Allianz achieves good quarterly results – outlook confirmed at upper end of range

- Total revenues rise 2.4 percent to 30.2 billion euros
- Operating profit increases 2.6 percent to 2.84 billion euros
- Net income attributable to shareholders up 15.0 percent to 2.02 billion euros
- Solvency II capitalization increases to 212 percent
- Allianz confirms operating profit outlook for 2015 at upper end of target range at 10.8 billion euros

Allianz Group continued its good performance in the second quarter of 2015. Total quarterly revenues increased 2.4 percent to 30.2 (second quarter of 2014: 29.5) billion euros. Operating profit climbed 2.6 percent to 2.84 (2.77) billion euros. Net income attributable to shareholders amounted to 2.02 (1.76) billion euros, an increase of 263 million euros or 15.0 percent. This increase was mainly driven by non-operating realized gains/losses (net) that were 181 million euros higher compared to the second quarter of 2014.

In the first half of the year, total revenues rose 7.1 percent to 67.9 (63.4) billion euros. Operating profit climbed 3.7 percent to 5.70 (5.49) billion euros, while net income attributable to shareholders advanced 13.1 percent to 3.84 (3.40) billion euros.

In the second quarter, the segment Property and Casualty insurance saw a strong increase in operating profit supported by a lower impact from natural catastrophes and the net gain from the sale of the personal insurance business of Fireman’s Fund Insurance Company. In the Life and Health insurance segment, demand for non-traditional life insurance products continued to increase amid overall lower sales. Asset Management performed within expectations.

Solvency II capitalization rose 22 percentage points to 212 percent as of June 30, 2015, from 191 percent at the end of 2014. Shareholders’ equity remained stable at 60.69 billion euros compared to 60.75 billion euros at year end.
"Despite negative one-offs, we have achieved an excellent performance in the first six months," said Oliver Bäte, Chairman of the Board of Management of Allianz SE. "We confirm our operating profit outlook for 2015 at the upper end of the target range at 10.8 billion euros."

**Property and Casualty insurance with strong increase in operating profit**

Gross premiums written in Property and Casualty insurance climbed 9.2 percent to 11.84 (10.85) billion euros in the second quarter. Excluding foreign exchange and consolidation effects, internal growth stood at 1.6 percent. Strong internal growth was recorded by Allianz Worldwide Partners, Turkey and AGCS in particular.

Operating profit climbed 29.7 percent to 1.75 (1.35) billion euros. The combined ratio improved by 1.1 percentage points to 93.5 (94.6) percent. In total, costs from natural catastrophes amounted to 122 (172) million euros and were mainly caused by storms and hail in Australia.

"All profit components contributed to the strong growth, including investment and underwriting results as well as the net gain from the sale of the Fireman’s Fund personal insurance business," said Dieter Wemmer, Chief Financial Officer of Allianz SE.

**Life and Health insurance with targeted growth in new products**

Statutory premiums in Life and Health insurance decreased by 1.4 percent to 16.72 (16.96) billion euros in the second quarter. Excluding foreign exchange and consolidation effects, statutory premiums were 6.0 percent lower.

In Italy and Taiwan, growth in unit-linked products was strong. In Germany and France, sales of new life insurance products with alternative guarantees continued to increase. As a result of the change in product strategy, sales for traditional products declined. In the United States, sales of fixed-indexed annuities declined but were in line with expectations following pricing changes in 2015. Demand for life insurance products increased the most in the Asia-Pacific region. Total internal growth in statutory premiums in the region was 23.0 percent.

The new business margin was down 1.1 percentage points in the second quarter of 2015 to 1.5 (2.6) percent due to the low-interest rate environment. Compared to the first quarter it remained stable. The value of new business decreased to 210 (385) million euros. Operating profit declined 13.4 percent to 853 (985) million euros. This decrease was mainly driven by a lower investment margin in Germany and reserve strengthening in South Korea.

"In the second quarter, we continued to shift growth toward our new products that are designed to better address the low-interest rate environment for customers and shareholders," said Dieter Wemmer. "Operating profit remained at a solid level."
Asset Management within expectations

In the second quarter of 2015, Asset Management recorded operating revenues of 1.55 (1.61) billion euros, a decline of 3.6 percent. Operating profit decreased by 25.2 percent to 505 (676) million euros for the quarter.

Total assets under management remained stable at 1,811 billion euros at the end of the second quarter of 2015 compared to 1,801 billion euros at the end of 2014. Over the same period, third-party assets under management increased by 0.8 percent to 1,323 billion euros from 1,313 billion euros, due to favorable foreign exchange effects.

Third-party net outflows amounted to 22.5 billion euros in the second quarter of 2015, compared to 17.2 billion euros in the previous year's second quarter. Third-party net outflows at PIMCO continued to decrease compared to the end of 2014 and amounted to 29.3 billion euros in the second quarter. Allianz Global Investors recorded strong third-party net inflows in particular in Europe, amounting to 6.7 billion euros over the same period.

"Asset Management performed within expectations," said Dieter Wemmer. “Third-party net inflows at Allianz Global Investors reached a new record high while outflows at PIMCO more than halved compared to the first quarter of 2015."
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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.

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