

Allianz Global Corporate & Specialty

3M 2023 Results update

Briefing May 2023

This document summarizes the financial results for the first quarter of 2023 ('3M 2023') for Allianz Global Corporate & Specialty (AGCS) and for Allianz Group, both of which were announced on May 12, 2023.

Further information

Full details of Allianz Group results for 3M 2023, including the analysts' presentation, are available at Allianz Group's Investor Relations [web pages](#).

IFRS 17/9 impact

Q1 2023 is the very first quarterly closing under the new international accounting standards IFRS 17 and IFRS 9. Hence, unless otherwise stated, all financial KPIs are reported under IFRS 17 and IFRS 9, and therefore cannot be directly compared to any numbers reported in previous years. AGCS results are shown on a 'Core' basis, effectively entailing gross net of facultative cessions for the insurance revenue, claims and expenses, and reinsurance results focusing on treaty reinsurance outcome.

"With the first-time application of IFRS 9 and 17, we delivered results with even more clarity and transparency and proved our ability to create value", says Allianz Chief Financial Officer Giulio Terzarior.

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 Underwriters Insurance Company 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.

1. Allianz Group results 3M 2023

Allianz's first quarter results demonstrated strong performance and proven resilience across all segments.

Total business volume rose by 3.9% to €46.0 billion (3M 2022: €44.3 billion), largely driven by the Property-Casualty business segment. **Operating profit** jumped 24.2% to €3.7 billion (3M 2022: €3.0 billion). **Net income attributable to shareholders** was €2.0 billion (3M 2022: €0.5 billion) due to a provision related to the AllianzGI US Structured Alpha matter. The **Solvency II capitalization ratio** was 206% at the end of Q1 2023, compared with 201% at the end of Q4 2022.

In the **Property-Casualty** business, **total business volume** jumped 11.2% to €24.1 billion (3M 2022: €21.7 billion). Adjusted for foreign exchange and consolidation effects, **internal growth** was strong at 11.1% supported by volume, price and service effects. **Operating profit** surged by a strong 22.7% to €1.9 billion (3M 2022: €1.5 billion) due to a higher operating insurance service result which was partly offset by a slightly lower operating investment result. The **combined ratio** improved by 1.9 percentage points to 91.9% (3M 2022: 93.8%). The loss ratio benefited from a higher discounting effect and lower claims from natural catastrophes.

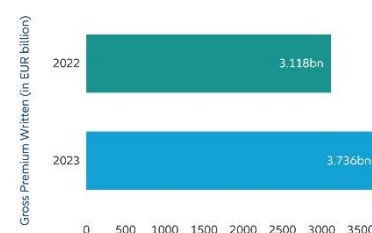
In the **Life/Health** insurance business, **total revenues** were at €20.1 billion (3M 2022: €20.6 billion). The **present value of new business premiums** amounted to €18.5 billion (3M 2022: €21.1 billion). **Operating profit** increased to €1.3 billion (3M 2022: €0.8 billion).

In **Asset Management**, **operating profit** was €723 million (3M 2022: €832 million) **Third-party assets under management** were €1.668 trillion as of March 31, 2023, down by €33 billion from the end of 2022.

2. AGCS results 3M 2023

In Q1 2023, AGCS **Total Gross Premium Written (GPW)** of EUR 3.736 billion is +20% better than prior year (Q1 2022: €3.118 billion). **Core Gross Net Premium Written (GNPW)** of AGCS (i.e. premium net of fronting and facultative reinsurance) increased year-over-year by €487 million to €2.508 billion (Q1 2022: €2.021 billion) driven by strong new business, higher rates on renewals (7% on average incl. adjustment for terms and conditions) as well as a higher renewal base in multiple lines of business. Almost all lines of business achieved year-over-year growth, especially Alternative Risk Transfer, MidCorp and Property.

AGCS Total Gross Premium Written 3M 2023 vs. 3M 2022 (IFRS 17/9)



The **Core Combined Ratio** for Q1 2023 is roughly in line with prior year and stands at 93.2% (Q1 2022: 93.0%). The improvement in both the current accident year loss ratio, benefitting from higher interest rates leading to a higher claims reserve discounting benefit, and the expense ratio is offset by a higher reinsurance ratio. The profitable underwriting performance allowed for an additional build-up of reserves, mainly to address inflation risks.

The **Operating Profit** for Q1 2023 of €202 million (Q1 2022: €182 million) is €20 million better than prior year mainly due to a better insurance service result.

Solvency ratios

AGCS shows solid local solvency ratios as of Q4 2022, which are listed below for the primary operating companies.

AGCS SE	160%
AGCS NA	352%**
ART AG	138%

*S&P and A.M. Best ratings for ART AG and ART Bermuda.

**Not yet audited.

Results for the second quarter 2023 for Allianz Group and Allianz Global Corporate & Specialty will be available on August 10, 2023. For further details please see Allianz Group's [Investor Relations](#) website pages.

AGCS ratings

(showing date rating published)

AGCS Company	S&P Global Ratings	A. M. Best
AGCS SE	AA (April 23)	A+ (Mar 23)
AGCS NA	AA (April 23)	A+ (Mar 23)
ART*	AA (April 23)	A+ (Mar 23)
AGCS Japan	AA (April 23)	(N/A)
AGCS Re Brazil	(N/A)	A+ (Mar 23)
AGCS South Africa	BB+ global; zaAAA local (April 2023)	(N/A)

On April 25, 2023, [Standard & Poor's](#) (S&P) affirmed its 'AA' credit and insurer financial strength ratings on Allianz SE holding and the core operating entities of Allianz Group. This rating extends to AGCS SE and its core entities. According to S&P "AGCS will continue to play a major role in Allianz Group. This is based on the entity's status as one of the largest industrial lines insurers worldwide".

On March 31, 2023, [A. M. Best](#) affirmed its 'A+' financial strength rating for Allianz Group and its core entities.

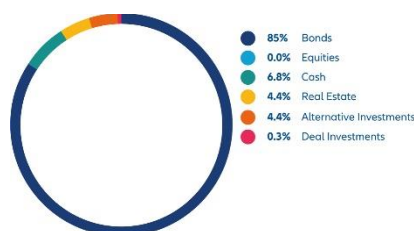
Asset allocation and investments

In Q1 2023 the market value of our total invested assets, excluding strategic participations, decreased to €16.3 billion (Q4 2022: €16.5 billion).

AGCS continues to focus 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 Q1 2023 decreased to 6.8% (Q4 2022: 8.4%).

AGCS asset allocation 3M 2023



Allianz Commercial launched

As announced on March 10 2023, Allianz is targeting the global commercial insurance segment as one go-to-market business under the trading name [Allianz Commercial](#), featuring an integrated approach between AGCS's large corporate business and the insurance businesses of Allianz's operating entities serving mid-sized companies. [Joachim Mueller](#) will lead Allianz Commercial as part of his tasks as CEO of AGCS SE. [Dirk Vogler](#), previously Board Member of Allianz Versicherungs-AG, has been appointed as Chief MidCorp Transformation Officer. Regional units will be led by one representative for each, and they were appointed on [March 31](#) for Australia, Germany, France and the United Kingdom.

Board and Leadership team changes

As announced on March 7, 2023 [Tracy Ryan](#) joins the AGCS SE Board of Management as Chief Regions and Markets Officer for North America, subject to regulatory approval. She succeeds [William Scaldaferr](#) who has decided to leave Allianz.


As announced on [March 10](#), further changes to the AGCS SE Board include:

- CFO [Claire-Marie Coste-Lepoutre](#) also becomes Deputy CEO.
- [Jon-Paul Jones](#) appointed as COO.
- [Dr. Renate Strasser](#) moved to a newly created AGCS SE Board role as Chief Technical Officer.
- [Shanil Williams](#) took on expanded responsibility for all nine AGCS global lines of business as Chief Underwriting Officer.

As announced on [March 14, 2023](#), [Gordon Browne](#) has been appointed Global Head of Specialty at AGCS, reporting to Chief Underwriting Officer [Shanil Williams](#).

Contact Us

For further information please contact your local AGCS manager or [Hugo Kidston](#), AGCS Global Head of Communications, +44.203.451.3891

Follow AGCS:  
www.agcs.allianz.com