Allianz Global Corporate & Specialty®

6M 2022 Results update

Briefing August 2022

This document summarizes the financial results for the first half of 2022 (‘6M 2022’) for Allianz Global Corporate & Specialty® (AGCS) and for Allianz Group, both of which were announced on August 5, 2022.

Further information
Full details of Allianz Group results for 6M 2022, including the analysts’ presentation, are available at Allianz Group’s Investor Relations web pages.

“Allianz delivered another quarter of robust financial performance, driven by strong growth in our Property-Casualty business. (...) We are well-positioned to manage the impact of high inflation and the economic pressures that are particularly evident in Europe. Allianz will continue to deploy our advantages of stability and scale for the benefit of our customers and shareholders.”
Allianz SE CEO Oliver Bäte

1. Allianz Group results 6M 2022
Allianz Group confirms its full year outlook of operating profit of €13.4 billion, plus or minus €1 billion, despite heightened inflation and market volatility in the first half of 2022. Allianz SE CFO Giulio Terzariol says “We remain confident about our long-term growth trajectory”.

As at 6M, total revenues jumped by 7.2% to €81.2 billion (6M 2021: €75.7 billion). Operating profit increased by 1.2% to €6.7 billion (6M 2021: €6.7 billion). Net income attributable to shareholders was €2.3 billion (6M 2021: €4.8 billion) due to a provision booked in Q1 2022 related to the U.S. Structured Alpha proceedings. Group Solvency II capitalization ratio was 200% at the end of the second quarter 2022, compared with 199% at the end of the first quarter 2022.

The Property-Casualty insurance segment showed robust growth. Total revenues surged by 12.1% to €37.7 billion (6M 2021: €33.6 billion). Adjusted for foreign exchange and consolidation effects, internal growth was strong at 8.5% supported by volume and price effects. Operating profit rose by 5.2% to €3.0 billion (6M 2021: €2.9 billion) largely driven by a significantly higher operating investment result. The combined ratio was 94.1% (6M 2021: 93.4%) reflecting higher natural catastrophe and weather claims.

In the Life/Health insurance business, total revenues were at €39.8 billion (6M 2021: €38.5 billion). The present value of new business premiums was €35.9 billion (6M 2021: €39.2 billion). Operating profit was at €2.3 billion (6M 2021: €2.5 billion).

In Asset Management, operating profit grew by 1.8% to €1.6 billion (6M 2021: €1.57 billion). Third-party assets under management were €1.76 trillion as of June 2022, down by €197 billion from the end of 2021.

2. AGCS¹ results 6M 2022
In the first half of 2022, gross premium written (GPW) of AGCS increased year-on-year by €572 million (11%) to €5.737 billion (Q2 2021: €5.165 billion), driven by higher rates on renewals (13% incl. adjustment of terms and conditions), a higher renewals base, new business as well as favourable foreign exchange effects. Most lines of business experienced year-on-year growth, especially Financial Lines, Energy & Construction, and Property.

AGCS GPW 6M 2020-22

The combined ratio for 6M 2022 is 2.7%-p better than prior year and stands at 95.1% (6M 2021: 97.8%). The improvement versus prior year is mainly driven by a favourable current accident year loss ratio due to lower claims activity resulting from portfolio improvements. In the first half of 2022, AGCS experienced a similar impact from natural catastrophes compared to last year, the most significant events for AGCS being the floods in Australia and a major hailstorm in France.

The operating profit of €290 million (6M 2021: €179 million) is €111 million above prior year due to the better underwriting performance in Q2 2022.

AGCS shows solid local solvency ratios as of Q4 2021, which are listed below for the primary operating companies.

<table>
<thead>
<tr>
<th>Company</th>
<th>Ratio</th>
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<tbody>
<tr>
<td>AGCS SE</td>
<td>151%</td>
</tr>
<tr>
<td>AGCS NA</td>
<td>299%</td>
</tr>
<tr>
<td>ART AG</td>
<td>140%</td>
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</tbody>
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*S&P and A.M. Best ratings for ART AG and ART Bermuda.

On May 25, 2022, S&P Global Ratings affirmed the 'BB+' and 'zaAAA' national scale ratings on AGCS South Africa. As a "highly strategic" entity of Allianz, AGCS South Africa is rated two notches above the 'BB-' foreign currency rating on South Africa.

**Asset allocation & investments**

In Q2 2022 the market value of our total invested assets, excluding strategic participations, increased to €16.4 billion (Q1 2022: €16.2 billion).

In the current environment, AGCS focuses its investment strategy on portfolio diversification across high quality liquid assets, and on yield enhancing measures within well-defined risk limits.

Total assets continue to be primarily invested in interest-bearing securities (bonds). The cash quota in Q2 2022 decreased to 5.5% (Q1 2022: 7.2%).

**AGCS asset allocation 6M 2022**

New set-up and investments in Multinational business

As announced on July 14, 2022, AGCS is strengthening its capabilities in the global program business, including a new market-facing team as well as dedicated investments in data and technology.

AGCS has moved the Management Board responsibility to the ‘Regions and Markets’ area led by Henning Haagen (pictured left). Guy Money (pictured right), currently Global Head of Product at AGCS, has been appointed Global Head of AGCS’ Multinational business.

The AGCS Captive Solutions team, led by Brian McNamara, will be integrated into the Multinational business to serve customers with a broad range of services from traditional, multi-line global programs to captive fronting and reinsurance as well as hybrid combinations.

Further key leadership appointments in the new AGCS Multinational team include Jayesh Patel who is leading the Multinational Market Practice Team that will work closely together with AGCS’ distribution teams to develop business opportunities in target markets.

Karol Dobias remains in charge of the Business Excellence unit. The Network Management Team is overseen by Melanie Windirsch, who is responsible to deliver local services across all network countries. Nigel Leppitt will oversee the Multinational transformation program.

Contact Us

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