

Allianz Global Corporate &amp; Specialty

# 3M 2021 Results update

Briefing May 2021

This document summarizes the financial results for first quarter 2021 ('3M 2021') for Allianz Global Corporate & Specialty (AGCS) as well as for Allianz Group, both of which were announced on May 12, 2021.

## Further information

Full details of Allianz Group results for 3M 2021, including the analysts' presentation, are available at Allianz Group's Investor Relations [web pages](#).

<sup>1</sup> 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.

## 1. Allianz Group results 3M 2021

Allianz has had an excellent start into 2021 and continued to successfully navigate the impact of the ongoing pandemic. The Group saw a strong performance across all business segments.

In 3M 2021, **total revenues** of Allianz Group declined 2.6% to €41.4 billion (3M 2020: €42.6 billion) and were flat compared to prior year, adjusted for currency and consolidation effects.

**Operating profit** increased 44.8% to €3.3 billion (3M 2020: €2.3 billion). **Net income attributable to shareholders** grew 83.4% to €2.6 billion (3M 2020: €1.4 billion) mostly driven by operating profit growth. **Group Solvency II capitalization ratio** was 210% at the end of the first quarter 2021, compared to 207% at year-end 2020.

In the **Property-Casualty** insurance segment, **total revenues** reached €19.7 billion (3M 2020: €20.3 billion). Adjusted for foreign exchange and consolidation effects, **internal growth** totaled to -1.6%. **Operating profit** rose strongly by 46.6% to €1.5 billion (3M 2020: €1.0). A significantly higher underwriting result benefited from a decrease in losses from natural catastrophes and from negligible Covid-19 effects in Q1 2021. The **combined ratio** improved 4.7%-p to 93.0% (3M 2020: 97.8%).

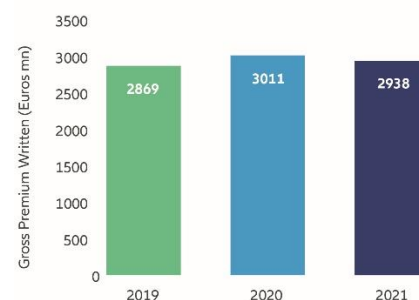
In the **Life/Health** insurance business, **total revenues** decreased by 2.4% to €20.0 billion (3M 2020: €20.5 billion). The **present value of new business premiums** rose to €19.5 billion (3M 2020: €18.0). **Operating profit** increased by 48% to €1.2 billion (3M 2020: €0.8 billion).

In **Asset Management**, **operating profit** rose by 10.0% to €747 million (3M 2020: €679 million). **Third-party assets under management** increased by €63 billion to €1,775 billion compared to the end of 2020.

## 2. AGCS<sup>1</sup> results 3M 2021

In Q1 2021, AGCS **gross premium written decreased** by €73 million to €2.938 billion (3M 2020: €3.011 billion). Positive impact from effective rate changes of 22% for renewal business across the portfolio was offset by underwriting actions targeting loss making accounts and segments. Strongest rate increases were achieved in Financial Lines, Property and Aviation, but also the long-tail Lines of Business observed strong momentum on rate improvement.

### AGCS GPW 3M 2019-21



The **combined ratio** for 3M 2021 stands at 98.3% (3M 2020: 117.5%), which is 19.2%-p better than prior year, mainly benefitting from a lower claims volume related to Covid-19. In Q1 2021, Covid-19 related reserves booked amounted to €40 million compared to €233 million in the first quarter of 2020. Also claims activity not related to the pandemic is lower for frequency & medium-size as well as large losses contributing to a better current accident year loss ratio compared to last year.

AGCS' 3M 2021 **operating profit** of €81 million (3M 2020: operating loss of €141 million) is €222 million above prior year driven by a significantly lower impact from Covid-19 and a positive underwriting performance.

## Solvency ratios

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

<b>AGCS SE</b>	161%
<b>AGCS NA</b>	290%**
<b>ART AG</b>	148%

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

\*\*Not yet audited.

Results for Q2 2021 for Allianz Group and Allianz Global Corporate & Specialty will be available on August 6, 2020. 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 (April 21)	A+ (Sept 20)
AGCS NA	AA (April 21)	A+ (Sept 20)
ART*	AA- (April 21)	A+ (Sept 20)
AGCS Japan	AA (April 21)	(N/A)
AGCS Re Brazil	(N/A)	A+ (Sept 20)
AGCS South Africa	BB+ global; zaAAA local (April 21)	(N/A)

In April 2021 S&P confirmed the AA rating for the core entities [AGCS SE](#), [AGR US](#) and [AGCS Japan](#). The outlook is still negative but could be revised back to stable in 2022 if AGCS continues to improve its profitability. S&P states: "AGCS has started a comprehensive program (...) and achieved significant rate increases. We therefore still anticipate that AGCS can improve its combined ratio toward 95%-98%." The AA- rating with stable outlook of [ART AG](#) and [ART Bermuda](#) as highly strategic subsidiaries has also been confirmed. [AGCS South Africa](#) as another highly strategic subsidiary remains at BB+, constrained by the sovereign rating on South Africa.

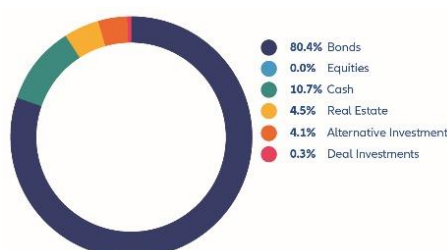
## Asset allocation & investments

In Q1 2021 the market value of our total invested assets, excluding strategic participations, increased to €15.5 billion (Q4 2020: €14.3 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 Q1 2021 increased to 10.7% (Q4 2020: 8.7%).

## AGCS asset allocation 3M 2021



## Leadership changes in Allianz Risk Consulting and Property

[As announced on March 3, 2021](#)

Thierry Portevin, previously Global Head of Property at AGCS was appointed Global Head of Allianz Risk Consulting (ARC). [As announced on May 10, 2021](#), [Marie Grace](#) succeeds Portevin as Global Head of Property. Both executives report directly to AGCS Chief Underwriting Officer Corporate [Tony Buckle](#).



Prior to becoming Global Head of Property in 2016, Portevin was Global Head of Engineering for AGCS from May 2012 to August 2016. After several roles as

an engineering and construction project manager in industrial companies, he joined Allianz France in 2000 as Engineering Underwriting Portfolio Manager, before moving to AGCS as Engineering Underwriting Manager for France in 2007.



Grace joins AGCS from Everest Re Group, where she served as the Chief Underwriting Officer for Property and Inland Marine at the Group's Insurance

Company. Prior to Everest Re, she held numerous executive and managerial roles at Starr Companies, AIG North America and AIG's Latin American and Caribbean division. Grace has over 23 years of commercial underwriting and claims experience.

## Contact Us

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