

Allianz Global Corporate &amp; Specialty

# 6M 2023 Results update

Briefing August 2023

This document summarizes the financial results for the first half year of 2023 ('6M 2023') for Allianz Global Corporate & Specialty (AGCS) and for Allianz Group, both of which were announced on 10 August 2023. Amalgamated results for the overall Allianz Commercial business will be available in future quarters.

## Further information

Full details of Allianz Group results for 6M 2023, including the analysts' presentation, are available at Allianz Group's Investor Relations [web pages](#).

## IFRS 17/9 impact

Since Q1 2023 we are adopting 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.

<sup>1</sup> 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 6M 2023

"Allianz's excellent results in the first half of 2023 demonstrate the strength of our fundamentals as we capitalize on our global scale and diversified business mix. I am particularly pleased by the strong performance in the Property & Casualty business", says Allianz CEO Oliver Bäte.

**Total business volume** rose by 4.8% to €85.6 billion (6M 2022: €81.7 billion), largely driven by the Property-Casualty business. **Operating profit** increased 14.9% to €7.5 billion (6M 2022: €6.5 billion). **Net income attributable to shareholders** was €4.4 billion (6M 2022: €2.5 billion). The **Solvency II capitalization ratio** was 208% at the end of Q2 2023, compared with 206% at the end of Q1 2023.

In the **Property-Casualty** business, **total business volume** surged 9.8% to €41.7 billion (6M 2022: €38.0 billion). Adjusted for foreign exchange and consolidation effects, **internal growth** was very strong at 11.8% supported by volume, price and service effects. **Operating profit** rose 16.3% to €3.9 billion (6M 2022: €3.3 billion) driven by a significantly higher operating insurance service result and an improved operating investment result. The **combined ratio** improved by 1.1 percentage points to 92.0% (6M 2022: 93.2%). The **loss ratio** improved by 0.9 percentage points to 67.2%.

In the **Life/Health** insurance business, **total revenues** were at €40.4 billion (6M 2022: €39.9 billion). The **present value of new business premiums** declined to €36.2 billion (6M 2022: €37.6 billion). **Operating profit** jumped to €2.5 billion (6M 2022: €1.8 billion).

In **Asset Management**, **operating profit** was €1.4 billion (6M 2022: €1.6 billion) **Third-party assets under management** were €1.662 trillion as of June 30, 2023, up by €27 billion from the end of 2022.

## 2. AGCS results 6M 2023

In the first half of 2023, AGCS **Total Gross Premium Written** of €6.583 billion is +10% above prior year, adjusted for foreign exchange effects (6M 2022: €5.923 billion). **Core Gross Net Premium Written** (premium net of fronting and facultative reinsurance) increased year-over-year by +16% to €4.586 billion (6M 2022: €3.949 billion), mainly driven by MidCorp and Property reflecting inflation-driven increase of insured values and rates, as well as strong new business and high retention. Liability, too, benefited from the significant rate momentum carried over from second half 2022 and showed a strong renewal performance.

AGCS Core Gross Net Premium Written 6M 2023 vs. 6M 2022 (IFRS 17/9)



The **Core Combined Ratio** for 6M 2023 stands at 90.8% and is better than prior year (6M 2022: 93.3%). The improvement in both the loss ratio and the expense ratio is only partially offset by a higher reinsurance ratio. Main drivers are a benign current accident year claims development in short-tail lines as well as a higher favourable discounting effect due to higher yields in the second half of 2022. The profitable underwriting performance allowed for an additional build-up of reserves, mainly to address inflation risks.

The **Operating Profit** for 6M 2023 of €479 million (6M 2022: €351 million) is €129 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.

## AGCS ratings

(showing date rating published)

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

On June 26, 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 Allianz continues to use the "the still favorable environment to tap areas of profitable growth in global lines through Allianz Global Corporate & Specialty, Allianz Partners, and Allianz Trade".

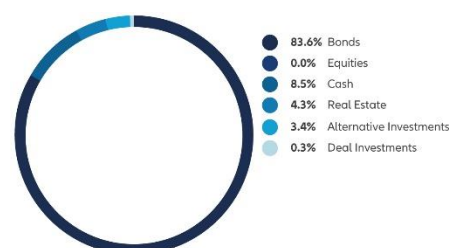
## Asset allocation and investments

In Q2 2023 the market value of our total invested assets, excluding strategic participations, increased to €16.4 billion (Q1 2023: €16.3 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 Q2 2023 increased to 8.5% (Q1 2023: 6.8%).

### AGCS asset allocation 6M 2023



Results for the third quarter 2023 for Allianz Group and Allianz Global Corporate & Specialty will be available on November 10, 2023 with summary information for the overall Allianz Commercial business. For further details please see Allianz Group's Investor Relations website pages.

## New Chief Financial Officer

As announced on June 26, 2023, AGCS has appointed a new Chief Financial Officer (CFO) to its Board of Management. With effect from September 1, 2023, Claire-Marie Coste-



Lepoutre, CFO and deputy CEO of AGCS, moves to Allianz Group as Head of Allianz Group Actuarial, Planning and

Controlling and Group Chief Actuary, taking over that role from Oskar Buchauer, who moves from Allianz Group to become CFO of AGCS.

## Allianz Commercial new regional set-up

As announced on July 24, 2023, AGCS together with the commercial insurance business of local Allianz Property & Casualty entities has begun to trade as "Allianz Commercial" as one go-to-market business offering insurance solutions for mid-sized businesses, large enterprises and specialist risks.



AGCS, as a global carrier, and Allianz's commercial businesses in markets such as Australia, France, Germany and have adopted the new trading name of Allianz

Commercial, while other countries will be moving to the new integrated model and trading identity in the coming months.

Allianz Commercial is also moving to a new structure with 11 new regions which brings together the current six regional units of AGCS with Allianz's national Commercial businesses. Each region is led by one Commercial Managing Director representing the integrated Allianz Commercial business to customers and distribution partners. These regions have been designed to reflect market characteristics, broker and distribution practices, and geographic proximity.

## Contact Us

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

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