

Press

Allianz continues its growth path in Latin America

- Total revenues at 2.6 billion euros reflecting strong growth
- Operating profit at 137 million euros
- Number of customers up 13 percent to 2.5 million

Allianz in Latin America continued to show remarkable progress during 2012, with double-digit growth in premiums over all markets¹. Total premiums in the region went up 15 percent to a total of 2.6 billion euros compared to 2.3 billion euros in 2011. Adjusted for currency effects, premiums increased by nearly 18 percent. The overall number of policies increased by 15 percent. Operating profit was at 137 million euros compared to 175 million euros in 2011. The decline was mainly driven by lower interest rates and regulatory changes in Brazil.

In Latin America, Allianz mainly concentrates on Property and Casualty insurance, with motor insurance representing the largest individual line of business, followed by industrial business. In addition, Allianz offers Life and/or Health insurance in Brazil, Colombia and Mexico.

“We are proud of having achieved substantial revenue and customer growth in 2012. Revenues were at a very strong level – in line with our growth strategy for this region. Furthermore, we have increased our number of customers by 13 percent to 2.5 million in Latin America,” said Helga Jung, Member of the Board of Management of Allianz SE responsible for Insurance Iberia and Latin America, M&A, Strategic Participations, Legal and Compliance. “Again in 2012 Latin America has confirmed its position as an important growth motor for Allianz.”

Solid growth in Argentina

Allianz offers Property and Casualty insurance products in Argentina, where gross written premiums climbed 40 percent to 269.6 million euros. The strong result in this market was mainly driven by the motor insurance business. Operating profit remained stable at 16 million euros with a combined ratio at a solid level of 96.3 percent. Furthermore, the number of customers increased in Argentina by 19 percent to more than 220,000.

“This result reflects Allianz’s strong position in Argentina. As the market develops well, we are confident that we can continue on this growth path in the next years. To achieve this, we

¹ Allianz is active in: Argentina, Brazil, Colombia and Mexico

have been successfully pursuing our 'Next Level' local strategy focused on four main pillars: branding, sales channels, products and efficiency," said Fabiana Castiñeira, CEO of Allianz Argentina.

Brazil to implement new business platform

In Brazil, Allianz is growing rapidly. Revenues in the Property and Casualty insurance and Health insurance business grew by 15 percent to 1.5 billion euros. This positive trend was supported by a strong development in the motor business that grew 40 percent in 2012. Also the number of policies increased by 26 percent.

Operating profit was impacted mainly by changes in the local market environment, such as the drop in interest rates and the reduction of policy collection fees. In 2012, the Brazilian regulator SUSEP ruled that insurance companies could no longer charge a policy fee. This regulatory change impacted the entire Brazilian insurance market. Operating profit reached 66.2 million euros in 2012 compared to 111.1 million euros in the previous year.

In 2013, Allianz will be implementing the new IberoLatam business platform, which will further support its retail customer orientation through optimized resources, simplified processes and standardized products. "This implementation will have a positive impact in reducing the expense ratio by several percentage points. It will also help us position ourselves even better to offer our customers, brokers and agents a superior service," said Jose Garcia, CFO Allianz Brazil.

"The Brazilian economy saw a slowdown in growth in 2012. Despite this, we are pleased with the performance of our Brazilian insurance entity. It mirrors the growth of Brazil as the country develops into a major economy," said Edward Lange, CEO Allianz Brazil.

Colombia with overall strong growth

In Colombia, Allianz offers Life and Health insurance and Property and Casualty insurance products. In both segments, Allianz increased its revenues significantly in the market. Over the past four years, Allianz revenues in Colombia have seen an annual growth rate of nearly 25 percent.

Gross written premiums for the Property and Casualty business rose 18 percent and reached 394.4 million euros in 2012. Operating profit in this segment grew by 28 percent to 24.8 million euros. The combined ratio improved by 1.3 percentage points to 97.1 percent, also due in part to the implementation of the IberoLatam business platform in Colombia. Overall, Allianz continued its course of profitable growth in the Property and Casualty business.

In the Life and Health segment in Colombia, statutory premiums increased by 28 percent to 102.8 million euros. Operating profit was at 5.5 million euros, a decrease of 59 percent, which was mainly impacted by higher initial commissions and a higher claims level in group life business.

Ignacio Borja, CEO of Allianz Colombia, said, "Colombia is the fourth-largest economy in Latin America. There is plenty of potential for a global company like Allianz. We have a very

good position in the market, and I am convinced the country's growth potential offers us many business opportunities.”

Mexico offers great growth potential for Allianz

Allianz México has a solid presence in the country by offering Property and Casualty insurance alongside Life and Health insurance products. In recent years, the company has recorded stronger-than-average growth and profitability.

Gross written premiums for the Property and Casualty business increased by 9 percent and reached 266.5 million euros in 2012. Operating profit in this segment rose significantly by 46 percent to 19.5 million euros. Property and Casualty insurance benefited from an improved underwriting result including lower losses from natural catastrophes in Mexico. Because of this, the combined ratio improved by nearly 5 percentage points to 90.8 percent, which is one of the best within the Allianz Group.

In the Life and Health segment in Mexico, statutory premiums increased by 2 percent to 151.9 million euros. Operating profit was 4.7 million euros, almost the same level as the year before.

With 115 million people, Mexico offers the second-largest insurance market in Latin America. Sergio Ghibellini, CEO of Allianz in Mexico perceives the market as “an attractive market due to its consistent and outstanding growth, regulatory effectiveness and rising demand for insurance. We expect this economy to enjoy a successful growth story in the next years, and Allianz will participate in it.”

Optimistic outlook for Latin America

“With increasing wealth and an aging population, insurance coverage and old age provision will be more and more important for the people in Latin America, especially in view of the fact, that insurance penetration is still very low,” said Helga Jung. “Our ambition is to provide a product range to meet the varied needs and requirements of all of our customer segments and to further strengthen our presence in Latin America.”

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For further information please contact:

Allianz SE	Michael Matern	Tel. +49.89.3800-2960
Allianz Argentina	Julieta Fondeville	Tel. +54.11.4320-3822
Allianz Brazil	Daniella Satake	Tel. +55.11.3171-6686
Allianz Colombia	Juliana Ferrer	Tel. +57.15.600-600

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About Allianz

Together with its customers and sales partners, Allianz is one of the strongest financial communities. Around 78 million private and corporate customers rely on Allianz's knowledge, global reach, capital strength and solidity to help them make the most of financial opportunities and to avoid and safeguard themselves against risks.

In 2012, around 144,000 employees in over 70 countries achieved total revenue of 106.4 billion euros and an operating profit of 9.5 billion euros. Benefits for our customers reached 89.2 billion euros.

This business success with insurance, asset management and assistance services is based increasingly on customer demand for crisis-proof financial solutions for an aging society and the challenges of climate change. Transparency and integrity are key components of sustainable corporate governance at Allianz SE.

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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.

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 may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

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