

Munich, February 17, 2022

EARNINGS RELEASE: 12M AND 4Q 2021

ALLIANZ POSTS STRONG RESULTS

STRONG OPERATING RESULTS IN ALL BUSINESS SEGMENTS UNDERPIN CONFIDENCE FOR 2022

12M 2021:

- Revenues increased 5.7 percent to 148.5 billion euros
- Operating profit jumped 24.6 percent to 13.4 billion euros
- Net income attributable to shareholders declined 2.9 percent to 6.6 billion euros as a result of a one-time pre-tax provision of 3.7 billion euros in anticipation of settlements with major investors in the AllianzGI U.S. Structured Alpha funds and in light of current discussions with U.S. governmental authorities, lowering the group's 2021 net income by 2.8 billion euros
- Solvency II capitalization ratio rose 1 percentage point to 209 percent¹

4Q 2021:

- Total revenues increased 7.9 percent to 38.4 billion euros
- Operating profit rose 18.0 percent to 3.5 billion euros
- Net loss attributable to shareholders was 292 million euros due to a pre-tax provision of 3.7 billion euros in anticipation of settlements with major investors in the AllianzGI U.S. Structured Alpha funds and in light of current discussions with U.S. governmental authorities. Excluding this one-time item, net income rose 38.2 percent to 2.5 billion euros

Outlook:

- 2022 operating profit target of 13.4 billion euros, plus or minus 1 billion euros²

Other:

- New share buyback program of up to 1 billion euros announced
 - Management to propose a 12.5 percent increase in dividend to 10.80 euros per share, based on strong operating profit and solid net income
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“In spite of challenges in 2021, Allianz proved its resilience and adaptability. With record-high operating profit, strong value growth in life, health and asset management businesses and strongly improved P/C margins and productivity, we are scaling the power of our global franchise.”

- Oliver Bäte, Chief Executive Officer of Allianz SE

1 Excluding the application of transitional measures for technical provisions.

2 As always, natural catastrophes and adverse developments in the capital markets, as well as factors stated in our cautionary note regarding forward-looking statements may severely affect the operating profit and/or net income of our operations and the results of the Allianz Group.

FINANCIAL HIGHLIGHTS

Revenues

12M 2021: Total revenues increased 5.7 percent to 148.5 billion euros. Adjusted for foreign exchange and consolidation effects, the increase was 6.1 percent. Strong sales in the United States and Italy contributed to revenue growth in the Life/Health business segment. The Property-Casualty business segment benefited from price and volume increases while the Asset Management business segment recorded higher assets under management-driven revenues and an increase in performance fees.

4Q 2021: Total revenues increased 7.9 percent to 38.4 (4Q 2020: 35.6) billion euros.

Internal revenue growth, which adjusts for currency and consolidation effects, was 5.9 percent, driven by all business segments.

Earnings

12M 2021: Operating profit jumped by 24.6 percent to 13.4 (full year 2020: 10.8) billion euros, driven by higher profitability in all business segments. In addition, this increase reflects the negative impact of COVID-19 on the prior-year operating profit. Higher average assets under management (AuM) and continued cost control led to a strong increase in operating profit from the Asset Management business segment. The Property-Casualty business segment recorded a higher underwriting result, even in the face of high claims from natural catastrophes. In the Life/Health business segment, operating profit grew due to higher reserve loadings, and improved investment and technical margins.

Net income attributable to shareholders was 6.6 (6.8) billion euros as the provision for the AllianzGI U.S. Structured Alpha matter reduced the group's 2021 net income by 2.8 billion euros, offsetting the higher operating profit.

Return on Equity (RoE) was 10.6 percent (11.4 percent).

Basic Earnings per Share (EPS) declined 3.2 percent to 15.96 (16.48) euros.

The Board of Management will propose an increase in **dividend** to 10.80 euros per share for 2021. On February 17, 2022, Allianz announced a new **share buy-back program** of up to 1 billion euros for 2022.

4Q 2021: Operating profit grew 18.0 percent to 3.5 (3.0) billion euros, largely driven by a higher underwriting result in the Property-Casualty business segment. In the Asset Management business segment, operating profit increased due to higher average third-party AuM and continued improvements in productivity. Operating profit in our Life/Health business segment decreased slightly, mainly due to a lower investment margin.

Net loss attributable to shareholders was 292 million euros, compared with a net income of 1.8 billion euros in the prior-year period, as a higher operating profit was offset by the impact of a pre-tax provision of 3.7 billion euros for the AllianzGI U.S. Structured Alpha matter.

Solvency II Capitalization Ratio

The Solvency II capitalization ratio rose by 1 percentage point to 209 percent at the end of 2021³ from 207 percent at the end of 2020.

³ Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio was 239 percent at the end of 2021 (236 percent at the end of the third quarter of 2021).

SEGMENTAL HIGHLIGHTS

"Our underlying performance was very strong in 2021, as evidenced by the operating profit of 13.4 billion euros.

- In our **Property-Casualty** business, the rebound in the commercial and global lines clearly shows that we are well-positioned to benefit from further improvements in the underwriting environment. Even in the face of severe weather-related events, our combined ratio has improved due to our continuous focus on underwriting discipline and productivity improvements.
- In **Life/Health**, the solid level of new business with strong margins underscores the healthy demand for our products. We are very pleased with the success of our new business management initiatives and we have taken significant actions on in-force management. This proves our commitment to active capital management, which allows us to maximize the potential of our franchise.
- Our **Asset Management** business delivered a solid performance with a high level of inflows from clients in all regions and across all asset classes. Assets under management reached another record high at the end of 2021. The net income of the segment was impacted by a provision taken in anticipation of settlements with major investors in the AllianzGI U.S. Structured Alpha funds and in light of current discussions with U.S. governmental authorities, an important first step towards the resolution of the various related proceedings.

Our strong business performance, driven by the strong underlying fundamentals of our franchise, strengthens our confidence in our outlook for 2022."

- Giulio Terzariol, Chief Financial Officer of Allianz SE

Property-Casualty insurance: Solid operating profit

12M 2021: Total revenues increased by 4.8 percent to 62.3 (59.4) billion euros.

Adjusted for foreign currency translation and consolidation effects, **internal growth** was 4.1 percent, supported by a price effect of 2.2 percent as well as a volume effect of 1.4 percent and a service effect of 0.6 percent. The primary contributors to the increase were Allianz Partners, AGCS and Australia.

The **operating profit** rose 30.6 percent to 5.7 (4.4) billion euros. Our underwriting result reflected a recovery from the impact of COVID-19 in 2020. Lower attritional losses and a better run-off result offset higher claims from natural catastrophes. The expense ratio improved further to 26.7 percent (26.8 percent).

Overall, the **combined ratio** improved by 2.5 percentage points to 93.8 percent (96.3 percent).

4Q 2021: Total revenues grew by 14.7 percent to 14.5 (12.7) billion euros.

Adjusted for foreign currency translation and consolidation effects, **internal growth** was 10.7 percent, due to a 7.4 percent rise in volumes and support from a 2.0 percent service effect as well as a 1.4 percent price effect. The main contributors to the increase were Allianz Partners, AGCS and Germany.

Operating profit surged 76.1 percent to 1.6 (0.9) billion euros, due to a noticeably higher underwriting result, including a much better run-off result. The increase also partly reflected the negative impact from COVID-19 in the prior year. Furthermore, the expense ratio improved to 26.9 percent (27.5 percent).

The **combined ratio** improved by 3.9 percentage points to 93.5 percent (97.4 percent).

Life/Health insurance: Successful new business management

12M 2021: PVNBP⁴ jumped to 78.7 (61.5) billion euros, driven by higher sales volumes for fixed index annuities in the United States and improvements in Italy and France through back-book management. Other contributing factors were higher volumes from unit-linked products in Italy and a large reinsurance treaty at Allianz Reinsurance.

Operating profit rose to 5.0 (4.4) billion euros, due to higher reserve loadings, an improved investment margin, and the previous year's loss recognition in the United States. Higher unit-linked management fees in Italy, a higher investment margin in France, and an improved technical margin in both German life and health businesses supported this development.

The **new business margin** increased to 3.2 percent (2.8 percent), driven by a better business mix. The **value of new business** grew to 2.5 (1.7) billion euros, due to higher volumes and increased margins.

4Q 2021: PVNBP, the present value of new business premiums, grew to 19.8 (19.0) billion euros, predominantly due to higher sales volumes of fixed index annuities in the United States.

The **new business margin (NBM)** increased to 3.4 percent (2.7 percent), driven by an improved business mix in the United States, France and Italy. Favorable market developments supported this growth.

The **value of new business (VNB)** grew to 0.7 (0.5) billion euros, due to higher volumes and margins.

Operating profit decreased to 1.3 (1.4) billion euros. The impact of a lower investment margin in the German life business, a write-off for an administrative system in Benelux and higher claims in Indonesia was partly offset by an increase in management fees for unit-linked products in Italy.

Asset Management: Record AuM, operating profit up 22 percent

12M 2021: Operating revenues grew by 14.3 percent to 8.4 billion euros as a result of higher AuM-driven revenues as well as higher performance fees. The cost-income ratio improved to 58.4 percent (61.2 percent).

Operating profit rose by 22.3 percent to 3.5 (2.9) billion euros. Adjusted for foreign currency translation effects, operating profit increased by 25.3 percent. Third-party assets under management rose by 14.9 percent, or 255 billion euros, from the end of 2020 to 1.966 trillion euros, driven mainly by high net inflows of 110.1 billion euros as well as favorable foreign currency translation effects.

4Q 2021: Total assets under management rose to 2.609 trillion euros at the end of 2021, driven by third-party assets under management. Growth was driven by all regions and all asset classes.

Third-party assets under management was 1.966 trillion euros as of December 31, 2021, an increase of 86 billion euros from the end of the third quarter of 2021, including 20.6 billion euros from net inflows and market effects of 11.5 billion euros. There was a positive impact of 28.3 billion euros from consolidation, mainly related to the Allianz Life reinsurance transaction (30.0 billion euros). Another contributing factor was favorable foreign currency translation effect of 25.2 billion euros.

Operating profit surged by 20.8 percent from the prior-year period to 1.0 (0.9) billion euros. Revenue growth was mainly due to higher average third-party AuM. Adjusted for foreign currency translation effects, operating profit increased by 17.0 percent. The cost-income ratio (CIR) improved by 0.5 percentage points to 58.2 percent.

4 PVNBP is shown after non-controlling interests, unless otherwise stated.

12M AND 4Q RESULTS TABLE

Allianz Group - preliminary key figures 4th quarter and fiscal year 2021

		4Q 2021	4Q 2020	Delta	12M 2021	12M 2020	Delta
Total revenues	€ bn	38.4	35.6	7.9%	148.5	140.5	5.7%
- Property-Casualty ¹	€ bn	14.5	12.7	14.7%	62.3	59.4	4.8%
- Life/Health	€ bn	21.5	20.9	2.8%	78.3	74.0	5.8%
- Asset Management	€ bn	2.5	2.1	19.2%	8.4	7.3	14.3%
- Corporate and Other	€ bn	0.1	0.1	18.3%	0.3	0.2	18.0%
- Consolidation	€ bn	-0.2	-0.2	26.2%	-0.8	-0.6	33.7%
Operating profit / loss	€ mn	3,509	2,975	18.0%	13,400	10,751	24.6%
- Property-Casualty	€ mn	1,551	881	76.1%	5,710	4,371	30.6%
- Life/Health	€ mn	1,264	1,429	-11.6%	5,011	4,359	14.9%
- Asset Management	€ mn	1,035	857	20.8%	3,489	2,853	22.3%
- Corporate and Other	€ mn	-307	-197	56.1%	-772	-831	-7.1%
- Consolidation	€ mn	-33	4	n.m.	-38	-1	n.m.
Net income	€ mn	-165	1,901	n.m.	7,105	7,133	-0.4%
- attributable to non-controlling interests	€ mn	128	84	51.8%	495	326	51.7%
- attributable to shareholders	€ mn	-292	1,817	n.m.	6,610	6,807	-2.9%
Basic earnings per share²	€	-0.72	4.41	n.m.	15.96	16.48	-3.2%
Diluted earnings per share²	€	-0.74	4.39	n.m.	15.83	16.32	-3.0%
Dividend per share	€	-	-	-	10.80³	9.60	12.5%
Additional KPIs							
- Group Return on equity ^{4,5}	%	-	-	-	10.6%	11.4%	-0.7% -p
- Property-Casualty Combined ratio	%	93.5%	97.4%	-3.9% -p	93.8%	96.3%	-2.5% -p
- Life/Health New business margin	%	3.4%	2.7%	0.7% -p	3.2%	2.8%	0.4% -p
- Life/Health Value of new business	€ mn	672	521	28.8%	2,527	1,743	45.0%
- Asset Management Cost-income ratio	%	58.2%	58.7%	-0.5% -p	58.4%	61.2%	-2.7% -p
					12/31/2021	12/31/2020	Delta
Shareholders' equity⁵	€ bn				80.0	80.8	-1.1%
Solvency II capitalization ratio⁶	%				209%	207%	1% -p
Third-party assets under management	€ bn				1,966	1,712	14.9%

Please note: The figures are presented in millions of Euros, unless otherwise stated. Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

1. Total revenues comprise gross premiums written and fee and commission income.

2. Calculated by dividing the respective period's net income attributable to shareholders, adjusted for net financial charges related to undated subordinated bonds classified as shareholders' equity, by the weighted average number of shares outstanding (basic EPS).

3. Proposal.

4. Represents the ratio of net income attributable to shareholders to the average shareholders' equity at the beginning of the period and at the end of the period. The net income attributable to shareholders is adjusted for net financial charges related to undated subordinated bonds classified as shareholders' equity. From the average shareholders' equity undated subordinated bonds classified as shareholders' equity and unrealized gains/losses on bonds net of shadow accounting are excluded.

5. Excluding non-controlling interests.

6. Risk capital figures are group diversified at 99.5% confidence level. Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio is 239% as of 31 December 2021.

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RELATED LINKS

Media Conference

February 18, 2022, 8:30 AM CET: YouTube [English line](#)

Analyst Conference

February 18, 2022, 2:00 PM CET: YouTube [English line](#)

Results

The results and related documents can be found in the [download center](#).

UPCOMING EVENTS

Annual Report

March 4, 2022

Annual General Meeting 2022

May 4, 2022

Financial Results 1Q 2022

May 12, 2022

More information can be found in the **financial calendar**.

About Allianz

The Allianz Group is one of the world's leading insurers and asset managers with more than 126 million* private and corporate customers in more than 70 countries. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing around 809 billion euros on behalf of its insurance customers. Furthermore, our asset managers PIMCO and Allianz Global Investors manage nearly 2.0 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we are amongst the leaders in the insurance industry in the Dow Jones Sustainability Index. In 2021, over 155,000 employees achieved total revenues of 148.5 billion euros and an operating profit of 13.4 billion euros for the group.

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

* Including non-consolidated entities with Allianz customers.

Cautionary note regarding forward-looking statements

This document includes forward-looking statements, such as prospects or expectations, that are based on management's current views and assumptions and subject to known and unknown risks and uncertainties. Actual results, performance figures, or events may differ significantly from those expressed or implied in such forward-looking statements.

Deviations may arise due to changes in factors including, but not limited to, the following: (i) the general economic and competitive situation in the Allianz's core business and core markets, (ii) the performance of financial markets (in particular market volatility, liquidity, and credit events), (iii) adverse publicity, regulatory actions or litigation with respect to the Allianz

Group, other well-known companies and the financial services industry generally, (iv) the frequency and severity of insured loss events, including those resulting from natural catastrophes, and the development of loss expenses, (v) mortality and morbidity levels and trends, (vi) persistency levels, (vii) the extent of credit defaults, (viii) interest rate levels, (ix) currency exchange rates, most notably the EUR/USD exchange rate, (x) changes in laws and regulations, including tax regulations, (xi) the impact of acquisitions including and related integration issues and reorganization measures, and (xii) the general competitive conditions that, in each individual case, apply at a local, regional, national, and/or global level. Many of these changes can be exacerbated by terrorist activities.

No duty to update

Allianz assumes no obligation to update any information or forward-looking statement contained herein, save for any information we are required to disclose by law.

Other

The figures regarding the net assets, financial position and results of operations have been prepared in conformity with International Financial Reporting Standards. Information is based on preliminary figures. Final results for fiscal year 2021 will be released on March 4, 2022 (publication of the Annual Report).

This is a translation of the German Quarterly and Full Year Earnings Release of the Allianz Group. In case of any divergences, the German original is binding.

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