



**Allianz**





### **Board of Directors**

Joachim Müller (President)

William Scaldaferrì (Vice President)

Carsten Scheffel

Aylin Somersan Coqui

### **Executive Board**

Christoph Müller (Chairman)

Thomas Bründler

Robert Makela



Gross written premiums increased by 14.1% or EUR 191.8 million year on year to EUR 1,555.1 million. The fronting business volume was largely maintained and the ILM business recorded by the Bermuda office also increased. The increase was chiefly due to higher premium rates. Net premiums earned also rose, namely by 7.4%, or EUR 18.2 million, to stand at EUR 264.7 million. On the one hand, higher premium rates impacted positively on the level of premiums, while reinsurance costs continued to rise in connection with the risk and volatility reduction.

The effects of COVID-19 on the loss expense were minimal.

Despite several loss events connected to natural catastrophes, net claims incurred fell by 42.9% to EUR 63.2 million. The main driver of this drop was the reinsurance programme concluded in the previous year, which covers short-term loss events (Short Tail Aggregate Cover). This programme again proved highly effective in 2021. Otherwise, the higher premium level had a positive effect on the claims ratio in all lines of business.

The new internal reinsurance programme introduced for 2021 designed to cover short-term loss events had a very positive impact on the net claims performance. The net claims ratio fell sharply, from 45.0% in the previous year to 23.9% in 2021.

Provisions for premium refunds increased year on year by EUR 29.8 million to EUR 54.5 million. Other operating expenses decreased, mainly due to higher commission income from fronting business, falling from EUR 19.1 million in the previous year to EUR 6.6 million. This led to a drop in the expense ratio from 7c-3.3 (h)-7.4 (e) (e)-6.2 (s)48)5.3 (l)el.5 (m 4)14.8 (5)8.9 (.0a)1.5 (s)-9 0e88on two erati(u)3.8 1.4 (o t)-2.711.5 (n)



Reinsurance partners are checked by the Allianz Group Security Vetting Team (SVT). The SVT ensures that to the greatest extent possible that companies with strong credit profiles are selected. It may also request letters of credit, cash deposits or other financial collateral to further reduce the credit risk.

Credit limits are managed centrally within the Allianz Group. The limits for individual counterparties are based on a large number of factors, such as the debtor's rating, its total assets, the associated business segment and region; the respective limit utilization is also factored into setting the limit.

ART AG does however have the option to revise downward the assigned limits for maximum risk with respect to a debtor or group of debtors by stipulating its own limit.

For detailed information about ART AG's risk profile, please refer to the Solvency and Financial Condition Report.

Insurance companies are required to publish a report each year on their solvency and financial situation, taking account of qualitative and quantitative aspects as well as historic, current and forecast components, based on data from internal and external sources. This report does not form part of the annual report.

ART AG publishes the 'Solvency and Financial Condition Report' as a separate document on its website at:

<https://www.agcs.allianz.com/about-us/financials/art-financials.html>



The global insurance market is likely to develop positively overall in 2022. In the main, the same driving forces are at work as in the previous year: the continuing economic recovery (especially in the advanced economies), the heightened risk awareness among households and companies, and rising prices, especially in the corporate sector. At the same time, the investment environment remains very challenging due to greater fluctuations in the market, even though the expected slight rise in interest rates could herald the first move out of the low interest rate cycle and thus an improvement in investment income.

2022 will also be shaped by the accelerating pace of digitalisation, with the goal of simplifying and scaling processes and offering customers simple, rapid and easy-to-understand solutions. In terms of sustainability, social aspects will play an increasing role, not least against the backdrop of rising inequality resulting from the COVID-19-crisis. This opens up an opportunity for the insurance industry to position itself as a partner for reinforcing the resilience of society. At the same time, it is important to pay more attention to possible reputational risks arising from the growing social, political and cultural demands on companies in general and insurance companies in particular.

In the property and casualty insurance sector, premium growth is likely to continue somewhat below the previous year's level. Commercial lines should continue to benefit from rising prices, albeit to a lesser extent. Investment income could grow slightly, although financial market risks should not be underestimated. The steady return to normality is also returning claims performance to pre-crisis levels, especially in the motor insurance line.





ART AG will continue with its security-focussed investment strategy. In doing so, it will continue to draw on the Allianz Group's extensive experience of investing at home and abroad. To reduce its dependence on the performance of the capital market, the portfolio will be continuously monitored and restructured when necessary.

ART AG's investment planning is essentially based on the assumption of a conservative investment portfolio without significant equity exposures. As the average interest rate for reinvestment of the portfolio is expected to be less than the book interest rate, lower interest income is forecast for 2022. Current uncertainty about the future performance of the capital markets may, in future, lead to continued volatility with corresponding positive or negative effects on market values and



	1
10	1
11	1
12	1
13	1
1	1
1	1
20	1
21	1



		2021	2020
		2,20	4,07
		1,2	1,2
1. Subscribed capital		263,059	263,059
2. Thereof: non-called-up capital		-131,529	-131,529
	4	1,717	1,20
1. Statutory reserve		131,529	131,529
4. Fluctuation reserves		25,647	25,076
		1,274	1,274
		14,127	72,2
		4,27	70,20
		21,72	2,1
1. Gross amount		295,73	432,0

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**Premiums brought forward**



**Provisions for performance-related  
and non-performance-related premium  
reimbursement**

This item is determined on the basis of individual contracts and is defined in accordance with the respective payout sum that is anticipated.

**Other provisions**

Non-technical provisions are always stated at the expected settlement amount. The expected settlement amount is derived from the best estimate.

**Liabilities**



**4) Equity and proposal for the appropriation of  
profit for submission to the General Shareholders'  
Meeting**



## 7) Income broken down according to lines of business

	2021		2020		2021		2020		2021		2020	
	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses
General liability insurance	96,023	85,173	29,693	32,660	-8,569	-17,758	-4,640	-2,353	16,482	12,548		
Fire and natural hazards insurance	20,438	24,867	9,576	17,139	-14,985	-19,224	-1,083	-5,030	-6,492	-7,115		
Credit	0	-	1,147	1,181	-103	-213	-2	-	1,042	969		
Aviation liability insurance	8,265	10,948	-4,459	3,236	1,564	-10,962	6	-1,230	-2,888	-8,956		
Comprehensive aviation insurance	2,700	3,371	1,664	2,570	-2,878	-1,139	109	-2	-1,105	1,429		
Other property insurance	145	-	0	-	-287	-832	-646	-795	-933	-1,627		
Goods in transit (including commodities, items of luggage and all other goods)	896	3,581	101	661	-668	-383	-80	-58	-646	219		
Accident insurance (including industrial accidents and occupational illnesses)	1,043	469	-43	-50	10	193	-78	-39	-111	105		
Miscellaneous financial	28,297	8,555	22,934	3,646	-25,926	-7,437	-142	257	-3,134	-3,534		
Subtotal	157,807	136,966	60,613	61,043	-51,842	-57,755	-6,556	-9,250	2,215	-5,963		
Subtotal	1,397,263	1,226,260	204,101	185,422	-65,818	-77,617	-33	-9,863	138,249	97,941		
	1, ,070	1, 2,22	2 4,714	24 ,4	-117, 0	-12 ,272	- ,	-1 ,112	140,4 4	1, 7		

### 8) Premium income broken down according to regional origin

	2021	2020
Liechtenstein	847	977
Other EEA treaty states	13,666	116,813
Other states	143,294	19,176
<b>Total</b>	<b>1 7, 07</b>	<b>137, 966</b>

The amounts shown relate solely to direct insurance business.

### 9) Personnel expenses

	2021	2020
a) Wages and salaries	14,688	18,002
b) Social security contributions and pension costs	4,548	4,310
of which for pensions	4,246	3,806

Total remuneration for the Executive Board amounted to CHF 4,835 thousand in the year under review. This sum includes salaries, fringe benefits and bonuses awarded for performance in the 2021 fiscal year. In addition, 2,537 RSUs (restricted stock units)











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Recorded in the Liechtenstein Commercial