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### **Allianz starts 2014 with strong first quarter**

- **Total revenues of 33.96 billion euros**
- **Operating profit of 2.72 billion euros**
- **Net income attributable to shareholders of 1.64 billion euros**
- **Continued healthy capital position**
- **Allianz confirms operating profit outlook for 2014 of 10.0 billion euros, plus/minus 0.5 billion euros**

Allianz Group began 2014 with a strong first quarter. At 33.96 billion euros, Allianz achieved the highest total quarterly revenues in the company's history. Compared to the previous year's first quarter figure of 32.05 billion euros, revenues increased by 6.0 percent. Operating profit reached 2.72 billion euros, 2.6 percent below the previous year's record figure of 2.80 billion euros. Net income attributable to shareholders was 1.64 billion euros, a decrease of 3.9 percent from 1.71 billion euros the year before.

In Property and Casualty insurance, operating profit grew strongly, benefitting from an improved underwriting result after a lower impact from natural catastrophes. Revenues increased in the Life and Health insurance segment due to strong new life sales, and operating profit remained at a high level. Following exceptionally high results in the previous year, Asset Management performed within expectations.

The conglomerate solvency ratio rose by two percentage points to 184 percent as of March 31, 2014, from 182 percent at the end of 2013. Shareholders' equity grew over the same period by 6.9 percent to 53.525 billion euros from 50.084 billion euros.

"In the first three months, Allianz achieved results comparable to last year's highs. This is an encouraging start for the year. While it is hard to predict what kind of economic and political volatility lies ahead in the current environment, we are well prepared for the rest of 2014," said Dieter Wemmer, Chief Financial Officer of Allianz SE.

**Property and Casualty insurance increases profitability**

In the first quarter of 2014, gross premiums written in Property and Casualty insurance reached 15.22 billion euros, an increase of 0.1 percent year-on-year from 15.20 billion euros. Excluding foreign exchange and consolidation effects, internal growth was 1.9 percent. Strong internal premium growth came especially from Germany and Turkey as well as from Allianz Global Corporate & Specialty and Allianz Worldwide Partners.

The segment's operating profit rose 12.9 percent to 1.49 billion euros in the first quarter of 2014 from 1.32 billion euros over the same period last year. Growth in operating profit stemmed mainly from a better underwriting result of 705 million euros after 540 million euros in the first quarter of 2013. This improvement was helped by lower natural catastrophe claims and a continued positive pricing environment.

The quarterly combined ratio improved by 1.7 percentage points to 92.6 percent from 94.3 percent in the previous year's first quarter. Impacts from natural catastrophes were mainly limited to winter storms in the US and floods in the UK. Germany, France and the corporate and credit insurance areas recorded lower claims than last year.

The loss ratio fell year-on-year to 64.6 percent from 66.1 percent. Over the same period, the expense ratio decreased to 28.0 percent from 28.2 percent partly due to operational improvements in various units.

"Our Property and Casualty business has continued on last year's successful course with very good results. The segment contributed more than half of the Allianz Group's total operating profit this quarter," said Dieter Wemmer. "Not every quarter will have this low of an impact from natural catastrophes, but claims are also down overall, so I am very confident. "

**Life and Health insurance with increased revenues and stable profits**

In Life and Health insurance, statutory premiums rose to 17.16 billion euros in the first quarter of 2014 from 14.84 billion euros over the same period the previous year. This represents an increase of 15.7 percent. Excluding foreign exchange and consolidation effects, internal growth was 16.4 percent.

Premium growth came from all core markets. At 2.56 billion euros, Allianz Life in the US alone attracted some one billion euros more in premiums in the quarter than in the previous year's first quarter, an increase of 63.6 percent. Germany and the Benelux region also recorded double-digit growth in volumes.

The new business margin grew 0.7 percentage points in the first quarter of 2014 to 2.5 percent from 1.8 percent over the same period the year before. Over the same period the value of new business increased to 360 million euros from 238 million euros.

Operating profit rose 2.9 percent to 880 million euros in the first three months of 2014 from 855 million euros the year before. The transfer of certain entities from Asset Management contributed 26 million euros to this development.

"Innovations in core markets like Germany and the US are lifting our life insurance business to new heights. Customers are responding well to our new products," said Dieter Wemmer. "Thus, for the first quarter, results were within the top range of our expectations."

### **Asset Management on track**

Operating revenues in Asset Management in the first quarter of 2014 were 1.52 billion euros, a decrease of 18.9 percent from 1.87 billion euros for the first quarter of 2013, after the transfer of certain entities to other business segments as of January 1, 2014. The first quarter of the previous year had exceptionally high performance fees as the result of the closure of a private fund.

Operating profit reached 646 million euros for the quarter, a decline of 26.3 percent from 877 million euros in the first quarter of 2013, after the transfer of entities to other business segments. This reduction stemmed from one-off performance fees in the first quarter of the previous year and the weakening of the US-dollar. The non-recurrence of these performance fees increased the cost-income ratio to 57.4 percent from 53.1 percent.

Total assets under management rose 1.6 percent to 1,765 billion euros at the end of the first quarter of 2014 from 1,738 billion euros at the start of 2014. Over the same period, third-party assets under management grew 1.0 percent to 1,342 billion euros from 1,329 billion euros.

The development in assets under management was supported by market value increases, which outweighed third-party net outflows of 19.8 billion euros in the first quarter of 2014, compared to net inflows of 41.8 billion euros in the previous year's first quarter. While PIMCO recorded net outflows of 21.7 billion euros from January to March of 2014, AllianzGI saw net inflows over the same period of 1.9 billion euros.

"As expected, the results in Asset Management came in lower, but the business is in line with our target for the year," said Dieter Wemmer. "Given its solid performance and the outperformance of both of our insurance segments, we remain on track to achieve our operating profit outlook for the full year of 10.0 billion euros, plus/minus 500 million euros."

## Allianz Group - Key figures 1st quarter 2014

		1Q 2013	1Q 2014	Δ	
<b>Total revenues</b>	€ bn	32.0	34.0	6.0%	
<b>Operating profit / loss</b>	€ mn	2,797	2,723	-2.6%	
- Property-Casualty	€ mn	1,319	1,489	12.9%	
- Life/Health <sup>1</sup>	€ mn	855	880	2.9%	
- Asset Management <sup>1</sup>	€ mn	900	646	-28.2%	
- Corporate and Other	€ mn	-239	-222	-7.1%	
- Consolidation	€ mn	-38	-70	84.2%	
<b>Income before income taxes</b>	€ mn	2,678	2,607	-2.7%	
Income taxes	€ mn	-877	-867	-1.1%	
<b>Net income / loss</b>	€ mn	1,801	1,740	-3.4%	
- Property-Casualty	€ mn	1,017	645	-36.6%	
- Life/Health <sup>1</sup>	€ mn	628	629	0.2%	
- Asset Management <sup>1</sup>	€ mn	568	406	-28.5%	
- Corporate and Other	€ mn	-397	131	n.m.	
- Consolidation	€ mn	-15	-71	373%	
<b>Net income</b>	€ mn	1,801	1,740	-3.4%	
- attributable to non-controlling interests	€ mn	94	100	6.4%	
- attributable to shareholders	€ mn	1,707	1,640	-3.9%	
<b>Basic earnings per share</b>	€	3.77	3.61	-4.2%	
<b>Diluted earnings per share</b>	€	3.69	3.55	-3.8%	
<b>Ratios</b>					
- Property-Casualty	Combined ratio	%	94.3%	92.6%	-1.7% -p
- Life/Health	Margin on reserves <sup>1</sup>	bps	74	73	-1 bps
- Asset Management	Cost-income ratio <sup>1</sup>	%	52.9%	57.4%	4.5% -p
			12/31/13	03/31/14	Δ
<b>Shareholders' equity<sup>2</sup></b>	€ bn	50.1	53.5	6.9%	
<b>Conglomerate solvency ratio<sup>3</sup></b>	%	182%	184%	2% -p	
<b>Third-party assets under management<sup>1</sup></b>	€ bn	1,361	1,342	-1.4%	

<sup>1</sup> Effective 1 January 2014, the Allianz Group allocated certain entities from Asset Management to Life/Health and Banking

<sup>2</sup> Excluding non-controlling interests

<sup>3</sup> Including off-balance sheet reserves (03/31/14: € 2.3bn, 12/31/13: € 2.3 bn). The solvency ratio excluding off-balance sheet reserves would amount to 175% as of 03/31/14 and 173% as of 12/31/13

These assessments, are as always, subject to the disclaimer provided below.

#### Forward-looking statements

The statements contained herein may include prospects, 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. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events), (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and

morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors maybe more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

**No duty to update**

The company assumes no obligation to update any information or forward-looking statement contained herein, save for any information required be disclosed by law.