

Allianz Global Corporate & Specialty

9M 2021 Results update

Briefing November 2021

This document summarizes the financial results for the first nine months of 2021 ('9M 2021') for Allianz Global Corporate & Specialty (AGCS) as well as for Allianz Group, which were announced on November 10, 2021.

Further information

Full details of Allianz Group results for 9M 2021, including the analysts' presentation, are available at Allianz Group's Investor Relations [web pages](#).

¹ 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 Underwriting Insurance 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.

² Adjusted for foreign currency translation effects, an increase of 28.9%.

1. Allianz Group results 9M 2021

Allianz Group has delivered a strong operative performance across all business segments in the third quarter in 2021. The **Property-Casualty** segment maintained its strong underlying profitability, even in an environment marked by intense natural catastrophes.

Total revenues for 9M 2021 increased 5% to €110.1 billion (9M 2020: €104.9 billion). Operating profit grew by 27.2% to €9.9 billion (9M 2020: €7.8 billion). The **Solvency II capitalization ratio** was at 207% at the end of the third quarter of 2021, compared to 206% at end of the second quarter 2021.

In the **Property-Casualty** segment, total revenues for 9M 2021 reached €47.7 billion (9M 2020: €46.7 billion). Adjusted for foreign currency and consolidation effects, internal growth totaled 2.3%, mostly driven by Allianz Partners, AGCS and China. The operating profit jumped by 19.2% to €4.2 billion (9M 2020: €3.5 billion). The underwriting result rose significantly, even after considering higher claims from natural catastrophes. This was mostly due to negligible COVID-19 related losses. The **combined ratio** for 9M 2021 improved by 2.1 percentage points to 93.9% (9M 2020: 96.0%).

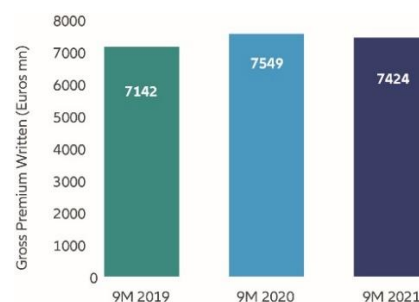
In the **Life/Health** insurance segment, the **present value of net business premiums** increased to €58.9 billion (9M 2020: €42.5 billion) driven by a recovery in sales and back-book management in France and Italy. **Operating profit** leaped to €3.7 billion (9M 2020: €2.9 billion) largely due to an improved investment margin.

In **Asset Management**, **operating profit** rose by 23.0%² to €2.454 billion (9M 2020: €1.996 billion). **Third-party assets under management** rose to €1,881 billion – an increase of €169 billion or 9.9%, compared to year-end 2020.

2. AGCS¹ results 9M 2021

For Q3 2021, AGCS **gross premium written** decreased year-on-year by €125 million to €7.424 billion (9M 2020: €7.549 billion). The positive impact from effective rate changes of 20% for renewal business across the portfolio (adjusted for terms and conditions) was offset by selected corrective underwriting actions. Most Lines of Business observed strong momentum on rate improvement, with strongest rate increases in Entertainment, Financial Lines and Property.

AGCS GPW 9M 2019-21



The **combined ratio** for 9M 2021 stands at 99.3% (9M 2020: 112.7%), which is 13.4%-p better than prior year, mainly benefitting from a lower COVID-19 claims volume, offset by significant natural catastrophe losses in Q3 2021; Covid-19 related reserves booked amounted to €37 million compared to €493 million for the same period in 2020. The negative impact of large and especially natural catastrophe losses in the current accident year is expected to reduce in fourth quarter. In addition, AGCS' 2021 reinsurance structure will also help reduce any further impact from large and catastrophe losses.

AGCS' 9M 2021 **operating profit** of €205 million (9M 2020: operating loss of €257 million) is €462 million above prior year driven by a significantly lower impact from Covid-19 losses and an overall positive underwriting performance.

Solvency ratios

AGCS shows solid local solvency ratios as of Q4 2020, which are listed below for the primary operating companies.

AGCS SE	161%
AGCS NA	290%
ART AG	148%

*S&P and A.M. Best ratings for ART AG and ART Bermuda.

Results for the full fiscal year 2021 for Allianz Group and Allianz Global Corporate & Specialty will be available on February 18, 2022. For further details please see Allianz Group's [Investor Relations](#) website pages.

AGCS ratings

(showing date rating published)

AGCS Company	Standard & Poor's	A. M. Best
AGCS SE	AA (Oct 21)	A+ (Oct 21)
AGCS NA	AA (Oct 21)	A+ (Oct 21)
ART*	AA- (Oct 21)	A+ (Oct 21)
AGCS Japan	AA (Oct 21)	(N/A)
AGCS Re Brazil	(N/A)	A+ (Oct 21)
AGCS South Africa	BB+ global; zaAAA local (Oct 21)	(N/A)

In October 2021, [Standard & Poor's](#) (S&P) affirmed its 'AA' financial strength ratings for Allianz Group and its core operating entities. This rating extends to core entities of AGCS. In addition, S&P also affirmed the outlook of AGCS SE as "negative", though the rating agency did acknowledge the recovery of AGCS: "If the positive trends continue over the next 12 months, we could revise the outlook to stable from negative".

In October 2021, [A. M. Best](#) affirmed its 'A+' ratings for Allianz Group and AGCS highlighting AGCS's "strong competitive position globally".

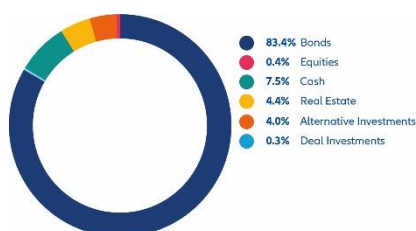
Asset allocation & investments

In Q3 2021 the market value of our [total invested assets](#), excluding strategic participations, increased to €16.3 billion (Q2 2021: €16.1 billion).

In the current low yield environment, 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 Q3 2021 decreased to 7.5% (Q2 2021: 9.5%).

AGCS asset allocation 9M 2021



AGCS pivot to growth

In a newly published [interview with Insurance Insider](#), [Joachim Müller](#), AGCS CEO talked about the wide-ranging transformation of AGCS, which encompasses all areas of business, focusing not only on portfolio repositioning and organizational reorganization, but also on operational excellence and an ambitious digital transformation agenda.



Müller stated that AGCS wants "to be the preferred partner for our clients, and intermediaries around the globe in our target segments".

He singled out three areas that are key to AGCS' ambitions: technical excellence in underwriting and claims, a focus on the right markets and segments, and a global approach to the way it conducts itself across six regional units. The key to AGCS' interpretation of technical excellence is "no negative surprises," as Müller stated in the interview. Controlling volatility – for both shareholders and for clients – is therefore a major focus, through improved risk selection, pricing, portfolio management and reinsurance buying.

After a comprehensive portfolio pruning in the past two years, AGCS is now "ready to pivot to growth earlier than expected with the bulk of its portfolio remediation now complete", says Müller. He identified North American property, financial lines, energy & construction, and supporting the transition to net-zero as the key growth areas for AGCS.

Contact Us

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