.	The Netherlands	Non-trading	94.4%
Allianz Investments II Luxembourg S.à.r.l.	Luxembourg	Non-trading	100%
AZ Jupiter 9 B.V.	The Netherlands	Non-trading	100%
Allianz Insurance Company	Egypt	Insurance	85.0%
Allianz Life Assurance Company	Egypt	Insurance	87.7%
Allianz Finance UK	United Kingdom	Non-trading	86.1%
Allianz Takaful B.S.C.	Bahrain	Insurance	100%
Allianz Re Dublin	Ireland	Reinsurance	100%

In the opinion of the directors, the aggregate value of the assets of the company consisting of shares in, and amounts owing from, the company's group undertakings is not less than the aggregate of the amounts at which those assets are included in the company's balance sheet

**Notes** *(continued)*

**22 Related party transactions**

Due to the existence of certain control agreements 100% of the voting rights of the company are controlled within the Allianz SE Group. Advantage has therefore been taken of the exemption from FRS 8 with respect to disclosure of transactions with other group undertakings and investees of the group qualifying as related parties.

**23 Ultimate holding company**

The ultimate holding company is Allianz SE, incorporated in Germany. Allianz SE is the parent company of the largest and smallest group of undertakings for which group accounts are drawn up and of which the company is a member. See note 1 for details of where copies of the group accounts can be obtained.