Successful first quarter 2013 for Allianz

- Total revenues rise 6.6 percent to 32.0 billion euros
- Operating profit grows 19.9 percent to 2.8 billion euros
- Net income attributable to shareholders up 24.0 percent to 1.7 billion euros
- Continued healthy capital position
- Allianz confirms operating profit outlook for 2013 of 9.2 billion euros plus/minus 0.5 billion euros

Allianz Group continued its successful course from 2012 with a strong first quarter in 2013. All key indicators rose over the reporting period.

With 32.0 billion euros Allianz achieved the highest quarterly total revenues in its history, an increase of 6.6 percent from 30.1 billion euros in the first quarter of 2012. Operating profit grew 19.9 percent in the first quarter to 2.8 billion euros from 2.3 billion euros the year before.

All three business segments contributed to the growth in revenues and operating profit. Property and Casualty insurance benefited in most regions from rising prices and an improved underwriting result as well as a benign natural catastrophe environment. In Life and Health insurance, revenues and profits grew especially in the life insurance business in the Allianz core markets France, Germany and Italy. Asset Management continued its successful development, achieving another excellent quarter with high net inflows.

Allianz's capital position also remained strong in the reporting period. The conglomerate solvency ratio decreased by 14 percentage points to 183 percent on March 31, 2013, from 197 percent on December 31, 2012. Excluding the negative impact of a change in accounting for pensions, the solvency ratio would have strengthened 2 percentage points over the year-end figure. Over the same period, shareholders’ equity increased 3.1 percent to 51.950 billion euros from 50.388 billion euros. With reference to the good capitalization of Allianz, in March 2013 the rating agency Standard & Poor's confirmed its "AA" rating and raised its outlook to "stable" from "negative".

The result from non-operating items fell to minus 119 million euros from minus 88 million euros in the same period of 2012. The previous year's figure benefited from positive valuation effects from The Hartford warrants. Income taxes rose to 877 million euros from 794 million euros. The effective tax rate for the first quarter of 2013 was 33 percent compared to 35 percent in the year before. Net income attributable to shareholders reached 1.7 billion euros in the first quarter of 2013, a year-on-year increase of 24.0 percent from 1.4 billion euros.
"This is a very encouraging start to the year. All segments are performing strongly thanks to our efforts in the previous years. Our customers profit as well, having received 25 billion euros in insurance benefits in the first quarter," said Dieter Wemmer, Chief Financial Officer of Allianz SE.

"We are well positioned to grow both internally and externally. For example, with the agreed acquisition of the Turkish insurer Yapı Kredi Sigorta, we expect to significantly strengthen our position in this important developing market," said Michael Diekmann, CEO of Allianz SE. "We are confident that we will continue to grow profitably during the rest of 2013. However, in view of the existing market risks and a possible higher level of natural catastrophes, it would be inappropriate to simply annualize the current quarter's operating profit. Therefore, we confirm our operating profit outlook for 2013 of 9.2 billion euros plus or minus 0.5 billion euros."

Property and Casualty insurance with one of the best quarters since the start of the financial crisis

The Property and Casualty insurance business achieved revenues of 15.2 billion euros in the first quarter of 2013, up 2.7 percent from 14.8 billion euros in the previous year's first quarter. This development is mainly due to positive price effects in many markets and product lines. Germany, Turkey, Allianz Worldwide Partners and Latin America contributed to most of the growth.

Operating profit reached 1.3 billion euros, up 11.5 percent from 1.2 billion euros in the previous year's first quarter. The underwriting result rose to 540 million euros from 333 million euros, driven by an improvement in the accident year loss ratio and positive price momentum.

At 94.3 percent, the quarterly combined ratio improved 1.9 percentage points from 96.2 percent the previous year. Combined ratios in most markets were well below 100 percent, also due to low impacts from natural catastrophes. The loss ratio improved to 66.1 percent from 68.3 percent in the previous year's first quarter. The expense ratio was 28.2 percent, slightly above 27.9 percent for the first quarter of 2012. In particular, higher costs as a result of last year's acquisition of the French insurance company Gan Eurocourtage, a reduction of crop business in the United States with a below-average expense ratio, and a regulatory change of fees in Brazil drove this development.

Dieter Wemmer: "For our Property and Casualty insurance this was one of the best quarters in a number of years. We were successful both in our core markets in industrialized countries and in growth markets. The lack of major natural catastrophes certainly helped, but we also achieved excellent results even in highly competitive markets like Italy and Spain."

Life and Health insurance grows in revenue and profit

Revenues in Life and Health insurance grew 8.3 percent to 14.8 billion euros in the first quarter of 2013 from 13.7 billion euros in the same quarter the previous year.

Revenue growth was mainly driven by unit-linked products. Despite strong competition and persistent low interest rates, premiums increased by double digits in most core markets, including France, Germany, Italy and the Asia-Pacific region. On the other hand, there were declines in premiums in the United States due to product and commission changes implemented in 2012 for fixed-indexed and variable annuity products as well as in Poland due to regulatory changes.
Operating profit was 855 million euros in the first three months of 2013, a 3.6 percent increase compared to 825 million euros achieved in the same period last year. Operating profit was impacted by a decrease in the operating investment result but benefited from lower acquisition and administrative expenses.

Allianz achieved a new business margin of 1.8 percent, close to the level of the first quarter of 2012 of 1.9 percent. The value of new business rose to 238 million euros from 223 million euros.

"The Life and Health insurance segment continues to face challenges. We can expect markets to stay difficult amid low interest rates, which affect both savers and investors. However, despite that, we showed growth this quarter in revenues and profits, which indicates the value of the products and returns we offer," said Dieter Wemmer.

**Asset Management going strong**

The Asset Management business had another outstanding quarter. Revenues rose in the first quarter of 2013 to 1.9 billion euros from 1.4 billion euros, an increase of 32.8 percent from the first quarter of 2012.

Operating profit reached 900 million euros, an increase of 46.8 percent from 613 million euros in the previous year's first quarter. This was due to increased performance fees, higher assets under management and greater margins. The cost-income ratio further improved to 52.9 percent from 57.4 percent.

Total assets under management amounted to 1,934 billion euros at the end of the first quarter of 2013, 17.0 percent up from 1,653 billion euros at the end of the first quarter of 2012. Third-party assets under management increased to 1,517 billion euros from 1,266 billion euros. Third-party net inflows increased to 42.6 billion euros. In the previous year's first quarter they amounted to 23.5 billion euros.

"Our Asset Management segment remained a dynamic source of high returns for our customers, our shareholders and the Allianz Group once again in the first quarter," said Dieter Wemmer. "The Allianz Group results affirm our strategy of being broadly positioned across business segments and regions worldwide."
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