AGCS QUARTERLY RESULTS BRIEFING
Q3/9M 2019

November 8, 2019

This document summarizes the financial results for the first nine months 2019 (‘9M 2019’) for Allianz Global Corporate & Specialty (AGCS) as well as for Allianz Group, both of which were announced on November 8, 2019.

FURTHER INFORMATION
Full details of Allianz Group results for 9M 2019, 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.

1. ALLIANZ GROUP RESULTS 9M 2019
Allianz Group closed another successful quarter with a strong business performance driven by dynamic revenue development and robust profitability in all business segments.

In 9M 2019, total revenues of Allianz Group increased 7.8% to €106.9 billion (9M 2018: €99.1 billion). Operating profit grew by 4.2% to €9.1 billion (9M 2018: €8.7 billion). Net income attributable to shareholders rose to €6.1 billion (9M 2018: €5.8 billion), which was primarily due to the increase in operating profit. The Group Solvency II capitalization ratio decreased to 202% at the end of the third quarter of 2019 compared to 213% recorded at the end of the second quarter.

In the Property-Casualty insurance segment, total revenues increased strongly to €46.1 billion (9M 2018: €43.3 billion). Adjusted for foreign exchange and consolidation effects, internal growth amounted to 4.4%. As a higher underwriting result was offset by a lower investment income, operating profit declined by 1.1% to €4.2 billion (9M 2018: €4.2 billion). The combined ratio for the first nine months of 2019 held mostly steady at 94.1% (9M 2018: 94.0%).

In the Life and Health insurance business, total revenues increased to €55.9 billion (9M 2018: €51.1 billion). The present value of new business premiums increased to €49.0 billion (9M 2018: €42.4 billion). Operating profit went up by 6.7% to €3.4 billion (9M 2018: €3.2 billion).

In Asset Management, operating profit rose by 3.0% to €1.954 million (9M 2018: €1.897 million). Allianz hit another all-time high with €1.681 billion of third-party assets under management in Q3 2019.

2. AGCS1 RESULTS 9M 2019
In the nine months of 2019, AGCS has continued to grow, with gross premium written rising by €756 million to €7.142 billion (9M 2018: €6.385 billion). All AGCS Lines of Business and regions (especially North America and London) have contributed to this positive top line development. Robust rate increases have been another major growth factor. Overall, for the year to end September, AGCS achieved 8.7% in rate increases (including renewals and new business; or 7.8% for the renewal business only). At the same time AGCS has seen a significant inflow of new business estimated at over €1.2 billion in gross premium written.

AGCS GROSS PREMIUM WRITTEN 9M 2017-19

<table>
<thead>
<tr>
<th></th>
<th>9M 2017</th>
<th>9M 2018</th>
<th>9M 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium Written (mio €)</td>
<td>5731</td>
<td>6385</td>
<td>7142</td>
</tr>
</tbody>
</table>

The combined ratio for 9M 2019 stands at 101.2% compared to 99.8% for 9M 2018, which is 1.4 percentage points worse than prior year, mainly attributed to deterioration of the loss ratio as a result of a higher number of large losses compared to 2018.

Operating profit reached €250 million for 9M 2019 (9M 2018: €274 million) which is €24 million below prior year driven by a lower underwriting result partly offset by a higher investment income.
**SOLVENCY RATIOS**

AGCS shows solid local solvency ratios as of Q4 2018, which are listed below for the primary operating companies.

<table>
<thead>
<tr>
<th>Company</th>
<th>Solvency Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGCS SE</td>
<td>169%</td>
</tr>
<tr>
<td>AGCS NA</td>
<td>337%</td>
</tr>
<tr>
<td>ART AG</td>
<td>133%</td>
</tr>
</tbody>
</table>

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

Results for the full year 2019 for Allianz Group and Allianz Global Corporate & Speciality will be available on February 21, 2019. For further details please see Allianz Group’s Investor Relations website pages.

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**AGCS RATINGS** (showing date rating published)

<table>
<thead>
<tr>
<th>AGCS Company</th>
<th>Standard &amp; Poor’s</th>
<th>A. M. Best</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGCS SE</td>
<td>AA (Aug 19)</td>
<td>A+ (Sept 19)</td>
</tr>
<tr>
<td>AGCS NA</td>
<td>AA (Aug 19)</td>
<td>A+ (Sept 19)</td>
</tr>
<tr>
<td>FFIC</td>
<td>AA (Aug 19)</td>
<td>A+ (Sept 19)</td>
</tr>
<tr>
<td>ART*</td>
<td>AA (Aug 19)</td>
<td>A+ (Sept 19)</td>
</tr>
<tr>
<td>AGCS Japan</td>
<td>AA (Aug 19)</td>
<td>(N/A)</td>
</tr>
<tr>
<td>AGCS Re Brazil</td>
<td>(N/A)</td>
<td>(N/A)</td>
</tr>
<tr>
<td>AGCS South Africa</td>
<td>BBB-global; zaAA local (Jul 19)</td>
<td>(N/A)</td>
</tr>
</tbody>
</table>

In August 2019, Standard & Poor’s published the rating report for Allianz SE, re-confirming the core status and the AA rating with stable outlook for AGCS SE, AGCS NA and AGCS Japan as well as the AA- ratings on the highly strategic subsidiaries ART AG and ART Bermuda. This rating update for AGCS entities has first been published in June 2019.

In September 2019, A.M. Best affirmed the Financial Strength Rating of A+ of Allianz SE and its rated subsidiaries AGCS SE, AGCS Brazil, AGCS NA, ART AG and ART Bermuda. The outlook of this rating is stable.

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**ASSET ALLOCATION & INVESTMENTS**

In Q3 2019 the *market value* of our total invested assets, excluding strategic participations, increased to €14.5 billion (Q2 2019: €13.9 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 2019 slightly increased to 5.4% (Q2 2019: 4.7%).

**AGCS ASSET ALLOCATION 9M 2019**

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**CHANGE TO AGCS BOARD**

Paul O’Neill, Chief Underwriting Officer Specialty, has resigned from the AGCS Board of Management with effect from September 30, 2019 to pursue opportunities outside Allianz Group. CEO Chris Fischer Hirs will take on his responsibilities in the interim, pending a successor.

**NEW GLOBAL HEAD OF REINSURANCE AND CAT RISK MANAGEMENT**

As announced in October 2019, Hyeji Kang has been appointed AGCS Global Head of Reinsurance and Catastrophe Risk Management. She succeeds Bernhard Arbogast, who will retire at the end of May 2020, and will report to Chief Financial Officer Claire-Marie Coste-Lepore. Ms Kang was previously Head of Actuarial Function based in Munich and before that Chief Actuary for AGCS North America.

**NEW GLOBAL LEADERSHIP POSITIONS IN CRISIS MANAGEMENT AND ART**

As announced in July 2019, Christof Bentele assumed a newly created position as Head of Global Client Management for the Alternative Risk Transfer line of business at AGCS. His previous role as Head of Global Crisis Management has been split into two positions. Björn Reusswig took over the role as Head of Global Political Violence and Hostile Environment Solutions and Stewart Eaton was appointed Head of Global Crisis Management Recall. Both report to Clara Brady, Global Head of Liability AGCS.

**CONTACT US**

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

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