



Path of Dynamic Growth Continues in 2021 for ARAG Group

Insurer meets coverage demands of customers and consumers in times of crisis

Key figures

ARAG Holding SE (in € million)	2021	+/-	2020
Gross written premiums	2,017.4	9.1 %	1,848.7
Expenditures for insurance claims for own account	1,027.0	9.8 %	935.6
Claims ratio	51.7 %	0.8 %-pct.	50.9 %
Costs of insurance business for own account	744.7	10.5 %	673.9
Cost ratio	37.5 %	0.8 % pct.	36.7 %
Underwriting result for own account	118.2	5.5 %	112.0
Income from capital investments	80.3	2.3 %	78.5
Profit on ordinary activities	86.7	4.2 %	83.2
Group net income	37.9	- 0.8 %	38.2

- **ARAG Group achieves significant premium growth of 9.1 percent in business year 2021**
- **€2 billion premium hurdle cleared one year earlier than planned**
- **German insurance business grows by 9.6 percent**
- **More than 91,000 new customers on balance in Germany alone**
- **International business delivers 8.5 percent more revenue**
- **Very strong growth in health insurance at 12.6 percent**
- **Underwriting result reaches new record high of €118.2 million**
- **ARAG with historically best start to the year in Q1 2022**

In 2021, the ARAG Group once again significantly increased its gross premium revenues by 9.1 percent from € 1.85 billion to € 2.02 billion. Including income from service companies, the Group generated total revenues of €2.04 billion. The underwriting result improved by 5.5 percent, reaching another record level of €118.2 million. The profit on ordinary activities amounted to €86.7 million. "Consumers are responding to a crisis with an increased need for cover, which is strongly focused on the areas of work and health – and hence on legal and health insurance. Our customers rely on us for help and protection and reward our corresponding efforts. This is reflected very clearly in how our business has developed in 2021," explained Dr. Renko Dirksen, Speaker of the Board of Management of ARAG SE, at the presentation of the ARAG Group's financial statements.

Despite the pandemic, the ARAG Group continued to post strong growth in Germany in 2021. Here, premium revenues rose by 9.6 percent, well above the market average. Growth in international business was also strong at 8.5 percent. At the end of 2021, the ARAG Group had a total of 12.2 million policies in its portfolio. The Group's combined ratio increased to 89.2 percent, up from 87.6 percent in 2020, while claims expenses rose to €1.03 billion from €935.6 million in the previous year. Due to the strong premium growth, the Group's claims ratio moved from 50.9 percent to 51.7 percent. The cost ratio went up from 36.7 percent to 37.5 percent as a result of dynamic growth. Income from capital investments benefited in 2021 from a generally good market development with rising stock prices. It



rose to €80.3 million, compared with €78.4 million in the previous year. Profit on ordinary activities showed a 4 percent increase on balance and climbed to €86.7 million (previous year: €83.2 million).

The record high in premium income is primarily attributable to the strong performance of the legal insurance segment – the largest unit in the Group. Here, premium growth amounted to 10.9 percent in Germany and 7.8 percent in international business. The health insurance segment delivered a particularly strong premium gain of 12.6 percent, mainly driven by the successful new full-cost health insurance rates. The composite segment recovered from pandemic-related declines in 2021. Revenue here has gone up by 4.2 percent.

Outlook for the current business year 2022

The enormous momentum of the ARAG Group continued into the first quarter of 2022 - with the best start to the year in the company's history. Premium income in the first quarter continued to grow strongly by 10.4 percent to € 638 million (previous year: € 576.4 million). In the German market, the Group delivered strong premium growth of 8.4 percent. The national growth drivers were health insurance with 14 percent growth and legal insurance with 6.6 percent. ARAG also got off to an excellent start internationally, posting a 14 percent increase in premium revenues.

"Despite this brilliant start, we are not expecting record figures for our business again in business year 2022. Above all, the effects of a strong inflation are unclear and will be crucial," emphasized Dr. Renko Dirksen. However, thanks to its modern and at the same time robust positioning as well as highly successful business development, the ARAG Group can face the future with confidence: "We are not closing our eyes to the noticeable changes in our world and economic order," emphasized Dr. Renko Dirksen. "With our business model, we offer our customers effective protection for their standard of living in uncertain times. Our customers need us right now – and we will deliver," says the Board Speaker. One of ARAG's clear strengths is that it grows with the challenges it faces. ARAG delivered proof of that in the pandemic – and significantly expanded its business under extremely difficult conditions. "This attitude will also help us to find our way in a world of unresolved geopolitical conflicts and to continue working with calm assurance on our success story," underlines Dr. Renko Dirksen.



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ARAG is the largest family-owned enterprise in the German insurance industry and has positioned itself as a versatile quality insurer. It is the leading legal insurer worldwide. Active in 19 countries – including the US, Canada and Australia – ARAG is also represented by international branches, subsidiaries and shareholdings in numerous international markets in which it holds a leading position as a provider of legal insurance and legal services. Besides legal insurance, it offers its customers in Germany its own unique needs-based products and services covering casualty and property insurance and health insurance. With around 4,700 employees, the Group generates revenue and premium income totaling more than €2 billion.

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