

Media Release

Allianz enters reinsurance agreement with Resolution Life and affiliates of Sixth Street for its U.S. fixed index annuity portfolio; transaction to unlock \$4.1 billion in value

- Allianz Life reinsures \$35 billion of liabilities of fixed index annuity book in one of the largest transactions of its kind
- Agreement underscores shared values of flexibility, ability to scale, risk management, and commitment to policyholders
- Transaction expected to improve return on equity and strengthen regulatory capital position for Allianz Group
- Allianz Life will continue to expand its leadership position as a premier U.S. annuity and life insurance carrier
- Allianz Life to capitalize on alignment of asset management and capital-light life insurance in line with Allianz Group strategy

Munich/Minneapolis

December 3, 2021

Allianz Life announced today that it is entering into a reinsurance agreement with affiliates of Sixth Street, including Talcott Resolution Life Insurance Company ("Talcott Resolution"), and Resolution Life, for a \$35-billion fixed index annuity portfolio. The transaction is in line with the Allianz Group's strategy to unlock value in its life insurance business by managing capital on its balance sheet more efficiently and increasing synergies with its asset management business.

RELIABLE COUNTERPARTIES AND COMMITMENT TO POLICYHOLDERS:

The agreement creates value for all parties due to the market's undervaluation of high-performing life insurance businesses. The transaction is intentionally structured to ensure continued commitment to high-quality service and support for Allianz Life's U.S. policyholders.

The agreement brings together strong institutions that offer valuable risk management, counterparty risk protections, capital flexibility, and potential for future growth.

The transaction illustrates the ability of Sixth Street's insurance platform, which includes Talcott Resolution, and Resolution Re's insurance group, Resolution Life, to create and execute highly flexible capital solutions for leading insurance companies at scale.

The arrangement benefits from open-architecture asset management to ensure efficient and best-in-class investment management for policyholders across portfolio asset classes.

TRANSACTION:

The agreement will unlock \$4.1 billion in value and free up regulatory capital for Allianz. Allianz Life's return on equity is expected to improve by about 6 percentage-points to approximately 18%¹. On the group level, the transaction will improve Allianz's Solvency II ratio by about 9 percentage-points to 216%¹.

The transaction, which is the biggest so far for Allianz in terms of size of life back books, is in line with the group's expanded strategy to leverage partnerships with strong reinsurance and risk management companies to monetize the value of in-force business and enhance the protection afforded to customers.

Allianz Life will continue to manage administration of the policies in the portfolio and will remain responsible for fulfilling its obligations to policyholders. There will be no changes to policy servicing, call center management, claims payments, statement generation and delivery, distribution partner experience, and digital self-service.

PIMCO and Allianz Global Investors will remain the primary asset managers of the reinsured business.

ALLIANZ STRATEGY IN ACTION:

Reflecting Allianz's integrated approach to creating value for shareholders, the reinsurance agreement is envisaged to accelerate growth in its life insurance and asset management businesses: Allianz Life, PIMCO and Allianz Global Investors.

In the life insurance business, the agreement will maximize Allianz Life's competitive advantage as an asset gatherer, empowering it to pursue growth in core markets and expand through new product offerings, distribution channels, and customer pools. This positions Allianz Life to leverage current and emerging opportunities in the financial markets and offer customers innovative products that meet changing needs.

Allianz's asset management business stands to benefit from the brand and reach of Allianz Life, with increased growth in assets under management and corresponding fee revenue.

On December 3, the Allianz Group will provide an update on its strategy for the 2022-2024 cycle and detail plans for its business segments.

MORE ABOUT SIXTH STREET AND RESOLUTION LIFE:

- Sixth Street is a leading global investment firm with over \$55 billion in assets under management and committed capital. Sixth Street invests in and offers solutions to companies in the insurance and reinsurance industry through its \$25 billion Sixth Street TAO platform as well as through its dedicated insurance affiliates, including Talcott Resolution. Upon the closing of this transaction, Talcott Resolution and its affiliates will manage \$111 billion in liabilities and surplus on a pro-forma basis.
- Resolution Life is a global life insurance group focusing on the acquisition and management of portfolios of life insurance policies. It provides strong counterparty risk protections that are highly valued by Allianz. This transaction follows the agreement with Allianz Suisse Life to reinsure \$4.3 billion of liabilities announced in September 2021 and demonstrates Resolution Life's commitment to provide de-risking solutions to primary life insurers. Following this transaction, Resolution Life will have invested approximately \$5 billion of equity and have approximately \$90 billion in assets under management.

¹ On a pro-forma basis for nine months 2021

For more information on Allianz Capital Markets Day, please visit:

<https://www.allianz.com/cmd>

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About Allianz

The Allianz Group is one of the world's leading insurers and asset managers with 120 million¹ 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 802 billion euros on behalf of its insurance customers. Furthermore, our asset managers PIMCO and Allianz Global Investors manage 1.9 trillion euros of third-party assets. Thanks to our systematic integration of ecological, social

¹ Including non-consolidated entities with Allianz customers.

and governance criteria in our business processes and investment decisions, we hold the leading position for insurers in the Dow Jones Sustainability Index, launched on 12.11.2021. In 2020, over 150,000 employees achieved total revenues of 140 billion euros and an operating profit of 10.8 billion euros for the group. These assessments are, as always, subject to the disclaimer provided below.

About Sixth Street

Sixth Street is a global investment firm with over \$55 billion in assets under management and committed capital. Sixth Street uses its long-term flexible capital, data-enabled capabilities, and One Team to develop themes and offer solutions for companies across all stages of growth. Founded in 2009, Sixth Street has more than 350 team members including over 180 investment professionals operating from around the world. Sixth Street pursues investments in the insurance and reinsurance industry through its \$25 billion Sixth Street TAO platform as well as through its dedicated insurance affiliates, including Talcott Resolution. Talcott Resolution offers creative in-force and new business solutions that provide insurers with capital flexibility and risk management efficiencies, overseeing \$91 billion in liabilities and surplus for approximately 900,000 customers as of September 30, 2021. For more information, visit <https://sixthstreet.com/> or <https://www.talcottresolution.com/>.

About Resolution Life

Resolution Life is a global life insurance group focusing on the acquisition and management of portfolios of life insurance policies. Since 2003 to date, Resolution has deployed c.\$17 billion of equity in the acquisition, reinsurance, consolidation and management of life insurance companies. Together, these companies have served the needs of c.13 million policyholders while managing over \$365 billion of assets. Resolution Life today has operations in the U.K., the U.S., Bermuda, Australia and New Zealand, employing c.1,800 people, all focused on assisting the restructuring of the primary life insurance industry globally. Resolution Life provides a safe and reliable partner for insurers as they restructure by:

- Focusing on existing customers, rather than prioritising expansion by new sales
- Delivering policyholder benefits in a secure, well capitalised environment
- Returning capital over time to our institutional investors in the form of a steady dividend yield

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.

Privacy Note

Allianz SE is committed to protecting your personal data. Find out more in our privacy statement.