

Press

Allianz SE and The Hartford close repurchase transaction

- Allianz sells back junior subordinated debentures and warrants to The Hartford
- Sale for aggregate consideration of US\$ 2.425 billion
- Allianz continues to hold an equity interest of approximately 5 percent in The Hartford

Allianz and The Hartford announced today the closing of the repurchase by The Hartford of junior subordinated debentures and warrants first issued in 2008 by The Hartford to Allianz. For an aggregate consideration of approximately US\$ 2.425 billion, The Hartford has repurchased all outstanding 10-percent fixed-to-floating rate junior subordinated debentures due 2068 issued by The Hartford to Allianz in 2008 (which have an aggregate principal amount of US\$ 1.75 billion) as well as outstanding warrants entitling Allianz to purchase 69,351,806 shares of The Hartford's common stock.

Since the purchase of the warrants and debentures from the Hartford in October 2008, Allianz has seen a gain of roughly US\$ 1.4 billion equalling an internal rate of return on this investment of approximately 21 percent annually. Additionally, the repurchase has released around EUR 1.5 billion of internal risk capital at Allianz. Allianz continues to hold its equity stake in The Hartford of approximately 5 percent. The return including the shares has been approximately 15 percent annually. Both performance figures are calculated before tax and policyholder participation.

"We have earned good returns on these investments in The Hartford, and we are pleased to close these transactions. As a continuing shareholder of The Hartford, we are very supportive of the actions the management team is taking to position the company for long-term success and deliver greater value to shareholders," said Michael Diekmann, CEO of Allianz SE.

"While Allianz remains a valued shareholder, the transactions closing today to repurchase the debentures and warrants represent another important step forward for The Hartford," said The Hartford's Chairman, President and CEO Liam E. McGee. "We continue to take decisive strategic and financial actions to position the company for profitable growth and to improve financial flexibility. These actions, along with our sharper strategic focus, demonstrate important steps in our plan to deliver superior, long-term returns for shareholders."

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

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 2011, around 142,000 employees in some 70 countries achieved total revenue of 103.6 billion euros and an operating profit of 7.9 billion euros. Benefits for our customers reached 86.5 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 ageing society and the challenges of climate change. Transparency and integrity are key components of sustainable corporate governance at Allianz SE.

Cautionary Note Regarding Forward-Looking Statements

The statements contained herein may include 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 that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Allianz Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changing levels of competition, (x) changes in laws and regulations, including monetary convergence and the European Monetary Union, (xi) changes in the policies of central banks and/or foreign governments, (xii) the impact of acquisitions, including related integration issues, (xiii) reorganization measures, and (xiv) 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. The company assumes no obligation to update any forward-looking statement.

No duty to update

The company assumes no obligation to update any information contained herein.