

# Press

## Allianz continues positive development in third quarter of 2013

- Revenues stable at 25.1 billion euros
- Operating profit of 2.5 billion euros remains at high level
- Net income attributable to shareholders rises 6.3 percent to 1.4 billion euros
- Outlook: expected 2013 operating profit slightly above target range

In the third quarter of 2013, Allianz Group continued its good development from the first half of the year despite negative foreign currency effects. At 25.1 billion euros, revenues were close to the previous year's level of 25.2 billion euros, a decline of 0.2 percent. Operating profit was 2.5 billion euros, declining 0.7 percent from the previous year's third quarter. Net income attributable to shareholders increased 6.3 percent to over 1.4 billion euros from under 1.4 billion euros.

Operating profit in Property and Casualty insurance increased over the reporting period despite storms in Europe in July and August. In the Life and Health insurance segment, statutory premiums rose due to strong demand. At the same time, the volatile investment environment put pressure on the segment's profits. Asset Management produced good results despite prevailing market volatility.

The conglomerate solvency ratio of 177 percent on September 30, 2013, remained at the same high level as on June 30, 2013. Shareholders' equity rose over the reporting period to 48,770 million euros from 47,866 million euros on June 30, 2013.

"Given the positive development of the Allianz Group for the first nine months of 2013, we now expect our operating profit for the full year to be slightly above 9.7 billion euros, the upper end of our previously stated target range," said Michael Diekmann, CEO of Allianz SE.

### **Property and Casualty segment grows operating profit despite natural catastrophes**

Gross premiums written in Property and Casualty insurance reached 10.7 billion euros in the third quarter, 6.5 percent below the previous year's figure of 11.4 billion euros. The decline stems mainly from the reduction of crop business in the US. Unfavorable foreign exchange effects also added to this development. At the same time, premiums grew significantly in Central and Eastern Europe as well as for the industrial insurer Allianz Global Corporate & Specialty (AGCS). Acquisitions in France and Belgium as well as in Turkey also added to revenues.

Operating profit increased 6.4 percent to more than 1.2 billion euros in the third quarter of 2013 from just under 1.2 billion euros, especially due to positive developments in Italy, in the US and at AGCS. The underwriting result rose to 501 million euros from 351 million euros.

The combined ratio improved during the reporting period by 1.4 percentage points to 94.8 percent from 96.2 percent in the third quarter of 2012. Natural catastrophes, especially storms in Germany and Ireland in July and August, added 4.3 percentage points to the combined ratio. The net impact amounted to a total of 464 million euros. The combined ratio benefited from a better underlying loss development.

“This is the second quarter in a row that saw major natural catastrophes. And yet, we were able to increase profits. After the first nine months in 2013, the Property and Casualty business is very much on track,” said Dieter Wemmer, CFO of Allianz SE.

### **Revenues increase in Life and Health insurance**

Statutory premiums in Life and Health insurance rose in the third quarter to 12.7 billion euros from 11.9 billion euros. This represents an increase of 6.6 percent from the previous year’s third quarter. Demand was especially healthy in Germany and Italy.

Operating profit was 769 million euros, a decrease of 5.6 percent from 815 million euros for the same quarter the year before. A lower investment result in Germany and investment de-risking in Italy were the largest drivers for this development. At the same time, operating profit grew in France, Spain and the US.

The new business margin increased to 2.3 percent in the third quarter of 2013 from 1.6 percent for the same period in the previous year. The value of new business increased by 44.3 percent to 215 million euros from 149 million euros.

“Growth in revenues and new business margin in the third quarter makes me confident about our Life and Health insurance segment,” said Dieter Wemmer. “Our products clearly remain appealing to our customers. This is not least because we combine attractive returns with high security in the ongoing low interest rate environment.”

### **Asset Management achieves good results in difficult markets**

Developments in Asset Management in the third quarter reflected capital market volatility. Operating revenues reached 1.7 billion euros. They were thus 7.7 percent below the previous year’s level of 1.8 billion euros. Lower performance fees and negative foreign currency effects contributed to this development.

Operating profit fell 11.1 percent to 754 million euros from 848 million euros. The cost-income ratio was 55.7 percent, compared to 54.0 percent in the third quarter of 2012.

On September 30, 2013, total assets under management were 1,811 billion euros, 2.2 percent lower than 1,852 billion euros at the end of 2012. At the end of the third quarter, third-party assets under management amounted to 1,404 billion euros, compared to 1,438 billion euros at the end of the year. The development in assets under management mainly reflects the impact of a weaker US dollar.

The third quarter saw third-party net outflows of 26.7 billion euros, compared to net inflows of 31.5 billion euros in the previous year's third quarter. Outflows came mainly from traditional fixed-income products. Overall, however, third-party net inflows for the first nine months amounted to 22.8 billion euros.

“Our Asset Management business produced good results under difficult conditions. This shows the importance of our broad geographic presence and product diversification,” said Dieter Wemmer.

**Allianz Group - Key figures 3rd quarter and first 9 months of 2013**

		3Q 2012	3Q 2013	Δ	9M 2012	9M 2013	Δ
<b>Total revenues</b>	€ bn	25.2	25.1	-0.2%	80.5	84.0	4.4%
<b>Operating profit / loss<sup>1,2</sup></b>	€ mn	2,538	2,519	-0.7%	7,121	7,683	7.9%
- Property-Casualty	€ mn	1,162	1,236	6.4%	3,395	3,734	10.0%
- Life/Health	€ mn	815	769	-5.6%	2,458	2,293	-6.7%
- Asset Management	€ mn	848	754	-11.1%	2,036	2,458	20.7%
- Corporate and Other	€ mn	-261	-230	-11.9%	-715	-743	3.9%
- Consolidation	€ mn	-26	-10	-61.5%	-53	-59	11.3%
<b>Income before income taxes<sup>1</sup></b>	€ mn	2,202	2,277	3.4%	6,546	7,454	13.9%
Income taxes	€ mn	-749	-746	-0.4%	-2,304	-2,447	6.2%
<b>Net income / loss<sup>1</sup></b>	€ mn	1,453	1,531	5.4%	4,242	5,007	18.0%
- Property-Casualty	€ mn	822	796	-3.2%	2,475	2,814	13.7%
- Life/Health	€ mn	539	562	4.3%	1,671	1,664	-0.4%
- Asset Management	€ mn	522	482	-7.7%	1,246	1,538	23.4%
- Corporate and Other	€ mn	-437	-307	-29.7%	-1,079	-981	-9.1%
- Consolidation	€ mn	7	-2	-	-71	-28	-60.6%
<b>Net income<sup>1</sup></b>	€ mn	1,453	1,531	5.4%	4,242	5,007	18.0%
- attributable to non-controlling interests	€ mn	94	86	-8.5%	254	267	5.1%
- attributable to shareholders	€ mn	1,359	1,445	6.3%	3,988	4,740	18.9%
<b>Basic earnings per share<sup>1</sup></b>	€	3.00	3.19	6.3%	8.81	10.46	18.7%
<b>Diluted earnings per share<sup>1</sup></b>	€	2.98	3.14	5.4%	8.77	10.33	17.8%
<b>Ratios</b>							
- Property-Casualty Combined ratio	%	96.2%	94.8%	-1.4% -p	96.5%	95.0%	-1.5% -p
- Life/Health Margin on reserves <sup>3</sup>	bps	73	66	-7 bps	75	66	-9 bps
- Asset Management Cost-income ratio	%	54.0%	55.7%	1.7% -p	57.4%	54.7%	-2.7% -p
					<b>12/31/12</b>	<b>09/30/13</b>	<b>Δ</b>
<b>Shareholders' equity<sup>1,4</sup></b>	€ bn	-	-	-	50.4	48.8	-3.2%
<b>Conglomerate solvency ratio<sup>5</sup></b>	%	-	-	-	197%	177%	-20% -p
<b>Third-party assets under management</b>	€ bn	-	-	-	1,438	1,404	-2.4%

<sup>1</sup> All prior period figures herein have been restated to reflect the retrospective application of the amended standard IAS 19 – Employee Benefits, effective as of 01/01/13

<sup>2</sup> As of the first quarter of 2013 all restructuring charges are presented within operating profit. All prior period figures herein have been adjusted to conform to the current accounting presentation

<sup>3</sup> Operating profit (annualized) divided by average net reserves

<sup>4</sup> Excluding non-controlling interests

<sup>5</sup> Including off-balance sheet reserves (09/30/13: € 2.3bn, 12/31/12: € 2.2 bn). The solvency ratio excluding off-balance sheet reserves would amount to 168% as of 09/30/13 and 188% as of 12/31/12. The conglomerate solvency ratio decreased by approximately 16%-p as of 01/01/13 due to amendments to IAS 19

Munich, November 8, 2013

**For further information please contact:**

Christian Kroos	Tel. +49.89.3800-5043
Michael Matern	Tel. +49.89.3800-2960
Stefanie Rupp-Menedetter	Tel. +49.89.3800-2063
Richard Manson	Tel. +49.89.3800-5509
Eduard Stipic	Tel. +49.89.3800-5665

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 2012, around 144,000 employees in over 70 countries achieved total revenue of 106.4 billion euros and an operating profit of 9.3 billion euros (restated on January 1, 2013, due to a change in accounting standard and presentation). 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.

**Cautionary Note Regarding Forward-Looking Statements**

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.

**No duty to update**

The company assumes no obligation to update any information or forward-looking statement contained herein, save for any information required to be disclosed by law.