

# 12M 2020 RESULTS UPDATE

BRIEFING February 2021

This document summarizes the financial results for the full year 2020 ('12M 2020') for Allianz Global Corporate & Specialty (AGCS) as well as for Allianz Group, both of which were announced on February 19, 2021.

## FURTHER INFORMATION

Full details of Allianz Group results for 12M 2020, 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 12M 2020

In an extremely challenging environment in 2020, Allianz demonstrated resilience to an unprecedented health crisis and prolonged interest rates. The financial performance in the fiscal year 2020 has been remarkably robust across all business segments, though the Covid-19 pandemic left its mark, especially in the Property-Casualty commercial lines.

In 2020, **total revenues** declined by 1.3% to €140.5 billion (12M 2019: €142.4 billion). **Operating profit** decreased 9.3% to €10.8 billion (12M 2019: €11.9 billion), mostly due to the adverse impacts from COVID-19 amounting to €1.3 billion. **Net income attributable to shareholders** decreased by 14% to €6.8 billion (12M 2019: €7.9 billion) due to lower operating profit and non-operating result. The **Solvency II capitalization ratio** was 207% at the end of 2020, compared to 212% at the end of 2019.

In the **Property-Casualty** insurance segment, **total revenues** rose slightly by 0.4% to €59.4 billion (12M 2019: €59.2 billion). Adjusted for foreign currency translation and consolidation effects, **internal growth** totaled -1.5%.

**Operating profit** fell by 13.4% to €4.4 billion (12M 2019: €5.0 billion) due to COVID-19-related losses, higher claims from natural catastrophes, lower run-off and a lower operating investment result. The **combined ratio** for 2020 rose by 0.8 percentage points to 96.3%.

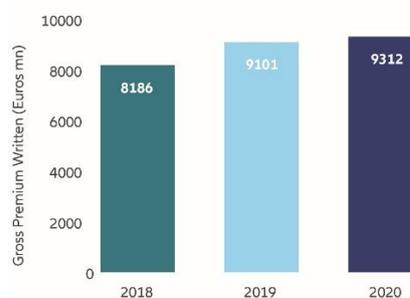
In the **Life/Health** insurance business, the **present value of new business premiums** decreased to €61.5 billion (12M 2019: €67.0 billion). **Operating profit** went down to €4.4 billion (12M 2019: €4.7 billion).

In **Asset Management**, **operating profit** rose by 5.5% to €2.9 billion (12M 2019: €2.7 billion). **Third-party assets under management** increased by 26 billion to €1,712 billion (12M 2019: €1,686 billion).

## 2. AGCS<sup>1</sup> RESULTS 12M 2020

In 2020, AGCS **gross premium written** grew by 2.3% to €9.312 billion (12M 2019: €9.101 billion). Main drivers are strong production in Capital Solutions (fronting for Insurance-Linked Securities) as well as effective rate increases of 24% across the AGCS portfolio, with Financial Lines, Property and Aviation achieving highest increases. The premium increase is partly offset by segment exits, underwriting actions and Covid-19 downturn effects.

### AGCS GPW 12M 2018-20



The **combined ratio** for 2020 is at 115.5% (12M 2019: 112.3%), mainly attributed to Covid-19-related claims (€521 million) and a reserve strengthening (€382 million) as a result of a deterioration of prior-year Liability claims, particularly in the United States. Excluding these two adverse developments, the combined ratio for 2020 would be at 98.4%, reflecting portfolio adjustments and rate increases. The expense ratio improved year-on-year, benefitting from the positive topline development and continued focus on costs.

AGCS' 12M 2020 **operating loss** of €482 million (12M 2019: minus €284 million) is €198mn below 2019, driven by lower underwriting result and investment income mainly due to the Covid-19 Pandemic. Excluding the impact from Covid-19, AGCS would have achieved an operating profit of €86 million.

## 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	264% (as of 2019)
ART AG	148%**

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

\*\*Not yet audited.

Results for the first quarter 2021 for Allianz Group and Allianz Global Corporate & Specialty will be available on May 12, 2021. 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 20)	A+ (Sept 20)
AGCS NA	AA (Oct 20)	A+ (Sept 20)
ART*	AA- (Oct 20)	A+ (Sept 20)
AGCS Japan	AA (Oct 20)	(N/A)
AGCS Re Brazil	(N/A)	A+ (Sept 20)
AGCS South Africa	BB+ global; zaAAA local (Oct 20)	(N/A)

In Q4 2020 AGCS entities have not seen any changes nor updates to their financial strength ratings.

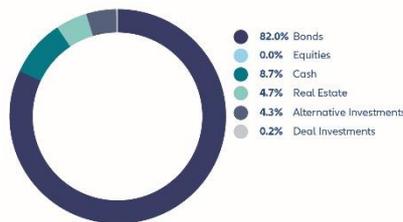
## ASSET ALLOCATION & INVESTMENTS

In Q4 2020 the **market value** of our total invested assets, excluding strategic participations, decreased to €14.3 billion (Q3 2020: €14.7 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 Q4 2020 decreased to 8.7% (Q3 2020: 11.1%).

## AGCS Asset Allocation 12 M 2020



## NEW GLOBAL HEAD OF DISTRIBUTION

As announced on December 7, 2020, AGCS has appointed **Jeremy Sharpe** to lead its Global Distribution unit, taking over this role from **Patrick Thiels** in March 2021. Thiels will lead AGCS's Mediterranean & Africa region, succeeding the current Regional Managing Director, **Corinne Cipière** who has assumed a Board of Management role at Allianz France in January 2021. Sharpe joins from AIG and will be responsible for leading AGCS' recently

enhanced market-facing sales and distribution function globally. He has 30 years' experience in the insurance industry, in client-, broker- and insurer-side leadership roles, including Global Head of Insurable Risk Management at HSBC Group.



Jeremy Sharpe (left), Patrick Thiels

## LEADERSHIP ANNOUNCEMENTS FOR PRICING AND IT

As announced in November 2020, AGCS has strengthened its actuarial and pricing functions with two senior leadership appointments as actuarial modeling and technical pricing to support the underwriting process are key. Joining from AIG, **Maria Karina Suarez Rodriguez** started in November 2020 as Chief Actuary in Munich. **Christian Kortebein** was appointed Chief Pricing Actuary in July 2020. He has been with AGCS since 2017 as Chief Actuary.

Since January 1, 2021 **Olav Spiegel** is AGCS's new Chief Information Officer, reporting to Chief Operating Officer, **Bettina Dietsche** and leading the IT organization on its transformation journey. AGCS is targeting a holistic overhaul of its IT operating model with core IT functions working in partnership with the business, translating underwriting, claims or sales requirements into data-driven and digital end-to-end solutions. Spiegel joined AGCS from the Allianz SE headquarter where he was responsible for the Group's IT workplace strategy.

## Contact Us

For further information please contact your local AGCS manager or Hugo Kidston, AGCS Global Head of Communications, +44.203.451.3891

Follow AGCS:



[www.agcs.allianz.com](http://www.agcs.allianz.com)