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### **Allianz finishes financial year 2013 with good results**

- **Revenues up 4.1 percent to 110.8 billion euros**
- **Operating profit grows 7.8 percent to 10.1 billion euros**
- **Net income attributable to shareholders rises 14.6 percent to 6.0 billion euros**
- **Solvency ratio of 182 percent**
- **Proposed dividend of 5.30 euros per share, an increase of 18 percent**
- **Operating profit outlook for 2014: 10.0 billion euros, plus/minus 500 million euros**

Allianz Group continued to grow in 2013. Based on preliminary figures, revenues rose 4.1 percent to a new high of 110.8 billion euros from 106.4 billion euros the year before. Excluding foreign currency exchange and consolidation effects, revenue growth amounted to 4.7 percent. The total number of customers insured by Allianz increased over the same period by five million to over 83 million.

Operating profit reached 10.1 billion euros. Compared to 9.3 billion euros for the year 2012, this represents an increase of 7.8 percent. Net income attributable to shareholders increased by 14.6 percent in 2013 to 6.0 billion euros from 5.2 billion euros the year before.

In Property and Casualty insurance, operating profit increased compared to the previous year, despite higher compensations for customers after natural catastrophes. In the Life and Health insurance business statutory premiums grew while volatile capital markets pressured operating profit. With a higher operating profit, Asset Management continued its successful course, despite uncertainty about the policy of the US Federal Reserve that led to swings in interest rates.

The conglomerate solvency ratio reached 182 percent as of the end of 2013, up one percentage point from 181 percent as of January 1, 2013. Shareholders' equity of 50.084 billion euros at year end remained at a similar high level as 50.388 billion euros at the beginning of the year.

The Board of Management will propose to the Supervisory Board of Allianz SE a dividend of 5.30 euros per share, an increase of 18 percent compared to the 2012 dividend of 4.50 euros.

"In a politically and economically challenging environment Allianz produced very good results for 2013, and we want to maintain that level this year as well. Therefore, our operating profit outlook for 2014 is 10.0 billion euros, plus/minus 500 million euros," said Michael Diekmann, CEO of Allianz SE. "The environment will remain challenging in 2014, but our performance shows that we are well positioned with our three-segment strategy."

### **Property and Casualty insurance boosts profitability**

In the Property and Casualty insurance segment, gross written premiums of 46.6 billion euros for 2013 were 0.7 percent below 46.9 billion euros the year before. Internal growth excluding the reduction from the restructured US crop business reached 2.5 percent.

The Allianz entities in Australia, France, Germany, Latin America and Turkey as well as Allianz Worldwide Partners recorded strong premium growth in their respective markets. There was strong demand for new products. These included the modular household cover "PrivatSchutz" in Germany and a motor insurance product in Italy supported by telematics to take driving behavior into account.

Operating profit in Property and Casualty insurance climbed to 5.3 billion euros for the year, 14.2 percent above 4.6 billion euros for 2012. This growth stemmed from a strong underwriting result, despite higher compensations for customers following natural catastrophes and despite a lower investment result.

Natural catastrophes, especially storms in Europe, contributed 2.9 percentage points to the loss ratio in 2013, up from 1.7 percentage points the year before. Nonetheless, the resulting combined ratio for 2013 improved by 1.9 percentage points to 94.3 percent from 96.2 percent in 2012. A favorable pricing and claims environment in Italy contributed to this improvement. In addition, Allianz benefited from efforts to turn around its business in the US.

"We provided quick support to tens of thousands of people hit by natural catastrophes such as the floods in Germany. We also introduced numerous new products and digital applications to help customers in today's world," said Dieter Wemmer, Chief Financial Officer of Allianz SE. "The result confirms our work in recent years – good profitability and growth in key markets."

### **Life and Health insurance expands business further**

Statutory premiums in the Life and Health insurance business grew year-on-year in 2013 by 8.5 percent to 56.8 billion euros from 52.3 billion euros. Adjusted for foreign currency exchange and consolidation effects, internal growth reached 9.1 percent.

Italy recorded strong growth, mainly due to the new unit-linked product "Progetto Reddito" that generated premiums of 1.3 billion euros. Premiums in Germany rose largely due to single-premium products, a sales initiative in the US for fixed indexed annuities lifted annual revenues, distribution partnerships in France helped to boost sales, and premiums also grew in Spain by 14.0 percent despite a generally shrinking market.

In 2013, currency and interest rate volatility led to a lower investment margin. This and the restructuring in South Korea were the main reasons operating profit declined 8.0 percent to 2.7 billion euros from 2.9 billion euros in 2012. The new business margin rose to 2.1 percent from 1.8 percent in 2012. The value of new business increased over the same period to 952 million euros from 790 million euros.

"Low interest rates will continue to be with us for some time. However, with our new products and the increase in the value of new business I am optimistic about our prospects," said Dieter Wemmer. "Allianz sets a benchmark with its global investment management. It enables us to generate attractive returns across a broad range of products with a minimum of risk for our life insurance customers around the world."

#### **Asset Management successful amid turbulence**

Capital market volatility and swings in interest rates in the second half of 2013 impacted the Asset Management business. However, due to a strong first six months, revenues in the segment increased overall by 5.9 percent to 7.1 billion euros for 2013 from 6.7 billion euros the previous year. Adjusted for foreign currency exchange effects, internal growth reached 8.8 percent. The improvement came from higher management and loading fees which more than offset lower performance fees.

Operating profit rose 7.0 percent to 3.2 billion euros for the year from 3.0 billion euros in 2012. The cost-income ratio improved to 55.9 percent in 2013 from 56.5 percent the year before.

Total assets under management reached 1,770 billion euros as of December 31, 2013, declining 4.4 percent from 1,852 billion euros at the end of 2012. Third-party assets under management declined over the same period to 1,361 billion euros from 1,438 billion euros. The decrease of 64 billion euros resulted mainly from negative foreign currency exchange effects of the weak US-dollar. Adjusted for these effects, the decline amounted to one percent. Asset Management saw third-party net outflows of 12.0 billion euros in 2013, compared to net inflows of 113.6 billion euros in the previous year.

"Our Asset Management has further diversified its products and geographic base. Thus, even though growth in assets under management went through a lull in 2013, I am optimistic about the continued strength of the segment," said Dieter Wemmer.

## Allianz Group - preliminary key figures 4th quarter and fiscal year 2013

		4Q 2012	4Q 2013	Δ	12M 2012	12M 2013	Δ
<b>Total revenues</b>	€ bn	25.9	26.8	3.4%	106.4	110.8	4.1%
<b>Operating profit / loss<sup>1,2</sup></b>	€ mn	2,216	2,383	7.5%	9,337	10,066	7.8%
- Property-Casualty	€ mn	1,219	1,534	25.8%	4,614	5,268	14.2%
- Life/Health	€ mn	485	416	-14.2%	2,943	2,709	-8.0%
- Asset Management	€ mn	917	703	-23.3%	2,953	3,161	7.0%
- Corporate and Other	€ mn	-399	-261	-34.6%	-1,114	-1,004	-9.9%
- Consolidation	€ mn	-6	-9	50.0%	-59	-68	15.3%
<b>Income before income taxes<sup>1</sup></b>	€ mn	2,173	2,190	0.8%	8,719	9,644	10.6%
Income taxes	€ mn	-857	-853	-0.5%	-3,161	-3,300	4.4%
<b>Net income / loss<sup>1</sup></b>	€ mn	1,316	1,337	1.6%	5,558	6,344	14.1%
- Property-Casualty	€ mn	1,030	1,004	-2.5%	3,505	3,818	8.9%
- Life/Health	€ mn	363	277	-23.7%	2,034	1,941	-4.6%
- Asset Management	€ mn	564	387	-31.4%	1,810	1,925	6.4%
- Corporate and Other	€ mn	-775	-353	-54.5%	-1,854	-1,334	-28.0%
- Consolidation	€ mn	134	22	-83.6%	63	-6	-
<b>Net income<sup>1</sup></b>	€ mn	1,316	1,337	1.6%	5,558	6,344	14.1%
- attributable to non-controlling interests	€ mn	73	81	11.0%	327	348	6.4%
- attributable to shareholders	€ mn	1,243	1,256	1.0%	5,231	5,996	14.6%
<b>Basic earnings per share<sup>1</sup></b>	€	2.74	2.77	1.1%	11.56	13.23	14.4%
<b>Diluted earnings per share<sup>1</sup></b>	€	2.71	2.72	0.4%	11.48	13.05	13.7%
<b>Dividend per share</b>	€	-	-	-	4.50	5.30 <sup>3</sup>	17.8%
<b>Ratios</b>							
- Property-Casualty Combined ratio	%	95.3%	92.2%	-3.1% -p	96.2%	94.3%	-1.9% -p
- Life/Health Margin on reserves <sup>4</sup>	bps	43	35	-8 bps	67	58	-9 bps
- Asset Management Cost-income ratio	%	54.3%	59.4%	5.1% -p	56.5%	55.9%	-0.6% -p
					12/31/12	12/31/13	Δ
<b>Shareholders' equity<sup>1,5</sup></b>	€ bn	-	-	-	50.4	50.1	-0.6%
<b>Conglomerate solvency ratio<sup>6</sup></b>	%	-	-	-	197%	182%	-15% -p
<b>Third-party assets under management</b>	€ bn	-	-	-	1,438	1,361	-5.4%

<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> Proposal

<sup>4</sup> Operating profit (annualized) divided by average net reserves

<sup>5</sup> Excluding non-controlling interests

<sup>6</sup> Including off-balance sheet reserves (12/31/13: € 2.3bn, 12/31/12: € 2.2 bn). The solvency ratio excluding off-balance sheet reserves would amount to 173% as of 12/31/13 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

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

#### 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/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 maybe 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 be disclosed by law.