Allianz Global Corporate & Specialty

6M 2017 Results Update

Briefing – August 2017

This document summarises the financial results for first half of 2017 (‘6M 2017’) for Allianz Global Corporate & Specialty (AGCS) as well as for Allianz Group, both of which were announced on August 4, 2017.

1. Allianz Group Results 6M 2017

The first half of 2017 was a success for Allianz. “We are halfway through our three-year Renewal Agenda plan, and at this stage it is clear that those efforts are bearing fruit for all stakeholders,” said Oliver Bäte, CEO of Allianz SE. In the half year of 2017 total revenues increased to €66.2 billion (6M 2016: €64.8 billion), with all segments contributing to the 2.3% increase.

Operating profit in the half-year period rose 15.7% to €5.9 billion (6M 2016: €5.1 billion). Net income attributable to shareholders increased by an impressive 17.9% to €3.8 billion (6M 2016: €3.2 billion). The Group solvency II capitalization ratio rose to 219% at the end of the quarter, compared to 212% at the end of the first quarter of 2017, mostly driven by favorable market developments.

The Property and Casualty insurance segment made “excellent progress in underwriting and by stabilizing investment income” according to Allianz CFO Dieter Wemmer. Gross premiums written increased slightly to €29.4 billion (6M 2016: €28.9 billion) in the first half-year of 2017. Operating profit improved 5.2% to €2.7 billion (6M 2016: €2.6 billion) compared to same period of the prior year. The combined ratio for the first half year improved to 94.6% (6M 2016: 94.9%).

The Life and Health insurance segment experienced ample growth in a difficult environment. Operating profit increased to €2.3 billion (6M 2016: €1.9 billion). Statutory premiums amounted to €33.6 billion (6M 2016: €33.0 billion).

In Asset Management, third-party assets under management increased by €3 billion to €1,406 billion compared to the end of the first quarter of 2017. Operating profit increased 20.4% to €1.2 billion (6M 2016: €960 million).

AGCS Results 6M 2017

AGCS gross premiums written for 6M 2017 totaled €3.939 billion (6M 2016: €4.247 billion). In a highly competitive market environment premiums are €307 million lower year on year. This revenue decline is largely driven by ongoing pressure on rates across various Lines of Business as well as adjusted portfolio strategies in some segments.

AGCS Gross Premiums Written 6M 2015-17

The combined ratio for 6M 2017 improved to 98.8% which is 4.1 percentage points better compared to 102.9% for 6M 2016. The main driver is a lower loss ratio which benefitted from a relatively low number of natural catastrophe claims.

Operating profit reached €225 million in 6M 2017 (6M 2016: €157 million) which is €68 million higher than prior year. The rise in underwriting profitability was partly counterbalanced by a lower investment income.

1 Specifically, Allianz Global Corporate & Specialty SE, Allianz Risk Transfer AG, Allianz Risk Transfer (Bermuda) Ltd., Allianz Global Corporate & Specialty North America (legal names Allianz Global Risks US Insurance Company, Allianz Underwriting Insurance and AGCS Marine Insurance Company), Fireman’s Fund Insurance Company and subsidiaries, AGCS Japan (legal name Allianz Fire and Marine Insurance Japan Ltd.), AGCS Re Brazil (legal name Allianz Global Corporate & Specialty Resseguros Brasil S.A.) and Allianz Global Corporate & Specialty South Africa Ltd.

2 Including Fireman’s Fund business since 2015.
Results for third quarter 2017 for Allianz Group and Allianz Global Corporate & Specialty will be available on November 10, 2017. For further details please see Allianz Group’s Investor Relations website pages.