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Allianz achieves record profits in first half 2024

Group fully on track for full-year outlook, powered by
strong fundamentals

2Q 2024:

- Total business volume advances 7.6 percent to 42.6 billion euros
- Operating profit reaches 3.9 billion euros driven by good results in all segments
- Shareholders' core net income stable at 2.5 billion euros

6M 2024:

- Total business volume rises by 6.4 percent to 91.0 billion euros
- Operating profit increases by 5.3 percent to 7.9 billion euros driven by all segments
- Shareholders' core net income advances 7.7 percent to 5.0 billion euros
- Strong Solvency II capitalization ratio of 206 percent¹

Outlook:

- 2024 operating profit target affirmed at 14.8 billion euros, plus or minus 1 billion euros²

Other:

- Share buy-back of 1 billion euros executed by the end of July 2024
- Decision to expand the total volume of the share buy-backs in the financial year 2024 to a total of 1.5 billion euros
- Allianz has therefore resolved to repurchase additional shares in a volume of up to 500 million euros

¹ Based on quarterly dividend accrual; additional accrual to reflect FY dividend would impact solvency II capitalization ratio by -6%-p as of June 30, 2024.

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.

"Allianz delivered strong results in the first six months of the year and we are confident in our ability to achieve our full-year ambitions.

Our performance demonstrates the core strengths and resilience of our company, particularly as our results were achieved amid significant natural catastrophe activity in the second quarter – and notably in our home market. The way that Allianz responded to our customers affected by the floods in Germany reflected the best possible blend of compassion, speed, and expertise. Teams enabled by digital claims processing tools visited nearly all affected properties within two weeks of the event, which reassured our customers and limited damages.

These excellent property and casualty outcomes were complemented by strong delivery in our life/health, and asset management segments, demonstrating how we translate our customer-centric strategy into resilient earnings growth."

- Oliver Bäte, Chief Executive Officer of Allianz SE

FINANCIAL HIGHLIGHTS

Total business volume

2Q 2024: Total business volume rose by 7.6 percent to 42.6 billion euros. This increase was driven by strong momentum across all business segments.

Adjusted for foreign currency translation and consolidation effects, internal growth was 8.8 percent. The Property-Casualty segment was the main driver, but all business segments contributed positively.

6M 2024: Total business volume increased by 6.4 percent to 91.0 billion euros. All business segments contributed to this growth.

Adjusted for foreign currency translation and consolidation effects, internal growth was 7.5 percent.

Earnings

2Q 2024: Operating profit was very good at 3.9 (2Q 2023: 3.8) billion euros. All segments contributed to this result. The Property-Casualty business showed a strong underlying performance which largely offset the impact of elevated natural catastrophes.

Shareholders' core net income was stable at 2.5 (2.5) billion euros.

Net income attributable to shareholders rose to 2.5 (2.3) billion euros driven by operating profit growth, and higher non-operating result.

6M 2024: Operating profit was strong at 7.9 (6M 2023: 7.5) billion euros, up by 5.3 percent, driven by all business segments. The Life/Health segment achieved widespread growth across most regions. In Asset Management, higher AuM-driven revenues were the main drivers while the Property-Casualty business benefited from strong growth and underlying performance.

Shareholders' core net income advances 7.7 percent to 5.0 billion euros.

Net income attributable to shareholders increased by 14.2 percent to 5.0 (4.4) billion euros driven by operating profit growth, and higher non-operating result.

Core earnings per share (EPS)³ was 12.57 (6M 2023: 11.40) euros.

The annualized core return on equity (RoE)³ was 17.5 percent (full year 2023: 16.1 percent).

The share buy-back program of up to 1 billion euros, announced on February 22, 2024, has been executed by the end of July 2024. The Board of Management has decided to expand the total volume of the share buy-backs in the financial year 2024 to a total of 1.5 billion euros and has therefore resolved to repurchase additional shares in a volume of up to 500 million euros.

Solvency II capitalization ratio

The Solvency II capitalization ratio was 206 percent⁴ at the end of second quarter 2024 compared with 203 percent at the end of the first quarter 2024.

SEGMENTAL HIGHLIGHTS

"Allianz's results for the second quarter and the consistency of our performance confirm our sustained momentum and the resilience of our business model.

- In our Property-Casualty segment, we achieved a very good operating profit. This shows our ability to deliver strong results even as we were impacted by severe natural catastrophes in particular in Germany. Our continuous focus on productivity is as well supporting our performance.
- We have reached an excellent operating profit in our Life/Health operations. Our strong new business generation and a healthy new business margin speak for the attractiveness of our products.
- In Asset Management, continued net inflows of 14.1 billion euros in the second quarter bring our net inflows for the first half to 48.4 billion euros. Our third-party assets under management exceeded 1.8 trillion euros for the first time since 1Q 2022. This is a good basis for future profit growth.

³ Core EPS and core RoE calculation based on shareholders' core net income.

⁴ Based on quarterly dividend accrual; additional accrual to reflect FY dividend would impact solvency II capitalization ratio by -6%-p as of June 30, 2024.

We look with confidence to the second half of 2024 and affirm our outlook for an operating profit of 14.8 billion euros plus or minus 1 billion euros for the full year.”

- Claire-Marie Coste-Lepoutre, Chief Financial Officer of Allianz SE

Property-Casualty insurance: Strong operating profit

2Q 2024: Total business volume increased by 9.4 percent to 19.3 (17.6) billion euros. Adjusted for foreign currency translation and consolidation effects, internal growth was 10.5 percent. Very good growth of 12 percent in Retail, SME & Fleet was the main driver while Commercial lines advanced by 9 percent.

Operating profit was 1.9 (2.0) billion euros – a resilient performance in light of elevated natural catastrophe and weather losses.

The combined ratio amounted to 93.5 percent (92.2 percent). The loss ratio was 69.2 percent (67.4 percent) as significantly higher claims from natural catastrophes were partly offset by better run-off. The underlying profitability has improved in line with expectations. The expense ratio also developed favourably by 0.5 percentage points to 24.2 percent.

6M 2024: Total business volume increased by 7.3 percent to 44.8 (41.7) billion euros. Adjusted for foreign currency translation and consolidation effects, internal growth was 8.1 percent. In Retail, SME & Fleet growth amounted to 9 percent while Commercial lines contributed by 5 percent.

Operating profit rose by 3.3 percent to an excellent level of 4.0 (3.9) billion euros.

The combined ratio came in at 92.7 percent (92.0 percent). The loss ratio was 68.3 percent (67.2 percent) as higher claims from natural catastrophes were partly offset by better run-off. The underlying profitability has improved in line with expectations. The expense ratio improved by 0.4 percentage points to 24.4 percent.

Life/Health insurance: Very good growth

2Q 2024: PVNBP, the present value of new business premiums, increased to 18.8 (17.7) billion euros, driven by higher volume in most entities. Adjusted for one large contract in the prior year period, PVNBP is up by 14.7 percent.

Operating profit advanced to 1.4 (1.2) billion euros, driven by all regions.

Contractual Service Margin (CSM) rose from 53.2 billion euros in the first quarter to 53.6 billion euros, driven by good normalized CSM growth of 1.3 percent slightly offset by non-economic impacts.

The new business margin (NBM) was strong at 5.8 percent (6.2 percent). The value of new business (VNB) remained at a very good level of 1.1 (1.1) billion euros.

6M 2024: PVNBP rose to 41.1 (36.2) billion euros, supported by strong sales in capital efficient products.

Operating profit increased to 2.7 (2.5) billion euros due to positive developments in nearly all regions.

Contractual service margin (CSM) rose to 53.6 billion euros from 52.6 billion euros at the end of 2023, driven by a normalized CSM growth of 3.1 percent.

The new business margin was strong at 5.7 percent (5.8 percent). The value of new business rose to 2.4 (2.1) billion euros, primarily driven by volume growth in most entities.

Asset Management: Good operating profit and strong net inflows

2Q 2024: Operating revenues increased to 2.0 billion euros, up 4.4 percent adjusted for foreign currency translation effects. Higher AuM-driven revenues more than offset lower performance fees.

Operating profit rose to 742 (703) million euros, up 5.6 percent. Adjusted for foreign currency translation effects, operating profit increased by 4.8 percent. The cost-income ratio (CIR) was stable at 62.4 percent (62.5 percent).

Third-party assets under management increased to 1.803 trillion euros as of June 30, 2024, up by 19 billion euros from the end of the first quarter 2024, reaching the highest level since the first quarter 2022. The main driver were net inflows of 14.1 billion euros with further positive contribution from favorable foreign currency translation effects.

Total assets under management rose to 2.309 trillion euros at the end of the second quarter of 2024, up 12 billion euros from the end of the first quarter 2024 in line with the results for the third-party assets under management.

6M 2024: Operating revenues increased to 4.0 billion euros, up 5.1 percent adjusted for foreign currency translation effects. The increase was largely driven by higher AuM-driven revenues.

Operating profit rose to 1.5 (1.4) billion euros, up 6.3 percent. Adjusted for foreign currency translation effects, operating profit increased by 6.5 percent. The cost-income ratio (CIR) improved to 61.8 percent (62.3 percent).

Third-party assets under management increased by 91 billion euros from the end of 2023 to 1.803 trillion euros as of June 30, 2024. Strong net inflows of 48.4 billion euros were the main contributor.

Allianz Group - key figures 2nd quarter and first half year 2024

		2Q 2024	2Q 2023	Delta	6M 2024	6M 2023	Delta
Total business volume	€ bn	42.6	39.6	7.6%	91.0	85.6	6.4%
- Property-Casualty	€ bn	19.3	17.6	9.4%	44.8	41.7	7.3%
- Life/Health	€ bn	21.5	20.3	6.2%	42.7	40.4	5.5%
- Asset Management	€ bn	2.0	1.9	5.2%	4.0	3.8	4.9%
- Consolidation	€ bn	-0.2	-0.2	-4.5%	-0.3	-0.3	2.4%
Operating profit / loss	€ mn	3,926	3,783	3.8%	7,911	7,513	5.3%
- Property-Casualty	€ mn	1,915	1,983	-3.4%	3,981	3,855	3.3%
- Life/Health	€ mn	1,379	1,202	14.7%	2,705	2,521	7.3%
- Asset Management	€ mn	742	703	5.6%	1,516	1,426	6.3%
- Corporate and Other	€ mn	-112	-111	1.1%	-291	-287	1.4%
- Consolidation	€ mn	2	6	-66.6%	0	-2	-92.4%
Net income	€ mn	2,661	2,486	7.0%	5,293	4,647	13.9%
- attributable to non-controlling interests	€ mn	149	150	-0.9%	305	278	9.5%
- attributable to shareholders	€ mn	2,513	2,337	7.5%	4,988	4,369	14.2%
Shareholders' core net income¹	€ mn	2,536	2,517	0.8%	5,049	4,690	7.7%
Core earnings per share²	€	6.15	5.97	3.0%	12.57	11.40	10.2%
Additional KPIs							
- Group	Core return on equity ³	%	-	-	17.5%	16.1%	1.4% -p
- Property-Casualty	Combined ratio	%	93.5%	92.2%	1.3% -p	92.0%	0.7% -p
- Life/Health	New business margin	%	5.8%	6.2%	-0.4% -p	5.7%	-0.1% -p
- Asset Management	Cost-income ratio	%	62.4%	62.5%	-0.1% -p	61.8%	-0.5% -p
					06/30/2024	12/31/2023	Delta
Shareholders' equity⁴	€ bn				55.5	58.2	-4.7%
Contractual service margin (net)	€ bn				33.7	32.7	2.9%
Solvency II capitalization ratio⁵	%				206%	206%	0% -p
Third-party assets under management	€ bn				1,803	1,712	5.3%

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. Presents the portion of shareholders' net income before non-operating market movements and before amortization of intangible assets from business combinations (including any related income tax effects).
2. Calculated by dividing the respective period's shareholders' core net income, adjusted for net financial charges related to undated subordinated bonds classified as shareholders' equity, by the weighted average number of shares outstanding (basic core EPS).
3. Represents the annualized ratio of shareholders' core net income to the average shareholders' equity at the beginning and at the end of the period. Shareholders' core net income 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, unrealized gains and losses from insurance contracts and other unrealized gains and losses are excluded. Annualized figures are not a forecast for full year numbers. For 6M 2023, the core return on equity for the respective full year is shown. Due to an adjustment of prior periods comparative figures for the balance sheet, the core RoE changed by +0.1%-p compared to the published figure as of 31 December 2023.
4. Excluding non-controlling interests. In 1Q 2024 Allianz reclassified certain minority interests between equity and liabilities. Prior periods comparative figures for the balance sheet have been adjusted with a minor impact on shareholders' equity only (reduced by EUR 0.2bn as of 31 December 2023).
5. Risk capital figures are group diversified at 99.5% confidence level. Solvency II capitalization ratio is based on quarterly dividend accrual; additional accrual to reflect FY dividend would impact solvency II capitalization ratio by -6%-p as of 30 June 2024.

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

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. This Quarterly Earnings Release is not an Interim Financial Report within the meaning of International Accounting Standard (IAS) 34.

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

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