Allianz starts 2015 with strong first quarter

- Total revenues of 37.8 billion euros
- Operating profit of 2.86 billion euros
- Net income attributable to shareholders of 1.82 billion euros
- Allianz confirms operating profit outlook for 2015 of 10.4 billion euros, plus/minus 400 million euros

Allianz Group began 2015 with a strong first quarter. Total revenues increased by 11.2 percent and reached 37.8 (previous year: 34.0) billion euros. Operating profit grew 4.8 percent to 2.86 (2.72) billion euros. Net income attributable to shareholders rose 11.0 percent to 1.82 (1.64) billion euros.

In Property and Casualty insurance, revenues experienced excellent growth. In the Life and Health insurance segment, operating profit surpassed 1 billion euros for the first time. Third-party assets under management increased due to market movements and foreign currency exchange effects.

The conglomerate solvency ratio rose by 10 percentage points to 190 percent as of March 31, 2015. Solvency II capitalization remained stable at 192 percent compared to 191 percent at the end of 2014 due to management actions. Shareholders’ equity grew over the same period by 12.6 percent to 68.4 billion euros compared to 60.7 billion euros.

"Allianz achieved very good results in the first quarter compared to last year’s already strong first quarter. While it is a promising start, the challenge of the current low-interest rate environment remains. However, we are well prepared for the rest of 2015," said Dieter Wemmer, Chief Financial Officer of Allianz SE.
Property and Casualty with continued strong internal growth

Gross premiums written in Property and Casualty insurance reached 17.34 (15.22) billion euros in the first quarter of 2015, an increase of 13.9 percent year-on-year. Excluding foreign currency exchange and consolidation effects, growth was 3.5 percent. Strong internal premium growth came especially from Allianz Global Corporate & Specialty, Allianz Worldwide Partners, Germany and Latin America.

Operating profit declined 13.7 percent to 1.28 (1.49) billion euros in the first quarter of 2015. The decline in operating profit stemmed mainly from a higher impact from natural catastrophes as well as restructuring expenses following the sale of the private lines of Fireman’s Fund.

The quarterly combined ratio increased by 2.0 percentage points to 94.6 (92.6) percent. Claims from natural catastrophes amounted to 222 million euros, or 1.9 percentage points. In particular the storms Elon and Felix in January as well as Niklas and Mike in March had an impact on results.

"Despite our repositioning in Russia and the United States, internal growth was strong," said Dieter Wemmer. "Claims from natural catastrophes were substantially higher than last year, affecting operating profit. Total natural catastrophe and weather-related losses were roughly in line with expectations."

Life and Health insurance with record operating profit

In Life and Health insurance, statutory premiums rose to 18.82 (17.16) billion euros in the first quarter of 2015. This represents an increase of 9.7 percent. Excluding foreign currency exchange and consolidation effects, internal growth was 5.3 percent.

Premium growth benefitted in particular from strong demand for unit-linked products in Italy, Asia-Pacific and Turkey. In Italy, premiums were 1.34 billion euros higher than the previous year’s first quarter, an increase of 56.4 percent.

The new business margin declined 1.0 percentage points in the first quarter of 2015 to 1.5 (2.5) percent due to the low yield environment. The value of new business stood at 269 (362) million euros.

Operating profit rose 25.5 percent to 1,104 (880) million euros in the first three months of 2015. The increase in operating profit was mainly driven by the investment result that benefitted from realized gains after a strong market appreciation.

"The results of the first quarter reflect a continued diversification of our life products," said Dieter Wemmer. "Strong results in both core markets and growth markets show that our new
products are met with high demand. The continued challenge of the low-interest rate environment, however, is affecting the value of our new business. We will continue to adjust our product strategies."

**Asset Management: Total assets under management at 1,933 billion euros**

Operating revenues in Asset Management in the first quarter of 2015 increased 3.7 percent to 1.57 (1.52) billion euros. Operating profit reached 555 (646) million euros for the quarter, a decline of 14.0 percent.

Total assets under management rose 7.3 percent to 1,933 billion euros at the end of the first quarter of 2015 from 1,801 billion euros at the end of 2014. Over the same period, third-party assets under management grew 7.2 percent to 1,408 billion euros from 1,313 billion euros.

The development in assets under management was driven by market value increases and beneficial currency effects, which more than outweighed third-party net outflows of 62.1 billion euros in the first quarter of 2015. Net outflows at PIMCO declined month to month and reached in total 68.3 billion euros in the first quarter. AllianzGI had third-party net inflows over the same period of 6.2 billion euros, the highest quarterly level since the implementation of the new structure in 2012.

"With the slowing of outflows from PIMCO along with PIMCO’s excellent three-year investment performance and the ninth consecutive quarter of third-party net inflows at AllianzGI, we are positive about the further development of our Asset Management segment," said Dieter Wemmer. "Given the solid performance of our three business segments, we confirm our operating profit outlook for the full year of 10.4 billion euros, plus/minus 0.4 billion euros."
Investor Relations Release

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