

Media Release

Allianz Group 2Q 2017 operating profit up 23 percent due to improvements in all segments

Full-year operating profit is expected to arrive near upper end of target range indicated in the outlook

Based on preliminary figures, Allianz Group achieved a 23 percent increase in *operating profit* in the second quarter of 2017 to 2.9 billion euros (second quarter of 2016: 2.4 billion euros). *Total revenues* rose 2.0 percent to 29.994 (29.402) billion euros in the second quarter. *Net income attributable to shareholders* rose 83.4 percent in the second quarter to 2.0 (1.1) billion euros. The tax rate fell to 27 percent from 33 percent in the year-ago period.

Performance in all business segments improved in the second quarter of 2017. In the Property and Casualty insurance segment, *operating profit* rose 28.0 percent to 1.4 (1.1) billion euros in the second quarter of 2017. *Total revenues* in the quarter edged up 0.6 percent to 11.685 (11.611) billion euros. The *combined ratio* improved to 93.7 (96.4) percent. Claims from natural catastrophes amounted approximately to 1.0 percent after 4.4 percent in the second quarter last year. The run-off ratio fell to 3.8 percent from 6.5 percent one year ago, while the underlying loss ratio improved by 1.7 percentage points.

In the Life and Health insurance segment, *operating profit* rose 12.0 percent to 1.1 (1.0) billion euros. *Present value of new business premiums* rose 2.8 percent to 13.606 (13.240) billion euros. The *new business margin* strengthened to 3.4 (2.6) percent in the second quarter of 2017.

In Asset Management, *operating profit* rose 16.8 percent to 584 (500) million euros. *Third-party assets under management* increased by 7.6 percent to 1,406 billion euros at the end of the second quarter of 2017 compared to the second quarter of 2016. *Net third party asset inflows* reached 55 billion euros in the second quarter of 2017.

For the full year, Allianz now expects to arrive near the upper end of its operating profit target range of 10.8 billion euros, plus or minus 500 million euros, barring unforeseen events, crises or natural catastrophes.

Prior-year figures have been restated due to an updated operating profit definition and an accounting policy change, as already described in the first quarter of the year. As announced, Allianz will publish further details on business developments in the second quarter and the first half year of 2017 on August 4, 2017.

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About Allianz

The Allianz Group is one of the world's leading insurers and asset managers with more than 86 million retail and corporate customers. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing over 650 billion euros on behalf of its insurance customers while our asset managers Allianz Global Investors and PIMCO manage an additional 1.3 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we hold a leading position in the Dow Jones Sustainability Index. In 2016, over 140,000 employees in more than 70 countries achieved total revenue of 122 billion euros and an operating profit of 11 billion euros for the group.

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

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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/US-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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