Allianz

ALLIANZ GROUP

Building confidence in tomorrow

Annual Report 2022

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Disclaimer regarding roundings
The Consolidated Financial Statements are presented in millions of euro (€ mn) unless otherwise stated. Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

TO OUR INVESTORS

A

OLIVER BÄTE
Chief Executive Officer

Dear Investors –

This past year, capital markets were shocked in multiple ways: the war in Ukraine, increasing polarization in democracies around the world, and a return of inflation to levels not seen for decades. Governments were forced – again – to backstop their economies, and growth stalled globally. Pressures from a tight labor market in the United States, and rising commodity prices and the energy crisis in Europe seeped into core inflation, and central banks embarked on a cycle of interest rates hikes that resulted in a rare decline in both global bond and equity markets.

Against this backdrop, Allianz has delivered strong results in 2022, and has consolidated its position as one of the world's largest and most trusted financial institutions.

This performance is by thoughtful design, not chance. For the past seven years, we have reliably executed a consistent and differentiated strategy of scaling simplicity: relentlessly untangling complexity in our businesses and our customers' experiences. Step by step, we are developing our capabilities to deliver simplicity at scale globally for the benefit of our customers and shareholders alike. This progress touches all aspects of our business, from notable improvements in our product and process design and customer communication to the systematic digitalization of our overall enterprise.

In 2022, our revenues and operating profit reached their highest levels in our 133-year history. Revenues grew by 3% to € 153 bn and our operating profit increased by 6% to € 14.2 bn, asserting Allianz's position as a leading global insurer and one of the largest active investors.

- Our Property-Casualty business revenues grew dynamically by 12.4%, reaching € 70.0 bn. Operating profit increased to € 6.2 bn. The investment result benefited from higher interest rates and our underwriting result improved further, despite sizeable natural catastrophe losses.
- In Life/Health, we grew our operating profit by 5.4% to € 5.3 bn. The value of new business was stable at € 2.5 bn, while the new business margin expanded on the back of higher interest rates and a better business mix. This demonstrates that value creation for our customers and shareholders remains strong.
- Despite adverse conditions in global financial markets, our Asset Management business generated an operating profit of € 3.2 bn; a decline of 8.3% with a cost-income ratio of 61.2%. Total assets under management stood at € 2.1 tn by the end of 2022, impacted by adverse market movements as well as net outflows as investor sentiment remained cautious.

Robust financial performance, reliable capital distribution to our shareholders, and a swift, decisive resolution of the Structured Alpha proceedings in the United States drove a modest positive total return for our shareholders and shielded Allianz's share price against the global bear market.

In addition to delivering resilient results, we have invested in further long-term growth. Alongside our capital and risk management capabilities that create valuable stability and optionality, the investments we make in our overall corporate health – those that promote the climate and culture of our company – pay among the highest dividends. In a turbulent year, we remained the most trusted insurance company among our peers, and our performance along the following dimensions reliably translates into competitive and financial advantage over time:

- Customer Loyalty, which is highly correlative to strong employee engagement, is the defining metric of Allianz's success. Our Net Promoter Score, which measures our customers' likelihood of recommending us to others, showed a strong performance, with 58% of our businesses achieving loyalty leadership status. Further, Allianz is the world's most valuable international insurance brand, according to both Interbrand's Best Global Brands and BrandFinance. Our brand is one of our most valuable assets as it plays a central role in determining customers' decisions to buy our products and services.
- Especially in light of its critical role in shaping customer outcomes, a healthy and engaged workforce is among the most powerful competitive advantages that our company can have. Our 2022 annual Allianz Engagement Survey showed that our employee engagement reached an all-time high. With feedback from more than 112,000 colleagues across the globe, we achieved our best results to date in IMIX (Inclusive Meritocracy) and WWI+ (Work Well) indices, and we are among the best in class in these categories. This result also reflects our strong progress in Diversity, Equity and Inclusion: in 2022, women made up 52% of our total workforce. Further, about 30% of the Allianz Group's operating profit is now contributed by operations under female CEOs and, since 2023, a third of our Board of Management members are women.
- Because of our rigorous and systematic integration of sustainability criteria into our business processes and investment decisions, we achieved one of the industry leading scores in the S&P Global Corporate Sustainability Assessment and have been confirmed once again as a member of the Dow Jones Sustainability Index. Our leadership and commitment in the area of Diversity, Equity and Inclusion has been acknowledged with a range of earned recognitions locally and globally, including Allianz's listing in the Bloomberg Gender-Equality Index 2023 for the eighth year in a row, and our number one ranking in the insurance sector – and in Germany overall – in the Refinitiv Diversity & Inclusion Index for 2022.
- We have made significant progress towards achieving net-zero greenhouse gas emissions in our own operation by 2030, as we have already reduced our emissions per employee by 57% versus 2019. I encourage you to read our Sustainability Report on our **Allianz company website** to learn more about our leadership in this area.

Our work to build a healthy, high-performing organization helps Allianz to realize the value of its scale in a world with growing societal imbalances. We strive to strengthen our stakeholders' resilience against risks that are more global, complex, and systemic than ever – yet whose effects are felt acutely at the local, individual level. Allianz secures the future of its customers across the globe and gives them confidence in tomorrow.

Despite significant economic shocks and an uncertain geopolitical outlook for our world, your company is in excellent shape – and prepared to face the future. On behalf of our management team and employees, I thank you for your trust in the Allianz Group and look forward to earning your continued support in the year ahead.

Sincerely yours,

Oliver Bäte

SUPERVISORY BOARD REPORT

Ladies and Gentlemen,

As in previous years, the Supervisory Board comprehensively fulfilled its duties and obligations as laid out in the company statutes and applicable law in the financial year 2022. It monitored the activities of the company's Board of Management, addressed the succession planning for the Board of Management, and advised it on business management issues. It intensively dealt with the resolution of the U.S. governmental investigations and the lawsuits over the Structured Alpha Funds of AllianzGI U.S. LLC and the internal review of this matter.

Overview

In the financial year 2022, the Supervisory Board held six regular meetings as well as three extraordinary meetings. In addition, following the elections to the Supervisory Board, a constitutive meeting was held after the Annual General Meeting on 4 May 2022. The regular meetings took place in February, March, May, June, September, and December, and the extraordinary meetings were held in January, March, and May. Seven of the total number of ten meetings were held as video conferences. The other three meetings were held as in-person meetings.

At all of the regular meetings held in the financial year under review, the Board of Management informed the Supervisory Board about the development of business at Allianz SE and the Allianz Group. In particular, the Board of Management presented the development of Group revenues and results as well as business developments in the individual business segments. The Board of Management provided comprehensive information about the development of Allianz SE and the Allianz Group, including deviations of actual business developments from the planning. In this context, the Board of Management also regularly discussed the adequacy of capitalization and the solvency ratio of Allianz SE and the Group as well as the corresponding stress and risk scenarios with the Supervisory Board. The annual and consolidated financial statements, including the respective auditor's reports as well as the half-yearly and quarterly reports, were reviewed in detail by the Supervisory Board after preparation by the Audit Committee.

The meetings focused in particular on the ongoing discussion of the civil and administrative proceedings in connection with the AllianzGI U.S. Structured Alpha Funds and the internal review of this matter, in particular the resulting internal investigations launched, and the measures adopted by the Board of Management of Allianz SE. In this context, the Supervisory Board also regularly monitored the progress of the measures initiated by the Board of Management on the basis of the findings from the investigations. In order to ensure the appropriate and close monitoring of the Structured Alpha proceedings and of the internal clarification and review of the matter, including the root causes of the incurred fund losses in the spring of 2020, in accordance with the duties of the Supervisory Board, the Supervisory Board delegated to the Audit Committee the tasks of closely monitoring the Structured Alpha matter on an ongoing basis and of regularly reporting to the full Supervisory Board. In this context, it continued to be supported by the working group of the Audit Committee, which had already been set up in the previous year. The Audit Committee and the Supervisory Board again obtained independent advice relating to the Structured Alpha matter in the financial year 2022 from the law firm commissioned by the Supervisory Board. At its five regular and additional four extraordinary meetings, the Audit Committee comprehensively discussed questions related to the Structured Alpha matter; the working group of the Audit Committee met a total of ten times in the financial year. At its six regular meetings and in three additional extraordinary meetings, the full Supervisory Board extensively dealt with the matter. In the first half of 2022, a special focus was on the progress of the negotiations and talks with investors in the Structured Alpha Private Funds in the U.S. and the targeted settlement of the proceedings with the U.S. Department of Justice (DOJ) and the U.S. Securities and Exchange Commission (SEC). At several meetings, the Supervisory Board comprehensively discussed with the Board of Management the deliberations and considerations of the Board of Management relating to the conclusion of settlements with investors and the U.S. authorities, supported in each case by the law firm commissioned. The Supervisory Board also extensively dealt with the question of potential responsibility at the level of the Board of Management of Allianz SE and commissioned the external legal advisors to conduct independent investigations and analyses relating to potential claims for damages against former or current Board of Management members of Allianz SE. The legal advisors concluded that such claims for damages did not exist in connection with the Structured Alpha matter and discussed this in detail with the Audit Committee and the full Supervisory Board.

In addition to the impact of the war in Ukraine on overall economic conditions as well as on the insurance industry and Allianz employees, the reports and deliberations also focused on a range of strategic topics, including the risk strategy and IT strategy, and the Board of Management's planning for the financial years 2023/2024, with a special focus on the strategic areas of human resources and growth. Cyber risk security and the effects of rising inflation rates and interest rates on the insurance business were also regularly discussed. Furthermore, the Supervisory Board dealt extensively with personnel matters relating to the Board of Management as well as succession planning for the Board of Management and the Supervisory Board. The deliberations of the Supervisory Board and various committees also included establishing target achievement and setting targets for the remuneration of the Board of Management.

The Supervisory Board received regular, timely and comprehensive reports from the Board of Management. The Board of Management's oral reports at the meetings were prepared with written documents, sent to each member of the Supervisory Board in good time before the relevant meeting. The Board of Management also informed the Supervisory Board in writing about important events occurring between meetings. In addition, the Chairmen of the Supervisory Board and the Board of Management held regular discussions about key developments and decisions. The Chairman of the Supervisory Board held separate discussions with each member of the Board of Management on each individual's status of target achievement, both for the respective half-year and the full year.

As before, individual and group training sessions were implemented in the financial year 2022 on the basis of a development plan adopted for the further training of the members of the Supervisory Board, for example on the topics of reinsurance, sustainability, accounting – especially regarding the new accounting standards IFRS 9 and 17 applicable from the financial year 2023, the internal model for calculating the solvency capital requirement, and investment management.

Issues discussed in the Supervisory Board Plenary Sessions

At an extraordinary meeting held on 26 January 2022, the Supervisory Board obtained a comprehensive progress report from the Board of Management on the status of the civil and administrative proceedings in the U.S. concerning the AllianzGI U.S. Structured Alpha Funds and was informed by the lawyers mandated by the Supervisory Board about the various legal options for terminating proceedings with the U.S. authorities. In addition, a detailed report was provided at that meeting on the preparatory extraordinary Audit Committee meeting on the Structured Alpha matter.

At the meeting of 17 February 2022, the Supervisory Board dealt extensively with the preliminary business figures for the financial year 2021 and the Board of Management's dividend proposal. The appointed audit firm, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Frankfurt am Main, reported in detail on the preliminary results of its audit. In the further course of the meeting, the Supervisory Board discussed the harmonization and improvement of claims-handling processes at Allianz. The Supervisory Board also discussed the target achievement of the individual members of the Board of Management and, on that basis, set their variable remuneration for the financial year 2021, subject to the approval of the annual financial statements. Against the backdrop of the Structured Alpha proceedings, the Supervisory Board also discussed the question of the applicability of the so-called compliance caveat in paying variable remuneration components to members of the Board of Management. As the ongoing investigations of potential breaches of duties by members of the Board of Management did not give rise to any indications of misconduct by members of the Board of Management, there was no reason for this. However, in the light of the foreseeable high financial impact of the Structured Alpha proceedings, the Supervisory Board set a discount of ten percentage points on the individual contribution factor of all members of the Board of Management when assessing their individual performance. As part of the performance assessment, a fit and proper assessment of the members of the Board of Management was carried out. Moreover, the Supervisory Board extended the Board of Management appointments of Ms. Wagner by five years to 31 December 2027 and of Dr. Röhler by four years to 31 December 2026. Deliberations at that meeting also focused on the status of the various Structured Alpha proceedings. The Board of Management initially informed the Supervisory Board in detail about the status of the talks with the U.S. authorities and the settlement negotiations with U.S. investors. It subsequently discussed its considerations regarding the short-term conclusion of settlements with several large investors in the U.S. and the resulting potential impact on the formation of provisions, and therefore the annual financial statements for the financial year 2021 with the Supervisory Board. To that end, the Supervisory Board also obtained a detailed report from the lawyers in the U.S. and Germany engaged by the Board of Management and additionally obtained the legal assessment of the independent law firm it had commissioned. At the end of the meeting, the Supervisory Board held an executive session without the Board of Management members and discussed the talks of the Supervisory Board Chairman with investors and proxy advisors.

At the meeting on 3 March 2022, the Board of Management first reported on the development of business to date in the financial year 2022, in particular the impact of the war in Ukraine on Allianz employees in Russia and Ukraine as well as the insurance business and other business of Allianz. The Supervisory Board then discussed and approved the audited annual Allianz SE and consolidated Group financial statements, including solvency statements, as well as the Board of Management's recommendation for the appropriation of earnings for the financial year 2021. The auditor confirmed that there had been no discrepancies since their February report and an unqualified auditor's report had been issued for the individual and consolidated financial statements. The Supervisory Board also reviewed the non-financial statement for both Allianz SE and the Allianz Group in the Management Report and Group Management Report respectively, taking into account the audit report of the external auditor, and noted these with approval. It approved the Remuneration Report, also taking account of the audit results of the external auditor mandated to carry out a supplementary audit, as well as the Report of the Supervisory Board and the Corporate Governance Statement. The Board of Management also presented its report on the development of risks and solvency in the financial year 2021. The annual reports from Compliance and Internal Audit were also presented and discussed at the meeting. Furthermore, the Board of Management reported about the settlements with large investors in the Structured Alpha Funds in the U.S. concluded after the Supervisory Board meeting of 17 February 2022, and associated payments, the status of the settlement negotiations with other investors, and the status of the talks with the U.S. authorities on the settlement of the ongoing proceedings. Next, the Supervisory Board reviewed the agenda and proposals for resolution for Allianz SE's 2022 Annual General Meeting and approved the decision of the Board of Management for the Annual General Meeting to be held virtually. Furthermore, at the recommendation of the Audit Committee, the Supervisory Board resolved to propose to the Annual General Meeting the election of PwC as auditor for the 2022 individual and consolidated financial statements and for the review of the half-yearly financial report, and resolved to mandate PwC with the supplementary audit of the Remuneration Report and the audit of the non-financial statement for the financial year 2022. Furthermore, the Supervisory Board received information about the reinsurance transaction of Allianz Life of North America.

At an extraordinary meeting on 29 March 2022, the Board of Management provided a detailed report to the Supervisory Board on the progress of the talks with the U.S. authorities about a settlement of the governmental proceedings in connection with the AllianzGI U.S. Structured Alpha Funds and potential impacts on the business of AllianzGI U.S.

On 4 May 2022, just before the Annual General Meeting, the Board of Management briefed the Supervisory Board on the development of business in the first quarter of 2022 as well as on the current situation of both the Allianz Group and Allianz SE, in particular with regard to the effects of the rise in interest rates and the planned joint venture with Sanlam in Africa. The Supervisory Board also dealt with the progress of negotiations with other investors in Structured Alpha Private Funds in the U.S. and with the U.S. authorities. Moreover, the Board of Management explained the findings to date from the internal audits and independent investigations initiated into potential control weaknesses at AllianzGI U.S.

Due to the elections of new shareholder representatives to the Supervisory Board at the Annual General Meeting 2022 and the election of the employee representatives to the Supervisory Board by the SE Works Council on 9 February 2022, a constitutive meeting of the Supervisory Board was held immediately after the Annual General Meeting on 4 May 2022. At that meeting, Mr. Diekmann was re-elected as Chairman of the Supervisory Board. Ms. Burkhardt-Berg and Mr. Hainer were elected as Vice Chairpersons. In addition, the Supervisory Board carried out the election of the members of the committees and established that the qualifications of the members of the Audit Committee meet the requirements of § 107 (4) sentence 3 in combination with § 100 (5) of the German Stock Corporation Act (Aktiengesetz – AktG).

At an extraordinary meeting on 17 May 2022, the Supervisory Board dealt with the Board of Management's deliberations regarding the resolution of the governmental proceedings in the U.S. relating to Structured Alpha Funds and a potential strategic partnership with Voya Investment Management. The Board of Management engaged in extensive discussions with the Supervisory Board on the financial and other terms and conditions of a settlement of the governmental proceedings and their impact on the Allianz Group. Based on the assessment of the lawyers advising Allianz in the U.S. and Germany, the Board of Management explained in detail its options for action and the relevant considerations for a decision in accordance with the business judgement rule. In addition, the Supervisory Board obtained the opinion of the law firm it had mandated. The Board of Management also explained its considerations on dealing with investors in the Structured Alpha Retail/Public Funds.

At the meeting on 24 June 2022, the Board of Management initially provided a comprehensive report on the development of business in the financial year 2022 to date, with a special focus on the Asset Management business segment, and provided an outlook on the expected results for the second quarter of 2022. In addition, the Board of Management reported on the expansion of internal IT services by the Group company Allianz Technology while driving standardization, harmonization, and performance improvement. The Supervisory Board also dealt extensively with the development of business activities in Global Commercial Insurance and the further planning for that division. Other agenda items were a status report on Allianz's Bancassurance partnerships, the withdrawal from business in Russia, and the Edelman Trust Barometer. In addition, the Supervisory Board again comprehensively dealt with the Structured Alpha Funds matter, in particular with the measures to be adopted following the resolution of the governmental proceedings. The Supervisory Board engaged in extensive discussions with the Board of Management on its expectations regarding the further handling of the matter, including ongoing close reporting on the status of the various audits and investigations, and the measures initiated by the Board of Management in response to the findings. Furthermore, it was clarified that the Supervisory Board continued to assign the Audit Committee the task of dealing in depth with any liability issues relating to the Board of Management in connection with the Structured Alpha matter and closely monitoring the measures adopted by the Board of Management in order to remedy any deficiencies identified. Moreover, the Board of Management reported on the partnership launched between Allianz Global Investors and Voya Investment Management. The Supervisory Board also obtained a report from the Board of Management on the outcome of an audit by the German Federal Financial Supervisory Authority on the Group management processes and the business organization. Subsequently, the Board of Management presented the human resources strategy against the backdrop of current trends and developments in the world of work and provided its regular status report on cyber risks and cyber-security at Allianz. At the end of the meeting, the Supervisory Board held an executive session without the Board of Management and discussed the various reports submitted by the Board of Management.

At the meeting on 29 September 2022, the Board of Management again reported on the development of business in the financial year 2022 to date and the progress of key strategic projects of Allianz. One of the key items discussed at the meeting was the ongoing handling of the Structured Alpha matter. In this context, the Board of Management provided a detailed report on the status of the lawsuits still pending in the U.S. relating to the Structured Alpha Retail/Public Funds and the related settlement negotiations. The Supervisory Board received a detailed report on the results of the internal investigations into the root causes of the Structured Alpha matter and the question of potential misconduct. A further report was provided on the status of implementation of the measures adopted by the Board of Management following the resolution of the governmental proceedings. In this context, the Board of Management discussed in particular the insights gained from the Structured Alpha matter to drive a further optimization of the Group's governance. Moreover, the Supervisory Board dealt with the status of business activities in the Central & Eastern Europe and Asia Pacific regions. The Board of Management also reported on the Pan-African joint venture with Sanlam. In addition, the Supervisory Board dealt with the IT strategy. The Supervisory Board then discussed the results of the self-evaluation of the Supervisory Board required by supervisory law and the resulting development plan as well as succession planning for the Supervisory Board. The Supervisory Board also resolved to adjust its rules of procedure and the objectives for its composition to reflect changed requirements under the German Corporate Governance Code. By way of conclusion, the Supervisory Board discussed succession planning and the allocation of responsibilities on the Board of Management, and approved the termination of Mr. de la Sota's appointment as member of the Board of Management by mutual consent with effect from 31 December 2022, in accordance with the proposal submitted by the Personnel Committee.

At the meeting of 15 December 2022, the Board of Management first informed the Supervisory Board about the results for the third quarter, the further development of business, and the situation of the Allianz Group. Furthermore, the Supervisory Board discussed the risk strategy for the financial year 2023 and, closely linked with this, the planning for the financial year 2023. The Supervisory Board also dealt specifically with the growth strategy for 2023/2024 and the strategy for the India business. At that meeting too, the Board of Management provided a detailed report on the ongoing discussions on the compensation of individual investors in Structured Alpha Funds and the settlement reached with the plaintiffs in the class action lawsuit in the U.S. The Board of Management also presented its regular status report on cyber risk security. The Supervisory Board also approved the proposal of the Board of Management to hold the 2023 Annual General Meeting in a virtual format. Moreover, the Supervisory Board extensively dealt with the impact of the new accounting standards IFRS 9 and 17 on the target indicators for the variable remuneration of the members of the Board of Management and potential effects on the remuneration system for the Board of Management. It also reviewed the appropriateness of the Board remuneration and resolved to increase the total target remuneration of all members of the Board of Management by five per cent with effect from 1 January 2023. Moreover, the Supervisory Board set the targets for the variable remuneration of the members of the Board of Management for 2023. The appropriateness of the remuneration system for the Supervisory Board members was also reviewed on the basis of an external benchmark analysis and the Supervisory Board resolved to propose an adjustment to the Supervisory Board remuneration to the Annual General Meeting 2023 of Allianz SE. The Supervisory Board also dealt with the Declaration of Conformity with the German Corporate Governance Code, an amendment to the rules of procedure of the Supervisory Board regarding approval requirements for the assumption of mandates by Board of Management members, and a revision of the standard contracts for members of the Board of Management against the backdrop of the right to time off for maternity leave, parental leave, care for a family member, or illness. The Supervisory Board then discussed the results of the self-assessment (efficiency review) carried out in 2022 on the basis of an internal questionnaire. By way of conclusion, the Supervisory Board held an executive session without the Board of Management and discussed the results of the investigations into potential liability claims against former or current members of the Board of Management of Allianz SE in connection with the Structured Alpha matter with the lawyers it had mandated. The independent legal advisors of the Supervisory Board concluded that there are no indications of any claims for damages to be asserted by the company against current or former members of the Board of Management. The Supervisory Board also discussed the planning of its activities in the financial year 2023 and succession planning for the Supervisory Board.

Declaration of Conformity with the German Corporate Governance Code

On 15 December 2022, the Board of Management and the Supervisory Board issued the Declaration of Conformity in accordance with §161 AktG. The Declaration was posted on the company website, where it is available to shareholders at all times. Allianz SE has complied with all recommendations set out by the German Corporate Governance Code in the version of 28 April 2022, and will continue to comply with them in the future. Since the submission of the last Declaration of Conformity on 16 December 2021, Allianz SE has also complied with all recommendations of the German Corporate Governance Code in the version of 16 December 2019. Further explanations on corporate governance in the Allianz Group can be found in the Corporate Governance Statement. More details on corporate governance are also provided on the **Allianz company website**.

Committee activities

The Supervisory Board has formed various committees in order to perform its duties efficiently. The committees prepare the consultations in plenary sessions as well as the adoption of resolutions. They can also adopt their own resolutions. The composition of the committees can be found in the Corporate Governance Statement.

The Standing Committee held five meetings in the financial year 2022, two of which were held as video conferences while three were held as in-person meetings. The committee dealt with corporate governance issues, in particular the preparation of the Declaration of Conformity with the German Corporate Governance Code, and adjustments to internal guidelines to reflect changes in legal and Code-related requirements. The committee also dealt with the preparation of the ordinary Annual General Meeting, the Supervisory Board self-evaluation as required by supervisory law and the resulting development plan, as well as with the remuneration of the members of the Supervisory Board. Collective and, if necessary, individual training sessions are continuously carried out as part of the implementation of the development plan. Regarding the Supervisory Board’s annual efficiency review, the committee dealt with the implementation of the results of the efficiency review conducted in 2021 and prepared the efficiency review for 2022, which was implemented without any external support, as planned. Moreover, the Standing Committee had to pass a resolution approving the granting of a loan to a senior executive.

The Personnel Committee held four meetings and adopted two written resolutions in 2022. One of the meetings was held as a video conference, with the other three meetings held in person. At the meetings, the committee discussed in detail the preparatory review of the Remuneration Report for 2021 and target achievement of the members of the Board of Management for the financial year 2021, including the annual Fit & Proper assessment of each member of the Board of Management. It intensively deliberated on the required consideration of the Structured Alpha Funds matter of AllianzGI U.S. for the assessment of target achievement. The Personnel Committee also prepared the annual review of the appropriateness of the remuneration of the Board of Management and carried out a critical review of the remuneration system for the Board of Management to establish whether there was any need for amendments. Discussions also focused on the preparation of the target setting for the variable remuneration for 2023, especially in the light of the effects of the new accounting standards

IFRS 9 and 17. The committee also dealt with the departure of Mr. Balbinot and Mr. de la Sota from the Board of Management and the resulting adjustment of the allocation of responsibilities on the Board of Management of Allianz SE. Other topics included a number of mandate matters of (former) Board members and an adjustment of the approval requirement for the assumption of mandates in other companies by members of the Board of Management of Allianz SE. The committee also dealt in detail with the further succession planning for the Board of Management.

The Audit Committee held five regular and four extraordinary meetings in 2022. Five of the meetings were held as video conferences, while the other four meetings were held in person. In the presence of the auditors, the committee discussed both Allianz SE's annual financial statements and the Allianz Group's consolidated financial statements, the management reports including the non-financial reporting, the respective solvency statements and the audit reports, as well as the half-yearly financial report. These reviews revealed no reasons for objection. The Board of Management reported on the quarterly results and discussed them in detail with the Audit Committee together with the results of the auditor's review. The Board of Management also reported regularly on relevant special topics. In this context, the Audit Committee dealt, in particular, with the impact of the war in Ukraine, including the sanctions against Russia, the rise in inflation rates, and the effects of natural disasters and weather events, which again occurred on a large scale in the last financial year.

Another major focus of the Audit Committee's activities was on reviewing and monitoring the progress of the Structured Alpha proceedings. The committee intensively discussed this topic at all five ordinary meetings and additionally at the four extraordinary meetings. In order to prepare the meetings, the working group specifically set up for this purpose met a total of ten times. The Audit Committee closely monitored the settlement negotiations with investors and the preparation of the settlement with the U.S. authorities. To that end, it was regularly briefed by the Board of Management and the external lawyers assisting the Board of Management and additionally obtained advice from the independent lawyers mandated by the Supervisory Board in order to be able to obtain a comprehensive picture of the matter. Furthermore, in particular in the second half of the year, the Audit Committee extensively dealt with the findings from the proceedings and internal investigations to clarify and process the Structured Alpha matter. In cooperation with the Board of Management, it intensively monitored both the measures taken by the Board in response to that event in order to remedy the deficiencies identified and the implementation of the measures. The Audit Committee also comprehensively, and with the support of the law firm mandated by the Supervisory Board, dealt with the question of potential claims for damages against current or former members of the Board of Management of Allianz SE in connection with the Structured Alpha matter, and prepared the discussion of this topic at the plenary meetings of the Supervisory Board. The committee engaged in detailed discussions with the auditors on the effects on Allianz's results.

The committee also discussed the awarding of the audit mandates and defined key audit areas for the financial year 2022. At Group level, the focus was again on the implementation of the new accounting standards IFRS 9 and 17, with reporting on climate change risks and cyber risks included as further topics. Due to increased legal requirements, a review of the appropriateness and effectiveness of the internal control system was established as another area of focus both at Group level and for Allianz SE. The auditors reported regularly on the results of the audits regarding the key audit areas. The Audit Committee discussed the assessment of the audit risk, the audit strategy and the audit planning with the auditors. The Audit Committee also held several discussions with the auditors in the absence of the Board of Management. Moreover, the Audit Committee conducted an assessment of the quality of the audit. The Audit Committee also discussed the awarding of non-audit services to the auditor and approved an updated positive list of pre-approved audit and non-audit services. In the light of the Structured Alpha matter, the Audit Committee also obtained separate reports from the PwC auditors in charge of Asset Management. As a change in the persons of the auditors in charge will be required after the end of the audit for the financial year 2022 due to legal requirements for auditor rotation, the new auditors personally introduced themselves to the Audit Committee at one of the meetings.

In addition, the committee dealt extensively with the internal control systems, cyber risks as well as the accounting process and internal financial reporting control mechanisms. At several meetings, the Audit Committee again discussed with the Board of Management the effects of the changeover to the new accounting standards IFRS 9 and 17 on Allianz's accounting from the financial year 2023 onwards and the status of the implementation measures for a proper transition to the new standards. At all regular meetings, reports on legal and compliance issues in the Group, operational risks, the work of the Internal Audit department and data privacy issues were presented and discussed in detail. Furthermore, the head of the actuarial function (Group Actuarial, Planning & Controlling) presented his annual report. In addition, the Audit Committee dealt with the effects of the amendments to the German Corporate Governance Code on the work performed by the committee and with the internal audit plan for 2023. The Audit Committee was also regularly informed by the Board of Management about the status of the measures taken to implement the results of an audit carried out by the German Federal Financial Supervisory Authority on the Group control processes and the business organization.

The Risk Committee held two meetings in 2022, one of which was held as a video conference. At both meetings, the committee discussed the current risk situation of the Allianz Group and Allianz SE with the Board of Management. In the March meeting, the Risk Report and other risk-related statements in the annual and consolidated financial statements as well as management and Group management reports were reviewed with the auditor and approved. The appropriateness of the early risk recognition system at Allianz SE and Allianz Group and the result of further risk assessments by the auditor were also discussed. It recommended to the Audit Committee to include the Risk Report, as presented and discussed, in the Annual Report.

At both meetings, the Risk Committee also extensively dealt with the risk strategy, risk appetite, capital management, the external rating as well as the effectiveness of the risk management system for the Allianz Group and Allianz SE. In this context also enhancements of the risk and control framework, including professional external reviews were discussed. The committee also obtained a report on Allianz's own risk and solvency assessment and changes to the internal Solvency II model, and discussed the reports in detail with the Board of Management and the head of the Risk function. Moreover, the Risk Committee intensively dealt with the impact of the war in Ukraine on the risk situation of Allianz, inflation and interest rates as well as the assessment of rising government debt due to expansive monetary policy, in particular in the eurozone, and potential impacts on Allianz. Other key topics were the risk situation and stress resilience at Allianz Lebensversicherungs-AG in Germany, and the realignment of the internal reinsurance relationships between Allianz companies. The committee also again addressed the impact of the COVID-19 pandemic and the management of non-financial risks. In addition, the Risk Committee intensively dealt with the impact of the Structured Alpha matter on the risk situation at Allianz and subsequently with the cost structure of unit-linked insurance products in the German market. It again discussed a range of special regulatory topics and business policy issues. In the light of the war in Ukraine, it also discussed the risk of cyber-attacks as a form of state warfare and, in general, the development of geopolitical risks. The committee also obtained reports from the Board of Management on current areas of focus of the German Federal Financial Supervisory Authority, in particular digitalization and IT security, climate risks and risks from natural disasters, consumer protection (sales compliance) and the fulfillment of capital requirements, and the respective position of Allianz in any of these topics.

The Technology Committee held two meetings in the financial year 2022, both of which were held as in-person meetings. At these meetings, the committee discussed in detail the Allianz innovation program launched by the Board of Management, which comprises the transformation programs Allianz Customer Model (ACM) and Business Master Platform (BMP) as well as an application for data analysis and other innovative tools. Detailed discussions were held regarding data analytics and artificial intelligence and their potential to contribute to profits. The Technology Committee also received reports from the Board of Management on cyber-security and the realignment of activities in the Syncier subsidiary, which had originally been intended to externally market the IT platform, and comprehensively discussed the technology approaches of competitors with the Board of Management. The committee also engaged in discussions with the Board of Management on the status of the replacement of legacy systems and considerations regarding blockchain technology.

The Nomination Committee held four meetings in the financial year 2022, two of which were held as video conferences and two of which were held in person. At the beginning of the year, the committee first dealt with the 2022 Supervisory Board elections. Another major focus was on the general succession planning for the Supervisory Board, in particular the requirements regarding the competences and independence of the Supervisory Board members communicated by the German Federal Financial Supervisory Authority and by investors. Taking account of these requirements, the Nomination Committee again intensively discussed potential candidates to succeed the members of the Supervisory Board who will be retiring in the coming years and identified suitable persons.

The Sustainability Committee held four meetings in the financial year 2022. Three meetings were held as video conferences with one meeting held in person. The committee prepared the assessment of target achievement by the Board of Management regarding the sustainability targets for the financial year 2021 and the definition of sustainability targets for the financial year 2023 by the Personnel Committee and the Supervisory Board. The committee also dealt in detail with the sustainability-related statements in non-financial reporting with a special focus on the reporting requirements under the EU Taxonomy Regulation and the Sustainability Report as well as the Tax Transparency Report for the financial year 2021. The Sustainability Committee also obtained reports from the Board of Management at two meetings on the status of the implementation of the ESG strategy, especially in the fields of climate and social responsibility. It also discussed individual projects such as the Net Zero Alliance. The committee also discussed data ethics within the Group.

The Supervisory Board was informed regularly and comprehensively of the committees' work.

Overview of members' participation in the Supervisory Board and its committee meetings in the financial year 2022

Publication of details of members' participation in meetings

	Presence	%
Plenary sessions of the Supervisory Board		
Michael Diekmann (Chairman)	10/10	100
Gabriele Burkhardt-Berg (Vice Chairwoman)	10/10	100
Jim Hagemann Snabe (Vice Chairman) (member until 4 May 2022)	5/5	100
Herbert Hainer (Vice Chairman since 4 May 2022)	10/10	100
Sophie Boissard	10/10	100
Christine Bosse	10/10	100
Rashmy Chatterjee (member since 4 May 2022)	5/5	100
Dr. Friedrich Eichiner	10/10	100
Jean-Claude Le Goaër	10/10	100
Martina Grundler	9/10	90
Godfrey Hayward (member until 4 May 2022)	5/5	100
Frank Kirsch	10/10	100
Jürgen Lawrenz	10/10	100
Primiano Di Paolo (member since 4 May 2022)	5/5	100
Standing Committee		
Michael Diekmann (Chairman)	5/5	100
Sophie Boissard (member since 4 May 2022)	3/3	100
Jean-Claude Le Goaër	5/5	100
Herbert Hainer	5/5	100
Jürgen Lawrenz	5/5	100
Jim Hagemann Snabe (member until 4 May 2022)	2/2	100
Personnel Committee		
Michael Diekmann (Chairman)	4/4	100
Gabriele Burkhardt-Berg	4/4	100
Herbert Hainer	4/4	100

	Presence	%
Audit Committee		
Dr. Friedrich Eichiner (Chairman)	9/9	100
Sophie Boissard	9/9	100
Michael Diekmann	9/9	100
Jean-Claude Le Goaër	9/9	100
Martina Grundler	8/9	89
Risk Committee		
Michael Diekmann (Chairman)	2/2	100
Christine Bosse	2/2	100
Dr. Friedrich Eichiner	2/2	100
Godfrey Hayward (member until 4 May 2022)	1/1	100
Frank Kirsch	2/2	100
Primiano Di Paolo (member since 4 May 2022)	1/1	100
Technology Committee		
Rashmy Chatterjee (Chairwoman since 4 May 2022)	2/2	100
Gabriele Burkhardt-Berg	2/2	100
Michael Diekmann	2/2	100
Dr. Friedrich Eichiner	2/2	100
Jürgen Lawrenz	2/2	100
Nomination Committee		
Michael Diekmann (Chairman)	4/4	100
Christine Bosse	4/4	100
Dr. Friedrich Eichiner (member since 4 May 2022)	3/3	100
Jim Hagemann Snabe (member until 4 May 2022)	1/1	100
Sustainability Committee		
Christine Bosse (Chairwoman)	4/4	100
Sophie Boissard	4/4	100
Gabriele Burkhardt-Berg	4/4	100
Michael Diekmann	4/4	100
Frank Kirsch	4/4	100

Audit of annual accounts and consolidated financial statements

Section 11 of the Financial Market Integrity Strengthening Act sets out new stipulations for the appointment of the auditor: Since the audit for the financial year 2022, at insurance companies too, the Annual General Meeting is responsible for the appointment of the auditor. Unlike in the past, the appointment is no longer the responsibility of the Supervisory Board. Upon a proposal submitted by the Supervisory Board, the Company's Annual General Meeting held on 4 May 2022 appointed PwC as auditor for the annual and consolidated financial statements as well as the review of the half-yearly financial report for the financial year 2022. PwC audited the financial statements of Allianz SE and the Allianz Group as well as the respective management reports, and issued an unqualified auditor's report in each case. The management reports also contain the respective non-financial statements. The consolidated financial statements were prepared on the basis of the International Financial Reporting Standards (IFRS) as applicable in the European Union. The annual financial statements of Allianz SE were prepared in accordance with German law and accounting standards. PwC performed a review of the half-yearly financial report. In addition, PwC was also mandated to perform an audit of the solvency statements according to Solvency II as of 31 December 2022 for Allianz SE and the Allianz Group. Furthermore, PwC was commissioned to conduct a review of the contents of the non-financial statement and the Remuneration Report.

All Supervisory Board members received the documentation relating to the annual financial statements and the audit reports from PwC in due time. The preliminary financial statements and PwC's preliminary audit results were discussed in the Audit Committee on 15 February 2023, as well as in the Supervisory Board's plenary session on 16 February 2023. The finalized financial statements and PwC's audit reports (dated 20 February 2023) were reviewed by the Audit Committee on 1 March 2023 and discussed in the Supervisory Board plenary session on 2 March 2023. The auditors participated in the discussions and presented the results of their audit. Particular emphasis was placed on the key audit matters described in the auditor's report and on the audit procedures performed. No material weaknesses in the internal financial reporting control process were discovered. There were no circumstances that might give cause for concern about the auditor's independence. In addition, the solvency statements dated 31 December 2022 for both Allianz SE and the Allianz Group, as well as the related reports by PwC, were reviewed by the Audit Committee and the Supervisory Board.

On the basis of its own reviews of the annual Allianz SE and consolidated financial statements, the management and Group management reports, and the recommendation for the appropriation of earnings, the Supervisory Board has raised no objections and agreed with the results of the PwC audit. It has also approved the Allianz SE and consolidated financial statements prepared by the Board of Management. The financial statements have thus been formally adopted. The Supervisory Board agrees with the Board of Management's proposal on the appropriation of earnings.

The Supervisory Board would like to express its special thanks to all Allianz Group employees for their great personal commitment over the past financial year.

Members of the Supervisory Board and Board of Management

The term of office of the Supervisory Board ended with the close of the ordinary Annual General Meeting on 4 May 2022. The employee representatives were appointed in accordance with the Agreement concerning the Participation of Employees in Allianz SE by the SE Works Council with effect from the close of the Annual General Meeting on 4 May 2022. The shareholder representatives had to be newly elected by the 2022 Annual General Meeting. The Supervisory Board mandates of Mr. Jim-Hagemann Snabe and Mr. Godfrey Hayward ended at the close of the ordinary Annual General Meeting on 4 May 2022. For the employee representatives, Mr. Primiano Di Paolo was newly elected to the Supervisory Board, while Ms. Rashmy Chatterjee was newly elected as a shareholder representative. The Supervisory Board thanks all members for their valuable and trust-based work.

There were also some changes in the composition of the Board of Management of Allianz SE in the course of the financial year 2022. Mr. Sergio Balbinot and Mr. Ivan de la Sota retired from the Board with effect from 31 December 2022.

Munich, 2 March 2023

For the Supervisory Board:

Michael Diekmann
Chairman

MANDATES OF THE MEMBERS OF THE SUPERVISORY BOARD

Michael Diekmann

Chairman
Member of various Supervisory Boards
Membership in other statutory supervisory boards and SE administrative boards in Germany
Fresenius Management SE
Fresenius SE & Co. KGaA
Siemens AG
until 9 February 2023

Jim Hagemann Snabe

until 4 May 2022
Vice Chairman
Member of various Supervisory Boards
Membership in other statutory supervisory boards and SE administrative boards in Germany
Siemens AG (Chairman)
Membership in comparable[1] supervisory bodies
A.P. Møller-Mærsk A/S (Chairman)
C3.ai, Inc.

Gabriele Burkhardt-Berg

Vice Chairwoman
Chairwoman of the Group Works Council of Allianz SE
Membership in other statutory supervisory boards and SE administrative boards in Germany
Allianz Versicherungs-AG

Herbert Hainer

Vice Chairman
since 4 May 2022
Member of various Supervisory Boards
Membership in other statutory supervisory boards and SE administrative boards in Germany
FC Bayern München AG (Chairman)

Sophie Boissard

Chairwoman of the Board of Management of Korian SE
Membership in other statutory supervisory boards and SE administrative boards in Germany
Korian Deutschland GmbH (Chairwoman)
Korian Management AG (Chairwoman)
Membership in comparable[1] supervisory bodies
Korian Belgium
Over SpA
until 28 March 2022
Segesta SpA (Korian Group company)

Christine Bosse

Member of various Supervisory Boards
Membership in comparable[1] supervisory bodies
Coop Amba
Tusass A/S (Chairwoman)
until 20 May 2022

Rashmy Chatterjee

since 4 May 2022
Chief Executive Officer ISTARI Global Ltd.
Membership in comparable[1] supervisory bodies
BlueVoyant LLC, USA (ISTARI Portfolio company)
Ensign InfoSecurity Pte. Ltd., Singapore (ISTARI Portfolio company)
Sygnia, Inc., Israel (ISTARI Group company)
ISTARI Global (Singapore) Pte. Ltd. (ISTARI Group company)
ISTARI International (UK) Ltd. (ISTARI Group company)
ISTARI International (US) LLC (ISTARI Group company)

Dr. Friedrich Eichiner

Member of various Supervisory Boards
Membership in other statutory supervisory boards and SE administrative boards in Germany
Festo Management SE (Chairman)
Infineon Technologies AG

Jean-Claude Le Goaër

Employee of Allianz Informatique G.I.E.
Membership in comparable[1] supervisory bodies
Membership in Group bodies
Allianz France S.A.

Martina Grundler

National Representative Insurances, ver.di Berlin
Membership in other statutory supervisory boards and SE administrative boards in Germany
Allianz Lebensversicherungs-AG

Godfrey Robert Hayward

until 4 May 2022
Employee of Allianz Insurance plc

Frank Kirsch

Employee of Allianz Beratungs- und Vertriebs-AG

Jürgen Lawrenz

Employee of Allianz Technology SE
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Technology SE

Primiano Di Paolo

since 4 May 2022
Employee of Allianz S.p.A.

1_Generally, we regard memberships in other supervisory bodies as comparable if the company is listed on a stock exchange or has more than 500 employees.

MANDATES OF THE MEMBERS OF THE BOARD OF MANAGEMENT

Oliver Bäte

Chairman of the Board of Management
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Deutschland AG
(Chairman)
until 16 May 2022

Sergio Balbinot

until 31 December 2022
Insurance Asia Pacific
Membership in comparable[1] supervisory bodies
Bajaj Allianz General Insurance Company Ltd.
Bajaj Allianz Life Insurance Company Ltd.
Membership in Group bodies
Allianz (China) Insurance Holding Company Ltd.
(Chairman)
Allianz France S.A.
Allianz Partners S.A.S (Chairman)
since 30 March 2022
Allianz Sigorta A.S.
Allianz Yasam ve Emeklilik A.S.

Sirma Boshnakova

Insurance Western & Southern Europe, Allianz Direct, Allianz Partners
Membership in comparable[1] supervisory bodies
Membership in Group bodies
AWP P&C S.A. (Chairwoman)
until 1 July 2022
AWP Health & Life S.A. (Chairwoman)
until 1 July 2022

Dr. Barbara Karuth-Zelle

Operations, IT and Organization
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Technology SE (Chairwoman)
Euler Hermes AG
until 26 April 2022
Membership in comparable[1] supervisory bodies
Membership in Group bodies
Allianz Partners S.A.S.

Dr. Klaus-Peter Röhler

Insurance German Speaking Countries and Central & Eastern Europe
Membership in other statutory supervisory boards and SE administrative boards in Germany
EUROKAI GmbH & Co. KGaA
Membership in Group bodies
Allianz Beratungs- und Vertriebs-AG (Chairman)
Allianz Lebensversicherungs-AG (Chairman)
Allianz Private Krankenversicherungs-AG (Chairman)
Allianz Versicherungs-AG (Chairman)
Membership in comparable[1] supervisory bodies
Membership in Group bodies
Allianz Suisse Lebensversicherungs-Gesellschaft AG
Allianz Suisse Versicherungs-Gesellschaft AG

Ivan de la Sota

until 31 December 2022
Business Transformation, Insurance Iberia & Latin America
Membership in other statutory supervisory boards and SE administrative boards in Germany
Volkswagen Autoversicherung AG
Membership in Group bodies
Allianz Deutschland AG
until 16 May 2022
Membership in comparable[1] supervisory bodies
Membership in Group bodies
Allianz Compañía de Seguros y Reaseguros S.A., Spain
Allianz Partners S.A.S. (Chairman)
until 30 March 2022
Companhia de Seguros Allianz Portugal S.A.

Giulio Terzariol

Finance, Risk Actuarial,
Legal, Compliance
since 1 January 2023
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Deutschland AG
until 16 May 2022

Dr. Günther Thallinger

Investment Management
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Deutschland AG
until 16 May 2022
Allianz Investment Management SE (Chairman)
Allianz Lebensversicherungs-AG
Allianz Private Krankenversicherungs-AG
Allianz Versicherungs-AG

Christopher Townsend

Global Insurance Lines & Anglo Markets, Reinsurance, Middle East, Africa
Iberia & Latin America
since 1 January 2023
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Global Corporate & Specialty SE (Chairman)
Membership in comparable[1] supervisory bodies
Membership in Group bodies
Allianz Australia Ltd.
Allianz Plc
Euler Hermes Group S.A. (Chairman)

Renate Wagner

Mergers & Acquisitions, People and Culture,
Legal, Compliance
until 31 December 2022
Asia Pacific
since 1 January 2023
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Lebensversicherungs-AG
until 31 August 2022
Membership in comparable[1] supervisory bodies
Bajaj Allianz General Insurance Company Ltd.
since 28 December 2022
Bajaj Allianz Life Insurance Company Ltd.
since 28 December 2022
UniCredit S.p.A.
Membership in Group bodies
Allianz (China) Insurance Holding Company Ltd.
(Chairwoman)
since 20 February 2023

Dr. Andreas Wimmer

Asset Management, US Life Insurance
Membership in other statutory supervisory boards and SE administrative boards in Germany
Pensions-Sicherungs-Verein VVaG
until 8 June 2022
Membership in comparable[1] supervisory bodies
Membership in Group bodies
Allianz Life Insurance Company of North America
(Chairman)

1_Generally, we regard memberships in other supervisory bodies as comparable if the company is listed on a stock exchange or has more than 500 employees.

CORPORATE GOVERNANCE

B

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statements according to §§289f and 315d of the German Commercial Code ("Handelsgesetzbuch – HGB") form part of the Management Report and the Group Management Report, respectively. According to §317(2) sentence 6 HGB, the audit of the disclosures is limited to whether the relevant disclosures have been made.

Corporate Constitution of the European Company (SE)

As a European Company, Allianz SE is subject to special European SE regulations and the German SE Implementation Act ("SE-Ausführungsgesetz - SEAG") and the German Act on the Involvement of Employees in a European Company ("SE-Beteiligungsgesetz"), in addition to German Stock Corporation Law. Notwithstanding, key features of a German stock corporation – in particular the two-tier board system (Board of Management and Supervisory Board) and the principle of equal employee representation on the Supervisory Board – have been maintained by Allianz SE. The Corporate Constitution of Allianz SE is laid down in its Statutes. The current version of the Statutes is available on the **Allianz company website**.

Regulatory requirements

The regulatory requirements for corporate governance (system of governance) applicable for insurance companies, insurance groups, and financial conglomerates apply. In particular, they include the establishment and further design of significant control functions (independent risk control function, actuarial function, compliance function, and internal audit) as well as general principles for an effective and proper business organization. These regulatory requirements are applicable throughout the Group in accordance with the principle of proportionality. The implementation of the regulatory requirements is supported by written guidelines issued by the Board of Management of Allianz SE. Furthermore, Solvency II requires the publication of qualitative and quantitative information, including a market value balance sheet. Details on the implementation of the regulatory requirements for corporate governance by Allianz SE and by the Allianz Group can be found in the Solvency and Financial Condition Report of Allianz SE and of the Allianz Group, which are published on the **Allianz company website**.

Declaration of Conformity with the German Corporate Governance Code

Good corporate governance is essential for sustainable business performance. The Board of Management and the Supervisory Board of Allianz SE therefore attach great importance to complying with the recommendations of the German Corporate Governance Code (hereinafter "Code") in its relevant version applicable. On 15 December 2022, the Board of Management and the Supervisory Board issued the following Declaration of Conformity of Allianz SE with the Code:

Declaration of Conformity in accordance with §161 of the German Stock Corporation Act

Declaration of Conformity with the recommendations of the German Corporate Governance Code Commission by the Board of Management and the Supervisory Board of Allianz SE in accordance with §161 of the German Stock Corporation Act

Allianz SE complies with all recommendations of the German Corporate Governance Code Commission in the version of 28 April 2022 ("Code 2022") and will comply with them in the future.

Since issuing the last Declaration of Conformity on 16 December 2021, Allianz SE has complied with all recommendations of the German Corporate Governance Code Commission in the version of 16 December 2019 ("Code 2019").

Munich, 15 December 2022
Allianz SE

For the Board of Management:
Signed Oliver Bäte   Signed Renate Wagner

For the Supervisory Board:
Signed Michael Diekmann

In addition, Allianz SE follows all suggestions of the Code in its version of 28 April 2022.

The Declaration of Conformity and further information on corporate governance at Allianz is available on the **Allianz company website**.

Function of the Board of Management and composition and functions of committees

Since 1 January 2023, the Board of Management of Allianz SE has had nine members. Board members may not, as a general rule, be older than 62 years of age.

The Board of Management is responsible for setting business objectives and the strategic direction, for coordinating and supervising the operating entities, and for implementing and overseeing an appropriate and effective control and risk management system. The Board of Management also prepares the annual financial statements of Allianz SE, the consolidated financial statements of the Allianz

Group, the respective solvency statements (market value balance sheets), and the interim reports.

The members of the Board of Management are jointly responsible for the management of the Company and compliance with legal requirements. Notwithstanding this overall responsibility, the individual members independently head the departments assigned to them. There are divisional responsibilities for business segments as well as functional responsibilities. The latter include Finance, Risk Management and Controlling Functions, Investments, Operations and IT, Human Resources, Legal, Compliance, Internal Audit, or Mergers & Acquisitions. Business division responsibilities focus on geographical regions or global lines. Rules of procedure specify the structure and departmental responsibilities of the Board of Management in more detail.

The meetings of the Board of Management are chaired by the Chairperson. Any member of the Board may request a meeting, stating the proposed subject. The Board takes decisions with a simple majority of participating members. In the event of a tie, the Chairperson has the deciding vote. The Chairperson can also veto decisions, but he/she cannot enforce a decision against the majority vote.

Board of Management and Group committees

In the financial year 2022, the following Board of Management committees were in place:

Board committees

Board committees	Responsibilities
Group Finance and Risk Committee Giulio Terzariol (Chairman), Dr. Klaus-Peter Röhler, Dr. Günther Thallinger, Christopher Townsend.	Preparing the capital and liquidity planning for the Group and Allianz SE, implementing and overseeing the principles of group-wide capital and liquidity management as well as risk standards and preparing risk strategy. This includes, in particular, significant individual financial transactions and guidelines for derivatives, Group financing and internal Group capital management as well as establishing and overseeing a group-wide risk management and risk monitoring system including stress tests.
Group IT Committee Dr. Barbara Karuth-Zelle (Chairwoman), Dr. Klaus-Peter Röhler, Ivan de la Sota, Giulio Terzariol, Dr. Günther Thallinger, Christopher Townsend.	Developing and proposing a group-wide IT strategy, monitoring its implementation, and approving local and group-wide IT investments as well as reviewing and overseeing individual IT projects.
Group Mergers and Acquisitions Committee Renate Wagner (Chairwoman), Oliver Bäte, Sergio Balbinot, Giulio Terzariol.	Managing and overseeing Group M&A transactions, including approval of individual transactions within certain thresholds.
As of 31 December 2022	

In addition to Board of Management committees, there are also Group committees. They are responsible for preparing decisions to be taken by the Board of Management of Allianz SE, submitting proposals for resolution, and ensuring a smooth flow of information within the Group.

In the financial year 2022, the following Group committees were in place:

Group committees

Group committees	Responsibilities
Group Compensation Committee Board members of Allianz SE and executives below Allianz SE Board level.	Designing, monitoring, and improving group-wide compensation systems in line with regulatory requirements and submitting an annual report on the monitoring results, along with proposals for improvement.
Group Investment Committee Board members of Allianz SE and Allianz Group executives.	Specifying the strategic asset allocation for the Group to enable consistent implementation by the operating units, particularly in relation to alternative assets, monitoring of performance across all asset classes, and ensuring consistent organization of the Investment Management function and Investment Governance across the Group. Defining requirements for sustainable investments and providing guidance on the implementation of sustainability aspects in own investments.
As of 31 December 2022	

The Allianz Group manages its operating entities and business segments through an integrated management and control process. The holding company and the operating entities first define the business strategies and goals. On that basis, joint plans are prepared, to be considered by the Supervisory Board in setting targets for the performance-based remuneration of the members of the Board of Management. For details, please refer to the Remuneration Report.

The Board of Management reports regularly and comprehensively to the Supervisory Board on business development, the company's net assets, financial position and earnings, planning and achievement of objectives, business strategy, and risk exposure. Details on the Board of Management's reporting to the Supervisory Board are laid down in the information rules issued by the Supervisory Board.

Important decisions of the Board of Management require approval by the Supervisory Board. Approval requirements are stipulated by law, by the Statutes, or in individual cases by decisions of the Annual General Meeting (AGM). Supervisory Board approval is required, for example, for certain capital transactions, intercompany agreements, and the launch of new business segments or the closure of existing ones. Approval is also required for acquisitions of companies and holdings in companies as well as for divestments of Group companies that exceed certain threshold levels. Moreover, the Agreement concerning the Participation of Employees in Allianz SE in the version dated June 2021 (hereinafter "SE Agreement") requires the approval of the Supervisory Board for the appointment of the member of the Board of Management responsible for labor and social affairs.

The composition of the Board of Management is described in Mandates of the Members of the Board of Management. The composition is also available on the **Allianz company website**. It also provides a general description of the function of the Board of Management.

Diversity concept for the Board of Management and succession planning

In accordance with the legislation implementing the EU Directive on the disclosure of non-financial and diversity information (CSR Directive), the diversity concept for the Board of Management, its objectives, implementation, and results achieved are to be reported.

The Supervisory Board has adopted the following diversity concept for the Board of Management of Allianz SE:

For the composition of the Management Board, the Supervisory Board aims for an adequate 'Diversity of Minds'. This comprises broad diversity with regard to gender, internationality, and educational as well as professional background.

The Supervisory Board assesses the achievement of such target, inter alia, on the basis of the following specific indicators:

- adequate proportion of women on the Management Board,
- adequate share of members with an international background (e.g., based on origin or extensive professional experience abroad), ideally with connection to the regions in which the Allianz Group is operating,
- adequate diversity with regard to educational and professional background, taking into account the limitations for the Supervisory Board by regulatory requirements (fitness).

This diversity concept is implemented in the Supervisory Board's procedure of appointing members to the Board of Management. For the purpose of long-term succession planning, a list of candidates is prepared and updated on an ongoing basis by the CEO in consultation with the Chairperson of the Supervisory Board. The procedure ensures that the list of successors will comprise an appropriate proportion of female candidates and male candidates with international experience. This is especially taken into account by the Personnel Committee in succession planning. The list of candidates includes internal and external candidates generally meeting the requirements for a mandate on the Board of Management. In the event of a vacancy on the Board of Management, the Personnel Committee, after thorough examination, recommends a suitable candidate to the Supervisory Board plenary session and reports on the selection process and, if necessary, alternative candidates. Prior to an appointment to the Board of Management, all members of the Supervisory Board are given the opportunity to meet the candidate in person.

Currently, the Board of Management of Allianz SE comprises three female members, accounting for 33.3% of all members. Four members of the Management Board have international backgrounds. There is an appropriate level of diversity in terms of educational and professional background. The Board of Management of Allianz SE is therefore composed in accordance with the diversity concept.

Corporate governance practices

Internal control system and risk management system

The Allianz Group has an appropriate and effective internal risk and control system for verifying and monitoring its operating activities and business processes, in particular financial reporting, as well as compliance with regulatory requirements. The requirements placed on the internal control system are essential, not only for the resilience and value of the company, but also to maintain the confidence of the capital market, our customers, and the public. An assessment of the adequacy and effectiveness of the internal control system as part of the System of Governance is conducted regularly in the course of the review of the business organization.

In addition, the Allianz Group has implemented an adequate and effective framework and measures to identify, assess, manage, and communicate risks. For further information on the internal control system and risk management system of Allianz, please refer to the Risk and Opportunity Report.

Compliance management system

Integrity is at the core of our compliance programs and the basis for the trust of our customers, shareholders, business partners, and employees. The Compliance function fosters a corporate culture of individual and collective responsibility for ethical conduct and adherence to the rules. For further information on the compliance management system, please refer to the Non-Financial Statement.

Code of Conduct

Our Code of Conduct and the internal compliance policies and guidelines derived from it provide all employees, managers, and executive board members with clear and practical guidance, enabling them to act in line with the values of the Allianz Group. The rules of conduct established by the Code of Conduct are binding for all employees worldwide and build the basis for our compliance programs. The Code of Conduct is available on the **Allianz company website**.

Function of the Supervisory Board and the composition and functions of committees

The German Co-Determination Act ("Mitbestimmungsgesetz") does not apply to Allianz SE because it has the legal form of a European Company (SE). Instead, the size and composition of the Supervisory Board are determined by general European SE regulations. These regulations are implemented in the Statutes and via the SE Agreement.

The Supervisory Board comprises twelve members, including six shareholder representatives appointed by the AGM. The six employee representatives are appointed by the SE Works Council. The specific procedure for their appointment is laid down in the SE Agreement. This agreement stipulates that the six employee representatives must be allocated in proportion to the number of Allianz employees in the different countries. The Supervisory Board currently in office comprises four employee representatives from Germany and one each from France and Italy. According to § 17 (2) SEAG, the Supervisory Board of Allianz SE shall be composed of at least 30% women and at least 30% men. The regular term of appointment for the members of the Supervisory Board of Allianz SE is four years. In addition, a staggered board with different appointment periods was introduced with the elections to the Supervisory Board on 4 May 2022.

The Supervisory Board oversees and advises the Board of Management on managing the business. It is also responsible, in particular, for appointing the members of the Board of Management, determining the overall remuneration for the Board of Management members, succession planning for the Board of Management, and reviewing the annual financial statements of Allianz SE and the Allianz Group. The Supervisory Board's activities in the financial year 2022, including individualized disclosure of meeting participation, are described in the Supervisory Board Report.

The Supervisory Board takes all decisions with a simple majority. The special requirements for appointing members to the Board of Management, as stipulated in the German Co-Determination Act, and the requirement to have a Conciliation Committee, do not apply to an SE. In the event of a tie, the casting vote lies with the Chairperson of the Supervisory Board, who at Allianz SE must be a shareholder representative. If the Chairperson is not present in the event of a tie, the casting vote lies with the Vice Chairperson, representing the shareholder side. A second Vice Chairperson is elected upon proposal of the employee representatives.

The Supervisory Board regularly reviews the efficiency of its activities. The review is carried out either on the basis of a self-evaluation using a questionnaire or by consulting an external consultant. At a plenary meeting, the full Supervisory Board discusses recommendations for improvements and adopts appropriate measures on the basis of recommendations from the Standing Committee. In addition, the fitness and propriety of the individual members of the Supervisory Board is assessed in the framework of an annual self-evaluation required by supervisory law, and a development plan for the Supervisory Board is drawn up on that basis. The Supervisory Board and the Audit Committee regularly also hold sessions without the presence of any of the members of the Board of Management.

Supervisory Board committees

Part of the Supervisory Board's work is carried out by its committees. The Supervisory Board receives regular reports on the activities of its committees. The composition of the committees and the tasks assigned to them are governed by the Supervisory Board's Rules of Procedure, which can be found on the **Allianz company website**.

Supervisory Board committees

Supervisory Board committees	Responsibilities
Standing Committee 5 members – Chairperson: Chairperson of the Supervisory Board (Michael Diekmann) – Two further shareholder representatives (Herbert Hainer, Sophie Boissard) – Two employee representatives (Jürgen Lawrenz, Jean-Claude Le Goaër)	– Approval of certain transactions requiring the approval of the Supervisory Board, e.g., capital measures, acquisitions, and disposals of participations. – Preparation of the Declaration of Conformity pursuant to § 161 of the German Stock Corporation Act and review of corporate governance. – Preparation of the efficiency review of the Supervisory Board.
Audit Committee 5 members – Chairperson: elected by the Supervisory Board (Dr. Friedrich Eichiner) – Three shareholder representatives (in addition to Dr. Friedrich Eichiner: Sophie Boissard, Michael Diekmann) – Two employee representatives (Jean-Claude Le Goaër, Martina Grundler)	– Initial review of the annual financial statements of Allianz SE and the Allianz Group, the Management Reports (including Risk Report) and the proposal for the appropriation of earnings, review of half-yearly reports or, where applicable, quarterly financial reports or statements. – Monitoring of the financial reporting process, the effectiveness of the internal control and risk management system, the audit system, and legal and compliance issues. – Monitoring of the audit procedures, including the selection and independence of the auditor, the quality of the audit procedures and the services additionally rendered by the auditor, awarding of the audit contract, and determining the audit areas of focus. – Discussion to assess the audit risk, audit strategy, and audit planning.
Risk Committee 5 members – Chairperson: elected by the Supervisory Board (Michael Diekmann) – Three shareholder representatives (in addition to Michael Diekmann: Christine Bosse, Dr. Friedrich Eichiner) – Two employee representatives (Primiano Di Paolo, Frank Kirsch)	– Monitoring of the general risk situation and special risk developments in the Allianz Group. – Monitoring of the effectiveness of the risk management system. – Initial review of the Risk Report and other risk-related statements in the annual financial statements and Management Reports of Allianz SE and the Allianz Group, informing the Audit Committee of the results of such reviews.
Personnel Committee 3 members – Chairperson: Chairperson of the Supervisory Board (Michael Diekmann) – One further shareholder representative (Herbert Hainer) – One employee representative (Gabriele Burkhardt-Berg)	– Preparation of the appointment of Board of Management members. – Preparation of plenary session resolutions on the compensation system and the overall compensation of Board of Management members. – Preparation of the Remuneration Report. – Conclusion, amendment, and termination of service contracts of Board of Management members, unless reserved for the plenary session. – Long-term succession planning for the Board of Management. – Approval of the assumption of other mandates by Board of Management members.
Nomination Committee 3 members – Chairperson: Chairperson of the Supervisory Board (Michael Diekmann) – Two further shareholder representatives (Christine Bosse, Dr. Friedrich Eichiner)	– Setting of specific objectives for the composition of the Supervisory Board. – Establishment of selection criteria for shareholder representatives on the Supervisory Board in compliance with the Code's recommendations on the composition of the Supervisory Board. – Search for suitable candidates for election to the Supervisory Board as shareholder representatives.
Technology Committee 5 members – Chairperson: elected by the Supervisory Board (Rashmy Chatterjee) – Three shareholder representatives (in addition to Rashmy Chatterjee: Michael Diekmann, Dr. Friedrich Eichiner) – Two employee representatives (Gabriele Burkhardt-Berg, Jürgen Lawrenz)	– Regular exchange regarding technological developments. – In-depth monitoring of the Board of Management's technology and innovation strategy. – Support of the Supervisory Board in monitoring the implementation of the Board of Management's technology and innovation strategy.
Sustainability Committee 5 members – Chairperson: elected by the Supervisory Board (Christine Bosse) – Three shareholder representatives (in addition to Christine Bosse: Sophie Boissard, Michael Diekmann) – Two employee representatives (Gabriele Burkhardt-Berg, Frank Kirsch)	– Regular exchange regarding sustainability-related issues (Environment, Social, Governance – ESG). – Close monitoring of the Board of Management's sustainability strategy. – Support of the Supervisory Board in overseeing the execution of the Board of Management's sustainability strategy. – Support of the Personnel Committee of the Supervisory Board in preparing the ESG-related target setting and reviewing the achievement of these targets for the Board of Management's remuneration.

As of 31 December 2022

Objectives of the Supervisory Board regarding its composition – diversity concept

The objectives for the composition of the Supervisory Board (in the version of September 2022), as specified to implement legal requirements and the recommendation of the Code, are set out below. In addition to the skills profile for the overall Supervisory Board to be drawn up under the Code, the diversity concept in accordance with the legislation implementing the CSR Directive is also included. The objectives for the composition of the Supervisory Board can be found on the **Allianz company website**.

Objectives for the composition of Allianz SE's Supervisory Board

"The aim of Allianz SE's Supervisory Board is to have members who are equipped with the necessary skills and competence to properly supervise and advise Allianz SE's management. Supervisory Board candidates should possess the professional expertise and experience, integrity, motivation and commitment, independence, and personality required to successfully carry out the responsibilities of a Supervisory Board member in a financial services institution with international operations.

These objectives take into account the regulatory requirements for the composition of the Supervisory Board as well as the relevant recommendations of the German Corporate Governance Code ("GCGC"). In addition to the requirements for each individual member, a profile of skills and expertise ("Kompetenzprofil") as well as a diversity concept are provided for the entire Supervisory Board.

Employee representation within Allianz SE, according to the Agreement concerning the Participation of Employees in Allianz SE, contributes to the diversity of work experience and cultural background. Pursuant to the provisions of the German SE Participation Act (SEBG), the number of women and men appointed as German employee representatives should be proportional to the number of women and men working in the German companies. However, the Supervisory Board does not have the right to select the employee representatives.

The following requirements and objectives apply to the composition of Allianz SE's Supervisory Board:

I. Requirements relating to the individual members of the Supervisory Board

1. Propriety

The members of the Supervisory Board must be proper as defined by the regulatory provisions. A person is assumed to be proper as long as no facts are to be known which may cause impropriety. Therefore, no personal circumstances shall exist which – according to general experience – lead to the assumption that the diligent and orderly exercise of the mandate may be affected (in particular, administrative offenses or violation of criminal law, especially in connection with commercial activity).

2. Fitness

The members of the Supervisory Board must have the expertise and experience necessary for a diligent and autonomous exercise of the Allianz SE Supervisory Board mandate, in particular for exercising control of and giving advice to the Management Board as well as for the active support of the development of the company. This comprises in particular:

- adequate expertise in all business areas,
- adequate expertise in the insurance and finance sector or comparable relevant experience and expertise in other sectors,
- adequate expertise in the regulatory provisions material for Allianz SE (supervisory law, including Solvency II regulation, corporate and capital markets law, corporate governance),
- ability to assess the business risks,
- knowledge of accounting basics and insurance specific risk management basics.

3. Independence

The GCGC defines a person as independent who, in particular, does not have any business or personal relations with Allianz SE or its executive bodies, a controlling shareholder, or an enterprise associated with the latter, which may cause a substantial and not merely temporary conflict of interest.

The Supervisory Board of Allianz SE states the following with regard to the further specification of independence:

- Former members of the Allianz SE Management Board shall not be deemed independent during the mandatory corporate law cooling-off period.
- Members of the Supervisory Board of Allianz SE in office for more than 12 years shall not be deemed independent.
- Regarding employee representatives, the mere fact of employee representation and the existence of a working relationship with the company shall not itself affect the independence of the employee representatives.

Applying such definition, at least eight members of the Supervisory Board shall be independent. In case shareholder representatives and employee representatives are viewed separately, at least four of each should be independent.

It has to be considered that the possible emergence of conflicts of interests in individual cases cannot generally be excluded. Potential conflicts of interest must be disclosed to the Chairperson of the Supervisory Board and will be resolved by appropriate measures.

4. Time of availability

Each member of the Supervisory Board must ensure that he/she has sufficient time to dedicate to the proper fulfillment of the mandate of this Supervisory Board position.

In addition to the mandatory mandate limitations and the GCGC recommendation for active Management Board members of listed companies (max. two mandates), the common capital markets requirements shall be considered.

With regard to the Allianz SE mandate, the members shall take into account that:

- at least four, but as a rule six, ordinary Supervisory Board meetings are held each year, each of which requires adequate preparation,
- sufficient time must be set aside for the audit of the annual and consolidated financial statements,
- participation in the General Meeting is required,
- depending on possible membership in one or more of the Supervisory Board Committees, extra time planning is required for participation in these Committee meetings and to do the necessary preparation for these meetings; this applies in particular for the Audit and Risk Committees,
- attendance of extraordinary meetings of the Supervisory Board or of a Committee might be required to deal with special matters.

5. Retirement age

The members of the Supervisory Board shall, as a rule, not be older than 70 years of age.

6. Term of membership

The continuous period of membership for any member of the Supervisory Board should, as a rule, not exceed 12 years.

7. Former Allianz SE Management Board members

Former Allianz SE Management Board members are subject to the mandatory corporate law cooling-off period of two years.

According to regulatory provisions, no more than two former Allianz SE Management Board members shall be members of the Supervisory Board.

II. Requirements for the entire Supervisory Board

1. Profile of skills and expertise for the entire Supervisory Board

In addition to the expertise-related requirements for the individual members, the following shall apply with respect to the expertise and experience of the entire Supervisory Board:

- familiarity of members in their entirety with the insurance and financial services sector,
- adequate expertise of the entire Board with respect to regulatorily required areas of investment management, insurance actuarial practice, accounting,
- adequate expertise of the entire Board with respect to technology, including cybersecurity, employee engagement and sustainability (especially Environment, Social responsibility and Governance as well as data privacy),
- at least one member with considerable experience in the insurance and financial services fields,
- at least one member with comprehensive expertise in the field of accounting and at least one other member with comprehensive expertise in the field of auditing. The expertise in the field of accounting shall consist of special knowledge and experience in the application of accounting principles and internal control and risk management systems, and the expertise in the field of auditing shall consist of special knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and its audit and assurance,
- at least one member with comprehensive expertise in the field of digital transformation,
- specialist expertise or experience in other economic sectors,
- managerial or operational experience.

2. Diversity concept

To promote an integrative cooperation among the Supervisory Board members, the Supervisory Board strives for an adequate diversity with respect to gender, internationality, different occupational backgrounds, professional expertise, and experience:

- The Supervisory Board shall be composed of at least 30% women and at least 30% men. The representation of women is generally considered to be the joint responsibility of the shareholder and employee representatives.
- At least four of the members must, on the basis of their origin or function, represent regions or cultural areas in which Allianz SE conducts significant business.
  For Allianz SE as a Societas Europaea, the agreement concerning the Participation of Employees in Allianz SE provides that Allianz employees from different EU member states are considered in the allocation of employee representatives' Supervisory Board seats.
- In order to provide the Board with the most diverse sources of experience and specialist knowledge possible, the members of the Supervisory Board shall complement each other with respect to their background, professional experience, and specialist knowledge."

The Supervisory Board pursues these objectives, and thus also the diversity concept, when nominating candidates for shareholder representatives. As employee representatives are appointed according to different national provisions, the potential to influence the selection of employee representatives is limited. The Supervisory Board of Allianz SE is currently composed in accordance with these objectives, including the diversity concept. According to the assessment of the Supervisory Board, all shareholder representatives, i.e., Ms. Boissard, Ms. Bosse, Ms. Chatterjee as well as Mr. Diekmann, Dr. Eichiner and Mr. Hainer, are independent within the meaning of the objectives (see No. I.3). All shareholder representatives on the Audit Committee, including the Chairperson of the Committee, have comprehensive expertise in the fields of accounting and auditing. The expertise in the field of accounting consists of special knowledge and experience in the application of accounting principles and internal control and risk management systems, and the expertise in the field of auditing consists of special knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and its audit and assurance.

The Chairman of the Audit Committee, Dr. Eichiner, is a business administration graduate. He gained extensive knowledge and experience in both accounting and auditing during his many years as Chief Financial Officer of a DAX-listed company. Ms. Boissard was also able to acquire extensive knowledge and experience in both of these areas during her many years as a member of the Audit Committee and in the framework of her work as CEO of Korian S.A.. Finally, Mr. Diekmann also has in-depth knowledge and experience in both areas due to his many years of service first as CEO and later as Chairman of the Supervisory Board and long-standing member of the Audit Committee of the Supervisory Board of Allianz SE.

The employee representatives on the Audit Committee, Ms. Grundler and Mr. Le Goaër, also have expertise in the fields of accounting and auditing due to their long-standing membership of the Audit Committee of the Supervisory Board of Allianz SE.

Moreover, with five female and seven male Supervisory Board members, the gender ratio of 30% required under the German Act on the Equal Participation of Women and Men in Executive Positions is being met. In addition, the Supervisory Board has five members with international backgrounds. The skills profile is also met by the current composition of the entire Supervisory Board. Based on the objectives for its composition, the Supervisory Board of Allianz SE has developed the following qualification matrix.

Supervisory Board of Allianz SE: Qualification matrix

		Diekmann	Chatterjee	Boissard	Bosse	Eichiner	Hainer	Burkhardt-Berg	Le Goaër	Grundler	Di Paolo	Kirsch	Lawrenz
Tenure	Joined Board in	2017	2022	2017	2012	2016	2017	2012	2018	2016	2022	2018	2015
Personal appro-priate-ness	Regulatory requirement (Fit & Proper)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Independence[1]	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	No Overboarding[1]	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Diversity	Gender	male	female	female	female	male	male	female	male	female	male	male	male
	Nationality	German	Singaporean	French	Danish	German	German	German	French	German	Italian	German	German
Expertise	Accounting	✓	-	✓	✓	✓	✓	✓	✓	✓	-	✓	✓
	Insurance Actuarial Practice	✓	-	✓	✓	✓	✓	✓	✓	✓	-	✓	✓
	Investment Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Technology	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Digital Transformation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Employee Engagement	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Sustainability	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Regional Expertise	North America	✓	✓	-	-	✓	✓	-	-	-	-	-	-
	Growth Markets	✓	✓	-	-	✓	✓	-	-	-	-	-	-
	Europe (EU)	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

✓ Criteria met. Expertise criteria based on yearly self-assessment. Tick means at least "Good knowledge" and implies the capacity to understand the relevant matters well, and to take educated decisions. Good knowledge may result from existing qualifications and from the training measures regularly attended by all members of the Supervisory Board. On a scale from A-E this requires at least grade B.
1_According to German Corporate Governance Code.

The current composition of the Supervisory Board is presented in the Supervisory Board Report. In addition, the composition of the Supervisory Board and a general description of the functions of the Supervisory Board and its committees can be found on the **Allianz company website**. It also presents the CVs of the members of the Supervisory Board.

Directors' Dealings

Members of the Board of Management and the Supervisory Board, as well as persons closely associated with them, are obliged under the EU Market Abuse Regulation to notify both Allianz SE and the German Federal Financial Supervisory Authority of any transactions carried out by them involving shares or debt securities of Allianz SE or related financial derivatives or other related financial instruments as soon as the value of the acquisition or disposal transactions by the member reaches or exceeds the threshold of twenty thousand euro within a calendar year. These disclosures are published on the **Allianz company website**.

Annual General Meeting

Shareholders exercise their rights at the AGM. When adopting resolutions, each share confers one vote. Shareholders can follow the AGM's proceedings on the internet and be represented by proxies exercising their voting rights exclusively on the basis of instructions given by the shareholders. Shareholders are also able to cast their votes via (electronic) absentee vote.

The AGM elects the shareholder representatives of the Supervisory Board and resolves on the approval of the actions taken by the Board of Management and the Supervisory Board. It decides on the appropriation of net earnings, capital transactions, the election of the auditor, approval of intercompany agreements, as well as on the approval of the remuneration system presented by the Supervisory Board for the members of the Board of Management, the remuneration of the Supervisory Board, and the approval of the Remuneration Report prepared by the Board of Management and the Supervisory Board, as well as changes to the Company's Statutes. Resolutions of the AGM shall be passed, unless mandatory legal provisions require otherwise, by a simple majority of the valid votes cast. In accordance with European regulations and the Statutes, changes to the Statutes require at least a two-thirds majority of the votes cast, which at the same time represents the majority of the capital stock represented at the time of the resolution, if less than half of the share capital is represented at the AGM at the time of adoption of the resolution relating to an amendment to the Statutes. Each year, an ordinary general meeting is held at which the Board of Management and the Supervisory Board give an account of the preceding financial year. For special decisions, the German Stock Corporation Act provides for the convening of an extraordinary AGM.

Accounting and auditing

The Allianz Group prepares its accounts according to §315e HGB on the basis of the International Financial Reporting Standards (IFRS) adopted by the European Union. The annual financial statements of Allianz SE are prepared in accordance with German law and accounting standards.

The auditor of the annual financial statements and the auditor in charge of the review of the half-yearly financial report were elected by the AGM on 4 May 2022. The audit of the financial statements covers the individual financial statements of Allianz SE and the consolidated financial statements of the Allianz Group.

We inform our shareholders, financial analysts, the media, and the general public about the Company's situation on a regular basis and in a timely manner. The annual financial statements of Allianz SE, the consolidated financial statements of the Allianz Group, and the respective Management Reports are publicly available within 90 days of the end of each financial year. Additional information is provided in the Allianz Group's half-yearly financial reports and quarterly statements. Information is also made available at the AGM, at conference calls for analysts and journalists, and on the corporate website. Allianz's website also provides a financial calendar listing the dates of major publications and events, such as annual reports, half-yearly financial reports, and quarterly statements, AGMs, and analyst conference calls as well as financial press conferences.

The 2023 financial calendar is available on the **Allianz company website**.

Information in accordance with the German Act on the Equal Participation of Women and Men in Executive Positions in the Private and Public Sectors

The section below outlines the targets set by Allianz SE and the other companies of the Allianz Group in Germany that are subject to co-determination (the "subsidiaries concerned") for the Supervisory Board, the Board of Management, and the two management levels below the Board of Management.

Pursuant to §17(2) SEAG, as of 1 January 2016, the share of women and men among the members of the Supervisory Board of Allianz SE has to be at least 30% each. The Supervisory Board currently in office fulfills this requirement as it includes five women (41.7%) and seven men (58.3%).

Pursuant to §16(2) SEAG, since 1 August 2022 it has to be ensured that the Board of Management includes at least one female and at least one male member when appointing members to the Board of management. This legal requirement is met by the current Board of Management of Allianz SE. As at 31 December 2022, the proportion of women on the Board of Management was 27.3%. Since 1 January 2023, the proportion of women on the Board of Management has been 33.3%.

As regards the proportion of women on the first and second management levels below the Board of Management, the Board of Management has set targets of 30.6% and 30%, respectively, to be met by 31 December 2024. As at 31 December 2022, this target was already met for the first management level with a percentage of women of 30.6%, but was not yet met for the second level with a percentage of 24.8%. The first two management levels below the Board of Management comprise a very small comparative group of executives. No suitable female candidates were identified for the very few positions that became vacant in the period under review.

With regard to the Supervisory Boards of the subsidiaries concerned, the target quotas for nine of the eleven subsidiaries concerned were set at 33%, the target quota for one subsidiary concerned was set at 35%, and the target quota for the remaining subsidiary concerned was set at 50% for 31 December 2024. Nine of the eleven subsidiaries reached this target ahead of the due date as at 31 December 2022.

The target quotas for the respective Boards of Management of the subsidiaries concerned were between 25% and 50% (35.7% on average) for 31 December 2024 and were already met by eight of the eleven companies as of 31 December 2022. For the subsidiaries concerned, the respective Boards of Management had set target quotas of 30% to 40% (32.9% on average) for 31 December 2024 for the first management level and target quotas of 30% to 43.5% (39.2% on average) for the second management level below the Board of Management. As at 31 December 2022, the targets were met by five of the eleven subsidiaries concerned for the first management level, while one of the eleven companies met the target set for the second management level ahead of the due date. Despite increased efforts to promote women in the Allianz Group and in the individual subsidiaries, it was not possible to reach the targets ahead of the due date in the other cases as it was not always possible to identify suitable female candidates for all vacant positions. Allianz continues to work to achieve these targets.

TAKEOVER-RELATED STATEMENTS AND EXPLANATIONS

The following information is provided pursuant to §289a and §315a of the German Commercial Code ("Handelsgesetzbuch – HGB") and §176 (1) of the German Stock Company Act ("Aktiengesetz – AktG").

Composition of share capital

As of 31 December 2022, the share capital of Allianz SE was € 1,169,920,000. It was divided into 403,313,996 registered and fully paid-up shares with no par value. All shares carry the same rights and obligations. Each no-par value share carries one vote.

Restrictions on voting rights and share transfers; exercise of voting rights in case of employee equity participations

Shares may only be transferred with the consent of the company. An approval duly applied for may only be withheld if it is deemed necessary in the company's interest on exceptional grounds. The applicant will be informed of the reasons.

Shares acquired by employees of the Allianz Group as part of the employee stock purchase plan are generally subject to a three-year lock-up period. During the lock-up period, employees can exercise their voting rights.

Interests in the share capital exceeding 10% of the voting rights

Allianz SE is not aware of any direct or indirect interests in the share capital that exceed 10% of the voting rights.

Shares with special rights conferring powers of control

There are no shares with special rights conferring powers of control.

Legal and statutory provisions applicable to the appointment and removal of members of the Board of Management and to amendments of the Statutes

The appointment and removal of members of Allianz SE's Board of Management is governed by Articles 9 (1), 39 (2) and 46 of the SE Regulation, §§84, 85 AktG, §24 (3) and §47 No. 1 German Insurance Supervision Act ("Versicherungsaufsichtsgesetz – VAG"), and the Statutes. According to the Statutes, the Board of Management shall consist of at least two persons; the Supervisory Board determines the number of any additional members (§5 (1) of the Statutes). The members of the Board of Management are appointed by the Supervisory Board for a term of up to five years; reappointment is permitted for a maximum of five years in each case (§5 (3) of the Statutes). A simple majority of the votes cast in the Supervisory Board is required to appoint members of the Board of Management. In the case of a tie vote, the Chairperson of the Supervisory Board, who pursuant to Article 42 of the SE Regulation must be a shareholder representative, shall have the casting vote (§8 (3) of the Statutes). If the Chairperson does not participate in the vote, the Vice Chairperson shall have the casting vote, provided he or she is a shareholder representative. A Vice Chairperson who is an employee representative has no casting vote (§8 (3) of the Statutes).

Amendments to the Statutes are governed by Article 59 SE Regulation, §179 AktG, and the Statutes. §13 (4) of the Statutes of Allianz SE stipulates that, unless mandatory law requires otherwise, changes to the Statutes require a two-thirds majority of the votes cast at a General Meeting or, if at least one half of the share capital is represented, a simple majority of the votes cast. Where the law requires a majority in capital for a shareholder resolution, a simple majority of the capital represented at the General Meeting is sufficient, provided this is in line with legal requirements. The Supervisory Board may alter the wording of the Statutes (§179 (1) AktG and §10 of the Statutes).

Authorization of the Board of Management to issue and repurchase shares

The Board of Management is authorized to issue shares as well as to acquire and use treasury shares as follows:

It may increase the company's share capital on or before 3 May 2027, with the approval of the Supervisory Board, by issuing new registered no-par value shares against contributions in cash and/or in kind, on one or more occasions:

- Up to a total of € 467,968,000 (Authorized Capital 2022/I): In case of a capital increase against cash contribution, the Board of Management may exclude the shareholders' subscription rights for these shares with the consent of the Supervisory Board (i) for fractional amounts, (ii) in order to safeguard the rights pertaining to holders of convertible bonds or bonds with warrants, including mandatory convertible bonds, and (iii) in the event of a capital increase of up to 10%, if the issue price of the new shares is not significantly below the stock market price. The Board of Management may furthermore exclude the shareholders' subscription rights with the consent of the Supervisory Board in the event of a capital increase against contributions in kind.
- Up to a total of € 15,000,000 (Authorized Capital 2022/II): The shareholders' subscription rights are excluded. New shares may only be issued to employees of Allianz SE and its Group companies.

The company's share capital is conditionally increased by up to € 116,992,000 (Conditional Capital 2022). This conditional capital increase will only be carried out to the extent that the holders of convertible bonds, bonds with warrants, convertible participation rights, participation rights, and subordinated financial instruments issued against cash by Allianz SE or its subsidiaries, based on the authorizations granted by the General Meeting on 4 May 2022, exercise their conversion or option rights, or to the extent that conversion obligations from such bonds are fulfilled, and to such extent that treasury shares or shares from authorized capital are not used for such purpose.

Under an authorization by the General Meeting on 4 May 2022, the Board of Management may, until 3 May 2025, buy back Allianz shares corresponding to up to 10% of the lower of (i) the share capital at the moment of the shareholder resolution and (ii) the share capital at the moment of the buy-back, and to use those shares for other purposes (§71 (1) No. 8 AktG). Together with other treasury shares that are held by Allianz SE, or which are attributable to it under §§71a et seq. AktG, such shares may not exceed 10% of the share capital at any time. The shares acquired pursuant to this authorization may be used, under exclusion of the shareholders' subscription rights, for any legally admissible purposes, in particular those specified in the authorization. Furthermore, the acquisition of treasury shares under this authorization may also be carried out using derivatives, provided such derivatives do not relate to more than 5% of the share capital.

Essential agreements of Allianz SE with change-of-control clauses and compensation agreements providing for takeover scenarios

The following essential agreements of the company are subject to a change-of-control condition following a takeover bid:

– Our reinsurance contracts, in principle, include a clause under which both parties to the contract have an extraordinary termination right if and when the counterparty merges with another entity or its ownership or control situation changes materially. Agreements with brokers regarding services connected with the purchase of reinsurance cover also provide for termination rights in case of a change of control. Such clauses are standard market practice.
– Allianz SE is also party to various bancassurance distribution agreements for insurance products in various regions. These distribution agreements normally include a clause under which the parties have an extraordinary termination right in the event of a change of control of the other party's ultimate holding company.
– Shareholder agreements and joint ventures to which Allianz SE is a party often contain change-of-control clauses that provide, as the case may be, for the termination of the agreement, or for put or call rights that one party can exercise with regard to the joint venture or the target company, if there is a change of control of the other party.
– The framework agreements between Allianz SE and the subsidiaries of various car manufacturers relating to the distribution of car insurance by the respective car manufacturers each include a clause under which each party has an extraordinary termination right in case there is a change of control of the other party.
– Bilateral credit agreements in some cases provide for termination rights in the event of a change of control, mostly defined as the acquisition of at least 30% of the voting rights within the meaning of §29 (2) of the German Takeover Act ("Wertpapiererwerbs- und Übernahmegesetz – WpÜG"). Where such termination rights are exercised, the respective credit lines have to be replaced by new credit lines under conditions then applicable.
– Under the Allianz Equity Incentive Program, Restricted Stock Units (RSUs) – i.e., virtual Allianz shares – are granted to senior management of the Allianz Group worldwide as a stock-based remuneration component. The conditions for these RSUs contain change-of-control clauses, which apply when a majority of the voting share capital in Allianz SE is directly or indirectly acquired by one or more third parties who do not belong to the Allianz Group, and which provide for an exception from the usual vesting and exercise periods. In line with the relevant general conditions, the company will release the RSUs to plan participants on the day of the change of control, without observing any vesting period that would otherwise apply. The cash amount payable per RSU must equal or exceed the average market value of the Allianz share and the price offered per Allianz share in a preceding tender offer. By providing for the non-application of the vesting period in the event of a change of control, the terms take into account the fact that the conditions influencing the share price are substantially different when there is a change of control.

REMUNERATION REPORT

The Remuneration Report describes the structure and arrangements of the remuneration system for the Board of Management and the Supervisory Board of Allianz SE. It explains the application of the remuneration system in the financial year 2022, using detailed and individualized specifications on the remuneration of current and former members of the Board of Management and the Supervisory Board.

The report was created jointly by the Board of Management and the Supervisory Board, taking into consideration the requirements of §162 of the German Stock Corporation Act (AktG), and the recommendations of the German Corporate Governance Code in its currently valid version.

It was also decided to allow the auditor to carry out a comprehensive, content audit of the Remuneration Report going above and beyond the legal requirements of §162 (3) AktG.

The remuneration year of 2022 at a glance

The political and economic environment and key remuneration issues for the Supervisory Board

2022 was significantly shaped by the war in Ukraine and its impact on the global economy, the insurance industry, and asset management. The energy crisis and rising inflation also had a significant impact on the insurance business. The potential risks of further geopolitical tensions are of growing importance. In addition, the consequences of the global COVID-19 pandemic are still being felt, which has had a lasting impact on the working lives of employees.

The Personnel Committee of the Supervisory Board has closely followed the business development from the viewpoint of potential target achievement at Group level, as well as individual remuneration targets for the first half of the year and at year-end 2022. Besides the quantitative targets for the financial year 2023, the non-financial targets for 2023 and the appropriateness of the remuneration of the Board of Management were discussed. Changes in the Board of Management were also prepared and implemented. Detailed comments on the adjustments for 2023 are provided in the Outlook.

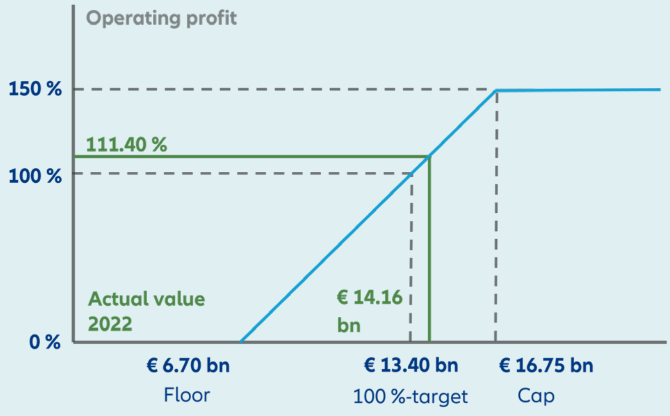
Financial Group targets

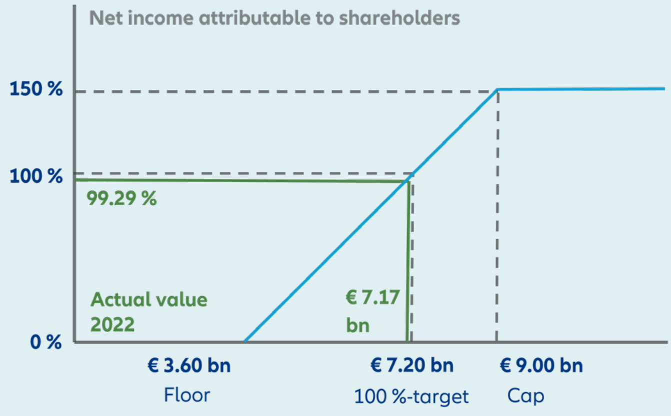
The annual bonus and the long-term incentive (LTI) allocation are based on two Group financial targets for the relevant financial year: operating profit and net income attributable to shareholders, each at 50%.

The operating profit target of € 13.40 bn was exceeded to € 14.16 bn, as the Property-Casualty, Life/Health, and Corporate and Other business segments achieved strong growth in operating profit and more than compensated for the decline in the Asset Management business segment. This resulted in a target achievement of 111.40% for operating profit.

As a consequence of the war in Ukraine, Allianz SE decided to withdraw from the Russian market. This decision could not have been foreseen either in the budget planning or in the actual target setting. The planned divestment of the majority stake in Allianz's Russian business resulted in extraordinary charges of € 437 mn in the financial year 2022, which are reflected in the net income attributable to shareholders. In the event of such unforeseeable extraordinary developments, it is at the discretion of the Supervisory Board to take them into account, if necessary, when determining target achievement. In order to recognize the actual performance of the Board of Management in the context of variable compensation, the Supervisory Board took into account the losses incurred as a result of this planned sale of a majority interest when it determined target achievement. Adjusted for this effect, net income attributable to shareholders in the past financial year was € 7.17 bn. This was slightly below the target of € 7.20 bn, resulting in target achievement of 99.29%.

Overall, this results in an achievement rate of 105.35% for the Group financial targets.





Board of Management Performance in 2022

For the financial year 2022, the financial performance of the Board of Management, based on the operating business, again has to be rated as very strong. Despite strong capital market distortions, solvency and essential credit ratings stabilized at a solid level. Almost all business divisions rendered a positive contribution and some significantly exceeded the planned target level.

The Iberia & Latin America region again failed to reach its operating target. The Asset Management business segment also missed the planned target level against the backdrop of the extremely volatile capital markets and the strong rise in interest rates.

The strong performance overall was achieved on a sustainable basis. Based on the quality indicators surveyed, both customers and employees of Allianz once again awarded the Board of Management very good ratings in the financial year 2022, as they had done in the financial year 2021. The proportion of local business segments considered as market leaders in terms of customer satisfaction, as measured by the digital Net Promoter Score, grew significantly to 58%. The Inclusive Meritocracy Index and the Work Well Index Plus, which are used to measure employee satisfaction, also rose year-on-year from already very good levels to 79% and 71%, respectively. The environmental target set for reducing CO_2 emissions per employee was also clearly exceeded with a reduction of 57% versus the baseline year 2019. As a result, the overall determination of the individual contribution factor for the Board of Management was 1.11. The individual contribution factor of each member of the Board of Management is explained in detail in the chapter on individual target achievement.

Potential application of malus and clawback

In connection with the Structured Alpha matter, both the Supervisory Board and the Board of Management initiated internal reviews and commissioned external investigations from various independent consultants. These reviews and investigations did not reveal any breaches of duty by current or former members of the Board of Management that could form the basis for a reduction in payment (malus) or a clawback of variable compensation already paid out. No other use was made of the clawback option in the financial year 2022.

Approval of remuneration system and Remuneration Report

The system for the remuneration of members of the Board of Management was approved by the Annual General Meeting on 5 May 2021 with a majority vote of 87.14%. The remuneration system applies to all members of the Board of Management who were in office in the financial year 2022.

The Remuneration Report for 2021 was approved at the Annual General Meeting on 4 May 2022 with a majority vote of 86.7%.

Overall, the remuneration system and the Remuneration Report are strongly supported by investors and proxy advisors. Feedback to the Supervisory Board, for example, positively emphasizes transparency and that the Allianz Remuneration Report is broadly in line with best practice standards in Germany – and even exceeds them in many respects.

With regard to the Remuneration Report, various investors and proxy advisors have requested a detailed description of how the Supervisory Board uses its discretion in the context of the individual contribution factor (ICF). Our response to this request is to provide a detailed commentary on individual target achievement for each member of the Board of Management in the section on individual compensation in the Remuneration Report. In addition, key points from the individual target achievements are clearly summarized in a new table.

Investors and proxy advisors regularly underline the importance of environmental, social, and governance (ESG) targets. The sustainability targets are a fundamental consideration in the remuneration system for members of the Board of Management and are reflected in both short- and long-term compensation. In determining the targets for 2022, even greater account was taken of the increased importance of sustainability issues. In addition to group-wide sustainability targets, individual ESG targets were again set for each member of the Board of Management for their respective areas of responsibility. Here, too, the presentation in the report has been made even more transparent and expanded to include a chart.

The Supervisory Board plans to conduct a comprehensive review of the remuneration system in 2023 and to present adaptions to the remuneration system for approval, either at the Annual General Meeting in 2024 or in 2025 at the latest. The review will include the suggestions made by investors and proxy advisors.

Changes to the composition of the Board of Management

Sirma Boshnakova has been a member of the Board of Management since 1 January 2022. She is responsible for the insurance business in the countries of Western and Southern Europe (France, Benelux, Italy, Türkiye), for the European direct insurance companies, and for the global business unit Allianz Partners. Her remuneration was set at the same level as that of the other regular members of the Board of Management.

Sergio Balbinot (63) left the Allianz SE Board of Management after his term of office expired due to retirement on 31 December 2022.

Because the Allianz Customer Model – one of Ivan de la Sota's main responsibilities – was transferred to the respective Board of Management divisions for property, life, and industrial insurance, as well as for asset management, earlier than planned, the Supervisory Board approved the early termination of Ivan de la Sota's mandate and the dissolution of the divisions he headed. Ivan de la Sota's mandate thus ended as of 31 December 2022.

Remuneration of the Allianz SE Board of Management

Key principles of the board remuneration

Remuneration is designed to be appropriate compared to peers, given the Allianz Group's range of business activities, operating environment, and business results achieved. The aim is to ensure and promote sustainable and value-oriented management of the company that is in line with our corporate strategy. The key principles are as follows:

- Support of the Group's strategy: The design of variable compensation, and in particular of performance targets, reflects the business strategy and sustainable long-term development of the Allianz Group.
- Alignment of pay and performance: The performance-based variable component of the remuneration of members of the Board of Management forms a significant portion of the overall remuneration, corresponding to 70% of the target compensation.
- Sustainability of performance and alignment with shareholder interests: A major part of the variable remuneration reflects longer-term performance, with deferred payout (64%), and is linked to the absolute and relative performance of the Allianz share price.

Key Principles of the Board Remuneration

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Support of the Group's Strategy	Alignment of Pay and Performance	Sustainability of Performance and Alignment with Shareholder Interests
The design of variable compensation, and in particular of performance targets, reflects the business strategy and sustainable long-term development of the Allianz Group.	The performance-based variable component of the board members' remuneration forms a significant portion of the overall remuneration, corresponding to 70 % of the target compensation.	A major part of the variable remuneration reflects longer-term performance, with deferred payout (64 %), and is linked to the absolute and relative performance of the Allianz share price.

Determination of the remuneration system

The Board of Management's remuneration is decided upon by the entire Supervisory Board, based on proposals prepared by the Supervisory Board's Personnel Committee. If required, the Supervisory Board may seek outside advice from independent external consultants. The Personnel Committee and the Supervisory Board consult with the Chairperson of the Board of Management in assessing the performance and remuneration of Board of Management members. The Chairperson of the Board of Management is generally not involved in the discussion about their own remuneration. The Supervisory Board designs the remuneration system for the members of the Board of Management in accordance with the requirements of the German Stock Corporation Act (AktG) in its currently valid version, as well as with regulatory requirements and the recommendations of the German Corporate Governance Code, while ensuring clarity and comprehensibility. Feedback from investors is also considered.

Determination of and adequacy of the Board of Management remuneration

Based on the remuneration system, the Supervisory Board determines the target total compensation, and regularly reviews the appropriateness of the remuneration. This is based on both a horizontal comparison (i.e., with peer companies) and a vertical comparison (in relation to Allianz employees). Again, the Supervisory Board's Personnel Committee develops respective recommendations, if necessary with the assistance of external consultants.

The structure, weighting, and level of each remuneration component should be adequate and appropriate.

Horizontal appropriateness

The Supervisory Board regularly benchmarks the remuneration of the Board of Management of Allianz SE against other DAX companies and selected international companies (including, for example, the top positions in the STOXX Europe 600 Insurance), taking into account the company's position, as well as the Allianz Group's long-term performance, relative size, complexity, and internationality.

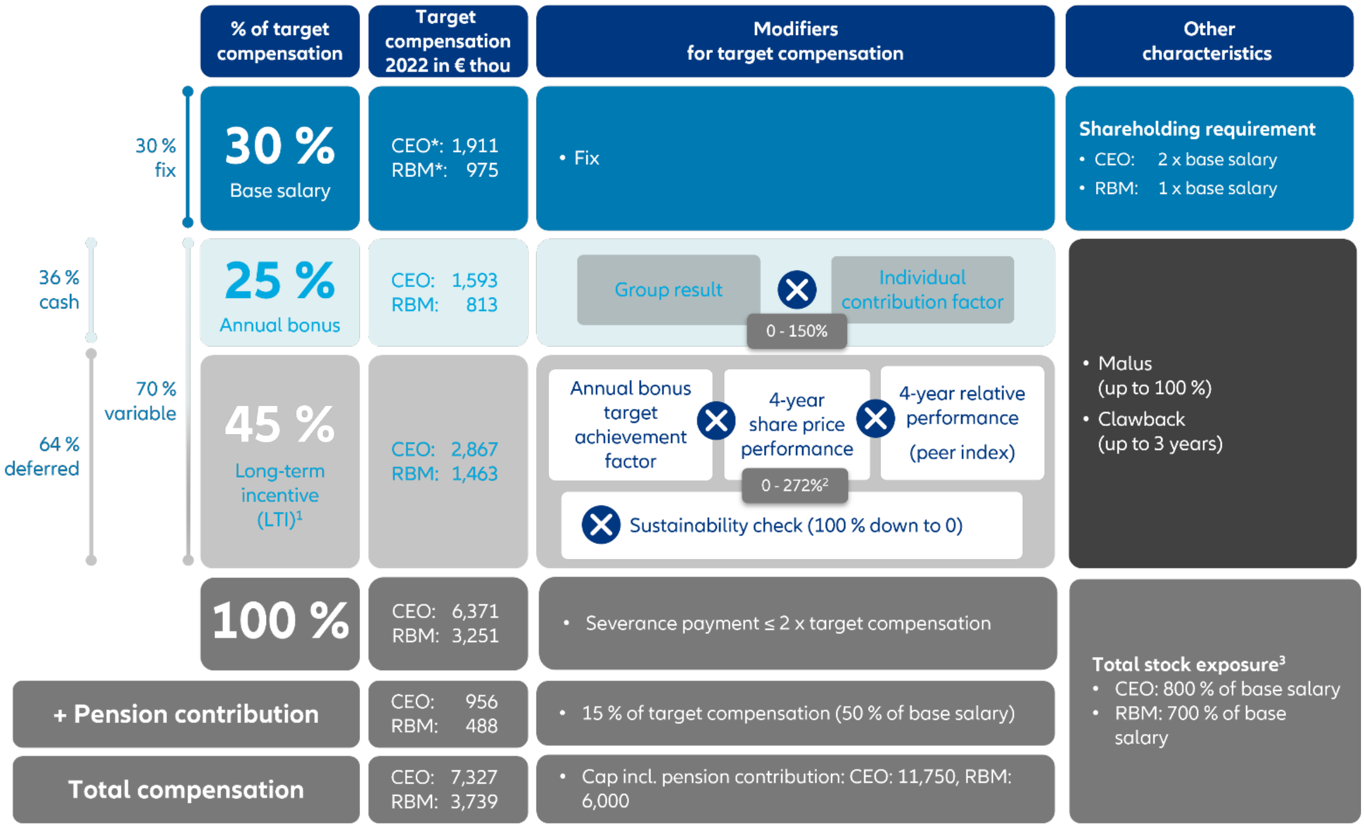
The outcome of the horizontal comparison is that Allianz SE is well above 75^{th} percentile relative to size (revenue, number of employees, and market capitalization) compared to the DAX companies. Accordingly, the total remuneration of the members of the Board of Management is orientated on the upper quartile of the remuneration of the peer companies.

Vertical appropriateness

This comparison is based on the total direct compensation of a member of the Board of Management and the average direct compensation of an employee of the German Allianz companies. The Supervisory Board's decision in December is based on the factor resulting from this comparison for the previous financial year. For the financial year 2021, the factor for the Chairperson of Board of Management to employee was "70", and the factor for a regular board member to employee was "41". For the financial year 2022, the respective factor for the Chairperson of Board of Management to employee is "65" and the factor regular board member to employee is "37".

Overview of the remuneration system of Allianz SE

The following diagram provides an overview of the structure and amount of the target remuneration of the members of the Board of Management in the financial year 2022.



* CEO = Chief Executive Officer, RBM = regular board member.
1_For simplicity reasons, the LTI percentage as well as the LTI target amount are based on target allocation values.
2_The overall compensation cap of € 11,750 thou | € 6,000 thou including pension contributions limits the effective payout of the LTI to a maximum of 272 %.
3_Shareholding requirement plus LTI at full run-rate.

Components of the Board of Management remuneration and their relation to strategy

Fixed remuneration

The fixed remuneration components comprise the base salary, perquisites, and pension contributions. They serve to provide a competitive remuneration to attract and retain Board of Management members, whose experience and skills enable them to develop and successfully implement the Allianz Group's strategy. They secure a reasonable level of income in line with market conditions, and promote a management of the company that is commensurate with risk.

Base salary

The base salary, which is not performance-related, is paid in twelve equal monthly installments.

Perquisites

Perquisites mainly consist of contributions to accident and liability insurances, tax consultant fees, and the provision of a company car and further individual perquisites if applicable. Perquisites are not linked to performance. Each member of the Board of Management is responsible for paying the income tax due on these perquisites. The Supervisory Board regularly reviews the level of perquisites; a contractual annual cap applies. If an appointment to the Board of Management requires a change of residence, relocation expenses are reimbursed to an appropriate extent.

Pension contribution

To provide competitive and cost-effective retirement and disability benefits, company contributions to the defined-contribution pension plan "My Allianz Pension" are invested with a guarantee for the contributions paid, but no further interest guarantee.

Each year, the Supervisory Board decides whether a budget is provided and, if so, to what extent. The current pension contribution generally represents 15% of the target compensation of the board members.

Apart from cases of occupational or general disability for medical reasons, the earliest age a pension can be drawn is 62. Should board membership cease before the retirement age is reached, accrued pension rights are maintained if vesting requirements are met.

Members of the Board of Management may have additional pension entitlements under former pension plans based on previous positions in the Allianz Group or due to membership of the Board of Management prior to 2015. Payments of social insurance contributions abroad required by Allianz in individual cases may also give rise to additional pension entitlements.

Performance-based remuneration

The performance-based variable remuneration includes the short-term annual bonus and long-term share-based remuneration. The composition aims to balance short-term performance, longer-term success, and sustained value creation. The Supervisory Board ensures that the targets for the variable remuneration are challenging, sustainable, and ambitious.

Annual bonus

The annual bonus provides incentives for profitable growth and further developing the operating business by successfully implementing the business objectives for the respective financial year. In doing so, the overall responsibility for reaching the Group targets as well as the individual performance with regard to the operational responsibilities of the individual members of the Board of Management are taken into consideration.

The annual bonus is derived by multiplying the target achievement factor by the target amount for the annual bonus, and is paid out in cash after the end of the relevant financial year, with payment limited to a maximum of 150% of the target amount.

Long-term incentive – LTI

The long-term, share-based compensation is oriented mainly towards the sustainable increase in the enterprise value. Taking the share price performance in absolute and relative terms as a basis, it encourages combining the interests of the shareholders with those of the members of the Board of Management.

Other stakeholder aspects are taken into consideration by setting strategic sustainability targets, whose achievement forms the basis for the final assessment at the end of the four-year contractual vesting period.

Almost two thirds (64%) of the variable remuneration is share-based, so as to adequately reflect the long-term performance of the company in the Board of Management remuneration.

Additional remuneration principles

Shareholding obligation and shareholding exposure

The members of the Board of Management are obliged to build up the following degree of share ownership within three years:

- Chairperson of the Board of Management: two times base salary, i.e., € 3,822 thou,
- Regular Board of Management member: one time base salary, i.e., € 975 thou.

Holding is required for the entire term of service on the Board of Management. Shares will be acquired through mandatory pay component conversion. In case of a base salary increase, the shareholding obligation increases accordingly. The holding obligation ceases with the end of the mandate.

In combination with the virtual shares (RSU) accumulated over four years through the LTI plan, the Allianz SE Board of Management has significant economic exposure to the Allianz stock: It amounts to approximately 800% of base salary for the Chairperson and approximately 700% of base salary for a regular board member.

Malus/clawback

In order to ensure sustainable corporate development and to avoid taking inappropriate risks, variable remuneration components may not be paid, or payment may be restricted, in the case of a significant breach of the Allianz Code of Conduct or regulatory Solvency II policies or standards, including risk limits.

In the same way, variable remuneration components already paid may be subject to a clawback for three years after payout. Additionally, a reduction or cancellation of variable remuneration may occur if the supervisory authority (BaFin) requires this in accordance with its statutory powers.

Payout cap

In accordance with §87a (1) sentence 2 (1) AktG and the recommendations of the German Corporate Governance Code, the Supervisory Board has determined a remuneration cap.

Thus, the actual payout for the underlying financial year, comprising the base salary, variable remuneration and pension service cost, will be capped at maximum € 11,750 thou for the Chairperson of the Board of Management, and at € 6,000 thou for a regular member of the Board of Management. If the remuneration for the financial year exceeds this amount, compliance with the maximum limit will be ensured by reducing the payout of the long-term variable remuneration accordingly.

This payout cap principle was introduced for the first time for the financial year 2019. Given that the actual amount of the paid out long-term variable remuneration cannot be determined until after vesting and the final sustainability assessment, compliance with the payout cap will be reported on for the first time in the Remuneration Report for the financial year 2024.

Deviation from the remuneration system

The Supervisory Board can temporarily deviate from the remuneration system in exceptional circumstances in accordance with the statutory requirements (§87a (2) AktG), if this is necessary in the interests of the long-term welfare of the company. The assessment may take into account both macroeconomic and company-related exceptional circumstances, such as impairment of the long-term viability and profitability of the company. The deviation requires a prior proposal by the Personnel Committee.

The components of the remuneration system from which deviations may be made in exceptional cases include in particular the base salary, the annual bonus and the long-term incentive (LTI), including their relationship to each other, their respective assessment bases where applicable, the target setting and target achievement assessment principles, and the determination of any payout and payment dates. The duration of the deviation shall be determined by the Supervisory Board at its due discretion, but should not exceed a period of four years. In a crisis situation, for example, this principle is intended to allow the appointment of a new board member, e.g., with crisis management expertise, with a remuneration structure that temporarily deviates from the remuneration structure.

In the financial year 2022, the Supervisory Board did not make use of the option to deviate from the remuneration system.

Remuneration adjustment

The Supervisory Board is also entitled to take appropriate account of extraordinary unforeseeable developments when determining the amount of the variable remuneration components. This rule takes up a recommendation of the German Corporate Governance Code and allows for the adjustment of the remuneration in rare unforeseeable exceptional cases.

Conceivable cases of application include, for example, significant changes in accounting rules, or in the tax or regulatory framework, as well as catastrophic events not yet known at the time of target setting. The application of this rule may also lead to a reduction in the variable remuneration.

The Supervisory Board may also adjust the target remuneration of the members of the Board of Management, insofar as this is appropriate to ensure that the remuneration of the Chairperson of the Board of Management or a regular member of the Board of Management is appropriate with regard to their duties and performance. In doing so, it shall take into account the horizontal and vertical comparison of the Board of Management remuneration. The aim of this rule is to moderately adjust Board of Management remuneration on the basis of horizontal and vertical salary trends, and thus to avoid major salary increases.

It does not constitute an automatic adjustment, but requires a justified decision by the Supervisory Board in each case. Such a moderate adjustment of the target remuneration does not in itself represent a significant change to the remuneration system. These adjustments or deviations must be justified in detail in the respective Remuneration Report for the financial year. The Remuneration Report is prepared in accordance with ARUG II and submitted to the Annual General Meeting for approval.

Termination of service

Board of Management contracts are limited to a period of five years. For new appointments, a shorter period of up to three years is provided based on the recommendation by the German Corporate Governance Code.

Severance payment cap

Payments for early termination to board members with a remaining term of contract of more than two years are capped at twice the annual compensation, consisting of the last financial year's base salary and 100% of the variable target compensation. If the remaining term of contract is less than two years, the payment is pro-rated for the remaining term of the contract. Contracts do not contain provisions for any other cases of early termination of Board of Management service.

In the event of a contractually agreed non-compete clause, a severance payment is offset against compensation resulting from the non-compete clause in case of premature termination of service.

Transition payment

Board members appointed before 1 January 2010 are eligible for a transition payment after leaving the Board of Management. The transition payment comprises an amount corresponding to the most recent base salary (paid for a period of six months), plus a one-time payment of 25% of the target variable remuneration at notice date. Where an Allianz pension is due at the same time, such pension is deducted from the monthly transition payments. In the event of a contractually agreed non-compete clause, the remittance of the transitional payment will be offset against the payment resulting from the non-compete clause.

Miscellaneous

Internal and external board appointments

When a member of the Board of Management simultaneously holds an appointment at another company within the Allianz Group or their joint ventures with outside partners, the full amount of the respective remuneration is transferred to Allianz SE.

In recognition of related benefits to the organization, and subject to prior approval by the Supervisory Board of Allianz SE, board members are also allowed to accept a limited number of non-executive supervisory roles at appropriate external organizations. In these cases, 50% of the remuneration received is paid to Allianz SE.

The respective board member will retain the full remuneration for that position only if the Allianz SE Supervisory Board classifies the appointment as a personal one *(ad personam)*. Any remuneration paid by external organizations will be itemized in those organizations' annual reports; its level will be determined by the governing body of the relevant organization.

Variable remuneration system

Target achievement factor to determine the variable remuneration

In line with the overarching strategic objective "simplicity wins", the calculation of variable remuneration follows a simple system. The annual bonus and LTI allocation are based on only two Group financial targets for the relevant financial year: operating profit and net income attributable to shareholders, each at 50%. The resulting target achievement is adjusted by an individual contribution factor (ICF) in the range of 0.8 to 1.2, which reflects both the results of the business division and the performance of the individual board member. If targets are not met, the variable compensation can be reduced to zero. If targets are significantly exceeded, the target achievement is limited to 150%.

Target achievement factor (maximum 150 %) to calculate:
- annual bonus and
- LTI allocation value

Group financial targets

Operating profit (50 %) + Net income, attributable to shareholders (50 %) × Individual contribution factor 0.8 – 1.2

Group financial targets

The Group financial targets are based on equally weighted targets for Group operating profit and Group net income attributable to shareholders. Adjustments are only applied to acquisitions and disposals that account for more than 10% of the Group's operating profit or net income attributable to shareholders, or that have a value-adding effect from a risk management perspective (e.g., portfolio transfers) and were not yet known at the time the plan was prepared. This regulation is intended to prevent meaningful transactions from having a negative impact on the remuneration of the Management Board.

Operating profit highlights the underlying performance of ongoing core operations.

Net income attributable to shareholders is the profit after tax and non-controlling interests (minorities). Furthermore, the net income forms the basis for the dividend payout and for the return on equity calculation. Both key performance indicators (KPIs) are important steering parameters for the Allianz Group and therefore reflect the level of implementation of the Group's strategy.

The Group's financial target achievement is limited to a maximum of 150% and can drop to zero.

The minimum, target, and maximum values for the Group financial targets are set annually by the Supervisory Board. These are documented for the respective next financial year and published ex-post in the Remuneration Report.

Individual contribution factor (ICF): 0.8 – 1.2

	Strategic priority	• Individual strategic goal per Board member, set at the beginning of each performance year, linked to a corresponding performance indicator
Performance	Profitability	• Divisional focus: Business Division Operating Profit and Net Income • Functional focus: Special quantitative targets if applicable
Performance	Productivity	• Divisional focus: Business Division Property-Casualty Expense Ratio and Asset Management Cost-Income Ratio • Functional focus: Special quantitative targets if applicable
Sustainability	Environmental	• Decarbonizing the Allianz Group's business operations and increasing the share of renewable energy • Decarbonizing the investment portfolio in line with the Asset Owner Alliance targets as part of the Net-zero Asset Owner Alliance commitment
Sustainability	Social	• Customer loyalty: Development digital Net Promoter Score development • Employee satisfaction: Development Inclusive Meritocracy Index, Work Well Index Plus
Sustainability	Governance	• Leadership contribution with particular focus on Customer & Market Excellence, Collaborative Leadership, Entrepreneurship and Trust
Sustainability	Overarching	• Securing strong sustainability position in ESG ratings • Develop strategy for sustainability in asset management, leading to a strong competitive positioning in sustainable product offering and ensuring strong sustainability reputation • Define approach and KPIs for sustainable claims management

Impact

Annual bonus (short-term) + LTI grant (long-term) + LTI sustainability assessment (long-term)

Individual performance indicators

The Group financial target achievement is multiplied by the ICF for each member of the Board of Management. The ICF is based on an assessment by the Allianz SE Supervisory Board of performance, sustainability and strategic goals, based on KPIs reflecting the respective Board member's area of responsibility and their personal contribution.

- Strategic priority: An individual strategic priority will be set for every Board member at the beginning of each performance year, linked to a corresponding KPI and qualitatively assessed by the Supervisory Board. In addition, there are overarching strategic goals that apply to all Board members.
- Performance (Business division targets): For board members with business-related division responsibilities, the contribution to the financial performance is based on various indicators of profitability (e.g., operating profit and net income) and productivity (e.g., expense ratio) for the respective business division. For Board members with a functional focus, division-specific performance targets are determined based on their key responsibilities, and are qualitatively assessed.
- Sustainability targets: The development of strategy for sustainability in asset management and the definition of an approach and KPIs for sustainable claims management have been newly introduced across the board, and – as before – the securing of the strong sustainability positioning in three leading sustainability indices is assessed. Customer satisfaction (digital Net Promoter Score (dNPS)) and employee satisfaction (Inclusive Meritocracy Index and Work Well Index Plus) are taken into account in the sustainability social targets. With respect to Governance, management qualities are also assessed along with behavioral aspects (for example, customer orientation, personnel management, corporate behavior), and credibility (for example, social responsibility, integrity, diversity). The development of the following elements are taken into account in regard to climate protection, when assessing the ICF:

  - Decarbonizing the Allianz Group's business operations and increasing the share of renewable energy in order to reduce carbon emissions by 50% by year-end 2025 (baseline year 2019).
  - Decarbonizing the investment portfolio in line with the U.N.-Convened Net-Zero Asset Owner Alliance with the interim target of reducing emissions in listed equities and corporate bond asset classes by 25% by year-end 2024 (baseline year 2019).

Additional information can be found in the Non-Financial Statement for the Allianz Group and Allianz SE.

Determining the individual contribution factor (ICF)

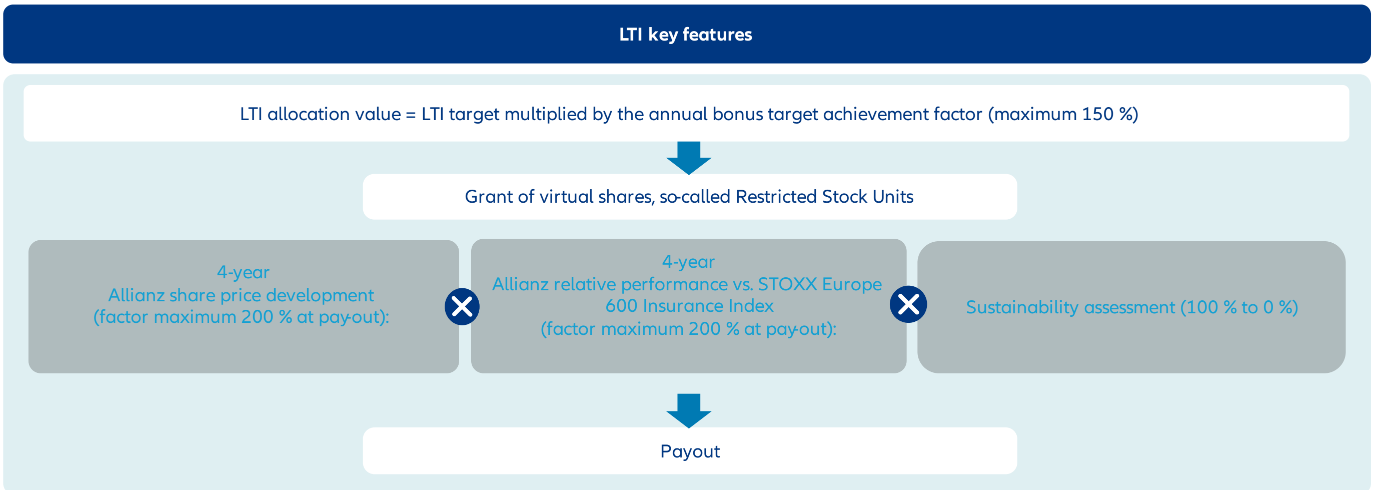
The Supervisory Board determines the ICF for each member of the Board of Management based on the fulfillment of the individual performance indicators. Most of the performance indicators are provided with quantitative criteria, and therefore offer a sufficiently concrete basis for the combined assessment.

Each ICF category – strategic priority, performance, and sustainability – has a significant weighting, and all three categories are of equal importance and contribution to the overall assessment. However, the individual indicators are not weighted on a fixed percentage basis, so that the ICF is not determined on the basis of a formulaic calculation. This allows the Supervisory Board to take appropriate consideration of the individual criteria and to react appropriately to changes in priorities during the year. In particular, significantly underperforming in one category should allow a low overall rating without being balanced out by the other indicators.

Since the performance is determined without a specified weighting, the ICF covers a narrow range of 0.8 to 1.2.

Long-term incentive (LTI) design

The long-term, share-based compensation component makes up the largest portion of variable compensation. It promotes alignment with shareholders and reflects the sustainable implementation of the company's long-term strategy. The LTI is based on the performance in absolute and relative terms (i.e., versus competitors) of the Allianz share. Furthermore, the long-term development of KPIs is reflected in the deferred sustainability assessment following the four-year contractual vesting period.

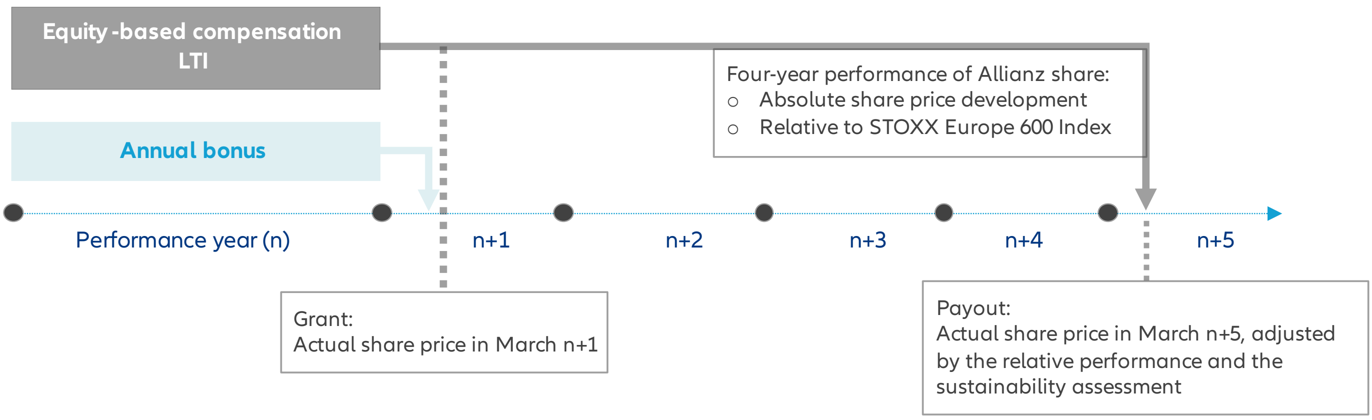


- **Grant and contractual vesting period:** The LTI is granted annually in the form of virtual Allianz shares, so-called restricted stock units (RSUs). The number of RSUs to be granted corresponds to the LTI allocation amount, divided by the allocation value of an RSU at grant:
  - The LTI allocation amount is derived by multiplying the LTI target amount by the annual bonus achievement factor, and capped at maximum 150% of the target level.
  - The RSU allocation value is based on the ten-day-average Xetra closing price of the Allianz stock following the annual financial media conference[1]. As RSUs are virtual stock without dividend payments, the relevant share price is reduced by the net present value of the expected future dividend payments during the four-year contractual vesting period.

The LTI grant is followed by a contractual vesting period of four years. After that period, the LTI amount to be paid is determined based on the relative performance of the Allianz share, the relevant share price, and the results of the sustainability assessment.

- **Relative performance versus peers:** Besides the absolute share-price development, the LTI payout takes the relative performance of the Allianz share into account. The total shareholder return (TSR) of the Allianz share is benchmarked against the TSR of the STOXX Europe 600 insurance index by reflecting the relation of the total performance of the Allianz share ("Allianz TSR") and the total performance of the STOXX Europe 600 insurance index ("Index TSR") between the start and end of the four-year contractual vesting period. The payout is based on the TSR performance factor, which is calculated as follows:
  - At the end of the contractual vesting period, the difference between the Allianz TSR and the Index TSR is determined in percentage points; the result is multiplied by "2": As the comparison with competitors and the market is of outstanding importance, the outperformance/underperformance is weighted twofold.
  - To determine the factor, 100 percentage points are added to the result. Example: 1 percentage point outperformance results in a relative performance factor of 102%; 1 percentage point underperformance results in a relative performance factor of 98%.

In order to avoid incentivizing excessive risk-taking, the relative TSR performance factor is limited: it can vary between zero (for underperformance of the index by -50 percentage points or lower) and 200% (for outperformance of the index by minimum +50 percentage points or higher).



- **Sustainability assessment:** Prior to the payout of each LTI tranche, the Supervisory Board determines, following a preliminary assessment by the Personnel Committee, whether there are any sustainability-related concerns regarding a full payout. If so, payment of the tranche may be canceled in full or in part.

  Subject of the sustainability assessment are:

  - compliance breaches,
  - balance sheet issues, such as reserve strength, solvency, indebtedness, and ratings,
  - KPIs entailed in the individual board members' targets, such as dNPS, employee satisfaction, and climate targets.

  The assessment is made applying a comparable basis; i.e., any regulatory changes, changes in accounting regulations, or changes in calculation methods for the KPIs in question are taken into account.

1_For accounting purposes, the determination of the fair value of RSUs is based on an option pricing model, taking into account additional input parameters, including the term structure of interest rates and the expected relative performance of the Allianz share price compared to the peer index. For the latter, simulation techniques are applied at the valuation date to determine the volatility of the Allianz stock, the volatility of the peer index, their correlation, and the expected dividends. The value of the RSUs used for the board members' compensation may deviate from this IFRS value, as a simplified calculation method was applied to increase transparency and traceability.

– **Allianz share performance, payout, and cap:** Following the end of the four-year contractual vesting period, the granted RSUs are settled in cash, based on the ten-day average Xetra closing price of the Allianz SE share following the annual financial media conference in the year the respective RSU plan vests, multiplied by the relative TSR performance factor, and adjusted by the sustainability assessment, if necessary. The relevant share price is capped at 200% of the grant price. Likewise, the relative TSR performance factor is capped at a maximum of 200%. Taking into account the overall compensation cap (€ 6,000 thou for a regular board member and € 11,750 thou for the Chairperson of the Board of Management), the LTI payout in relation to the LTI target – which deviates from the individual LTI component caps – is limited to 272%.

Outstanding RSU holdings are forfeited should a board member leave at their own request or be terminated for important cause.

Illustrative examples:

LTI payout: performance exceeds expectation (scenario 1)

Illustrative example for RBM	%	Number RSUs	€ thou
LTI initial grant based on:			
•LTI target			1,463
•LTI allocation amount: annual bonus achievement factor applied to LTI target	110		1,609
•RSU grant (listed share price: € 220, share price relevant to the calculation of the allocation: € 170 (= reduced by the net present value of estimated future dividends of € 50))		9,466	
LTI payout at vesting based on:			
•RSUs x share price at vesting (€ 269)			2,546
•TSR relative performance factor: 2 x (TSR Allianz: 45 % – TSR Stoxx Europe 600 Insurance: 40 %) + 100 %	110		
Payout			**2,801**

LTI payout: performance remains below expectation (scenario 2)

Illustrative example for RBM	%	Number RSUs	€ thou
LTI initial grant based on:			
•LTI target			1,463
•LTI allocation amount: annual bonus achievement factor applied to LTI target	90		1,317
•RSU grant (listed share price: € 220, share price relevant to the calculation of the allocation: € 170 (= reduced by the net present value of estimated future dividends of € 50))		7,745	
LTI payout at vesting based on:			
•RSUs x share price at vesting (€ 203)			1,572
•TSR relative performance factor: 2 x (TSR Allianz: 15 % – TSR Stoxx Europe 600 Insurance: 40 %) + 100 %	50		
Payout			**786**

Application of the remuneration system in the financial year

Variable remuneration for the financial year

Financial Group targets and target achievement

The degree of target achievement for the Group's financial targets is calculated as the simple average of the target achievement of the operating profit for the year and the net income attributable to shareholders for the year. The operating profit target of € 13.40 bn was exceeded to € 14.16 bn as the Property-Casualty, Life/Health, Corporate and Other business segments achieved strong growth in operating profit and more than compensated for the decline in the Asset Management business segment. This resulted in a target achievement of 111.40% for operating profit.

As a consequence of the war in Ukraine, Allianz SE decided to withdraw from the Russian market. This decision could not have been foreseen either in the budget planning or in the actual target setting. The planned divestment of the majority stake in Allianz's Russian business resulted in extraordinary charges of € 437 mn in the financial year 2022, which are reflected in the net income attributable to shareholders. In the event of such unforeseeable extraordinary developments, it is at the discretion of the Supervisory Board to take them into account, if necessary, when determining target achievement. In order to recognize the actual performance of the Board of Management in the context of variable compensation, the Supervisory Board took into account the losses incurred as a result of this planned sale of a majority interest when it determined target achievement. Adjusted for this effect, net income attributable to shareholders in the past financial year was € 7.17 bn. This was slightly below the target of € 7.20 bn, resulting in target achievement of 99.29%.

Overall, this results in an achievement rate of 105.35% for the Group financial targets.

Group financial target achievement 2020-2022

Group financial target achievement	Operating profit			Net income attributable to shareholders			Achievement level combined in %		
Financial year	2020	2021	2022	2020	2021	2022	2020	2021	2022
Bonus curve									
0 % - Floor in € bn	6.00	6.00	6.70	4.00	3.60	3.60			
100 % - Target in € bn	12.00	12.00	13.40	7.90	7.20	7.20			
150 % - Max in € bn	15.00	15.00	16.75	9.85	9.00	9.00			
Target achievement							75.58	103.47	105.35
Achievement level in € bn	10.75	13.40	14.16	6.81	6.61	7.17			
Achievement level in %	79.19	123.33	111.40	71.97	83.60	99.29			
Weight in %	50.00	50.00	50.00	50.00	50.00	50.00			

Individual performance indicators and application of the individual contribution factor

In order to calculate the annual bonus, the target achievement level of the Group's financial targets is multiplied by the individual contribution factor (ICF). The Supervisory Board determines the ICF for each Board member in line with their achievement of the targets defined in the individual agreement on the financial and non-financial targets.

Individual performance indicators

Board members	2022 Summary of individual performance	Individual contribution factor (ICF)
Oliver Bäte	• Another record operating profit again in the crisis year of 2022. • Top results in terms of both brand strength and customer and employee satisfaction. • Swift resolution of the Structured Alpha proceedings in the United States and establishment of the partnership with Voya Investment Management.	1.16
Sergio Balbinot	• Substantial contribution to strong Group performance with the portfolio that he managed. • Crucial contribution to the further expansion of claims management expertise in the Allianz Group. • Successful induction of Ms. Boshnakova and Ms. Wagner in their new regional areas of responsibility.	1.15
Sirma Boshnakova	• Successful turnaround of Allianz Partners after the COVID-19 crisis. • Very solid results in the large companies in France and Italy, and improvements in customer satisfaction.	1.12
Dr. Barbara Karuth-Zelle	• Further progress in modernizing the architecture and management of the technology portfolio. • Improved cooperation between the technology entities and the national organizations, despite substantial challenges arising from demanding transformation projects.	1.12
Dr. Klaus-Peter Röhler	• Again very good contributions to strong financial results and the further strategic development of the Allianz Group. • Management of the crisis in Ukraine, solid results in the Property-Casualty insurance business segment, and further improvements of employee satisfaction results – all deserving of particular emphasis.	1.14
Ivan de la Sota	• Financial target achievement adversely impacted by disappointing performance of the entities in Brazil and Spain. • Progress in expanding the claims management platform; successful integration of Control€xpert and acquisition of Innovation Group. • Delivery of measurable economies of scale and economic benefit in Group-wide IT initiatives could be further improved.	0.90
Giulio Terzariol	• Significant contribution to the record operating profits again delivered in 2022. • Consistent strengthening of the solvency ratio and essential credit ratings, and safeguarding Group liquidity. • Exemplary preparations of the Allianz Group for the introduction of the new accounting standards IFRS 9 and 17 in 2023.	1.13
Dr. Günther Thallinger	• Solid investment result in an extremely difficult capital market environment and successful capital reallocation on the asset side of the balance sheet. • Excellent contributions to the expansion of the Allianz Group's leadership role in terms of sustainability matters and measures to cope with climate change.	1.13
Christopher Townsend	• Once again made delivery of significant contributions to further boost the profitability of the Commercial Lines business. • Very good progress in building the transnational Commercial Lines platform.	1.13
Renate Wagner	• Further improvements in strategic HR planning and support for employees through the flexibilization and modernization of the working environment in the Allianz Group. • Consistent improvements in Group governance and successful management of complex transactions, such as the strategic partnership with Voya Investment Management.	1.14
Dr. Andreas Wimmer	• Prudent management of the repercussions of the Structured Alpha settlement, including in the partnership with Voya Investment Management. • Improvement in governance at Allianz Asset Management Holding.	1.12

As CEO, Oliver Bäte once again led the company and his team with a steady hand to record operating profit in the crisis year 2022. In addition, both brand strength and customer & employee satisfaction reached record highs. His prudent actions were instrumental in the swift resolution of the Structured Alpha proceedings in the United States and the establishment of the partnership with Voya Investment Management to strengthen the U.S. business of Allianz Global Investors.

Through strong results in his regional portfolio, Sergio Balbinot again delivered significant contributions to the strong Group performance in 2022; not only in terms of financial results, but also with further improvements in customer satisfaction and brand strength. Beyond his own regional portfolio, Mr. Balbinot led the Group in expanding its claims management expertise and successfully supported Ms. Boshnakova and Ms. Wagner in assuming their new regional areas of responsibility. Mr. Balbinot left the Board of Management of Allianz after eight very successful years but will continue to be available to the Group in various important functions, including as Chairperson of the Board of Directors of Allianz S.p.A.. The Supervisory Board thanks Mr. Balbinot for his outstanding contributions to the sustainable success of the Allianz Group.

In her first year on the Board of Management, Sirma Boshnakova has successfully assumed leadership of her new area of responsibility and integrated well into the Board of Management team. The turnaround of Allianz Partners was successfully achieved after the challenges of the COVID-19 crisis. In addition, the large operating entities in France and Italy delivered very solid results. The improvements in customer satisfaction are particularly noteworthy, including the market leadership in the Life/Health and Property-Casualty insurance businesses in France. For 2023, the Supervisory Board expects to see an increase in the competitiveness of Allianz Direct. In addition, the new claims service platform is to be systematically established and anchored throughout the Group.

Ivan de la Sota's financial target achievement was again adversely impacted by the disappointing performance of the entities in Brazil and Spain. Progress was made, primarily in the ongoing improvement and expansion of the claims management platform, as well as the successful integration of Control€xpert and the acquisition of Innovation Group. Allianz X was also able to set important innovation stimuli in 2022. Progress in group-wide IT initiatives can be further improved. In the future, the delivery of measurable economies of scale and economic benefits, in particular, must become a stronger focus. Mr. de la Sota left Allianz after 32 years at the end of the financial year 2022. He has had a successful career in key operational roles in Spain, Portugal, and Latin America, and has held critical transformational roles in the Group. The Supervisory Board thanks Mr. de la Sota for his very good contributions to the sustainable success of the Allianz Group and wishes him all the best for his future.

Barbara Karuth-Zelle made further progress in modernizing the IT architecture and managing the technology portfolio. In addition to maintaining a consistent focus on the core business, she systematically addressed operational deficiencies in the IT infrastructure. Ms. Karuth-Zelle also further improved cooperation between the group-wide technology entities and local operating entities, despite the considerable challenges arising from the demanding transformation projects. The further increase in employee satisfaction at Allianz Technology, which also had a positive effect on the Group's results in 2022, is also impressive. The efforts undertaken by Ms. Karuth-Zelle to consistently improve IT security within the Allianz Group should also be highlighted. For 2023, the Supervisory Board expects to see improved stability of infrastructure services and user satisfaction with workplace services. At the same time, economic control of the IT budget must be systematically improved.

Klaus-Peter Röhler again delivered very good contributions to both the strong financial results and the strategic development of the Allianz Group with the portfolio that he manages. Despite considerable distortions in capital markets, spiraling inflation, and the war in Ukraine, overall target achievement was very good. The solid results in the Property-Casualty insurance business segment and the further improvement of employee satisfaction are particularly noteworthy. His handling of the effects of the war in Ukraine was excellent. For 2023, the Supervisory Board expects continued progress towards market leadership in terms of customer satisfaction, especially at Allianz Versicherungs-AG in Germany, and strengthened growth of profitable customer segments, especially in Germany and Switzerland.

As CFO, Giulio Terzariol contributed significantly to delivering the operating profit of € 14.16 bn, yet another record result. He consistently worked to strengthen the solvency ratio and key credit ratings, as well as to safeguard Group liquidity. Stringent capital management and the achievement of financial results contributed significantly to the recovery of the share price in the second half of the year. Mr. Terzariol prepared the Allianz Group in an exemplary manner for the introduction of the new accounting standard IFRS 9 and IFRS 17 in 2023. For 2023, the Supervisory Board expects the successful integration of the control functions in Mr. Terzariol's area of responsibility, the strengthening of the management of potential reputational risks, and the further development of automated transformation controlling.

Günther Thallinger again achieved a very solid investment result in an extremely difficult capital market environment, with simultaneously falling prices for equity and fixed-income securities as well as a massive inflation shock. In addition, Mr. Thallinger successfully implemented the capital reallocation on the asset side of the balance sheet. His contributions to the excellent expansion of the Allianz Group's leadership role in sustainability issues and the management of climate crisis are also particularly noteworthy. Apart from helping Allianz to maintain its top position in leading sustainability rankings, Mr. Thallinger was also personally recognized for his achievements; for example, through his re-election as Chairperson of the Net Zero Asset Owner Alliance. For 2023, the Supervisory Board expects further progress in the profitable growth of the health insurance business and the increase of risk capital efficiency.

Christopher Townsend again made strong contributions to improve the profitability of the Commercial Lines business in 2022. Both Allianz Global Corporate & Specialty and Allianz Trade delivered results that exceeded the ambitious plans. The design of a transnational Commercial Lines platform also made very good progress under his leadership. For 2023, the Supervisory Board expects to see sustainable improvements in the results of Allianz UK and further progress in the globalization of the Commercial Lines business.

Renate Wagner again made excellent progress in her areas of responsibility in 2022. In Human Resources, strategic personnel planning was further improved and support of Allianz employees was reinforced in a sustainable manner by flexibilizing working time arrangements and modernizing the working environment. In addition, Ms. Wagner consistently drove the required improvements in Group governance. Under her leadership, the M&A team successfully supported highly complex transactions, including the strategic partnership between Allianz Global Investors and Voya Investment Management. For 2023, the Supervisory Board expects to see a further expansion of strategic HR planning and recruitment, particularly in critical areas such as technology, as well as continued diversification of talent pools.

Andreas Wimmer managed the challenges in the Asset Management business segment and US Life Insurance very well against the backdrop of a very difficult capital market environment. In particular, he managed the consequences of the settlements concluded with U.S. authorities in the Structured Alpha matter with great prudence, including the negotiation and immediate implementation of the partnership with Voya Investment Management and the improvement in governance at Allianz Asset Management Holding. For 2023, the Supervisory Board expects to see a strengthening of growth through the continued transformation of the Life Insurance and Asset Management business segments, for example through cross-segmental product innovations and further build-out of distribution channels.

Overview target achievement and variable remuneration for the financial year

The following table shows the amounts for annual payout and LTI-allocation resulting from the target achievement of the financial year 2022, as well as the target, minimum, and maximum amount of the variable compensation components.

Target achievement and variable remuneration of the members of the Board of Management for the financial year

		Target achievement			Annual bonus				LTI allocation[1]			
Board member		Group financial performance	ICF	Target achievement factor	Target	Min	Max	Payout	Target	Min	Max	Allocation
Active board members in 2022		%	0.8-1.2	%	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou
Oliver Bäte	2022	105.35	1.16	122.21	1,593	-	2,390	1,947	2,867	-	4,301	3,504
Appointed: 01/2008	2021	103.47	1.06	109.68	1,593	-	2,390	1,748	2,867	-	4,301	3,145
CEO since 05/2015	2020	75.58	1.17	88.43	1,422	-	2,133	1,257	2,559	-	3,839	2,263
Sergio Balbinot	2022	105.35	1.15	121.15	813	-	1,220	985	1,463	-	2,195	1,772
Appointed: 01/2015	2021	103.47	1.06	109.68	813	-	1,220	892	1,463	-	2,195	1,605
End of service: 12/2022	2020	75.58	1.16	87.67	813	-	1,220	713	1,463	-	2,195	1,283
Sirma Boshnakova	2022	105.35	1.12	117.99	813	-	1,220	959	1,463	-	2,195	1,726
Appointed: 1/2022	2021	-	-	-	-	-	-	-	-	-	-	-
	2020	-	-	-	-	-	-	-	-	-	-	-
Dr. Barbara Karuth-Zelle	2022	105.35	1.12	117.99	813	-	1,220	959	1,463	-	2,195	1,726
Appointed: 01/2021	2021	103.47	1.04	107.61	813	-	1,220	875	1,463	-	2,195	1,574
	2020	-	-	-	-	-	-	-	-	-	-	-
Dr. Klaus-Peter Röhler	2022	105.35	1.14	120.10	813	-	1,220	976	1,463	-	2,195	1,757
Appointed: 04/2020	2021	103.47	1.05	108.64	813	-	1,220	883	1,463	-	2,195	1,589
	2020	75.58	1.15	86.92	611	-	917	531	1,100	-	1,650	956
Ivan de la Sota	2022	105.35	0.90	94.82	813	-	1,220	771	1,463	-	2,195	1,387
Appointed: 04/2018	2021	103.47	0.98	101.40	813	-	1,220	824	1,463	-	2,195	1,483
End of service: 12/2022	2020	75.58	1.11	83.89	813	-	1,220	682	1,463	-	2,195	1,227
Giulio Terzariol	2022	105.35	1.13	119.05	813	-	1,220	968	1,463	-	2,195	1,742
Appointed: 01/2018	2021	103.47	1.04	107.61	813	-	1,220	875	1,463	-	2,195	1,574
	2020	75.58	1.14	86.16	813	-	1,220	700	1,463	-	2,195	1,261
Dr. Günther Thallinger	2022	105.35	1.13	119.05	813	-	1,220	968	1,463	-	2,195	1,742
Appointed: 01/2017	2021	103.47	1.04	107.61	813	-	1,220	875	1,463	-	2,195	1,574
	2020	75.58	1.14	86.16	813	-	1,220	700	1,463	-	2,195	1,261
Christopher Townsend	2022	105.35	1.13	119.05	813	-	1,220	968	1,463	-	2,195	1,742
Appointed: 01/2021	2021	103.47	1.04	107.61	813	-	1,220	875	1,463	-	2,195	1,574
	2020	-	-	-	-	-	-	-	-	-	-	-
Renate Wagner	2022	105.35	1.14	120.10	813	-	1,220	976	1,463	-	2,195	1,757
Appointed: 01/2020	2021	103.47	1.05	108.64	813	-	1,220	883	1,463	-	2,195	1,589
	2020	75.58	1.14	86.16	813	-	1,220	700	1,463	-	2,195	1,261
Dr. Andreas Wimmer[2]	2022	105.35	1.12	117.99	813	-	1,220	959	1,463	-	2,195	1,726
Appointed: 10/2021	2021	103.47	1.00	103.47	205	-	308	226	369	-	554	407
	2020	-	-	-	-	-	-	-	-	-	-	-

1_Derived by multiplying the LTI target amount by the total target achievement factor.

2_Annual bonus and LTI allocation for performance year 2021 pro rata for three months. Payout determined using the weighted average of the target achievement of Allianz Lebensversichungs-AG (126.5 %: 110 % company target achievement and 1.15 ICF) with a weighting of 30 % and the Allianz SE target achievement with a weighting of 70 %.

Individual remuneration of members of the Board of Management

The following tables show the individual remuneration of those members of the Board of Management who were active in the reporting year.

The table "Remuneration in the financial year" features the remuneration awarded and due in accordance with §162 (1) sentence 1 AktG. It includes the payments made in the financial year for base salary, perquisites, and other remuneration. For the variable remuneration, the components for performance fully rendered in the financial year are reported. This requirement is met in case the applicable performance criteria are fulfilled and conditions subsequent and suspensive have been met or have ceased to exist. For the financial year 2022, this is the annual bonus that refers to the 2022 performance period and is paid out in March 2023. For the share-based renumeration, the payout of the RSU allocation of the Allianz Equity Incentive (AEI) for the financial year 2017, which vested in the financial year 2022, is reported.

The additional table "Remuneration for the financial year" goes above and beyond the requirements of §162 AktG. It includes the contributions to base salary and perquisites made in the respective financial year, as well as the annual bonus for the respective financial year and the allocation amount of the share-based remuneration for the financial year.

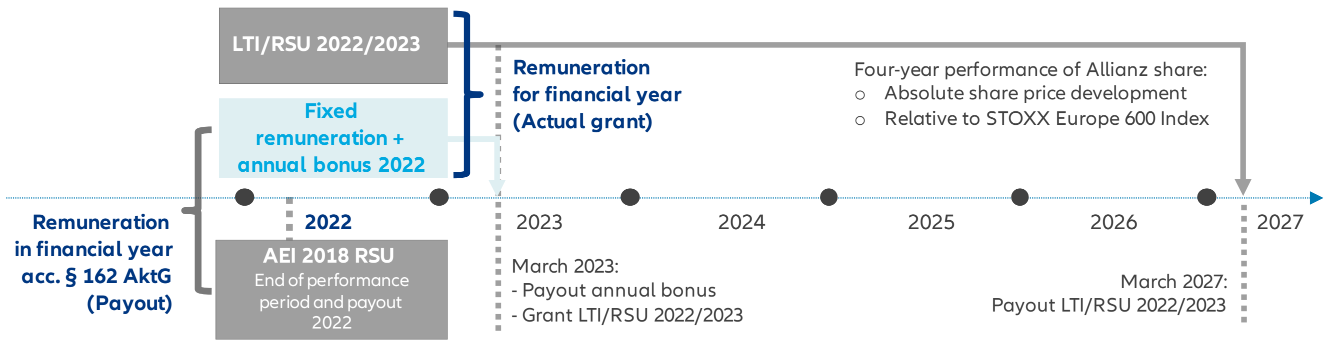
The amounts for the annual bonus and LTI allocation reported here result from the achievement of the targets for the financial year. The information therefore directly depicts the correlation between remuneration and business development.

Furthermore, the remuneration for the financial year is decisive for reviewing the retention of the general payout cap of € 11,750 thou for the Chairperson of the Board of Management and € 6,000 thou for a regular member. It is reviewed prior to the payout in 2027 and 2026 of the LTI tranches allocated for the financial year 2022 and 2021, and reported in the remuneration report for the respective financial year.

Furthermore, the pension expenses in the financial year are listed in both tables, even if these are not regarded as remuneration awarded and due in accordance with §162 AktG. Finally, in addition to the absolute amounts, the share of the individual remuneration components relative to the total remuneration is stated.

The information provided for by the Stock Corporation Act on remuneration awarded and due to former members of the Board of Management is shown in a separate table for the sake of clarity.

The following diagram presents the allocation of the remuneration components in the two tables, using the financial year 2022 as an example:



Remuneration in the financial year

The following table shows the remuneration awarded and due in accordance with § 162 (1) sentence 1 AktG. It includes the payments made in the financial year for base salary and perquisites, the annual bonus that refers to the performance period of the financial year, and the payout amount of the share-based remuneration that vested in the financial year. Furthermore, the pension expenses in the financial year are listed, even if these are not regarded as remuneration awarded and due in accordance with § 162 AktG.

Individual remuneration: 2022 and 2021
€ thou (total might not sum up due to rounding)

Board members		Fixed compensation				Variable short-term		Variable long-term				Total compensation acc. § 162 AktG	Pension service cost	Total
		Base salary		Perquisites		Annual bonus		Share-based compensation		Other compensation				
Board members active in financial year		€ thou	in % of TC	€ thou	in % of TC	€ thou	in % of TC	€ thou	in % of TC	€ thou	in % of TC	€ thou	€ thou	€ thou
Oliver Bäte	2022	1,911	34	15	-	1,947	34	1,786	32	-	-	5,660	1,122	6,782
Appointed: 01/2008 CEO since 05/2015	2021	1,911	32	11	-	1,748	30	2,242	38	-	-	5,912	1,050	6,961
Sergio Balbinot	2022	975	31	22	1	985	31	1,203	38	-	-	3,184	469	3,653
Appointed: 01/2015 end of service: 12/2022	2021	975	28	91	3	892	26	1,495	43	-	-	3,453	467	3,920
Sirma Boshnakova	2022	975	50	27[1]	1	959	49	-	-	-	-	1,961	412	2,373
Appointed: 01/2022	2021	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Barbara Karuth-Zelle	2022	975	50	11	1	959	49	-	-	-	-	1,945	556	2,502
Appointed: 01/2021	2021	975	52	11	1	875	47	-	-	-	-	1,861	398	2,258
Dr. Klaus-Peter Röhler	2022	975	49	19	1	976	50	-	-	-	-	1,970	533	2,503
Appointed: 04/2020	2021	975	52	30	2	883	47	-	-	-	-	1,888	540	2,428
Ivan de la Sota	2022	975	12	9	-	771	9	-	-	6,502[2]	79	8,257[3]	527	8,784[3]
Appointed: 04/2018 end of service: 12/2022	2021	975	54	15	1	824	45	-	-	-	-	1,814	535	2,349
Giulio Terzariol	2022	975	49	30	2	968	49	-	-	-	-	1,973	570	2,543
Appointed: 01/2018	2021	975	52	20	1	875	47	-	-	-	-	1,870	565	2,435
Dr. Günther Thallinger	2022	975	32	2	-	968	32	1,106	36	-	-	3,051	548	3,599
Appointed: 01/2017	2021	975	53	2	-	875	47	-	-	-	-	1,852	548	2,400
Christopher Townsend	2022	975	49	30	2	968	49	-	-	-	-	1,972	412	2,384
Appointed: 01/2021	2021	975	51	53	3	875	46	-	-	-	-	1,903	412	2,315
Renate Wagner	2022	975	49	26	1	976	49	-	-	-	-	1,977	526	2,504
Appointed: 01/2020	2021	975	52	25	1	883	47	-	-	-	-	1,883	527	2,410
Dr. Andreas Wimmer	2022	975	50	9	-	959	49	-	-	-	-	1,944	413	2,357
Appointed: 10/2021	2021	244	52	2	-	226	48	-	-	-	-	472	51	522

1_Ms. Boshnakova's perquisites include the payment by Allianz Partners of accommodation expenses totaling € 11 thou until 30 June 2022, the date of termination of her employment with Allianz Partners.
2_Due to the premature termination of his Board of Management mandate as of 31 December 2022 and applying the severance payment cap provision, Mr de la Sota received a payment amounting to twice his annual compensation to settle the remaining term of his service contract. In the above table, the amount of € 6,502 thou is disclosed as "Other compensation" for the financial year 2022, as it is considered awarded and due in financial year 2022 due to the completed performance of services in the financial year 2022 according to the interpretation used here, even though it was only paid out in January 2023.
3_The total compensation of Mr de la Sota, excluding the termination payment, amounts to € 1,755 thou excluding pension service costs, and € 2,282 thou including pension service costs.

Compliance with the maximum remuneration principles on payouts for share-based remuneration in the financial year 2022

In the financial year 2022, the RSU tranches for the financial year 2017, allocated in March 2018, were paid out to Oliver Bäte, Sergio Balbinot, and Günther Thallinger. According to the remuneration system applicable at the time of the allocation, the RSU payout is capped at 200% above the grant price. During the term of the AEI/RSU 2018 tranche, the decisive price of the Allianz share rose from € 190.87 to € 200.99. The increase, and therefore the payout, remained significantly below this cap.

Remuneration for the financial year

The following table shows the remuneration for the financial year. It contains the variable remuneration amounts resulting directly from the target achievement of the financial year: the annual bonus – as in the remuneration in the financial year table above – and the allocation amount of the LTI grant for the financial year.

Individual remuneration: 2022 and 2021
€ thou (total might not sum up due to rounding)

Board members		Fixed compensation				Variable short-term		Variable long-term		Other compensation		Total compen-sation	Pension service cost	Total
		Base salary		Perquisites		Annual bonus		Share-based compensation						
Board members active in financial year		€ thou	in % of TC	€ thou	in % of TC	€ thou	in % of TC	€ thou	in % of TC	€ thou	in % of TC	€ thou	€ thou	€ thou
Oliver Bäte	2022	1,911	26	15	-	1,947	26	3,504	47	-	-	7,378	1,122	8,500
Appointed: 01/2008 CEO since 05/2015	2021	1,911	28	11	-	1,748	26	3,145	46	-	-	6,815	1,050	7,864
Sergio Balbinot	2022	975	26	22	1	985	26	1,772	47	-	-	3,754	469	4,223
Appointed: 01/2015 End of service: 12/2022	2021	975	27	91	3	892	25	1,605	45	-	-	3,563	467	4,030
Sirma Boshnakova	2022	975	26	27[1]	1	959	26	1,726	47	-	-	3,687	412	4,099
Appointed: 01/2022	2021	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Barbara Karuth-Zelle	2022	975	27	11	-	959	26	1,726	47	-	-	3,672	556	4,228
Appointed: 01/2021	2021	975	28	11	-	875	25	1,574	46	-	-	3,435	398	3,833
Dr. Klaus-Peter Röhler	2022	975	26	19	1	976	26	1,757	47	-	-	3,727	533	4,260
Appointed: 04/2020	2021	975	28	30	1	883	25	1,589	46	-	-	3,478	540	4,018
Ivan de la Sota	2022	975	31	9	-	771	25	1,387	44	-	-	3,142	527	3,669
Appointed: 04/2018 End of service: 12/2022	2021	975	30	15	-	824	25	1,483	45	-	-	3,298	535	3,832
Giulio Terzariol	2022	975	26	30	1	968	26	1,742	47	-	-	3,715	570	4,285
Appointed: 01/2018	2021	975	28	20	1	875	25	1,574	46	-	-	3,444	565	4,009
Dr. Günther Thallinger	2022	975	26	2	-	968	26	1,742	47	-	-	3,687	548	4,235
Appointed: 01/2017	2021	975	28	2	-	875	26	1,574	46	-	-	3,426	548	3,974
Christopher Townsend	2022	975	26	30	1	968	26	1,742	47	-	-	3,714	412	4,126
Appointed: 01/2021	2021	975	28	53	2	875	25	1,574	45	-	-	3,477	412	3,889
Renate Wagner	2022	975	26	26	1	976	26	1,757	47	-	-	3,735	526	4,261
Appointed: 01/2020	2021	975	28	25	1	883	25	1,589	46	-	-	3,472	527	4,000
Dr. Andreas Wimmer	2022	975	27	9	-	959	26	1,726	47	-	-	3,670	413	4,083
Appointed: 10/2021	2021	244	28	2	-	226	26	407	46	-	-	879	51	929

1_Ms. Boshnakova's perquisites include the payment by Allianz Partners of accommodation expenses totaling € 11 thou until 30 June 2022, the date of termination of her employment with Allianz Partners.

Members who retired from the Board of Management in the reporting year

Sergio Balbinot retired from the Board of Management of Allianz SE as of 31 December 2022. On the basis of a post-contractual one-year non-competition clause already provided for in his employment contract, Sergio Balbinot is entitled to an allowance of 50% of the annual target remuneration (sum of base remuneration and variable target remuneration), i.e. a total of € 1,625.5 thou.

Ivan de la Sota left the Board of Management of Allianz SE prematurely as of 31 December 2022. In the event of premature termination of service, the remaining term of the contract is compensated with a one-time severance payment, but limited to twice the annual compensation. On the basis of his severance agreement of September 2022, Ivan de la Sota received double his annual compensation, in total an amount of € 6,502 thou in January 2023. The severance payment consists of twice the base salary of € 1,950 thou and twice the variable target compensation of € 4,552 thou. The severance pay was offset against the allowance provided for the contractual non-compete clause. The severance payment settles all future claims which may arise from the premature termination of his service contract.

Remuneration awarded and due in the financial year 2022 for former members of the Board of Management

The following table shows the components awarded and due to former members of the Board of Management in the financial year 2022, in accordance with §162 AktG, and their relative share of total remuneration.

According to §162 (5) AktG, the reporting is at individual employee level for up to 10 years after the end of the financial year in which the board member in question has ended their activity. Remuneration awarded and due totaling € 5 mn were awarded in the financial year 2022 to 14 members of the Board of Management that had left before this period.

Individual remuneration: 2022

€ thou (total might not sum up due to rounding)

	Share-based compensation		Pensions		Other compensation		Total
Former members of the Board of Management	€ thou	in % of total	€ thou	in % of total	€ thou	in % of total	€ thou
Jacqueline Hunt (until 09/2021)	1,191	41	-	-	1,713[1]	59	2,903
Dr. Christof Mascher (until 12/2020)	1,070	89	130	11	-	-	1,200
Niran Peiris (until 12/2020)	-	-	-	-	4	100	4
Dr. Axel Theis (until 03/2020)	1,142	78	329	22	-	-	1,472
Dr. Helga Jung (until 12/2019)	1,118	100	-	-	-	-	1,118
Dr. Dieter Wemmer (until 12/2017)	1,118	92	94	8	-	-	1,212
Dr. Werner Zedelius (until 12/2017)	1,070	69	476	31	-	-	1,546
Dr. Maximilian Zimmerer (until 12/2016)	-	-	279	100	-	-	279
Manuel Bauer (until 08/2015)	-	-	134	100	-	-	134
Michael Diekmann (until 04/2015)	-	-	674	100	-	-	674
Clement Booth (until 12/2014)	-	-	149	100	-	-	149

1_Jacqueline Hunt resigned from her office as member of the Board of Management with effect from 1 October 2021. The remuneration principles of the employment contract remain unchanged until the end of the employment contract as at 31 December 2022. Specifically, Ms. Hunt received the following remuneration for the 2022 financial year (percentage of total remuneration): base salary of € 975 thou (34), perquisites of € 53 thou (2), annual bonus with an individual contribution factor of 0.8 of € 685 thou (24).

Share-based remuneration

The following table shows the development of the RSU portfolios of the members of the Board of Management in the reporting year. The number of RSUs granted under the former Allianz Equity Incentive (AEI – up to and including the allocation for financial year 2018) and under the current Long Term Incentive (LTI – from financial year 2019) are displayed separately.

The reported RSU portfolios can include RSUs which have been granted prior to the appointment as member of the Board of Management of Allianz SE. The decisive price of the Allianz share at the time of payout was € 200.99.

RSU portfolio development in financial year

			Development in financial year			
Board members	RSU plan	Number of RSUs on 1.1.2022	Number of RSUs allocated in March 2022	Number of RSUs settled in March 2022	Number of RSUs forfeited in 2022	Number of RSUs on 31.12.2022
Oliver Bäte	LTI/ RSU	33,560	20,383	-	-	53,943
	AEI/RSU	19,309	-	8,887	-	10,422
Sergio Balbinot (until 12/2022)	LTI/ RSU	18,920	10,399	-	-	29,319
	AEI/RSU	12,001	-	5,985	-	6,016
Sirma Boshnakova (since 01/2022)	LTI/ RSU	-	-	-	-	-
	AEI/RSU	9,189	5,245	1,699	-	12,735
Dr. Barbara Karuth-Zelle	LTI/ RSU	-	10,203	-	-	10,203
	AEI/RSU	8,685	-	1,962	-	6,723
Dr. Klaus-Peter Röhler	LTI/ RSU	5,900	10,301	-	-	16,201
	AEI/RSU	16,186	-	4,020	-	12,166
Ivan de la Sota (until 12/2022)	LTI/ RSU	16,993	9,614	-	-	26,607
	AEI/RSU	8,977	-	4,036	-	4,941
Giulio Terzariol	LTI/ RSU	18,387	10,203	-	-	28,590
	AEI/RSU	7,846	-	2,133	-	5,713
Dr. Günther Thallinger	LTI/ RSU	18,387	10,203	-	-	28,590
	AEI/RSU	11,337	-	5,503	-	5,834
Christopher Townsend	LTI/ RSU	-	10,203	-	-	10,203
	AEI/RSU	-	-	-	-	-
Renate Wagner	LTI/ RSU	7,783	10,301	-	-	18,084
	AEI/RSU	3,818	-	1,286	-	2,532
Dr. Andreas Wimmer	LTI/ RSU	-	2,638	-	-	2,638
	AEI/RSU	7,606	3,311	1,073	-	9,844

Shareholding requirements

Under the shareholding requirements, members of the Board of Management must build share ownership within three years. The following table shows the values of the share ownership and RSU portfolios, and their proportion of base salary.

Shareholding exposure as of 31 December 2022

in € thou	Share-ownership portfolio[1]	RSU portfolio[2]	Total portfolio	Proportion of total portfolio value of base salary in %
Board members active in financial year				
Oliver Bäte	4,104	10,051	14,154	741
Sergio Balbinot	1,051	5,659	6,710	688
Sirma Boshnakova (since 01/2022)	-	2,277	2,277	234
Dr. Barbara Karuth-Zelle	506	2,798	3,304	339
Dr. Klaus-Peter Röhler	641	4,755	5,396	553
Ivan de la Sota	1,051	5,026	6,077	623
Giulio Terzariol	1,051	5,487	6,537	670
Dr. Günther Thallinger	1,051	5,511	6,562	673
Christopher Townsend	506	1,534	2,040	209
Renate Wagner	962	3,184	4,146	425
Dr. Andreas Wimmer	-	2,150	2,150	221

1_Based on the XETRA closing price of the Allianz share as of 30 December 2022. Shareholdings as of 31 December 2022: Oliver Bäte: 20,427 shares; Sergio Balbinot, Iván de la Sota, Giulio Terzariol and Dr. Günther Thallinger: 5,230 shares each, Renate Wagner: 4,789 shares, Dr. Klaus-Peter Röhler: 3,192 shares. Dr. Barbara Karuth-Zelle and Christopher Townsend: 2,519 shares each. As part of the share ownership guideline, the first acquisition for Sirma Boshnakova and Dr. Andreas Wimmer will take place in 2023.

2_Based on fair value of RSU portfolio as of 31 December 2022 shown in the table reporting the share-based compensation. The determination of the LTI fair values is based on an option pricing model taking into account additional input parameters, including the term structure of interest rates and the expected relative performance of the Allianz share price compared to the peer index. For the latter, simulation techniques are applied at the valuation date to determine the volatility of the Allianz stock, the volatility of the peer index, and their correlation.

Pensions

Company contributions to the current pension plan "My Allianz Pension" are generally 15% of total target direct compensation, reduced by an amount covering the death and occupational or general disability risk. They are invested in a fund with a guarantee on the contributions paid, but no further interest guarantee.

For members with pension rights under the now frozen defined benefit plan, the above contribution rates are reduced by 19% of the expected annual pension from that frozen plan.

In 2022, the Allianz Group paid € 6 mn (2021: € 5 mn) to increase reserves for pensions and similar benefits for active members of the Board of Management. As of 31 December 2022, reserves for pensions and similar benefits for active members of the Board of Management amounted to € 35 mn (2021: € 33 mn).

Reserves for current pension obligations and accrued pension rights for former members of the Board of Management totaled € 171 mn (2021: € 201 mn).

Individual pensions: 2022 and 2021
€ thou (total might not sum up due to rounding)

Board members		Current pension plan		Previous pension plans[1]		Total	
		SC[2]	DBO[3]	SC[2]	DBO[3]	SC[2]	DBO[3]
Oliver Bäte	2022	913	5,848	209	4,608	1,122	10,456
	2021	878	4,830	172	5,494	1,050	10,324
Sergio Balbinot	2022	466	3,429	3	39	469	3,468
	2021	465	2,885	2	45	467	2,930
Sirma Boshnakova (since 1/2022)	2022	412	739	-	-	412	739
	2021	-	-	-	-	-	-
Dr. Barbara Karuth-Zelle	2022	464	1,608	92	804	556	2,412
	2021	353	1,115	45	1,091	398	2,206
Dr. Klaus-Peter Röhler	2022	462	2,331	71	1,843	533	4,174
	2021	461	1,826	79	2,466	540	4,292
Ivan de la Sota	2022	464	2,214	63	445	527	2,659
	2021	462	1,708	73	635	535	2,343
Giulio Terzariol	2022	462	2,460	108	1,001	570	3,461
	2021	461	1,950	104	1,481	565	3,431
Dr. Günther Thallinger	2022	466	3,005	82	1,252	548	4,257
	2021	465	2,484	83	1,779	548	4,263
Christopher Townsend	2022	412	845	-	-	412	845
	2021	412	417	-	-	412	417
Renate Wagner	2022	465	1,678	61	176	526	1,854
	2021	464	1,182	63	247	527	1,429
Dr. Andreas Wimmer	2022	367	1,222	46	237	413	1,459
	2021	42	836	9	289	51	1,125

1_Previous closed and frozen plans, including transition payment for Oliver Bäte.
2_SC = service cost. Service costs are calculatory costs for the DBO related to the business year reported.
3_DBO = Defined Benefit Obligation, end of year. The figures show the obligation for Allianz resulting from defined benefit plans, taking into account realistic assumptions with regard to interest rate, dynamics, and biometric probabilities.

Comparative presentation

The following overview compares the annual development of the remuneration of the members of the Board of Management, the average remuneration of the employees, and selected earnings parameters over the last five financial years.

The remuneration of the members of the Board of Management presented in the table corresponds to the total remuneration rewarded and due in the respective financial year. The earnings development is shown using the two key performance indicators for the Group's financial target achievement – operating profit and net income attributable to shareholders, as well as net income as reported in the individual financial statements of Allianz SE. The workforce of the German companies of the Allianz Group is used to present the average employee remuneration on the basis of full-time equivalents.

It must be noted with regard to the Board of Management remuneration from 2018 to 2019 that the payout for the mid-term bonus (MTB) for 2016 - 2018 is reported in the financial year 2018.

Dr. Günther Thallinger received the share-based compensation for the first time in the financial year 2022. The significant change from 2020 to 2021 in Dr. Klaus-Peter Röhler's remuneration is explained by the fact that he joined the Board of Management during the year, so the remuneration reported for 2020 is pro rata only. The same rationale applies to the increase from 2021 to 2022 in Dr. Andreas Wimmer's remuneration, as he joined during 2021.

Remuneration awarded and due to former members of the Board of Management for the financial years following their departure comprises mainly pension payments, share-based compensation payouts, and other remuneration.

Comparative presentation

	Development of Board of Management compensation, profit, and average compensation of employees								
Financial year	2018	Change 2018 to 2019 in %	2019	Change 2019 to 2020 in %	2020	Change 2020 to 2021 in %	2021	Change 2021 to 2022 in %	2022
Board of management compensation in € thou									
Board members active in financial year									
Oliver Bäte	9,634	(47)	5,058	6	5,350	11	5,912	(4)	5,660
Sergio Balbinot	4,793	(58)	2,030	80	3,644	(5)	3,453	(8)	3,184
Sirma Boshnakova (appointed: 01/2022)	-	-	-	-	-	-	-	-	1,961
Dr. Barbara Karuth-Zelle	-	-	-	-	-	-	1,861	5	1,945
Dr. Klaus-Peter Röhler	-	-	-	-	1,285	47	1,888	4	1,970
Ivan de la Sota	1,967	(7)	1,833	(6)	1,717	6	1,814	(3)	1,755[1]
Giulio Terzariol	2,622	(26)	1,946	(13)	1,694	10	1,870	6	1,973
Dr. Günther Thallinger	3,568	(46)	1,926	(13)	1,678	10	1,852	65	3,051
Christopher Townsend	-	-	-	-	-	-	1,903	4	1,972
Renate Wagner	-	-	-	-	1,708	10	1,883	5	1,977
Dr. Andreas Wimmer (appointed: 10/2021)	-	-	-	-	-	-	472	312	1,944
Former members									
Jacqueline Hunt (end of service: 09/2021)	4,135	(52)	1,967	(14)	1,699	39	2,357	23	2,903
Dr. Christof Mascher (end of service: 12/2020)	5,989	(44)	3,356	(2)	3,285	(56)	1,452	(17)	1,200
Niran Peiris (end of service: 12/2020)	2,662	(35)	1,730	(13)	1,507	-	-	-	4
Dr. Axel Theis (end of service: 03/2020)	4,729	(58)	1,988	21	2,405	(26)	1,773	(17)	1,472
Dr. Helga Jung (end of service: 12/2019)	6,313	(50)	3,135	(54)	1,428	(5)	1,354	(17)	1,118
Dr. Dieter Wemmer (end of service: 12/2017)	3,724	(56)	1,655	15	1,902	(19)	1,544	(22)	1,212
Dr. Werner Zedelius (end of service: 12/2017)	4,083	(35)	2,640	(14)	2,268	(15)	1,919	(19)	1,546
Profit development in € bn									
Operating profit	11.51	3	11.86	(9)	10.75	25	13.40	6	14.16
Net income attributable to shareholders	7.46	6	7.91	(14)	6.81	(3)	6.61	2	6.74
Net income attributable to shareholders (adjusted for Russia deconsolidation impact)	-	-	-	-	-	-	-	8	7.17
Net income acc. Allianz SE financial statement	5.36	(14)	4.60	-	4.61	16	5.35	(10)	4.79
Average employee compensation in € thou									
Average compensation based on full-time equivalent	83	4	86	(6)	81	4	84	4	87

1_In order to ensure actual comparability for Mr. de la Sota, Mr. de la Sota's compensation for the financial year 2022 is shown as € 6,502 thou, excluding the severance payment made in January 2023. Including the severance payment, his compensation amounts to € 8,257 thou, and the change 2021 to 2022 is 355 %.

Remuneration of the Allianz SE Supervisory Board

The remuneration of the Supervisory Board is governed by the Statutes of Allianz SE and the German Stock Corporation Act (AktG). The structure of the Supervisory Board's remuneration is regularly reviewed with regard to its compliance with German, European, and international corporate governance recommendations and regulations.

Remuneration principles

- The set total remuneration reflects the scale and scope of the duties of the members of the Board of Management, and is appropriate to the company's activities, and business and financial situation. The contribution to the long-term development of the company by the monitoring activity of the Supervisory Board is also reflected.
- The remuneration structure takes into account the individual functions and responsibilities of Supervisory Board members, such as Chair, Vice Chair, or committee mandates.
- The remuneration structure allows proper oversight of business as well as independent decisions on executive personnel and remuneration.
- In view of the size, complexity and the Allianz Group's long-term performance, the level of the remuneration for the Supervisory Board is based on the upper quartile of the Supervisory Board remuneration of the companies reported in the DAX.

Remuneration structure and components

The remuneration for the Supervisory Board of Allianz SE provides for a fixed remuneration. Supervisory Board members who had only served on the Supervisory Board during part of the financial year receive one twelfth of the remuneration for each month of service commenced. This shall apply accordingly for membership of Supervisory Board committees.

The Supervisory Board's Remuneration System was presented to the Annual General Meeting of Allianz SE on 5 May 2021 and was approved with a majority vote of 97.56 %.

Fixed annual remuneration

The remuneration of a Supervisory Board member consists of a fixed cash amount paid pro rata temporis after the end of the respective quarter of the business year for services rendered over that period. In 2022, each regular Supervisory Board member received a fixed compensation amounting to € 125 thou per year. The Chairperson received € 250 thou, each Vice Chairperson received € 187.5 thou.

Committee-related remuneration

The Chairperson and members of the Supervisory Board committees receive additional committee-related remuneration. The committee-related remuneration is as follows:

FIXED ANNUAL REMUNERATION

Chairperson	Vice Chairperson	Regular member
€ 250 thou	€ 187.5 thou	€ 125 thou

COMMITTEE-RELATED REMUNERATION

	Audit Committee	Personnel Committee	Risk Committee	Standing Committee	Technology Committee	Sustainability Committee	Nomination Committee
Chairperson	€ 100 thou	€ 50 thou					€ 25 thou
Regular member	€ 50 thou	€ 25 thou					€ 12.5 thou

Attendance fees and expenses

In addition to the fixed and committee-related remuneration, members of the Supervisory Board receive an attendance fee of € 1,000 for each Supervisory Board or committee meeting they attend. Should several meetings be held on the same or consecutive days, the attendance fee will only be paid once. In addition, the Supervisory Board members are reimbursed for their out-of-pocket expenses. The company provides insurance coverage and technical support to the Supervisory Board members to an extent reasonable for carrying out their Supervisory Board duties.

Remuneration awarded and due

The following table shows the remuneration awarded and due in accordance with §162 AktG. It comprises the fixed remuneration, committee remuneration, and attendance fees as well as their relative share of the total remuneration.

Individual remuneration: 2022 and 2021

€ thou (total might not sum up due to rounding)

Members of the Supervisory Board		Fixed remuneration		Committee remuneration		Attendance fees		Total remune-ration	Committees[1]						
									A	N	P	R	S	T	SU
Members active in financial year		€ thou	in % of total	€ thou	in % of total	€ thou	in % of total	€ thou							
Michael Diekmann	2022	250.0	47	275.0	51	12.0	2	537.0	M	C	C	C	C	M	M
(Chairperson)	2021	250.0	47	272.9	51	8.0	2	530.9	M	C	C	C	C	M	M
Herbert Hainer	2022	166.7	76	50.0	23	4.0	2	220.7			M		M		
(Vice Chairperson: from 05/2022)	2021	125.0	71	50.0	28	1.0	1	176.0			M		M		
Jim Hagemann Snabe	2022	78.1	71	36.5	32	-	-	114.6		M			M	C	
(Vice Chairperson: until 05/2022)	2021	187.5	68	87.5	32	1.0	-	276.0		M			M	C	
Gabriele Burkhardt-Berg	2022	187.5	71	75.0	28	3.0	1	265.5			M			M	M
(Vice Chairperson)	2021	187.5	72	72.9	28	1.0	-	261.4			M			M	M
Sophie Boissard	2022	125.0	56	91.7	41	5.0	2	221.7	M				M		M
	2021	125.0	62	72.9	36	3.0	1	200.9	M						M
Christine Bosse	2022	125.0	58	87.5	41	3.0	1	215.5		M		M			C
	2021	125.0	60	83.3	40	1.0	-	209.3		M		M			C
Rashmy Chatterjee	2022	83.3	70	33.3	28	3.0	3	119.7						C	
(from 05/2022)	2021	-	-	-	-	-	-	-							
Dr. Friedrich Eichiner	2022	125.0	43	158.3	55	6.0	2	289.3	C	M		M		M	
	2021	125.0	45	150.0	54	3.0	1	278.0	C			M		M	
Jean-Claude Le Goaër	2022	125.0	61	75.0	36	6.0	3	206.0	M				M		
	2021	125.0	62	75.0	37	3.0	1	203.0	M				M		
Martina Grundler	2022	125.0	70	50.0	28	4.0	2	179.0	M						
	2021	125.0	71	50.0	28	1.0	1	176.0	M						
Godfrey Robert Hayward	2022	52.1	83	10.4	17	-	-	62.5				M			
(until 05/2022)	2021	125.0	83	25.0	17	-	-	150.0				M			
Frank Kirsch	2022	125.0	70	50.0	28	3.0	2	178.0				M			M
	2021	125.0	72	47.9	28	1.0	1	173.9				M			M
Jürgen Lawrenz	2022	125.0	70	50.0	28	3.0	2	178.0					M	M	
	2021	125.0	71	50.0	28	1.0	1	176.0					M	M	
Primiano Di Paolo	2022	83.3	81	16.7	16	3.0	3	103.0				M			
(from 05/2022)	2021	-	-	-	-	-	-	-							
Total	**2022**	**1,776.0**	**61**	**1,059.4**	**37**	**55.0**	**2.0**	**2,890.4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2021	**1,750.0**	**62**	**1,037.5**	**37**	**24.0**	**1**	**2,811.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Legend: C = Chairperson of the respective committee, M = Member of the respective committee

1_Abbreviations: A = Audit, N = Nomination, P = Personnel, R = Risk, S = Standing, T = Technology, SU = Sustainability.

Comparative presentation

The following overview compares the annual development of the remuneration of the members of the Supervisory Board, the average remuneration of the employees, and selected earnings parameters over the last five financial years. The remuneration of the members of the Supervisory Board presented in the table corresponds to the total remuneration awarded and due in the respective financial year.

The earnings development is shown using the two key performance indicators for the Group's financial target achievement – operating profit and net income attributable to shareholders, as well as net income as reported in the individual financial statements of Allianz SE. The workforce of the German companies of the Allianz Group is used to present the average employee remuneration on the basis of full-time equivalents.

Comparative presentation

Comparative information	Development of Supervisory Board compensation, profit, and average compensation of employees								
Financial year	2018	Change 2018 to 2019 in %	2019	Change 2019 to 2020 in %	2020	Change 2020 to 2021 in %	2021	Change 2021 to 2022 in %	2022
Supervisory Board compensation in € thou									
Active members in financial year									
Michael Diekmann	484.0	-	484.0	-	486.0	9	530.9	1	537.0
Herbert Hainer	182.0	(1)	181.0	(1)	180.0	(2)	176.0	25	220.7
Jim Hagemann Snabe (end of service 05/2022)	268.5	-	268.5	(1)	266.5	4	276.0	(58)	114.6
Gabriele Burkhardt-Berg	202.8	20	243.5	(1)	240.5	9	261.4	2	265.5
Sophie Boissard	183.0	1	184.0	(3)	178.0	13	200.9	10	221.7
Christine Bosse	156.0	-	156.0	(2)	153.0	37	209.3	3	215.5
Rashmy Chatterjee (since 05/2022)	-	-	-	-	-	-	-	-	119.7
Dr. Friedrich Eichiner	283.0	-	284.0	(1)	281.0	(1)	278.0	4	289.3
Jean-Claude Le Goaër	83.5	150	209.0	(3)	203.0	-	203.0	1	206.0
Martina Grundler	183.0	(1)	182.0	(2)	179.0	(2)	176.0	2	179.0
Godfrey Robert Hayward (end of service 05/2022)	156.0	-	156.0	(3)	152.0	(1)	150.0	(58)	62.5
Frank Kirsch	52.0	200	156.0	(1)	154.0	13	173.9	2	178.0
Jürgen Lawrenz	181.0	-	181.0	(1)	179.0	(2)	176.0	1	178.0
Primiano Di Paolo (since 05/2022)	-	-	-	-	-	-	-	-	103.0
Former members									
Rolf Zimmermann (end of service 08/2018)	162.3	-	-	-	-	-	-	-	-
Jean-Jacques Cette (end of service 07/2018)	105.1	-	-	-	-	-	-	-	-
Dante Barban (end of service 05/2017)	-	-	-	-	-	-	-	-	-
Dr. Wulf Bernotat (end of service 05/2017)	-	-	-	-	-	-	-	-	-
Prof. Dr. Renate Köcher (end of service 05/2017)	-	-	-	-	-	-	-	-	-
Dr. Helmut Perlet (end of service 05/2017)	-	-	-	-	-	-	-	-	-
Profit development in € bn									
Operating profit	11.51	3	11.86	(9)	10.75	25	13.40	6	14.16
Net income attributable to shareholders	7.46	6	7.91	(14)	6.81	(3)	6.61	2	6.74
Net income attributable to shareholders (adjusted for Russia deconsolidation impact)	-	-	-	-	-	-	-	8	7.17
Net income acc. Allianz SE financial statement	5.36	(14)	4.60	-	4.61	16	5.35	(10)	4.79
Average employee compensation in € thou									
Average compensation based on full-time equivalent	83	4	86	(6)	81	4	84	4	87

Remuneration for mandates in other Allianz companies and for other functions

Mr. Jürgen Lawrenz did not receive any remuneration for his service on the Supervisory Board of Allianz Technology SE. All current employee representatives of the Supervisory Board, except for Ms. Martina Grundler, are employed by Allianz Group companies and receive market-based remuneration for their services.

Outlook for 2023

Remuneration-relevant impact of IFRS 9 and 17

In 2022, the Board of Management and Supervisory Board regularly dealt with the impact of the new accounting standards IFRS 9 and 17 on profit steering and remuneration. The transition to IFRS 9 means a significant increase in the share of assets measured at fair value on the balance sheet in the Property-Casualty business segment and thus significantly higher volatility of the net income in combination with fewer steering options. In the medium term, the Board of Management and the Supervisory Board plan to adjust the Group's financial target of net income attributable to shareholders by eliminating certain non-operating effects such as fluctuations from market movements. The new version of the Group target as part of the remuneration system for the Board of Management is to be submitted to the 2024 Annual General Meeting – or at the latest to the 2025 Annual General Meeting – for approval. For the 2023 financial year, the bonus curve will be adjusted in order to address fluctuations in the net income that the Board of Management cannot control in either direction. For this purpose, 100 % target achievement is defined as a plateau with an upward or downward fluctuation range of € 500 mn.

New target remuneration for Board of Management members

As part of the review of the appropriateness of the remuneration of the Board of Management, a need to adjust the level of remuneration for the Board members at Allianz SE was identified. The remuneration for the regular members of the Board of Management was last adjusted in 2019. In addition, the reduction of the entire Board of Management to nine members and the associated redistribution of tasks led to an increase in the workload for the remaining Board members. The tasks have been redistributed as follows:

- Allianz Group Regulatory & Public Affairs joined the Group Communications & Reputation and Group Strategy, Marketing & Distribution functions, and Group Audit in reporting to Oliver Bäte.
- Allianz's businesses in Latin America, Portugal, and Spain were added to the portfolio of Christopher Townsend.
- The Allianz Customer Model for Property-Casualty for Retail was integrated into Property-Casualty for Retail & SME; the division led by Klaus-Peter Röhler.
- Allianz's Center of Competence Life, including its corresponding Allianz Customer Model concept and Allianz Global Life (Ireland), became part of the division led by Andreas Wimmer.
- The Allianz Customer Model and Center of Competence for Global Health became part of the division led by Günther Thallinger.
- Allianz's businesses in Southeast Asia, India, China, and Australia moved to the leadership of Renate Wagner.
- Allianz Group Legal and Group Compliance became part of the finance and risk organization led by Giulio Terzariol.
- Allianz's businesses in Greece were integrated into Sirma Boshnakova's business divison.
- Allianz Group Privacy, as well as Group Data Analytics, became part of the division led by Barbara Karuth-Zelle.

The Supervisory Board viewed an increase in the annual remuneration at 100 % target achievement of 5 % for all Board members to be appropriate in order to remain attractive in recruiting talent. The target remuneration for regular members of the Board of Management increased from € 3,251 thou to € 3,414 thou. The target remuneration for the CEO increased from € 6,371 thou to € 6,691 thou, maintaining the ratio of the remuneration of the CEO to a regular Board member at a factor of 1.96.

The general remuneration cap of € 6,000 thou for a regular member of the Board of Management and € 11,750 thou for the CEO of the Board of Management was not increased.

The obligation to hold own shares increases with the adjustment of the remuneration, for the CEO from € 3,822 thou to € 4,013 thou and for a regular member of the Board of Management from € 975 thou to € 1,024 thou.

New target remuneration for Supervisory Board members

The last regular adjustment of the remuneration of the Supervisory Board was approved by the Annual General Meeting on 9 May 2018. Since then, the sole amendment made was the introduction of remuneration for the members of the Nomination Committee as part of the resolution on the approval of the remuneration of the members of the Supervisory Board adopted at the Annual General Meeting on 5 May 2021. In the last few years, however, the workload has increased significantly, both for the full Supervisory Board and the Supervisory Board committees, due to steadily growing legal and regulatory requirements and obligations. This applies in particular to the work performed by the Chairperson of the Supervisory Board and the members of the Audit Committee, partly driven by the changes resulting from the German Financial Market Integrity Strengthening Act (FISG) and the new version of the German Corporate Governance Code. Moreover, in view of the increased regulatory requirements regarding the qualifications of members of supervisory boards in the insurance sector, attractive remuneration is indispensable in order to be able to attract suitable candidates for the Supervisory Board of Allianz SE.

Against this background and in light of the general development of Supervisory Board remuneration in comparable companies, an adjustment of the remuneration of the Supervisory Board members shall be proposed to the Annual General Meeting to be held on 4 May 2023. The annual fixed remuneration shall be increased to € 150 thou each for regular Supervisory Board members, to € 450 thou for the Chairperson of the Supervisory Board, and to € 225 thou each for Deputy Chairpersons. At the same time, the additional annual fixed remuneration shall be increased to € 75 thou each for the members of the Audit Committee, and to € 150 thou for the Chairperson of the Audit Committee. In all other respects, the existing Remuneration System for the Supervisory Board shall remain unchanged.

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GROUP MANAGEMENT REPORT

C

BUSINESS OPERATIONS

Allianz Group structure

Allianz SE and its subsidiaries (the Allianz Group) offer property-casualty insurance, life/health insurance, and asset management products and services in over 70 countries, with the largest of our operations located in Europe. The Allianz Group serves 122 million private and corporate customers[1]. Allianz SE, the parent company of the Allianz Group, has its headquarters in Munich, Germany.

The Allianz Group's structure reflects both our business segments and geographical regions. Business activities are organized by product and type of service, based on how these are strategically managed: insurance activities, asset management activities, and corporate and other activities. Due to differences in the nature of products, risks, and capital allocation, insurance activities are further divided into the two categories property-casualty and life/health. In accordance with the Board of Management's responsibilities, each of the insurance categories is grouped into regional reportable segments. In 2022, the Allianz Group had 13 reportable segments.

Allianz Group structure – business segments and reportable segments[2]

Property-Casualty	Life/Health
– German Speaking Countries and Central & Eastern Europe – Western & Southern Europe, Allianz Direct and Allianz Partners – Iberia & Latin America – Asia Pacific and Greece – Global Insurance Lines & Anglo Markets, Middle East, and Africa	– German Speaking Countries and Central & Eastern Europe – Western & Southern Europe – Iberia & Latin America – Asia Pacific and Greece – USA – Global Insurance Lines & Anglo Markets, Middle East, and Africa
Asset Management	**Corporate and Other**
– Asset Management	– Corporate and Other

Insurance operations

We offer a wide range of property-casualty and life/health insurance products to both retail and corporate customers. For the Property-Casualty business segment, these include motor, accident, property, general liability, travel insurances, and assistance services. The Life/Health business segment offers savings and investment-oriented products in addition to life and health insurance. We are the leading property-casualty insurer worldwide and rank among the top five in the life/health insurance business.[3] Our key markets (in terms of premiums) are Germany, France, Italy, and the United States.

Most of our insurance markets are served by local Allianz companies. However, some business lines – such as Allianz Global Corporate & Specialty (AGCS), Allianz Partners (AP), and Allianz Trade (formerly Euler Hermes) – are run globally.

Asset management

Our two major asset management entities, PIMCO and AllianzGI, operate under the governance of Allianz Asset Management (AAM). We are one of the largest asset managers in the world that actively manages assets. Our offerings cover a wide range of equity, fixed income, cash, and multi-assets products as well as a strongly growing number of alternative investment products, such as real estate, infrastructure debt/equity, real assets, liquid alternatives, and solution business. Our core markets are the United States, Canada, Germany, France, Italy, the United Kingdom, and the Asia-Pacific region.

Corporate and Other

The Corporate and Other business segment's activities include the management and support of the Allianz Group's businesses through its central Holding functions, Banking and Alternative as well as Digital Investments. The Holding functions manage and support the Group's businesses through its strategy, risk, corporate finance, treasury, financial reporting, controlling, communication, legal, human resources, technology, and other functions. Our Banking operations, which place a primary focus on retail clients, support our insurance business and complement the products we offer in Italy, France, and Bulgaria. Digital Investments identifies and invests in digital growth companies for the Allianz Group.

1_Including non-consolidated entities with Allianz customers.
2_For further information on organizational changes, please refer to the Executive Summary of 2022 Results.
3_Based on currently available peer data. Final peer analysis first available after publication of this Annual Report, due to the ongoing peers' full year reporting season. Allianz has defined a group of comparable peers with a similar business mix and global footprint, which includes AIG, AXA, Chubb, Generali, and Zurich.

Worldwide presence and business segments

Market presence of our business operations[1]

Insurance German Speaking Countries, Insurance Central & Eastern Europe	Property-Casualty	Life/Health	Banking
Germany	■	■	
Switzerland	■	■	
Central & Eastern Europe			
Austria	■	■	
Bulgaria	■	■	■
Croatia	■	■	
Czech Republic	■	■	
Hungary	■	■	
Lithuania		■	
Poland	■	■	
Romania	■	■	
Slovakia	■	■	
Russia[2]	■	■	
Ukraine	■		

Insurance Western & Southern Europe, Allianz Direct and Allianz Partners	Property-Casualty	Life/Health	Banking
Europe			
Italy	■	■	■
Türkiye	■	■	
France	■	■	■
Belgium	■	■	
The Netherlands	■	■	
Luxembourg	■	■	
Allianz Partners			
Allianz Partners	■	■	
Allianz Direct			
Allianz Direct	■		

USA	Property-Casualty	Life/Health	Banking
U.S. life insurance		■	

Global Insurance Lines & Anglo Markets, Insurance Middle East, and Africa	Property-Casualty	Life/Health	Banking
Global Insurance Lines & Anglo Markets			
United Kingdom	■		
Australia	■	■	
Ireland	■		
Allianz Global Corporate & Specialty	■		
Allianz Trade	■		
Reinsurance	■	■	
Middle East			
Egypt	■	■	
Lebanon	■	■	
Saudi Arabia	■	■	
Africa			
Burundi	■		
Cameroon	■	■	
Ghana	■	■	
Ivory Coast	■	■	
Kenya	■		
Madagascar	■	■	
Mauritius	■		
Morocco	■	■	
Nigeria	■	■	
Senegal	■	■	
Tanzania	■		
Uganda	■		

Insurance Iberia & Latin America	Property-Casualty	Life/Health	Banking
Iberia			
Spain	■	■	
Portugal	■	■	
Latin America			
Argentina	■		
Brazil	■	■	
Colombia	■	■	
Mexico	■	■	

Insurance Asia Pacific and Greece	Property-Casualty	Life/Health	Banking
Asia Pacific			
China	■	■	
Hong Kong[3]	■		
Indonesia	■	■	
Japan[3]	■	■	
Laos	■		
Malaysia	■	■	
Pakistan		■	
Philippines		■	
Singapore	■		
Sri Lanka	■	■	
Taiwan		■	
Thailand	■	■	
India	■	■	
Greece			
Greece	■	■	

Asset Management	Retail Asset Management	Institutional Asset Management
North and Latin America		
United States[4]	■	■
Canada	■	■
Brazil	■	■
Europe		
Germany	■	■
France	■	■
Italy	■	■
Ireland	■	■
Luxembourg	■	■
Spain	■	■
Switzerland	■	■
Belgium	■	■
The Netherlands	■	■
United Kingdom[5]	■	■
Sweden[6]	■	■
Asia Pacific		
Japan	■	■
Hong Kong	■	■
Taiwan	■	■
Singapore	■	■
China	■	■
Australia	■	■
Indonesia	■	■

■ Property-Casualty ■ Life/Health ■ Banking ■ Retail Asset Management ■ Institutional Asset Management

1_This overview is based on our organizational structure as of 31 December 2022.

2_We are no longer underwriting new insurance business in Russia and Belarus. The Russian operations of the Allianz Group are classified as a disposal group as held for sale. For further information, please see note 4.

3_Property-Casualty business belongs to Allianz Global Corporate & Specialty.

4_Due to the current restructuring of AllianzGI's U.S. business, going forward, all U.S. institutional business will be conducted out of Allianz Capital Partners of America. Distribution in the U.S. is performed through Voya, but we still manage funds there.

5_Following Brexit, during 2023, the AllianzGI business of the UK Branch will be transferred to AllianzGI UK Ltd.; a license for this entity has been applied for and is still pending.

6_AllianzGI GmbH - Sweden Branch is offering sales support only, no regulated services are performed locally.

Our steering

Board of Management and organizational structure

Allianz SE has a divisional board structure based on functional and business responsibilities. Business-related divisions reflect our business segments Property-Casualty, Life/Health, Asset Management, and Corporate and Other. In 2022, they were overseen by six board members. The following divisions focus on Group functions and come with business-related responsibilities: Chairman of the Board of Management; Finance, Controlling and Risk; Investment Management; Operations and IT; Human Resources, Legal, Compliance and M&A; and Business Transformation[1].

For further information on Board of Management members and their responsibilities, please refer to Mandates of the Members of the Board of Management.

Target setting and monitoring

The Allianz Group steers its operating entities and business segments via an integrated management and control process. It begins with the definition of a business-specific strategy and goals, which are discussed and agreed upon between the Holding and operating entities. Based on this strategy, our operating entities prepare three-year plans, which are then aggregated to form the financial plans for the business divisions and for the Allianz Group as a whole. This plan also forms the basis for our capital management. The Supervisory Board approves the plan and sets corresponding targets for the Board of Management. The performance-based remuneration of the Board of Management is linked to short-term and long-term targets to ensure effectiveness and emphasize sustainability. For further details about our remuneration structure, including target setting and performance assessment, please refer to the Remuneration Report.

We continuously monitor our business performance against these targets through monthly reviews – which cover key operational and financial metrics – to ensure we can move quickly and take appropriate measures in the event of negative developments. The Allianz Group uses operating profit and net income as key financial performance indicators across all its business segments. Other indicators include segment-specific figures, such as the combined ratio for Property-Casualty, return on equity[2] and new business margins for Life/Health, and the cost-income ratio for Asset Management. For a comprehensive overview of our business segment performance, please refer to the respective chapters on the following pages.

Besides performance steering, we also have a risk-steering process in place, which is described in the Risk and Opportunity Report.

Non-financial key performance indicators (KPIs) are used to assess the organizational health of Allianz and are reflected in the annual bonus of the Board of Management. This includes sustainability targets on customer loyalty, employee engagement, and environmental indicators. For further information on non-financial KPIs, as well as an overview of the development and expected development of these non-financial KPIs, please refer to the Non-Financial Statement.

1_This member of the Board of Management also oversees Insurance Iberia & Latin America.

2_Excluding unrealized gains/losses on bonds net of shadow accounting.

NON-FINANCIAL STATEMENT

About the statement

This section has been compiled in accordance with the Corporate Social Responsibility (CSR) Directive Implementation Act (EU Directive 2014/95/EU), which has been applied to German law via §§315d, 289f HGB. It focuses on the concepts and key performance indicators (KPIs) that reflect our most material sustainability issues. For information on our materiality assessment, see our "Materiality analysis" section (05.7) in our Group Sustainability Report 2022 on the **Allianz company website**.

The KPIs included are: Net Promoter Score (NPS); Inclusive Meritocracy Index (IMIX); environmental indicators – greenhouse gas (GHG) emissions per employee and percentage of renewable electricity; carbon footprint of our proprietary investment portfolio for listed equities and corporate bonds; and EU taxonomy eligibility indicators for our underwriting, proprietary investments, and third-party assets.

The concepts contained in this report are in line with the content of the Allianz Group Sustainability Report 2022 published on 3 March 2023. This is compiled in accordance with the standards set out by the Global Reporting Initiative (GRI).

This non-financial chapter of our 2022 Annual Report covers the entire Allianz Group and relevant non-financial information for Allianz SE, according to the Non-financial Reporting Directive (NFRD), which has been adopted into German law by the CSR Directive Implementation Act. All measures, activities and key figures refer to the 2022 financial year (1 January 2022 to 31 December 2022). We have slightly amended our approach for the presentation of our targets and achievements tables compared with previous years. For targets relevant for the remuneration of the Board of Management, we disclose the comparison for targets set this year with the achievements from this year and we define targets for next year and beyond if relevant. For all other topics, we present the objectives and actions taken in the reporting year. Unless otherwise stated, we use the control principle defined by the International Financial Reporting Standards (IFRS) when determining the scope of reporting for the Allianz Group.

This Non-Financial Statement is an integral part of the management report and is subject to the statutory audit of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.

Any references to information published outside the Group Management Report and Allianz SE's Management Report are supplementary, do not form an integral part of this non-financial information, and are not subject to any assurance engagement (unless specified in the respective document).

We use SAP data collection for all non-financial information disclosed in this statement, with an interface to financial data systems for some data points. The P&C Line of Business reporting process in SAP is used to collect Sustainable Solutions and EU Taxonomy data. The governance process for non-financial reporting is aligned with financial reporting and follows the same review rounds as the Annual Report engaging with the Board of Management and Supervisory Board.

The Non-Financial Statement is structured along the following main chapters:

- Corporate sustainability governance and strategy,
- Environmental matters,
- Social matters,
- Cybersecurity,
- Human rights matters,
- Employee matters,
- Compliance/anti-corruption and bribery matters,
- EU Taxonomy Regulation.

Company description

Allianz provides property-casualty and life/health insurance as well as asset management products and services to our customers around the world. In our activities as a financial services provider, we take sustainability-related risks such as climate change into consideration and pursue opportunities from sustainability trends. We describe our management approach to these matters in this section.

For further information on our business model, see our Business Operations chapter in the Allianz Group's Annual Report 2022 and section 01.3 of our Group Sustainability Report 2022 on the **Allianz company website**.

Corporate sustainability governance and strategy

Our purpose – "We secure your future" – guides our actions across the Allianz Group and drives us to pursue constant innovation and collaboration. It also guides our interaction with our customers, partners, employees, investors, governments, regulators, civil society, people with disabilities, and the next generations across all our businesses.

Our ambition is to support the transformation towards sustainable economies as a partner to our stakeholders. In doing so, we want to drive real world impact across societies, economies, and the environment. This includes helping to shape the economy to provide the social minimum for all while not breaching ecological barriers.

Governance

We are committed to responsible and transparent governance. Allianz has increased the importance of sustainability with the ambition to fully integrate sustainability across the company. Ultimate responsibility for all matters relating to sustainability resides with the Board of Management of Allianz SE as the Group's parent company. To support the Board of Management in its decision-making, Allianz SE established a dedicated Group Sustainability Board (known until January 2022 as the Group ESG Board). It is composed of members of the Board of Management of Allianz SE and Group Center heads, and meets quarterly. The core objectives of the Group Sustainability Board are: preparing the overall framework for sustainability for the Allianz Group; integrating sustainability into the Group's business processes with Allianz as an organization (operations and organization) and Allianz as a financial institution (investment, insurance, asset management); and maintaining oversight of and steering overarching sustainability matters, such as topics concerning the climate, society, and governance.

The Supervisory Board of Allianz SE established its Sustainability Committee in 2021. The core objectives of the Sustainability Committee include: advising the Supervisory Board on sustainability-related issues to support economically sound and sustainable development and positioning of the Allianz Group; closely monitoring and supporting oversight of the Management Board's sustainability strategy, in particular the management and execution of the strategic framework for Group-wide sustainability measures; and preliminary examination of the sustainability-related disclosures, including the non-financial statement as part of the Supervisory Board's review. It also supports the Personnel Committee in the preparation of the sustainability-related target setting, as well as the review of the set targets' fulfillment for the Management Board's remuneration. In 2022, the Sustainability Committee prepared the incorporation of sustainability targets and reviewed the achievements of the Board of Management in order to give its recommendation to the remuneration committee of the Supervisory Board.

The Global Sustainability function supports the Group Sustainability Board in the execution of its responsibilities. This includes preparation, coordination, and application of the decisions by the Group Sustainability Board. It also supports Allianz's Group Centers and operating entities to effectively integrate the Group's sustainability strategy into their business processes and policies. The Global Sustainability function drives the integration of sustainability-related matters across the organization and business in the societies and economies in which Allianz operates.

Group Centers take responsibility for sustainability within their functions with the purpose to embed sustainability across the Allianz organization and business. Global Sustainability and Group Centers work with an expansive network of sustainability and business experts located across Allianz's operating entities, globally providing guidance and setting minimum standards to ensure they embed sustainability in their strategies and approaches. This network supports implementation of the group-wide sustainability approach, shares best practice, for example in the field of corporate citizenship activities, and scales positive impacts across the organization.

Other Board of Management committees play an important role in decision-making processes:

– The Group Finance and Risk Committee oversees risk management and monitoring, including sustainability risk.
– The Group Underwriting Committee monitors the underwriting business, its risk management and development of underwriting policies and strategies. This includes the integration of sustainability into these processes.
– The Group Investment Committee focuses on fundamental investment-related topics, including sustainability-related matters.

In 2022 and for 2023 the targets for the Board of Management have been further developed to reflect the sustainability priorities.

Targets for 2022:

– 18% reduction of greenhouse gas (GHG) emissions per employee by 2022 (versus 2019) and 88% renewable electricity as share of total electricity consumption in 2022.
– Proprietary Investment: Establish a quantitative roadmap to reach minus 25% GHG emissions (absolute reduction on public equity and listed corporate debt by year-end 2024 versus 2019).

On top of these specific sustainability-related targets, other non-financial factors, such as customer loyalty (NPS), employee engagement (IMIX) and sustainability reputation (measured by external rating), also contribute to board members´ remuneration, as do ratings.

Targets and achievements: sustainability ratings

Rating	Board targets 2022	Achievements 2022	Targets 2023	Targets and commitments 2024 and beyond
DJSI/ S&P Global CSA[1]	Top 5	3rd (2021: 1st)	Top 5	Top 5
MSCI[2]	AA - AAA	AA (2021: AAA)	AA - AAA	AA - AAA
Sustainalytics[3]	Top 5 at diversified insurance sub-industry	No. 4 diversified insurance sub-industry level (2021: No. 7)	n.a.[4]	n.a.[4]

1_Top 5 of assessed companies, which are DJSI eligible at industry level; 3rd highest score among the insurance industry with 89/100 – (score date 9 December 2022); 2022 achievement as per results of 31 December 2022.
2_The use by Allianz of any MSCI ESG research LLC or its affiliates ('MSCI') data, and the use of MSCI logos, trademarks, service marks or index names herein, does not constitute a sponsorship, endorsement, recommendation, or promotion of Allianz by MSCI. 3_MSCI services and data are the property of MSCI or its information providers, and are provided as-is and without warranty. MSCI names and logos are trademarks or service marks of MSCI.
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4_Following a review, this rating is out of scope of Board of Management target after 2022.

In 2022, the variable component of the board members´ remuneration (individual contribution factor) considered a range of sustainability-related targets, as shown in the targets and achievements tables within this non-financial declaration.

For further details about the targets and achievements, please refer to the respective sections. These KPIs are also used for steering local entities. For further details about the remuneration system, please refer to the "Variable Remuneration System" in the Remuneration Report of the Annual Report 2022. In addition to these sustainability-related targets, we also describe objectives and actions which help further strengthen our sustainability approach to the matters described in this chapter.

Materiality

To make a positive impact, we must understand and respond to the changing context in which we operate. Our materiality assessment enables us to stay on top of trends and align our approach, reporting, and strategy with the sustainability issues that are most important to our stakeholders and our business. Its aim is to ensure we focus on the risks, opportunities, and topics that matter most to our key stakeholders, and which we can influence.

Our most recent assessment was carried out in 2021 in line with the GRI (2016) Standards requirements and is still applicable for 2022. For 2022, there are no significant changes to the process or list of material topics compared to the previous year. Our assessment approach used a variety of data sources, and we improved our methodology in 2021 by increasing the number of data sources and the number of data points within these sources.

We identified 19 material issues which were prioritized as having either high or medium importance. Topics are ranked and presented in a materiality matrix according to the German Commercial Code ("Handelsgesetzbuch – HGB") requirements and based on stakeholder views on their importance to society and to our business. The highest-ranked topics for all stakeholders were:

- climate change,
- ethics and responsible business,
- cybersecurity.

For a full description of the materiality assessment process and its matrix, please refer to the Materiality analysis chapters in the Group Sustainability Reports 2021 and 2022 on the **Allianz company website**.

We have set ourselves the target of conducting a comprehensive update of the materiality analysis every three years in line with regulatory, reporting, and rating agency guidelines.

We intend to undergo, latest for fiscal year 2024, a comprehensive materiality assessment process which will be in accordance with the Corporate Sustainability Reporting Directive (CSRD) provisions, which will include identifying material sustainability matters from an impact perspective (our impact on the environment and people) and a financial perspective (risks and opportunities related to sustainability matters).

For information on the financial implications of the war in Ukraine on the Allianz Group, please refer to note 3 to the Consolidated Financial Statements.

Sustainability approach

Our purpose drives our sustainability priorities. This means supporting the transformation of economies that do not breach ecological barriers. It also means aspiring to achieve a social minimum for everyone. Building on our business strategy, we have set sustainability priorities that reflect our values and the areas where we think we can make an impact across Environment, Social, and Governance (E, S, and G).

Environment – our priority is Climate/SDG 13. Our businesses spanning insurance, investment, and asset management are focused on understanding and shaping the climate transformation.

Social – our priority is Decent work and economic growth/SDG 8, including education upskilling and employability. We want to be a partner to our customers, governments, regulators, and societies. Our goal is to support the next generations and people with disabilities so that they can access high-quality employment. Investing in learning and development for our diverse workforce is key to making all of this happen in a changing world of work.

Governance – our priority is to create trust through strong leadership. We aspire to be a trusted partner for protecting and growing our stakeholders' most valuable assets. Against that background, strong leadership is a key contributor to a company's culture and governance.

We prioritize three U.N. Sustainable Development Goals (SDGs) to guide the integration of sustainability across Allianz and help us to contribute to societal, environmental, and economic change. In addition to SDG 13, Climate action, we have chosen SDG 8, Decent work and economic growth, as an orientation for our work. We believe that delivering the sustainability agenda is only possible through stakeholders working together. This is why we also prioritize SDG 17, Partnership for the goals.

In everything we do across our priorities of E, S, and G, we strive to embed the sustainability principles and activities that are outlined in our Group Sustainability Report 2022.

Risk management

We ground our strategy in proactive risk management to detect and address risks across the businesses. Group Risk is responsible for this process. We have not identified any remaining principal risks resulting from our operations, business activities, and business relations that could have severe adverse effects on material non-financial matters. Any potential risks and impacts identified throughout our risk assessment have been addressed by the respective concepts we have in place, which we describe in this report.

As a global insurer, investor and asset manager, understanding sustainability issues allows us to reduce risks and capture opportunities in underwriting, claims, proprietary investment management, and asset management. For information on climate-related risks and opportunities, please refer to the Risk and Opportunity Report. Our concepts for all other matters for which reporting is required will be addressed in subsequent chapters. The ESG approach provides part of the foundation for these concepts and is managed by Global Sustainability.

Sustainability integration approach

Our commitment to tackling ESG topics – here referred to as sustainability topics – ensures we embed sustainability in our own operations and across our insurance, investment and asset management activities. The types of sustainability risks Allianz considers to be material in its insurance, and investment activities are summarized in the Allianz ESG Integration Framework. We published the fourth version of the Framework in 2021.

In the Allianz Group Risk Policy, we define sustainability risks as events or conditions which, if they occur, could have significant negative impacts on the assets, profitability or reputation of the Allianz Group or one of its companies. Sustainability topics are integrated in our insurance, investment, and asset management businesses through multiple instruments. Key processes include the internal Allianz Standard for Reputational Risk and Issue Management (AS RRIM) and other corporate rules, such as the Allianz Standards for P&C Underwriting and Allianz ESG Functional Rule for Investments (EFRI).

An overview of the Group's key ESG integration processes is described below:

- ESG risks are managed through the ESG-sensitive business guidelines outlined in the AS RRIM, in underwriting, proprietary investments in non-listed asset classes, and operations.
- For investments in listed asset classes, the Allianz ESG scoring approach (defined in EFRI) is applied to manage related risks.
- For proprietary investments, Allianz has excluded investments in companies involved in controversial weapons since 2011. Additionally, we do not provide insurance cover for activities related to such weapons.
- We have restricted proprietary investments in coal-based and oil and gas business models and related property-casualty insurance business. Our criteria for the exclusion of coal-based business models were further expanded in May 2021. Furthermore, we have also excluded oil sands-based business models since May 2021.[1] In the fight against global warming, any additional unit of renewable energy is needed. Therefore, we are revising our thermal coal guideline to allow ring-fenced insurance of renewable energy projects not looking at legacy business of the utility.
- ESG integration in property-casualty insurance is carried out through the application of ESG guidelines and processes in the underwriting process.
- Further ESG-related measures, including the prevention of human rights violations, are part of our systematic engagement with investee companies as well as ESG considerations in our selection and management of asset managers and in our procurement processes.

We continue to expand and strengthen our sustainability risk management approach to ensure it is current and relevant in the context of our core businesses. The data related to our ESG integration approach is included in our Group Sustainability Report 2022 on the **Allianz company website**. An in-depth overview of our approach and processes for integrating ESG is published in the Allianz ESG Integration Framework on the **Allianz company website**.

In our Asset Management business segment, AllianzGI and PIMCO have developed and implemented entity-specific processes to manage risks and capture opportunities from ESG issues. For proprietary assets that AllianzGI and PIMCO manage on behalf of other Allianz Group entities, group-level requirements are observed in combination with the asset management entities' specific approaches, as shown in section 02.3 in our Group Sustainability Report 2022 on the **Allianz company website**.

1_Please refer to the target and achievement table in the "Environmental matters" section.

Environmental matters

The following section describes the impact of environmental matters on our business activities and relationships, as well as the impact of Allianz's activities and relationships on the environment. We also describe our concepts for managing these impacts and related achievements.

Concepts

Within our global sustainability approach, the pillar "Low carbon economy, climate change, and decarbonization" addresses climate change, and environmental issues. Both were identified as top risks in our materiality analysis. As a company dealing with risk, managing impact on environmental matters – and their impact on us – is a key element of our business approach.

Climate change is a major risk for societies and economies, and it directly affects our business, from our insurance products to our proprietary and third-party investments, and our own operations. We are tackling climate change challenges by promoting the transition to a low carbon economy through our investments and insurance solutions. In addition, we actively manage emissions from our operations.

In 2022, the decrease in measured GHG emissions was mainly caused by increasing the share of renewable power in our energy mix, delivering a structured approach to energy management, and reduced business travel resulting from COVID-19.

Climate Change Strategy

Our climate approach is grounded in the Allianz Group Climate Change Strategy. The strategy is built around the three pillars through which we can have an impact: Anticipate. Care. Enable.

Our ambition is to be a partner for our clients, investees and different sectors in the transition towards net-zero. We do this with our own activities, and we contribute through partnerships, including the U.N.-Convened Net-Zero alliances: Net-Zero Asset Owner Alliance (NZAOA) as well as Net-Zero Insurance Alliance (NZIA). Allianz Global Investors is part of the Net-Zero Asset Manager initiative (NZAM, not U.N.-convened).

Our climate approach is an integral part of our core business. By committing to net-zero greenhouse gas (GHG) emissions by 2050, we are working to set long-term and intermediate targets across our operations and business lines in line with the 1.5°C ambition.[2]

The Allianz SE Board of Management's remuneration is tied to the attainment of climate-related targets, among other things, which include the successful execution of our Climate Change Strategy.

We measure our GHG emissions from our own operations (Scope 1, 2 and relevant scope 3) and from our proprietary investment portfolio (Scope 3 category 15) and are continuously working to increase the covered asset classes. Based on our current model, the total GHG emissions from Allianz amount to 16.4 mn t CO_2e. We have increased the scope by including the following asset classes: sovereigns, buildings and infrastructure equity, but have limited assurance for these asset classes to date. We provide more details in this chapter. For further information, please refer to "Sustainability in proprietary investments" (section 02.2) and "Own operations" (section 02.6) in our Group Sustainability Report 2022 on the **Allianz company website**.

2_We are managing towards 1.5°C in line with pathways which do not overshoot 1.5°C or only to a limited extent (so-called low/no overshoot pathways).

Climate targets for proprietary investments

For our proprietary investment portfolio, we have committed to reduce GHG emissions to net-zero by 2050. Our initial set of intermediate 2025 targets covered listed equities, corporate bonds, and direct real estate, including Joint Ventures. We are constantly expanding the scope of targets in line with the Target Setting Protocol of the NZAOA.

As an intermediary target, we aim to reduce our emissions in our listed equities and tradeable corporate bonds by 25% by year-end 2024 compared to 2019.

We also target that our direct real estate portfolio will be aligned with science-based 1.5°C pathways by year-end 2024. In 2021, we introduced new targets for our equity and debt infrastructure investments. For direct equity infrastructure investments, we are targeting a 28% reduction by the end of 2025 against the 2020 base year.

In 2022, we set targets covering fund investments in infrastructure, real estate, and private equity, as well as our European Commercial Real Estate Lending (EU CREL) business. For all investments in these asset classes, we commit to carbon transparency on financed emissions, at the latest by reporting for the 2024 fiscal year. For new investments in these asset classes, we will phase in net-zero targets by 2025. For EU CREL, our targets are to ensure Carbon Risk Real Estate Monitor (CRREM) alignment for all new loans. For all existing assets, we apply an engagement approach.

To set targets and measure achievement, we calculate the carbon footprint of the respective asset classes. While we have already been reporting the carbon footprint of our Corporates and Listed Equities portfolios, we now also calculate the carbon footprint of our (direct) Real Estate, (direct) Infrastructure Equity and Sovereign bond portfolios in line with the latest PCAF recommendation. For further details on our targets and our carbon footprint, please refer to our Group Sustainability Report 2022 on the **Allianz company website**, sections 02.2.2 and 03.1.

To complement our portfolio climate targets for investments, we have also set targets for two of the highest-emitting industries, namely utilities, and oil and gas.

Utilities

Complementing our coal phase-out commitment by gradually increasing our investments in renewables and following at least the necessary annual growth rate of 5.85% as proposed by the International Renewable Energy Agency (IRENA) as a minimum. As of 2023, there will be stricter thresholds for coal-based business models.

Oil and gas

Supporting the commitment set out by the industry-led Oil and Gas Climate Initiative (OGCI) to limit the emission intensity for Scope 1 and 2 emissions of oil and gas companies in their exploration and production business ("upstream") to less than 20 kg CO_2e per barrel of oil, and aligning our oil and gas exposure on average-listed equity and corporate bonds portfolio to this intensity level.

By 2025, we aim for at least 50% of our assets under management in the oil and gas sector to have set net-zero targets on Scope 1 and 2 emissions by 2050.

Anticipating climate risks

Our Climate Change Strategy aims to anticipate the risks of a changing climate. We systematically consider climate and sustainability criteria in our insurance and investment business. We continuously update and develop our approach to identifying and managing climate change risks and opportunities. Using internal models and external tools, we perform sensitivity and scenario analyses with time horizons extending to 2050, and with global warming scenarios ranging from 1.5°C to 4°C. For more details on climate scenario analyses, see section 03.4 of our Group Sustainability Report 2022 on the **Allianz company website**.

In pursuing our investment business, we consider climate-related criteria such as carbon emissions, energy efficiency, vulnerability to climate change, and opportunities in clean tech as part of our ESG integration approach for listed and non-listed assets. We also systematically engage with investee companies exposed to high ESG risks, offering advice and encouraging them to define and pursue their own climate strategies in line with the latest scientific findings. For further insights into the Allianz Group´s ESG engagement approach, please refer to section 02.2.1 of our Group Sustainability Report 2022 on the **Allianz company website**.

As part of our decarbonization strategy, we have enacted fossil fuel guidelines which have targeted restrictions and company expectations for companies with business models based on oil and gas as well as thermal coal. These guidelines apply to proprietary investment and Property-Casualty portfolios (see Allianz Statement on the Allianz company website on business models based on **coal**, **oil and gas**).

For more information on our current state of progress, please see section 02.2.1 of our Group Sustainability Report 2022 on the **Allianz company website**.

Climate targets for our insurance business

For our insurance portfolio, we were one of the founding members of the Net-Zero Insurance Alliance (NZIA). Currently, we are working on the development of the targets and methodologies within NZIA. These methodologies are expected to be published in early 2023, after which Allianz and other members will set their first near-term targets.

Caring for our customers

We support our insurance customers so that they can reduce climate-related risks by minimizing damage and insure low-carbon developments. This is particularly important as we see natural catastrophes increasing in frequency and severity due to climate change. Furthermore, we are piloting new approaches that combine insurance offerings with measures that strengthen their resilience. This includes incentivizing people to reduce risk and advise on opportunities.

On the insurance side, we invest in data and technology for understanding the different natural catastrophe perils that will affect the world. Many people still do not have any insurance, and we collaborate with our peers, governments, and civil society to help close the protection gap in more vulnerable parts of society. We also support scientific research and innovation that improves society's understanding of climate-related risks, for example through the InsuResilience initiative.

Enabling the low carbon transition

We strive to enable the journey to net-zero for our own operations, for our investees, and for our insurance customers. Our ambition is to be an insurance and investment partner for the net-zero transformation that different industries and customers need to make.

Our business strategy aims to systematically enable a low-carbon and climate-resilient future. We focus on key sectors with high emissions and the need for transformation. The energy and transportation sectors are prime examples. We strategically invest in low-carbon assets and are insuring low-carbon technologies. Grounded in our belief in science-based decision making, we support partners, investees, and clients along the path to net-zero. In addition, we support transitioning to net-zero by investing in blended finance vehicles and climate positive solutions like forestry and hydrogen (for more on our approach towards financing the transition, please refer to our Group Sustainability Report 2022 on the **Allianz company website**, section 02.2.1). We also commit to pursuing net-zero within our own operations.

We work with policymakers and regulators to support sustainable financing and achieve the goals laid down in the Paris Climate Agreement. We also promote transparency through climate-related disclosures by aligning our strategy and reporting with the recommendations of the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and expecting the same from our investee companies and commercial clients.

For more details on the TCFD, please refer to the climate change related disclosure (in section 03) of our Group Sustainability Report 2022 on the **Allianz company website**.

Targets and achievements: Climate Change Strategy

Topic	Board targets 2022	Achievements 2022	Targets 2023	Targets and commitments 2024 and beyond
Decarbonizing our Proprietary Investments	Establish a quantitative roadmap to reach minus 25 % GHG emissions (absolute reduction on public equity and listed corporate debt by 2024 versus 2019).	All portfolio decarbonization levers are fully on track, with minus 25 % GHG emissions by 2024 year-end target achieved already. On top of the target, AIM SE has actively shaped various sustainability-related topics, internally and externally, during 2022, leading and shaping ambition of the Allianz Group. 35 %[1] emission reduction (baseline 2019)	Follow through on net-zero ambition, in particular in line with our Net Zero Alliances commitments.	As an intermediary target, we aim to reduce our emissions in listed equities and tradeable corporate bonds by 25 % by year-end 2024, compared to the 2019 baseline. The fully owned real estate portfolio will be in line with scientifically based 1.5-degree pathways by year-end 2024. We also set emission reduction and engagement targets for our infrastructure portfolio in line with 1.5-degree pathways.

1_The original 2019 baseline figure got limited assurance. Due to a methodology change, the baseline figure was restated. The restated figure was not audited. The 2022 carbon footprint figure has reasonable assurance level.

Objectives and actions: Climate Change Strategy

Topic	Objectives	Progress and actions 2022
Phase out of coal-based business models	– Fully phase out coal-based business models across our proprietary investments and Property & Casualty (P&C) portfolios by 2040 at the latest, in line with the 1.5ºC pathway. – Engage with companies in proprietary investment as well as P&C portfolios to move away from coal.	Reduce threshold for coal-based business models for P&C insurance as well as investment portfolios from current 30 % to 25 % share of coal in power generation or mining revenues as of 31 December 2022. For further insights into our guideline and our divestments, please refer to our Group Sustainability Report 2022, section 03.
Transition away from oil and gas	– Restrict specified oil and gas project investments and single-site P&C insurance as of 1 January 2023. – Set expectations to companies with largest oil and gas production to commit to net-zero GHG emissions across all emission scopes by 2050 by 1 January 2025.	– Launch of oil and gas guideline which restricts project investments in and single-site P&C insurance of exploration and development of new oil and new gas fields (upstream), construction of new midstream infrastructure related to oil as well as construction of new oil power plants. – Furthermore, practices relating to Arctic and Antarctic, coal-bed methane, extra-heavy oil and oil sands, as well as ultra-deep sea are restricted. This pertains to both new and existing projects/operations. – Companies with largest oil and gas production need to commit to net-zero GHG emissions across all emission scopes by 2050 by 1 January 2025. For further insights into our guideline, please refer to our Group Sustainability Report 2022, section 03.
Net-Zero Asset Owner Alliance	Transitioning investment portfolios to net-zero GHG emissions by 2050 consistent with a maximum temperature rise of 1.5°C above pre-industrial temperatures.	– Allianz re-elected to Steering Group Chair role for another term of two years, which reflects the strength of our commitment and collaboration with member organizations. – Allianz co-led Monitoring, Reporting & Verification (MRV), Engagement, Policy and Communications work tracks within the alliance, together with other leading asset owners. – One of the key contributors to notable publications such as Target Setting Protocol 2nd edition, The Future of Investor Engagement, Position paper on Governmental Carbon Pricing, AOA's 2nd annual progress report, Call to Policymakers to Support Scaling Blended Finance, Call to Action to Private Market Asset Managers, to name a few.
Net-Zero Insurance Alliance	Transitioning all operational and attributable GHG emissions from our insurance and reinsurance underwriting portfolios to net-zero GHG emissions by 2050, consistent with a maximum temperature rise of 1.5°C above pre-industrial levels.	– Allianz actively supported the creation of the first ever carbon accounting and reporting standard for the insurance industry. It was successfully launched in November 2022 in cooperation with PCAF (Partnership for Carbon Accounting Financials) and other leading insurance companies. – Allianz further contributed significantly to the first version of the NZIA Target Setting Protocol, expected to be launched in January 2023. First individual intermediate targets for 2030 are expected to be released in 3Q 2023.
Sustainable claims management	Define approach and KPIs for sustainable claims management in retail P&C.	– Allianz developed a practice guide for motor retail to support decarbonization of motor retail claims processes together with the biggest operating entities in the motor business. – Allianz defined a set of operational KPIs for motor retail claims which will be applied for internal steering purposes in 2023.
Strategy for sustainability in asset management	Develop strategy for sustainability in asset management, leading to strong competitive positioning in sustainable product offering and ensuring strong sustainability reputation.	Allianz Asset Management businesses have been working intensely on their respective sustainability strategies as they continue to see it as an important industry driver. Both PIMCO and AllianzGI presented strong sustainability strategy as part of Strategic Dialogues in 2022 and have been working on innovative offerings across the broad spectrum of sustainability orientation of their clients.

Environmental management of our operations

We have established a dedicated unit – Sustainable Operations – within Group Operations & IT to align the strategic approach across all Allianz entities, with the aim to reduce their environmental footprint and accelerate impact with clear target setting and best-practice sharing.

Our ambitious new commitment (For further information, please refer to the **Allianz company website**) for our own operations is to reduce GHG emissions arising from Allianz sites and activities in over 70 markets to net-zero by 2030, earlier than 2050 as originally planned.

We have accelerated our climate targets for business operations and, by 2025, plan to reduce GHG emissions per employee by 50% versus 2019. Further, to achieve the net-zero target by 2030, we aim to reduce emissions by 70% versus 2019.

Key drivers will be sourcing 100% renewable electricity by 2023, implementing energy-efficiency and reduction measures, shifting to a fully electric corporate car fleet by 2030 at the latest, and achieving a 40% reduction of GHG emissions from travel activities by 2025 against a 2019 baseline. To address the remaining 30% of the emissions, we will use high-quality carbon removal solutions. Beyond our own operations, we will ask 100% of the global framework vendors in our supply chain that provide services globally to establish a public commitment to net-zero GHG emissions in line with a 1.5°C path by 2025.

Embedding sustainability in our buildings encompasses renewable energy and energy efficiency, as well as waste and water management, together with additional actions on areas such as food and infrastructure for green commuting and ensuring that the environmental management processes are in place.

We apply targeted environmental management system (EMS) and energy-efficiency processes based on ISO14001 and ISO50001 standards to improve environmental management governance practices at some of our major locations and entities. Mandatory requirements of such certification help strengthen our approach – for example, it is a requirement of ISO14001 to have a board-level sponsor for our EMS. At Allianz SE, this sponsor is our Chief Operations Officer. Entities such as Allianz France or Allianz Germany are already ISO14001 and/or ISO50001 certified. Our main locations also pursue certifications such as LEED, BREEAM, etc.

The scope of our environmental reporting includes all entities that, at the time of writing the reports, have been part of Allianz for at least a full reporting year. In 2022, we collected environmental data for entities corresponding to 95% of our total employee base.

In 2022, we included GHG emissions from remote working to reflect the increased shift towards hybrid working. We also included emissions from our use of public cloud services following our IT strategy. For further details on scope and methodology, please refer to the 2022 explanatory notes on the **Allianz company website**.

This permits performance monitoring as well as the comparison and benchmarking of entities based on comparable system boundaries. GHG values reported refer to the sum of Scopes 1, 2, and 3, as defined in the Greenhouse Gas (GHG) Protocol. GHG emissions considered under Scope 3 include business travel, paper use, and energy-related emissions such as transmission and distribution losses. Scope 2 emissions are calculated applying market-based factors.

For our approach on carbon credits, please refer to our Group Sustainability Report 2022 on the **Allianz company website**, section 02.6.

Targets and achievements: environmental management of our operations

Topic	Board targets 2022	Achievements 2022	Targets 2023	Targets and commitments 2024 and beyond
GHG emissions per employee[1]	Reduce GHG emissions by 50 % per employee by year-end 2025, against a 2019 baseline.	- Our carbon footprint per employee was 1.0 tons (2021: 0.9). This represents a 57 % reduction (2021: 60 %), against a 2019 baseline. - This reduction was mainly the result of increasing the share of renewable power in our energy mix, delivering a structured approach to energy management, and reduced business travel resulting from COVID-19.	We expect in 2023 emissions at a comparable level to 2022 with some post COVID-19 corrections.	- Reduce GHG emissions by 50 % per employee by year-end 2025, against a 2019 baseline. - Achieve the net-zero target by 2030.
Renewable electricity	Source 100 % renewable electricity for our operations by 2023.	The share of renewable electricity in total electricity used was 89 % (2021: 77 %). This was mainly achieved through a combination of strategic discussions with suppliers on "green tariffs", expanding the use of on-site renewable technologies and the use of "unbundled"[2] renewable Energy Attribute Certificates.	Source 100 % renewable electricity for our operations by 2023.	Maintain 100 % renewable electricity for our operations.

1_The data is based on meter readings or invoice amounts (where available), and entities' own estimations. Wherever the necessary data cannot be determined in this way and with reasonable effort, it is extrapolated – either for entire entities or for part(s) of them – based on the relevant headcount.

2_In locations where no direct renewable energy solution is available, we partly purchase Energy Attribute Certificates (EACs) issued to renewable electricity generators operating within the same market boundary as the claimant.

Social matters

The following section describes the impact of social matters on our business activities and relationships, and the impact of the Allianz Group´s activities and relationships on society. We describe the concepts and achievements related to the management of these impacts with a focus on social impact and responsible consumer/sales policies.

Concepts

Allianz is committed to having a positive social impact and helping to deliver the U.N. SDGs – for more information, see sections 01.4, 01.6, 02.7 of our Group Sustainability Report 2022 on the **Allianz company website**. We understand social impact as the effect that our global organization has on the well-being of the community – from global society to local communities where we live and work. This ambition is lived out through our company purpose, group-wide business strategy, and the local efforts of our operating entities.

Our long-term approach as an investor and insurer is an opportunity to offer measures that can mitigate future risks and shape societies for generations, for example through pension systems, environmental and climate protection. As a global insurer, we uphold the principle of solidarity. Pooling risks is part of our core business model, and we have a keen interest in supporting stable communities. We have a role to play in enabling next generations and people with disabilities to overcome the economic and social impacts of the pandemic and other systematic social risks. For further insights into our concepts, see "Our social approach" (in section 01.6) of our Group Sustainability Report 2022 on the **Allianz company website**.

Responsible Tax

The taxes we pay are relevant contributions to the economic and social development of the countries in which we operate. Information on our Tax Strategy and our approach to taxes is provided through section 04.4 of our Group Sustainability Report 2022 on the **Allianz company website** and the Tax Transparency Report 2022 on the **Allianz company website**.

Corporate Citizenship

We deliver social impact through our business, customers, employees, and corporate citizenship activities. Our Corporate Citizenship Strategy aligns with our company purpose – "We secure your future" – and ensures we deliver our responsibility towards society. Next generations and people with disabilities are our priority focus groups and we deliver corporate citizenship activities across our operating entities.

Allianz has 12 foundations around the world which support universities and academia. We also provide emergency relief, with a high focus on the Ukraine war in 2022. Our social activities align with our commitment to SDG 17, Partnerships for the goals. We actively participate in a wide range of initiatives, from global U.N.-backed initiatives to collaborations with regional non-governmental organizations (NGOs) and local charities, see section 02.7 of our Group Sustainability Report 2022 on the **Allianz company website**.

Our Corporate Citizenship Strategy was concluded in 2021 and set targets for 2022 and beyond, along with guidance and criteria for activities under SDG 8, Decent work and economic growth. Leveraging our experience and partnerships in sports, we create programs that promote well-being, resilience and job-readiness for youth and people with disabilities. To support education efforts through our academic partnerships, we offer various scholarships, including those with ESMT and MIB Trieste. We use the Allianz Social Impact Measurement Framework to support local entities in setting their ambitions and measuring and reporting on the impact of corporate citizenship activities locally.

In 2021, we launched a Social Impact Fund to replace the previous Social Innovation Fund. The fund is our key program which supports strategic opportunities to deliver social impact beyond charitable donations by focusing on creating measurable impact through intersectoral partnerships. In 2022, the fund provided resources for 15 local partnerships that focus on SDG 8. This year's funded programs cumulatively expect to reach over 700,000 youths and more than 1,000 schools by 2024.

For more information on our Social Impact, please see section 02.7 of our Group Sustainability Report 2022 on the **Allianz company website**.

Objectives and actions: societal impact

Topic	Objectives	Progress and actions 2022
Corporate citizenship strategy	Continue with the implementation of the new strategy and roll out of the impact measurement framework.	Integrated Social Impact Measurement Framework into data collection process to enhance input-output-outcome-impact (IOOI) reporting in support of local entities setting their ambitions and measuring the impact of corporate citizenship activities.
Long-term global partnerships	Continued review of our global partnership and development of a partnership framework for local corporate citizenship activities to increase the resilience and equal opportunities of children and young people.	Global Partnership approach is under discussion.
Corporate citizenship activities	- Continue to contribute to society through corporate giving and employee volunteering in alignment with our strategy. - Identify and launch activities that would be supported through the Allianz Social Impact Fund.	Social Impact Fund supported 15 corporate citizenship programs led by operating entities (OEs) in partnership with NGOs in delivery of social impact locally in alignment with global strategy.

Responsible consumer / sales

Our strong reputation is built on the trust our customers, shareholders, employees, and the general public place in our integrity. This trust hinges on the quality of our products, information, and advice, and on the personal conduct and capabilities of our sales employees and representatives.

The Allianz Group Code of Conduct (CoC) is at the core of our corporate culture. The Code emphasizes that fairness towards customers and transparent communication about our products and services – including their limitations – maximizes our opportunity to earn the long-standing trust of customers. This is expressed through our Global Sales Compliance Framework program, which specifies standardized processes and controls for communication, monitoring and review, and is regularly updated to reflect regulatory developments.

The Allianz Standard for Sales Compliance aims to promote and protect the interests of our customers. It is designed to ensure transparency and the fair, honest, and responsible treatment of Allianz customers in their purchase of our financial products and their dealings with us. The Standard sets the foundation for a comprehensive customer protection framework designed to ensure all Allianz entities adhere to its prudential norms and robust protection. It covers five key areas to address conduct risk: Product Oversight and Governance, Incentives and Steering of Distributors, Standard of Distribution, Sales Force Selection and Training, and Monitoring and Reporting.

We use the globally recognized Net Promoter Score® (NPS) as our key metric for measuring customer loyalty through customers' willingness to recommend Allianz. In 2022, we switched to digital NPS tracking. Digital NPS allows us to measure customer loyalty continuously, eliminating seasonality, and deepening our understanding of customers' sentiment. Additionally, the new measurement sets higher standards for our operating entities which are measured against a broader set of competitors. Our Group ambition is to reach 50% of loyalty leaders by 2024.

Our Voice of the Customer program applies a holistic and standardized methodology to monitor and improve the customer experience by collecting real-time qualitative and quantitative feedback. After each touch point a customer has with Allianz, they are invited to state their satisfaction on a five-star scale at predefined touch points along five customer journeys. They map the main interactions a customer has with Allianz along the following journeys: Sales & Onboarding; Claims; Issue Resolution & Contract Management; Renewal, Cancelation & Termination; and Outbound Communication. If customers rate their experience with three stars or less, we follow up with them to resolve the issue directly and gather more insights.

We use insights from Voice of the Customer and NPS to improve our products, services, communications, and processes. We combine and analyze sources of customer data in strict accordance with applicable privacy laws to prioritize and implement structural improvements. Local operating entities use customer feedback to derive concrete actions, such as improving proactively informing customers about the status of their claims.

Learnings gained through Voice of the Customer and NPS programs are also helping us design the global Allianz experience for customers. In 2022, we rolled-out a set of global guidelines (Xperience Habits) in contact centers to ensure our customers are treated with appreciation, empathy, and helpfulness. In addition, we launched two more initiatives to improve customer interactions and provide a consistent Allianz experience across markets. We created and distributed to our operating entities guidelines and digital communication templates on when and how to proactively inform customers about the status of their claims. We also launched the Annual Policy Review, as a service communication to engage with customers in their best interest.

The Allianz Customer Model (ACM) is our end-to-end global business model which puts the customer at the center of our business and enables Allianz to be simple, digital, and scalable. Our ambition is to simplify and harmonize our business globally, which involves transforming the whole value chain across products, sales, claims, and operations. Within this context, the ACM was designed first for Retail Property and Casualty lines and then extended to Health, Life, B2B2C, MidCorp, Large Corporate, and Reinsurance. Our aim is to continuously roll out the model across Allianz operating entities.

Rather than selling individual insurance products, our vision is to evolve our products into full ecosystems and offer customers relevant and trusted solutions. In parallel, we are collaborating with the Allianz Customer Model to systematically analyze customer pain points and upgrade customer journeys at the Group level.

For more information on our approach to customer responsibility and compliance, please see section 02.5 of our Group Sustainability Report 2022 on the **Allianz company website**.

Targets and achievements: responsible consumer / sales

Topic	Board targets 2022	Achievements 2022	Targets 2023	Targets and commitments 2024 and beyond
Global NPS performance	Digital NPS tracking.	Achieved 58 % Loyalty Leaders.	Our ambition for 2023 is to continue working on the Allianz customer experience so we improve our global Loyalty Leaders performance and meet the 2024 digital NPS targets.	Our Group ambition is to reach 50 % Loyalty Leaders by 2024

Cybersecurity

The following section describes the impact of cybersecurity on our business activities and relationships, as well as the impact of the Allianz Group´s activities and relationships with regard to IT topics. In addition, we describe the concepts and achievements related to the management of these impacts with a focus on information security, data privacy, and data ethics.

Information security

Information security is the application of technologies, processes, and controls to protect systems, networks, programs, devices, and data from unauthorized access and against cyberattacks, and meeting related regulatory requirements. Our approach is closely monitored by a dedicated Chief Information Security Officer (CISO) function and the Allianz Group Board of Management. An executive accountability regime supports the enforcement of the governance framework for all entities.

The Allianz Information Security Governance Framework comprises multiple layers of corporate rules and processes. An overall policy establishes core principles, roles, and responsibilities and the organizational framework Information Technology and Information Security within the Allianz Group.

To fulfill our commitment, cyber risk is assessed and tracked as one of the top risks faced by Allianz and is closely managed along key risk indicators covering security maturity, risk exposure, and security operations across the Allianz Group. Performance against these indicators is discussed, reviewed, and reported quarterly to the Board of Management and Supervisory Board. Monitoring for cyber incidents, and measures to prevent them from occurring, are implemented at a global level and supplemented locally where required, together with the local CISOs that exist in all Allianz operating entities.

Specific actions to improve security controls are continuously evaluated and developed with priorities assigned on a global, risk-based view that is informed by the current and expected threat landscape. Actions to achieve our cyber risk targets focus on five key risk areas: reducing the likelihood of incidents; increasing detection likelihood; reducing damage from incidents; streamlining compliance; and training/educating the organization to further improve security awareness.

All employees are required to participate in cyber-awareness training at least quarterly. These include activities like simulated phishing e-mails, awareness campaigns or regularly offered dedicated information security training. We also participate in industry and global/regional initiatives to support the security of the overall internet ecosystem.

For more information on our commitment to information security, please see section 04.1.1 of our Group Sustainability Report 2022 on the **Allianz company website**.

Data privacy

Protecting our customers' data and maintaining trust in our processes are top priorities. Our customers, employees, and other stakeholders expect us to treat their data with the utmost care and we take this responsibility extremely seriously. We are committed to the highest standards to protect customer privacy and we cooperate closely with other stakeholders involved in the update and modernization of European privacy legislation, including industry associations, members of parliament, and authorities. Our group-wide privacy program ensures compliance with all relevant data privacy laws and regulations. All data privacy matters are overseen by Group Data Privacy. Our 2022 focus was on furthering the automation of data privacy within our organization, enhancing the Privacy Monitoring and Assurance Program (PMAP), and continuing to embed privacy within the business through our network of privacy champions.

The Allianz Privacy Framework (APS) is our global standard for data privacy. It defines rules and principles for collecting and processing personal data, and includes a global standard for data privacy, a privacy impact assessment and risk management process, integration with information security standards and practices, and dedicated training programs for employees. Digital Privacy Guidelines provide guidance on privacy-related topics that affect digital projects, both for privacy by design as part of new-product and service design processes, and for privacy by default - this means that wherever individuals are given choices on the use and sharing of their personal data, default settings restrict the disclosure. In addition to the APS, our data protection authority has approved our Binding Corporate Rules (BCRs). These BCRs allow Allianz Group companies to lawfully transfer personal data from within the European Economic Area to other jurisdictions, where it is required for business purposes.

Our employees play a critical role in upholding our commitment to protect personal data. To ensure they have the knowledge to properly use and safeguard personal data, all employees are required to complete annual privacy training which covers the Allianz Privacy Framework requirements in detail and ensures a solid foundational understanding of core privacy concepts and the proper handling of personal data. For Privacy Experts, five-day Privacy Expert Training is focused on providing Data Protection Professionals and Data Protection Officers with the practical knowledge to effectively conduct their day-to-day activities. For Privacy Champions, two-day Privacy Champion Training is focused on the practical knowledge and exercises of the Privacy Champion role to ensure data protection compliance within the business.

As part of our Privacy Risk Management, we identify and manage privacy risks at the operational process level to ensure they are measured, monitored, and mitigated across our core businesses. Privacy Impact Assessments (PIAs) of processes that use personal data – such as customer health data and employee data – enable the early identification of privacy risks and ensure they are managed appropriately.

We are also committed to ensuring that adequate and effective controls are in place to address privacy risks associated with the processing of personal data by external suppliers on behalf of Allianz. We have undertaken case-by-case Transfer Impact Assessments (TIAs) for processes that transfer personal data from the European Economic Area (EEA) to suppliers in third countries. In 2022, we designed a TIA template in our privacy management platform which will be rolled out to all our operating entities in the EEA to ensure such assessments are conducted in a consistent, semi-automated way.

For more information on our commitment to data privacy, please see section 04.1.2 of our Group Sustainability Report 2022 on the **Allianz company website**.

Data ethics

Our aim is to maintain stakeholder trust and position Allianz as a leader in conducting data-driven business in a trustworthy and ethical manner. This includes elevating data ethics and selected data and analytics-related topics in the governance and decision-making processes of the Allianz Group.

We strive for a responsible use of Artificial Intelligence (AI) in our business activities based on a strong AI Governance Framework. This includes ensuring a human-centric approach in our usage of AI systems: For each AI system, an appropriate level of human control must be determined according to the inherent risks of harm for individuals as part of a Privacy and Ethics Impact Assessment.

Ensuring compliance with current and upcoming regulations and embedding best practices in anticipation of regulatory change are also high priorities in fulfilling our data ethics commitments.

Following its establishment in 2021, the Data Advisory Board (DAB) has continued work to elevate and integrate data ethics into governance and decision-making, as well as supporting both the positioning of Allianz as a leading insurer and investor in the data ethics space and wider sustainability efforts. The DAB supported EU operating entities which are members of the Renewal Agenda Committee in their roll out of the Practical Guidance for AI by end of 2022.

Other measures include Privacy and Ethics Impact Assessments to identify and address AI-specific risk through the determination of the appropriate level of human involvement and mandatory training for relevant employees who develop and/or use AI in applicable operating entities (OEs).

For more information on our commitment to data ethics, please see section 04.1.3 of our Group Sustainability Report 2022 on the **Allianz company website**.

Cyber risk

We are constantly evolving our solutions to enable customers to manage cyber threats. As an example, Allianz, (within its commercial Property and Casualty products) has eradicated around 98% of silent cyber exposure, therefore providing clarity to customers on what is and isn't covered within the products. As an insurer, we combine policy and service improvements to help businesses understand the need to strengthen their controls. We continue to evolve cyber risk exposure coverage across P&C policies spanning commercial, corporate, and specialty insurance segments. The Cyber Underwriting Strategy addresses exposures to cyber risks and is reviewed regularly to ensure policies are updated and clarified in response to cyber risks.

For more information on cyber risk, please see section 04.1.4 of our Group Sustainability Report 2022 on the **Allianz company website**.

Objectives and actions: cybersecurity

Topic	Objectives	Progress and actions 2022
Information security executive accountability	- Define and include information security targets for all responsible board members, including local OEs to ensure appropriate focus on securing Allianz. - Further upgrade targets and risk indicator monitoring, linking them to quantified risk exposure and roll-out of global cyber-risk management strategy.	- Target objectives for all OEs included key information security risk indicators in addition to targets for strategic programs related to information security. - Additionally, a mechanism was devised to ensure a direct link between information security standing and reward.
Data privacy and data ethics	- Deploying new data privacy controls for supplier management concerning the pre-selection, contracting, ongoing monitoring, and off-boarding of data processors. - Deploying a rigorous new training program for privacy professionals and privacy champions. - Rollout of the AI Practical Guidance to all EU Renewal Agenda Committee (RACo) operating entities.	- Revised data privacy controls for supplier management to reflect the full supplier management lifecycle and piloted these controls for inclusion into the 2023 cycle of the Integrated Risk and Control System (IRCS). - Conducted 2 Privacy Expert Trainings and 7 Privacy Champion Trainings, attended by 49 and 404 participants respectively. - Instituted a quarterly program to train relevant employees on the Practical Guidance for AI. - Completed the Practical Guidance for AI rollout assessment, including an interview process and monitoring measures, for all EU RACo OEs by the end of 2022.

Human rights matters

Respect for human rights is a minimum standard for responsible business within and beyond our direct operations. This is an expectation that is reflected by expanding legislation on human rights and is applied across our global operations. The following section describes how we handle human rights risks in our business activities and relationships. We also describe our activities and achievements related to the management of those risks. As we are a financial services provider, these activities mainly relate to insurance transactions, proprietary investments, and our operations. The topic of human rights is managed by Global Sustainability and is overseen by the Sustainability Board.

Concepts

We aim to identify, prevent, mitigate or remediate adverse human rights impacts linked to our business activities and operations, including our supply chain. This is in line with the U.N. Guiding Principles on Business and Human Rights (UNGP), which provide a framework for responsible business operations and activities. We are committed to respecting various human rights standards and Allianz SE has been a participant in the U.N. Global Compact (UNGC) since 2002. We annually communicate our progress against these principles. Please refer to our latest UNGC annual communication on the **Allianz company website**.

We also apply the Universal Declaration of Human Rights as an employer throughout our worldwide operations. We have integrated the 10 principles of the UNGC into our globally binding Allianz Group Code of Conduct and we respect the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. We endorse the Declaration on Fundamental Principles and Rights at Work, including the International Labour Organization (ILO) declaration on the freedom of association and the right to collective bargaining. We are a supporter of the U.N. Women's Empowerment Principles and the B Team's Principles for Equality.

To manage our human rights risks, we look across each of our roles as an insurer and investor, as an employer, as a company including our supply chain, and as a corporate citizen. For each of these roles, we embed specific processes to manage human rights risks and act on opportunities to drive positive change.

We published our Human Rights Approach embedded in the Allianz Group ESG Integration Framework in 2021. The document highlights our human rights governance, most critical human rights risks, processes and measures in place to protect human rights, among others. We continue to apply ESG and Human Rights Guidelines for sensitive countries across all business lines and core processes dealing with insurance, investment, and procurement decisions.

As a corporate insurer and investor, our human rights due diligence process forms part of our overall sustainability approach, which is integrated into our broader risk management system. Our first Human Rights Impact Assessment was carried out in 2021 and based on the United Nations Guiding Principles on Business and Human Rights (UNGP)'s methodology to identify gaps in our approach. In 2022, we continued to work on improvement points based on the findings of this assessment. For further information, please see our Summary Report – Human Rights Impact Assessment on the **Allianz company website**.

The Allianz Code of Conduct reflects our values and principles and gives our employees guidance in their actions and decisions, including actions to uphold human rights, such as treating people fairly and with respect. In 2022, we updated our Vendor Code of Conduct to ensure suppliers meet our human rights standards and regulatory expectations in line with the German Supply Chain Due Diligence Act ("Lieferkettensorgfaltspflichtengesetz"). Specific areas of focus include discrimination in the workplace, child labor, and providing a safe working environment. We also created a Sustainability Charter to help our suppliers understand our supply chain strategy when it comes to sustainability and the expectations of being a partner of Allianz, now and in the future. Further details can be found in the Allianz Group Vendor Code of Conduct on the **Allianz company website**.

Human rights due diligence in our operations is a key part of our ESG referral and assessment process. We assess current and potential suppliers to ensure they abide by the ESG guidelines outlined in the Allianz Vendor Code of Conduct (VCoC), which is aligned with ILO standards, UNGP, and UNGC. For further details on the Allianz Group's referral process and our Human Rights Guideline, see the Allianz ESG Integration Framework on the **Allianz company website**.

Allianz is also committed to compliance with the Modern Slavery Act in the U.K., both from the perspective of our U.K. business and the interactions of our wider Group. No issues were raised regarding human rights issues in accordance with the Modern Slavery Act in 2022, as reported in the Allianz Group Modern Slavery Statement on the **Allianz company website**.

Objectives and actions: human rights matters

Topic	Objectives	Progress and actions 2022
Modern Slavery Act	- Continue to report on human rights issues as defined in the (UK) Modern Slavery Act. - Implement actions as required by the German Supply Chain Act and further improve our approach to human rights.	- No issues were raised regarding human rights issues in accordance with the (UK) Modern Slavery Act in 2022. - Allianz Group Modern Slavery Statement was updated in mid-2022.

Employee matters

This section describes our employees' impact on our business activities and relationships, and vice versa. We describe the concepts, actions, and achievements in managing these impacts. All employee matters are managed by the Group HR function.

Concepts

Delivering our purpose "We secure your future" starts with 159,253[1] employees who are part of our diverse and global workforce. Our purpose anchors our Group strategy, employee value proposition, brand promise and customer experience principles, and it drives our decisions and actions. We held our third global Purpose & Strategy Day in summer 2022 to engage our employees on our purpose.

A diverse workforce enables us to understand and fulfill the needs of our equally diverse customer base. Allianz fosters a culture and working environment where people and performance matter, and where everyone has a voice. We take a strong stance regarding employee engagement, diversity and inclusion, and gender equality. We focus on managing talent, rewarding personal achievements, and promoting employee rights. The health, safety, and well-being as well as the training and development of our employees is of utmost importance.

Our new initiatives in 2022

Our response to the multi-crisis situation

In 2022, the ongoing COVID-19 pandemic, the war in Ukraine, a prevailing energy crisis, and rising inflation constituted a multi-crisis situation associated with increased uncertainty. Our goal at Allianz is to ensure our employees' health and safety as a basis for sustainable economic success. Therefore, Allianz has implemented several initiatives in 2022, such as Q&A sessions to inform employees about the political and economic implications of the current situation, offers to strengthen mental health, and pulse surveys to identify issues regarding engagement and well-being. The feedback we received indicates that our employees were very satisfied with our response to the crisis situation.

"Engagement Matters" Program

With our "Engagement Matters" Program, introduced in 2022, we connect local and global engagement opportunities under one umbrella across five pillars: 1) Health & Well-being, 2) Strategy & Top Management, 3) Jobs, Processes, Innovation & Change, 4) Learning & Development, 5) Recognition & Reward. As part of the program, we launched a central engagement hub and a digital magazine, which summarize opportunities and resources, such as listening sessions with board members, mindfulness moments and trainings, mental health talks and podcasts, learning and development opportunities, and benefits beyond pay.

Ways of Working

Amidst the shifts in how we work and do business, we have established across Allianz our Ways of Working (WOW). Our WOW standards are centered across five categories: 1) Flexible work & Reduced travel, 2) Digital tools, 3) Health & Well-being, 4) Learning, 5) Organization & Culture. For instance, employees across the globe have the opportunity to spend a minimum of 40% of their working hours working from home (depending on the position, e.g., mobile worker, office worker, etc.) and the opportunity to work up to 25 days a year abroad in accordance with local regulations. In 2022, we focused especially on the implementation of a flexible hybrid work environment. It is our conviction that hybrid is here to stay and is therefore central to the Allianz WOW. In the course of implementing hybrid working we, for example, carried out test pilots and offered special learning opportunities for our employees. Further, we rolled out a user-friendly and newly developed tool enabling employees to check compliance of their cross-border remote work requests quickly and automatically.

1_Total employees (core and non-core business).

Business as usual

Allianz Engagement Survey

The annual Allianz Engagement Survey (AES) is our formal employee platform for gathering employee feedback and promoting a high performance culture. The results of the AES are directly linked to the performance targets for the Group's Board of Management. This year, two of the three main indices reached record highs in Allianz Group history and the third remained stable at the second highest level.

One part of the AES is the Inclusive Meritocracy Index (IMIX). It measures our progress in building a culture where both people and performance matter, as we seek to enable employees to unlock their full potential. The IMIX score comprises 10 AES questions covering the areas of leadership, performance, and corporate culture.

Targets and achievements: employee matters

Topic	Board targets 2022	Achievements 2022	Targets 2023	Targets and commitments 2024 and beyond
Inclusive Meritocracy Index (IMIX)	75 % plus	79 % (2021: 78 %)	75 % plus	75 % plus

Diversity, Equity & Inclusion (DE&I)

We believe in creating an inclusive workplace with equal opportunities for all and shaping a diverse workforce.

Our Allianz DE&I Policy describes our rationale for diversity, equity and inclusion, and how we foster diversity in all its forms; while the Allianz Anti-Harassment Policy outlines our global zero tolerance standard against sexual and other harassment and discrimination.

More than 20 CEOs and board members from Allianz entities around the globe are part of the Global Inclusion Council, which has been in place since 2007. It oversees the implementation of our D&I strategy built around three pillars: Employees, Customers, and Stakeholder Trust.

We take a strong stance to increase the diversity of our leadership and management, and our targets and ambitions for December 2024 extend beyond gender representation to cover the dimensions of disability inclusion, nationality and ethnicity, generations, and LGBTQ+.

We engage with our employees through inclusion networks to raise awareness, support employees, advocate for change, and help shape the DE&I agenda. These networks bring together colleagues who share an identity or experience and their friends and allies. Five global employee networks are in place with 18 new locally operating networks added in 2022:

– Allianz NEO – gender inclusion,
– Allianz Beyond – disability inclusion,
– Allianz GRACE – ethnicity and cultural inclusion,
– Allianz Engage – generations inclusion,
– Allianz Pride – LGBTQ+ inclusion.

Our ambition for equity and fairness also includes ensuring equal pay for equal work in the same or comparable roles for all genders. As part of our commitment to promote transparent and comparable reporting, we have adopted the World Economic Forum (WEF) Stakeholder Capitalism Metrics on pay equality. We have an annual global Equal Pay review to monitor equal pay across the organization and prevent any Equal Pay gaps from arising in the future. The Allianz insurance business segment and several global lines are EDGE (Economic Dividends for Gender Equality) Assess certified. The certification covers 76% of the Allianz Group's global headcount and is valid until year-end 2023.

For more information, please see section 02.4.3 of our Group Sustainability Report 2022 on the **Allianz company website**. Furthermore, we have created an **Allianz website**, which deals specifically with DE&I topics.

Strategic workforce planning

The purpose behind our strategic workforce planning initiative is to understand what the transition to a digital future means for Allianz and its people, and how we can equip our workforce with the skills they need for the future. This initiative is closely linked to our Allianz Group Strategy and the Allianz Customer Model. Our strategic workforce planning approach compares workforce supply by job profile against projected workforce demand over the next five years. It is a structured annual process that is integrated into the annual planning. As a result, we are able to steer the skills that we need in our workforce in order to drive our business strategy via, for instance, targeted and strategic recruiting measures and major re- and upskilling initiatives. We consider digital, data, and agile working skills, as well as leadership and functional skills, to be as key for the future.

Learning and development

Learning and development is a key differentiator also in the financial services industry. We focus on promoting lifelong learning through our global #learn initiative, and offer our employees one hour each week dedicated to learning. We employ a wide range of learning and development approaches, including on-the-job learning, mentoring and coaching, classroom training, peer circles, and digital/mobile learning. Digital opportunities such as LinkedIn Learning and our AllianzU Learning Platform (Degreed) are available to all employees worldwide. We have targeted programs for key areas, such as property and casualty, life and health, IT, strategy, finance, communications, market management, and operations.

#lead Ignite is our global program designed to equip the next generation of Allianz leaders with the knowledge, mindset, and skills needed to lead in Allianz's inclusive, meritocratic environment. #lead Transform is a program newly introduced in 2022. It is created for our future and recently appointed top executives and aims to develop the leadership skills and mindsets required to lead in a global, complex, and ever-changing environment. #sheleads ran for the second year in its new design in 2022. It is recognized as setting a standard for effective gender balance via sponsorship, peer coaching, and learning sessions with our alumni community. Our Allianz Leadership Passport is the "license" to be a people leader at Allianz. The program aims to set a minimum standard for all people leaders with an equal focus on hard and soft skills, in order to ensure the balance between the IQ (intelligence quotient) and EQ (emotional quotient) of our leaders. 2022 was the year of the refresh, i.e., after attaining their Leadership Passport, leaders had to complete 45 hours of learning per year to "refresh" their passport.

In addition, our Active Human Capital Management ensures that we have and grow outstanding leaders - leaders who not only have a proven track record in business, but also the ability to engage their organization and develop top talent. With this approach, we promote a broad professional background and mobility across all businesses and countries, and strive for inclusion and diversity in our top leadership.

Employee health and well-being

Our goal is to maintain and improve employee health and well-being across our global workforce. Our global Allianz Occupational Health and Safety (OHS) Policy gives strategic guidance on health and well-being standards and premises which are implemented by local operating entities, including risk, and hazards assessments, dedicated action plans to manage risks and emergency actions. Based on this policy, we also provide a consistent Health in Action Framework with the following minimum requirements for all Allianz entities:

1. Access to professional psychological support for all employees worldwide,
2. Training people leaders to maintain health and well-being in their teams,
3. Touch points to collect employee feedback on their health and well-being,
4. Meeting Free Calendar Days @Allianz.

We also continue to monitor the developments related to COVID-19 and its impact on our people.

Health and well-being managers at each operating entity are responsible for driving activities to implement the Minimum Health Requirements. In 2022, the following health and well-being initiatives were, among others, additionally launched: The Allianz Health Talks series – a monthly webinar series to inform our employees about different health and well-being topics, and the meeting etiquette rule to shorten meeting times by five minutes and, therefore, to ensure short breaks in between meetings.

Compliance/anti-corruption and bribery matters

This section describes the impact of ethics, responsible business, and compliance matters on the Allianz Group´s activities. Further, it describes the impact of the Allianz Group´s activities and relationships on compliance. The concepts and achievements related to the management of these impacts are described with a focus on the compliance management system, anti-corruption, and bribery matters. All compliance matters are overseen by the Group Compliance team.

Concept and programs

Our Compliance Management System helps ensure compliance with internationally recognized laws, rules and regulations, and to promote a culture of integrity in order to safeguard the company's reputation. We take a proactive stance, working with organizations such as the German Institute for Compliance and the Global Insurance Chief Compliance Officers Forum to enhance our understanding of compliance issues and to share best practices.

Compliance risk is part of the operational risk category, as laid down in the Allianz Integrated Risk and Control System (IRCS). OEs in scope of IRCS are defined by Group Risk. They are required to conduct an annual compliance risk assessment based on Group-defined risk scenarios. Together with the Compliance Assurance of Risks and Effectiveness (CARE), they form the annual cycle of our integrated compliance risk scoping and assessment activities.

In 2021, the Compliance Assurance of Risks and Effectiveness (CARE) program was initiated. In 2022, the Compliance Function continued to evolve the way it assesses Group and local Compliance departments. Review procedures have been expanded to confirm adequate compliance scope, assure adequate skills to ensure complete and effective scope coverage, and confirm compliance with global programs in addition to local specificities. While CARE is primarily a self-assessment exercise, it is reinforced with compliance reviews of operating entities, completed and coordinated by Group Compliance. Compliance reviews are completed on a risk-based, five-yearly cycle. Starting 2023, this review cycle will be reduced to a three-year cycle

Compliance Reviews are supplemented by Targeted Reviews. These assess the implementation status and effectiveness of individual programs such as Antitrust, Sales Compliance, etc. The benefit of this multi-faceted review and confirmation strategy is that operating entities are monitored more frequently and are engaged in more holistic assurance activities. Additionally, the frequent interactions with operating entities provide additional opportunities to monitor, guide and, if necessary, enforce remedial activities. An additional benefit is the ability to learn from local and Group best practices, further bolstering our overall Compliance Culture.

An online tool for compliance issues management provides an overview of issues detected in the course of the above activities. It requires reporting on mitigating activities as well as on follow-up procedures, including a review of actions undertaken and documented in the tool.

The gathered information provides the primary basis of reports to the Group Board and the Allianz SE Supervisory Board's Audit Committee. An Integrity Committee, chaired by Group Compliance, reviews all activities and issues related to misconduct and/or violations of internal/external rules and regulations, and Code of Conduct infractions, including reports of actions to follow up on whistleblowing cases.

As part of our global compliance program, we follow international standards and applicable laws related to corruption and bribery, money laundering and terrorism financing, trade and financial sanctions, capital markets, data privacy, customer protection, antitrust, and other relevant compliance risk areas. We thoroughly investigate allegations of violations of laws as well as of breaches of Allianz-specific rules.

The Allianz Group CoC outlines the basic principles and values that guide the everyday decisions and conduct of all employees. As part of a project led by Group Compliance, the CoC was fundamentally renewed in 2020 and approved by the Board of Management. The new CoC has since then been rolled out across the Group, along with training for operating entities to raise awareness about the principles established by the CoC, namely mutual respect, integrity, transparency, and responsibility.

Our target is zero fraud and corruption across our business and our principle is zero tolerance towards fraud and corruption. We consider fraud and corruption as a serious offence. The aforementioned principle is of absolute and of a primary nature. It applies regardless of whether Allianz itself or any other internal party (such as an employee, tied agent, intermediary and/or any third parties acting on behalf of Allianz) benefits from the fraud. Allianz does not tolerate bribery and corruption. This principle expresses Allianz's stance towards the abuse of a position of power for an improper personal advantage (corruption) or when a corrupt offer, solicitation or promise is made to obtain an improper personal or business advantage (bribery). Employees are strictly prohibited from directly or indirectly offering, requesting, accepting, providing, paying, soliciting, promising, authorizing or receiving "Anything of Value" (defined broadly to include anything - monetary or non-monetary - that provides a benefit of any kind) to or from any public official or anyone in the private sector, in order to obtain or retain business or an improper personal or business advantage.

Anti-corruption training must be provided at least once every three years to all employees.

Objectives and actions: compliance/anti-corruption and bribery matters

Topic	Objectives	Progress and actions 2022
Compliance	- Complete the cycle of the integrated compliance risk scoping and assessment activities as part of the company's IRCS process. - Continue to enhance the effectiveness of local compliance organizations by enriching our compliance reviews, to bolster further the governance and processes of underlying compliance organizations across our OEs.	- Completed the 2022 integrated compliance risk scoping and assessment activities as part of the company's IRCS. - 2022 Compliance Review Plan executed.

EU Taxonomy Regulation

The EU Taxonomy Regulation (2020/852) is a "green" classification system that translates the EU's climate and environmental objectives into criteria for specific economic activities for investment purposes. The regulation came into effect last year and Allianz is reporting the eligibility (described subsequently) for the second time.

Regulatory background

EU Taxonomy recognizes as "'green'", or "environmentally sustainable" economic activities that make a substantial contribution to at least one of the EU's climate and environmental objectives, while at the same time not significantly harming any of these objectives and meeting minimum social safeguards. It is a transparency tool that will introduce mandatory disclosure obligations on some undertakings (namely, the ones in scope of the Non-Financial Reporting Directive (NFRD) and Corporate Sustainability Reporting Directive (CSRD) prospectively) for financial market participants. The disclosure of the proportion of taxonomy-aligned activities will allow for the comparison of companies and investment portfolios. In addition, it can guide market participants in their investment decisions. However, the EU Taxonomy is not a mandatory list of economic activities for investors to invest in. Nor does it set mandatory requirements on environmental performance for companies or for financial products. Investors are free to choose what to invest in.

Economic activities that are not recognized by the EU Taxonomy Delegated Acts as substantially contributing to one of the EU's climate and environmental objectives are not necessarily environmentally harmful or unsustainable. And not all activities that could generally make a substantial contribution to the environmental objectives are already part of the EU Taxonomy Delegated Acts. Rather, the first Delegated Act (namely, the Climate Delegated Act) under the EU taxonomy sets criteria for economic activities in the sectors that are most relevant for achieving climate neutrality and delivering on climate change objectives. This includes sectors such as energy, forestry, manufacturing, transport and buildings.

At this stage, the regulation has only established "'Technical Screening Criteria'" for (a) climate change mitigation and (b) climate change adaptation, which are laid out in the Climate Delegated Act. Criteria for the four remaining environmental objectives will follow in a future Delegated Act, in line with the mandates outlined in the Taxonomy Regulation.

In addition, extensions of the Taxonomy Regulation with view to (a) economic activities that do not have a significant impact on environmental sustainability and economic activities that significantly harm environmental sustainability, as well as (b) regarding other sustainability objectives, such as social objectives, may follow at a later stage.

Furthermore, the Disclosures Delegated Act requires the EU Commission to review the application of this regulation by 30 June 2024, and to assess in particular the need for any further amendments with regard to the inclusion of (a) exposures to central governments and central banks in the numerator and denominator of key performance indicators of financial undertakings, and (b) exposures to undertakings that do not publish a non-financial statement pursuant to Articles 19a or 29a of Directive 2013/34/EU in the numerator of key performance indicators of financial undertakings.

Overall, this means that the Taxonomy Regulation will evolve further over coming years, translating into an extension of the expected screening and reporting scope alongside various dimensions.

Taxonomy eligibility versus taxonomy alignment

For a transitional period of two years, a simplified approach applies for the financial sector. In this context, only eligibility has to be reported. This means that we only report on (investments into) economic activities which are in scope of the Taxonomy Regulation, i.e., described in the Climate Delegated Act; irrespective of whether that economic activity meets any or all of the technical screening criteria laid down therein.

Thus, taxonomy "eligibility" of an economic activity implies that respective Technical Screening Criteria are available and the activity could generally make a substantial contribution to one of the environmental objectives of the taxonomy. Whether an activity is taxonomy-eligible, or not, provides no indication about how green or environmentally sustainable that activity is. This will only be possible with the future alignment KPI.

Taxonomy "alignment" of an activity goes beyond taxonomy eligibility. It implies that an activity complies with the requirements defined specifically for this particular activity in the Technical Screening Criteria of the taxonomy. For example, to be "taxonomy-aligned" under the current taxonomy, an activity has to fulfill the specific criteria that determine when an economic activity makes a substantial contribution to the climate objectives as outlined in the Climate Delegated Act. For example, for an activity to be considered 'taxonomy-aligned' it must meet the specific criteria that determine when an economic activity makes a significant contribution to the climate objectives set out in the delegated act on climate. In addition, the criterion of "do no significant harm" and minimum social safeguards must be met. Allianz is reporting taxonomy eligibility for the second year. Taxonomy alignment will be reported from the financial year 2023 onwards.

Concept

The Disclosures Delegated Act specifies the disclosure obligations under Art. 8 of the Taxonomy Regulation.

In order to ensure comparability of the taxonomy information with the Group's financial disclosure, we report for each of our material financial activities. Consequently, the Allianz Group will report on the following activities:

- non-life insurance,
- proprietary investments, and
- third-party investments.

Non-life insurance

Non-life insurance (and thereof eight Solvency II Lines of Business (LoBs)) is one economic activity in scope of the Taxonomy Regulation ("taxonomy-eligible"), as it is generally deemed as able to have a positive enabling function with a view to climate change adaptation.

In the non-life insurance business, the Allianz Group is active in all the eight LoBs that can generally be considered as eligible under the Taxonomy Regulation; the same applies for the Allianz Group's reinsurance business accepted from external counterparties. Namely reinsurance business of eligible insurance activities can be considered as taxonomy-eligible. The extent to which individual contracts include protection against climate-related perils (e.g., flood events or hail storms) depends on the individual demand and the requirements of the customer's typical situation or unique risk exposure. Risk analysis and product advice is an integral part of our sales process and we are pursuing the objective to close insurance coverage gaps as far as possible.

We integrate climate protection into our core business and we embed the management of risks and opportunities resulting from climate change in our overall business strategy. Measures include developing and adjusting financial products and services, updating policies and processes, setting targets and limits, managing our operational climate footprint, and engaging with internal and external stakeholders. As a treaty reinsurer of external clients, we consider the climate-related strategies of these insurance companies as part of our underwriting process in order to live up to our decarbonization commitments.

The information about taxonomy eligibility in our underwriting portfolio is an indication of the scope of our activities that can generally be assessed against the specific technical screening criteria for taxonomy-alignment applying to (re-)insurers, and therefore have the potential to provide a substantial contribution to the environmental objective of climate change adaptation. A LoB must contain at least one policy with terms related to the treatment of climate perils to be considered as taxonomy-eligible. On the one hand, the Allianz Group offers policies in the LoBs of "other motor insurance", "marine, aviation and transport insurance" and "fire and damage to property insurance", where protection against climate perils is explicitly included. On the other hand, the Allianz Group offers policies that are based on a general protection approach, thus covering all risks, including (yet, not explicitly referring to) climate perils in the five remaining LoBs "medical expense insurance", "income protection insurance", "workers" compensation insurance", "motor vehicle liability insurance", and "assistance". Allianz generally considers both types of LoBs as eligible under the Taxonomy Regulation, as they all comprise policies that cover against climate perils. The most material eligible LoBs, in terms of gross written premiums, are "fire and other damage to property insurance", "other motor insurance" and "motor vehicle liability insurance".

EU Taxonomy: Eligibility in underwriting based on GWP[1]

	2022	2021
Non-life insurance and reinsurance eligible	**76.65%**	**78.74%**
Non-life insurance and reinsurance non-eligible	**23.35%**	**21.26%**
Insurance eligible	76.54%	78.72%
Insurance non-eligible	23.46%	21.28%
Reinsurance eligible	81.45%	80.06%
Reinsurance non-eligible	18.55%	19.94%

1_Based on non-consolidated LoB reporting.

Taxonomy eligibility does not give an indication of the degree to which the Allianz Group's non-life insurance activities can be considered as taxonomy-aligned, but reflects the structure of the Allianz Group's underlying business and future screening scope with respect to a substantial contribution to climate change adaptation at a broad level.

Proprietary investments & third-party assets

For investments, the Taxonomy Regulation currently limits the scope of which investments and non-financial investments, including real estate, that could generally be considered as "taxonomy-eligible" to exposures to undertakings that are obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU. This means that for taxonomy reporting as an investor, the Allianz Group can only consider reported data of economic activities of investees in scope of the NFRD that are, thus, obliged to disclose under Art. 8 of the Taxonomy Regulation.

The eligibility share includes activities of controlled subsidiaries, NFRD-related investments, and non-NFRD funds that may have underlying NFRD investments. In addition, mortgages and real estate held for investment are considered 100% eligible and are included in the reported figures. In addition, Allianz considers investments in real estate funds (with non-controlling interest) to be eligible. However, for such investments we do not expect to be able to acquire the necessary information to assess their taxonomy-alignment, hence we expect to report them as non-aligned due to lack of data.

Additionally, several asset classes, which are material for the Allianz Group, cannot be considered taxonomy-eligible as of now, such as sovereign bonds or non-EEA investments (except for own investments, for example in real estate and mortgages). This applies for both proprietary and third-party assets.

The Allianz Group uses Moody's Analytics to source listed asset eligibility data, and uses only reported data (no estimated data is used). For single listed asset products, Allianz employs a data hierarchy prioritizing data reported at an issuer level. If reported data is not available at issuer level, then parent level data is sourced. And in case that is unavailable, Allianz uses reported data of the ultimate entity. Taxonomy eligibility is considered only for NFRD companies that publish reported data.

The taxonomy eligibility share for the Allianz Group's proprietary investments is based on listed equities and corporate bonds from NFRD companies, where reported data is available. In addition, we assessed controlled listed or unlisted assets and debt instruments that are held by our (internal) asset managers, or other subsidiaries (e.g., real estate investments or mortgages) and where Allianz has control under IFRS.

For investments, a look-through approach applies for investment funds and unit-linked products. However, such reporting for the financial year of 2022 is limited due to lack of available data at issuer level (see more detail in the "Limitations of reported numbers" section).

In order to provide transparency about the sustainability of our portfolio beyond what the taxonomy KPIs currently allow, we disclose additional voluntary information on the sustainability of our proprietary investments portfolio at Group-level, based on the definition of "Sustainable Investments" as per the Sustainable Finance Disclosure Regulation (SFDR). For more information, please refer to our Group Sustainability Report 2022 on the **Allianz company website**, section 02.2.1.6.

With regard to third-party assets, the taxonomy eligibility share is based on listed equities and corporate bonds from NFRD companies, where reported data is available. In addition, the mortgages portfolio was assessed as eligible. A look-through for fund investments was applied on a limited basis, where data was available. The table below provides insights into the respective asset classes, where the exposure to undertakings, which are obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU, represents the part for which a screening for taxonomy eligibility based on data reported by investees can take place going forward.

The main eligibility KPIs for 2022 include eligibility based on turnover, and eligibility based on CAPEX (new for 2022). Each KPI is determined using only reported data for the investee. If, for example, Allianz has an investment in a company with a turnover eligibility of 10%, and the book value of the investment is 100, Allianz would report a turnover eligibility balance of 10. And if Allianz has a coverage ratio of 200 (see EU Taxonomy template for row reference), then the final eligibility share based on turnover would be 10/200, or 5%. The total eligibility based on turnover additionally includes eligibility shares from mortgages and real estate held for investment. The total eligibility KPI based on CAPEX is determined in the same way.

For 2022, Allianz has followed the disclosure guidance for insurer investment KPIs under Annex IX/X. The main changes to the EU Taxonomy disclosure for 2022 were:

- the introduction of eligibility based on CAPEX KPI;
- the use of reported data for our listed asset portfolio;
- limited fund look-through capability (versus no look-through capability for 2021 reporting).

Furthermore, the extension of scope of eligible activities via the complementary delegated act (CDA) for certain nuclear and gas activities was assessed for Allianz's own portfolio. As for the CDA applicability to third party investments, since the CDA was invoked from 2022, the reported figures are generally from the reporting year 2021 when nuclear and gas activities were non-eligible. Hence, Allianz assessments relate to own non-financial assets or looked-through to non-financial assets. The result of this assessment was no eligibility could be attained for the Allianz Group.

Limitations of reported numbers

Taxonomy eligibility does not assess alignment of the Allianz Group's underwriting or investment activities, i.e., it does not serve as a proxy of how sustainable our activities are. Numbers reported in the table below and in the section "Underwriting" above describe the structure of the Allianz Group's non-life insurance and investment portfolio and define the scope of future taxonomy alignment assessment applying Taxonomy Regulation as of the balance sheet date.

Non-eligibility rows in the EU Taxonomy disclosure include the portion of non-eligibility based on the difference between the eligibility share that Moody's Analytics provides for listed assets and 100 percent. The non-eligibility share is not explicitly reported by Moody's Analytics.

For Investment funds, Allianz uses a fund look-through approach where possible to report fund eligibility, leveraging data in the Tripartite Template (TPT). However, look-through coverage of companies was limited for 2022 due to limited adoption of the TPT, and inability to obtain underlying investment eligibility. In addition, the aforementioned data hierarchy approach is suppressed for investment funds: if investment level look-through data is not available, eligibility is assumed to be zero. This is a conservative approach designed to mitigate the risk of reporting eligibility figures that may not be representative of the underlying investments. Going forward, Allianz aims to expand its look-through capability for investment funds.

Under regulation (EU) 2020/852, our business strategy, product design processes, and engagement with clients and counterparties concept is not yet integrated into our business activities, as it is still evolving and can only be seriously considered when we have established alignment reporting.

Eligibility for proprietary investments & third-party assets for financial year 2022

Allianz Group reporting under the Taxonomy Regulation	Taxonomy KPIs for insurance undertakings – Allianz Group proprietary investments		Taxonomy KPIs for asset managers – Allianz Group third-party investments	
€ bn	Ratios (relative to total assets)	Monetary amounts (voluntary reporting)	Ratios (relative to AuM)	Monetary amounts (voluntary reporting)
Total assets / Total assets under management (AuM)	n/a	1,021.5	n/a	1,635.1
Exposures to central governments, central banks and supranational issuers[1]	16.5%	168.7	26.8%	437.4
Other assets not covered by the KPI (reinsurance assets, DAC, deferred taxes, other assets[2], intangible assets)	17.4%	177.6	n/a	n/a
Total assets covered by the KPI (coverage ratio)	**66.1%**	**675.2**	**73.2%**	**1,197.7**
Non-eligible exposures (relative to coverage ratio)				
1) Exposures not covered by the Taxonomy Regulation				
Derivatives[3]	2.1%	14.1	-	0.2
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU	47.4%	320.0	66.2%	792.5
Cash & cash equivalents	3.3%	22.6	2.8%	33.8
Sum of exposures not covered by Taxonomy Regulation	**52.8%**	**356.7**	**69.0%**	**826.5**
2) Exposures covered by the Taxonomy Regulation				
Turnover data not available: Indirect investments (fund in 3rd party funds and unit-linked products)[4]	21.2%	143.1	2.3%	27.2
CAPEX data not available: Indirect investments (fund in 3rd party funds and unit-linked products)[4]	21.4%	144.8	2.3%	27.2
Weighted average value and proportion of Taxonomy-non-eligible exposures to undertakings obliged to publish non-financial information (Articles 19a or 29a of directive 2013/34/EU) relative to the value of total assets covered by the KPI based on turnover	7.9%	53.2	8.6%	102.8
Weighted average value and proportion of Taxonomy-non-eligible exposures to undertakings obliged to publish non-financial information (Articles 19a or 29a of directive 2013/34/EU) relative to the value of total assets covered by the KPI based on CAPEX	7.9%	53.6	8.5%	101.7
Total non-eligible exposure based on Turnover	**81.9%**	**553.1**	**79.9%**	**956.5**
Total non-eligible exposure based on CAPEX	**82.2%**	**555.2**	**79.8%**	**955.4**
Eligible exposures (relative to coverage ratio)				
Proportion and value of Taxonomy-eligible exposures to other activities over total assets covered by the KPI	13.2%	88.8	18.4%	220.5
Mortgages	10.5%	70.8	18.4%	220.3
Real estate held for investment	2.7%	18.0	-	0.3
Weighted average value and proportion of Taxonomy-eligible exposures to undertakings obliged to publish non-financial information (Articles 19a or 29a of directive 2013/34/EU) relative to the value of total assets covered by the KPI based on turnover[5]	4.9%	33.2	1.7%	20.6
Weighted average value and proportion of Taxonomy-eligible exposures to undertakings obliged to publish non-financial information (Articles 19a or 29a of directive 2013/34/EU) relative to the value of total assets covered by the KPI based on CAPEX[5]	4.6%	31.1	1.8%	21.7
Total eligible exposure based on Turnover	**18.1%**	**122.0**	**20.1%**	**241.2**
Total eligible exposure based on CAPEX	**17.8%**	**119.9**	**20.2%**	**242.3**

1_The definition of such exposures differs to that of sovereign exposures for other external reporting (which may include state governments or municipal securities not included in EU Taxonomy definition). In addition, € 12.1bn of exposure has been allocated to this line from unit-linked products and funds.
2_Real estate held for own use is included in the line item Other asset balances. It includes all consolidated Allianz properties (not relevant for third-party asset managers).
3_For proprietary assets: the difference to the balance sheet derivative asset exposure is due to derivative balance allocation from funds and unit-linked products (€ 4.9 bn). Only the positive values of derivatives are considered in a fund. Third-party assets consider net derivative balances in the fund, consistent with external reporting.
4_Unit-linked products are on balance sheet and not applicable for the third-party investment section. Where underlying look-through data is available for funds and unit-linked products, data is captured in eligibility and non-eligibility KPI sections.
5_Listed asset eligibility is based on reported data (not estimated or derived), on the latest reporting date. For funds, if look-through data was not available, it is assumed fund eligibility is zero (100 % non-eligible).

BUSINESS ENVIRONMENT

Economic environment 2022[1]

2022 was a difficult year in many respects – in particular the war in Ukraine had a profound economic impact. First and foremost, inflation skyrocketed in response to the energy crisis, reaching levels not seen since the 1970s. This prompted central banks to initiate a radical turnaround in interest rates. In the United States, key interest rates rose from 0.25% at the beginning of 2022 to 4.5% at the year end; in the eurozone, the rise was somewhat slower, from 0% to 2.5%. This difference in pace was also reflected in exchange rates, with the U.S. dollar appreciating significantly in 2022.

In view of these negative factors, the global economy proved surprisingly robust in the past year, with a real growth of 2.9% that was roughly in line with the average of previous years. Companies and households were able to draw on their reserves from the pandemic years. In addition, many governments launched generous aid programs – ranging from direct assistance for those affected to price caps for energy – to mitigate the effects of the cost-of-living crisis. In the labor markets, labor shortages due to demographic shifts remained the dominant issue.

For the first time since the introduction of the euro, the eurozone grew faster than the other two major economic powers, the United States and China. Overall growth was 3.5%, driven mainly by strong development in southern Europe, where the return of tourism boosted the economy. Germany, on the other hand, was ailing (+1.8%) as a result of its heavy dependence on Russian gas and global supply chains. The U.S. economy grew by 2.1%, reflecting more restrictive financing conditions as a result of the accelerated turnaround in interest rates. Finally, China achieved growth of only 3.0% as continued weakness in the real estate market and recurring lockdowns in the wake of the zero-COVID policy weighed on economic sentiment and activity.

2022 also left deep scars on the financial markets. Simultaneous sharp price corrections in equity and bond markets were unprecedented. As a result, investors made losses across almost every asset class: U.S. equities (S&P 500), for example, were down by 19% over the year. Government bonds saw similarly high losses, mirroring the sharp rise in yields: German government bond yields jumped from -0.2% at the end of 2021 to 2.6%, and U.S. government bonds also saw a sharp rise, from 1.5% to 3.8% at year-end.

Business environment 2022 for the insurance industry

2022 was a challenging year for both the insurance industry and our customers. From the energy crisis and resulting inflation to geopolitical upheavals and supply chain realignment, from climate change and more frequent and more severe natural catastrophes to interest rate reversals and stock market corrections, insurers were challenged to strengthen the resilience of their customers at all levels.

But of course, 2022 did not leave the insurance industry unscathed. Inflation drove up claims costs, which hurt profitability in the property-casualty sector. The loss of household income in real terms caused demand for savings products to plummet. Supply bottlenecks and escalating costs led to the postponement of investments, not least construction investments. Rising interest rates led to a lower valuation of some assets.

But there were also silver linings in the past year. For example, rising interest rates were responsible not only for value losses in the portfolio, but also for rising investment returns on new investments and reinvestments; this will become even more noticeable in the coming years. In addition, COVID-19-related excess mortality declined in many countries, while customers' risk awareness remained high and demand for protection continues unabated.

In the property-casualty sector, we observed continued premium growth in the year under review, although this was primarily due to rising prices: almost all segments saw premium increases in response to claims inflation. The above-average insured losses resulting from natural catastrophes also played a role. In particular, the market hardened further following the devastating Hurricane Ian in Florida – the second highest loss event ever.

In the life sector, premium income was flat in the year under review. Continued strong demand for risk products was offset by an inevitable decline in demand for savings products, since the cost-of-living crisis forced many households to scale back their savings efforts. This created an environment where long-term provision for the future was a lower priority. The turnaround in interest rates will only have a positive impact on business in the medium to long term.

1_At the date of the publication of this report, not all general market data for the year 2022 used in the chapter Business Environment was final. Also, please note that the information provided in this chapter is based on our estimates.

Business environment 2022 for the asset management industry

The asset management industry reached an inflection point in 2022 after two years of elevated returns following the pandemic shock. Notably, supply-side disruptions in the real economy and surging inflationary pressure, as well as geopolitical tensions, all had a substantial impact on market developments. These factors have triggered a fundamental reset of macroeconomic policy away from lower-for-longer interest rates, expanding central-bank balance sheets and accommodating fiscal policy.

Equities declined, with the MSCI World Index falling by 18.1% in 2022. For bonds, rising interest rates led to declining market values and demonstrated the value of active management as a key to achieving returns. Although active investments still accounted for the majority of assets under management globally, growth in both passive and alternative investments continued. Similarly, the societal focus on CO_2 emissions and the need to transition to a low-carbon economy led to continued growth in ESG-oriented offerings (ESG = Environment, Social, Governance), where the regulatory framework is expected to evolve further. During 2022, asset managers continued to invest in digitalization as an additional enabler for client interaction, as well as for operational efficiency.

EXECUTIVE SUMMARY OF 2022 RESULTS

Key figures

Key figures Allianz Group [1]

		2022	2021	Delta
Total revenues[2]	€ mn	152,671	148,511	4,160
Operating profit[3]	€ mn	14,164	13,400	764
Net income[3]	€ mn	7,182	7,105	77
thereof: attributable to shareholders	€ mn	6,738	6,610	128
Solvency II capitalization ratio[4]	%	201	209	(8) %-p
Return on equity[5]	%	10.3	10.6	(0.4) %-p
Earnings per share	€	16.35	15.96	0.39
Diluted earnings per share	€	16.26	15.83	0.43

Earnings summary

Management's assessment of 2022 results

In 2022, the Allianz Group's total revenues decreased by 0.2 % on an internal basis[6] compared to the previous year. The Life/Health business segment had a decrease in statutory premiums, mainly driven by Italy with lower unit-linked sales. Our Asset Management business segment recorded lower performance fees and lower assets under management (AuM) driven revenues, but remained resilient overall despite challenging market conditions. In the Property-Casualty segment, on the other hand, we recorded strong revenue growth, driven by both price and volume increases, partially offsetting the declines in the other business segments.

Our operating profit increased by 5.7 % compared to 2021, reaching a record level. The growth was driven by the Property-Casualty and Life/Health business segments. Asset Management operating profit declined due to a reduced asset base impacted by adverse market and outflows as well as lower performance fees. Our Property-Casualty business segment saw higher operating investment income and a higher underwriting result, despite high claims inflation. In our Life/Health business segment, the increase in operating profit was mainly due to the positive contribution from the acquired Aviva operations in Poland and growth in Asia. In our Corporate and Other business segment, the operating result improved, largely due to higher operating investment income.

Our operating investment result decreased by € 9,341 mn to € 15,743 mn, mostly as a result of losses on fair value assets and an increase in impairments on investments in the Life/Health business segment.

Our non-operating result decreased by € 635 mn to a loss of € 4,515 mn – mainly driven by a lower non-operating investment result due to difficult market conditions, as well as an onerous contract provision for the expected disposal loss from the sale of our Russian business operations[7]. In 2021, we booked a provision of € 3.7 bn (before tax) in the Asset Management business segment for litigation expenses related to the Structured Alpha matter[8]. This provision was increased in 2022 by € 1.9 bn (before tax), increasing our non-operating result in comparison to the previous year.

Income taxes increased by € 52 mn to € 2,467 mn as a consequence of higher profit before tax. The effective tax rate increased to 25.6 % (2021: 25.4 %), mostly due to higher local taxes and higher non tax-deductible items.

The increase in operating profit was also reflected in a slightly higher net income.

Shareholders' equity[9] decreased by € 28.5 bn to € 51.5 bn. This was mainly driven by a reduction in unrealized gains and losses (net), driven by the fair value decline of our debt portfolio as a result of the sharp increase in market interest rates during 2022.

Our Solvency II capitalization ratio was strong at 201 %[10].

For a more detailed description of the results generated by each individual business segment (Property-Casualty, Life/Health, Asset Management, and Corporate and Other), please consult the respective chapters on the following pages.

Other information

Structured Alpha funds of AllianzGI U.S.

The first half of the 2022 financial year was characterized by the intensive processing of the processes surrounding the Structured Alpha Funds of AllianzGI U.S. Important milestones here were the conclusion of settlement agreements with major U.S.-investors and on 17 May 2022 with the U.S. Department of Justice ("DOJ") and the U.S. Securities and Exchange Commission ("SEC"). Provisions totaling € 5.6 bn (before taxes) were made for the compensation of investors in the Structured Alpha Funds and penalties to the U.S. authorities. The majority of the amounts set aside have now been paid to the investors and U.S. authorities and the Board is confident that the existing accrual is sufficient to settle any claims by remaining investors. The entire Board of Management and the Board of Management Committee set up specifically for the management of the Structured Alpha Complex have accompanied the progress of the proceedings with high attention and with the close involvement of American and German law firms. Details of the completion of the judicial and regulatory

1_For further information on Allianz Group figures, please refer to note 5 to the Consolidated Financial Statements.

2_Total revenues comprise Property-Casualty total revenues (gross premiums written, and fee and commission income), Life/Health statutory gross premiums written, operating revenues in Asset Management, and total revenues in Corporate and Other (Banking).

3_The Allianz Group uses operating profit and net income as key financial indicators to assess the performance of its business segments and of the Group as a whole.

4_Figures as of 31 December. Figures exclude the application of transitional measures for technical provisions. Increase is only 1 %-p due to rounding.

5_Represents the ratio of net income attributable to shareholders to the average shareholders' equity at the beginning and at the end of the period. The net income attributable to shareholders is adjusted for net financial charges related to undated subordinated bonds classified as shareholders' equity. From the average shareholders' equity undated subordinated bonds classified as shareholders' equity and unrealized gains/losses on bonds net of shadow accounting are excluded.

6_Internal total revenue growth excludes the effects of foreign currency translation as well as acquisitions and disposals. For a reconciliation of nominal total revenue growth to internal total revenue growth for each of our business segments and the Allianz Group as a whole, please refer to the chapter Reconciliations.

7_For further information on the disposal of our Russian business operations, please refer to note 4 to the Consolidated Financial Statements.

8_For further information on Structured Alpha, please refer to note 38 to the Consolidated Financial Statements

9_For further information on shareholders' equity, please refer to the Balance Sheet Review.

10_Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio amounted to 230 % as of 31 December 2022. For further information, please refer to the Risk and Opportunity Report.

proceedings are set out in note 38 to the Consolidated Financial Statements.

In addition, the Management Board of Allianz, with the involvement of external consultants, initiated a series of internal investigations into the background and causes of the fraudulent behavior in relation to the Structured Alpha Funds. In particular, the investigations revealed weaknesses at AllianzGI U.S. in the area of customer communication, also with regard to the safeguarding of portfolio risks (hedging), and the monitoring of portfolio managers. The DOJ had also established similar points. The results of the internal investigations and the knowledge gained from the Structured Alpha complex have led to a whole series of measures to improve the processes in the Asset Management area, especially with regard to customer communication, but also to the further development of the control processes in the Allianz Group. For further details please refer to the Risk and Opportunity Report, section "Risk governance system and internal control system".

Recent organizational changes

Effective 1 January 2022, the Allianz Group reorganized the structure of its insurance activities to reflect the changes in the responsibilities of the Board of Management. The insurance activities in Asia Pacific and Greece form a new reportable segment. In the business segment Property-Casualty, Allianz Direct and Allianz Partners were combined with the insurance activities in Western & Southern Europe to form the reportable segment Western & Southern Europe, Allianz Direct and Allianz Partners. Previously reported information has been adjusted to reflect this change in the composition of the Allianz Group's reportable segments. Additionally, some minor reallocations between the reportable segments have been made.

Other parts of the Group Management Report

The Group Management Report also includes the following sections:
– Corporate Governance Statement and
– Takeover-Related Statements and Explanations.

PROPERTY-CASUALTY INSURANCE OPERATIONS

Key figures

Key figures Property-Casualty[1]

		2022	2021	Delta
Total revenues[2]	€ mn	70,018	62,272	7,746
Operating profit	€ mn	6,189	5,710	479
Net income	€ mn	3,234	4,113	(879)
Loss ratio[3]	%	67.5	67.0	0.4 %-p
Expense ratio[4]	%	26.8	26.7	-
Combined ratio[5]	%	94.2	93.8	0.5 %-p

Total revenues[6]

On a nominal basis, total revenues increased considerably – by 12.4% – compared to the previous year.

This included favorable foreign currency translation effects to the amount of € 1,025 mn[7] and positive (de)consolidation effects of € 837 mn. On an internal basis, our revenues rose by 9.5%. This was driven by a positive price effect of 5.7%, a positive volume effect of 3.4%, and a positive service effect of 0.3%.

The following operations contributed positively to internal growth:

Allianz Partners: Total revenues amounted to € 8,043 mn, an internal growth of 23.6%. This development is driven by positive volume effects in our U.S. travel business.

Türkiye: Total revenues rose by 126.3% on an internal basis, totaling € 1,107 mn. This was mainly caused by price increases in almost all lines of business, following the rise in the consumer price index.

AGCS: Total revenues amounted to € 11,193 mn, an internal growth of 8.3%, driven by price and volume increases.

The following operation weighed on internal growth:

Allianz Direct: Total revenues went down 3.0% on an internal basis, totaling € 1,009 mn. This was mainly caused by lower volumes in our operations in Italy.

Operating profit

Operating profit
€ mn

	2022	2021	Delta
Underwriting result	3,080	3,026	55
Operating investment income (net)	3,026	2,642	384
Other result[1]	83	42	41
Operating profit	**6,189**	**5,710**	**479**

1_Consists of fee and commission income/expenses and other income/expenses.

We registered a strong increase in our operating profit. This was driven by higher operating investment income mainly due to higher interest rates, further supported by our underwriting result and other result.

Our underwriting result rose moderately despite our increased combined ratio, which was overcompensated by strong premium growth. Overall, our combined ratio increased by 0.5 percentage points to 94.2%, mainly due to normalization of claims frequency and high claims inflation. A higher contribution from run-off had a partial offsetting effect on our combined ratio. The expense ratio remained broadly stable compared to 2021.

Underwriting result
€ mn

	2022	2021	Delta
Premiums earned (net)	58,878	53,054	5,824
Accident year claims	(42,239)	(36,938)	(5,300)
Previous year claims (run-off)	2,508	1,374	1,134
Claims and insurance benefits incurred (net)	(39,731)	(35,565)	(4,166)
Acquisition and administrative expenses (net)	(15,761)	(14,186)	(1,575)
Change in reserves for insurance and investment contracts (net) (without expenses for premium refunds)[1]	(306)	(278)	(28)
Underwriting result	**3,080**	**3,026**	**55**

1_Consists of the underwriting-related part (aggregate policy reserves and other insurance reserves) of "change in reserves for insurance and investment contracts (net)". For further information, please refer to note 27 to the Consolidated Financial Statements.

Our accident year loss ratio[8] stood at 71.7%, an increase of 2.1 percentage points compared to the previous year. Losses from natural catastrophes were € 1,727 mn, compared to € 1,637 mn in 2021. Given our strong premium growth, this translates into a positive effect of 0.2 percentage points on our combined ratio, as the impact from natural catastrophes decreased from 3.1 percentage points in 2021 to 2.9 percentage points in 2022.

1_For further information on Property-Casualty figures, please refer to note 5 to the Consolidated Financial Statements.
2_Total revenues in Property-Casualty also include fee and commission income.
3_Represents claims and insurance benefits incurred (net), divided by premiums earned (net).
4_Represents acquisition and administrative expenses (net), divided by premiums earned (net).
5_Represents the total of claims and insurance benefits incurred (net) plus acquisition and administrative expenses (net), divided by premiums earned (net).
6_We comment on the development of our total revenues on an internal basis, which means figures have been adjusted for foreign currency translation and (de-)consolidation effects to provide more comparable information.
7_Based on the average exchange rates in 2022 compared to 2021 and based on spot rates in countries with hyperinflation (Türkiye, Argentina and Lebanon).
8_Represents claims and insurance benefits incurred (net) less previous year claims (run-off), divided by premiums earned (net).

Leaving aside losses from natural catastrophes, our accident year loss ratio worsened by 2.3 percentage points to 68.8 %.

The following operations contributed positively to the development of our accident year loss ratio:

Allianz Partners: 0.4 percentage points. This resulted from a favorable business mix shift due to the strong rebound of the U.S. travel insurance business.

Germany: 0.2 percentage points, mostly due to reduced claims from natural catastrophes compared to 2021.

The following operations weighed on the development of our accident year loss ratio:

United Kingdom: 0.7 percentage points. This was due to reduced claims frequency benefits, inflationary impacts on attritional claims and higher weather impacts including subsidence claims.

France: 0.6 percentage points. The biggest driver was higher claims from natural catastrophes, especially in May and June 2022.

Reinsurance: 0.4 percentage points. This increase was due to higher claims from natural catastrophes compared to 2021.

Italy: 0.3 percentage points. This was due to reduced claims frequency benefits and inflationary impacts on attritional claims.

Brazil: 0.2 percentage points. This was driven by a deteriorating situation in the motor insurance market.

Our positive run-off result was € 2,508 mn – compared to € 1,374 mn in 2021 – translating into a run-off ratio of 4.3 %. Reserve releases mainly stemmed from our operations in Reinsurance, Allianz Trade, Italy, France as well as Australia.

Acquisition and administrative expenses amounted to € 15,761 mn in 2022, compared to € 14,186 mn in the previous year. Our expense ratio remained broadly stable at 26.8 %. Continued improvements in our administrative expenses across several operations were offset by higher acquisition costs due to changes in business mix.

Operating investment income (net)
€ mn

	2022	2021	Delta
Interest and similar income (net of interest expenses)	3,567	3,151	416
Operating income from financial assets and liabilities carried at fair value through income (net)	(146)	(55)	(91)
Operating realized gains (net)	195	215	(19)
Operating impairments of investments (net)	(96)	(25)	(71)
Investment expenses	(501)	(493)	(7)
Expenses for premiums refunds (net)[1]	6	(150)	156
Operating investment income (net)[2]	**3,026**	**2,642**	**384**

1_Refers to policyholder participation, mainly from APR business (accident insurance with premium refunds), reported within "change in reserves for insurance and investment contracts (net)". For further information, please refer to note 27 to the Consolidated Financial Statements.
2_The operating investment income (net) of our Property-Casualty business segment consists of the operating investment result – as shown in note 5 to the Consolidated Financial Statements – and expenses for premium refunds (net) (policyholder participation).

Our operating investment income (net) increased significantly compared to 2021. This was largely driven by higher interest and similar income (net of interest expenses) due to inflation-linked bonds and higher interest rates.

Other result
€ mn

	2022	2021	Delta
Fee and commission income	2,302	1,998	303
Other income	89	11	77
Fee and commission expenses	(2,276)	(1,955)	(320)
Other expenses	(32)	(13)	(20)
Other result	**83**	**42**	**41**

Our other result improved, mostly because of sales of owner-occupied properties by our operations in Germany and Allianz Partners.

Net income

Our net income decreased by € 879 mn, as the higher operating profit and an improved tax result were offset by a € 1,463 mn decrease in the non-operating result. This decrease was largely driven by a lower non-operating investment result as a result of higher impairments, including an onerous contract provision for the expected disposal loss from the sale of our Russian business operations[1]. Lower realized gains (net), as well as hyperinflation accounting in Türkiye and Argentina further contributed to the decline. Slightly higher restructuring expenses related to our efficiency initiatives also weighed on the non-operating result.

1_For further information on the disposal of our Russian business operations please refer to note 4 to the Consolidated Financial Statements.

LIFE/HEALTH INSURANCE OPERATIONS

Key figures

Key figures Life/Health[1]

		2022	2021	Delta
Statutory premiums[2]	€ mn	75,124	78,348	(3,224)
Operating profit	€ mn	5,282	5,011	272
Net income	€ mn	3,766	4,170	(403)
Return on equity[3]	%	11.2	13.0	(1.8) %-p

Statutory premiums[4]

On a nominal basis, our statutory premiums went down by 4.1 %. This includes both favorable foreign currency translation effects (€ 1,548 mn) and positive (de-)consolidation effects (€ 529 mn). On an internal basis, statutory premiums declined by 6.8 % – or € 5,302 mn – to € 73,047 mn.

Statutory premiums in the German life business totaled € 22,058 mn, a 7.6 % decrease on an internal basis that was largely driven by lower single premium sales in our business with capital-efficient products. In the German health business, statutory premiums went up to € 3,999 mn – a 2.7 % increase on an internal basis. This was due to strong new business premiums in the comprehensive healthcare coverage as well as premium adjustments.

In the United States, statutory premiums rose to € 15,103 mn, a 1.8 % increase on an internal basis. This was mainly driven by higher sales of fixed index annuity products, partly offset by registered index-linked annuity products.

In Italy, statutory premiums strongly declined to € 11,121 mn, a 20.7 % drop on an internal basis. This was predominantly due to a significant decrease in sales for unit-linked without guarantee products, due to a very strong year in 2021, which was only partly offset by our business with capital-efficient products.

In France, statutory premiums decreased to € 7,208 mn, a 7.4 % drop on an internal basis. It was largely attributable to lower sales in our guaranteed savings & annuities business.

In the Asia-Pacific region, statutory premiums went down to € 6,889 mn. Most of this decrease – 6.3 % on an internal basis – was due to sales decreases for unit-linked products in Taiwan and lower single premium sales in Indonesia.

Present value of new business premiums (PVNBP)[5]

Our PVNBP dropped by € 12,949 mn, totaling € 69,616 mn. Most of the decrease was due to lower single premium business in our business with capital-efficient products in Germany, a previous year group contract renegotiation in Italy, and a large reinsurance treaty at Allianz Reinsurance. Other factors included decreased volumes from unit-linked products in Italy and the discounting effect on higher interest rates, which also had a negative impact.

Present value of new business premiums (PVNBP) by lines of business
%

	2022	2021	Delta
Guaranteed savings & annuities	9.6	12.2	(2.6)
Protection & health	18.4	20.8	(2.3)
Unit-linked without guarantee	24.4	25.2	(0.7)
Capital-efficient products	47.6	41.9	5.7
Total	**100.0**	**100.0**	**-**

Operating profit

Operating profit by profit sources[6]

Operating profit by profit sources
€ mn

	2022	2021	Delta
Loadings and fees	7,171	6,888	283
Investment margin	4,253	4,440	(187)
Expenses	(8,455)	(7,999)	(455)
Technical margin	1,682	1,305	376
Impact of changes in DAC	631	377	254
Operating profit	**5,282**	**5,011**	**272**

Our operating profit went up, mainly due to positive effects from the acquired Aviva operations in Poland, higher realized gains, as well as increased unit-linked management fees in Taiwan. Further contributing factors included higher realized gains in Benelux and a positive true-up of deferred acquisition costs (DAC) in Germany. This positive development was partly offset by our business with registered index-linked annuity products as well as fixed index annuity products in the United States.

1_For further information on Allianz Life/Health figures, please refer to note 5 to the Consolidated Financial Statements.
2_Statutory premiums are gross premiums written from sales of life and health insurance policies as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.
3_Represents the ratio of net income to the average total equity, excluding unrealized gains/losses on bonds, net of shadow accounting, at the beginning and at the end of the period.
4_In this section, our comments in the following section on the development of statutory gross premiums written refer to values determined "on an internal basis", i.e., adjusted for foreign currency translation and (de-)consolidation effects, in order to provide more comparable information.
5_PVNBP before non-controlling interests.
6_The purpose of the analysis of Life/Health operating profit sources is to explain movements in IFRS results by analyzing underlying drivers of performance, consolidated for the Life/Health business segment.

Loadings and fees[1]

Loadings and fees
€ mn

	2022	2021	Delta
Loadings from premiums	4,223	4,182	41
Loadings from reserves	2,048	1,826	222
Unit-linked management fees	900	880	20
Loadings and fees[1]	**7,171**	**6,888**	**283**
Loadings from premiums as % of statutory premiums	5.6	5.3	0.3
Loadings from reserves as % of average reserves [1,2]	0.3	0.3	-
Unit-linked management fees as % of average unit-linked reserves[2,3]	0.6	0.5	-

1_Aggregate policy reserves and unit-linked reserves.
2_Yields are pro rata.
3_Unit-linked management fees, excluding asset management fees, divided by unit-linked reserves.

Loadings from premiums went up, due to the acquired Aviva operations in Poland and favorable foreign currency translation effects in the Asia-Pacific region. Lower single premium sales in our business with capital-efficient products in Germany partly offset this development. Loadings from reserves increased, mostly due to favorable foreign currency translation effects in the United States, as well as higher reserve volumes in our German life business. In relation to reserves, loadings remained stable. Unit-linked management fees also slightly grew, due to our acquisition in Poland; this increase was partly offset – mainly by Italy – due to negative market developments.

Investment margin[2]

Investment margin
€ mn

	2022	2021	Delta
Interest and similar income	20,850	19,569	1,281
Operating income from financial assets and liabilities carried at fair value through income (net)	(12,083)	(2,088)	(9,995)
Operating realized gains/losses (net)	10,653	7,461	3,192
Interest expenses	(733)	(417)	(316)
Operating impairments of investments (net)	(4,955)	(986)	(3,969)
Investment expenses	(2,246)	(1,993)	(253)
Other[1]	2,022	(1,507)	3,529
Technical interest	(8,798)	(8,992)	195
Policyholder participation	(458)	(6,607)	6,149
Investment margin	**4,253**	**4,440**	**(187)**
Investment margin in basis points[2,3]	85	87	(2)

1_"Other" comprises the delta of out-of-scope entities, on the one hand, which are added here with their respective operating profit, and different line item definitions compared to the financial statements, such as interest paid on deposits for reinsurance, fee and commission income, and expenses excluding unit-linked management fees on the other hand.
2_Investment margin divided by the average of current end-of-period and previous end-of-period aggregate policy reserves.
3_Yields are pro rata.

Our investment margin decreased in 2022. This was mainly driven by our fixed index annuity business following the prior year back-book transaction including offsetting impacts in the technical margin and the impact of change in DAC in the United States. This decrease was partly offset by favorable foreign currency translation effects. Higher impairments in France were further contributing factors to the decrease. Offsetting effects came from Italy due to lower deferred policyholder participation, as well as higher realizations in Belgium and Taiwan.

1_Loadings and fees include premium and reserve-based fees, unit-linked management fees, and policyholder participation in expenses.

2_The investment margin is defined as IFRS investment income net of expenses, less interest credited to IFRS reserves and policyholder participation (including policyholder participation beyond contractual and regulatory requirements, mainly for the German life business).

Expenses[1]

Expenses
€ mn

	2022	2021	Delta
Acquisition expenses and commissions	(6,238)	(5,864)	(373)
Administrative and other expenses	(2,217)	(2,135)	(82)
Expenses	**(8,455)**	**(7,999)**	**(455)**
Acquisition expenses and commissions as % of PVNBP[1]	(9.0)	(7.1)	(1.9)
Administrative and other expenses as % of average reserves[2,3]	(0.3)	(0.3)	-

1_PVNBP before non-controlling interests.
2_Aggregate policy reserves and unit-linked reserves.
3_Yields are pro rata.

Acquisition expenses and commissions increased, mainly driven by foreign currency translation effects and higher sales for fixed index annuities in the United States, as well as our acquisition in Poland. Administrative and other expenses went up due to our acquisition in Poland, higher restructuring costs in Germany, and foreign currency translation effects in the United States and Asia.

Technical margin[2]

Our technical margin went up. This was mainly driven by an increased reinsurance margin due to the release of the ceding reinsurance commission following the prior year back-book transaction in the United States, as well as the consolidation of the acquired Aviva operations in Poland. A reserve release in France and lower death claims in Indonesia also contributed to the margin increase.

Impact of change in deferred acquisition costs (DAC)[3]

Impact of change in DAC
€ mn

	2022	2021	Delta
Capitalization of DAC	2,378	2,139	239
Amortization, unlocking, and true-up of DAC	(1,747)	(1,762)	15
Impact of change in DAC	**631**	**377**	**254**

The impact of change in DAC increased. The higher capitalization was largely driven by foreign currency translation effects and higher sales for fixed index annuities in the United States. Higher capitalization in line with higher acquisition expenses in Indonesia also had a positive effect. Amortization decreased, dominated by Germany due to a positive true-up impact. This was partly offset by foreign currency translation effects in the United States.

Operating profit by lines of business

Operating profit by lines of business
€ mn

	2022	2021	Delta
Guaranteed savings & annuities	2,070	2,071	(1)
Protection & health	1,112	910	202
Unit-linked without guarantee	651	578	73
Capital-efficient products	1,450	1,452	(2)
Operating profit	**5,282**	**5,011**	**272**

The operating profit in our guaranteed savings & annuities line of business was stable. A negative change in DAC in our traditional variable annuities business due to declining stock markets in the United States, and lower investment income due to higher impairments in France were offset by Italy mainly by lower deferred policyholder participation, higher realizations in Belgium and a reserve release in China. The operating profit in the protection & health line of business increased. Key drivers included our acquisition in Poland, an improved technical margin in France, and higher realizations in Taiwan. Our operating profit in the unit-linked without guarantee line of business went up. Most of the growth resulted from our acquisition in Poland and reserve release in France. The positive result was partly offset by lower management and performance fees from our unit-linked products in Italy. Finally, the slightly lower operating profit in our capital-efficient products line of business was primarily due to our fixed index annuities business following the prior year back-book transaction in the United States. Higher fees in line with reserve growth in Germany and a better investment margin in Switzerland partly offset this development.

Net income

Our net income decreased by € 403 mn. This was due to our non-operating result, which decreased by € 932 mn to a loss of € 438 mn. This decrease more than offset the increased operating profit in 2022. The decline in the non-operating result was mainly driven by lower non-operating investment results due to prior year realized gains from the back-book transaction in our fixed index annuity portfolio in the United States, hyperinflation in Lebanon and Türkiye, as well as an onerous contract provision for the expected disposal loss from the sale of our Russian business operations[4].

Return on equity

Our return on equity went down by 1.8 percentage points to 11.2 %.

1_Expenses include acquisition expenses and commissions (excluding commission clawbacks, which are allocated to the technical margin) as well as administrative and other expenses.
2_The technical margin comprises the risk result (risk premiums less benefits in excess of reserves less policyholder participation), the lapse result (surrender charges and commission clawbacks), and the reinsurance result.
3_The impact of change in DAC includes effects of the change in DAC, unearned revenue reserves (URR), and the value of business acquired (VOBA). It represents the net impact of deferral and amortization of acquisition costs and front-end loadings on operating profit, and therefore deviates from the IFRS financial statements.
4_For further information on the disposal of our Russian business operations, please refer to note 4 to the Consolidated Financial Statements.

ASSET MANAGEMENT

Key figures

Key figures Asset Management[1]

		2022	2021	Delta
Operating revenues	€ mn	8,234	8,396	(161)
Operating profit	€ mn	3,199	3,489	(290)
Cost-income ratio[2]	%	61.2	58.4	2.7 %-p
Net income (loss)	€ mn	935	(191)	1,126
Total assets under management as of 31 December	€ bn	2,141	2,609	(467)
thereof: Third-party assets under management as of 31 December	€ bn	1,635	1,966	(331)

Assets under management[3]

Composition of total assets under management

€ bn

Type of asset class	As of 31 December 2022	As of 31 December 2021	Delta
Fixed income	1,580	1,929	(349)
Equities	148	229	(82)
Multi-assets[1]	179	220	(41)
Alternatives	235	230	4
Total	**2,141**	**2,609**	**(467)**

1_The term "multi-assets" refers to a combination of several asset classes (e.g. bonds, stocks, cash, and real property) used as an investment. Multi-asset class investments increase the diversification of an overall portfolio by distributing investments over several asset classes.

In 2022, net outflows[4] of total assets under management (AuM) amounted to € 96.3 bn (2021: inflows of € 108.3 bn) – and third-party net outflows were € 81.4 bn (2021: inflows of € 110.1 bn). The full year's net outflows were attributable to both PIMCO (€ 80.6 bn total and € 75.1 bn third-party) and AllianzGI (€ 15.7 bn total and € 6.3 bn third-party).

Negative effects from market and dividends[5] totaled € 412.5 bn. Thereby, effects of € 298.7 bn came from PIMCO and were mainly related to fixed-income assets, while € 113.8 bn negative effects stemmed from AllianzGI and were attributable to all asset classes.

Negative effects from consolidation, deconsolidation, and other adjustments amounted to € 48.1 bn and mainly resulted from adjustments related to the Voya partnership.

Favorable foreign currency translation effects totaled € 89.4 bn. For the most part, they stemmed from PIMCO's AuM.

Third-party assets under management

		As of 31 December 2022	As of 31 December 2021	Delta
Third-party assets under management	**€ bn**	**1,635**	**1,966**	**(16.8) %**
Business units' share				
PIMCO	%	79.2	76.8	2.4 %-p
AllianzGI	%	20.8	23.2	(2.4) %-p
Asset classes split				
Fixed income	%	76.3	75.4	1.0 %-p
Equities	%	8.4	10.4	(2.1) %-p
Multi-assets	%	10.3	10.5	(0.2) %-p
Alternatives	%	5.0	3.7	1.3 %-p
Investment vehicle split[1]				
Mutual funds	%	58.2	58.5	(0.2) %-p
Separate accounts	%	41.8	41.5	0.2 %-p
Regional allocation[2]				
America	%	50.5	52.3	(1.7) %-p
Europe	%	33.5	32.6	0.9 %-p
Asia Pacific	%	16.0	15.2	0.8 %-p
Overall three-year rolling investment outperformance[3]	%	79	91	(13) %-p

1_Mutual funds are investment vehicles (in the United States, investment companies subject to the U.S. code; in Germany, vehicles subject to the "Standard-Anlagerichtlinien des Fonds" Investmentgesetz) where the money of several individual investors is pooled into one account to be managed by the asset manager, e.g. open-end funds, closed-end funds. Separate accounts are investment vehicles where the money of a single investor is directly managed by the asset manager in a separate dedicated account (e.g. public or private institutions, high net worth individuals, and corporates).

2_As a consequence of the transfer of U.S. portfolio management activities to external asset manager, the regional presentation of assets under management now shows the region where the respective assets are distributed.

3_Three-year rolling investment outperformance reflects the mandate-based and volume-weighted three-year investment success of all third-party assets that are managed by Allianz Asset Management's portfolio-management units. For separate accounts and mutual funds, the investment success (valued on the basis of the closing prices) is compared with the investment success prior to cost deduction of the respective benchmark, based on various metrics. For some mutual funds, the investment success, reduced by fees, is compared with the investment success of the median of the respective Morningstar peer group (a position in the first and second quartile is equivalent to outperformance).

1_For further information on our Asset Management figures, please refer to note 5 to the Consolidated Financial Statements.

2_Represents operating expenses divided by operating revenues.

3_From 3Q 2022 onwards, amounts are presented in accordance with the amended definition of assets under management and include portfolios sub-managed by third-party investment firms. Comparative periods are not affected by the amendment. For further information, please refer to our Guideline on Alternative Performance Measures on the **Allianz company website**.

4_Net flows represent the sum of new client assets, additional contributions from existing clients – including dividend reinvestment – withdrawals of assets from and termination of client accounts, and distributions to investors.

5_Market and dividends represents current income earned on the securities held in client accounts as well as changes in the fair value of these securities. This also includes dividends from net investment income and from net realized capital gains to investors of both open-ended mutual funds and closed-end funds.

Operating revenues

Our operating revenues decreased by 1.9 % on a nominal basis. This development was due to lower performance fees as well as declined AuM driven revenues from lower AuM levels, mainly due to the negative market effects, net outflows, and the adjustments related to the Voya partnership. On an internal basis[1], operating revenues decreased by 9.1 %.

In a challenging performance environment, we recorded lower performance fees at PIMCO.

Other net fee and commission income decreased at AllianzGI, driven by lower average third-party AuM.

Operating profit

Our operating profit decreased by 8.3 % on a nominal basis, as operating revenues declined and operating expenses grew. On an internal basis[1], our operating profit decreased by 14.9 %, which was predominantly due to lower AuM driven revenues.

The nominal increase in administrative expenses was driven by higher non-personnel expenses at PIMCO. To a minor extent, AllianzGI also contributed to this increase due to higher personnel expenses. Both were mainly due to foreign exchange effects.

Compared to the previous year, our cost-income ratio increased as a consequence of lower operating revenues and higher operating expenses.

Asset Management business segment information
€ mn

	2022	2021	Delta
Performance fees	474	633	(159)
Other net fee and commission income	7,737	7,770	(33)
Other operating revenues	23	(7)	31
Operating revenues	8,234	8,396	(161)
Administrative expenses (net), excluding acquisition-related expenses	(5,035)	(4,906)	(129)
Operating expenses	(5,035)	(4,906)	(129)
Operating profit	**3,199**	**3,489**	**(290)**

Net income

Net income increased to € 935 mn. This development was due to the fact that in 2021 we booked a provision of € 2.8 bn after tax for litigation expenses related to the Structured Alpha[2] matter. This provision was increased by € 1.6 bn in 2022, increasing our non-operating result in comparison to the previous year.

1_Operating revenues/operating profit adjusted for foreign currency translation and (de-)consolidation effects.

2_For further information on Structured Alpha, please refer to note 38 to the Consolidated Financial Statements.

CORPORATE AND OTHER

Key figures

Key figures Corporate and Other[1]
€ mn

	2022	2021	Delta
Operating revenues	4,566	3,341	1,225
Operating expenses	(5,078)	(4,113)	(965)
Operating result	(512)	(772)	260
Net loss	(762)	(964)	203

1_For further information on Corporate and Other figures, please refer to note 5 to the Consolidated Financial Statements.

Earnings summary

Our operating result improved in 2022 compared to the previous year. This was mainly driven by a higher operating investment result, largely stemming from inflation-linked bonds and dividends. Higher internal interest expenses as well as administrative and investment expenses had a partially offsetting effect.

The decrease in our net loss resulted primarily from our improved operating result as well as a higher income tax result. This was partly offset by our lower non-operating investment result, which was burdened by higher impairments.

OUTLOOK 2023

Overview: 2022 results versus previous year's outlook[1]

2022 results versus previous year's outlook for 2022

	Outlook 2022 – as per Annual Report 2021	Results 2022
Allianz Group	Operating profit of € 13.4 bn, plus or minus € 1 bn.	Operating profit was € 14.2 bn.
	Protect shareholder value while continuing to provide attractive returns and dividends.	Return on equity (RoE)[1] amounted to 10.3 % (2021: 10.6 %), including a negative 1.8 %-pt impact from the Structured Alpha provision. Dividend proposal is € 11.40 (2021: € 10.80) per share and is an increase of 5.6% compared to 2021. As part of our policy to return capital to shareholders on a flexible basis, Allianz SE initiated two share buy-back programs totaling € 2.0 bn in 2022.
	Selective profitable growth.	Total revenues decreased by 0.2 % on an internal basis, compared to 2021. This decrease was driven by the Life/Health and Asset Management business segments, partly offset by the Property-Casualty business segment.
Property-Casualty	Revenue growth of 3 % to 5 %, of which 1 % will come from our acquisition of Aviva in Italy and Poland.	Total revenues increased by 12.4%. Internal growth of 9.5 % with contribution from most operating entities, in particular from Allianz Partners due to faster than expected rebound of travel business, Türkiye from price effects, and AGCS from price and volume.
	Operating profit of € 6.0 bn, plus or minus 10 %.	Operating profit of € 6.2 bn was well within our target range, despite above-average natural catastrophe impacts weighing on our underwriting result.
	Combined ratio of approximately 93 %.	Combined ratio was at 94.2%, missing our target. Our accident year loss ratio was impacted by claims inflation as well as above-normal natural catastrophes, which was partially compensated by a higher run-off level.
	Pressure on operating investment income (net) to continue, due to reinvestments in a consistently low interest rate environment.	Operating investment income (net) increased, driven mainly by higher interest and similar income, which benefited from an increased interest-rate environment.
Life/Health	Continue to focus on profitable growth; keep developing capital-efficient products; expand to new markets. Revenues expected to be in the range of € 70.0 bn to € 80.0 bn.	Revenues were € 75.1 bn (2021: € 78.3 bn); the decrease is mainly driven by Italy, with lower unit-linked products sales, and Germany Life, with lower single premium sales, partly offset by Allianz Life with a favorable foreign currency translation impact on the result.
	Operating profit of € 4.8 bn, plus or minus 10 %.	At € 5.3 bn, higher than outlook for overperformance from several entities, in particular from solid performance of acquired Aviva business in Poland and Asia.
	RoE between 10.0 % and 13.0 %.	11.2 % RoE at mid-lower point of outlook range.
	Pressure on investment income due to low interest rates and continued capital market volatility.	Operating investment result was € 11.5 bn with negative impact from interest rate derivatives and impairments, partially offset by outperformance on interest and similar income and realized gains.
Asset Management	Moderate increase in AuM driven by slight positive market return combined with third-party net inflows at PIMCO and AllianzGI.	Total AuM decreased by 17.9%, mainly due to adverse market impact and third-party net outflows, triggered by turmoil in investment markets, societies, and geopolitics.
	Operating profit € 3.4 bn, plus or minus 10 %.	With € 3.2 bn, operating profit is within outlook range, yet 5.9% below midpoint due to capital markets and related outflow development.
	Cost-income ratio around 60 %.	At 61.2 %, the cost-income ratio is above outlook reflecting reduced AuM levels and related revenue decline.

1_Represents the ratio of net income attributable to shareholders to the average shareholders' equity at the beginning and at the end of the period. The net income attributable to shareholders is adjusted for net financial charges related to undated subordinated bonds classified as shareholders' equity. From the average shareholders' equity undated subordinated bonds classified as shareholders' equity and unrealized gains/losses on bonds net of shadow accounting are excluded.
2_Represents the ratio of net income to the average total equity, excluding unrealized gains/losses on bonds, net of shadow accounting, at the beginning of the period and at the end of the period.

Economic outlook[2]

The effects of the war in Ukraine will continue to impact economic development in 2023. This applies in particular to inflation, which will remain at a high level. We expect an average rate for the year of over 6% in the eurozone and over 4% in the United States. Central banks are therefore unlikely to ease their restrictive monetary policy, especially in Europe. By the end of the year, key interest rates in the eurozone are likely be to be around 3%; in the United States, they will remain above 4%.

The consequences will be a drop in household purchasing power and tighter financing conditions for companies, both of which will have a dampening effect on consumption and investment. We therefore expect a recession in both the eurozone and the United States in 2023, with economic output expected to decline by 0.4% and 0.3%, respectively. In China growth is likely to accelerate slightly again in 2023; in the second half of the year in particular, the end of the zero-COVID policy is expected to provide more stimulus. Nevertheless, the anticipated growth of 4% is quite modest by Chinese standards. Overall, the global economy should grow by about 1.4%.

Financial markets are likely to remain very volatile in view of the high level of uncertainty about the progress of inflation and monetary policy response. However, yields in the bond markets should stay at their current high levels, offering more opportunities again for long-term investors.

In 2023, the crises that already existed will continue to pose a challenge. One is the war in Ukraine, where further escalation cannot be ruled out. The gas supplies in Europe also remain precarious, with the risk of shortages in the winter of 2023/24. In addition, the abrupt end to China's zero-COVID policy also harbors considerable risks for global supply chains, particularly in case numbers increase dramatically over the coming weeks and months. Furthermore, it is also important to keep an eye on political and social tensions, which could escalate in view of the cost-of-living crisis.

1_For more detailed information on the previous year's outlook for 2022, please see the Annual Report 2021 from page 86 onwards.
2_The information presented in the sections "Economic Outlook", "Insurance Industry Outlook", and "Asset Management Industry Outlook" is based on our own estimates.

Insurance industry outlook

The key question for the insurance industry in 2023 is the extent to which it will be able to absorb the inflation-related increase in claims expenses through higher premiums and more flexible product designs. Against the backdrop of recessionary developments in key markets with rising corporate insolvencies and unemployment, this is unlikely to be an easy challenge to overcome.

At the same time, however, the industry is also benefiting from the global increase in risks across the board – be it natural catastrophes and cyber-attacks or ruptured supply chains and sociopolitical tensions. The need for risk protection and prevention is unprecedentedly high and is likely to persist in the foreseeable future. This is an opportunity for the insurance industry to position itself as a partner for strengthening social resilience.

In terms of the investment environment, the situation should be more favorable than in 2022. Although high volatility is still to be expected in the stock markets, the rapid rise in interest rates is unlikely to be repeated and the risk of valuation losses is therefore much lower. In actual fact, the yield level offers good opportunities for higher investment returns on new investments; this is also more likely to be reflected in earnings over the next few years.

In the **non-life sector**, premium growth will continue; however, as in the previous year, this will be driven primarily by rising prices. Investment income is expected to increase. In view of high inflation, claims development will also remain at a high level. As wages react to inflation, there is a risk of higher operating costs, hence productivity gains through fully digital processes remain the order of the day.

In the **life sector**, the cost-of-living crisis will continue to make itself felt: Falling savings rates are having a negative impact on new business (savings and pension products), and an increase in lapses and premium exemptions cannot be ruled out. Higher interest rates are only likely to have a positive impact on demand in the medium term; in 2023, real interest rates will still remain deep in the red. The risk businesses should continue to benefit from greater awareness of the need for protection, as the higher investment income will strengthen profitability.

Asset management industry outlook

In 2023, the asset management industry is facing a confluence of challenges, ranging from elevated inflation and global monetary tightening to geopolitical tensions and the energy crisis. This demanding environment is an opportunity for active asset management to demonstrate its value compared to passive funds.

In fixed income, the recent reset can be seen by investors as creating an attractive entry point. Demand for alternatives – and especially private investments – is also expected to remain high, supported by investors looking for diversification, as well as higher returns or protection against inflation. Infrastructure – including renewable energy – is expected to be further supported by governments who are driving significant climate policy initiatives. In this context, ESG-oriented investments (ESG=environment, social and governance) have increasingly become an important topic for the asset management industry. Inflows have accelerated and ESG is seen as a key secular trend, with regulation in that area also likely to evolve further. Technology is also expected to continue as a priority for the industry across the value chain. If firms are to remain competitive, they must leverage advanced data and analytics in order to support investment decisions and client interactions.

Margin pressure is expected to persist, further driven by passive products and fierce competition. Despite this multifaceted situation, the industry meets all the prerequisites to remain attractive and return to a growth path.

Overview: outlook and assumptions 2023 for the Allianz Group

Outlook 2023	
Allianz Group	Operating profit of € 14.2 bn, plus or minus € 1 bn.
	Protect shareholder value while continuing to provide attractive returns and dividends.
	Selective profitable growth.
Property-Casualty	Total business volume[1] growth of 6 % to 8 %.
	Operating profit of € 7.0 bn, plus or minus 10 %.
	Combined ratio[2] of approximately 93 %.
	Operating investment income (net) benefiting from increased interest-rate environment while unwinding of discounted loss reserves weighing negatively.
Life/Health	Continue to focus on profitable growth; keep developing capital-efficient products; expand to new markets. Total business volume[1] expected to be in the range of € 75.0 bn to € 85.0 bn.
	Operating profit of € 5.0 bn, plus or minus 10 %.
	RoE expected to be higher than in 2022.
Asset Management	Moderate increase in AuM, driven by recurrence to slightly positive market returns combined with third-party net inflows at PIMCO and AllianzGI.
	Operating profit € 3.0 bn, plus or minus 10 %.
	Cost-income ratio around 62 %.

Assumptions

Our outlook assumes no significant deviations from our underlying assumptions – specifically:

- interest rate environment to remain at a high level compared to previous years,
- no major volatility in the capital markets,
- no disruptive fiscal or regulatory interference or major litigation,
- level of claims from natural catastrophes at expected average levels,
- an average U.S. dollar-to-euro exchange rate of 1.045.
  - A 10 % weakening (strengthening) of the U.S. dollar, compared to the assumed exchange rate of 1.045 to the euro, would have a negative (positive) effect on group operating profit of approximately € 0.4 bn.

The Outlook 2023 is based on the new IFRS 9 (Financial Instruments) and IFRS 17 (Insurance Contracts) accounting standards, which have been adopted as of 1 January 2023.

1_Total business volume comprises gross premiums written and fee and commission income in Property-Casualty, statutory gross written premiums in Life/Health, and operating revenues in Asset Management. It is similar to total revenues used as a KPI so far.

2_For a definition of the combined ratio under IFRS 17, please refer to the section on Property-Casualty business – KPIs in note 2 to the Consolidated Financial Statements.

The Allianz Group will continue to use operating profit and net income attributable to shareholders as key financial performance indicators across all its business segments. In the medium term, the Board of Management and the Supervisory Board plan to adjust the Group's financial target of net income attributable to shareholders by eliminating certain non-operating effects such as fluctuations from market movements. The new version of the Group target as part of the remuneration system for the Board of Management is to be submitted to the 2024 Annual General Meeting – or at the latest to the 2025 Annual General Meeting – for approval. The definition of operating profit under IFRS 9 and 17 will follow the same principles as currently.

Overall, the Allianz Group expects the operating profit from our insurance business to be on a comparable level as under IFRS 4, albeit being more sensitive to interest rate changes. The Allianz Group also expects the net income to be on a comparable level as under IFRS 4, however, with a moderately higher volatility due to the increased volatility in financial assets following the introduction of IFRS 9.

The other KPIs for the insurance business remain unchanged.

For further information on the key considerations on which these expectations are based, an explanation of the impacts and the main KPIs, please refer to note 2 to the Consolidated Financial Statements.

For further information on our ambitions for the period 2022 - 2024, please see section "Our business aspirations" in the Risk and Opportunity Report.

Management's assessment of expected revenues and earnings for 2023

In 2022, our total revenues were € 152.7 bn, a 2.8% increase on a nominal and a 0.2% decrease on an internal basis[1], compared to 2021. For 2023, we envisage 7% growth overall, resulting from growth in Property-Casualty and Life/Health, combined with rather stable revenues in Asset Management, owing to our selective focus on profitable growth.

Our operating profit was € 14.2 bn in 2022. For 2023, we envisage strong performance in all business segments and an overall operating profit of € 14.2 bn, plus or minus € 1.0 bn.

Our net income attributable to shareholders was € 6.7 bn in 2022. This result was negatively impacted by the Structured Alpha[2] provision booked in the first quarter of 2022 and an onerous contract provision for the expected disposal loss from the sale of our Russian business operations expected in 2023. Consistent with our disclosure practice in the past, and given the susceptibility of our non-operating results to capital market developments, we refrain from providing a precise outlook for net income. However, since our outlook presumes no major disruptions in our capital markets, we anticipate a positive net income development for 2023.

Property-Casualty insurance

In this business segment, we expect total business volume to increase by 6 to 8% in 2023 (total revenues growth in 2022: 12.4%) from organic growth, which is supported by favorable price and volume effects across our subsidiaries.

We believe that the rise in prices we saw in a number of markets in 2022 will continue in 2023. That said, we will continue to focus on achieving strong insurance service results by adhering to our strict underwriting discipline, as we have in previous years.

Our combined ratio was 94.2% in 2022, below target. Our accident year loss ratio was strongly impacted by claims inflation as well as above-average natural catastrophes, which was partially compensated by a higher run-off level. In 2023, we envisage a combined ratio of approximately 93%. The underlying assumption is that the aggregate effect of improvements in pricing, claims management, and productivity will compensate for inflation in attritional claims. The impact of discounting loss reserves on our combined ratio depends on the development of interest rate levels throughout 2023, however we estimate that IFRS 17 could have a slight positive impact on our combined ratio. As for impacts from natural catastrophes, despite the highly volatile nature of such catastrophes in recent years, we assume claims to continue at comparable levels going forward.

As the increased interest-rate environment is likely to persist, investment income will further benefit from this development due to the rather short investment spans in our Property-Casualty business segment. Going forward, we will continue to actively adapt our investment strategy to changing market conditions. Note that, with the introduction of the new IFRS 17 accounting standard, the unwinding of discounted loss reserves will weigh on our investment income, dependent on interest rate levels of prior years.

Overall, we expect our 2023 operating profit to be € 7.0 bn, plus or minus 10% (2022: € 6.2 bn). With regards to IFRS 9 and 17 impacts, we expect the operating profit of the Property-Casualty segment to be on a slightly higher level as under IFRS 4, albeit being more sensitive to interest rate changes.

Life/Health insurance

One of the key performance indicators used in the financial steering of Life/Health is RoE. In 2023, we expect it to be higher than in 2022 mainly driven by a reduction in equity. Allianz continuously works to make the Life/Health business model more resilient to market volatility, for instance, by adjusting our products to market needs while keeping them in line with our strategy. Going forward, we will continue to pursue profitable growth and to improve our capital-efficient products – always with a strong customer focus – while exploring new market opportunities and building on our strong track record of product innovation. In addition, we will continue to actively manage both our new and our in-force business through continuous price reviews, expense management, asset/liability management, crediting strategies, and reinsurance solutions. As in past years, this should allow us to mitigate the impacts of difficult market conditions, to successfully face the challenges from a high interest rate environment, and achieve our profitability targets.

1_Operating revenues adjusted for foreign currency translation and (de)consolidation effects.

2_For further information on Structured Alpha, please refer to note 38 to the Consolidated Financial Statements.

At € 5.3 bn, the operating profit of our Life/Health business segment was above target range in 2022. For 2023, we expect an operating profit of around € 5.0 bn, plus or minus 10 %. With regards to IFRS 9 and 17 impacts, we expect the operating profit of the Life/Health segment to be on a comparable level as under IFRS 4.

Asset Management

For 2023, we envisage overall moderate third-party net inflows and market returns at both PIMCO and AllianzGI, after a year of capital market turmoil and related driven outflows. Margins and performance fees should remain relatively stable, resulting in modest operating revenue growth. We further assume an average U.S. dollar-to-euro exchange rate of 1.045. All things considered and reflecting a lower asset base, we expect our 2023 operating profit to be € 3.0 bn plus or minus 10 % (2022: € 3.2 bn).

Our cost-income ratio should be around 62 % in 2023 (2022: 61.2 %) as we continue to invest in business growth. Over the mid-term, we expect to grow further, also depending on the market development.

Corporate and Other (including consolidation)

In this business segment, we recorded an operating loss of € 0.5 bn in 2022. For 2023, we envisage an operating loss of € 0.8 bn plus or minus 10 %.

Non-financial key performance indicators

As outlined in the "Our Steering" section in our Business Operations chapter, we have also set ourselves non-financial targets. For further information on the past and expected development of these non-financial KPIs, please refer to the Non-Financial Statement.

Financing, liquidity development, and capitalization

The Allianz Group enjoys a very robust liquidity position and excellent financial strength, as well as a healthy business mix and global diversification, allowing us to maintain high performance, despite the fact that both the COVID-19 pandemic and the market volatility brought challenges for our industrial insurance segment. The Allianz Group's Solvency II capitalization is well above regulatory requirements.

As a result, we have full access to financial markets and are in a position to raise financing at low cost. We are determined to maintain our financial flexibility, which is supported by both the prudent steering of our liquidity resources, and our well-balanced debt maturity profile.

We are managing our portfolios with great diligence, in order to ensure that the Group has sufficient resources to back its solvency capital and liquidity needs. In addition, we will continue to monitor the sensitivity of our Solvency II capitalization ratio with regard to changes in interest rates and spreads, by continuing to ensure prudent asset/liability management and life product design.

Expected dividend development[1]

Allianz management is committed to have shareholders participate in the economic development of the Allianz Group through dividend payments. Through prudent capital management, the Allianz Group aims to maintain a healthy balance between achieving attractive yields and investing in profitable growth. Of the Group's net income attributable to shareholders, we will continue to pay out 50 % as a regular dividend, however, adjusted for extraordinary and volatile items. Furthermore, the Allianz Group's objective is to pay a dividend per share of at least 5 % above the amount of the previous year. For 2022, the Allianz SE Board of Management and the Supervisory Board propose a dividend of € 11.40 per share.

In addition, as part of our policy to return capital to shareholders on a flexible basis, Allianz SE executed eight share buy-back programs with an aggregate volume of € 11 bn in the period from 2017 to 2022[2].

All of the above is subject to our sustainable Solvency II capitalization ratio above 150 % – which is considerably below our year-end 2022 level of 201 %[3], and which is 30 percentage points below our minimum ambition of 180 % for the Solvency II capitalization ratio.

Management's overall assessment of the Allianz Group's current economic situation

At the date of issuance of this Annual Report, and based on current information regarding natural catastrophes and capital market trends – in particular foreign currency, interest rates, and equities – the Board of Management has no indication of the Allianz Group facing any major adverse developments.

1_This represents management's current state of planning and may be revised in the future. Also, note that the decision regarding dividend payments in any given year is subject to specific dividend proposals by the Management and Supervisory Boards, each of which may elect to deviate, if and as appropriate, under the then prevailing circumstances, as well as to the approval of the Annual General Meeting.

2_Share buy-back program 2022/II started in November 2022 with a first tranche (volume of € 0.3 bn) completed on 15 December 2022. The execution of the second tranche started on 16 January 2023.

3_Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio amounted to 230 % as of 31 December 2022.

Cautionary note regarding forward-looking statements

This document includes forward-looking statements, such as prospects or expectations, that are based on management's current views and assumptions and subject to known and unknown risks and uncertainties. Actual results, performance figures, or events may differ significantly from those expressed or implied in such forward-looking statements.

Deviations may arise due to changes in factors including, but not limited to, the following: (i) the general economic and competitive situation in Allianz's core business and core markets, (ii) the performance of financial markets (in particular market volatility, liquidity, and credit events), (iii) adverse publicity, regulatory actions or litigation with respect to the Allianz Group, other well-known companies, and the financial services industry generally, (iv) the frequency and severity of insured loss events, including those resulting from natural catastrophes, and the development of loss expenses, (v) mortality and morbidity levels and trends, (vi) persistency levels, (vii) the extent of credit defaults, (viii) interest rate levels, (ix) currency exchange rates, most notably the EUR/USD exchange rate, (x) changes in laws and regulations, including tax regulations, (xi) the impact of acquisitions, including and related to integration issues and reorganization measures, and (xii) the general competitive conditions that, in each individual case, apply at a local, regional, national, and/or global level. Many of these changes can be exacerbated by terrorist activities.

No duty to update

Allianz assumes no obligation to update any information or forward-looking statement contained herein, save for any information we are required to disclose by law.

BALANCE SHEET REVIEW

Shareholders' equity[1]

Shareholders' equity
€ mn

	As of 31 December 2022	As of 31 December 2021	Delta
Shareholders' equity			
Paid-in capital	28,902	28,902	-
Undated subordinated bonds	4,843	4,699	144
Retained earnings	35,350	32,784	2,565
Foreign currency translation adjustments	(2,406)	(3,223)	817
Unrealized gains and losses (net)	(15,215)	16,789	(32,003)
Total	**51,474**	**79,952**	**(28,477)**

Shareholders' equity decreased due to the high reduction of unrealized gains and losses (net) of € 32.0 bn driven by the fair value decline of our debt portfolio as a result of the sharp increase in market interest rates during 2022. Net income attributable to shareholders of € 6.7 bn, the change in actuarial gains and losses on defined benefit plans of € 1.8 bn and the increase of foreign currency translation adjustments of € 0.8 bn, reduced by the dividend payout in May 2022 of € 4.4 bn and the share buy-back program[2] of € 1.3 bn slightly offset this decrease. In total, the shareholders' equity decreased by € 28.5 bn.

Total assets and total liabilities

As of 31 December 2022, total assets amounted to € 1,021.5 bn and total liabilities were € 966.3 bn. Compared to year-end 2021, total assets and total liabilities decreased by € 117.9 bn and € 88.9 bn, respectively.

The following section focuses on our financial investments in debt instruments, equities, real estate, and cash, as these reflect the major developments in our asset base.

Structure of investments – portfolio overview

The following portfolio overview covers the Allianz Group's assets held for investment, which are largely driven by our insurance businesses.

Asset allocation and fixed income portfolio overview

	As of 31 December 2022	As of 31 December 2021	Delta	As of 31 December 2022	As of 31 December 2021	Delta
Type of investment	€ bn	€ bn	€ bn	%	%	%-p
Debt instruments, thereof:	**564.6**	**672.3**	**(107.6)**	**82.6%**	**83.1%**	**(0.5)**
Government bonds	183.4	240.5	(57.1)	32.5%	35.8%	(3.3)
Covered bonds	44.7	55.6	(10.9)	7.9%	8.3%	(0.3)
Corporate bonds	222.1	259.6	(37.5)	39.3%	38.6%	0.7
Banks	30.7	36.0	(5.3)	5.4%	5.3%	0.1
Other	83.8	80.6	3.2	14.8%	12.0%	2.8
Equities	**80.5**	**95.2**	**(14.7)**	**11.8%**	**11.8%**	**-**
Real estate	**18.0**	**16.9**	**1.1**	**2.6%**	**2.1%**	**0.5**
Cash/other	**20.1**	**24.1**	**(4.0)**	**2.9%**	**3.0%**	**-**
Total	**683.3**	**808.5**	**(125.3)**	**100.0%**	**100.0%**	**-**

Compared to year-end 2021, our overall asset portfolio decreased by € 125.3 bn, mainly in our debt instruments.

Our well-diversified exposure to debt instruments decreased compared to year-end 2021, mainly due to market movements. About 90 % of the debt portfolio was invested in investment-grade bonds and loans.[3] Our government bonds portfolio contained bonds from Germany, France, the United States, and Italy, representing 14.0%, 13.6%, 9.7% and 9.1% of our portfolio shares. Our corporate bonds portfolio contained bonds from the United States, the eurozone, and Europe excluding the eurozone. They represented 41.3%, 29.7% and 11.2% of our portfolio shares.

Our exposure to equities decreased due to market movements and disposals.

1_This does not include non-controlling interests of € 3,768 mn and € 4,270 mn as of 31 December 2022 and 31 December 2021, respectively. For further information, please refer to note 20 to the Consolidated Financial Statements.
2_For further information, please refer to note 20 to the Consolidated Financial Statements.
3_Excluding self-originated German private retail mortgage loans. For 4 %, no ratings were available.

Liabilities

Property-Casualty liabilities

As of 31 December 2022, the business segment's gross reserves for loss and loss adjustment expenses as well as discounted loss reserves amounted to € 81.7 bn, compared to € 78.2 bn at year-end 2021. On a net basis, our reserves, including discounted loss reserves, increased from € 65.8 bn to € 68.1 bn.[1]

Life/Health liabilities

Life/Health reserves for insurance and investment contracts decreased by € 61.2 bn to € 555.9 bn. A € 4.9 bn increase (before foreign currency translation effects) in aggregate policy reserves was driven by our operations in Germany (€ 5.0 bn). Reserves for premium refunds decreased by € 74.8 bn (before foreign currency translation effects), due to lower unrealized gains to be shared with policyholders. Foreign currency translation effects increased the balance sheet value by € 8.6 bn, mainly due to the stronger U.S. dollar (€ 8.0 bn).

Off-balance sheet arrangements

In the normal course of business, the Allianz Group may enter into arrangements that do not lead to the recognition of assets and liabilities in the Consolidated Financial Statements under IFRS. Since the Allianz Group does not rely on off-balance sheet arrangements as a significant source of revenue or financing, our off-balance sheet exposure to loss is immaterial relative to our financial position.

The Allianz Group enters into various commitments including loan commitments, purchase obligations, and other commitments. For more details, please refer to note 38 to the Consolidated Financial Statements.

The Allianz Group has also entered into contractual relationships with various types of structured entities. They have been designed in such a way that their relevant activities are directed by means of contractual arrangements rather than voting or similar rights. Typically, structured entities have been set up in connection with asset-backed financing and certain investment fund products. For more details on our involvement with structured entities, please refer to note 36 to the Consolidated Financial Statements.

Please refer to the Risk and Opportunity Report for a description of the main concentrations of risk and other relevant risk positions.

Regulatory capital adequacy

For details on the regulatory capitalization of the Allianz Group, please refer to our Risk and Opportunity Report.

1_For further information about changes in the reserves for loss and loss adjustment expenses for the Property-Casualty business segment, please refer to note 15 to the Consolidated Financial Statements.

LIQUIDITY AND FUNDING RESOURCES

Organization

The Allianz Group's liquidity management is based on policies and guidelines approved by the Allianz SE Board of Management. Allianz SE and each of the operating entities are responsible for managing their respective liquidity positions, while Allianz SE provides central cash pooling for the Group. Capital allocation is managed by Allianz SE for the entire Group. This structure allows the efficient use of liquidity and capital resources, and enables Allianz SE to achieve the desired liquidity and capitalization levels for the Group and its operating entities.

Liquidity management of our operating entities

Insurance operations

The major sources of liquidity for our operational activities are primary and reinsurance premiums received, reinsurance receivables collected, investment income, and proceeds generated from the maturity or sale of investments. These funds are mainly used to pay claims arising from the Property-Casualty insurance business and related expenses, life policy benefits, surrenders and cancellations, acquisition costs, and operating costs.

We receive a large part of premiums before payments of claims or policy benefits are required, generating solid cash flows from our insurance operations. This allows us to invest the funds in the interim to create investment income.

Our insurance operations also carry a high proportion of liquid investments, which can be converted into cash to pay for claims. Generally, our investments in fixed-income securities are sequenced to mature when funds are expected to be needed.

The overall liquidity of our insurance operations depends on capital market developments, interest rate levels, and our ability to realize the market value of our investment portfolio to meet insurance claims and policyholder benefits. Other factors affecting the liquidity of our Property-Casualty insurance operations include the timing, frequency, and severity of losses underlying our policies and policy renewal rates. In our Life operations, liquidity needs are generally influenced by trends in actual mortality rates compared to the assumptions underlying our life insurance reserves. Market returns, crediting rates, and the behavior of our life insurance clients – for example, regarding the level of surrenders and withdrawals – can also have a significant impact.

Asset Management operations

Within our Asset Management operations, the most important sources of liquidity are fees generated from asset management activities. These are primarily used to cover operating expenses.

Liquidity management and funding of Allianz SE

The main responsibility for managing the funding needs of the Allianz Group, maximizing access to liquidity sources and optimizing the trade off between borrowing costs, balancing the maturity profile, and the choice between senior and subordinated funding instruments, lies with Allianz SE. As such, the following sections include comments on the liquidity and funding resources of Allianz SE. Restrictions on the transferability of capital within the Group mainly result from the capital maintenance rules under applicable corporate laws as well as from the regulatory solvency capital requirements for regulated Group companies.

Liquidity resources and uses

Allianz SE ensures adequate access to liquidity and capital for our operating entities. The main sources of liquidity available to Allianz SE are dividends received from subsidiaries and external funding raised in the capital markets. Liquidity resources are defined as readily available assets – specifically cash, money market securities, and highly liquid fixed-income securities. Our funds are primarily used for interest payments on our debt funding, operating costs, internal and external growth investments, and dividends or share buy-backs to our shareholders.

Funding sources

Allianz SE's access to external funds depends on various factors such as capital market conditions, access to credit facilities, credit ratings, and credit capacity. The financial resources available to Allianz SE in the capital markets for short-, mid- and long-term funding needs are described below. In general, mid- to long-term financing is covered by issuing senior bonds, subordinated bonds or ordinary no-par value shares.

Share capital

As of 31 December 2022, the issued share capital as registered at the Commercial Register was € 1,169,920,000. This was divided into 403,313,996 no-par value shares. As of 31 December 2022, the Allianz Group held 1,724,834 (2021: 238,720) own shares.

Allianz SE has the option to increase its share capital according to authorizations provided by the AGM. The following table outlines Allianz SE's capital authorizations as of 31 December 2022:

Capital authorizations of Allianz SE

Capital authorization	Nominal amount	Expiry date of the authorization
Authorized Capital 2022/I[1]	€ 467,968,000	3 May 2027
Authorized Capital 2022/II[2]	€ 15,000,000	3 May 2027
Conditional Capital 2022[3]	€ 116,992,000	3 May 2027

1_For issuance of shares against contribution in cash and/or in kind.
2_For issuance of shares to employees (without shareholders' subscription rights).
3_To cover conversion or option rights of holders of bonds.

For further information on our share capital and regarding authorizations to issue and repurchase shares, please refer to the chapter Takeover-Related Statements and Explanations (part of the Group Management Report).

Long-term debt funding

As of 31 December 2022, Allianz SE had senior and subordinated bonds with a variety of maturities outstanding, reflecting our focus on long-term financing. As the cost and availability of external funding may be negatively affected by general market conditions or by matters specific to the financial services industry or the Allianz Group, we seek to reduce refinancing risk by actively steering the maturity profile of our funding structure.

Maturity structure of Allianz SE's senior and subordinated bonds[1]

€ mn

As of 31 December	Contractual maturity date			
	Up to 1 year	1 – 5 years	Over 5 years	Total
2022				
Senior bonds	750[2]	2,994	4,309	8,053
Fair value hedge effects related to senior bonds	-	-	(130)	(130)
Subordinated bonds (debt)	-	-	11,949[3]	11,949
Fair value hedge effects related to subordinated bonds (debt)	-	(101)	-	(101)
Total bonds (debt)	**750**	**2,893**	**16,128**	**19,771**
Subordinated bonds (equity)	-	-	4,843	4,843
Total bonds (equity)	**-**	**-**	**4,843**	**4,843**
2021				
Senior bonds	1,500	2,999	5,096	9,595
Fair value hedge effects related to senior bonds	-	-	(6)	(6)
Subordinated bonds (debt)	-	-	10,830	10,830
Fair value hedge effects related to subordinated bonds (debt)	-	34	-	34
Total bonds (debt)	**1,500**	**3,033**	**15,920**	**20,453**
Subordinated bonds (equity)	-	-	4,699	4,699
Total bonds (equity)	**-**	**-**	**4,699**	**4,699**

1_Based on carrying value.
2_A senior bond of € 1.5 bn was redeemed in 2022.
3_Includes the issuance of two subordinated bonds (€ 1.25 bn each) and the redemption of a € 1.5 bn subordinated bond in 2022.

Interest expenses on senior bonds decreased, mainly due to lower funding costs on average in 2022. Also, for subordinated bonds classified as debt, the decrease of interest expenses was mainly driven by lower funding costs on average in 2022.

Senior and subordinated bonds issued or guaranteed by Allianz SE[1]

As of 31 December	Nominal value	Carrying value	Fair value hedge effects	Interest expenses	Weighted-average interest rate[2]
	€ mn	€ mn	€ mn	€ mn	%
2022					
Senior bonds	8,095	8,053	(130)	118	1.4
Subordinated bonds (debt)	11,968	11,949	(101)	429	3.6
Total bonds (debt)	**20,063**	**20,002**	**(231)**	**547**	**2.7**
Subordinated bonds (equity)	4,842	4,843	-	119[3]	3.0
Total bonds (equity)	**4,842**	**4,843**	**-**	**119**	**3.0**
2021					
Senior bonds	9,643	9,595	(6)	165	2.0
Subordinated bonds (debt)	10,847	10,830	34	453	3.8
Total bonds (debt)	**20,490**	**20,425**	**28**	**617**	**3.1**
Subordinated bonds (equity)	4,698	4,699	-	69[3]	3.0
Total bonds (equity)	**4,698**	**4,699**	**-**	**69**	**3.0**

1_For further information on Allianz SE debt (issued or guaranteed) as of 31 December 2022, please refer to note 19 to the Consolidated Financial Statements.
2_Based on nominal value.
3_Interest and fees paid (not part of the Consolidated Income Statement).

The following table details the long-term debt issuances and redemptions/buy-backs of Allianz SE during 2022 and 2021:

Issuances and redemptions of Allianz SE's senior and subordinated bonds

€ mn

As of 31 December	Issuances[1]	Redemptions/ buy-backs[1]	Issuance net of redemptions/ buy-backs
2022			
Senior bonds	-	1,500	(1,500)
Subordinated bonds (debt)	2,500	1,500	1,000
Subordinated bonds (equity)	-	-	-
2021			
Senior bonds	1,500	-	1,500
Subordinated bonds (debt)	-	3,235	(3,235)
Subordinated bonds (equity)	2,303	-	2,303

1_Based on nominal value.

Funding in non-euro currencies enables us to diversify our investor base or to take advantage of favorable funding costs in those markets. Funds raised in non-euro currencies are incorporated in our general hedging strategy. As of 31 December 2022, approximately 20.7% (2021: 19.6%) of the long-term debt was issued or guaranteed by Allianz SE in currencies other than the euro.

Currency allocation of Allianz SE's senior and subordinated bonds[1]
€ mn

As of 31 December	Euro	Non-euro	Total
2022			
Senior and subordinated bonds (debt and equity)	19,750	5,155	24,905
2021			
Senior and subordinated bonds (debt and equity)	20,250	4,938	25,188

1_Based on nominal value.

Short-term debt funding

The Medium-Term Note Program and the Commercial Paper Program constitute the available short-term sources of funding. Money market securities slightly decreased in the use of commercial paper, compared to the previous year-end. Interest expenses on money market securities increased, mainly due to higher funding costs on average in 2022.

Money market securities of Allianz SE

	Carrying value	Interest expense	Average interest rate
As of 31 December	€ mn	€ mn	%
2022			
Money market securities	1,123	12	1.1
2021			
Money market securities	1,198	(3)	(0.3)

The Group maintained its A-1+/Prime-1 ratings for short-term issuances. We can therefore continue funding our liquidity under the Euro Commercial Paper Program at an average rate for each tranche below Euribor, and under the U.S. Dollar Commercial Paper Program at an average rate for each tranche below U.S. Libor.

Further potential sources of short-term funding that allow the Allianz Group to fine-tune its capital structure include letter of credit facilities and bank credit lines.

Allianz Group consolidated cash flows

Annual changes in cash and cash equivalents
€ mn

	2022	2021	Delta
Net cash flow provided by operating activities	1,964	25,124	(23,160)
Net cash flow provided by/used in investing activities	2,958	(19,783)	22,741
Net cash flow used in financing activities	(6,626)	(3,786)	(2,840)
Change in cash and cash equivalents[1]	(1,430)	1,771	(3,201)

1_Includes effects of exchange rate changes on cash and cash equivalents of € 275 mn and € 216 mn in 2022 and 2021, respectively.

Net cash flow provided by operating activities was € 23.2 bn lower in 2022 and amounted to € 2.0 bn. This figure comprises net income plus adjustments for non-cash charges, credits, and other items included in net earnings, as well as cash flows related to the net change in operating assets and liabilities. Net income after adding back non-cash charges and similar items increased by € 8.5 bn to € 21.3 bn in 2022. Operating cash flows from net changes in operating assets and liabilities dropped by € 31.7 bn. This was mainly driven by net cash outflows from assets and liabilities held for trading, particularly from our Life/Health business operation in Germany and the United States. In addition, we recorded lower reserves for insurance and investment contracts as well as the settlement of the majority of the provision related to the Structured Alpha matter.

Net cash flow provided by/used in investing activities increased by € 22.7 bn to a total net cash inflow of € 3.0 bn after a total cash outflow of € 19.8 bn in 2021. This was mainly due to material net cash inflows from available-for-sale investments, particularly in our Life/Health business operations in Germany, France, and the United States.

Net cash outflow used in financing activities amounted to € 6.6 bn, compared to € 3.8 bn in 2021. This increase was largely driven by net cash outflows from our refinancing activities – after net cash inflows in 2021 –, mainly due to the issuance of a dual tranche RT1 bond in 2021. Additionally, we recorded higher dividend payments to our shareholders and lower net cash inflows from liabilities to banks and customers.

Cash and cash equivalents (including € 0.2 bn cash and cash equivalents reclassified to assets of disposal groups held for sale) decreased by € 1.4 bn, mainly stemming from our Life/Health business segment in the United States and our Banking operations in Italy (Corporate and Other).

For further information on the above, please refer to our Consolidated Statement of Cash Flows.

RECONCILIATIONS

The analysis in the previous chapters is based on our Consolidated Financial Statements and should be read in conjunction with them. In addition to our figures stated in accordance with the International Financial Reporting Standards (IFRS), the Allianz Group uses operating profit and internal growth to enhance the understanding of our results. These additional measures should be viewed as complementary to, rather than a substitute for, our figures determined according to IFRS.

For further information, please refer to note 5 to the Consolidated Financial Statements.

Composition of total revenues

Total revenues comprise gross premiums written, and fee and commission income in Property-Casualty; statutory premiums in Life/Health; operating revenues in Asset Management; and total revenues in Corporate and Other (Banking).

Composition of total revenues
€ mn

	2022	2021
PROPERTY-CASUALTY		
Total revenues	**70,018**	**62,272**
consisting of:		
Gross premiums written	67,716	60,273
Fee and commission income	2,302	1,998
LIFE/HEALTH		
Statutory premiums	**75,124**	**78,348**
ASSET MANAGEMENT		
Operating revenues	**8,234**	**8,396**
consisting of:		
Net fee and commission income	8,211	8,403
Net interest and similar income	9	(12)
Income from financial assets and liabilities carried at fair value through income (net)	(2)	2
Other income	16	3
CORPORATE AND OTHER		
thereof: Total revenues (Banking)	**306**	**289**
consisting of:		
Interest and similar income	106	60
Income from financial assets and liabilities carried at fair value through income (net)[1]	3	2
Fee and commission income	650	666
Interest expenses, excluding interest expenses from external debt	(29)	(23)
Fee and commission expenses	(425)	(423)
Consolidation effects within Corporate and Other	-	6
CONSOLIDATION	(1,011)	(794)
Allianz Group total revenues	**152,671**	**148,511**

1_Includes trading income.

Composition of total revenue growth

We believe that an understanding of our total revenue performance is enhanced when the effects of foreign currency translation as well as acquisitions, disposals, and transfers (or "changes in scope of consolidation") are analyzed separately. Accordingly, in addition to presenting nominal total revenue growth, we also present internal growth, which excludes these effects.

Reconciliation of nominal total revenue growth to internal total revenue growth
%

	Internal growth	Changes in scope of consolidation	Foreign currency translation	Nominal growth
2022				
Property-Casualty	9.5	1.3	1.6	12.4
Life/Health	(6.8)	0.7	2.0	(4.1)
Asset Management	(9.1)	(1.5)	8.5	(1.9)
Corporate and Other	5.6	-	-	5.6
Allianz Group	**(0.2)**	**0.8**	**2.2**	**2.8**
2021				
Property-Casualty	4.1	1.5	(0.8)	4.8
Life/Health	6.8	0.1	(1.0)	5.8
Asset Management	15.9	1.5	(3.1)	14.3
Corporate and Other	18.0	-	-	18.0
Allianz Group	**6.1**	**0.7**	**(1.1)**	**5.7**

Life/Health insurance operations

Operating profit

The reconciling item scope comprises the effects from out-of-scope entities in the profit sources reporting compilation. Operating profit from operating entities that are out of scope is included in the investment margin. Currently, 23 entities – comprising the vast majority of Life/Health total statutory premiums – are in scope.

Expenses

Expenses include acquisition expenses and commissions, as well as administrative and other expenses.

The delta shown as definitions in acquisition expenses and commissions represents commission clawbacks, which are allocated to the technical margin. The delta shown as definitions in administrative and other expenses mainly represents restructuring charges, which are stated in a separate line item in the Group income statement.

Acquisition, administrative, capitalization, and amortization of DAC
€ mn

	2022	2021
Acquisition expenses and commissions[1]	(6,238)	(5,864)
Definitions	21	15
Scope	(179)	(142)
Acquisition costs incurred	(6,396)	(5,992)
Capitalization of DAC[1]	2,378	2,139
Definition: URR capitalized	708	702
Definition: policyholder participation[2]	958	1,039
Scope	139	54
Capitalization of DAC	4,182	3,934
Operating amortization, unlocking, and true-up of DAC[1]	(1,747)	(1,762)
Non-Operating amortization, unlocking, and true-up of DAC	-	(228)
Definition: URR amortized	(159)	(254)
Definition: policyholder participation[2]	(279)	(1,093)
Scope	(159)	(7)
Amortization, unlocking, and true-up of DAC	(2,344)	(3,345)
Commissions and profit received on reinsurance business ceded	456	195
Acquisition costs[3]	**(4,102)**	**(5,208)**
Operating administrative and other expenses[1]	(2,217)	(2,135)
Non-Operating administrative and other expenses	(9)	(36)
Definitions	213	194
Scope	(187)	(133)
Administrative expenses on reinsurance business ceded	10	11
Administrative expenses[3]	**(2,189)**	**(2,100)**

1_As per Group Management Report.
2_For German Speaking Countries, policyholder participation on revaluation of DAC/URR capitalization/amortization.
3_As per notes to the Consolidated Financial Statements.

Impact of change in deferred acquisition costs (DAC)

"Impact of change in DAC" includes the effects of changes in DAC, unearned revenue reserves (URR), and value of business acquired (VOBA). As such, it is the net impact of the deferral and amortization of acquisition costs and front-end loadings on operating profit.

URR capitalized: capitalization amount of unearned revenue reserves (URR) and deferred profit liabilities (DPL) for FAS 97 LP.

URR amortized: total amount of URR amortized includes scheduled URR amortization, true-up, and unlocking.

Both capitalization and amortization are included in the line item premiums earned (net) in the Group income statement.

Policyholder participation is included in "Change in our reserves for insurance and investment contracts (net)" in the Group income statement.

Reconciliation to Notes to the Consolidated Financial Statements
€ mn

	2022	2021
Acquisition expenses and commissions[1]	(6,238)	(5,864)
Operating administrative and other expenses[1]	(2,217)	(2,135)
Non-Operating administrative and other expenses	(9)	(36)
Capitalization of DAC[1]	2,378	2,139
Operating amortization, unlocking, and true-up of DAC[1]	(1,747)	(1,762)
Non-Operating amortization, unlocking, and true-up of DAC	-	(228)
Acquisition and administrative expenses	**(7,832)**	**(7,887)**
Definitions	1,461	602
Scope	(386)	(228)
Commissions and profit received on reinsurance business ceded	456	195
Administrative expenses on reinsurance business ceded	10	11
Acquisition and administrative expenses (net)[2]	**(6,291)**	**(7,307)**

1_As per Group Management Report.
2_As per notes to the Consolidated Financial Statements.

RISK AND OPPORTUNITY REPORT

Target and strategy of risk management

Allianz aims to ensure that the Group is adequately capitalized at all times and that Allianz SE and all other related undertakings meet or exceed their respective regulatory capital requirements for the benefit of both shareholders and policyholders.

In addition, we take the requirements of rating agencies into account. While capital requirements imposed by regulators constitute a binding constraint, meeting rating agencies' capital requirements and maintaining strong credit ratings are strategic business objectives.

We closely monitor the capital position and risk concentrations of the Group, Allianz SE and its other related undertakings, and apply regular stress tests (including standardized, historical, and reverse stress test scenarios as well as monthly stress and scenario analyses focusing on current and possible future developments). These analyses allow us to take appropriate measures to preserve our continued capital and solvency strength. For example, the risk capital reflecting the risk profile and the cost of capital is an important aspect that is considered in business decisions. Furthermore, we ensure a close alignment of the risk and business strategy by the fact that business decisions to achieve our set targets are taken within the determined risk appetite and in line with the risk strategy. The implemented sound processes to steer the business and assess and manage associated risks ensure a continuous alignment of the risk and business strategy, and enable us to detect and address any potential deviations.

In addition, our liquidity risk management framework ensures that all legal entities in scope are responsible for managing their liquidity risks and maintaining a sufficient liquidity position under both market and business conditions (expected as well as stressed).

Risk governance system and internal control system

Risk management framework

As a provider of financial services, we consider risk management, including an internal control system (ICS), to be a core competency and an integral part of our business. Our risk management framework covers all operations and subsidiaries within the Group in proportion to the inherent risks of their activities, ensuring that risks across the Group are consistently identified, analyzed, assessed, and adequately managed. The key elements of our risk management and internal control system framework are:

- Promotion of a strong risk management culture, supported by a robust risk governance structure.
- Consistent and proportional application of an integrated risk capital framework to protect our capital base and support effective capital management.
- Integration of risk considerations and capital needs into management and decision-making processes by attributing risk and allocating capital to business segments, products, and strategies.

Our risk management system is based on the following four pillars:

- Risk identification, assessment and underwriting: A robust system of risk identification, assessment and underwriting forms the foundation for appropriate risk management decisions. Supporting activities include standards for underwriting, valuation methods, individual transaction and new product approvals, emerging/operational/top risk assessments, liquidity risk and scenario analyses, amongst others.
- Risk strategy and risk appetite: Our risk strategy defines our risk appetite in line with our business strategy. It ensures that rewards are appropriate based on the risks taken and the required capital. It also ensures that delegated decision-making bodies work in line with our overall risk-bearing capacity and strategy.
- Risk reporting and monitoring: Our comprehensive qualitative and quantitative risk monitoring and reporting framework provides management with the transparency needed to assess whether our risk profile remains within the approved limits and to identify emerging issues and risks quickly. For example, risk dashboard and limit utilization reports as well as scenario analyses and stress tests are regularly prepared and communicated.
- Communication and transparency: Transparent risk disclosure provides the basis for communicating our strategy and performance to internal and external stakeholders, ensuring a sustainable positive impact on valuation and financing. It also strengthens the risk awareness and risk culture.

Internal control system

In order to support these pillars, especially risk identification, assessment and monitoring, the Allianz Group has established an ICS, which consists of both specific risk controls and further control elements. Its objectives are to:

- Safeguard the Group's existence and business continuity.
- Create a strong internal control environment, ensuring that all personnel are aware of the importance of internal controls and their role within the internal control system.
- Conduct control tasks commensurate to the risks arising from activities and processes in the Group.
- Provide the management bodies with the relevant information for their decision-making processes.
- Ensure compliance with applicable laws and regulations.

Notwithstanding the oversight exercised by the Supervisory Board of the Allianz SE, controls are performed within the Allianz Group in terms of control areas, activities and reporting, taking into account independence requirements, where applicable. The controls are embedded into the operational and organizational set-up throughout the Allianz Group and are subject to periodic reviews. Where appropriate, internationally recognized control frameworks such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO) or the IT-related Control Objectives for Information and Related Technology (COBIT) are used.

Internal controls, therefore, describe the set of activities undertaken by and within the Allianz Group to achieve defined control objectives, applied across all business segments and lines of business. These controls help to continuously review the effectiveness of the relevant processes and procedures (including operations and reporting), their coherence and proportionality within the Group, and to identify potential actions for the timely rectification of deficiencies. The ICS of the Allianz Group encompasses the entirety of activities undertaken to perform controls in different areas.

The ICS comprises various control concepts. Besides general elements related to all control activities, and in addition to the Risk Management Framework, specific controls are utilized, in particular, but not exclusively, around entity level controls, financial reporting, IT, risk capital calculation, underwriting (including products and distribution), investments, and protection/resilience. These are supplemented by management reports.

Integrated Risk and Control System for financial reporting

The following information is provided pursuant to § 289 (4) and § 315 (4) of the German Commercial Code ("Handelsgesetzbuch – HGB"). For general information about our Integrated Risk and Control System (IRCS) and the Non-Financial Risk Management (NFRM), please refer to the section "Operational risk".

Accounting and consolidation processes

The accounting and consolidation processes we use to produce our Consolidated Financial Statements are based on a central consolidation and reporting IT solution and local general ledger solutions. The latter are largely harmonized throughout the Group, using standardized processes, master data, posting logics, and interfaces for data delivery to the Holding. Access rights to accounting systems are managed according to strict authorization procedures.

Accounting rules for the classification, valuation, and disclosure of all items in the balance sheet, the income statement, and notes related to the annual and interim financial statements are defined primarily in our Group accounting manual.

Financial reporting control system approach

Specific internal controls for financial reporting, which follow the general Integrated Risk and Control System (IRCS) and Non-financial Risk Management (NFRM) approach, are embedded in the accounting and consolidation processes to safeguard the accuracy, completeness, and consistency of the information provided in our financial statements.

The dedicated financial reporting control system approach can be summarized as follows:

- A centrally developed risk catalog is linked to individual accounts. This risk catalog is reviewed on a yearly basis and is the starting point for the definition of the Group's as well as the operating entities' scope of financial reporting risks. The methodology is described in our IRCS Guideline. In the course of the scoping process, both materiality and susceptibility to a misstatement are considered simultaneously. In addition to the quantitative calculation, we also consider qualitative criteria, such as the expected increase in business volume or the complexity of transactions.
- Based on the centrally provided risk catalog, our local entities identify risks that could lead to material financial misstatements.
- Preventive and detective key controls addressing financial reporting risks have been put in place to reduce the likelihood and impact of financial misstatements. When a potential risk materializes, actions are taken to reduce the impact of the financial misstatement. Given the strong dependence of financial reporting processes on information technology systems, we have also implemented IT controls.
- Group Audit and local internal audit functions ensure that these controls are subject to regular control testing, in order to assure reasonable design and operating effectiveness. Internal Audit does so through a comprehensive risk-based approach that assesses the key controls of the company's internal procedures and processes, including local and group-internal controls over financial reporting risks, from an integrated perspective.

Governance

Group Accounting & Reporting and other Group center functions, the Group Disclosure Committee, and our operating entities support the Allianz SE Board of Management to ensure the completeness, accuracy, and reliability of our Consolidated Financial Statements.

The Group Disclosure Committee ensures that the board members are made aware of all material information that could affect our disclosures, and assesses the completeness and accuracy of the information provided in the quarterly statements, half-year and annual financial reports as well as in the Solvency and Financial Condition Report and the Regular Supervisory Report. In 2022, the Group Disclosure Committee met on a quarterly basis before the quarterly statements and financial reports were issued. In addition, the Group Disclosure Committee reviewed and approved the Solvency II reports prior to issuance.

Subsidiaries within the scope of our control system are individually responsible for adhering to the Group's internal governance and control policy and for creating local Disclosure Committees that are similar to the Group-level committee. The entities' CEOs and CFOs provide periodic sign-offs to the management of Allianz SE, certifying the effectiveness of their local systems of internal control as well as the completeness, accuracy, and reliability of financial data reported to the Holding.

Compliance Management System

The risk management system encompasses a set of principles for specifically addressing the operational and reputational risks stemming from non-compliance with laws, regulations, and other external requirements (hereafter referred to as "compliance risks").

For the management of compliance risks, Allianz maintains a Compliance Management System (CMS). At the center of the CMS, Allianz has established compliance functions at the levels of the Allianz Group and the local operating entities as part of the Second Line of Defense. For details of the CMS, or more specifically of anti-corruption and bribery matters, please refer to the Non-Financial Statement.

Management assessment[1]

The management feels comfortable with the Group's overall risk profile, has no indication that, as of 31 December 2022, our risk management system or internal control system is not appropriate or effective, and is therefore confident that they meet both the challenges of a rapidly changing environment and day-to-day business needs.

This assessment is based on several factors:

- We run an established system to monitor the effectiveness of the internal control system and to report and timely address deficiencies, such as control failures, operational loss events, financial limit breaches, or system of governance issues. On a quarterly basis, the Group's Internal Control System Report is jointly prepared by the Group's key control functions, and shared with the Supervisory Board Audit Committee and members of the Board of Management of the Allianz SE. The report aggregates and rates the severity of known weaknesses in the internal control system, while also tracking their timely and satisfactory resolution.
- Our Group risk management framework, including the Group's internal control system, are regularly the subject of audit activities performed by our Group's Internal Audit function.
- An assessment of the effectiveness of the Allianz operating entities' Risk Management functions, as well as of the implementation maturity of the risk management framework and corresponding risk management processes, is performed following the Risk Assessment, Diagnostics, Analysis and Reporting (RADAR) process.
- Allianz has dedicated guidelines and policies that clearly define the general principles, the roles and responsibilities, as well as the processes, for both the risk management framework and the internal control system.

Structured Alpha funds of AllianzGI U.S.

- The settlement of litigations relating to the AllianzGI U.S. Structured Alpha matter and the resolution reached with the U.S. authorities (U.S. Securities and Exchange Commission and U.S. Department of Justice) have helped to reduce a significant amount of uncertainty pertaining to the Group's asset management derived profit streams. The sale of AllianzGI's U.S. based business to Voya, and ongoing run-off activities continue to be closely monitored by Allianz SE. In the light of the AllianzGI U.S. Structured Alpha matter, the Group's management has taken a "no stones unturned" approach, by reflecting upon the key learnings from the Structured Alpha matter, so as to continuously bolster our risk and compliance systems, spanning across all three lines of defense. Even prior to settlement with the U.S. authorities, our asset managers PIMCO and AllianzGI undertook a comprehensive review of their respective business mixes to confirm that products with risk profiles similar to the Structured Alpha funds are either put into run-off or do not exist. As well, and reflecting upon key lessons learned, measures to enhance risk management activities and capabilities were installed. Examples of Allianz Group-driven efforts include:
- A human resources strategy to enhance the skills, capacity and business know-how of the controls functions was created.
- A governance and controls dashboard and a concept for an ensuing dialog with senior management were designed and shall be implemented during 2023.
- In addition to already existing scenario analyses, additional scenarios have been developed, to be better prepared for potential extreme risk events and to be able to better reduce or mitigate unwanted risks.
- A structured approach to instilling and monitoring controls testing focus areas and testing execution was institutionalized and subjected to monitoring.
- Changes in the design of incentive structures and enhanced malus or claw-back provisions will become effective in 2023.
- Strengthened monitoring of our Asset Management entities by Allianz Group, which includes the installation of several dimensions to enhance shareholder oversight (structures, processes and skills), while following underlying investment mandates as defined by our investors.

Our strategy

Our business aspirations

The Board of Management of Allianz SE has defined the following objectives for the Allianz Group's medium-term strategy, building on the success of the efforts to simplify the company, with the motto "Simplicity at Scale":

- Growth: We consistently seek to capture growth opportunities for our business, and to create growth opportunities for our employees. This is how we ensure our leading market position. Due to our full breadth of products and services, we offer comprehensive solutions that meet our customers' needs and make us a trusted partner.
- Margin Expansion: We need to be profitable and efficient. To do so we are continuously improving our productivity, including in our distribution channels, while seeking to grow in high margin business segments. Additionally, we will continue our transformation so our processes are simpler, digital and scalable.
- Capital Efficiency: We consistently seek ways to use our capital in the most effective way and take action when it falls below our RoE threshold.

These objectives have been translated into clear ambitions for the 2022 to 2024 period. With regard to financial performance, we strive for a return on equity (excluding unrealized gains/losses on bonds[2]) of more than 13 %, while growing our earnings per share from € 21 (baseline full-year 2021, as communicated in the Allianz Capital Markets Day 2021) to approximately € 25[3] by 2024 (reflecting a compound annual growth rate of 5 % to 7 %).

1_Unaudited
2_Before IFRS 9/17 accounting changes.
3_Mid-point of our EPS target range.

To ensure the sustainability of our performance, we have set ourselves non-financial targets that reflect strong underlying organizational health: For customer loyalty, our ambition is for more than 50% of the business segments of our entities to be or become rated by their customers as a "loyalty leader" in terms of the digital Net Promoter Score (dNPS). In terms of employee engagement, our ambition is to score above 75% on the Inclusive Meritocracy Index. At the same time, we have also set the target to become a clear leader in sustainability and diversity.

Our business strategy

To implement these strategic objectives, to realize our growth ambition, and to accelerate our value creation, we have defined five additional strategic areas of focus:

- Transforming the Life/Health and Asset Management franchise: Fully address protection and savings needs and accelerate transformation to a capital efficient model, leveraging our strengths in Asset Management to deliver investor-defined risk/return requirements, through various investment disciplines.
- Expanding our Property & Casualty leadership position: Beat the best players in each market, building on productivity gains and scale, in retail motor and beyond.
- Boosting growth through scalable platforms: Scale our customer-facing platforms and build new operating platforms to grow our business volume and margin.
- Deepening the global vertical integration and execution of agility: Verticalize operating models across lines of business to unleash value from our skills and scale.
- Reinforcing capital productivity and resilience: Retain industry-leading financial strength and unlock further value creation potential through an improved risk/return profile and an active management and reduction of tail-risk exposure. Our focus on capital resilience is matched with a focus on talent development and diversity that also strengthens our organizational resilience.

Allianz SE's Board of Management has also defined a strategy for the management of risks. This risk strategy places particular emphasis on ensuring the integrity of the Allianz brand and reputation, remaining solvent even in the event of extremely adverse scenarios, maintaining sufficient liquidity to meet financial obligations, and providing resilient profitability.

Opportunities

Our financial strength renders us resilient against market stress, and our ongoing transformation creates capabilities allowing us to profit from new opportunities in a fast-changing business environment. For example:

- We are continuously simplifying our products and processes, harmonizing them across our businesses to consequently exploit economies of scale.
- We scale our customer-facing platforms (e.g., Mobility, Health, and Travel) and integrate our business models with digital marketplaces for customers and business partners (e.g., claims).
- Building on a strong customer base, a deep understanding of customer needs, and excellence in distribution, we strive to achieve customer loyalty leadership in all the countries we operate in.
- In fast-growing regions, including Asia-Pacific, we are well-positioned to capture growth opportunities from increasing customer demand for Health & Protection.
- Worldwide, there is growth potential from providing our asset management clients (institutional and retail) with opportunities to invest in both private and public markets, pursue returns commensurate with their stated risk appetites, and engage in various investment strategies, be they equity, fixed income or alternatives.
- Building on our strong footprint in Europe, we aim to profit from ongoing consolidations, transform the capital productivity of in-force businesses, and gain market share in previously unexploited markets.
- Together with our partners, we capture opportunities in bancassurance as well as future embedded insurance solutions across products and geographies, tapping into new customer segments.
- We are enhancing Allianz's unit-linked platform by converging the Group factory expertise from Life Insurance and Asset Management.
- We are focusing on sustainability by realizing ESG-based investment products, social value-added insurance coverages (e.g., flood, earthquake, and storm) and health prevention products (e.g., oncological).

In a continuously evolving market where the demands of customers constantly change, our knowledge of the industry and our expertise in product development and risk management offers us great opportunities to create timely customer-focused solutions. For further details on opportunities envisaged by the Allianz Group in the various segments, please refer to Outlook 2023.

Risk governance structure

Supervisory Board and Board of Management

Our approach to risk governance permits the integrated management of local and global risks, and ensures that our risk profile remains consistent with both our risk strategy and our capacity to bear risks.

Within our risk governance system, the Supervisory Board and Board of Management of Allianz SE have both Allianz SE and group-wide responsibilities. The Board of Management formulates business objectives and a corresponding risk strategy; the core elements of the risk framework are set out in the Allianz Group Risk Policy and approved by the Board of Management. The Supervisory Board advises, challenges, and supervises the Board of Management in the execution of its management activities. The following committees support the Board and the Supervisory Board on risk issues:

Supervisory Board Risk Committee

The Supervisory Board Risk Committee reports to the Supervisory Board, where the information and the findings are discussed with the Board of Management. It monitors the effectiveness of the Allianz risk management framework. Furthermore, it focuses on risk-related developments as well as general risks and specific risk exposures and ensures that the business strategy is aligned with the risk strategy.

For more information, please refer to the paragraph "Risk Committee" in the Supervisory Board Report.

Group Finance and Risk Committee

The Group Finance and Risk Committee (GFRC) provides oversight of the Group's and Allianz SE's risk management framework, acting as a primary early-warning function by monitoring the Allianz Group's and Allianz SE's risk profiles as well as the availability of capital. The GFRC also ensures that an adequate relationship between return and risk is maintained. Additionally, the GFRC defines risk standards, is the limit-setting authority within the framework set by the Board of Management, and approves major financing and capital management transactions. Finally, the GFRC supports the Board of Management with recommendations regarding the capital structure, capital allocation, liquidity position, and investment strategy, including strategic asset allocation for the different business segments.

Overall risk organization and roles in risk management

A comprehensive system of risk governance is achieved by setting standards related to organizational structure, risk strategy and appetite, limit systems, documentation, and reporting. These standards ensure the accurate and timely flow of risk-related information and a disciplined approach towards decision-making and execution at both the global and local levels.

As a general principle, the responsibility for the First Line of Defense rests with business managers in the related undertaking. They are responsible for both the risks taken and the returns from their decisions. The Second Line of Defense is made up of independent global oversight functions including Risk, Actuarial, Compliance, and Legal, which support the Board in defining the risk frameworks within which the business can operate. Group Audit forms the Third Line of Defense, independently and regularly reviewing risk governance implementation, compliance with risk principles, performing quality reviews of risk processes, and testing adherence to business standards, including the internal control framework.

Group Risk Management function

Group Risk is managed by the Group Chief Risk Officer who also serves as the Chief Risk Officer of Allianz SE. Group Risk supports Allianz SE's Board of Management, including its committees, by performing various analyses, communicating information related to risk-management, and preparing and implementing committee decisions.

Group Risk also supports the Board of Management in developing the risk management framework – which covers risk governance, risk strategy and appetite – and risk monitoring and reporting. Group Risk's operational responsibility encompasses assessing risks and monitoring limits and accumulations of specific risks across business lines, including natural and human-caused (regulatory terminology: man-made) disasters and exposures to financial markets and counterparties.

Group Risk strengthens and maintains the Group's risk network through regular and close interaction with the management of related undertakings and with other key stakeholders, such as the local finance, risk, actuarial, underwriting, and investment departments. A strong group-wide risk network enables the Allianz Group to influence risk culture across the Group, identify risks at an early stage, and make management aware of these risks.

Related undertakings

Related undertakings are responsible for their own risk management, including adherence to both external requirements (for example, those imposed by local regulators) and internal standards. Their Boards of Management are responsible for setting and approving a local risk strategy – supporting the Group's risk strategy – during the annual Strategic and Planning Dialogues with the Group, and for ensuring adherence to their risk strategy.

The insurance and asset management operations of our related undertakings are subject to regular reviews in the context of the group-wide internal risk management and control system. The control measures are accompanied by local risk functions, headed by Chief Risk Officers, which are independent from business line management. The risk functions run risk-controlling processes, locally set up by the respective entities. Furthermore, the local activities are subject to additional reviews by regional entities, or the Allianz Asset Management GmbH for asset management. This ensures the adherence to Group requirements and the related reporting. A local Risk Committee supports both the Board of Management (or an equivalent executive committee) and the Chief Risk Officer by acting as the primary risk monitoring and controlling body.

Consistent implementation of the Group's risk management framework in the related undertakings, including regular dialogue between the Group and the entity, is ensured, for example, through Group Risk representation on local Risk Committees (or equivalent), and through regular assessment of the appropriateness of the local risk management framework and performance of the Chief Risk Officers by Group Risk. Moreover, the Group Chief Risk Officer must be consulted on decisions regarding the staffing, objectives, and performance evaluation of local Chief Risk Officers.

Other functions and bodies

In addition to Group Risk and the local risk functions, legal, compliance, and actuarial functions established at both the Group and the entity levels constitute additional components of the Second Line of Defense.

Group Legal and Group Compliance seek to mitigate legal risks for the Allianz Group and Allianz SE with support from other departments. The objectives of both functions are to ensure that laws and regulations are observed, to react appropriately to all impending legislative changes or new court rulings, to attend to legal disputes and litigation, and to provide legally appropriate solutions for transactions and business processes. In addition, Group Compliance – in conjunction with Group Legal and other experts involved – is responsible for integrity management, which aims to protect the Allianz Group as well as Allianz SE and our other related undertakings and employees from regulatory and reputational risks.

Group Actuarial, Planning and Controlling contributes towards assessing and managing risks of the Allianz Group and Allianz SE in line with regulatory requirements, in particular for those risks whose management requires actuarial expertise. The range of tasks includes, amongst others, the calculation and monitoring of technical provisions, technical actuarial assistance in business planning, reporting and monitoring of the results, and supporting the effective implementation of the risk management system.

Risk-based steering and risk management[1]

We are exposed to a variety of risks, including market, credit, underwriting, business, operational, strategic, liquidity, and reputational risks.

The Allianz's Asset Management business segment is primarily exposed to operational risk, reputational risk, and business risk. Market and credit risk are primarily borne by the segment's underlying investors, be they internal or third-party clients.

We consider diversification across different business segments, lines of business and regions to be an important element in managing our risks efficiently, as it limits the economic impact of any single event and contributes to relatively stable results. Our aim is to maintain a balanced risk profile without any disproportionately large risk concentrations and accumulations.

With Solvency II being the regulatory regime relevant for the Group, our risk profile is measured and steered based on our approved Solvency II internal model[2]. We have introduced a target solvency ratio range in accordance with Solvency II, based on pre-defined stress scenarios for both the Group and related undertakings, supplemented by ad-hoc scenarios, historical and reverse stress tests, and sensitivity analyses.

Unlike the insurance business, which is balance-sheet sensitive, our Asset Management is mainly a cash flow business. Therefore, the risk of the Asset Management business segment is also analyzed through the impact of pre-defined material stress scenarios on the operating profit. These are one component in a system of key risk indicators for Asset Management and are regularly monitored. These risk limits are reviewed on a regular basis with First Line of Defense business owners, confirming the pre-assessments derived by the entity's risk functions. These risk limits (sometimes called risk bearing capacity thresholds) are presented to the underlying Risk Committee and are ultimately ratified by the Audit Committees and Executive Management Boards.

In addition, central elements of Allianz's dividend policy are linked to Solvency II capitalization based on the internal model. This helps us to ensure a consistent view on risk steering and capitalization in line with the Solvency II framework.

Allianz steers its business portfolio taking a comprehensive view of risk and return, which is based on the internal model and is supported by scenario analyses. Risk and concentrations are actively restricted by limits based on our internal model. The Life/Health business segment is steered by a return on risk capital[3] (RoRC) approach at the product level, while for the Property-Casualty business segment a return on equity (RoE insurance) at the portfolio level is used. RoRC as well as RoE insurance are indicators that allow us to identify profitable lines of business and products on a sustainable basis. For new Life/Health insurance business, RoRC reflects the expected average return against the capital commitment over the lifetime of the products, and is a key criterion for capital allocation decisions. For Property-Casualty insurance business, the RoE insurance reflects the return against the underlying equity which is allocated to the specific portfolios based on the respective risk capital requirements. This allows us to take appropriate risk-based decisions. The Asset Management business segment is measured against its industry relevant metric, the Cost Income Ratio (CIR).

As a consequence, the internal model is fully integrated in the steering of the insurance business, and its application satisfies the so-called "use test" requirement under Solvency II.

Qualitative assessments as part of the Insurance and Asset Management risk framework include Top Risk Assessments, as well as group-challenged self-assessments of the maturity of the local risk management systems and the adherence to the risk policy framework. Key results of the entities' qualitative risk assessments are reported to the Group on a regular basis.

Market risk

As an inherent part of our insurance operations, we collect premiums from our policyholders and invest them in a wide variety of assets; the resulting investment portfolios back the future claims payments and benefits to our customers. In addition, we also invest shareholders' capital, which is required to support the business. Finally, we use derivatives, mostly to hedge our portfolio against adverse market movements (for example, protective puts) or to reduce our reinvestment risk (for example, by using forwards, swaps, or swaptions). Asset/liability management (ALM) decisions are taken based on the internal model, considering both the risks and the returns on the financial market.

As the fair values of our investment portfolios and liabilities depend on the changes observed in the financial markets, we are exposed to the risk of adverse financial market developments. The long-dated liabilities in our Life/Health business segment and those attributable to internal pensions contribute to interest rate risk, in particular when they cannot be fully matched by available investments due to long maturities. In addition, we are also exposed to adverse changes in equity and real estate prices, credit spread levels, inflation, implied volatilities, and currencies, which might impact the value of our assets and liabilities.

To measure these market risks, real-world stochastic models[4] for the relevant risk factors are calibrated using historical time series to generate possible future market developments. After the scenarios for all the risk factors are generated, the asset and liability positions are revalued under each scenario. The worst-case outcome of the sorted portfolio profit and loss distribution at a certain confidence level (99.5 %) defines the market Value at Risk (VaR). For entities modeled using the standard formula, the market risk is based on aggregating the losses under specified standard formula shock scenarios.

Strategic asset allocation benchmarks and risk limits – including stand-alone interest rate and equity sensitivity limits, and foreign exchange exposure limits – are defined for the Group, Allianz SE, and other related undertakings. Limits are closely monitored and, if a breach occurs, countermeasures are implemented which may include escalation to the respective decision-making bodies and/or the closing of positions.

1_This section contains specific risk disclosures as required by IFRS 4 and IFRS 7 relating to the Notes to the Consolidated Financial Statements.

2_From a formalistic perspective, the German Supervisory Authority deems our model to be "partial" because not all of our entities use the internal model. Some of our smaller entities report under the standard formula and others under the deduction and aggregation approach. Without loss of generality, we might use the term internal model in the following chapters, e.g., in case of descriptions also referring to entities that use the internal model, or descriptions focusing on processes with respect to the internal model components.

3_The return on risk capital is defined as the present value of future real-world profits on the capital requirement (including buffer to regulatory requirements) held at the local level.

4_Internal pensions are evaluated and modeled based on deterministic models, following IAS 19 principles.

Furthermore, we have put in place standards for hedging activities, due to the exposure to fair-value options embedded in our life insurance products. In addition, we optimize our in-force portfolio through transactional levers, such as partly or entirely divesting discontinued products and businesses; structural levers, such as adjusting the product mix; and operational levers, such as partnering with specialists to manage these books of legacy products, also called life back- books.

Finally, guidelines are provided by the Group regarding certain investments, new investment products, and the use of derivatives. Compliance with these guidelines is controlled by the risk and controlling functions at Allianz SE and the other operating entities.

With respect to investment assets of the business segments Property-Casualty and Life/Health managed by Allianz's asset managers, guidelines applicable to our insurance undertakings must be clearly elaborated as part of the asset managers' client investment guidelines. Notwithstanding the above, portfolios managed by Allianz's asset managers for the benefit of third-party investment clients must adhere to the investment frameworks and constraints as defined by and agreed with them.

Interest rate risk

Allianz is a liability-driven investor. We may suffer an economic loss in the event of falling interest rates as we reinvest maturing assets at lower rates prior to the maturity of liability contracts, if the duration of our assets is shorter than our liabilities. This risk is higher for long-dated life investment and savings products as well as for internal pensions, with a significant part of the Life/Health business segment's interest rate risk coming from Western Europe, mainly from traditional life insurance products with guarantees. Conversely, opportunities may arise when interest rates increase, as this may result in returns from reinvestments being higher than the guaranteed rates. Interest rate risk is managed within our asset/liability management process and controlled via interest rate sensitivity and duration mismatch limits for the Group and the local entities.

Inflation risk

We are exposed to changing inflation rates, predominantly due to our Property-Casualty insurance obligations, but also due to inflation-indexed internal pension obligations. While inflation assumptions are taken into account in our underwriting, unexpected rising rates of inflation will increase both future claims and expenses, leading to higher liabilities; conversely, if future inflation rates were to be lower than assumed, liabilities would be lower than anticipated. The risk that inflation rates deviate from inflation assumptions is incorporated in our internal model. Potential severe structural breaks are monitored via historical and ad-hoc stress tests.

Equity risk

Insurance-focused Allianz entities may hold equity investments to diversify their portfolios and to take advantage of expected long-term returns. Strategic asset allocation benchmarks, investment and equity sensitivity limits are used to monitor and manage these exposures. In addition, equity investments fall within the scope of the credit risk platform to avoid single-name risk concentrations. Risks from changes in equity prices are normally associated with decreasing share prices and increasing equity price volatilities. As stock markets might also increase, opportunities may arise from equity investments in those events.

Credit spread risk

Fixed-income assets such as bonds may lose value if credit spreads widen. However, our risk appetite for credit spread risk takes into account the underlying economics of our business model: As a liability-driven investor, we typically hold fixed-income assets until maturity. This implies that we are less affected economically by short-term changes in market prices. In our capacity as a long-term investor, this gives us the opportunity to invest in bonds yielding spreads over the risk-free return and earning this additional yield component.

Currency risk

Allianz SE and the other related undertakings of the Allianz Group typically invest in assets which are denominated in the same currency as their liabilities. However, some foreign currency exposures are allowed to support portfolio diversification and tactical investment decisions. Our largest exposure to foreign currency risk comes from our non-euro Group companies: Whenever the euro strengthens, the euro equivalent net asset value of our foreign subsidiaries will decline from an Allianz Group and Allianz SE perspective; however, at the same time, the capital requirements in euro will decrease, partially mitigating the total impact on Allianz Group and Allianz SE capitalization. Based on the Allianz Group's foreign exchange management limit framework, currency risk is monitored and managed at the levels of the Allianz Group, Allianz SE, and the other operating entities of the Allianz Group.

Real estate risk

Despite the risk of decreasing real estate values, real estate is a suitable addition to our investment portfolio due to good diversification benefits as well as to the contribution of relatively predictable, long-term cash flows.

Allianz's Group Investment Committee has defined a framework for standard transactions for real estate equity and commercial real estate loan investments. These standards outline diversification targets, minimum-return thresholds, and other qualitative and quantitative requirements. All transactions that do not meet these standards or have a total investment volume (including costs) exceeding a defined threshold must be reviewed individually by Group Risk and other Group center functions. In addition, all applicable limits must be respected, in particular those resulting from strategic asset allocation as well as its leeways and risk limits, with regards to an investing entity's portfolio.

Credit risk

Credit risk is measured as the potential economic loss in the value of our portfolio that would result from either changes in the credit quality of our counterparties ("migration risk") or the inability or unwillingness of a counterparty to fulfill contractual obligations ("default risk").

The Group's credit risk profile originates from three sources: our investment portfolio, our credit insurance business, and our external reinsurance.

- Investment portfolio: Credit risk results from our investments in fixed-income bonds, loans, derivatives, cash positions, and receivables whose value may decrease depending on the credit quality of the obligor. However, losses due to credit events can be shared with the policyholder for certain life insurance products.
- Credit insurance: Credit risk arises from potential claim payments on limits granted by Allianz Trade (formerly Euler Hermes) to its policyholders. Allianz Trade insures its policyholders against credit risk associated with short-term trade credits advanced to policyholder's clients. When the client of the policyholder is unable to meet its payment obligations, Allianz Trade indemnifies the loss to the policyholder.
- Reinsurance: Credit risk arises from potential losses from non-recoverability of reinsurance receivables or due to default on benefits under in-force reinsurance treaties. Our reinsurance partners are carefully selected by a dedicated team. Besides focusing on companies with strong credit profiles, we may also require letters of credit, cash deposits, funds withheld or assets held in trust, or other financial measures to further mitigate our exposure to credit risk.

The internal credit risk capital model takes into account the major determinants of credit risk for each instrument, including exposure at default, rating, seniority, collateral, and maturity. Additional parameters assigned to obligors are migration probabilities and obligor asset correlations reflecting dependencies within the portfolio. Ratings are assigned to single obligors using a clearly defined assignment process. The central components of this assignment process are long-term ratings from external rating agencies, and internal rating models in case of specific internal investment strategies. If available, a dynamic adjustment using market-implied ratings and the most recent qualitative information available is applied.

The loss profile of a given portfolio is obtained using a Monte Carlo simulation, taking into account interdependencies and exposure concentrations per obligor segment. The loss profiles are calculated at different levels of the Allianz Group, and then fed into the internal model at each level for further aggregation across sources of risk to derive diversified credit risk.

Our credit insurance portfolio is modeled by Allianz Trade, based on a proprietary model component which is a local adaptation of the central internal credit risk model. Allianz Trade's loss profile is integrated in the Group's internal credit risk model to capture the concentration and diversification effects.

To ensure effective credit risk management, credit VaR limits are derived from our internal risk capital framework, and rating bucket benchmarks are used to define our risk appetite for exposures in the lower investment-grade and non-investment-grade area.

Our group-wide country and obligor group limit management framework (CRisP[1]) allows us to manage counterparty concentration risk, covering both credit and equity exposures at the Group, Allianz SE and other operating-entity levels. This limit framework forms the basis for discussions on credit actions and provides notification services featuring the quick and broad communication of credit-related decisions across the Group.

Clearly defined processes ensure that exposure concentrations and limit utilizations are appropriately monitored and managed. The setting of country and obligor exposure limits from the Group's perspective (i.e., the maximum concentration limit), which are adopted by Allianz SE and serve as maximum local limits for the other operating entities, takes into account the Allianz Group's portfolio size and structure as well as the overall risk strategy.

Underwriting risk

Apart from risks from internal pensions, underwriting risk consists of premium and reserve risks in the Property-Casualty business segment as well as biometric risks in the Life/Health business segment and underwriting risks are not relevant for the Asset Management business segment and our banking operations.

Property-Casualty

The Property-Casualty primary and reinsurance business of the Allianz Group is exposed to premium-risk-related adverse developments in the current year's new and renewed business as well as to reserve risks related to the business in force.

Premium risk

As part of our Property-Casualty business operations, we receive premiums from our customers and provide insurance protection in return. Premium risk is the risk that actual claims for the business in the current year develop adversely relative to expected claims ratios. Premium risk can be mitigated by reinsurance as well as by technical excellence in underwriting. Assessing risks as part of the underwriting process is therefore a key element of our risk management framework. There are clear underwriting limits and restrictions which are defined centrally and applied across the Group.

Premium risk is subdivided into three categories: natural catastrophe risk, terror risk, and non-catastrophe risk including man-made catastrophes.

Premium risk is estimated based on actuarial models that are used to derive loss distributions. Non-catastrophe risks are modeled using frequency and severity models for large losses and aggregate loss distribution models for attritional losses. Natural disasters such as earthquakes, storms, and floods represent a significant challenge for risk management due to their high accumulation potential for higher return periods. For natural catastrophe risks, we use special modeling techniques which combine portfolio data (geographic location, characteristics of insured objects, and their values) with simulated natural disaster scenarios to estimate the magnitude and frequency of potential losses. Where such stochastic models do not exist, we use deterministic, scenario-based approaches to estimate potential losses. Similar approaches are used to evaluate risk concentrations for terror events and man-made catastrophes, including losses from cyber incidents and industrial concentrations.

These loss distributions are then used within the internal model to calculate potential losses with a predefined confidence level of 99.5%.

1_Credit Risk Platform.

Reserve risk

Reserve risk represents the risk of adverse developments in best-estimate reserves over a one-year time horizon, resulting from fluctuations in the timing and/or amount of claims settlement. We estimate and hold reserves for claims resulting from past events that have not yet been settled. In case of unexpected developments, we would experience a reserve gain or loss dependent on the assumptions applied for the estimate.

Similar to premium risk, reserve risk is calculated based on actuarial models. The reserve distributions derived are then used within the internal model to calculate potential losses based on a predefined confidence level of 99.5 %.

In order to reduce the risk of unexpected reserve volatility, Allianz SE and the other related undertakings of the Allianz Group constantly monitor the development of reserves for insurance claims on a line-of-business level. In addition, related undertakings generally conduct annual reserve uncertainty analyses based on similar methods used for reserve risk calculations. The Allianz Group performs regular independent reviews of these analyses and Group representatives participate in the local reserve committee meetings.

Another important instrument to mitigate reserve risk is retrocession.

Life/Health

Underwriting risks in our Life/Health operations (biometric risks) include mortality, disability, morbidity, and longevity risks. Mortality, disability, and morbidity risks are associated with an unexpected increase in the occurrence of death, disability, or medical claims. Longevity risk is the risk that the reserves covering life annuities and pension products might not be sufficient due to longer life expectancies of the insured.

Life/Health underwriting risk arises from profitability being lower than expected. As profitability calculations are based on several parameters – such as assumptions on future mortality rates, or morbidity claims – the actual development may differ from the expected one. For example, lower-than-expected mortality rates would lead to additional annuity payments in the future. However, beneficial deviations are also possible; for example, a trend towards heathier lifestyles will most likely result in lower overall health insurance claims.

We measure these risks within our internal model, distinguishing, where appropriate, between risks affecting the absolute level and trend development of the actuarial assumptions on the one hand and pandemic risk scenarios on the other. Depending on the nature and complexity of the risks involved, our health business is represented in the internal model according to Property-Casualty or Life/Health calculation methods, and is therefore included in the relevant Property-Casualty and Life/Health figures accordingly. However, most of our health business is attributable to the Life/Health business segment.

Business risk

Business risks include cost risks and policyholder behavior risks. They are mostly driven by the Life/Health business and to a lesser extent by the Property-Casualty and the Asset Management business. Cost risks are associated with the risk that expenses incurred in administering insurance policies – or investment management expenses for portfolio management – are higher than expected or that new business volume decreases to a level that does not allow Allianz to absorb its fixed costs. Business risk is measured relative to baseline plans.

For the Life/Health business, policyholder behavior risks are risks related to unpredictable, adverse behavior of policyholders in exercising their contractual options, such as, for instance, early termination of contracts, surrenders, partial withdrawals, renewals, and annuity take-up options.

Assumptions on policyholder behavior are set in line with accepted actuarial methods and based on own historical data, where available. If there is no historical data, assumptions are based on industry data or expert judgment. These are used as a basis to determine the economic impact of policyholder behavior under different scenarios within our internal model.

Operational risk

Operational risks refer to losses resulting from inadequate or failed internal processes, human errors, system failures, and external events. It excludes strategic risk, but includes risks from non-compliance with laws, regulations, and other external requirements. It can stem from a wide variety of sources, including the following:

- "Clients, Products and Business Practices": potential losses due to a failure to meet the professional obligations or from the design of products. Examples include mis-selling, non-compliance with internal or external requirements related to products, anti-trust behavior, data protection, sanctions and embargoes, etc. These losses tend to be less frequent but, when they occur, can have a high financial (and reputational) impact.
- "Execution, Delivery, and Process Management": potential losses arising from transaction or process management failures. Examples include interest and penalties from non-payment or underpayment of taxes or losses associated with broker and agent distribution processes. These losses tend to be of a relatively higher frequency but with little financial impact (although single large-loss events can occur).
- Other operational risks including, for example, internal or external fraud, financial misstatement risk, a cybersecurity incident causing business disruption or fines, a potential failure at our outsourcing partners causing a disruption to our working environment, etc.

The Allianz Group's operational risk primarily refers to losses in either the insurance or the asset management business, or both.

The Group's operational risk capital is dominated by the risk of potential losses within the categories "Clients, Products, and Business Practices" and "Execution, Delivery, and Process Management". With regard to the largest category "Clients, Products, and Business Practices", key external drivers are changes in laws and regulations. Internal drivers reflect potential failures of internal processes. These drivers are considered in the local scenario analyses.

Operational risk capital is calculated using a scenario-based approach based on expert judgment as well as internal and external operational loss data. The estimates for frequency and severity of potential loss events for each material operational risk category are assessed and used as a basis for our internal model calibration.

Allianz has developed a consistent operational risk management framework, which is applied across the Group based on proportionality and focuses on the early recognition and proactive management of material operational risks. The framework defines roles and responsibilities as well as management processes and methods: Local risk managers at Allianz SE and at the other operating entities of the Allianz Group, in their capacity as Second Line of Defense, identify and evaluate relevant operational risks and control deficiencies via a dialogue with the First Line of Defense, report operational risk events in a central database, and ensure that the framework is implemented in their respective operating entity.

This framework triggers specific mitigating control programs. For example, compliance risks are addressed with written policies and dedicated compliance programs monitored by compliance functions across the Allianz Group. The risk of financial misstatement is mitigated by a system of internal controls covering financial reporting. Outsourcing risks are covered by our Outsourcing Policy, Service Level Agreements, and Business Continuity and Crisis Management programs to protect critical business functions from these events. Cyber risks are mitigated through investments in cybersecurity, cyber insurance that Allianz buys from third-party insurers, and a variety of ongoing control activities, developed and implemented along the following main themes: slow down hackers, increase threat detection, reduce the damage of attacks, and enhance the skills as well as the organizational structure.

Due to the particular importance of operational risks for the Asset Management business, a key task for the local Risk Management functions in the related entities is a regular monitoring of the internal controls attached to material processes.

The ICS for operational risk encompasses the management of compliance, financial reporting, and other operational risks. The effectiveness of this internal control system is monitored along two dimensions:

– Monitoring the effective implementation of the Integrated Risk and Control System (IRCS) framework.
– Monitoring the resolution of identified weaknesses in the internal control system.

The IRCS is an integral part of the overall ICS, whose fundamentals are described in the section "Risk Governance System and Internal Control System".

Through the IRCS, the Second Line of Defense oversees and supports the First Line of Defense with respect to the identification, assessment and mitigation of operational risks associated with Allianz's business activities.

Operational risks are identified in the IRCS through reference to multiple sources of information, including a standardized group-wide operational risk catalogue, internal and external operational risk event data, and the results of internal and external audit or other third-party reviews. Dialogues leveraging the professional knowledge and experience of risk owners, process owners and risk experts throughout the company also contribute towards risk identification.

All identified risks suspected of having a potentially large operational or reputational impact are subject to a further detailed assessment that enables the formulation of appropriate risk management responses. Risk responses typically include either accepting the risk as adequately managed within the given level of risk tolerance, or deciding upon a course of action to further mitigate the risk (i.e., an action plan).

The IRCS is a framework by which operating entities' Second Lines of Defense ensure that key controls for the business's most significant operational risks have been identified and tested for design and operating effectiveness. At the Allianz Group level, it is important to monitor the quality of the local implementation of this framework as a means of ensuring that internal control system weaknesses are identified prior to the occurrence of operational risk events (ex-ante).

To fulfill this objective, Allianz relies on a methodology known as the IRCS Effectiveness Rating. The IRCS Effectiveness Rating evaluates the effectiveness of the framework at the operating entity level by leveraging several sources of data and KPIs, which are then further enhanced via certain qualitative criteria.

Despite the fact that the IRCS already addressed all non-financial risks[1] in a robust way, the framework was further enhanced, which resulted in the development of the so-called Non-Financial Risk Management (NFRM) framework.

NFRM will further strengthen the internal control system by using a new risk taxonomy consistent across the Group, which helps to aggregate the risks at Group level, and by using an even more rigorous testing approach. It is being rolled out in so-called waves, and the operating entities of wave 1 in 2022 comprise more than 40% of the Group's total operational risk capital. With close monitoring by Group Risk and Group Compliance, insurance and asset management operating entities of wave 1 have undergone important implementation steps to further bolster assurance activities. Operating entities not part of wave 1 have continued to apply the IRCS framework.

The full implementation of the new framework across the Group is expected to be completed by year-end 2024. Meanwhile, Group Risk and Group Compliance are closely monitoring all waves, seamlessly bridging an effective migration between IRCS and NFRM.

Additionally, an Allianz group-wide Executive Accountability Regime (EAR) is in place to further support the integration of risk management into business processes. The Board of Management demonstrating a strong risk culture is essential to supporting this integration – they lead by example in order to make clear throughout the business that the management of risks is an important factor when it comes to the achievement of business objectives.

For a selection of key executives, the EAR formalizes clear accountability and ownership for risk management through tailored individual accountability statements, which concretely outline role-specific responsibilities to reinforce the Allianz purpose and strategy in thinking and behavior across Allianz, as well as to mitigate key risks. In addition, to reinforce these accountabilities amongst business leaders, compliance with internal and external regulations as well as vigilance in living the Group's risk culture is taken into account when determining performance.

1_The term "non-financial risks" refers to operational risks (which include compliance and legal risks), as well as reputational risks.

Other material risks not modeled in the internal model

There are risks which, due to their nature, cannot be adequately addressed or mitigated by setting aside dedicated capital. These risks are therefore not considered in the internal model. For the identification, analysis, assessment, monitoring, and management of these risks we also use a systematic approach, with risk assessment generally based on qualitative criteria or scenario analyses. The most important of these other risks are strategic, liquidity, and reputational risk.

Strategic risk

Strategic risk is the risk of a decrease in the company's value arising from adverse management decisions on business strategies and their implementation.

Strategic risks are identified and evaluated as part of the Group's Top Risk Assessment process, and discussed in various Board of Management-level committees (for example, GFRC). We also monitor market and competitive conditions, capital market requirements, regulatory conditions, etc., to decide if strategic adjustments are necessary.

The most important strategic risks are related to the value creation levers, which focus on three themes: Growth, Margin Expansion, and Capital Efficiency. Progress on mitigating strategic risks and meeting the value creation levers is monitored and evaluated in the course of the Strategic and Planning Dialogues between the Allianz Group and Allianz SE and the other related undertakings.

Liquidity risk

Liquidity risk is defined as the risk that current or future payment obligations cannot be met or can only be met on the basis of adversely altered conditions.

Liquidity risk can arise primarily if there are mismatches in the timing of cash in- and outflows. The liquidity risk profile of Allianz predominantly originates from the uncertainty about the volume and timing of cash needs from insurances liabilities (especially from the coverage of various types of catastrophes in the property-casualty business) and of cash inflows from investments. Major risks can also result from derivative transactions used by Allianz to hedge specific market risks.

Each legal entity of the Allianz Group measures and manages liquidity risk locally, using asset/liability management systems designed to ensure that assets and liabilities are adequately matched. Local investment strategies particularly focus on the quality of the investments and ensure a significant portion of liquid assets (for example, high-rated government bonds or covered bonds) in the portfolios. In the course of the liquidity planning, liquidity sources (for example, cash from investments and premiums) and liquidity needs (for example, payments due to insurance claims and expenses) are reconciled under a best-estimate plan, as well as under adverse idiosyncratic and systemic liquidity scenarios with time horizons of up to 12 months, to allow for a consistent view on liquidity risk across the Group. These analyses are predominantly performed at legal entity level and are monitored by the Group for large- and mid-sized units.

The annual and the high-level three-year cash flow plan for Allianz SE and the Holding and Treasury reportable segment reflect the overall operating, financing, and investing strategy of the Allianz Group. The liquidity stress-testing framework of Allianz SE is identical to that of the other legal entities. Major contingent liquidity requirements arise mainly from market risk scenarios for Allianz SE and its subsidiaries, from the non-availability of external capital markets, and from reinsurance risk scenarios for Allianz SE.

In addition, the cash position of the Group cash pool investment portfolio is monitored and forecast on a daily basis.

In the liquidity risk measurement process, early warning and limit thresholds are applied to regularly measure the local (stressed) liquidity position, inform senior management, and decide on actions if needed.

The management of Allianz's liquidity risk at a local level is facilitated by a dedicated governance and organizational set-up. In general, the First Line of Defense is responsible for managing liquidity risk. Monitoring of liquidity risk is the responsibility of the local Risk Management functions, and potential liquidity gaps are reported to the respective local boards of management.

Reputational risk

Allianz's reputation as a well-respected and socially aware provider of financial services is influenced by our behavior in a range of areas such as product quality, corporate governance, financial performance, customer service, employee relations, intellectual capital, and corporate responsibility.

Reputational risk is the risk of an unexpected drop in the value of the Allianz SE share price, the value of the in-force business, or the value of future business caused by a decline in our reputation in the eyes of internal or external stakeholders.

The identification and assessment of reputational risks is part of the annual Top Risk Assessment process, undertaken by the Allianz Group and all operating entities. As part of this process, senior management approves the risk strategy for the most significant risks and their potential reputational impact.

ESG risks

Environmental, Social or Governance events and conditions (ESG factors), such as climate change, loss of biodiversity or human rights abuses, are increasingly becoming a relevant source of adverse impacts on the balance sheet, profitability or reputation of the Allianz Group. These ESG-related risks are characterized by their transversal nature, meaning they may materialize within any of Allianz's existing risk categories (e.g., market risk, underwriting risk, operational risk) as either a consequence of societal responses to ESG factors – including regulatory changes, litigation, technological developments and changes in human behavior – or due to events causing physical damage, such as droughts, floods or storms, whereby the magnitude or likelihood is attributable to an ESG factor.

Allianz's strategy for the management of these risks begins with establishing a comprehensive understanding of all the ways ESG factors can trigger adverse events within the investment, underwriting and operations areas of our business, as well as from a broader reputational perspective. For this purpose, a dedicated ESG risk inventory has been established and a corresponding risk assessment performed, which enables us to take a risk-based view in terms of evaluating the adequacy of mitigation measures in place.

ESG-related mitigation measures may vary substantially, depending on the precise nature of the underlying risk; ranging from establishment of specific controls at the business process level through to adjustments in Allianz's long-term business strategy. Given that all adverse impacts attributable to ESG factors are ultimately realized within one of Allianz's existing risk categories, we aim – to the greatest extent possible – to embed the identification and management of these risks directly within risk management processes already in place.

At the Group level, the GFRC is responsible for overseeing ESG-related risks. In addition, a Group Sustainability Board is in place, which is responsible for Allianz's overall ESG strategy and steering the integration of ESG aspects into core investment and insurance activities.

With respect to consideration of ESG risks in the management of third-party assets, our asset managers AllianzGI and PIMCO each have their own global ESG framework, which supports their client-derived objectives of ESG investing, while complying with globally and locally relevant rules and regulations.

For a broader perspective on our key ESG integration processes, please refer to the sections "Sustainability Integration Approach" and "Climate Change Strategy" in the Non-Financial Statement.

Climate change

Amongst a broad landscape of ESG factors, we consider climate change to be the most critical in terms of its potential to materially affect the global economy and our business, especially in the long run. Risks arising from climate change can already be seen today and their relevance will increase over the mid- and long-term.

The most significant risks that have a material impact on our business, or we expect will have in the future, are:

- Physical risks: These can for instance be acute and chronic, such as rising temperatures, extreme weather events, rising sea levels, intensifying heatwaves and droughts, or a change in vector-borne diseases, with impacts on property, life or health.
- Transitional risks: These risks result from the cross-sectoral structural change stemming from the transition towards a low-carbon economy. Transitional risks include changes in climate policy, technology, or market sentiment, and the impact of this on the market value of financial assets as well as the impact from climate change litigation.

These risks impact Allianz's business in two key ways:

- As a (re-)insurer, providing coverage for e.g., fatality and health impacts, property damage or litigation claims, and through changes in the sectors and business models it underwrites.
- As a large-scale institutional investor with significant stakes in various economies, companies, infrastructure, and real estate that might be affected by the physical impact of climate change and by the transition to a low-carbon economy. This can directly influence the ability of assets to generate long-term value.

We address immediate risks from climate change factors following the management approach for the primary underlying risks (i.e., financial risks, premium or reserve risks, reputational risks, etc.), e.g., building on our long-term expertise in the modeling of extreme weather events or analyzing emission profiles of our proprietary investments. For example, the carbon footprint of our investee companies reported in our climate disclosure serves as a starting point for an analysis of the exposure to emissions pricing. Our commitment to align our proprietary investment portfolio to 1.5 °C climate scenarios is an effective means to address our transitional risk exposure over the years. As another example, as part of our reputational risk management we review and evaluate social and environmental effects, including climate change issues, arising from our business activities and business relations through the ESG business integration approach described above.

On a forward-looking basis, we consider risks from climate change factors under emerging risks, where we closely monitor the development of the risk landscape supported by selective analyses on our portfolios. In this regard we are developing different approaches towards scenario analysis to further educate our understanding of how climate change risks may unfold in the future.

Climate change also creates opportunities – be it in connection with financing a low-carbon and climate-resilient future, e.g., by investing in renewable energy, energy efficiency in real estate, and electric vehicle infrastructure, or by providing insurance solutions to protect against physical climate impacts and to support low-carbon business models.

For more information on the impact of Allianz's activities on the climate, please refer to the section "Environmental Matters" in the Non-Financial Statement.

Internal risk capital framework[1]

We define internal risk capital as the capital required to protect us against unexpected, extreme economic losses, and which forms the basis for determining our Solvency II regulatory capitalization. We calculate and consistently aggregate internal risk capital across all business segments on a quarterly basis. We also regularly project risk capital requirements between reporting periods in times of financial market turbulence.

General approach

For the management of our risk profile and solvency position, we utilize an approach that reflects the Solvency II rules in that it comprises our approved internal model covering Allianz SE and all other major insurance operations. Other entities are reflected based on standard formula results, others under the deduction and aggregation approach as well as on sectoral requirements (e.g., Asset Management) or local requirements for non-insurance operations, in accordance with the Solvency II framework.

1_This section contains specific risk disclosures as required by IFRS 4 and IFRS 7 relating to the Notes to the Consolidated Financial Statements.

Internal model

Our internal model is based on a VaR approach using a Monte Carlo simulation. Following this approach, we determine the maximum loss of portfolio value in scope of the model within a specified timeframe ("holding period", set at one year) and probability of occurrence ("confidence level", set at 99.5%). We simulate risk events from all risk categories ("sources of risk") modeled, and calculate the portfolio value based on the net fair value of assets minus liabilities, including risk-mitigating measures such as reinsurance contracts or derivatives, under each scenario.

The risk capital required is defined as the difference between the current portfolio value and the portfolio value under adverse conditions at the 99.5% confidence level. As we consider the impact of a negative or positive event on all risk sources and covered businesses at the same time, diversification effects across products and regions are taken into account. The results of our Monte Carlo simulation allow us to analyze our exposure to each source of risk, both separately and in aggregate. We also analyze several pre-defined stress scenarios representing historical events, reverse stress tests, and adverse scenarios relevant for our portfolio. Furthermore, we conduct ad-hoc stress tests on a monthly basis to reflect current political and financial developments, and to analyze specific non-financial risks more closely.

Coverage of the risk capital calculations

The Allianz Group's internal model to calculate our Solvency Capital Requirement (SCR) covers all major insurance operations[1]. This includes both relevant assets (including fixed-income, equities, real estate, and derivatives) and liabilities (including the run-off of all current and planned technical provisions as well as deposits, issued debt and other liabilities). For with-profit products in the Life/Health business segment, the options and guarantees embedded in insurance contracts – including policyholder behavior – are taken into account.

Smaller related undertakings in the European Economic Area which are not covered by the internal model are reflected with their standard formula results. At the Group level, the Solvency Capital Requirements for smaller insurance undertakings outside the European Economic Area with only immaterial impact on the Group's risk profile are accounted for by means of book value deduction[2].

Risk capital related to our European banking operations is allocated to the Corporate and Other business segment and calculated based on the approach applied by banks in accordance with the local requirements resulting from the Basel regulation (Basel standards). As the impact on the Group's total Solvency Capital Requirement is minor, risk management for the banking operations is not discussed in greater detail.

For our Asset Management business segment, we assign internal risk capital requirements based on sectoral regulatory capital requirements.

In view of the above, Allianz's risk capital framework covers all material and quantifiable risks. Risks not specifically covered by the internal model include strategic, liquidity, and reputational risks.

Assumptions and limitations

Risk-free rate and volatility adjustment

When calculating the fair values of assets and liabilities, the assumptions regarding the underlying risk-free yield curve are crucial in determining and discounting future cash flows. For liability valuation, we apply the methodology provided by the European Insurance and Occupational Pensions Authority (EIOPA) as part of its technical documentation (EIOPA-BoS-20/109) to extrapolate the risk-free interest rate curves beyond the last liquid tenor.

In addition, we adjust the risk-free yield curves by a volatility adjustment (VA) in most markets where a volatility adjustment is defined by EIOPA and approved by the local regulator. This is done to better reflect the underlying economics of our business, as the cash flows of our insurance liabilities are largely predictable. The advantage of being a long-term investor is the opportunity to invest in bonds yielding spreads over the risk-free return and earning this additional yield component over the duration of the bonds. Being a long-term investor mitigates much of the risk of having to sell debt instruments at a loss prior to maturity.

We take account of this by applying the volatility adjustment to mitigate the credit spread risk, which we consider to be less meaningful for long-term investors than the default risk. Allianz also models the volatility adjustment dynamically within our approved internal model, which differs from the static EIOPA VA concept applied in the standard formula. For risk capital calculations, we assume a dynamic movement of the volatility adjustment broadly consistent with the way the VA would react in practice; however, we base the movement on our own portfolio rather than the EIOPA portfolio. To account for this deviation, Allianz applies a more conservative, reduced application ratio for the dynamic volatility adjustment.

Validation is performed regularly to verify the appropriateness and prudency of the approach.

Valuation assumptions: replicating portfolios

We replicate the liabilities of our Life/Health insurance business. This technique enables us to represent all product-related options and guarantees, both contractual and discretionary, by means of standard financial instruments. In the risk calculation, we use the replicating portfolio – together with a Least Square Monte Carlo approach for risks that are not covered by the replication – to determine and revalue these liabilities under all potentially adverse Monte Carlo scenarios.

Diversification and correlation assumptions

As Allianz is an integrated financial services provider offering a variety of products across different business segments and geographic regions, diversification is key to our business model.

Diversification typically occurs when looking at combined risks that are not, or only partly, interdependent. Important diversification factors include regions (for example, windstorm in Australia vs. windstorm in Germany), risk categories (for example, market risk vs. underwriting risk), and subcategories within the same risk category (for example, commercial vs. personal lines of property and casualty risk). Ultimately, diversification is driven by the specific features of the investment or (re-)insurance products in question and their respective risk exposures. For example, an operational risk event in Australia can

1_Allianz Life Insurance Company of North America is based on third-country equivalence.

2_Under book value deduction, the book value of the respective entity is deducted from eligible Own Funds of the Group.

be considered to be highly independent of a change in credit spreads for a French government bond held as investment.

The internal model considers concentration, accumulation, and correlation effects when aggregating results at the Group level, Allianz SE level, or at the level of other Group companies. The resulting diversification reflects the fact that all potential worst-case losses are not likely to materialize at the same time.

Where possible, we derive correlation parameters for each pair of market risks through statistical analysis of historical data, considering observations over more than a decade. In cases where historical data or other portfolio-specific observations are insufficient or unavailable, correlations are set by the Correlation Settings Committee, which combines the expertise of risk and business experts in a well-defined and controlled process. In general, when using expert judgment we set the correlation parameters to represent the joint movement of risks under adverse conditions. Based on these correlations, we use an industry-standard approach, the Gaussian copula, to determine the dependency structure of quantifiable sources of risk within the applied Monte Carlo simulation.

Actuarial assumptions

Our internal model also includes assumptions on claims trends, liability inflation, mortality, longevity, morbidity, policyholder behavior, expenses, etc. We use our own internal historical data for actuarial assumptions wherever possible, additionally considering recommendations from the insurance industry, supervisory authorities, and actuarial associations. The derivation of our actuarial assumptions is based on generally accepted actuarial methods. Our internal risk capital and financial reporting framework incorporates comprehensive processes and controls to ensure the reliability of these assumptions.

Model limitations

As the internal model is based on a 99.5% confidence level, there is a low statistical probability of 0.5% that actual losses could exceed this threshold in the course of one year.

We use model and scenario parameters derived from historical data, where available, to characterize future possible risk events. If future market conditions were to differ substantially from the past, for example, in an unprecedented crisis or as a possible result of severe structural breaks resulting from climate change, our VaR approach might be too conservative or too liberal in ways that are difficult to predict. In order to mitigate reliance on historical data, we complement our VaR analysis with stress testing.

Furthermore, we validate the model and parameters through sensitivity analyses, independent internal peer reviews, and, where appropriate, independent external reviews, focusing on methods for selecting parameters and control processes. To ensure that the model is validated adequately, we have established an Independent Validation Unit (IVU) within Group Risk, responsible for validating our internal model within a comprehensive model validation process. Any limitations identified during the validation process are remedied after consultation with the Group regulator. Overall, we believe that our validation efforts are effective and that the model adequately assesses the risks to which we are exposed.

The construction and application of the replicating portfolios mentioned are subject to the set of replicating instruments that are available and might be too simple or restrictive to capture all factors affecting the change in value of liabilities. As with other model components, the replication framework is subject to independent validation and to suitability assessments as well as to stringent data and process quality controls. Therefore, we believe that our liabilities are adequately represented by the replicating portfolios.

Since the internal model takes into account the change in the economic fair value of our assets and liabilities, it is crucial to estimate the market value of each item accurately. For some assets and liabilities it may be difficult, if not impossible – notably in distressed financial markets – to either obtain a current market price or apply a meaningful mark-to-market approach. For such assets we apply a mark-to-model approach. For some of our liabilities, the accuracy of their values also depends on the quality of the actuarial cash flow estimates. Despite these limitations, we believe the estimated fair values are appropriately assessed.

Regulatory and model changes in 2022

In 2022, our internal model was further enhanced based on regulatory developments, model validation results, and the feedback received in the course of our consultations with regulators.

The net impact of regulatory and model changes on the Solvency II risk capital of the Group in 2022 was € 0.3 bn. This increase in SCR is mainly driven by the introduction of several minor model changes, which were either affecting a broad range of companies across the Allianz Group or single companies in the Life/Health business segment, as well as by the reduction of the ultimate forward rates (UFR), especially by 15 basis points for the euro interest rates curve.

In addition, in an effort to enhance the explanatory power of the risk capital movement analyses, our approach for allocating the risk capital of Group entities modelled based on the Solvency II standard formula was improved, such that the risk contributions are better aligned to the standard formula risk profile. The change in the allocation approach does not impact the total Allianz Group SCR.

In all subsequent sections, the figures including model changes will form the basis for the movement analyses of our risk profile in 2022. As our general capital steering continues to focus on the Solvency II ratio impacts excluding the application of transitional measures for technical provisions, the figures in the following table exclude transitional measures unless specifically stated.

Allianz Group: Impact of regulatory and model changes – Allocated risk according to the risk profile (total portfolio before non-controlling interests)
€ mn

	Market risk		Credit risk		Underwriting risk		Business risk		Operational risk		Diversification		Total	
As of 31 December	2021[1]	2021[2]	2021[1]	2021[2]	2021[1]	2021[2]	2021[1]	2021[2]	2021[1]	2021[2]	2021[1]	2021[2]	2021[1]	2021[2]
Property-Casualty	5,416	5,357	2,419	2,388	11,917	12,083	491	503	1,514	1,442	(6,287)	(6,291)	15,470	15,482
Life/Health	17,726	18,578	2,533	2,727	1,427	619	4,068	3,370	1,437	1,424	(5,313)	(5,199)	21,878	21,518
Corporate and Other	1,962	1,962	477	477	184	184	-	-	438	438	(866)	(865)	2,196	2,196
Total Group	**25,104**	**25,896**	**5,429**	**5,592**	**13,528**	**12,887**	**4,559**	**3,872**	**3,390**	**3,304**	**(12,465)**	**(12,356)**	**39,543**	**39,195**
												Tax	(4,858)	(4,877)
												Capital add-on	914	914
												Third country equivalent	3,133	3,212
												Sectoral requirement	2,761	2,761
												Total Group	**41,493**	**41,205**

1_2021 risk profile figures adjusted based on the impact of the 2022 model changes.
2_2021 risk profile figures as reported previously.

In 2022, the impact of model changes to our internal model concerned the following risk categories:

Market risk
The overall decrease in market risk was mainly due to the change in the approach for allocating risk contributions from standard formula entities based on their risk profile. As a result, a fraction of the risk capital previously allocated to market risk is now allocated to underwriting and to business risk. This was only partially offset by higher capital requirements from the reduction of the UFR, the net impact of several minor model changes at Allianz companies, and the impact of regulatory driven changes to the dynamic volatility adjustment. Overall, these model changes resulted in a decrease in the market risk of the Allianz Group by € (0.8) bn to € 25.1 bn (2021: € 25.9 bn).

Credit risk and operational risk
Model changes in 2022 did not have material impacts on net credit risk and operational risk.

Underwriting risk and Business risk
The increase in the underwriting and business risks at the Allianz Group level was mainly driven by the reallocation of the contribution of the risk capital from standard formula entities to the Group.

Capital add-ons
Model changes in 2022 have not led to a change in the capital add-ons.

Third country equivalence
The capital requirements for Allianz Group companies under third country equivalent regimes decreased by € (0.1) bn to € 3.1 bn (2021: € 3.2 bn). This was caused by a change in the approach for including the subsidiaries of Allianz Life of North America in the U.S. federal states of Missouri and New York.

Impact of model changes on eligible Group own funds
As a result of regulatory and model changes, we registered an € (0.5) bn decrease of Own Funds after tax in 2022. Key drivers were the adjustment of the ultimate forward rate (UFR) by (15) basis points, the change in inclusion approach in connection with the Allianz Life US subsidiaries Allianz Life Insurance Company of Missouri and Allianz Life Insurance Company of New York as well as several minor or immaterial model changes.

Impacts of transitional measures
The continued application of transitional measures on technical provisions for Allianz Lebensversicherungs-Aktiengesellschaft and Allianz Private Krankenversicherungs-Aktiengesellschaft resulted in an increase in the Own Funds of € 11.3 bn at the Group level.

Allianz risk profile and management assessment[1]

Risk profile and market environment
Allianz's core business as a global insurer and asset manager predominantly exposes it to a variety of risks such as underwriting risks, financial market and credit risks, and several other non-financial risks (i.e., operational, reputational, liquidity, and strategic risks). The execution of the strategic objectives may impact the potential severity or likelihood of these existing risks, contribute towards concentrations of certain types of risk, or potentially even give rise to new risks within a given risk category. However, from a broad perspective, the overall risk profile of Allianz has remained and is expected to remain stable. "Stable" in this context means a relatively high exposure to financial risks (i.e., the sum of financial market and credit risks), a moderate exposure to underwriting risks, and a modest exposure to operational, business, and other risks (i.e., measured as a share of the Allianz Group's Solvency II risk capital). Please refer to section "Solvency II Regulatory Capitalization" for further details.

1_This section contains specific risk disclosures as required by IFRS 4 and IFRS 7 relating to the Notes to the Consolidated Financial Statements.

To support the development of a risk appetite and a risk management framework for these core risks, the Allianz Group has elaborated the following risk management philosophy:

- Financial risks: The Allianz Group's ultimate objective is to assure that financial risk taking is in line with risk-bearing capacity at the Group and legal entity level, and that it creates shareholder equity. To manage financial risk effectively and avoid accumulated losses in times of financial crisis, it is essential to clearly identify, measure, monitor, and control the risks inherent in the investment portfolios and in insurance products, including the development of new products.
- Underwriting risks: Exposures to these risks are required to serve customers and generate shareholder value. Quality control mechanisms are applied to ensure adherence to Allianz's underwriting standards and monitor the quality of the portfolio and underwriting process. The underwriting processes must support sustainable and profitable business, secure consistency, align with the risk appetite of the Group and of the operating entities as well as avoid undesired and/or excessive risks and accumulations. The full economic consequences of a pandemic event such as COVID-19 are uninsurable. The required capital for an effective protection against such an accumulation of risks would require premium rates that are unattractive for customers, if not unaffordable. In addition, a pandemic affects multiple factors such as business interruption, impact on global capital markets, increase in medical costs, and mortality.
- Other non-financial risks: These risks are inherent to the core business and need to be carefully managed via continuous improvements in risk identification, risk assessment, and control environments. This occurs through elements of the Group Risk management framework such as the Top Risk Assessment (TRA), Integrated Risk and Control System (IRCS), Reputational Risk Management Framework, and Liquidity Risk Management.

Potential risks in the financial market and in our operating environment

Allianz faces a challenging financial market and operating environment.

Markets are characterized by the risk of a persistently high volatility. Interest rates have recovered from historically low levels, reflecting monetary policy tightening by key central banks to counter strong inflationary pressure from energy prices and supply chain disruptions relating to the COVID-19 pandemic. Bonds and equity markets are fragile, as central bank rates in Europe and the United States lie below or at inflation rates, and there is the risk of further global political and economic destabilization.

Geopolitical crises dominate the political and economic agenda, having forced an energy crisis, high inflation and recessionary pressure. First and foremost, there is no clear resolution at the horizon for the war in Ukraine, encompassing the risks of a lasting energy crisis, a persistently high inflation, and upcoming social tensions. Furthermore, there is the risk of a deterioration in the United States-China relationship, as well as of a further hardening of China's attitudes towards Taiwan.

In addition to the geopolitical crises, there are several other factors that may lead to a lasting high financial market volatility. Further momentum for radical parties around the globe could make international cooperation and coordination more challenging and complex, leading to a lower chance of impactful political action on issues such as climate change, due to conflicting objectives. The risk factors also include further disruptions in global supply chains, (possibly triggered by remaining challenges from COVID-19), which weigh on global trade, with the potential to prompt long-term structural shifts in global supply chains. Lasting risk factors include the challenges of implementing long-term structural reforms in key eurozone countries, as well as rising populism.

The increasing reliance on digital technologies, which has been greatly accelerated by the COVID-19 pandemic – to ensure business continuity and enhance efficiency and competitiveness –, increases the risk of technology obsolescence, cyberattacks, data breaches, system failures as well as the risk of non-compliance with increasing regulation covering IT-related business processes.

The ongoing uncertainty around the evolution of the COVID-19 pandemic remains a risk. It seems that most major countries have achieved effective protection against the mortal impact of the current virus variants, but residual risks will remain, such as further virus mutations, length of the immunity from vaccination, and a refusal to take vaccines by too large a part of the population.

Therefore, we continue to closely monitor political and financial developments as well as the global trade situation to manage our overall risk profile to specific event risks.

Regulatory developments

Our approved internal model has been applied since the beginning of 2016 when Solvency II came into effect. There is some uncertainty about future regulatory requirements resulting from the potential introduction of future global capital requirements and from the current Solvency II review.

The frameworks for potential future capital requirements for Internationally Active Insurance Groups (IAIGs) and Global Systemically Important Insurers (G-SIIs) are yet to be finalized by the International Association of Insurance Supervisors (IAIS) and the Financial Stability Board (FSB). In addition, the European Commission is conducting a review of the Solvency II directive as foreseen in European legislation. The review covers an extensive list of topics from a wide variety of areas, from capital requirements to reporting, to proportionality and to insurance recovery and resolution, for which EIOPA provided technical advice to the European Commission in December 2020, suggesting amendments in each area. Based on this and further input from stakeholders, the European Commission published its legislative proposal in September 2021. While following the EIOPA advice in general, the European Commission introduced some changes. In particular, the proposal includes a phase-in until year 2032 for the new interest rates extrapolation, and a less conservative approach for calculating the risk margin of the technical provisions. The legislative proposal is subject to trilogue negotiations at the European level before changes to the directive become effective. A further transposition into national law will be required, so that final implementation is expected at the earliest for 2025. In this context, the Allianz Group is actively participating in discussions with the European Commission, EIOPA, local regulators, Insurance Europe, and the GDV.

Therefore, future Solvency II capital requirements are expected to change as result of the review of the Solvency II framework. Concrete effects of the Solvency II review for the Group, however, can only be assessed after final results have been made available.

Finally, the potential for a multiplicity of different regulatory regimes, capital standards, and reporting requirements will increase operational complexity and costs.

Management assessment

The management feels comfortable with the Group's overall risk profile, and capitalization level. This confidence is based on several factors:

- Due to its effective capital management, the Allianz Group is well capitalized and has met its internal, rating agency, and regulatory solvency targets as of 31 December 2022. Allianz remains one of the most highly rated insurance groups in the world, as reflected by our external ratings.
- The Group has a conservative investment profile and disciplined business practices in the Property-Casualty, Life/Health, and Asset Management business segments, leading to sustainable operating earnings with a well-balanced risk-return profile.
- Allianz is well-positioned to deal with potentially adverse future events such as those related to the ongoing war in Ukraine – due to our strong internal limit framework, stress testing, internal model, and risk management practices.
- Furthermore, the Group has the additional advantage of being well- diversified, both geographically and across a broad range of businesses and products.

Based on the information available to us at the moment of report completion, we expect to continue to be sufficiently capitalized and compliant with both the regulatory Solvency Capital Requirement and the Minimum Capital Requirement. However, Allianz is carefully monitoring the further development of the war in Ukraine and manages its portfolios to ensure that the Group, Allianz SE and the other Group companies have sufficient resources to meet their solvency capital needs.

Solvency II regulatory capitalization

The Own Funds and capital requirements are based on the market value balance sheet approach, which is consistent with the economic principles of Solvency II[1]. Our regulatory capitalization is shown in the following table.

Allianz Group: Solvency II regulatory capitalization[1]

As of 31 December		2022	2021
Own Funds	€ bn	77.9	86.0
Capital requirement	€ bn	38.8	41.2
Capitalization ratio	%	201	209

1_Excluding the application of transitional measures for technical provisions

In the second quarter of 2020, Allianz had been granted approval for the application of transitionals on technical provisions for the two entities Allianz Lebensversicherungs-Aktiengesellschaft and Allianz Private Krankenversicherungs-Aktiengesellschaft. As of 31 December 2022 and including the application of transitional measures for technical provisions, the Own Funds and SCR amounted to € 89.2 bn and € 38.8 bn, leading to a Solvency II ratio of 230%. Our general capital steering, however, continues to focus on the previous approach, i.e., excluding the application of transitional measures for technical provisions. Consequently, the figures in all subsequent sections exclude transitional measures unless otherwise stated.

The following table summarizes our Solvency II regulatory capitalization ratios disclosed over the course of the year 2022:

Allianz Group: Solvency II regulatory capitalization ratios
%

	31 Dec 2022	30 Sept 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021
Capitalization ratio	201	199	200	199	209

Compared to year-end 2021, our Solvency II capitalization ratio decreased by 8 percentage point to 201% (2021: 209%) since the slight decrease in the Solvency II Capital Requirement was overcompensated by significantly lower Own Funds. The development of the Solvency II ratio was positively supported by a solid operating Solvency II capital generation and business evolution (27 percentage points pre-tax).

This was more than compensated by negative effects. The main impact came from unfavorable capital market developments such as a decline in equity markets, a widening of credit spreads, high interest rate volatility, market value losses on investments in Russian, Ukrainian and Belorussian bonds, accompanied by a rise in inflation – only partially compensated by a relief from higher interest rates ((19) percentage points). The impact of taxes and other changes, such as an additional € 1.9 bn provision for the AllianzGI U.S. Structured Alpha matter, also contributed to the decrease of the capitalization ratio ((11) percentage points). On a net basis, (capital) management actions also had a small negative contribution ((2) percentage points), whereby the strain from dividend accruals and share buy backs was almost offset by management actions such as reinsurance measures, hedging and sale of equity investments.

The following table presents the sensitivities of our Solvency II capitalization ratio under certain standard financial market scenarios.

Allianz Group: Solvency II regulatory capitalization ratio sensitivities
%

As of 31 December	2022	2021
Base capitalization ratio	201	209
Interest rates up by 0.5%[1]	202	213
Interest rates down by 0.5%[1]	198	204
Equity prices up by 30%	211	222
Equity prices down by 30%	188	194
Combined scenario: Equity prices down by 30% Interest rate down by 0.5% [1] Credit spreads up by 0.5%	179	171

1_Non-parallel interest rate shifts due to extrapolation of the yield curve beyond the last liquid point in line with Solvency II rules.

1_Own Funds and capital requirement are calculated under consideration of volatility adjustment and yield curve extension, as described in section "Risk-free rate and volatility adjustment".

The presented sensitivity analyses are based on defined variations of specific parameters and describe the resulting development of our Solvency II capitalization under such idealized scenarios (e.g., decrease in interest rates by 50 basis points). The observed developments will, however, typically materialize in a more complex way (e.g., interest rates are typically not decreasing in a parallel shift manner along the term structure). Therefore, sensitivities are to be interpreted in a way such that they provide valuable information on areas to which our capitalization is particularly sensitive, together with an indication of the estimated magnitude. The actual observed developments in the capitalization can, however, be more or less pronounced depending on the specific realized circumstances. Our comprehensive stress testing framework is regularly analyzed in order to identify potential enhancements to support the explanatory power of stress tests conducted in light of our risk profile.

The Allianz Group is a financial conglomerate within the scope of the Financial Conglomerate Directive (FCD). The FCD does not impose a materially different capital requirement on the Allianz Group compared to Solvency II.

Quantifiable risks and opportunities by risk category[1]

This Risk and Opportunity Report outlines the Group's risk figures, reflecting its risk profile based on pre-diversified risk figures and Group diversification effects.

We measure and steer risk based on an approved internal model which quantifies the potential adverse developments of Own Funds. The results provide an overview of how our risk profile is distributed over different risk categories, and determine the regulatory capital requirements in accordance with Solvency II.

The pre-diversified risk figures reflect the diversification effect within each modeled risk category (i.e., market, credit, underwriting, business, and operational risk), but do not include the diversification effects across risk categories. Group diversified risk figures also capture the diversification effect across all risk categories.

The Group diversified risk is broken down as follows:

Allianz Group: Allocated risk according to the risk profile (total portfolio before non-controlling interests)
€ mn

	Market risk		Credit risk		Underwriting risk		Business risk		Operational risk		Diversification		Total	
As of 31 December	2022	2021[1]	2022	2021[1]	2022	2021[1]	2022	2021[1]	2022	2021[1]	2022	2021[1]	2022	2021[1]
Property-Casualty	5,805	5,416	2,312	2,419	11,839	11,917	478	491	1,498	1,514	(6,738)	(6,288)	15,194	15,470
Life/Health	15,159	17,726	1,328	2,533	804	1,427	4,072	4,068	1,433	1,437	(4,209)	(5,313)	18,586	21,878
Corporate and Other	1,834	1,962	287	477	63	184	-	-	380	438	(459)	(865)	2,104	2,196
Total Group	**22,798**	**25,104**	**3,926**	**5,429**	**12,706**	**13,528**	**4,549**	**4,559**	**3,311**	**3,390**	**(11,406)**	**(12,465)**	**35,884**	**39,543**
												Tax	(4,355)	(4,858)
												Capital add-on	937	914
												Third country equivalent	3,520	3,133
												Sectoral requirement	2,783	2,761
												Total Group	**38,769**	**41,493**

1_2021 risk profile figures adjusted based on the impact of 2022 model changes.

As of 31 December 2022, the Group-diversified risk capital, which reflects our risk profile before considering non-controlling interests, amounted to € 38.8 bn (2021: € 41.5 bn).

The € 2.7 bn decrease in the Solvency II Capital Requirement was driven by the net effect of the capital market development and by management actions. Key market developments were an increase in interest rates and interest rates volatility, a widening of credit spreads, as well as weaker equities. This resulted in lower market risks and a decrease in credit risk. The risk capital relief from management actions was driven by equity de-risking and reinsurance measures.

This risk capital relief was partially compensated by increased risk capital requirements from the Property-Casualty business evolution, and by other effects such as model and assumptions updates at various companies of the Group.

The following sections explain the evolution of our risk profile per modeled risk category. All risks are presented on a pre-diversified basis and concentrations of single sources of risk are discussed accordingly.

Market risk

The following table presents our group-wide risk figures related to market risks by business segment and source of risk.

1_This section contains specific risk disclosures as required by IFRS 4 and IFRS 7 relating to the Notes to the Consolidated Financial Statements.

Allianz Group: Risk profile – market risk by business segment and source of risk (total portfolio before tax and non-controlling interests)
pre-diversified, € mn

	Interest rate		Inflation		Credit spread		Equity		Real estate		Currency		Total	
As of 31 December	2022	2021[1]	2022	2021[1]	2022	2021[1]	2022	2021[1]	2022	2021[1]	2022	2021[1]	2022	2021[1]
Property-Casualty	297	(480)	(101)	(2,098)	1,908	3,340	2,365	2,903	1,230	1,399	106	351	5,805	5,416
Life/Health	3,408	804	23	(672)	3,575	7,225	6,402	8,848	1,509	1,669	242	(148)	15,159	17,726
Corporate and Other	(163)	160	2	(371)	294	306	1,504	1,572	156	126	42	170	1,834	1,962
Total Group	**3,542**	**484**	**(75)**	**(3,141)**	**5,777**	**10,871**	**10,270**	**13,322**	**2,894**	**3,194**	**390**	**372**	**22,798**	**25,104**
Share of total Group pre-diversified risk													41.8 %	42.7 %

1_2021 risk profile figures adjusted based on the impact of 2022 model changes.

The Group's total pre-diversified market risk decreased by € 2.3 bn, which was mainly driven by lower credit spread risk in both the Life/Health and the Property-Casualty business segment. This resulted from expoure reductions on the asset side, caused by rising interest rates and higher credit spreads, which was partially offset by lower policyholder participations. The decrease in market risk was further supported by lower equity risk, mainly reflecting weaker equity markets, and de-risking or rebalancing measures at several group entities. These measures included selling equities and buying protection, especially via equity put options.

This decreasing effect for market risk was partially compensated by a rise in interest rate risk, together with a reduction in the risk relief from inflation risk. The increase in interest rate risk mainly affected the Life/Health business segment. It was driven by a change in the interest rate risk profile resulting from a rise in interest rates. The reduced relief from inflation risk reflects changes in diversification effects, and higher interest rates.

Interest rate risk

As of 31 December 2022, our interest-rate-sensitive investments excluding unit-linked business – amounting to a market value of € 347.1 bn (2021: € 451.2 bn)[1] – would have gained € 32.1 bn (2021: € 54.2 bn) or lost € 27.7 bn (2021: € 46.1 bn)[2] in value in the event of interest rates shifting by -100 and +100 basis points, respectively. However, these impacts would have been partially offset by policyholder participation. In addition, the Solvency II Own Funds effect is much more limited due to our active duration management, limiting the duration mismatch of the Group to 0.6 years, representing Solvency II liabilities of shorter duration than assets.

The impact of a 0.5% increase in interest rates on the Solvency II ratio is shown in the table "Solvency II regulatory capitalization ratio sensitivities" in the section "Solvency II regulatory capitalization".

Equity risk

As of 31 December 2022, our investments excluding unit-linked business that are sensitive to changing equity markets – amounting to a market value of € 73.6 bn[3] (2021: € 89.2 bn) – would have lost € 18.4 bn[4] (2021: € 23.1 bn) in value assuming equity markets had declined by 30%. However, this impact would have been partially offset by policyholder participation.

1_The stated market value includes all assets from internal model entities whose market value is sensitive to interest rate movements (excluding unit-linked business) reflecting the Solvency II framework, and therefore is not based on classifications given by accounting principles.
2_The effects do not consider policyholder participation.
3_The stated market value includes all assets from internal model entities whose market value is sensitive to equity movements (excluding unit-linked business) reflecting the Solvency II framework, and therefore is not based on classifications given by accounting principles.
4_The effect does not consider policyholder participation.

Real estate risk

As of 31 December 2022, about 5.3% (2021: 5.6%) of the total pre-diversified risk was related to real estate exposures.

Credit risk

The following table presents our group-wide risk figures for credit risks by business segment.

Allianz Group: Risk profile – allocated credit risk by business segment (total portfolio before tax and non-controlling interests)
pre-diversified

As of 31 December		2022	2021[1]
Property-Casualty	€ mn	2,312	2,419
Life/Health	€ mn	1,328	2,533
Corporate and Other	€ mn	287	477
Total Group	**€ mn**	**3,926**	**5,429**
Share of total Group pre-diversified risk	%	7.2	9.2

1_2021 risk profile figures adjusted based on the impact of 2022 model changes.

Throughout 2022, the Allianz credit portfolio was not affected by significant movements or events with respect to credit migration risk and default risk.

Ultimately, the overall credit risk for the Allianz Group decreased by € 1.5 bn to € 3.9 bn (2021: € 5.4 bn). This was mainly driven by significantly higher interest rates compared to the previous year, which generally decreased credit risk investment exposures, thereby reducing credit risk.

Credit risk – investments

As of 31 December 2022, the credit risk arising from our investment portfolio accounted for 64.2 % (2021: 79.1 %) of our total Group pre-diversified internal credit risk[5], representing a lower share due to the significantly higher interest rate environment, which generally decreased credit risk from long-term investment exposures.

Credit risk in the Life/Health business segment is primarily driven by long-term assets covering long-term policyholder liabilities. Typical investments are government bonds, senior corporate bonds, covered bonds, self-originated mortgages and loans, and a modest amount of derivatives. In the Property-Casualty business segment, fixed-income

5_Additionally, 11.7 % (2021: 8.5 %) of our total Group pre-diversified internal credit risk is allocated to receivables, potential future exposure for derivatives and reinsurance, and other off-balance sheet exposures.

securities tend to be short- to mid-term, due to the nature of the business, and are not subject to policyholder participation.

The counterparty credit risk arising from derivatives is low, since derivatives usage is governed by the group-wide internal guideline for collateralization of derivatives, which stipulates master netting and collateral agreements with each counterparty, and requires high-quality and liquid collateral. In addition, Allianz closely monitors counterparties' credit ratings and exposure movements.

As of 31 December 2022, the rating distribution of our fixed-income portfolio based on issue (instrument) ratings was as follows:

Rating distribution of Allianz Group's fixed-income portfolio[1] – fair value
€ bn

Type of issuer	Government / agency		Covered bond		Corporate		Banks		ABS / MBS		Short-term loan		Other		Total	
As of 31 December	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
AAA	38.9	45.5	34.5	42.6	4.1	3.3	2.0	2.7	13.8	17.5	-	0.1	-	-	93.4	111.7
AA	69.7	99.8	9.8	12.4	21.1	27.6	3.1	3.5	6.3	6.7	1.0	0.6	0.1	0.1	111.1	150.7
A	28.5	40.2	0.3	0.3	66.4	73.5	17.8	19.4	3.6	2.3	0.8	0.5	0.9	0.9	118.3	137.1
BBB	35.7	41.6	0.0	0.3	102.6	126.7	7.2	9.5	1.9	1.6	0.3	0.4	1.4	0.9	149.3	181.1
BB	5.9	7.5	-	-	11.4	13.1	0.4	0.5	0.1	0.1	0.0	0.0	0.0	0.0	17.9	21.2
B	2.9	4.3	-	-	7.5	6.0	0.2	0.2	0.1	0.2	0.1	0.1	0.5	0.2	11.3	11.0
CCC	0.4	0.4	-	-	0.2	0.1	0.0	0.0	0.1	0.1	-	-	-	-	0.7	0.6
CC	0.2	0.0	-	-	0.0	-	0.0	0.0	0.1	0.1	-	-	-	-	0.3	0.1
C	0.0	0.0	-	-	0.0	0.1	-	-	0.0	0.0	-	-	-	-	0.1	0.1
D	0.0	0.0	-	-	0.0	-	0.0	-	0.0	0.0	-	-	-	-	0.1	0.1
Not rated	1.1	1.3	0.0	0.1	8.5	9.2	0.0	0.1	0.1	0.1	0.1	0.3	11.1	10.4	21.1	21.4
Total	**183.4**	**240.5**	**44.7**	**55.6**	**222.1**	**259.6**	**30.7**	**36.0**	**26.2**	**28.8**	**2.3**	**2.2**	**14.1**	**12.5**	**523.5**	**635.2**

1_In accordance with practice adhered to in our Group Management Report, figures stated include investments of Banking and Asset Management. Table excludes private loans. Stated market values include investments not in scope of the Solvency II framework.

Credit risk – credit insurance

As of 31 December 2022, 19.6% (2021: 10.5%) of our total Group pre-diversified internal credit risk was allocated to Allianz Trade credit insurance exposures.

Credit risk – reinsurance

As of 31 December 2022, 4.5% (2021: 1.9%) of our total Group pre-diversified internal credit risk was allocated to reinsurance exposures.

Of the Allianz Group's reinsurance recoverables, 87.8% (2021: 90.2%) were distributed among reinsurers that had been assigned an investment-grade rating; 12.0% (2021: 9.5%) were non-rated reinsurance recoverables; the remaining 0.2% (2021: 0.3%) were towards non-investment grade reinsurers. For substantial single-name reinsurance exposures or exposures to non-rated captives, risk-mitigating techniques such as collateral agreements or funds-withheld concepts are in place.

Reinsurance recoverables by rating class[1]
€ bn

As of 31 December	2022	2021
AAA	0.01	0.06
AA+ to AA-	5.73	6.11
A+ to A-	29.35	30.99
BBB+ to BBB-	12.38	15.07
Non-investment grade	0.13	0.16
Not assigned	6.48	5.51
Total	**54.08**	**57.90**

1_Represents gross exposure for external reinsurance, broken down by rating classes.

Underwriting risk

The following table presents the pre-diversified risk calculated for underwriting risks associated with our insurance business.

Allianz Group: Risk profile – allocated underwriting risk by business segment and source of risk (total portfolio before non-controlling interests)[1]
pre-diversified, € mn

	Premium natural catastrophe		Premium terror		Premium non-catastrophe		Reserve		Biometric		Total	
As of 31 December	2022	2021[2]	2022	2021[2]	2022	2021[2]	2022	2021[2]	2022	2021[2]	2022	2021[2]
Property-Casualty	703	963	15	14	5,008	4,476	6,076	6,347	37	117	11,839	11,917
Life/Health	-	-	-	-	-	-	-	-	804	1,427	804	1,427
Corporate and Other	-	-	-	-	-	-	-	-	63	184	63	184
Total Group	**703**	**963**	**15**	**14**	**5,008**	**4,476**	**6,076**	**6,347**	**903**	**1,727**	**12,706**	**13,528**
							Share of total Group pre-diversified risk				23.30 %	23.00 %

1_As risks are measured in an integrated approach and on an economic basis, internal risk profile takes reinsurance effects into account.
2_2021 risk profile figures adjusted based on the impact of the 2022 model changes.

During 2022, the total Group pre-diversified underwriting risk capital decreased by € 0.8 bn.

Property-Casualty

The decrease in Property-Casualty underwriting risk was mainly driven by relief from the developments in premium natural catastrophe risk and in reserve risk. The reduction in premium natural catastrophe risk primarily results from increased Group reinsurance cover for single perils, including the participation in an Australian reinsurance pool for tropical cyclones, whereas the decrease in reserve risk is mainly caused by higher interest rates. This was partially compensated by an increase in premium non-catastrophe risk, reflecting the business evolution and model and assumptions updates.

The loss ratios for the Property-Casualty business segment are presented in the following table:

Property-Casualty loss ratios[1] for the past ten years
%

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Loss ratio	67.4	67.0	69.5	68.0	66.0	66.5	65.6	66.2	66.0	65.9
Loss ratio excluding natural catastrophes	64.5	63.9	67.8	66.5	64.0	64.2	64.2	64.6	65.1	63.0

1_Represents claims and insurance benefits incurred (net), divided by premiums earned (net).

The top five perils contributing to the natural catastrophe risk as of 31 December 2022 were: windstorms in Europe, floods in Germany, hail in Germany, floods in Australia, and tropical cyclones in the USA.

Life/Health

The underwriting risk capital contribution of biometric risk decreased by € 0.8 bn compared to the previous year. This is mainly due to the changed interest rates environment. Especially longevity risk signifcantly reduced, as interest rates discounting the nominal insurance obligations increased.

Contributions from the Property-Casualty and the Corporate and Other business segments are generated by the longevity risk of the internal pension schemes they contain.

Due to effective product design and the diversity of our products, there were no significant concentrations of underwriting risks within our Life/Health business segment.

Business risk

The risk capital contribution of business risk has not significantly changed in comparison to the previous year.

Operational risk

Overall, the operational risk capital showed a stable risk profile after the regular annual update of central and local parameters.

Third country equivalence

The risk capital reflecting requirements from Allianz Group companies under third country equivalent regimes increased by € 0.4 bn to € 3.5 bn (2021: € 3.1 bn). The main reason is the impact of the strengthening of the US dollar on capital requirements from Allianz Life of North America.

Liquidity risk

Detailed information regarding our liquidity risk exposure, liquidity, and funding – including changes in cash and cash equivalents – is provided in Liquidity and Funding Resources and in notes 13, 19 and 34 to the Consolidated Financial Statements. As can be inferred from the section on the management of liquidity risks, while these are quantified and monitored through regular stress test reporting as well as properly managed, they are not quantified for risk capital purposes.

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CONSOLIDATED FINANCIAL STATEMENTS

D

CONSOLIDATED BALANCE SHEET

Consolidated balance sheet
€ mn

As of 31 December	Note	2022	2021
ASSETS			
Cash and cash equivalents		22,573	24,214
Financial assets carried at fair value through income	6	16,568	19,604
Investments	7	540,537	663,649
Loans and advances to banks and customers	8	125,900	124,079
Financial assets for unit-linked contracts		141,024	158,346
Reinsurance assets	9	59,509	56,731
Deferred acquisition costs	10	36,583	23,756
Deferred tax assets	33	6,939	1,910
Other assets	11	49,645	48,264
Non-current assets and assets of disposal groups classified as held for sale	4	3,324	145
Intangible assets	12	18,900	18,732
Total assets		**1,021,503**	**1,139,429**
LIABILITIES AND EQUITY			
Financial liabilities carried at fair value through income[1]		15,902	20,891
Liabilities to banks and customers	13	18,077	15,468
Unearned premiums	14	31,146	27,501
Reserves for loss and loss adjustment expenses	15	91,267	86,974
Reserves for insurance and investment contracts	16	569,052	632,061
Financial liabilities for unit-linked contracts	17	141,024	158,346
Deferred tax liabilities	33	1,131	5,626
Other liabilities	18	74,577	86,596
Liabilities of disposal groups classified as held for sale	4	3,098	-
Certificated liabilities	19	9,046	10,788
Subordinated liabilities	19	11,940	10,956
Total liabilities		966,261	1,055,207
Shareholders' equity		51,474	79,952
Non-controlling interests		3,768	4,270
Total equity	20	55,242	84,222
Total liabilities and equity		**1,021,503**	**1,139,429**

1_Include mainly derivative financial instruments.

CONSOLIDATED INCOME STATEMENT

Consolidated income statement
€ mn

	Note	2022	2021
Gross premiums written		94,190	86,063
Ceded premiums written		(8,078)	(7,567)
Change in unearned premiums (net)		(2,200)	(840)
Premiums earned (net)	21	83,912	77,656
Interest and similar income	22	25,225	23,137
Income from financial assets and liabilities carried at fair value through income (net)	23	(12,618)	(2,008)
Realized gains/losses (net)	24	12,098	9,423
Fee and commission income	25	13,981	13,998
Other income		110	24
Total income		122,708	122,230
Claims and insurance benefits incurred (gross)		(68,496)	(62,926)
Claims and insurance benefits incurred (ceded)		5,672	5,804
Claims and insurance benefits incurred (net)	26	(62,824)	(57,121)
Change in reserves for insurance and investment contracts (net)	27	(3,242)	(13,716)
Interest expenses	28	(1,438)	(1,159)
Loan loss provisions		(5)	(11)
Impairments of investments (net)	29	(6,521)	(1,331)
Investment expenses	30	(2,214)	(1,962)
Acquisition and administrative expenses (net)	31	(30,286)	(31,422)
Fee and commission expenses	32	(5,201)	(5,000)
Amortization of intangible assets		(352)	(307)
Restructuring and integration expenses		(951)	(666)
Other expenses		(26)	(15)
Total expenses		(113,059)	(112,710)
Income before income taxes		**9,649**	**9,520**
Income taxes	33	(2,467)	(2,415)
Net income		**7,182**	**7,105**
Net income attributable to:			
Non-controlling interests		444	495
Shareholders		6,738	6,610
Basic earnings per share (€)	43	16.35	15.96
Diluted earnings per share (€)	43	16.26	15.83

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income
€ mn

	2022	2021
Net income	**7,182**	**7,105**
Other comprehensive income		
Items that may be reclassified to profit or loss in future periods		
Foreign currency translation adjustments		
Reclassifications to net income	-	-
Changes arising during the year	977	1,280
Subtotal	977	1,280
Available-for-sale investments		
Reclassifications to net income	(664)	(1,772)
Changes arising during the year	(31,262)	(4,149)
Subtotal	(31,926)	(5,921)
Cash flow hedges		
Reclassifications to net income	(48)	(61)
Changes arising during the year	(288)	(96)
Subtotal	(336)	(157)
Share of other comprehensive income of associates and joint ventures		
Reclassifications to net income	(6)	-
Changes arising during the year	(219)	181
Subtotal	(225)	182
Miscellaneous		
Changes arising during the year	(135)	111
Subtotal	(135)	111
Items that may never be reclassified to profit or loss		
Changes in actuarial gains and losses on defined benefit plans	1,768	(393)
Total other comprehensive income	(29,877)	(4,897)
Total comprehensive income	**(22,695)**	**2,207**
Total comprehensive income attributable to:		
Non-controlling interests	28	337
Shareholders	(22,723)	1,871

For further information on the income taxes associated with different components of other comprehensive income, please see note 33.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity
€ mn

	Paid-in capital	Undated subordinated bonds	Retained earnings	Foreign currency translation adjustments	Unrealized gains and losses (net)	Share-holders' equity	Non-controlling interests	Total equity
Balance as of 1 January 2021	**28,928**	**2,259**	**31,371**	**(4,384)**	**22,648**	**80,821**	**3,773**	**84,594**
Total comprehensive income[1]	-	-	6,444	1,285	(5,859)	1,871	337	2,207
Paid-in capital	-	-	-	-	-	-	-	-
Treasury shares	-	-	(2)	-	-	(2)	-	(2)
Transactions between equity holders	(26)	-	(1,045)	-	-	(1,071)	474	(597)
Undated subordinated bonds[4]	-	2,440	(28)	(124)	-	2,288	-	2,288
Dividends paid[2]	-	-	(3,956)	-	-	(3,956)	(314)	(4,270)
Balance as of 31 December 2021	**28,902**	**4,699**	**32,784**	**(3,223)**	**16,789**	**79,952**	**4,270**	**84,222**
Total comprehensive income[1]	-	-	8,359	916	(31,998)	(22,723)	28	(22,695)
Paid-in capital	-	-	-	-	-	-	-	-
Treasury shares	-	-	(301)	-	-	(301)	-	(301)
Transactions between equity holders[3]	-	-	(990)	-	(5)	(995)	(54)	(1,049)
Undated subordinated bonds[4]	-	144	(119)	(99)	-	(75)	-	(75)
Dividends paid[2]	-	-	(4,383)	-	-	(4,383)	(477)	(4,860)
Balance as of 31 December 2022	**28,902**	**4,843**	**35,350**	**(2,406)**	**(15,215)**	**51,474**	**3,768**	**55,242**

1_Total comprehensive income in shareholders' equity for the year ended 31 December 2022 comprises net income attributable to shareholders of € 6,738 mn (2021: € 6,610 mn).
2_In the second quarter of 2022, a dividend of € 10.80 (2021: € 9.60) per qualifying share was paid to shareholders.
3_For further information regarding the share buy-back program 2022, please refer to note 20.
4_For further information regarding the undated subordinated bonds, please refer to note 19.

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows
€ mn

	2022	2021
SUMMARY		
Net cash flow provided by operating activities	1,964	25,124
Net cash flow provided by/used in investing activities	2,958	(19,783)
Net cash flow used in financing activities	(6,626)	(3,786)
Effect of exchange rate changes on cash and cash equivalents	275	216
Change in cash and cash equivalents	(1,430)	1,771
Cash and cash equivalents at beginning of period	24,214	22,443
Cash and cash equivalents reclassified to assets of disposal groups held for sale in 2022	(211)	-
Cash and cash equivalents at end of period	**22,573**	**24,214**
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	**7,182**	**7,105**
Adjustments to reconcile net income to net cash flow provided by operating activities		
Share of earnings from investments in associates and joint ventures	(431)	(305)
Realized gains/losses (net) and impairments of investments (net) of:		
Available-for-sale and held-to-maturity investments, investments in associates and joint ventures, real estate held for investment, loans and advances to banks and customers, non-current assets and disposal groups classified as held for sale	(5,583)	(8,092)
Other investments, mainly financial assets held for trading and designated at fair value through income	16,645	6,915
Depreciation and amortization	2,573	2,525
Loan loss provisions	5	11
Interest credited to policyholder accounts	2,570	7,084
Other non-cash income/expenses	(1,658)	(2,440)
Net change in:		
Financial assets and liabilities held for trading	(19,379)	(5,678)
Reverse repurchase agreements and collateral paid for securities borrowing transactions	2,658	(1,980)
Repurchase agreements and collateral received from securities lending transactions	1,389	(917)
Reinsurance assets	(187)	(1,385)
Deferred acquisition costs	(1,965)	2,754
Unearned premiums	7,161	1,261
Reserves for loss and loss adjustment expenses	4,169	4,346
Reserves for insurance and investment contracts	1,584	13,676
Deferred tax assets/liabilities	218	(358)
Other (net)	(14,988)	604
Subtotal	(5,218)	18,019
Net cash flow provided by operating activities	**1,964**	**25,124**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from the sale, maturity or repayment of:		
Financial assets designated at fair value through income	5,728	4,751
Available-for-sale investments	203,955	178,723
Held-to-maturity investments	189	118
Investments in associates and joint ventures	1,996	942
Non-current assets and disposal groups classified as held for sale	362	301
Real estate held for investment	602	1,045
Loans and advances to banks and customers (purchased loans)	6,796	5,922
Property and equipment	220	131
Subtotal	219,848	191,932

CONSOLIDATED STATEMENT OF CASH FLOWS – CONTINUED

Consolidated statement of cash flows
€ mn

	2022	2021
Payments for the purchase or origination of:		
Financial assets designated at fair value through income	(6,079)	(5,594)
Available-for-sale investments	(191,409)	(188,456)
Held-to-maturity investments	(252)	(225)
Investments in associates and joint ventures	(2,488)	(1,525)
Non-current assets and disposal groups classified as held for sale	-	(37)
Real estate held for investment	(1,771)	(1,563)
Fixed assets from alternative investments	(174)	(48)
Loans and advances to banks and customers (purchased loans)	(3,769)	(1,745)
Property and equipment	(1,444)	(1,363)
Subtotal	(207,386)	(200,557)
Business combinations (note 4):		
Acquisitions of subsidiaries, net of cash acquired	(199)	(3,172)
Change in other loans and advances to banks and customers (originated loans)	**(5,876)**	**(7,817)**
Other (net)	**(3,428)**	**(170)**
Net cash flow provided by/used in investing activities	**2,958**	**(19,783)**
CASH FLOW FROM FINANCING ACTIVITIES		
Net change in liabilities to banks and customers	1,003	1,454
Proceeds from the issuance of certificated liabilities and subordinated liabilities	5,848	4,593
Repayments of certificated liabilities and subordinated liabilities	(6,455)	(6,299)
Proceeds from the issuance of undated subordinated bonds classified as shareholders' equity	-	2,303
Net change in lease liabilities	(450)	(396)
Transactions between equity holders	(1,100)	(1,034)
Dividends paid to shareholders	(4,860)	(4,270)
Net cash from sale or purchase of treasury shares	(312)	2
Other (net)	(301)	(138)
Net cash flow used in financing activities	**(6,626)**	**(3,786)**
SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS		
Income taxes paid (from operating activities)	(3,163)	(3,018)
Dividends received (from operating activities)	3,799	3,653
Interest received (from operating activities)	19,006	17,871
Interest paid (from operating activities)	(1,558)	(1,090)
SIGNIFICANT NON-CASH TRANSACTIONS		
U.S. reinsurance transaction		
Reinsurance assets	-	31,309
Unearned premiums	-	1,480
Deferred tax assets/liabilities	-	393
Other non-cash income/expenses	-	(946)
Other (net)	-	(24,824)
Available-for-sale investments	-	(7,404)
Loans and advances to banks and customers	-	(8)
Transfer of U.S. investment teams and assets to Voya Investment Management, Atlanta[1]		
Available-for-sale investments	518	-
Goodwill and other intangible assets	(118)	-
Deferred tax liabilities	(109)	-
Other (net)	(28)	-
Realized gains/losses (net of taxes)	319	-

1_The transfer to Voya without impacting the cash flows led to adjustments in the following positions.

Cash and cash equivalents
€ mn

As of 31 December	2022	2021
Balances with banks payable on demand	10,349	10,102
Balances with central banks	2,423	3,807
Cash on hand	46	72
Treasury bills, discounted treasury notes, similar treasury securities, bills of exchange and checks	7,005	6,863
Reverse repurchase agreements (due in three months or less)	2,751	3,370
Total	**22,573**	**24,214**

Changes in liabilities arising from financing activities
€ mn

	Liabilities to banks and customers	Certificated and subordinated liabilities	Lease liabilities	Total
As of 1 January 2021	**9,559**	**23,241**	**2,725**	**35,525**
Net cash flows	1,454	(1,706)	(396)	(649)
Non-cash transactions				
Changes in the consolidated subsidiaries of the Allianz Group	(16)	-	13	(3)
Foreign currency translation adjustments	22	12	67	101
Fair value and other changes	15	197	383	594
As of 31 December 2021	**11,034**	**21,744**	**2,790**	**35,568**
Net cash flows	1,003	(607)	(450)	(53)
Non-cash transactions				
Changes in the consolidated subsidiaries of the Allianz Group	1	-	2	4
Foreign currency translation adjustments	37	13	45	95
Fair value and other changes	(13)	(164)	352	175
As of 31 December 2022	**12,062**	**20,986**	**2,740**	**35,789**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

1 _ Nature of operations and basis of presentation

The accompanying consolidated financial statements present the operations of Allianz SE with its registered office in Königinstrasse 28, 80802 Munich, Germany, and its subsidiaries (the Allianz Group). Allianz SE is recorded in the Commercial Register of the municipal court in Munich under the number HRB 164232.

They have been prepared in conformity with International Financial Reporting Standards (IFRS), as adopted under European Union (E.U.) regulations in accordance with §315e (1) of the German Commercial Code (HGB). Within these consolidated financial statements, the Allianz Group has applied all standards and interpretations issued by the IASB and endorsed by the E.U. that are compulsory as of 31 December 2022.

In accordance with the provisions of IFRS 4, insurance contracts are recognized and measured on the basis of accounting principles generally accepted in the United States of America (US GAAP) as at first-time adoption of IFRS 4 on 1 January 2005.

The consolidated financial statements have been prepared as of and for the year ended 31 December 2022. The Allianz Group's presentation currency is the euro (€). Amounts are rounded to the nearest million (€ mn) unless otherwise stated.

The consolidated financial statements were authorized for issue by the Board of Management on 14 February 2023.

The Allianz Group offers property-casualty insurance, life/health insurance, and asset management products and services in over 70 countries.

2 _ Accounting policies, significant estimates, and new accounting pronouncements

Significant accounting policies and use of estimates and assumptions

The following paragraphs describe important accounting policies as well as significant estimates and assumptions that are relevant for the Allianz Group's consolidated financial statements. Estimates and assumptions particularly influence the inclusion method as well as the accounting treatment of financial instruments and insurance contracts, goodwill, litigation provisions, pension liabilities and similar obligations, and deferred taxes. Significant estimates and assumptions are explained in the respective paragraphs.

The Allianz Group's consolidated balance sheet is not presented using a current/non-current classification. The following balances are generally considered to be current: cash and cash equivalents, deferred acquisition costs on property & casualty contracts, non-current assets and assets of disposal groups classified as held for sale, and liabilities of disposal groups classified as held for sale.

The following balances are generally considered to be non-current: investments, deferred tax assets, intangible assets, and deferred tax liabilities.

All other balances are mixed in nature (including both current and non-current portions).

Principles of consolidation

Scope of consolidation and consolidation procedures

In accordance with IFRS 10, the Allianz Group's consolidated financial statements include the financial statements of Allianz SE and its subsidiaries. Subsidiaries are generally entities where Allianz SE, directly or indirectly, owns more than half of the voting rights or similar rights with the ability to affect the returns of these entities for its own benefit.

Entities where the Allianz Group does not hold a majority stake are included in the consolidated financial statements if the Allianz Group controls these entities based on either distinctive rights stipulated by shareholder agreements between the Allianz Group and the other shareholders in these companies or voting rights held by the Allianz Group which are sufficient to direct the relevant activities unilaterally.

Entities where the Allianz Group holds a majority stake are not included in the consolidated financial statements if the Allianz Group does not control these entities because it has no majority representation in the governing bodies and/or it requires at least the confirmative vote of another investor to pass any decisions over relevant activities.

For certain entities, voting or similar rights are not the dominant factor of control, such as when voting rights relate to administrative tasks only and returns are directed by means of contractual arrangements, as is the case mainly for investment funds managed by Allianz Group internal asset managers. For investment funds managed by Allianz Group entities on the basis of contractual arrangements, the Allianz Group considers an exposure to variability from the aggregate economic interests (consisting of fees and direct interests in the investments funds) of more than 30% as indicative for control, unless there is evidence to the contrary, for example if the investment funds' financial and operating policies are largely predetermined or other parties engaged in the investment funds have substantive spin-off rights.

Initial accounting for business combinations and measurement of non-controlling interests

Where newly acquired subsidiaries are subject to business combination accounting, the provisions of IFRS 3 are applied. During the IFRS 3 measurement period, which is for a maximum of one year post the acquisition date, it may be necessary to adjust existing or recognize additional assets and liabilities if new information is obtained about facts and circumstance that existed as of the acquisition date. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are generally measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Associates and joint arrangements

Associates are entities over which the Allianz Group can exercise significant influence. In general, if the Allianz Group holds 20 % or more of the voting power in an investee but does not control the investee, it is assumed to have significant influence. Investments in associates are generally accounted for using the equity method.

Entities where the Allianz Group's share is below 20% are classified as associates if the Allianz Group has significant influence over these entities because it is sufficiently represented in the governing bodies that decide on the relevant activities of these entities.

Specifically for certain investment funds in which the Allianz Group holds a stake of above 20%, the Allianz Group does not have significant influence if it is not represented in the governing bodies of these investment funds or their investment activities are largely predetermined.

Pursuant to IFRS 11, investments in joint arrangements have to be classified as either joint operations or joint ventures, depending on the contractual rights and obligations of the Allianz Group as investor. Most of the joint arrangements in which the Allianz Group is invested qualify as joint ventures. Those are generally accounted for using the equity method.

In most cases, the Allianz Group accounts for the pro-rata profit or loss from investments in associates and joint arrangements with a time lag of no more than three months. Income from investments in associates and joint arrangements – excluding distributions – is included in interest and similar income. Accounting policies of associates and joint arrangements are generally adjusted where necessary to ensure consistency with the accounting policies adopted by the Allianz Group.

For further information, please refer to note 46.

Foreign currency translation

Foreign currency translation generally follows the guidance set forth in IAS 21. Income and expenses from subsidiaries that have a functional currency other than the Allianz Group's presentation currency (euro) are translated to euro at the quarterly average exchange rate, unless the subsidiary's functional currency is that of a hyperinflationary economy, in which case the closing rate is applied in accordance with IAS 21.42. Foreign currency gains and losses arising from foreign currency transactions are reported in income from financial assets and liabilities carried at fair value through income (net), except when the gain or loss on a non-monetary item measured at fair value is recognized in other comprehensive income. In this case, any foreign exchange component of that gain or loss is also recognized in other comprehensive income.

Financial instruments

Recognition and derecognition

Financial assets are generally recognized and derecognized on the trade date, i.e., when the Allianz Group commits to purchase or sell securities.

Measurement at fair value

The Allianz Group carries certain financial instruments at fair value and discloses the fair value of all financial instruments.

Assets and liabilities measured or disclosed at fair value in the consolidated financial statements are measured and classified in accordance with the fair value hierarchy in IFRS 13, which categorizes the inputs to valuation techniques used to measure fair value into three levels.

Level 1 inputs of financial instruments traded in active markets are based on unadjusted quoted market prices or dealer price quotations for identical assets or liabilities on the last exchange trading day prior to or at the reporting date, if the latter is a trading day.

Level 2 applies if the market for a financial instrument is not active or when the fair value is determined by using valuation techniques based on observable input parameters.

Level 3 applies if not all input parameters that are significant to the entire measurement are observable in the market. Accordingly, the fair value is based on valuation techniques using non-market observable inputs. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which observable market prices exist, and other valuation models. Appropriate adjustments are made, for example, for credit risks.

For fair value measurements categorized as level 2 and level 3, the Allianz Group uses valuation techniques consistent with the three widely used valuation techniques listed in IFRS 13:

– Market approach: Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
– Cost approach: Amount that would currently be required to replace the service capacity of an asset (replacement cost).
– Income approach: Conversion of future amounts, such as cash flows or income, to a single current amount (present value technique).

There is no one-to-one connection between valuation technique and hierarchy level. Financial instruments are classified in the fair value hierarchy depending on whether valuation techniques are based on significant observable or unobservable inputs.

Estimates and assumptions of fair values and hierarchies are particularly significant when determining the fair value of financial instruments for which at least one significant input is not based on observable market data (classified as level 3 of the fair value hierarchy). The availability of market information is determined by the relative trading levels of identical or similar instruments in the market, with emphasis placed on information that represents actual market activity or binding quotations from brokers or dealers.

The degree of judgment used in measuring the fair value of financial instruments closely correlates with the use of non-market observable inputs. The Allianz Group uses a maximum of observable inputs and a minimum of non-market observable inputs when measuring fair value. Observability of input parameters is influenced by various factors, such as the type of the financial instrument, whether a market is established for the particular instrument, specific transaction characteristics, liquidity, and general market conditions. If the fair value cannot be measured reliably, amortized cost is used as a proxy for determining fair values.

For further information, please refer to note 35.

Impairments

An available-for-sale equity security is considered to be impaired if there is objective evidence that the cost may not be recovered. Such evidence is deemed to exist if there is a significant or prolonged decline in the fair value of the security. The Allianz Group's policy considers a decline to be significant if the fair value is more than 20%. below the weighted average cost. A decline is considered to be prolonged if the fair value is below the weighted average cost for a period of more than nine consecutive months. If an available-for-sale equity security is impaired, any further declines in the fair value at subsequent reporting dates are recognized as impairments.

Hedge accounting

Derivative financial instruments designated as hedging instruments in hedge accounting relationships are included in the line items Other assets and Other liabilities. Freestanding derivatives are included in the line items Financial assets held for trading or Financial liabilities held for trading.

For further information on derivatives, please refer to note 34.

Cash and cash equivalents

Cash and cash equivalents include balances with banks payable on demand, balances with central banks, cash on hand, treasury bills to the extent they are not included in financial assets held for trading, and checks and bills of exchange that are eligible for refinancing at central banks, subject to a maximum term of three months from the date of acquisition.

Financial assets and liabilities carried at fair value through income

Financial assets and liabilities carried at fair value through income include financial assets and liabilities held for trading as well as financial assets and liabilities designated at fair value through income. While the former category includes trading instruments and financial derivatives, the latter category is mainly designated at fair value to avoid accounting mismatches.

Investments

Available-for-sale investments

Available-for-sale investments comprise debt and equity instruments that are designated as available-for-sale or do not fall into the other measurement categories. Realized gains and losses on those instruments are generally determined by applying the average cost method at the subsidiary or the portfolio level.

Funds held by others under reinsurance contracts assumed

Funds held by others under reinsurance contracts assumed relate to cash deposits to which the Allianz Group is entitled, but which the ceding insurer retains as collateral for future obligations of the Allianz Group. The cash deposits are recorded at the amount due on repayment, less any impairment for balances that are deemed not to be recoverable.

Investments in associates and joint ventures

For details on the accounting for investments in associates and joint ventures, please see the section Principles of consolidation.

Real estate held for investment

Real estate held for investment is carried at cost less accumulated depreciation and impairments. Real estate held for investment is depreciated on a straight-line basis over its useful life, with a maximum of 50 years, and regularly tested for impairment.

Fixed assets from alternative investments

These assets are carried at cost less accumulated depreciation and impairments. They are depreciated on a straight-line basis over their useful life, with a maximum of 35 years, and regularly tested for impairment.

Financial assets and liabilities for unit-linked contracts

Financial assets for unit-linked contracts are recorded at fair value, with changes in fair value recognized in the income statement together with the offsetting changes in fair value of the corresponding financial liabilities for unit-linked contracts. They are included in the line item Income from financial assets and liabilities carried at fair value through income (net).

Reinsurance assets

Assets and liabilities related to reinsurance are reported on a gross basis. Reinsurance assets include balances expected to be recovered from reinsurance companies. The amount of reserves ceded to reinsurers is estimated in a manner consistent with the claim liability associated with the reinsured risks. To the extent that the assuming reinsurers are unable to meet their obligations, the respective ceding insurers of the Allianz Group remain liable to their policyholders for the portion reinsured. Consequently, allowances are made for receivables on reinsurance contracts which are deemed uncollectible.

Deferred acquisition costs

Deferred acquisition costs (DAC)

Costs that vary with and are directly related to the acquisition and renewal of insurance contracts and investment contracts with discretionary participation features are deferred by recognizing a DAC asset. At inception, DAC is tested to ensure that it is recoverable over the life of the contracts. Subsequently, loss recognition tests at the end of each reporting period ensure that the DAC is covered by future profits.

For short-duration, traditional long-duration, and limited-payment insurance contracts, DAC is amortized in proportion to premium revenue recognized. For universal life-type and participating life insurance contracts, as well as investment contracts with discretionary participation features, DAC is generally amortized over the life of a book of contracts based on estimated gross profits (EGP) or estimated gross margins (EGM), respectively.

Acquisition costs for unit-linked investment contracts are deferred in accordance with IFRS 15, if the costs are incremental. For non-unit-linked investment contracts accounted for under IAS 39 at amortized cost, acquisition costs that meet the definition of transaction costs under IAS 39 are considered in the aggregate policy reserves.

Present value of future profits (PVFP)

The value of an insurance business or an insurance portfolio acquired is measured by the PVFP, which is the present value of net cash flows anticipated in the future from insurance contracts in force at the date of acquisition. It is amortized over the life of the relevant contracts.

Deferred sales inducements

Sales inducements on non-traditional insurance contracts are deferred and amortized using the same methodology and assumptions as for deferred acquisition costs.

Shadow accounting

For insurance contracts and investment contracts with discretionary participation features, shadow accounting is applied to DAC, PVFP, and deferred sales inducements, in order to include the effect of unrealized gains or losses in the measurement of these assets in the same way as it is done for realized gains or losses. Accordingly, the assets are adjusted with corresponding charges or credits recognized directly in other comprehensive income as a component of the related unrealized gain or loss. When the gains or losses are realized, they are recognized in the income statement through recycling, and prior adjustments due to shadow accounting are reversed.

Other assets

Other assets primarily consist of receivables, accrued dividends, interest, rent and deferred compensation amounts as well as leased or own used real estate, software and equipment. Depreciation is generally computed using the straight-line method over the estimated useful lives of the assets. The right-of-use assets related to leased property and equipment are depreciated generally over the lease term.

The table below summarizes estimated useful lives for real estate held for own use, software, and equipment.

Estimated useful lives (in years)

	Years
Real estate held for own use	max. 50
Software	2-13
Equipment	2-10

Intangible assets and goodwill

Intangible assets with finite useful lives are measured at cost less accumulated amortization and impairments.

The table below summarizes estimated useful lives and the amortization methods for each material class of intangible assets with finite useful lives.

Estimated useful lives (in years) and amortization methods

	Useful lives	Amortization method
Long-term distribution agreements	10 – 20	straight-line considering contractual terms
Acquired insurance contracts	1 – 31	in proportion to the consumption of future economic benefit
Customer relationships	4 – 40	straight-line or in relation to customer churn rates

Goodwill arising from business combinations is recognized in the amount of the consideration transferred plus the amount of any non-controlling interest in the acquiree held by the direct parent in excess of the fair values assigned to the identifiable assets acquired and liabilities assumed. Goodwill is generally carried in the acquiree's functional currency. An evaluation of whether it is deemed recoverable takes place at least once a year.

Further explanations on the impairment test for goodwill and its significant assumptions as well as respective sensitivity analyses are given in note 12.

Insurance, investment, and reinsurance contracts

Insurance and investment contracts

Insurance and investment contracts with discretionary participation features are accounted for under the insurance accounting provisions of US GAAP, as have been applied at first-time adoption of IFRS 4 on 1 January 2005, wherever IFRS 4 does not provide specific guidance. Investment contracts without discretionary participation features are accounted for as financial instruments in accordance with IAS 39.

Reinsurance contracts

The Allianz Group's consolidated financial statements reflect the effects of assumed and ceded reinsurance contracts. Assumed reinsurance premiums, commissions, and claim settlements, as well as the reinsurance element of technical provisions, are accounted for in accordance with the conditions of the reinsurance contracts, and in consideration of the original contracts for which the reinsurance was concluded. When the reinsurance contracts do not transfer significant insurance risk, deposit accounting is applied as required under the related reinsurance accounting provisions of US GAAP or under IAS 39.

Liability adequacy tests

Liability adequacy tests are performed for each insurance portfolio, based on estimates of future claims, costs, premiums earned, and proportionate expected investment income. For short-duration contracts, a premium deficiency is recognized if the sum of expected claim costs and claim adjustment expenses, expected dividends to policyholders, DAC, and maintenance expenses exceeds related unearned premiums while considering anticipated investment income.

For long-duration contracts, a premium deficiency is recognized, if actual experience regarding investment yields, mortality, morbidity, terminations, or expense indicates that existing contract liabilities, along with the present value of future gross premiums, will not be sufficient to cover the present value of future benefits and to recover DAC.

Unearned premiums

For short-duration insurance contracts, such as most of the property and casualty contracts, premiums to be earned in future years are recorded as unearned premiums. These premiums are earned in subsequent periods in relation to the insurance coverage provided.

Amounts charged as consideration for origination of certain long-duration insurance contracts (i.e., initiation or front-end fees) are reported as unearned revenues and, as such, included in unearned premiums. These fees are recognized using the same amortization methodology as DAC, including shadow accounting.

Reserves for loss and loss adjustment expenses

Reserves are established for the payment of losses and loss adjustment expenses (LAE) on claims which have occurred but are not yet settled. Reserves for loss and loss adjustment expenses fall into two categories: case reserves for reported claims and reserves for incurred but not reported losses (IBNR).

Case reserves for reported claims are based on estimates of future payments that will be made with respect to these claims, including LAE relating to such claims. These estimates reflect the informed judgment of claims personnel based on general insurance reserving practices and knowledge of the nature and value of a specific type of claim. These case reserves are regularly re-evaluated in the ordinary course of the settlement process and adjustments are made as new information becomes available.

IBNR reserves are established to recognize the estimated cost of losses that have occurred but where the Allianz Group has not yet been notified. IBNR reserves, similar to case reserves for reported claims, are established to recognize the estimated costs, including expenses, necessary to bring claims to final settlement. The Allianz Group relies on its past experience, adjusted for current trends and any other relevant factors, in estimating IBNR reserves.

IBNR reserves are estimates based on actuarial and statistical projections of the expected cost of the ultimate settlement and administration of claims. The analyses are based on facts and circumstances known at the time, predictions of future events, estimates of future inflation, and other societal and economic factors. Trends in claim frequency, severity, and time lag in reporting are examples of factors used in projecting the IBNR reserves. IBNR reserves are reviewed and revised periodically, as additional information becomes available and actual claims are reported.

Reserves for loss and loss adjustment expenses are not discounted, except when payment amounts are fixed and timing is reasonably determinable.

Reserves for insurance and investment contracts

Reserves for insurance and investment contracts include aggregate policy reserves, reserves for premium refunds, and other insurance reserves.

Aggregate policy reserves

The aggregate policy reserves for participating life insurance contracts are calculated using the net level premium method based on assumptions for mortality, morbidity, and interest rates that are guaranteed in the contract or used in determining the policyholder dividends (or premium refunds).

For traditional long-duration insurance contracts, such as traditional life and health products, aggregate policy reserves are computed using the net level premium method, based on best-estimate assumptions adjusted for a provision for adverse deviation for mortality, morbidity, expected investment yields, surrenders, and expenses at the policy inception date, which remain locked in thereafter unless a premium deficiency occurs.

The aggregate policy reserves for universal life-type insurance contracts are equal to the account balance, which represents premiums received and investment return credited to the policy, less deductions for mortality costs and expense charges. The aggregate policy reserve also includes reserves for investment contracts with discretionary participation features as well as for liabilities for guaranteed minimum mortality and morbidity benefits related to non-traditional contracts with annuitization options and unit-linked insurance contracts. For contracts with a discretionary participation feature, the whole contract is classified as one liability rather than separately recognizing the participation feature.

Insurance contract features not closely related to the underlying insurance contracts are bifurcated from the insurance contracts and accounted for as derivatives in line with IFRS 4 and IAS 39. The embedded derivatives separated from certain life insurance and annuity contracts are recognized as financial liabilities held for trading.

The assumptions used for aggregate policy reserves are determined using current and historical client data, industry data, and, in the case of assumptions for interest rates, reflect expected earnings on assets which back the future policyholder benefits. The information used by the Allianz Group's actuaries in setting such assumptions includes, but is not limited to, pricing assumptions, available experience studies, and profitability analyses.

The average interest rate assumptions per operating entity used in the calculation of deferred acquisition costs and aggregate policy reserves are as follows:

Interest rate assumptions
%

	Traditional long-duration insurance contracts	Participating life insurance contracts
Deferred acquisition costs	2.5 – 6.0	1.6 – 3.9
Aggregate policy reserves	2.5 – 6.0	0.0 – 4.3

The Allianz Group has recognized all rights and obligations related to issued insurance contracts according to its accounting policies, and thus has not separately recognized an unbundled deposit component in respect of any of its insurance contracts.

Non-unit-linked investment contracts without discretionary participation features are accounted for under IAS 39. The aggregate policy reserves for those contracts are initially recognized at fair value, or the amount of the deposit by the contract holder, net of the transaction costs, that are directly attributable to the issuance of the contract. Subsequently, those contracts are measured at amortized cost using the effective interest method.

For contracts where the policyholder has the option to transfer the amounts invested in unit-linked funds to non-unit-linked funds, the insurance contract is reported in both aggregate policy reserves and financial liabilities for unit-linked contracts based upon the investment election at the reporting date.

Reserves for premium refunds

Reserves for premium refunds include the amounts allocated under the relevant local statutory/contractual regulations or, at the entity's discretion, to the accounts of the policyholders and the amounts resulting from the differences between these IFRS-based financial statements and the local financial statements (latent reserves for premium refunds), which will reverse and enter into future profit participation calculations. Unrealized gains and losses recognized for available-for-sale investments are recognized in the latent reserves for premium refunds to the extent that policyholders will participate in such gains and losses on the basis of statutory or contractual regulations when they are realized, based on and similar to shadow accounting. The latent profit participation rates are significant accounting estimates, which take into account legal and/or contractual obligations or – in some jurisdictions – the common market practice. The profit participation allocated to participating policyholders, or disbursed to them, reduces the reserves for premium refunds.

Reserving process

For the business segments Life/Health and Property-Casualty, the central oversight process around reserve estimates includes the setting of group-wide standards and guidelines, regular site visits, as well as regular quantitative and qualitative reserve monitoring.

The oversight and monitoring of the Allianz Group's reserves culminate in quarterly meetings of the Allianz Group Reserve Committee, which is the supervising body that governs all significant reserves. It particularly monitors key developments across the Allianz Group affecting the adequacy of reserves.

Life/Health reserves are subject to estimates and assumptions, especially on the life expectancy and health of an insured individual (mortality, longevity, and morbidity risk) and on the development of interest rates and investment returns (asset-liability mismatch risk). These assumptions also have an impact on the presentation of costs arising from the origination of insurance business (acquisition costs and sales inducements) and the value of acquired insurance business (PVFP). To ensure consistency in the application of actuarial methods and assumptions in the Life/Health reserving process, the Allianz Group has designed a two-stage reserving process:

Stage one: Life/Health reserves are calculated by qualified local staff experienced in the subsidiaries' business. Actuaries in the local entities also conduct tests of the adequacy of the premiums and reserves to cover future claims and expenses (liability adequacy tests). The process follows group-wide standards for applying consistent and plausible assumptions. The appropriateness of the reserves and their compliance with group-wide standards is confirmed by the local actuary.

Stage two: The Allianz Group Actuarial function regularly reviews the local reserving processes, including the appropriateness and consistency of the assumptions, and analyzes the movements of the reserves. Any adjustments to the reserves and other insurance-related reporting items are reported to and analyzed together with the Allianz Group Reserve Committee.

Property-Casualty reserves are set by leveraging the use of actuarial techniques and educated judgment. A two-stage process exists for the setting of reserves in the Allianz Group:

Stage one: Property-Casualty reserves are calculated by local reserving actuaries at the Allianz operating entities. The reserves are set based on a thorough analysis of historical data, enhanced by interactions with other business functions (e.g., Underwriting, Claims, and Reinsurance). Actuarial judgment is applied where necessary, especially in cases where data is unreliable, scanty, or unavailable. The judgment of Property-Casualty actuaries is based on past experience of the characteristics of each line of business, the current stage of the underwriting cycle, and the external environment in which the subsidiary operates. The reserves are proposed to a local reserve committee, whereat the rationale of the selections is discussed and subsequently documented. A final decision on the reserve selection is made in the reserve committee. Local actuaries are responsible for their compliance with the Group Actuarial Standards and Guidelines.

Stage two: The Allianz Group Actuarial function forms an opinion on the adequacy of the reserves proposed by the local entities. The Allianz Group Actuarial function challenges the operating entities' selection through their continuous interaction with local teams and quarterly attendance in the local reserve committees. The ability to form a view on reserve adequacy is further enabled by regular reviews of the local reserving practices. Such reviews consist of an evaluation of the reserving process as well as of the appropriateness and consistency of the assumptions, and an analysis of the movements of the reserves. Significant findings from these reviews are communicated in the Allianz Group Reserve Committee to initiate actions where necessary.

Other liabilities

Pensions and similar obligations

Pensions and similar obligations are measured at present value and presented net of plan assets by applying the provisions of IAS 19. For a reliable estimate of the obligations owed to employees, the Allianz Group makes separate estimates (actuarial assumptions) about demographic variables (such as employee turnover and mortality) and financial variables (such as discount rates, inflation rates, compensation increases, pension increases, and rates of medical cost trends) for each material pension plan, considering the circumstances in the individual countries.

Further explanations and sensitivity calculations are given in note 41.

Share-based compensation plans

The share-based compensation plans of the Allianz Group are classified as either equity-settled or cash-settled plans. Where equity-settled plans involve equity instruments of Allianz SE, a corresponding increase in shareholders' equity is recognized. Where equity-settled plans involve equity instruments of subsidiaries of the Allianz Group, the corresponding increase is recognized in non-controlling interests. Where expected tax deductions differ, in terms of amount and timing, from the cumulative share-based payment expense recognized in profit or loss, deferred taxes are recognized on temporary differences.

Further explanations are given in note 42.

Financial liabilities for puttable financial instruments

The Allianz Group records financial liabilities where non-controlling shareholders have the right to put their financial instruments back to the Allianz Group (puttable instruments). If these non-controlling shareholders still have present access to the risks and rewards associated with the underlying ownership interests, the non-controlling interests remain recognized, and profit and loss is allocated between controlling and non-controlling interests. The financial liabilities for puttable instruments are generally required to be recorded at the redemption amount. The Allianz Group recognizes valuation changes in equity where the non-controlling shareholders have present access to risks and rewards of ownership. In all other cases, valuation changes are recognized in the income statement. As an exception, for puttable instruments that are to be classified as equity instruments in the separate or individual financial statements of the issuer in accordance with IAS 32.16A-16B and are to be presented as liabilities in the consolidated financial statements of the Allianz Group instead of non-controlling interests, valuation changes of these liabilities are always recognized in the income statement. This is the case for puttable instruments issued by mutual funds controlled but not wholly owned by the Allianz Group.

Lease liabilities

The Allianz Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Furthermore, the Allianz Group does not recognize right-of-use assets and lease liabilities for car leases. The expenses relating to the short-term leases and leases of low-value assets including car leases are expensed on a straight-line basis over the lease term.

For further information on these expenses, please refer to note 40.

Certificated liabilities and subordinated liabilities

Certificated liabilities and subordinated liabilities are subsequently measured at amortized cost, using the effective interest method to amortize the premium or discount to the redemption value over the life of the liability.

Equity

Issued capital represents the mathematical per-share value received at the issuance of shares. Additional paid-in capital represents the premium exceeding the issued capital received at the issuance of shares.

Retained earnings comprise the net income of the current year and of prior years not yet distributed, treasury shares, amounts recognized in other comprehensive income, and any amounts directly recognized in equity according to IFRS.

Please refer to the section above for an explanation of foreign currency changes that are recognized in equity. The effective portion of gains and losses of hedging instruments designated as hedges of a net investment in a foreign operation is recognized in foreign currency translation adjustments.

Unrealized gains and losses (net) include unrealized gains and losses from available-for-sale investments and from derivative financial instruments that meet the criteria for cash flow hedge accounting.

Undated subordinated debt comprises Restricted Tier 1 notes that qualify as equity instruments pursuant to IAS 32. The instruments are presented within shareholders' equity and any related interest charges are classified as distributions from shareholders' equity, without affecting profit and loss. The notes are measured at their historical value. In addition, notes denominated in foreign currencies are translated to euro at the quarterly closing exchange rate. The corresponding foreign exchange differences are recognized as foreign currency translation adjustments in equity.

Non-controlling interests represent equity in subsidiaries, not attributable directly or indirectly, to Allianz SE as parent.

Premiums

Premiums for short-duration insurance contracts are recognized as revenues over the period of the contract in proportion to the amount of insurance protection provided. Premiums for long-duration insurance contracts are recognized as earned when due.

Revenues for universal life-type and investment contracts represent charges assessed against the policyholders' account balances for front-end loads, net of the change in unearned revenue liabilities and cost of insurance, surrenders, and policy administration, and are included within premiums earned (net).

Premiums ceded for reinsurance are deducted from premiums written.

Interest and similar income, and interest expenses

Interest income and interest expenses are recognized on an accrual basis using the effective interest method. This line item also includes dividends from available-for-sale equity securities as well as income from investments in associates and joint ventures. Dividends are recognized in income when the right to receive the dividend is established.

Income from financial assets and liabilities carried at fair value through income (net)

Income from financial assets and liabilities carried at fair value through income (net) includes all investment income as well as realized and unrealized gains and losses from financial assets and liabilities carried at fair value through income. In addition, commissions attributable to trading operations and related interest expenses as well as refinancing and transaction costs are included in this line item. Foreign currency gains and losses on monetary items are also reported within income from financial assets and liabilities carried at fair value through income (net).

Fee and commission income

Fee and commission income primarily consists of asset management fees which are recognized when the service is provided. For those fees, the service is considered to be provided periodically. Performance fees may not be recognized as fee income before the respective benchmark period is completed. Before its completion, the obligation to pay the fee is conditional, the fund performance is regularly not reliably estimable, and the related service is not fully performed. Carried interest is generally recognized as revenue on the date of the formal declaration of distribution by the investee and only earlier if sufficient evidence exists to support that it is highly probable that a significant reversal of carried interest revenue will not occur. The transaction price for asset management services is determined by the fees contractually agreed.

Lease income

Lease income from operating leases (excluding receipts for services provided such as insurance and maintenance, which are recognized directly as income) is recognized on a straight line basis over the lease term, even if the receipts are not on such a basis, for example upfront payments.

Claims and insurance benefits incurred

These expenses consist of claims and insurance benefits incurred during the period, including benefit claims in excess of policy account balances and interest credited to policy account balances. Furthermore, it includes claims handling costs directly related to the processing and settlement of claims. Reinsurance recoveries are deducted from claims and insurance benefits.

Income taxes

Current income taxes are calculated based on the respective local taxable income and local tax rules for the period. In addition, current income taxes presented for the period include adjustments for uncertain tax payments or tax refunds for periods not yet finally assessed, excluding interest expenses and penalties on the underpayment of taxes. In the event that amounts included in the tax return are considered unlikely to be accepted by the tax authorities (uncertain tax positions), a provision for income taxes is recognized. The amount is based on the best possible assessment of the tax payment expected. Tax refund claims from uncertain tax positions are recognized when it is probable that they can be realized.

Deferred tax assets and liabilities are calculated for temporary differences between the tax bases and the financial statement carrying amounts, including differences from consolidation, unused tax loss carry-forwards, and unused tax credits. The measurement of deferred tax assets has to take into account estimates on the availability of future taxable profits. This includes the character and amounts of taxable future profits, the periods in which those profits are expected to occur, and the availability of tax planning opportunities. The Allianz Group recognizes a valuation allowance for deferred tax assets when it is unlikely that a corresponding amount of future taxable profit will be available against which the deductible temporary differences, tax loss carry forwards and tax credits can be utilized.

Further explanations are given in note 33.

Recently adopted accounting pronouncements

The following amendments and revisions to existing standards became effective for the Allianz Group's consolidated financial statements as of 1 January 2022:

– IFRS 3, Updating a Reference to the Conceptual Framework,
– IAS 16, Property, Plant and Equipment: Proceeds before Intended Use,
– IAS 37, Onerous Contracts – Cost of Fulfilling a Contract, and
– Annual Improvements to IFRS Standards 2018–2020 cycle (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41).

These changes had no material impact on the Allianz Group's financial results or financial position.

Recently issued accounting pronouncements

IFRS 17, Insurance Contracts

IFRS 17 supersedes IFRS 4 which was intended as an interim solution and allowed insurers to continue to use accounting principles that they had applied prior to the initial adoption of IFRS. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurance contracts held, and investment contracts with discretionary participation features. The effective date of the new standard is 1 January 2023. The latest amendment issued by the IASB on 9 December 2021 adds a transition option that permits an entity to apply a classification overlay in the comparative periods presented on initial application of IFRS 17. The overlay allows all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17, to be classified, on an instrument-by-instrument basis, in the comparative periods in a manner that aligns with how the entity expects those assets to be classified on initial application of IFRS 9 (see separate section "IFRS 9, Financial Instruments" below). The Allianz Group will apply the classification overlay, including the impairment requirements of IFRS 9, consistently to all eligible financial instruments.

Level of aggregation

IFRS 17 requires the separation of embedded derivatives, investment components, and performance obligations to provide non-insurance goods and services from the host insurance contract, if certain conditions are met. The individual components need to be accounted for separately according to IFRS 9 (embedded derivatives, investment components) or IFRS 15 (non-insurance goods and services). Measurement is not carried out at the level of individual contracts, but on the basis of groups of contracts. To allocate individual insurance contracts to groups of contracts, an entity first needs to define portfolios which include contracts with similar risks that are managed together. These portfolios are to be subdivided into groups of contracts on the basis of profitability and annual cohorts. On 23 November 2021, the E.U. Commission endorsed IFRS 17 into E.U. law. The requirement to form annual cohorts that prevents contracts issued more than one year apart from being included in the same group (IFRS 17.22) is subject to an optional exemption in the E.U. endorsement: The E.U. Commission grants E.U. users the right to choose whether or not to apply the requirement in IFRS 17.22 for certain contracts. Allianz will not avail itself of this exemption and will apply IFRS 17 as issued by the IASB.

Measurement models

IFRS 17 introduces three new measurement models, reflecting a different extent of policyholder participation in investment performance or overall insurance entity performance. First, the general measurement model, also known as the building block approach, consists of the fulfillment cash flows and the contractual service margin. The fulfillment cash flows represent the risk-adjusted present value of an entity's rights and obligations to the policyholders, comprising estimates of expected cash flows, discounting, and an explicit risk adjustment for non-financial risk. The contractual service margin represents the unearned profit from in-force contracts that an entity will recognize as it provides services over the coverage period. At inception, the contractual service margin cannot be negative. If the fulfillment cash flows lead to a negative contractual service margin at inception, it will be set to zero and the negative amount will be recorded immediately in the income statement. At the end of a reporting period, the carrying amount of a group of insurance contracts is the sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). The liability for remaining coverage consists of the fulfillment cash flows related to future services and the contractual service margin, while the liability for incurred claims consists of the fulfillment cash flows related to past services. The contractual service margin gets adjusted for changes in cash flows related to future services and for the interest accretion at interest rates locked-in at initial recognition of the group of contracts. A release from the contractual service margin is recognized in profit or loss each period to reflect the services provided in that period based on "coverage units".

Second, the variable fee approach is a mandatory modification of the general measurement model regarding the treatment of the contractual service margin in order to accommodate direct participating contracts. An insurance contract has a direct participation feature if the following three requirements are met: the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items; the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and the entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items. The assessment of whether an insurance contract meets these three criteria is made at inception of the contract and not revised subsequently, except in case of a substantial modification of the contract. For contracts with direct participation features, the contractual service margin is adjusted for changes in the amount of the entity's share of the fair value of the underlying items. No explicit interest accretion is required since the contractual service margin is effectively remeasured when it is adjusted for changes in financial risks.

Third, the premium allocation approach (PAA) is a simplified approach for the measurement of the liability of remaining coverage an entity may choose to use when the premium allocation approach provides a measurement which is not materially different from that under the general measurement model or if the coverage period of each contract in the group of insurance contracts is one year or less. Under the premium allocation approach, the liability for remaining coverage is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and acquisition cash flows that have been recognized in profit or loss over the expired portion of the coverage period based on the passage of time.

The measurement of the liability for incurred claims is identical under all three measurement models, apart from the determination of locked-in interest rates used for discounting.

Approaches chosen by Allianz

IFRS 17 does not prescribe a specific approach for determining the risk adjustment for non-financial risk. Allianz applies a Cost of Capital approach with a current Cost of Capital rate of 6% as under Solvency II. Besides some minor differences, the main difference is that IFRS 17 requires reflection of risk diversification across subsidiaries, which is not permitted under Solvency II. Allianz currently applies a diversification factor of 73% leading to a diversification benefit of 27%.

IFRS 17 only provides principle-based guidance on how to determine coverage units required for the release of the contractual service margin. Allianz defines the account value for the reflection of investment services and the sum at risk for insurance services as the default approach to determine these coverage units. If multiple services are provided in one contract, a weighting is applied.

Presentation

In the balance sheet, deferred acquisition costs and insurance-related receivables will no longer be presented separately but as part of the insurance liabilities. This change in presentation will lead to a reduction in total assets, offset by a reduction in total liabilities.

The amounts presented in the income statement need to be disaggregated into an insurance service result, consisting of the insurance revenue and the insurance service expenses, and insurance finance income and expenses. Income or expenses from reinsurance contracts held need to be presented separately from the expenses or income from insurance contracts issued.

IFRS 17 contains an accounting policy option to recognize changes in financial parameters either in profit or loss or in other comprehensive income. This so-called "OCI option" can be exercised at the level of individual portfolios. The Allianz Group will generally make use of this option. When applying the OCI option, the amount included in profit or loss will be determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts.

Financial impact

Based on assessments to date, the Allianz Group estimates the impact on its consolidated balance sheet by IFRS 17 and IFRS 9 to be as follows:

Consolidated opening balance sheet
€ bn

	As of 1 January 2022
ASSETS	
Cash and cash equivalents	24.2
Investments	837.9
Financial assets for unit-linked contracts	158.4
Insurance contracts that are assets	-
Reinsurance contracts that are assets	26.2
Deferred tax assets	4.7
Other assets	27.2
Intangible assets	18.2
Total assets	**1,096.8**
LIABILITIES AND EQUITY	
Financial liabilities	50.9
Insurance contracts that are liabilities	883.1
Reinsurance contracts that are liabilities	0.1
Investment contract liabilities	55.9
Deferred tax liabilities	2.4
Other liabilities	39.0
Total liabilities	1,031.2
Shareholders' equity	61.3
Non-controlling interests	4.2
Total equity	65.6
Total liabilities and equity	**1,096.8**

The total estimated impact on total equity at transition to IFRS 17 and 9 is a reduction from € 84.2 bn to € 65.6 bn. This reduction is mainly driven by OCI on insurance business, as shareholder margin on unrealized gains for direct participating business moves to the contractual service margin as part of the liabilities. The net balance of the contractual service margin for (re-)insurance contracts that are assets and those that are liabilities amounts to € 57.8 bn.

The (re-)insurance contracts that are assets and the (re-)insurance contracts that are liabilities break down to be as follows:

(Re-)Insurance contracts that are assets
€ bn

	As of 1 January 2022
Liability for remaining coverage for reinsurance contracts held	
Premium allocation approach	2.5
Present value for future cash flows	42.6
Risk adjustment	1.7
Contractual service margin	1.6
Subtotal	48.3
Liability for incurred claims for reinsurance contracts held	
Cash flows	11.0
Risk adjustment	0.5
Subtotal	11.5
Net liability from deposits and others	(33.7)
Total	**26.2**

(Re-)Insurance contracts that are liabilities
€ bn

	As of 1 January 2022
Liability for remaining coverage	
Premium allocation approach	18.4
Present value of future cash flows	720.0
Risk adjustment	6.5
Contractual service margin	59.4
Subtotal	804.3
Liability for incurred claims	
Cash flows	82.9
Risk adjustment	2.4
Subtotal	85.3
Net assets from receivables and payables for insurance business and others	(6.4)
Total	**883.2**

Property-Casualty business

General description

For non-life insurance contracts, a large part of the business qualifies for the premium allocation approach (> 99% of gross premiums written). The premium allocation approach has similar mechanics to the current IFRS approach, and the introduction of IFRS 17 will therefore only have a limited impact on the main result drivers and only limited judgmental areas for the underwriting result. The estimation of the expected claims with regard to the loss reserves is the main area of judgment for Property-Casualty business and remains unaffected by the introduction of IFRS 17. The Allianz Group's Property-Casualty loss reserves under IFRS 4 are already accounted for at their best estimate and these values are continued under IFRS 17.

The main changes for non-life insurance contracts accounted under the premium allocation approach compared to the current IFRS approach comprise the mandatory discounting of loss reserves, a higher transparency of loss-making portfolios due to a more granular onerous contract testing, and the introduction of the risk adjustment for non-financial risk. While loss reserves are undiscounted under current IFRS, except for annuity claims, loss reserves are discounted under IFRS 17. As a consequence, accident year loss ratios will be lower under IFRS 17 compared to current IFRS but also more volatile due to the impact of changes in interest rates. The standard requires the determination of the interest curve using observable market data based on a risk-free base curve and portfolio-specific adjustments to reflect the illiquidity of insurance obligations.

IFRS 17 requires reflecting expected losses over a contract's lifetime at initial recognition in the income statement and the balance sheet as a loss component. The approach is very similar to the current premium deficiency testing, but IFRS 17 requires the calculation on a more granular level. As offsetting expected losses with profitable sets of insurance contracts is not allowed, the increasing granularity leads to an increasing number of so-called onerous groups of contracts.

Furthermore, IFRS 17 will change the presentation of insurance contract revenue: a gross written premium will no longer be presented in the statement of comprehensive income. Insurance contract revenue is defined in such a manner as to achieve comparability with the revenue of other industries and, in particular, investment components may not be recognized as part of insurance contract revenue.

Applying the OCI option, loss reserves are discounted for profit or loss with locked-in interest rates from the respective accident years, and the discounting effect needs to be recognized as interest accretion in the investment result until reserves expire.

KPIs

From a P&L and KPI perspective, the general measurement model and premium allocation approach lead to almost identical results and the Allianz Group does not intend to provide general measurement model specific KPIs for the Property-Casualty segment. The (net) combined ratio will remain the main KPI for the Property-Casualty segment and will be defined as the sum of insurance service expenses and the reinsurance result, divided by insurance revenue. This means that the calculation of the combined ratio will be based on gross instead of net earned premiums as under IFRS 4. The claims ratio will be impacted favorably by this gross view as well as by the discounting of the reserves. While the integration of the reinsurance result into the claims ratio will have an unfavorable impact, the impacts from the risk adjustment for non-financial risk and the loss component are expected to be minor. The expense ratio is expected to be lower than under IFRS 4 due to the move to the gross view. Overall, the Allianz Group expects the combined ratio to be on a slightly lower level than today.

Impact on results

The main profit KPIs used in the Allianz Group are the shareholders net income as a key IFRS measure (after tax and minority interest) and the operating profit as an IFRS-related KPI that emphasizes the result of the Allianz Group's core operations (before tax and minority interest). The definition of the operating profit under IFRS 9 and 17 will follow the same principles as currently and exclude volatile investment elements and certain one-off income or expenses. Overall, based on the accounting policies applied and simplified test runs performed in recent years, the Allianz Group expects the operating profit of the Property-Casualty segment under IFRS 17 to be on a slightly higher level as under IFRS 4, albeit being more sensitive to interest rate changes. The Allianz Group also expects IFRS 17 based net income to be on a comparable level as under IFRS 4, however, with a moderately higher volatility due to the increased volatility in financial assets following the introduction of IFRS 9. These expectations are based on the following key considerations:

- Due to the applicability of the premium allocation approach for the vast majority of the Property-Casualty portfolio, the Allianz Group does not expect significant changes to the financial position or performance in the Property-Casualty segment, other than those resulting from the discounting of loss reserves as well as the recognition of a risk adjustment for non-financial risk.
- The level of insurance revenue compared to gross earned premiums under IFRS 4, as well as the level of the respective expenses for claims, will be slightly lower due to the exclusion of investment components under IFRS 17. Before consideration of investment components, the insurance revenue under IFRS 17 is expected to be comparable to the gross earned premiums under IFRS 4.
- The undiscounted claims estimates under IFRS 17 are identical to those under IFRS 4, and hence, claims expenses would not differ. However, IFRS 17 introduces the concept of discounting and requires the explicit recognition of a risk adjustment for non-financial risk. As interest rates have increased in 2022 and are to be expected to remain on an elevated level in 2023, the Allianz Group expects a positive net impact on the total claims expenses recognized in accordance with IFRS 17 in 2023 compared to IFRS 4. Volatility in interest rates can lead to volatility in the claims expenses, and hence, the combined ratio in future periods.
- While the operating investment income (i.e., interest and dividends) will remain almost unchanged, the interest accretion on historic loss reserves will notably decrease the investment result.
- The Allianz Group changed the measurement bases of certain financial assets from "at fair value through OCI" to "at fair value through P&L" due to the financial instrument classification requirements under IFRS 9. This change in classification is expected to lead to moderately more volatility in net income but is not considered an operating item and as such is reported in non-operating profit.
- The Allianz Group does not expect any material impact from the recognition of expected credit losses, assuming a comparable economic environment in 2023 compared to 2022. For the vast majority of the financial assets, the expected credit losses are determined based on a 12-month horizon consistent with the high credit quality of the Allianz Group's investment portfolio.

Life/Health business

General description

For long-duration life insurance contracts, IFRS 17 is expected to have a significant impact on actuarial modeling, as more granular cash flow projections and regular updates of all assumptions will be required, either impacting profit or loss or the contractual service margin. The Allianz Group re-uses the cash flow models developed for Solvency II reporting and embedded value to the extent possible and reasonable. Best estimate assumptions are in general consistent with Solvency II. However, specifications to cash flow models are made, if considered necessary. For example, IFRS 17 takes a more economic view on contract boundaries, i.e., requires anticipating renewals or top-up premiums to a larger extent than Solvency II in some cases.

In general, direct participating business, where the rules on profit sharing are defined by legal/contractual rights, will be eligible for the variable fee approach (approximately 2/3 of present value of future cash flows in the Life/Health segment). Indirect participating business, where the payments to the policyholder depend on the investment performance but there are no fixed rules on how the performance is passed on to the policyholders, as well as non-participating business, i.e., business without policyholder participation, including savings and risk business, will be accounted for under the general measurement model. The Allianz Group will continue to have unit-linked investment contracts (to be accounted for under IFRS 9) and unit-linked insurance contracts, which are contracts with significant insurance risk, e.g., via death or other insurance riders, and will be accounted for under the variable fee approach. Overall, measured as a percentage of the liability of remaining coverage as at transition, approx. 79% of the Allianz Group's Life/Health business will be accounted for under the variable fee approach and approx. 21% under the general measurement model.

Current IFRS equity contains the shareholder share of unrealized capital gains in other comprehensive income. These will be part of the insurance liabilities accounted for under the variable fee approach. This will result in a decrease of equity and a corresponding moderate increase of the return on equity, as the operating profit is expected to remain on a similar level as under IFRS 4 (see "Impact on results" below).

KPIs

Besides the operating profit and the return on equity, the IFRS 17/9 New Business Value will be one of the main KPIs in the Life/Health segment. The starting point of this KPI will be the contractual service margin at inception which will be adjusted by non-attributable costs, reinsurance and contracts in the Life/Health segment accounted for under the premium allocation approach or IFRS 9. Compared to the currently used Solvency II New Business Value, the IFRS 17/9 New Business Value will be conceptually higher due to the exclusion of taxes and minorities, a slightly higher diversification benefit applied for the risk adjustment for non-financial risk, and different valuation curves.

Impact on results

The release of the contractual service margin (which presents the release of earned profits from in-force business and is therefore a measure of profit emergence) and the release of the risk adjustment for non-financial risk (which presents the release of an incremental compensation for uncertainty arising from insurance contracts) will become the main components for the operating profit in the Life/Health segment. Overall, based on the accounting policies applied and simplified test runs performed in recent years, the Allianz Group expects the operating profit of the Life/Health segment under IFRS 17 to be on a comparable level as under IFRS 4. The Allianz Group also expects IFRS 17 based net income to be on a comparable level as under IFRS 4, however, with a moderately higher volatility due to the increased volatility in financial assets following the introduction of IFRS 9. These expectations are based on the following key considerations:

– The Allianz Group assumes that assumptions about the economic environment remain comparable with expectations in 2022 and, hence, assumptions about management and policyholder behavior to be consistent with expectations in 2022. A significantly different economic environment or significantly different individual assumptions could lead to differences compared to the operating profit under IFRS 4, as assumptions under IFRS 17 have to be updated more frequently. The use of current assumptions will affect the measurement of the contractual service margin and fulfillment cash flows, and will consequently lead to a different operating income due to the release of the contractual service margin and the risk adjustment for non-financial risk.
– The Allianz Group further assumes that non-economic assumptions, such as mortality or longevity, for 2023 will be comparable to the ones applied in 2022.
– Significant parts of the Allianz Group's Life/Health business are measured under the variable fee approach. For those contracts, variances from financial assets and insurance contracts will be predominantly absorbed by adjustments to the fulfillment cash flows or the contractual service margin. The adjustments to the contractual service margin will be released to profit or loss over the remaining coverage period of the individual group of insurance contracts.
– The Allianz Group does not expect any material impact from the recognition of expected credit losses, assuming a comparable economic environment in 2023. For the vast majority of the financial assets, the expected credit losses are determined based on a 12-month horizon consistent with the high credit quality of the Allianz Group's investment portfolio.

Transition

IFRS 17 has to be applied retrospectively unless this is impracticable. Fulfillment cash flows are determined prospectively at every reporting date, including the date of initial application. However, the contractual service margin is rolled-forward over time, a split of profits between equity ("earned profits") and contractual service margin ("unearned profits") is required, but is operationally often very challenging. If a full retrospective application is impracticable, an entity can choose between applying a modified retrospective approach or a fair value approach. The objective of the modified retrospective approach is to use reasonable and supportable information available without undue cost or effort to achieve the closest possible outcome to full retrospective application. To the extent a retrospective determination is not possible, certain modifications are allowed. Under the fair value approach, the contractual service margin of a group of contracts at transition is determined as the difference between the fair value of this group at transition determined in accordance with IFRS 13 and the corresponding IFRS 17 fulfillment cash flows measured at transition. Besides the determination of the contractual service margin, another key topic at transition is the determination of historic interest rates. Allianz makes use of the introduction of Solvency II, which is the general basis for the interest rates as explained above.

Due to the general short duration of non-life insurance contracts, the retrospective application of IFRS 17 is more challenging for life insurance contracts. At transition, 75% of the contractual service margin has been determined via a retrospective approach and 25% via a fair value approach.

IFRS 9, Financial Instruments

IFRS 9, Financial Instruments, issued by the IASB in July 2014, fully replaces IAS 39 and provides a new approach on how to classify financial instruments based on their cash flow characteristics and the business model under which they are managed. Furthermore, the standard introduces a new forward-looking impairment model for debt instruments and provides new rules for hedge accounting.

The main impact from IFRS 9 will arise from new classification rules which require more financial instruments being measured at fair value through income as well as the new impairment model. Interdependencies with IFRS 17 need to be considered to assess the ultimate combined impact of both standards. For this reason, the expected impact of IFRS 9 is explained in the section on IFRS 17 above.

The amendments to IFRS 4, Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts, issued in September 2016, allow entities that issue insurance contracts within the scope of IFRS 4 to defer the implementation of IFRS 9 until 1 January 2021 under certain circumstances. However, together with the Amendments to IFRS 17 that were issued in June 2020, the IASB also published "Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)" to defer the fixed expiry date in IFRS 4 for the temporary exemption from applying IFRS 9 to annual periods beginning on or after 1 January 2023.

Given the strong interrelation between the measurement of direct participating insurance contracts and the underlying assets held, the Allianz Group has decided to use the option to defer the full implementation of IFRS 9 until IFRS 17 becomes effective.

In order to qualify for the temporary exemption, an entity has to prove that its activities are predominantly connected to insurance as of 31 December 2015. Under the amended IFRS 4, this condition is met if the insurer carries significant liabilities arising from contracts within the scope of IFRS 4. Significant insurance-related liabilities are given, among others, if the percentage of the total carrying amount of liabilities connected with insurance relative to the total carrying amount of all liabilities is greater than 90 %. A reassessment at a subsequent annual reporting date is required if, and only if, there was a change in the entity's activities during the annual period that ended on that date.

As of 31 December 2015, the Allianz Group's total carrying amount of liabilities connected with insurance amounted to € 722 bn, which represented more than 90% of its total liabilities of € 783 bn. Thereof, non-derivative investment contract liabilities measured at fair value through income applying IAS 39 amounted to € 107 bn, mostly consisting of financial liabilities for unit-linked contracts. Other insurance-related liabilities amounted to € 40 bn and included mainly other liabilities (e.g., payables as well as employee-related liabilities) as well as subordinated liabilities and financial liabilities carried at fair value through income related to certain derivatives. No change in the activities of the Allianz Group occurred subsequently that would have required a reassessment.

The following table provides an overview of the fair values as of 31 December 2022 and the amounts of change in the fair values during the reporting period separately for financial assets that meet the SPPI criterion and for all other financial assets:

Financial assets under IFRS 9 classification rules
€ mn

As of 31 December 2022	Financial assets that meet the SPPI criterion[1]		All other financial assets	
	Fair value	Fair value change during the reporting period	Fair value	Fair value change during the reporting period
Cash and cash equivalents	22,573	13	-	-
Debt securities				
Government and government agency bonds	180,882	(56,184)	2,276	(256)
Covered bonds	43,253	(9,135)	1,435	(735)
Corporate bonds	234,880	(52,457)	15,569	(1,368)
MBS/ABS	24,412	(2,971)	1,854	(243)
Other debt securities	38,027	(6,588)	14,964	(23)
Subtotal	521,454	(127,335)	36,098	(2,625)
Equity securities	-	-	66,843	(4,910)
Financial assets for unit-linked contracts	-	-	141,024	(19,084)
Derivative financial instruments	-	-	9,174	-
Other	19,913	-	-	-
Total	**563,940**	**(127,322)**	**253,139**	**(26,619)**

1_Excluding any financial asset that meets the definition of held for trading in IFRS 9 or that is managed and whose performance is evaluated on a fair value basis.

Financial assets that meet the SPPI criterion are those with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The following table provides information about the credit risk exposures for financial assets with contractual terms that meet the SPPI criterion. It includes the carrying amounts applying IAS 39 (in the case of financial assets measured at amortized cost before adjusting for any impairment allowances):

Carrying amounts of financial assets that meet the SPPI[1] criterion by rating
€ mn

As of 31 December 2022	Cash and cash equivalents	Government and government agency bonds	Covered bonds	Corporate bonds	MBS/ABS	Other debt securities	Other
Investment grade							
AAA	-	38,849	33,526	6,037	13,029	5,780	-
AA	-	69,570	9,650	24,190	6,077	18,072	-
A	-	28,761	305	83,436	3,196	10,675	-
BBB	-	35,299	27	106,915	1,628	3,562	-
Non-investment grade	-	9,411	-	12,520	452	1,258	-
Not rated	22,573	211	14	6,249	30	2,880	19,913
Total	**22,573**	**182,101**	**43,522**	**239,347**	**24,412**	**42,227**	**19,913**

1_Excluding any financial asset that meets the definition of held for trading in IFRS 9 or that is managed and whose performance is evaluated on a fair value basis.

The fair values of financial assets included in the table above that are non-investment grade, and thus do not have low credit risk as of 31 December 2022, approximately equal the respective carrying amounts. The same also applies to non-rated financial assets.

The publicly available IFRS 9 information disclosed by some subsidiaries that already apply IFRS 9 is not material from the Allianz Group's perspective. Furthermore, the vast majority of the financial instruments of these subsidiaries are financial assets for unit-linked contracts that are recorded at fair value through income under IAS 39 as well as under IFRS 9.

The Allianz Group's investments in associates and joint ventures that are insurance entities also apply the temporary exemption of applying IFRS 9 to the extent they qualify. All other investments in associates and joint ventures held by the Allianz Group had already adopted IFRS 9 as of 1 January 2018. The impact of adopting or deferring the application of IFRS 9 for the investments in associates or joint ventures is not material for the Allianz Group.

Further amendments and interpretations

In addition to the aforementioned accounting pronouncements recently issued, the following amendments and revisions to standards and interpretations have been issued by the IASB but are not yet effective for or have not been adopted early by the Allianz Group.

Further amendments and interpretations

Standard/Interpretation	Effective date
IAS 1, Disclosure of Accounting Policies, and IFRS Practice Statement 2, Making Materiality Judgements	Annual periods beginning on or after 1 January 2023
IAS 8, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	Annual periods beginning on or after 1 January 2023
IAS 12, Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	Annual periods beginning on or after 1 January 2023
IFRS 17, Initial Application of IFRS 17 and IFRS 9 – Comparative Information	Annual periods beginning on or after 1 January 2023
IAS 1, Classification of Liabilities as Current or Non-current	Annual periods beginning on or after 1 January 2024
IAS 1, Non-current Liabilities with Covenants	Annual periods beginning on or after 1 January 2024
IFRS 16, Lease Liability in a Sale and Leaseback	Annual periods beginning on or after 1 January 2024

The envisaged application of the amendments to IFRS 17 in 2023 is described in more detail in the section "Recently issued accounting pronouncements - IFRS 17, Insurance Contracts" above.

Beyond that, the further amendments and interpretations are not expected to have a material impact on the financial position and financial results of the Allianz Group. Early adoption is generally allowed but not intended by the Allianz Group.

3 _ War in Ukraine

The war in Ukraine concerns the Allianz Group as a business operator with economic and financial implications, as an employer, and as a member of the international community. The repercussions of the war in Ukraine and an escalation of geopolitical conflicts are unpredictable and have the potential to significantly impact international financial markets and economies, e.g., due to higher inflation – or even stagflation – from energy prices, lower equity prices, a widening of credit spreads, as well as a rise in credit defaults.

The Allianz Group expects to continue to remain sufficiently capitalized, in compliance with the regulatory Solvency Capital Requirement.

The Allianz Group is neither insuring new business nor making new investments on behalf of its own investment portfolio in Russia or Belarus. The operating entities are no longer underwriting new insurance business in Russia, and have decisively reduced exposure in an orderly manner.

The Russian operations of the Allianz Group are classified as a disposal group as held for sale. For further information, please see note 4.

Overall, the financial impact on the consolidated financial statements is so far limited for the Allianz Group. For the year ended 31 December 2022, impairments on Russian and Belarussian debt securities in the amount of € 1.1 bn had a total net impact of € (0.2) bn: € (0.1) bn for the business segment Property-Casualty and € (0.1) bn for the business segment Life/Health, after policyholder participation and taxes. Additionally, impairments on Ukrainian government bonds in the amount of € 0.3 bn had a net impact of € (74) mn: € (43) mn for the business segment Property-Casualty and € (31) mn for the business segment Life/Health.

In the fourth quarter of 2022, an onerous contract provision of € 409 mn for the expected disposal loss has been recognized. For further information, please see note 4.

4 _ Consolidation and classification as held for sale

Business combination in 2022

European Reliance General Insurance Company S.A., Chalandri

On 28 July 2022, through an over-the-counter transaction, the Allianz Group completed the acquisition of 72 % of the shares of European Reliance General Insurance Company S.A., Chalandri, a leading Greek insurer, as agreed by virtue of certain share purchase agreements signed on 11 February 2022 with major shareholders. During the period from 11 February 2022 to 28 July 2022, the Allianz Group also acquired an additional 16 % of the company's shares on the stock exchange. In the period after 28 July 2022 and until 21 September 2022, the Allianz Group acquired all remaining non-controlling interests and since owns 100 % of the shares of European Reliance General Insurance Company S.A. The total consideration for these acquisitions amounts to € 207 mn.

The business combination is the continuation of the Allianz Group's stated strategy to grow its franchise by leveraging its scale and expertise, empowering the Allianz Group to pursue further growth in the Greek market and expand through new product offerings, distribution channels, and customer pools.

The Allianz Group acquired identifiable assets and liabilities with a fair value of € 525 mn and € 392 mn, respectively. Overall, the impact of the transaction on the financial position of the Allianz Group is not material.

Business combination after the reporting date

Innovation Group Holdings Ltd., Whiteley

On 12 January 2023, the Allianz Group completed the acquisition of 100 % of the shares of Innovation Group Holdings Ltd., Whiteley, a leading global provider of claims and technology solutions to the insurance and automotive.

Innovation Group's capabilities will complement the Allianz Group's existing claims management assets. For example, Innovation Group operates a proprietary software platform for business processes, which enables largely automated claims management through a simple, intuitive user interface and connects all relevant participants, including data providers, in the claims process.

The Allianz Group expects that the acquired identifiable assets and liabilities are not material. Expected cost synergies and future revenues from operating Innovation Group independently serving all customers are the main factors that make up the goodwill.

Significant business combinations in 2021

In 2021, the Allianz Group acquired 100 % of the general insurance business of Westpac Banking Corporation (Westpac) and entered into a new 20-year exclusive agreement for the distribution of general insurance products to Westpac customers. Further, the Allianz Group acquired 100 % of Aviva Italia S.p.A., the non-life insurance company of the Aviva Group in Italy, and 100 % of the life and non-life insurance operations, as well as pension and asset management business in Poland and Lithuania from the Aviva Group. For more information, please see note 3 to the Annual Report 2021.

Classification as held for sale

Non-current assets and disposal groups classified as held for sale
€ mn

	As of 31 December 2022	As of 31 December 2021
Assets of disposal groups classified as held for sale		
African business operations[1]	2,741	-
Russian business operations	554	-
Other disposal groups	27	-
Subtotal	3,323	-
Non-current assets classified as held for sale		
Real estate held for investment	-	125
Real estate held for own use	1	20
Associates and joint ventures	-	1
Subtotal	1	145
Total	**3,324**	**145**
Liabilities of disposal groups classified as held for sale		
African business operations[1]	2,097	-
Russian business operations	864	-
Other disposal groups	137	-
Total	**3,098**	**-**

1_African business of the Global Insurance Lines is not affected.

African business operations

On 4 May 2022, the Allianz Group announced the conclusion of agreements to form a partnership with Sanlam Ltd., Cape Town, a non-banking financial service company in Africa, by contributing its African business operations and further capital contributions in consideration for a minority shareholding in the partnership.

The assets and liabilities of the affected operations across Africa classified as held for sale are allocated to the reportable segments Global Insurance Lines & Anglo Markets, Middle East and Africa (Property-Casualty and Life/Health).

Reclassified assets and liabilities
€ mn

Cash and cash equivalents	180
Investments	1,388
Loans and advances to banks and customers	119
Financial assets for unit-linked contracts	442
Reinsurance assets	140
Deferred acquisition costs	17
Deferred tax assets	8
Other assets	326
Intangible assets	123
Total assets	**2,741**
Liabilities to banks and customers	2
Unearned premiums	132
Reserves for loss and loss adjustment expenses	420
Reserves for insurance and investment contracts	854
Financial liabilities for unit-linked contracts	442
Deferred tax liabilities	21
Other liabilities	226
Total liabilities	**2,097**

As of 31 December 2022, cumulative losses of € 127 mn were reported in other comprehensive income relating to the disposal group classified as held for sale. No impairment loss has been recognized in connection with this transaction. The agreement is subject to certain conditions precedent that Sanlam and/or the Allianz Group would be required to fulfill for each jurisdiction. The completion of the transaction is expected for 2023.

Sale of Russian business operations to Interholding LLC, Moscow

On 3 June 2022, the Allianz Group announced to dispose of 50 % plus one share in its Russian business operations to Interholding LLC, Moscow, the owner of Russian Property and Casualty insurer Zetta Insurance Company Ltd., Moscow. The transaction is subject to regulatory approvals. The completion of the transaction is expected for 2023.

The assets and liabilities of the affected Russian business operations classified as held for sale are allocated to the reportable segments German Speaking Countries and Central & Eastern Europe (Property-Casualty and Life/Health).

Reclassified assets and liabilities
€ mn

Cash and cash equivalents	18
Financial assets carried at fair value through income	3
Investments	374
Loans and advances to banks and customers	61
Reinsurance assets	10
Deferred acquisition costs	11
Deferred tax assets	13
Other assets	64
Total assets	**554**
Unearned premiums	62
Reserves for loss and loss adjustment expenses	47
Reserves for insurance and investment contracts	294
Deferred tax liabilities	2
Other liabilities	460
Total liabilities	**864**

An IFRS 5 impairment loss of € 28 mn has been recognized in connection with this transaction. In the fourth quarter of 2022, an onerous contract provision (included in other liabilities) of € 409 mn for the expected disposal loss has been recognized, mainly due to the cumulative losses of € 367 mn related to this disposal group that are reported in other comprehensive income as of 31 December 2022, largely driven by foreign exchange losses from the past.

Transfer of investment teams and assets of Allianz Global Investors U.S. to Voya Investment Management, Atlanta

On 13 June 2022, the Allianz Group signed the agreement to transfer certain investment teams of Allianz Global Investors U.S. and the assets they manage with a volume of USD 101 bn to Voya Investment Management, Atlanta, in consideration for a 24 % equity stake and a global distribution agreement between the two firms.[1]

The transaction was closed on 25 July 2022 and resulted in a net income effect of € 0.3 bn.

Partial sale of German residential portfolio to Heimstaden Group, Malmö

On 14 November 2022, the Allianz Group signed an agreement to sell a 43.75 % ownership interest of its entire German residential portfolio allocated to the reportable segment Insurance German Speaking Countries (Life/Health) and the formation of a long-term partnership with Heimstaden Group, thereby losing control of the disposal group.

The transaction was closed on 12 December 2022 and resulted in a gain of € 0.1 bn (net of policyholder participation), The gross amount is presented in the line item Realized gains/losses (net).

1_In addition refer to the explanation on the amended definition of assets under management in the section Asset Management within the Group Management Report.

5 _ Segment reporting

Identification of reportable segments

The business activities of the Allianz Group are organized by product and type of service: insurance activities, asset management activities, and corporate and other activities. Due to differences in the nature of products, risks, and capital allocation, insurance activities are further divided into the business segments Property-Casualty and Life/Health. In accordance with the responsibilities of the Board of Management, each of the insurance business segments is grouped into the following reportable segments:

- German Speaking Countries and Central & Eastern Europe,
- Western & Southern Europe, Allianz Direct and Allianz Partners,
- Iberia & Latin America,
- Asia Pacific and Greece,
- USA (Life/Health only),
- Global Insurance Lines & Anglo Markets, Middle East and Africa.

Both asset management as well as corporate and other activities represent separate reportable segments. In total, the Allianz Group has identified 13 reportable segments in accordance with IFRS 8.

The types of products and services from which the reportable segments derive revenues are described below.

Property-Casualty

In the business segment Property-Casualty, reportable segments offer a wide variety of insurance products to both private and corporate customers, including motor liability and own damage, accident, general liability, fire and property, legal expense, credit, and travel insurance.

Life/Health

In the business segment Life/Health, reportable segments offer a comprehensive range of life and health insurance products on both an individual and a group basis, including annuities, endowment and term insurance, unit-linked and investment-oriented products, as well as full private health, supplemental health, and long-term care insurance.

Asset Management

The reportable segment Asset Management operates as a global provider of institutional and retail asset management products and services to third-party investors. It also provides investment management services to the Allianz Group's insurance operations. The products for retail and institutional customers include equity and fixed-income funds as well as multi-assets and alternative products. The United States, Canada, Europe, and the Asia-Pacific region represent the primary asset management markets.

Corporate and Other

The reportable segment Corporate and Other includes the management and support of the Allianz Group's businesses through its strategy, risk, corporate finance, treasury, financial reporting, controlling, communication, legal, human resources, technology, and other functions. Furthermore, it includes the banking activities in France, Italy, and Bulgaria, as well as digital investments.

General segment reporting information

Prices for transactions between reportable segments are set on an arm's length basis in a manner similar to transactions with third parties. Lease transactions are accounted for in accordance with IFRS, except for intra-group lease transactions which are classified as operating leases (i.e., off-balance sheet treatment by lessee) for internal and segment reporting purposes. Transactions between reportable segments are eliminated in the consolidation. Financial information is recorded based on reportable segments; cross-segmental country-specific information is not determined.

Reportable segments measure of profit or loss

The Allianz Group uses operating profit to evaluate the performance of its reportable segments as well as of the Allianz Group as a whole. Operating profit highlights the portion of income before income taxes that is attributable to the ongoing core operations of the Allianz Group. The Allianz Group considers the presentation of operating profit to be useful and meaningful to investors because it enhances the understanding of the Allianz Group's underlying operating performance and the comparability of its operating performance over time.

To better understand the ongoing operations of the business, the Allianz Group generally excludes the following non-operating effects:

- Income from financial assets and liabilities carried at fair value through income (net),
- Realized gains/losses (net),
- Impairments of investments (net),
- Interest expenses from external debt,
- Specific acquisition and administrative expenses (net), consisting of acquisition-related expenses (from business combinations), income taxes related incidental benefits/expenses, litigation expenses, and one-time effects from significant reinsurance transactions with disposal character,
- Amortization of intangible assets,
- Restructuring and integration expenses, and
- Profit (loss) of substantial subsidiaries classified as held for sale.

The following exceptions apply to this general rule:

- In all reportable segments, income from financial assets and liabilities carried at fair value through income (net) is treated as operating profit if the income relates to operating business.
- For life/health insurance business and property-casualty insurance products with premium refunds, all items listed above are included in operating profit if the profit sources are shared with policyholders. There is one exception from this general rule with regard to policyholder participation in extraordinary tax benefits and expenses: as IFRS require that the consolidated income statement presents all tax effects in the line item income taxes, even when they belong to policyholders, the corresponding expenses for premium refunds are shown as non-operating as well.

Operating profit should be viewed as complementary to, and not as a substitute for, income before income taxes or net income as determined in accordance with IFRS.

Recent organizational changes

Effective 1 January 2022, the Allianz Group reorganized the structure of its insurance activities to reflect the changes in the responsibilities of the Board of Management. The insurance activities in Asia Pacific and Greece form a new reportable segment. In the business segment Property-Casualty, Allianz Direct and Allianz Partners were combined with the insurance activities in Western & Southern Europe to form the reportable segment Western & Southern Europe, Allianz Direct and Allianz Partners. Previously reported information has been adjusted to reflect this change in the composition of the Allianz Group's reportable segments.

Additionally, some minor reallocations between the reportable segments have been made.

Business segment information – consolidated balance sheet

Business segment information – consolidated balance sheet

€ mn

	Property-Casualty		Life/Health	
As of 31 December	2022	2021	2022	2021
ASSETS				
Cash and cash equivalents	5,339	4,806	11,798	12,427
Financial assets carried at fair value through income	1,322	930	14,431	18,279
Investments	103,886	114,223	418,485	528,211
Loans and advances to banks and customers	11,513	11,773	113,238	111,827
Financial assets for unit-linked contracts	-	-	141,024	158,346
Reinsurance assets	16,235	14,718	43,331	42,059
Deferred acquisition costs	5,540	5,099	31,043	18,657
Deferred tax assets	2,170	1,081	4,009	945
Other assets	31,610	29,913	22,119	21,330
Non-current assets and assets of disposal groups classified as held for sale	1,362	47	1,983	92
Intangible assets	6,352	6,232	4,824	4,735
Total assets	**185,328**	**188,822**	**806,285**	**916,908**

	Property-Casualty		Life/Health	
As of 31 December	2022	2021	2022	2021
LIABILITIES AND EQUITY				
Financial liabilities carried at fair value through income	474	331	15,184	20,485
Liabilities to banks and customers	1,176	1,225	6,787	5,235
Unearned premiums	23,022	21,163	8,140	6,356
Reserves for loss and loss adjustment expenses	76,989	73,425	14,310	13,571
Reserves for insurance and investment contracts	13,373	15,203	555,892	617,109
Financial liabilities for unit-linked contracts	-	-	141,024	158,346
Deferred tax liabilities	1,190	2,529	1,225	4,749
Other liabilities	25,293	24,898	40,742	47,121
Liabilities of disposal groups classified as held for sale	1,118	-	1,995	-
Certificated liabilities	-	-	-	-
Subordinated liabilities	47	47	65	65
Total liabilities	**142,683**	**138,821**	**785,363**	**873,036**

Asset Management		Corporate and Other		Consolidation		Group	
2022	2021	2022	2021	2022	2021	2022	2021
1,290	1,130	4,440	5,973	(295)	(122)	22,573	24,214
243	224	1,230	591	(657)	(421)	16,568	19,604
632	135	118,308	115,351	(100,773)	(94,272)	540,537	663,649
168	129	6,733	6,333	(5,753)	(5,984)	125,900	124,079
-	-	-	-	-	-	141,024	158,346
-	-	-	-	(57)	(47)	59,509	56,731
-	-	-	-	-	-	36,583	23,756
306	1,145	2,198	765	(1,745)	(2,025)	6,939	1,910
5,695	6,714	8,754	8,223	(18,533)	(17,915)	49,645	48,264
-	1	76	6	(96)	-	3,324	145
7,615	7,514	106	250	3	-	18,900	18,732
15,949	**16,992**	**141,846**	**137,492**	**(127,905)**	**(120,785)**	**1,021,503**	**1,139,429**

Asset Management		Corporate and Other		Consolidation		Group	
2022	2021	2022	2021	2022	2021	2022	2021
-	-	914	523	(670)	(448)	15,902	20,891
100	100	13,116	12,101	(3,103)	(3,193)	18,077	15,468
-	-	-	-	(16)	(17)	31,146	27,501
-	-	-	-	(31)	(23)	91,267	86,974
-	-	(81)	(122)	(132)	(129)	569,052	632,061
-	-	-	-	-	-	141,024	158,346
125	(15)	337	389	(1,745)	(2,025)	1,131	5,626
5,577	9,373	29,462	30,922	(26,498)	(25,717)	74,577	86,596
-	-	-	-	(15)	-	3,098	-
-	-	11,700	13,441	(2,653)	(2,653)	9,046	10,788
-	-	11,943	10,864	(115)	(20)	11,940	10,956
5,802	**9,458**	**67,391**	**68,119**	**(34,978)**	**(34,226)**	**966,261**	**1,055,207**
				Total equity		**55,242**	**84,222**
				Total liabilities and equity		**1,021,503**	**1,139,429**

Business segment information – total revenues and reconciliation of operating profit (loss) to net income (loss)

Business segment information – total revenues and reconciliation of operating profit (loss) to net income (loss)
€ mn

	Property-Casualty		Life/Health	
	2022	2021	2022	2021
Total revenues[1]	**70,018**	**62,272**	**75,124**	**78,348**
Premiums earned (net)	58,878	53,054	25,033	24,602
Operating investment result				
Interest and similar income	3,730	3,264	20,850	19,569
Operating income from financial assets and liabilities carried at fair value through income (net)	(146)	(55)	(12,083)	(2,088)
Operating realized gains/losses (net)	195	215	10,653	7,461
Interest expenses, excluding interest expenses from external debt	(162)	(113)	(733)	(417)
Operating impairments of investments (net)	(96)	(25)	(4,955)	(986)
Investment expenses	(501)	(493)	(2,246)	(1,993)
Subtotal	3,020	2,792	11,486	21,546
Fee and commission income	2,302	1,998	1,960	1,813
Other income	89	11	8	4
Claims and insurance benefits incurred (net)	(39,731)	(35,565)	(23,093)	(21,557)
Operating change in reserves for insurance and investment contracts (net)[2]	(301)	(428)	(2,732)	(13,382)
Loan loss provisions	-	-	-	-
Operating acquisition and administrative expenses (net)	(15,761)	(14,186)	(6,283)	(7,043)
Fee and commission expenses	(2,276)	(1,955)	(1,016)	(919)
Operating amortization of intangible assets	-	-	(20)	(20)
Operating restructuring and integration expenses	-	-	(69)	(40)
Other expenses	(32)	(13)	6	(3)
Reclassifications	-	-	-	9
Operating profit (loss)	**6,189**	**5,710**	**5,282**	**5,011**
Non-operating investment result				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(242)	(103)	(46)	233
Non-operating realized gains/losses (net)	287	725	131	644
Non-operating impairments of investments (net)	(1,009)	(174)	(173)	(54)
Subtotal	(964)	448	(88)	822
Non-operating change in reserves for insurance and investment contracts (net)	-	-	(167)	50
Interest expenses from external debt	-	-	-	-
Non-operating acquisition and administrative expenses (net)[3]	(25)	(83)	(9)	(264)
Non-operating amortization of intangible assets	(221)	(213)	(83)	(40)
Non-operating restructuring and integration expenses	(525)	(424)	(91)	(66)
Reclassifications	-	-	-	(9)
Non-operating items	(1,735)	(272)	(438)	493
Income (loss) before income taxes	4,454	5,438	4,844	5,504
Income taxes	(1,220)	(1,325)	(1,078)	(1,334)
Net income (loss)	**3,234**	**4,113**	**3,766**	**4,170**
Net income (loss) attributable to:				
Non-controlling interests	107	113	147	206
Shareholders	3,127	4,000	3,619	3,964

1_Total revenues comprise gross premiums written and fee and commission income in Property-Casualty, statutory gross premiums in Life/ Health, operating revenues in Asset Management, and total revenues in Corporate and Other (Banking).
2_For the year ended 31 December 2022, includes expenses for premium refunds (net) in Property-Casualty of € 6 mn (2021: € (150) mn).
3_Include, if applicable, acquisition-related expenses, income taxes related incidental benefits/expenses, litigation expenses, and one-time effects from significant reinsurance transactions with disposal character.

Asset Management		Corporate and Other		Consolidation		Group	
2022	2021	2022	2021	2022	2021	2022	2021
8,234	**8,396**	**306**	**289**	**(1,011)**	**(794)**	**152,671**	**148,511**
-	-	-	-	-	-	83,912	77,656
32	9	879	432	(265)	(137)	25,225	23,137
(2)	2	(3)	17	(5)	(5)	(12,240)	(2,130)
-	-	-	-	51	(81)	10,899	7,594
(23)	(21)	(232)	(120)	274	127	(877)	(544)
-	-	-	-	-	-	(5,051)	(1,011)
-	-	(175)	(133)	708	657	(2,214)	(1,962)
7	(10)	468	196	762	560	15,743	25,084
10,327	10,602	3,691	2,886	(4,299)	(3,301)	13,981	13,998
16	3	-	7	(4)	(2)	110	24
-	-	-	-	-	-	(62,824)	(57,121)
-	-	-	-	(43)	44	(3,075)	(13,766)
-	-	(5)	(11)	-	-	(5)	(11)
(5,035)	(4,906)	(1,281)	(1,230)	(3)	(33)	(28,363)	(27,398)
(2,116)	(2,199)	(3,385)	(2,619)	3,591	2,693	(5,201)	(5,000)
-	-	-	-	-	-	(20)	(20)
-	-	-	-	-	-	(69)	(40)
-	-	-	-	1	-	(26)	(15)
-	-	-	-	-	-	-	9
3,199	**3,489**	**(512)**	**(772)**	**5**	**(38)**	**14,164**	**13,400**
(1)	6	(89)	(15)	-	2	(378)	122
450	95	332	350	(2)	16	1,199	1,829
(5)	-	(283)	(92)	-	-	(1,470)	(320)
444	100	(40)	243	(1)	18	(649)	1,631
-	-	-	-	-	-	(167)	50
-	-	(561)	(616)	-	-	(561)	(616)
(1,858)	(3,701)	(30)	24	-	-	(1,923)	(4,024)
(17)	(15)	(15)	(19)	3	-	(333)	(287)
(189)	(48)	(77)	(89)	-	-	(882)	(626)
-	-	-	-	-	-	-	(9)
(1,621)	(3,663)	(723)	(457)	2	18	(4,515)	(3,880)
1,578	(174)	(1,235)	(1,228)	8	(20)	9,649	9,520
(643)	(17)	474	264	-	(3)	(2,467)	(2,415)
935	**(191)**	**(762)**	**(964)**	**8**	**(23)**	**7,182**	**7,105**
180	159	10	16	(1)	-	444	495
755	(350)	(772)	(981)	9	(23)	6,738	6,610

Reconciliation of reportable segments to Allianz Group figures

Reconciliation of reportable segments to Allianz Group figures
€ mn

	Total revenues		Operating profit (loss)		Net income (loss)	
	2022	2021	2022	2021	2022	2021
German Speaking Countries and Central & Eastern Europe	17,507	16,507	2,152	1,844	934	1,496
Western & Southern Europe, Allianz Direct and Allianz Partners	20,407	17,865	1,514	1,608	859	1,182
Iberia & Latin America	5,724	5,047	66	250	(150)	63
Asia Pacific and Greece	1,890	1,540	158	140	105	116
Global Insurance Lines & Anglo Markets, Middle East and Africa	30,139	26,471	2,300	1,867	1,485	1,261
Consolidation	(5,649)	(5,158)	-	-	1	(5)
Total Property-Casualty	**70,018**	**62,272**	**6,189**	**5,710**	**3,234**	**4,113**
German Speaking Countries and Central & Eastern Europe	29,865	31,078	2,110	1,794	1,332	1,222
Western & Southern Europe	20,899	24,873	1,373	1,289	875	877
Iberia & Latin America	1,191	1,446	151	166	114	122
Asia Pacific and Greece	7,006	7,051	519	445	419	358
USA	15,103	13,214	1,089	1,357	971	1,428
Global Insurance Lines & Anglo Markets, Middle East and Africa	1,362	1,179	96	70	108	249
Consolidation and Other	(302)	(493)	(55)	(111)	(53)	(86)
Total Life/Health	**75,124**	**78,348**	**5,282**	**5,011**	**3,766**	**4,170**
Asset Management	**8,234**	**8,396**	**3,199**	**3,489**	**935**	**(191)**
Corporate and Other	**306**	**289**	**(512)**	**(772)**	**(762)**	**(964)**
Consolidation	**(1,011)**	**(794)**	**5**	**(38)**	**8**	**(23)**
Group	**152,671**	**148,511**	**14,164**	**13,400**	**7,182**	**7,105**

NOTES TO THE CONSOLIDATED BALANCE SHEET

6 _ Financial assets carried at fair value through income

Financial assets carried at fair value through income
€ mn

As of 31 December	2022	2021
Financial assets held for trading		
Debt securities	745	708
Equity securities	56	63
Derivative financial instruments	8,488	11,190
Subtotal	9,289	11,961
Financial assets designated at fair value through income		
Debt securities	3,344	4,275
Equity securities	3,619	3,264
Loans	316	103
Subtotal	7,279	7,643
Total	**16,568**	**19,604**

7 _ Investments

Investments
€ mn

As of 31 December	2022	2021
Available-for-sale investments	499,044	625,250
Held-to-maturity investments	2,867	2,749
Funds held by others under reinsurance contracts assumed	867	838
Investments in associates and joint ventures	17,293	15,416
Real estate held for investment	18,032	16,923
Fixed assets from alternative investments	2,433	2,473
Total	**540,537**	**663,649**

Available-for-sale investments

Available-for-sale investments
€ mn

As of 31 December	2022				2021			
	Amortized cost	Unrealized gains	Unrealized losses	Fair value	Amortized cost	Unrealized gains	Unrealized losses	Fair value
Debt securities								
Corporate bonds	261,947	1,114	(37,981)	225,080	260,903	18,761	(1,867)	277,797
Government and government agency bonds[1]	203,974	1,852	(35,435)	170,391	202,542	27,087	(2,882)	226,748
MBS/ABS	28,856	54	(2,686)	26,224	28,157	804	(149)	28,812
Other	11,429	2,882	(130)	14,181	9,493	2,671	(57)	12,106
Subtotal[2]	506,207	5,902	(76,233)	435,876	501,094	49,323	(4,955)	545,462
Equity securities	51,003	12,972	(807)	63,168	53,609	26,626	(447)	79,788
Total	**557,210**	**18,874**	**(77,039)**	**499,044**	**554,703**	**75,948**	**(5,402)**	**625,250**

1_As of 31 December 2022, fair value and amortized cost of bonds from countries with a rating below AA amount to €73,286 mn (2021: € 92,825 mn) and € 84,220 mn (2021: € 86,440 mn), respectively.
2_As of 31 December 2022, fair value and amortized cost of debt securities with a contractual maturity of less than one year amount to € 54,702 mn (2021: € 41,816 mn) and € 51,282 mn (2021: € 37,378 mn), respectively.

Held-to-maturity investments

Held-to-maturity investments
€ mn

As of 31 December	2022				2021			
	Amortized cost	Unrealized gains	Unrealized losses	Fair value	Amortized cost	Unrealized gains	Unrealized losses	Fair value
Government and government agency bonds	2,680	43	(258)	2,465	2,546	171	(73)	2,644
Corporate bonds[1]	187	6	-	192	202	41	-	243
Total[2]	**2,867**	**49**	**(259)**	**2,657**	**2,749**	**212**	**(73)**	**2,887**

1_Also include corporate mortgage-backed securities.
2_As of 31 December 2022, fair value and amortized cost of debt securities with a contractual maturity of less than one year amount to € 414 mn (2021: € 202 mn) and € 413 mn (2021: € 200 mn), respectively.

Unrealized losses on available-for-sale investments and held-to-maturity investments

Debt securities

Total unrealized losses amounted to € 76,492 mn as of 31 December 2022. The Allianz Group holds a large variety of government and government agency bonds and corporate bonds, mostly of or domiciled in OECD countries.

In general, the credit risk of government and government agency bonds is rather moderate since they are backed by the fiscal capacity of the issuers, who typically hold an investment-grade country- and/or issue-rating. During 2022, interest rates of most government and government agency bonds held by the Allianz Group increased. This development led to an increase in unrealized losses on government and government agency bonds of € 32,738 mn.

The unrealized losses on the Allianz Group's investments in government and government agency bonds are spread over several countries.

For the majority of corporate bonds, the issuer/issues have an investment-grade rating. The increase in unrealized losses of € 36,114 mn compared to 31 December 2021 is due to increasing interest rates.

The main impact from unrealized losses on corporate bonds comes from the financial, consumer, and utilities sector.

Based on a detailed analysis of the underlying securities, the Allianz Group did not consider these investments to be impaired as of 31 December 2022.

Equity securities

As of 31 December 2022, unrealized losses amounted to € 807 mn, an increase of € 360 mn compared to 31 December 2021. They concern equity securities that did not meet the criteria of the Allianz Group's impairment policy for equity instruments as described in note 2.

Investments in associates and joint ventures

As of 31 December 2022, loans to associates and joint ventures amounted to € 2,735 mn (2021: € 2,720 mn), with interest received of € 141 mn (2021: € 137 mn).

Associates and joint ventures
€ mn

	2022	2021
Share of earnings	429	305
Share of other comprehensive income	(225)	182
Share of total comprehensive income	**204**	**487**

Real estate held for investment

Real estate held for investment
€ mn

	2022	2021
Cost as of 1 January	20,914	17,873
Accumulated depreciation as of 1 January	(3,991)	(3,579)
Carrying amount as of 1 January	**16,923**	**14,294**
Additions	1,622	946
Changes in the consolidated subsidiaries of the Allianz Group	179	1,856
Disposals and reclassifications into non-current assets and assets of disposal groups classified as held for sale	(445)	(563)
Reclassifications	25	604
Foreign currency translation adjustments	261	145
Depreciation	(353)	(317)
Impairments	(257)	(63)
Reversals of impairments	76	23
Carrying amount as of 31 December	**18,032**	**16,923**
Accumulated depreciation as of 31 December	4,162	3,991
Cost as of 31 December	22,194	20,914

Fixed assets from alternative investments

Fixed assets from alternative investments
€ mn

	2022	2021
Cost as of 1 January	4,036	3,965
Accumulated depreciation as of 1 January	(1,563)	(1,416)
Carrying amount as of 1 January	**2,473**	**2,548**
Additions	175	48
Disposals	(1)	-
Foreign currency translation adjustments	(8)	9
Depreciation	(182)	(169)
Impairments	(46)	(31)
Reversals of impairments	22	68
Carrying amount as of 31 December	**2,433**	**2,473**
Accumulated depreciation as of 31 December	1,750	1,563
Cost as of 31 December	4,183	4,036

8 _ Loans and advances to banks and customers

Loans and advances to banks and customers
€ mn

As of 31 December	2022	2021
Short-term investments and certificates of deposit	2,301	2,056
Loans	120,736	116,304
Other	2,939	5,797
Subtotal	125,976	124,157
Loan loss allowance	(76)	(79)
Total[1]	**125,900**	**124,079**

1_Includes loans and advances to banks and customers due within one year of € 12,896 mn (2021: € 14,733 mn).

9 _ Reinsurance assets

Reinsurance assets
€ mn

As of 31 December	2022	2021
Unearned premiums	2,484	2,216
Reserves for loss and loss adjustment expenses	14,444	13,033
Aggregate policy reserves	42,402	41,276
Other insurance reserves	178	206
Total	**59,509**	**56,731**

Changes in aggregate policy reserves ceded to reinsurers are as follows:

Changes in aggregate policy reserves ceded to reinsurers
€ mn

	2022	2021
Carrying amount as of 1 January	**41,276**	**6,917**
Foreign currency translation adjustments	2,523	634
Changes recorded in the consolidated income statement	(1,763)	(687)
Other changes	366	34,411
Carrying amount as of 31 December	**42,402**	**41,276**

The reserves for loss and loss adjustment expenses ceded to reinsurers in the business segment Property-Casualty amounted to € 13,278 mn (2021: € 12,029 mn) as of 31 December 2022. Their change is shown in the respective table in note 15.

The Allianz Group reinsures a share of the risks it underwrites in an effort to manage its exposure to losses and events, and to protect its capital resources. For natural catastrophe events, the Allianz Group has a centralized program in place that pools exposures from its subsidiaries through internal reinsurance agreements. Allianz SE limits exposures in this portfolio through external reinsurance. For other risks, the subsidiaries of the Allianz Group have individual reinsurance programs in place. Allianz SE participates with up to 100 % on an arm's length basis in these cessions, in line with local requirements. The risk coming from these cessions is also limited by external retrocessions.

Reinsurance involves credit risk and is subject to aggregate loss limits. Reinsurance does not legally discharge the respective Allianz company from primary liability under the reinsured policies. Although the reinsurer is liable to this company to the extent of the business ceded, the Allianz company remains primarily liable as the direct insurer for all the risks it underwrites, including the share that is reinsured. The Allianz Group monitors the financial condition of its reinsurers on a regular basis and reviews its reinsurance arrangements periodically in order to evaluate the reinsurer's ability to fulfill its obligations to the Allianz Group companies under existing and planned reinsurance contracts. The Allianz Group's evaluation criteria, which include the degree of creditworthiness, capital levels, and marketplace reputation of its reinsurers, are such that the Allianz Group believes that its reinsurance credit risk is not significant, and historically has not experienced noteworthy difficulty in collecting claims from its reinsurers. Additionally, and as appropriate, the Allianz Group may also require letters of credit, deposits, or other financial guarantees to further minimize its exposure to credit risk. In certain cases, however, the Allianz Group does establish an allowance for doubtful amounts related to reinsurance as appropriate, although this amount was not significant as of 31 December 2022 and 2021.

10 _ Deferred acquisition costs

Deferred acquisition costs
€ mn

As of 31 December	2022	2021
Deferred acquisition costs		
Property-Casualty	5,540	5,099
Life/Health	29,978	18,224
Subtotal	35,518	23,323
Deferred sales inducements	808	234
Present value of future profits	257	199
Total	**36,583**	**23,756**

Changes in deferred acquisition costs
€ mn

	2022	2021
Carrying amount as of 1 January	**23,756**	**21,830**
Additions	11,242	7,113
Changes in the consolidated subsidiaries of the Allianz Group	(1)	2
Foreign currency translation adjustments	273	773
Changes in shadow accounting	10,094	3,852
Amortization	(8,781)	(9,814)
Carrying amount as of 31 December	**36,583**	**23,756**

11 _ Other assets

Other assets
€ mn

As of 31 December	2022	2021
Receivables		
Policyholders	8,069	7,580
Agents	4,753	4,574
Reinsurance	5,243	5,110
Other	7,095	7,114
Less allowances for doubtful accounts	(925)	(832)
Subtotal	24,234	23,546
Tax receivables		
Income taxes	2,356	2,124
Other taxes	2,526	2,370
Subtotal	4,882	4,494
Accrued dividends, interest, and rent	5,758	5,716
Prepaid expenses	1,113	996
Derivative financial instruments used for hedging that meet the criteria for hedge accounting, and firm commitments[1]	686	331
Property and equipment		
Real estate held for own use	2,904	2,847
Software	3,458	3,377
Equipment	1,108	1,179
Right-of-use assets	2,269	2,338
Subtotal	9,739	9,741
Other assets[2]	3,232	3,441
Total[3]	**49,645**	**48,264**

1_Mainly level 2 for fair value measurement.
2_Includes € 1,295 mn (2021: € 1,359 mn) assets for deferred compensation programs which are mainly level 2 for fair value measurement.
3_Includes other assets due within one year of € 41,543 mn (2021: € 40,839 mn).

Property and equipment

Property and equipment
€ mn

	2022				2021			
	Real estate held for own use	Software	Equipment	Right-of-use assets	Real estate held for own use	Software	Equipment	Right-of-use assets
Cost as of 1 January	3,764	10,038	3,889	3,520	3,902	9,383	3,849	3,099
Accumulated depreciation/amortization as of 1 January	(917)	(6,660)	(2,711)	1,182	(988)	(6,043)	(2,609)	767
Carrying amount as of 1 January	**2,847**	**3,377**	**1,179**	**2,338**	**2,914**	**3,340**	**1,240**	**2,332**
Additions	178	955	276	463	112	998	254	421
Changes in the consolidated subsidiaries of the Allianz Group	27	20	6	2	1	11	5	13
Disposals and reclassifications into non-current assets and assets of disposal groups classified as held for sale	(69)	(96)	(61)	(113)	(25)	(85)	(30)	(41)
Reclassifications	(22)	(1)	6	(25)	(103)	10	(8)	(33)
Foreign currency translation adjustments	21	2	2	30	16	9	29	47
Depreciation/Amortization	(71)	(766)	(301)	(416)	(77)	(815)	(311)	(392)
Impairments	(8)	(36)	-	(10)	-	(96)	(1)	(7)
Reversals of impairments	-	2	-	-	10	5	-	-
Carrying amount as of 31 December	**2,904[1]**	**3,458[2]**	**1,108**	**2,269[3]**	**2,847**	**3,377**	**1,179**	**2,338**
Accumulated depreciation/amortization as of 31 December	913	7,277	2,784	1,414[3]	917	6,660	2,711	1,182
Cost as of 31 December	3,817	10,735	3,892	3,684	3,764	10,038	3,889	3,520

1_As of 31 December 2022, assets pledged as security and other restrictions on title were € 96 mn (2021: € 93 mn).
2_As of 31 December 2022, includes € 2,912 mn (2021: € 2,883 mn) for self-developed software and € 546 mn (2021: € 494 mn) for software purchased from third parties.
3_Consists mainly of real estate.

12 _ Intangible assets

Intangible assets
€ mn

As of 31 December	2022	2021
Goodwill	16,254	15,945
Distribution agreements[1]	1,177	1,164
Customer relationships[2]	891	886
Other[3]	579	737
Total	**18,900**	**18,732**

1_Primarily includes the long-term distribution agreements with Banco Bilbao Vizcaya Argentaria, S.A., Santander Aviva Life, and Commerzbank AG.
2_Primarily results from business combinations.
3_Primarily includes acquired business portfolios and brand names.

Goodwill

Goodwill
€ mn

	2022	2021
Cost as of 1 January	16,237	13,781
Accumulated impairments as of 1 January	(292)	(292)
Carrying amount as of 1 January	**15,945**	**13,489**
Additions	234	2,196
Disposals	(241)	-
Foreign currency translation adjustments	431	260
Impairments	-	-
Reclassifications	(115)	-
Carrying amount as of 31 December	**16,254**	**15,945**
Accumulated impairments as of 31 December	292	292
Cost as of 31 December	16,546	16,237

2022

Additions are mainly related to goodwill arising from the acquisitions of simplesurance GmbH, Berlin, European Reliance General Insurance Company S.A., Chalandri, and Aqua Holdings (Thailand) Company Limited, Bangkok. Disposals are mainly related to the sale of Mercato Leadmanagement Investments Holdings GmbH, Berlin, and from the transfer of business from Allianz Global Investors U.S. LLC, Dover (Delaware) to Voya Investment Management LLC, Atlanta.

For further information, please see note 4.

2021

Additions are mainly related to goodwill arising from the acquisitions of business operations of Aviva Group in Poland, Lithuania, and Italy, and Westpac General Insurance, Sydney.

For further information, please see note 3 to the Annual Report 2021.

Impairment test for goodwill

Allocation principles

For the purpose of impairment testing, the Allianz Group has allocated goodwill to CGUs[1]. These CGUs represent the lowest level at which goodwill is monitored for internal management purposes.

CGUs in the Property-Casualty business segment are:

- Insurance German Speaking Countries, including Germany and Switzerland,
- Insurance Western & Southern Europe, including Belgium, France, Italy, Luxembourg, the Netherlands, and Türkiye,
- Insurance Asia and Greece,
- Insurance Iberia & Latin America, including Mexico, Portugal, South America, and Spain,
- Insurance Central & Eastern Europe, including Austria, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia, Slovakia, and Ukraine,
- Global Insurance Lines & Anglo Markets, Middle East and Africa, including Australia, Ireland, the United Kingdom, Middle East and Africa,
- Specialty Lines I, including Allianz Re, Allianz Global Corporate & Specialty and Credit Insurance, and
- Specialty Lines II, including Allianz Partners and Allianz Direct.

CGUs in the Life/Health business segment are:

- Insurance German Speaking Countries, including Germany and Switzerland,
- Insurance Western & Southern Europe, including Belgium, France, Italy, Luxembourg, the Netherlands, and Türkiye,
- Insurance Asia and Greece,
- Insurance Central & Eastern Europe, including Austria, Bulgaria, Croatia, Czech Republic, Hungary, Lithuania, Poland, Romania, Russia, Slovakia, and Ukraine,
- Global Insurance Lines & Anglo Markets, Middle East and Africa, including Australia, Ireland, the United Kingdom, Middle East and Africa, and
- US Life Insurance.

The business segment Asset Management is represented by the CGU Asset Management, mainly including Allianz Global Investors and PIMCO.

The business segment Corporate and Other mainly includes Digital Investments.

1_The following paragraphs only include the CGUs that contain goodwill.

The carrying amounts of goodwill are allocated to the Allianz Group's CGUs as of 31 December 2022 and 2021 as follows:

Allocation of carrying amounts of goodwill to CGUs
€ mn

As of 31 December	2022	2021
PROPERTY-CASUALTY		
Insurance German Speaking Countries	593	590
Insurance Western & Southern Europe	1,345	1,149
Insurance Asia	234	148
Insurance Iberia & Latin America	398	358
Insurance Central & Eastern Europe	480	483
Global Insurance Lines & Anglo Markets, Middle East and Africa	1,290	1,429
Specialty Lines I	39	38
Specialty Lines II	411	340
Subtotal	4,790	4,535
LIFE/HEALTH		
Insurance German Speaking Countries	979	967
Insurance Western & Southern Europe	672	624
Insurance Asia	10	-
Insurance Central & Eastern Europe	1,684	1,701
Global Insurance Lines & Anglo Markets, Middle East and Africa	13	15
US Life Insurance	479	468
Subtotal	3,837	3,775
ASSET MANAGEMENT	7,543	7,453
CORPORATE AND OTHER	84	182
Total	**16,254**	**15,945**

Valuation techniques

The recoverable amounts for all CGUs are determined on the basis of value in use calculations. The Allianz Group applies generally acknowledged valuation principles to determine the value in use.

For all CGUs in the Property-Casualty business segment and for the CGU Asset Management, the Allianz Group mainly uses the discounted earnings method to derive the value in use. Generally, the basis for the determination of the discounted earnings value is the business plan ("detailed planning period") as well as the estimate of the sustainable returns and eternal growth rates, which can be assumed to be realistic on a long-term basis ("terminal value") for the operating entities included in the CGU. The discounted earnings value is calculated by discounting the future earnings using an appropriate discount rate. The business plans applied in the value in use calculations are the results of the structured management dialogues between the Board of Management of Allianz SE and the operating entities in connection with a reporting process integrated into these dialogues. Generally, the business plans comprise a planning horizon of three years and are based on the current market environment.

The terminal values are largely based on the expected profits of the final year of the detailed planning period. Where necessary, the planned profits are adjusted to reflect long-term sustainable earnings. The financing of the assumed eternal growth in the terminal values is accounted for by appropriate profit retention.

For all CGUs in the Life/Health business segment, the value in use is mainly based on an Appraisal Value method, which is derived from the Embedded Value and New Business Value calculation. As a starting point for the impairment test for the CGUs in the Life/Health business segment, the Market Consistent Embedded Value (MCEV) and a multiple of the Market Consistent Value of New Business is used. MCEV is an industry-specific valuation method to assess the current value of the in-force portfolio. The Allianz Group uses an economic balance sheet approach to derive the MCEV, which is directly taken out of the market value balance sheet (MVBS) as determined using Solvency II guidance. In cases where no adequate valuation reflecting a long-term view in line with management judgment and market experience could be derived from market-consistent methodology, the Appraisal Value can be derived from a Traditional Embedded Value (TEV). This was the case for the CGU US Life Insurance in 2022.

In the Corporate and Other business segment, the value in use in the Digital Investments is derived by using the discounted cash flow and multiple method. Discounted cash flows are calculated based on the companies' business plan as well as an estimate of sustainable returns and eternal growth rates (terminal value). The discounted earnings value is calculated by discounting the future earnings using an appropriate discount rate. For the multiple method, transactions and revenues of comparable companies are used.

Significant assumptions

In determining the business plans, certain key assumptions were made in order to project future earnings.

For entities included in the CGUs of the Property-Casualty business segment, the business plans are mainly based on key assumptions including expense ratio, loss ratio, investment income, risk capital, market share, premium rate changes, and taxes. The bases for determining the values assigned to the key assumptions are current market trends and earnings projections.

The discount rate is based on the capital asset pricing model (CAPM) and appropriate eternal growth rates. The assumptions, including the risk-free interest rate, market risk premium, segment beta, and leverage ratio used to calculate the discount rates, are generally consistent with the parameters used in the Allianz Group's planning and controlling process. The discount rates and eternal growth rates for the CGUs in the Property-Casualty business segment are as follows:

Discount rates and eternal growth rates for the CGUs in the Property-Casualty business segment[1]

%

	2022		2021	
	Discount rate	Eternal growth rate	Discount rate	Eternal growth rate
Insurance German Speaking Countries	7.6	0.4	7.6	0.4
Insurance Western & Southern Europe	7.9	0.5	9.4	2.4
Insurance Asia	9.7	2.0	11.1	4.4
Insurance Iberia & Latin America	11.1	2.7	11.7	3.5
Insurance Central & Eastern Europe	9.4	1.5	9.2	1.7
Global Insurance Lines & Anglo Markets, Middle East and Africa	9.0	1.0	8.6	1.0
Specialty Lines I	8.3	0.7	7.8	0.9
Specialty Lines II	8.4	0.5	7.9	0.6

1_The table provides an overview of weighted key parameters on the CGU level of the country-specific discount rates and eternal growth rates used.

For entities included in the CGUs of the Life/Health business segment, the MCEV is in general the excess of assets over liabilities of the MVBS according to the Solvency II requirements. Assets and liabilities included in the MVBS are measured at their market value as of the reporting date. Technical provisions are an essential part of the liabilities included in the MVBS, and generally consist of the best estimate plus a risk margin. The best estimate corresponds to the probability-weighted average of future cash flows considering the time value of money, using the relevant risk-free interest rate term structure. The calculation of the best estimate is based on assumptions made for demographic factors (e.g., mortality, morbidity, lapse/surrender rates), expense allowances, taxation, assumptions on market conditions for market consistent projections (e.g., reference rates, volatilities) as well as investment strategy and asset allocation of the entity. The risk margin ensures that the value of the technical provisions is equivalent to the amount that the entity would be expected to require in order to take on and meet the insurance and reinsurance obligations.

Reference rates used for the calculation of the best estimate follow EIOPA specifications for the Solvency II guidance.

The following table provides an overview of the reference rates for the CGUs in the Life/Health business segment:

Reference rates for the CGUs in the Life/Health business segment

CGUs in the Life/Health business segment	Reference rate for entities with Appraisal Value based on MCEV
Insurance German Speaking Countries	EUR swap curve minus 10 bps (2021: 10 bps) credit risk adjustment plus 19 bps (2021: 3 bps) volatility adjustment CHF swap curve minus 10 bps (2021: 10 bps) credit risk adjustment plus -2 bps (2021: 4 bps) volatility adjustment
Insurance Western & Southern Europe	For those entities reporting in euro: EUR swap curve minus 10 bps (2021: 10 bps) credit risk adjustment plus 19 bps (2021: 3 bps) volatility adjustment
Insurance Asia	For those entities reporting in euro: EUR swap curve minus 10 bps (2021: 10 bps) credit risk adjustment plus 19 bps (2021: 3 bps) volatility adjustment For Taiwan on USD portfolio: USD swap curve minus 10 bps (2021: 10 bps) credit risk adjustment plus 53 bps (2021: 23 bps) volatility adjustment For other entities: Local swap curve minus 10 bps (2021: 10 bps) credit risk adjustment
Insurance Central & Eastern Europe	For those entities reporting in euro: EUR swap curve minus 10 bps (2021: 10 bps) credit risk adjustment plus 19 bps (2021: 3 bps) volatility adjustment For other entities: Local swap curve minus 10 bps (2021: 10 bps) credit risk adjustment plus volatility adjustment for the following currencies only [CZK: 24 bps (2021: 21 bps), HUF: 20 bps (2021: 8 bps), PLN: 17 bps (2021: 17 bps)]
Global Insurance Lines & Anglo Markets, Middle East and Africa	For those entities reporting in euro: EUR swap curve minus 10 bps (2021: 10 bps) credit risk adjustment plus 19 bps (2021: 3 bps) volatility adjustment
US Life Insurance	Local swap curve minus 10 bps (2021: 10 bps) credit risk adjustment plus 53 bps (2021: 23 bps) volatility adjustment

The new-business value calculation is based on a best estimate of one year of value of new business, multiplied by a factor (multiple) to capture expected future new business. The best estimate of new business is generally derived from the achieved value of new business. The new business multiple accounts for the risk and the growth associated with future new business analogous to the discount rate and the growth rate in a discounted earnings method. For all CGUs in the Life/Health business segment, a multiple of not more than ten times the value of new business is applied.

For entities included in the CGU of the Asset Management business segment, key assumptions include assets under management growth, cost-income ratio, and risk capital. The key assumptions are based on the current market environment. The discount rate for the CGU Asset Management is 10.8 % (2021: 10.2 %) and the eternal growth rate is 1.3 % (2021: 0.9 %).

For the Digital Investments included in the Corporate and Other business segment, the bases for determining the values assigned to the key assumptions are current market trends and earnings projections. The discount rate is based on the capital asset pricing model (CAPM) and appropriate eternal growth rates. The discount rate and the eternal growth rates are calculated in line with market practice and are subject to company-specific factors, its development status, and the markets in which the company operates.

Sensitivity analysis

Sensitivity analyses were performed with regard to discount rates and key value drivers of the business plans.

For the CGUs in the Property-Casualty business segment and for the CGU Asset Management, sensitivity analyses were performed with respect to the long-term sustainable combined ratios and cost-income ratios. For all CGUs discounted earnings, value sensitivities still exceeded their respective carrying amounts – however for the CGU Insurance Asia in the business segment Property-Casualty, an increase of 0.5% points in the discount rate or the combined ratio results in the recoverable amount of the CGU getting close to its respective carrying value.

In the Life/Health business segment, sensitivity analyses were performed based on MCEV sensitivity testing on the reference rate. The analyses have shown that in case of a change in reference rates by 50 basis points, the appraisal value of each CGU still exceeds its carrying amount.

In the Corporate and Other business segment, a sensitivity analysis was performed with respect to earnings and interest rates for the Digital Investments. The analysis has shown that in case of an increase in the interest rates by 50 basis points and under consideration of a holding period usual for the asset class, the recoverable amount approximates its carrying value.

13 _ Liabilities to banks and customers

Liabilities to banks and customers
€ mn

As of 31 December	2022	2021
Payable on demand and other deposits	1,646	1,474
Repurchase agreements and collateral received from securities lending transactions and derivatives	6,014	4,434
Other[1]	10,416	9,561
Total[2]	**18,077**	**15,468**

1_Primarily includes customers' current accounts.
2_Consists of liabilities to banks and customers due within one year of € 15,701 mn (2021: € 13,227 mn), 1 - 5 years of € 1,426 mn (2021: € 1,133 mn), and over 5 years of € 950 mn (2021: € 1,108 mn).

14 _ Unearned premiums

Unearned premiums
€ mn

As of 31 December	2022	2021
Property-Casualty	23,022	21,163
Life/Health	8,140	6,356
Consolidation	(16)	(17)
Total	**31,146**	**27,501**

15 _ Reserves for loss and loss adjustment expenses

As of 31 December 2022, the reserves for loss and loss adjustment expenses of the Allianz Group totaled € 91,267 mn (2021: € 86,974 mn). The following table reconciles the beginning and ending reserves for the Property-Casualty business segment for the years ended 31 December 2022 and 2021.

Change in the reserves for loss and loss adjustment expenses in the Property-Casualty business segment
€ mn

	2022			2021		
	Gross	Ceded	Net	Gross	Ceded	Net
As of 1 January	**73,425**	**(12,029)**	**61,397**	**68,171**	**(10,471)**	**57,700**
Balance carry forward of discounted loss reserves	4,808	(384)	4,424	4,603	(346)	4,258
Subtotal	78,234	(12,413)	65,821	72,774	(10,817)	61,958
Loss and loss adjustments expenses incurred						
Current year	46,633	(4,395)	42,239	41,698	(4,760)	36,938
Prior years	(2,322)	(185)	(2,508)	(1,396)	23	(1,374)
Subtotal	44,311	(4,580)	39,731	40,302	(4,737)	35,565
Loss and loss adjustments expenses paid						
Current year	(22,195)	802	(21,393)	(19,383)	796	(18,587)
Prior years	(19,322)	2,634	(16,687)	(17,982)	2,843	(15,139)
Subtotal	(41,516)	3,436	(38,081)	(37,365)	3,639	(33,726)
Foreign currency translation adjustments and other changes[1]	557	(114)	444	1,842	(399)	1,443
Changes in the consolidated subsidiaries of the Allianz Group	162	(14)	148	680	(100)	581
Subtotal	81,747	(13,685)	68,063	78,234	(12,413)	65,821
Ending balance of discounted loss reserves	(4,758)	407	(4,352)	(4,808)	384	(4,424)
As of 31 December	**76,989**	**(13,278)**	**63,711**	**73,425**	**(12,029)**	**61,397**

1_Include effects of foreign currency translation adjustments for prior year's claims of gross € 729 mn (2021: € 1,257 mn) and of net € 449 mn (2021: € 900 mn), and for current year claims of gross € (359) mn (2021: € 172 mn) and of net € (290) mn (2021: € 128 mn).

Prior years' net loss and loss adjustment expenses incurred reflect the changes in estimation charged or credited to the consolidated income statement in each year with respect to the reserves for loss and loss adjustment expenses established as of the beginning of that year. During the year ended 31 December 2022, additional income of € 2,508 mn (2021: € 1,374 mn) net was recorded in the Property-Casualty business segment in respect of losses occurring in prior years. During the year ended 31 December 2022, this amount, expressed as a percentage of the net balance of the beginning of the year, was 3.8 % (2021: 2.2 %).

Changes in historical reserves for loss and loss adjustment expenses (LAE)

The analysis of loss and LAE reserves by actuaries and management is conducted by line of business and separately for specific claim types such as asbestos and environmental claims. The origin year of losses is taken into consideration by analyzing each line of business by accident year. While this determines the estimates of reserves for loss and LAE by accident year, the effect in the consolidated income statement in the respective calendar year combines the accident year loss ratio for the current year with the favorable or adverse development from prior years (run-off).

Although discounted loss reserves have been reclassified to reserves for insurance and investment contracts in the balance sheet, the underlying business development of these non-life reserves is still considered in the loss ratio. Therefore the tables below show the loss development by accident year including the business development of discounted loss reserves.

The run-off triangle, also known as the "loss triangle", is a tabular representation of loss-related data (such as payments, loss reserves, ultimate losses) in two time-related dimensions. One of these is the calendar year, the other is the accident year (year of loss occurrence). Run-off triangles – as the basis for measuring loss reserves – express how the loss reserves change over the course of time due to payments made and new estimates of the expected ultimate loss at the respective reporting date.

The data is only presented on a net basis, as this is considered to be more meaningful in order to represent the retained impact on Group results. The run-off triangles are not prepared on a currency-adjusted basis. This means all figures are translated from the respective local currency into the Allianz Group presentation currency (euro), consistently using the exchange rates applicable at the respective reporting date. This ensures that the reserves reconcile with reserves in the consolidated balance sheet.

Loss payments for the individual accident years (per calendar year, net)

Loss payments for the individual accident years (per calendar year, net)
€ mn

	Accident year										
Calendar year	2013 and prior	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
2013	28,979										28,979
2014	13,292	15,410									28,702
2015	6,176	7,564	16,291								30,031
2016	5,057	2,007	7,929	16,409							31,403
2017	2,983	1,022	2,261	7,842	16,669						30,778
2018	2,961	707	1,119	2,484	7,976	17,084					32,330
2019	1,761	490	788	1,044	2,753	8,524	18,105				33,465
2020	1,352	302	584	938	1,278	2,883	8,818	17,104			33,258
2021	1,184	232	379	639	770	1,329	3,054	7,552	18,587		33,726
2022	953	181	370	447	669	1,111	1,412	2,737	8,807	21,393	38,081

Reserves for loss and loss adjustment expenses for the individual accident years at the respective reporting date (net)

Reserves for loss and loss adjustment expenses for the individual accident years at the respective reporting date (net)
€ mn

	Accident year										
As of 31 December	2013 and prior	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
2013	53,445										53,445
2014	40,404	15,215									55,619
2015	33,549	7,585	16,358								57,492
2016	27,293	5,262	7,991	16,708							57,254
2017	21,989	3,891	5,407	8,454	16,573						56,314
2018	18,459	2,954	4,114	5,424	8,327	17,081					56,358
2019	16,404	2,341	3,413	4,403	6,049	8,751	18,762				60,122
2020	14,693	1,956	2,642	3,466	4,387	5,873	9,646	19,294			61,958
2021	13,586	1,760	2,246	2,837	3,720	4,942	6,939	10,708	19,081		65,821
2022	12,505	1,514	1,897	2,364	3,039	3,679	5,394	7,338	9,225	21,108	68,063

Ultimate loss for the individual accident years at the respective reporting date (net)

Ultimate loss for the individual accident years at the respective reporting date (net)
€ mn

	Accident year										
Calendar year	2013 and prior	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
2013	82,424										
2014	82,676	30,625									
2015	81,996	30,560	32,649								
2016	80,798	30,244	32,211	33,116							
2017	78,477	29,896	31,888	32,705	33,242						
2018	77,908	29,665	31,713	32,158	32,972	34,165					
2019	77,613	29,542	31,801	32,182	33,447	34,358	36,867				
2020	77,254	29,460	31,613	32,183	33,063	34,363	36,570	36,398			
2021	77,331	29,496	31,596	32,193	33,167	34,762	36,917	35,364	37,668		
2022	77,204	29,431	31,618	32,166	33,154	34,609	36,782	34,731	36,619	42,501	
Surplus[1]	5,220	1,194	1,032	950	88	(445)	85	1,667	1,049	-[3]	10,841
Reduction/(increase) 2022 versus 2021[2]	127	65	(21)	26	12	152	134	633	1,049	-[3]	2,178

1_Includes effects from foreign currency translation adjustments and other changes.
2_The total development 2022 to 2021 of € 2,178 mn represents the cumulative surplus from re-estimating the ultimate loss for prior year claims. Considering foreign currency translation adjustments of net € 449 mn, as well as changes in the consolidated subsidiaries of the Allianz Group and other changes of in total € (120) mn, this leads to an effective run-off of net € 2,508 mn, which can be found in the table "Change in reserves for loss and loss adjustment expenses" within this note.
3_Presentation not meaningful.

Calendar year premiums earned and ultimate loss ratios for the individual accident years at the respective reporting date (net)

Calendar year premiums earned and ultimate loss ratios for the individual accident years at the respective reporting date (net)

	Premiums earned (net)	Accident year								
		2014	2015	2016	2017	2018	2019	2020	2021	2022
	€ mn	%	%	%	%	%	%	%	%	%
2014	43,759	70.0								
2015	46,430	69.8	70.3							
2016	46,588	69.1	69.4	71.1						
2017	47,242	68.3	68.7	70.2	70.4					
2018	48,305	67.8	68.3	69.0	69.8	70.7				
2019	51,328	67.5	68.5	69.1	70.8	71.1	71.8			
2020	51,631	67.3	68.1	69.1	70.0	71.1	71.2	70.5		
2021	53,054	67.4	68.1	69.1	70.2	72.0	71.9	68.5	71.0	
2022	58,878	67.3	68.1	69.0	70.2	71.6	71.7	67.3	69.0	72.2

The ultimate loss of an accident year comprises all payments made for that accident year up to the reporting date, plus the loss reserves at the reporting date. Given complete information regarding all losses incurred up to the reporting date, the ultimate loss for each accident-year period would remain unchanged. In practice, however, the ultimate loss (based on estimates) is exposed to fluctuations that reflect the increase in knowledge regarding the loss cases. The loss ratio presented above deviates from the reported loss ratio because the ultimate loss in the table above is based on the sum of the payments plus the loss reserves, not the incurred loss as stated in the consolidated income statement. This means that effects like changes in consolidated subsidiaries, foreign currency translation, and unwinding of discounted loss reserves are presented differently.

Concentration of the insurance risk in the Property-Casualty business segment

Further risk disclosure requirements of IFRS 4 in connection with IFRS 7 are reflected in the following sections of the Risk and Opportunity Report within the Group Management Report:

- Internal risk capital framework,
- Risk-based steering and risk management,
- Underwriting risk in the section Quantifiable risks and opportunities by risk category.

Contractual cash flows

As of 31 December 2022, the reserves for loss and loss adjustment expenses in the Property-Casualty business segment, which are expected to be due in 2023 amounted to € 20,936 mn, while those expected to be due between 2024 and 2027 amounted to € 26,331 mn, and those expected to be due after 2027 amounted to € 20,796 mn.

16 _ Reserves for insurance and investment contracts

Reserves for insurance and investment contracts
€ mn

As of 31 December	2022	2021
Aggregate policy reserves	550,918	537,876
Reserves for premium refunds	17,402	93,476
Other insurance reserves	732	709
Total	**569,052**	**632,061**

Aggregate policy reserves

Aggregate policy reserves
€ mn

	2022	2021
As of 1 January	**537,876**	**507,184**
Balance carry forward of discounted loss reserves	(4,808)	(4,603)
Subtotal	533,068	502,581
Foreign currency translation adjustments	8,514	9,454
Changes in the consolidated subsidiaries of the Allianz Group	114	871
Changes recorded in the consolidated income statement	(631)	749
Premiums collected	31,799	30,567
Separation of embedded derivatives	(1,156)	2,031
Interest credited	2,570	7,084
Dividends allocated to policyholders	1,376	1,907
Releases upon death, surrender, and withdrawal	(25,895)	(20,384)
Policyholder charges	(2,229)	(1,833)
Portfolio acquisitions and disposals	(51)	(801)
Other changes	(1,319)	842
Subtotal	546,160	533,068
Ending balance of discounted loss reserves	4,758	4,808
As of 31 December	**550,918**	**537,876**

Reserves for premium refunds

Reserves for premium refunds
€ mn

	2022	2021
Amounts already allocated under local statutory or contractual regulations		
As of 1 January	**18,456**	**18,036**
Foreign currency translation adjustments	7	13
Changes in the consolidated subsidiaries of the Allianz Group	3	1
Changes	(630)	406
As of 31 December	**17,835**	**18,456**
Latent reserves for premium refunds		
As of 1 January	**75,020**	**85,134**
Foreign currency translation adjustments	77	182
Changes in the consolidated subsidiaries of the Allianz Group	-	-
Changes due to fluctuations in market value	(74,799)	(12,726)
Changes due to valuation differences charged to income	(732)	2,430
As of 31 December	**(433)**	**75,020**
Total	**17,402**	**93,476**

Concentration of insurance risk in the Life/Health business segment

The Allianz Group's Life/Health business segment provides a wide variety of insurance and investment contracts to individuals and groups in over 30 countries around the world. Individual contracts include both traditional contracts and unit-linked contracts. Without taking policyholder participation into account, traditional contracts generally incorporate significant investment risk for the Allianz Group, while unit-linked contracts generally result in the contract holder assuming the investment risk. Traditional contracts include life, endowment, annuity, and health contracts. Traditional annuity contracts are issued in both deferred and immediate types. In addition, the Allianz Group's life insurance operations in the United States issue a significant amount of equity-indexed deferred annuities. In certain markets, the Allianz Group also issues group life, group health, and group pension contracts.

As of 31 December 2022 and 2021, the Allianz Group's reserves for insurance and investment contracts for the business segment Life/Health are summarized per reportable segment as follows:

Concentration of insurance risk in the Life/Health business segment per reportable segment
€ mn

As of 31 December	2022			2021		
	Reserves for insurance and investments contracts	Financial liabilities for unit-linked contracts	Total	Reserves for insurance and investments contracts	Financial liabilities for unit-linked contracts	Total
German Speaking Countries and Central & Eastern Europe	316,407	15,634	332,040	367,549	16,785	384,334
Western & Southern Europe	84,518	93,481	177,999	107,271	104,034	211,305
Iberia & Latin America	6,791	1,751	8,542	7,620	2,044	9,665
Asia Pacific and Greece	14,874	13,923	28,797	13,911	14,618	28,529
USA	135,936	16,067	152,003	123,704	20,241	143,945
Global Insurance Lines & Anglo Markets, Middle East and Africa	1,169	167	1,336	2,428	624	3,052
Consolidation and Other	(3,802)	-	(3,801)	(5,376)	-	(5,376)
Total	**555,892**	**141,024**	**696,916**	**617,109**	**158,346**	**775,454**

The majority of the Allianz Group's Life/Health business segment operations are conducted in Europe. Insurance laws and regulations in Europe have historically been characterized by legal or contractual minimum participation of contract holders in the profits of the insurance company issuing the contract. In particular, life insurance business in Germany, Switzerland, and Austria, which comprises approximately 50 % (2021: 53 %) of the Allianz Group's reserves for insurance and investment contracts as of 31 December 2022, includes a substantial level of policyholder participation in all sources of profit, including mortality/morbidity, investment, and expense. As a result of this policyholder participation, the Allianz Group's exposure to insurance, investment, and expense risk is mitigated.

Furthermore, all of the Allianz Group's annuity policies issued in the United States meet the criteria for classification as insurance contracts under IFRS 4 because they include options for contract holders to elect a life-contingent annuity. These contracts currently do expose the Allianz Group to a certain longevity risk, however, adverse developments can be counteracted by using the flexible crediting options on the in-force book. Additionally, many of the Allianz Group's traditional contracts issued in France and Italy do not incorporate significant insurance risk, although they are accounted for as insurance contracts because of their discretionary participation features. Similarly, a significant portion of the Allianz Group's unit-linked contracts in France and Italy do not incorporate significant insurance risk.

As a result of the considerable diversity in types of contracts issued, including the offsetting effects of mortality risk and longevity risk inherent in a combined portfolio of life insurance and annuity products, the geographic diversity of the Allianz Group's Life/Health business segment and the substantial level of policyholder participation in mortality/morbidity risk in certain countries in Western Europe, the Allianz Group does not believe its Life/Health segment has any significant concentrations of insurance risk, nor does it believe its net income or shareholders' equity is highly sensitive to insurance risk.

The Allianz Group's Life/Health business segment is exposed to significant investment risk as a result of guaranteed minimum interest rates being included in most of its non-unit-linked contracts. The weighted average guaranteed minimum interest rates of the Allianz Group's largest operating entities in the business segment Life/Health, comprising 86 % (2021: 86 %) of the aggregate policy reserves in this business segment in 2022, can be summarized by country as follows:

Weighted average guaranteed minimum interest rates of life insurance entities

As of 31 December	2022		2021	
	Guaranteed rate	Aggregate policy reserves	Guaranteed rate	Aggregate policy reserves
	%	€ bn	%	€ bn
Germany	1.6	232.3	1.7	228.5
United States	0.4	135.9	0.4	123.6
France	0.5	50.5	0.3	54.2
Italy	0.9	27.6	1.0	27.6
Switzerland	1.4	12.9	1.4	12.4
Belgium	1.4	6.6	1.4	6.8

In most of these markets, the effective interest rates earned on the investment portfolio exceed these guaranteed minimum interest rates. In addition, the operations in these markets may also have significant mortality and expense margins.

Further risk disclosure requirements of IFRS 4 in connection with IFRS 7 are reflected in the following sections of the Risk and Opportunity Report within the Group Management Report:

- Internal risk capital framework,
- Risk-based steering and risk management,
- Underwriting risk in the section Quantifiable risks and opportunities by risk category.

Future policy benefits

As of 31 December 2022, benefits for insurance and investment contracts which are expected to be due in 2023 amounted to € 64 bn, while those expected to be due between 2024 and 2027 amounted to € 215 bn, and those expected to be due after 2027 amounted to € 2,380 bn.

The resulting total benefits for insurance and investment contracts in the amount of € 2,659 bn include contracts where the timing and amount of payments are considered fixed and determinable, as well as contracts which have no specified maturity dates and may result in a payment to the contract beneficiary, depending on mortality and morbidity experience and the incidence of surrenders, lapses, or maturities. Furthermore, the amounts are undiscounted and do not include any expected future premiums; therefore they significantly exceed the reserves for insurance and investment contracts presented in the consolidated balance sheet.

For contracts without fixed and determinable payments, the Allianz Group has made assumptions in estimating the undiscounted cash flows of contractual policy benefits, including mortality, morbidity, interest crediting rates, policyholder participation in profits, and future lapse rates. These assumptions represent current best estimates and may differ from the estimates used to establish the reserves for insurance and investment contracts in accordance with the Allianz Group's established accounting policy. Due to the uncertainty of the assumptions used, the amount presented could be materially different from the actual incurred payments in future periods.

17 _ Financial liabilities for unit-linked contracts

Financial liabilities for unit-linked contracts
€ mn

	2022	2021
As of 1 January	**158,346**	**137,307**
Foreign currency translation adjustments	193	1,192
Changes in the consolidated subsidiaries of the Allianz Group	9	2,987
Premiums collected	21,758	26,375
Interest credited	(19,964)	13,129
Releases upon death, surrender, and withdrawal	(14,073)	(17,873)
Policyholder charges	(2,750)	(2,522)
Portfolio acquisitions and disposals	(113)	(1,289)
Reclassifications[1]	(2,381)	(960)
As of 31 December[2]	**141,024**	**158,346**

1_These reclassifications mainly relate to insurance contracts when policyholders change their contracts from a unit-linked to a universal life-type contract.
2_Consists of € 92,976 mn (2021: € 102,855 mn) unit-linked insurance contracts, and € 48,048 mn (2021: € 55,491 mn) unit-linked investment contracts.

18 _ Other liabilities

Other liabilities
€ mn

As of 31 December	2022	2021
Payables		
Policyholders	5,093	5,560
Reinsurance	4,159	4,335
Agents	2,573	2,645
Subtotal	11,825	12,540
Payables for social security	441	435
Tax payables		
Income taxes	1,774	2,519
Other taxes, interest, and penalties	2,127	2,255
Subtotal	3,901	4,774
Accrued interest and rent	365	365
Unearned income	566	593
Provisions		
Pensions and similar obligations	7,994	11,185
Employee related	3,092	3,099
Share-based compensation plans	369	361
Restructuring plans	309	274
Other provisions	2,686	6,070
Subtotal	14,450	20,988
Deposits retained for reinsurance ceded	25,889	31,221
Derivative financial instruments used for hedging that meet the criteria for hedge accounting, and firm commitments[1]	1,530	994
Financial liabilities for puttable financial instruments	2,849	2,615
Lease liabilities	2,740	2,790
Other liabilities	10,022	9,281
Total[2]	**74,577**	**86,596**

1_Mainly level 2 for fair value measurement.
2_Includes other liabilities due within one year of € 45,339 mn (2021: € 47,286 mn).

19 _ Certificated and subordinated liabilities

Certificated and subordinated liabilities

€ mn

	Contractual maturity date				
	Up to 1 year	1 - 5 years	Over 5 years	As of 31 December 2022	As of 31 December 2021
Senior bonds	750	2,994	4,309	8,053	9,595
Money market securities	1,123	-	-	1,123	1,198
Fair value hedge effects related to certificated liabilities	-	-	(130)	(130)	(6)
Total certificated liabilities	**1,873**	**2,994**	**4,179**	**9,046**	**10,788**
Subordinated bonds	-	-	11,996	11,996	10,877
Subordinated loans[1]	-	-	45	45	45
Fair value hedge effects related to subordinated liabilities	-	(101)	-	(101)	34
Total subordinated liabilities	**-**	**(101)**	**12,041**	**11,940**	**10,956**

1_Relates to subordinated loans issued by subsidiaries.

Bonds outstanding as of 31 December 2022

mn

	ISIN	Year of issue	Currency	Notional amount	Coupon in %	Maturity date
Certificated liabilities						
Allianz Finance II B.V., Amsterdam	DE000A19S4U8	2017	EUR	750	0.250	6 June 2023
	DE000A3KY367	2021	EUR	300	3-months Euribor +100 bps	22 November 2024
	DE000A28RSQ8	2020	EUR	500	Non-interest bearing	14 January 2025
	DE000A2RWAX4	2019	EUR	750	0.875	15 January 2026
	DE000A3KY342	2021	EUR	700	Non-interest bearing	22 November 2026
	DE000A19S4V6	2017	EUR	750	0.875	6 December 2027
	DE000A1HG1K6	2013	EUR	750	3.000	13 March 2028
	DE000A2RWAY2	2019	EUR	750	1.500	15 January 2030
	DE000A28RSR6	2020	EUR	750	0.500	14 January 2031
	DE000A180B80	2016	EUR	750	1.375	21 April 2031
	DE000A3KY359	2021	EUR	500	0.500	22 November 2033
	DE000A1HG1L4	2013	GBP	750	4.500	13 March 2043
Subordinated liabilities						
Allianz SE, Munich	DE000A30VTT8	2022	EUR	1,250	4.597	7 September 2038
	DE000A14J9N8	2015	EUR	1,500	2.241	7 July 2045
	DE000A2DAHN6	2017	EUR	1,000	3.099	6 July 2047
	XS1556937891	2017	USD	600	5.100	30 January 2049
	DE000A2YPFA1	2019	EUR	1,000	1.301	25 September 2049
	DE000A254TM8	2020	EUR	1,000	2.121	8 July 2050
	DE000A30VJZ6	2022	EUR	1,250	4.252	5 July 2052
	DE000A1YCQ29	2013	EUR	1,500	4.750	Perpetual
	DE000A13R7Z7	2014	EUR	1,500	3.375	Perpetual
	XS1485742438	2016	USD	1,500	3.875	Perpetual
	DE000A289FK7	2020	EUR	1,250	2.625	Perpetual
	US018820AA81/ USX10001AA78	2020	USD	1,250	3.500	Perpetual
	DE000A3E5TR0	2021	EUR	1,250	2.600	Perpetual
	US018820AB64/ USX10001AB51	2021	USD	1,250	3.200	Perpetual

20 _ Equity

Equity
€ mn

As of 31 December	2022	2021
Shareholders' equity		
Issued capital	1,170	1,170
Additional paid-in capital	27,732	27,732
Undated subordinated bonds	4,843	4,699
Retained earnings[1]	35,350	32,784
Foreign currency translation adjustments	(2,406)	(3,223)
Unrealized gains and losses (net)[2]	(15,215)	16,789
Subtotal	51,474	79,952
Non-controlling interests	3,768	4,270
Total	**55,242**	**84,222**

1_As of 31 December 2022, includes € (333) mn (2021: € (32) mn) related to treasury shares.
2_As of 31 December 2022, includes € 2 mn (2021: € 341 mn) related to cash flow hedges.

Issued capital

Issued capital as of 31 December 2022 amounted to € 1,170 mn, divided into 403,313,996 fully paid registered shares. The shares have no-par value but a mathematical per-share value as a proportion of the issued capital.[1]

Authorized capital

As of 31 December 2022, Allianz SE had authorized capital with a notional amount of € 468 mn for the issuance of new shares until 3 May 2027 (Authorized Capital 2022/I). The shareholders' subscription rights can be excluded for capital increases against contribution in kind. For a capital increase against contributions in cash, the subscription rights can be excluded: (i) for fractional amounts, (ii) to the extent necessary to grant a subscription right for new shares to the holders of bonds that carry conversion or option rights or provide for mandatory conversion, and (iii) if the issue price is not significantly below the market price and the shares issued under exclusion of the subscription rights pursuant to § 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz) do not exceed 10% of the share capital, neither on the date on which this authorization takes effect nor on the date of exercise of this authorization. The sale of treasury shares shall be counted towards this limitation, provided that the sale occurs during the term of this authorization, subject to the exclusion of subscription rights in the corresponding application of § 186 (3) sentence 4 AktG. Furthermore, such shares shall count towards this limitation that are to be issued to service bonds (including participation rights) with conversion or option rights and/or conversion obligations, provided that these bonds (including participation rights) were issued during the term of this authorization, subject to exclusion of subscription rights in the corresponding application of § 186 (3) sentence 4 AktG. The subscription rights for new shares from the Authorized Capital 2022/I and the Conditional Capital 2022 may only be excluded for the proportionate amount of the share capital of up to € 117 mn (corresponding to 10% of the share capital at year-end 2022).

In addition, Allianz SE has authorized capital (Authorized Capital 2022/II) for the issuance of new shares against contributions in cash until 3 May 2027. The shareholders' subscription rights are excluded. The new shares may only be offered to employees of Allianz SE and its Group companies. As of 31 December 2022, the Authorized Capital 2022/II amounted to € 15 mn.

Conditional capital

As of 31 December 2022, Allianz SE had conditional capital totaling € 117 mn (Conditional Capital 2022). This conditional capital increase shall be carried out only if conversion or option rights attached to bonds (including participation rights) which Allianz SE or its Group companies have issued against cash payments according to the resolutions of the Annual General Meeting (AGM) on 4 May 2022 are exercised, or the conversion obligations under such bonds are fulfilled, and only to the extent that the conversion or option rights or conversion obligations are not serviced through treasury shares or through shares from authorized capital.

Changes in the number of issued shares outstanding

Number of issued shares outstanding

	2022	2021
Number of issued shares outstanding as of 1 January	408,219,153	412,045,639
Changes in number of treasury shares	(1,486,114)	8,769
Cancellation of issued shares	(5,143,877)	(3,835,255)
Number of issued shares outstanding as of 31 December	401,589,162	408,219,153
Treasury shares[1]	1,724,834	238,720
Total number of issued shares	**403,313,996**	**408,457,873**

1_Thereof 1,724,834 (2021: 238,720) own shares held by Allianz SE.

Proposal for appropriation of net earnings

The Board of Management and the Supervisory Board propose that the net earnings ("Bilanzgewinn") of Allianz SE of € 4,929,826,777.05 for the 2022 fiscal year shall be appropriated as follows:

– Distribution of a dividend of € 11.40 per no-par share entitled to a dividend: € 4,578,116,446.80
– Unappropriated earnings carried forward: € 351,710,330.25.

The proposal for appropriation of net earnings reflects the 1,724,834 treasury shares held directly and indirectly by the company as of 31 December 2022. Such treasury shares are not entitled to the dividend pursuant to §71b of the German Stock Corporation Act (AktG). Should there be any change in the number of shares entitled to the dividend by the date of the Annual General Meeting, the above proposal will be amended accordingly and presented for resolution on the appropriation of net earnings at the Annual General Meeting, with an unchanged dividend of € 11.40 per each share entitled to dividend.

Treasury shares

As of 31 December 2022, Allianz SE held 1,724,834 (2021: 238,720) treasury shares. Of these, 54,482 (2021: 38,720) were held for covering future subscriptions by employees in Germany and abroad in the context of Employee Stock Purchase Plans. 200,000 (2021: 200,000) were held as a hedge for obligations from the Allianz Equity

1_Mathematical per-share value € 2.90 (rounded).

Incentive Program, and 1,470,352 treasury shares were acquired in the course of the Share Buy-Back Program 2022/II (these shares will be redeemed until the end of 2023).

In 2022, 964,487 (2021: 676,669) treasury shares were transferred to employees of Allianz SE and its subsidiaries in Germany and abroad. This includes 87,172 shares granted as part of the so-called "free share program" ("Gratisaktienprogramm"). The 38,720 residual treasury shares earmarked for these purposes of Employee Stock Purchase Plans from the previous year were fully consumed and, in addition, 980,249 treasury shares were acquired from the market for this purpose. As in the previous years, no capital increase for the purpose of Employee Stock Purchase Plans was carried out in 2022. Employees of the Allianz Group purchased approximately 75% of the shares of the purchase plan at a reference price of € 164.61 (2021: € 197.82) per share and were allocated one additional share per three shares purchased, which is equivalent to a discount of approximately 25%. The shares were sold to employees at a mean price of € 123.46 (2021: € 148.37). As of 31 December 2022, the remaining treasury shares of Allianz SE, held for covering subscriptions by employees in the context of the Employee Stock Purchase Plans of Allianz SE and its subsidiaries in Germany and abroad, amounted to 54,482 shares.

In the year ending 31 December 2022, the total number of treasury shares of Allianz SE increased by 1,486,114 (2021: a decrease of 8,769), which corresponds to € 4,310,870.71 (2021: € 25,116.49) or 0.37% (2021: 0.002%) of issued capital as of 31 December 2022.

The treasury shares of Allianz SE and its subsidiaries represented € 5.0 mn (2021: € 0.7 mn) or 0.43% (2021: 0.06%) of the issued capital as of 31 December 2022.

Share Buy-Back Program 2022

In its meeting on 17 February 2022, the Board of Management of Allianz SE resolved to carry out a share buy-back program in an amount of up to € 1 bn, within a period between March 2022 and 31 December 2022 (Share Buy-Back Program 2022/I), based on the authorization granted by the Annual General Meeting on 9 May 2018. In the period between 8 March 2022 and 15 July 2022, a total of 5,143,877 treasury shares with a market value of € 999,999,803.07 were acquired for an average price of € 194.41.

All of the treasury shares acquired within the Share Buy-Back Program 2022/I have been redeemed according to the simplified procedure without reduction of the share capital.

In its meeting on 9 November 2022, the Board of Management of Allianz SE resolved to carry out an additional share buy-back program in an amount of up to € 1 bn, within a period between mid-November 2022 and 31 December 2023 (Share Buy-Back Program 2022/II), based on the authorization granted by the Annual General Meeting on 4 May 2022. In the period between 21 November 2022 and 15 December 2022, a total of 1,470,352 treasury shares were acquired already.

Until the authorization for issue of the consolidated financial statements by the Board of Management on 14 February 2023, 1,659,683 treasury shares with a market value of € 365,341,591.57 were acquired.

Non-controlling interests

Non-controlling interests
€ mn

As of 31 December	2022	2021
Unrealized gains and losses (net)	(264)	201
Share of earnings	444	495
Other equity components	3,587	3,575
Total	**3,768**	**4,270**

Capital requirements

The Allianz Group's capital requirements primarily depend on the type of business that it underwrites, the industry and geographic locations in which it operates, and the allocation of the Allianz Group's investments. During the Allianz Group's annual planning and strategic dialogs with its related undertakings, internal capital requirements are determined through business plans regarding the levels and timing of capital expenditures and investments. These plans also form the basis for the Allianz Group's capital management. Resilience under stress conditions is also considered when determining the internal capital requirements of the Group. The regulators impose minimum capital requirements on the Group and its related undertakings. For further details on how Allianz Group manages its capital, please refer to the section "Target and strategy of risk management" of the Risk and Opportunity Report.

With Solvency II being the regulatory regime relevant for the Group as of 1 January 2016, the risk profile is measured and steered based on the approved Solvency II internal model[1]. The Allianz Group has introduced a target Solvency ratio range in accordance with Solvency II, based on pre-defined stress scenarios for both the Group and related undertakings, supplemented by ad-hoc scenarios, historical and reverse stress tests, and sensitivity analyses.

The Allianz Group's Own Funds are composed of the eligible Own Funds relating to the Group of internal model and standard formula entities, the sectoral Own Funds of entities from other financial sectors, as well as the equivalent Own Funds of entities included via the deduction and aggregation (D&A) method. The eligible Own Funds relating to the Group of internal model and standard formula entities essentially consist of the MVBS excess of assets over liabilities plus qualifying subordinated liabilities, less deductions for foreseeable dividends as well as further deductions relating, for example, to transferability restrictions.

Based on the information available to the Allianz Group as of the end of December 2022 and with a Solvency II capitalization of 201% (2021: 209%), it is expected that the Group continues to be sufficiently capitalized and compliant with both the regulatory Solvency Capital Requirement and the minimum consolidated Group Solvency Capital Requirement. For further information on Solvency II capitalization,

1_From a formalistic perspective, the German Supervisory Authority deems the model to be "partial" because not all of the related entities are using the internal model. Some of the smaller entities report under the standard formula and others under the deduction and aggregation approach. Without loss of generality, the term internal model might be used in the following chapters, e.g., in case descriptions also referring to entities that use the internal model, or descriptions focusing on processes with respect to the internal model components.

please refer to the section "Solvency II regulatory capitalization" of the Risk and Opportunity Report.

The Allianz Group is a financial conglomerate within the scope of the Financial Conglomerates Directive (FCD). The FCD does not impose a materially different capital requirement on Allianz Group compared to Solvency II.

The Allianz Group's insurance subsidiaries (including Allianz SE) prepare individual financial statements based on local laws and regulations. The local regulations establish additional restrictions on the minimum level of capital and the amount of dividends that may be paid to shareholders. The respective local minimum capital requirements are based on various criteria including, but not limited to, the volume of premiums written or claims paid, amount of insurance reserves, investment risks, credit risks, and underwriting risks.

As of 31 December 2022, the Allianz Group believes that there are no outstanding regulatory capital or compliance matters that would have material adverse effects on the financial position or the results of operations of the Allianz Group. For further information on the Structured Alpha matter please refer to note 38.

Some insurance subsidiaries of the Allianz Group are subject to regulatory restrictions on the amount of dividends that can be remitted to Allianz SE without prior approval by the appropriate regulatory body. These restrictions require that a company may only pay dividends up to an amount in excess of certain regulatory capital levels, or based on the levels of undistributed earned surplus or current year income or a percentage thereof. Allianz Group's Board of Management believes that these restrictions will not affect the ability of Allianz SE to pay dividends to its shareholders in the future.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

21 _ Premiums earned (net)

Premiums earned (net)
€ mn

	Property-Casualty	Life/Health	Consolidation	Group
2022				
Premiums written				
Gross	67,716	26,568	(94)	94,190
Ceded	(7,152)	(1,020)	94	(8,078)
Net	60,564	25,548	-	86,112
Change in unearned premiums (net)	(1,685)	(515)	-	(2,200)
Premiums earned (net)	**58,878**	**25,033**	**-**	**83,912**
2021				
Premiums written				
Gross	60,273	25,884	(94)	86,063
Ceded	(6,794)	(867)	94	(7,567)
Net	53,479	25,018	-	78,497
Change in unearned premiums (net)	(425)	(416)	-	(840)
Premiums earned (net)	**53,054**	**24,602**	**-**	**77,656**

22 _ Interest and similar income

Interest and similar income
€ mn

	2022	2021
Dividends from available-for-sale investments	3,796	3,664
Interest from available-for-sale investments	14,941	13,792
Interest from loans to banks and customers	3,795	3,553
Rent from real estate held for investment	1,246	1,092
Other	1,447	1,035
Total	**25,225**	**23,137**

23 _ Income from financial assets and liabilities carried at fair value through income (net)

Income from financial assets and liabilities carried at fair value through income (net)
€ mn

	2022	2021
Income from financial assets and liabilities held for trading (net)	(15,387)	(6,784)
Income from financial assets and liabilities designated at fair value through income (net)	(560)	631
Income from financial liabilities for puttable financial instruments (net)	(54)	(317)
Foreign currency gains and losses (net)[1]	3,383	4,462
Total	**(12,618)**	**(2,008)**

1_These foreign currency gains and losses arise subsequent to initial recognition on all assets and liabilities denominated in a foreign currency that are monetary items and not measured at fair value through income.

24 _ Realized gains/losses (net)

Realized gains/losses (net)
€ mn

	2022	2021
REALIZED GAINS		
Available-for-sale investments		
Equity securities	10,821	3,019
Debt securities	4,366	6,341
Subtotal	15,187	9,360
Other	3,037	1,650
Subtotal	18,224	11,010
REALIZED LOSSES		
Available-for-sale investments		
Equity securities	(1,195)	(284)
Debt securities	(4,646)	(1,114)
Subtotal	(5,841)	(1,398)
Other	(285)	(189)
Subtotal	(6,126)	(1,587)
Total	**12,098**	**9,423**

25 _ Fee and commission income

Fee and commission income

€ mn

	2022	2021
PROPERTY-CASUALTY		
Fees from credit and assistance business	1,687	1,532
Service agreements	615	467
Subtotal	2,302	1,998
LIFE/HEALTH		
Investment advisory	1,661	1,622
Service agreements	299	191
Subtotal	1,960	1,813
ASSET MANAGEMENT		
Management and advisory fees	9,461	9,566
Loading and exit fees	343	370
Performance fees	474	633
Other	49	33
Subtotal	10,327	10,602
CORPORATE AND OTHER		
Service agreements	3,040	2,219
Investment advisory and banking activities	650	666
Subtotal	3,691	2,886
CONSOLIDATION	(4,299)	(3,301)
Total	**13,981**	**13,998**

26 _ Claims and insurance benefits incurred (net)

Claims and insurance benefits incurred (net)

€ mn

	Property-Casualty	Life/Health	Consoli-dation	Group
2022				
Gross	(44,311)	(24,246)	61	(68,496)
Ceded	4,580	1,153	(61)	5,672
Net	**(39,731)**	**(23,093)**	**-**	**(62,824)**
2021				
Gross	(40,302)	(22,697)	73	(62,926)
Ceded	4,737	1,140	(73)	5,804
Net	**(35,565)**	**(21,557)**	**-**	**(57,121)**

27 _ Change in reserves for insurance and investment contracts (net)

Change in reserves for insurance and investment contracts (net)

€ mn

	Property-Casualty	Life/Health	Consoli-dation	Group
2022				
Gross	(305)	(3,451)	(43)	(3,799)
Ceded	5	553	-	557
Net	**(301)**	**(2,899)**	**(43)**	**(3,242)**
2021				
Gross	(418)	(13,355)	30	(13,743)
Ceded	(10)	23	14	27
Net	**(428)**	**(13,332)**	**44**	**(13,716)**

28 _ Interest expenses

Interest expenses

€ mn

	2022	2021
Liabilities to banks and customers	(172)	(99)
Deposits retained for reinsurance ceded	(608)	(340)
Certificated liabilities	(130)	(162)
Subordinated liabilities	(431)	(455)
Other	(97)	(103)
Total	**(1,438)**	**(1,159)**

29 _ Impairments of investments (net)

Impairments of investments (net)

€ mn

	2022	2021
Impairments		
Available-for-sale investments		
Equity securities	(3,191)	(1,077)
Debt securities	(2,451)	(315)
Subtotal	(5,642)	(1,391)
Other	(583)	(139)
Non-current assets and assets of disposal groups classified as held for sale	(436)	-
Subtotal	(6,662)	(1,530)
Reversals of impairments	141	199
Total	**(6,521)**	**(1,331)**

30 _ Investment expenses

Investment expenses
€ mn

	2022	2021
Investment management expenses	(1,132)	(1,019)
Expenses from real estate held for investment	(693)	(630)
Expenses from fixed assets from alternative investments	(389)	(314)
Total	**(2,214)**	**(1,962)**

31 _ Acquisition and administrative expenses (net)

Acquisition and administrative expenses (net)
€ mn

	2022	2021
PROPERTY-CASUALTY		
Acquisition costs[1]	(11,901)	(10,583)
Administrative expenses	(3,885)	(3,686)
Subtotal	(15,786)	(14,269)
LIFE/HEALTH		
Acquisition costs	(4,102)	(5,208)
Administrative expenses	(2,189)	(2,100)
Subtotal	(6,291)	(7,307)
ASSET MANAGEMENT		
Personnel expenses	(3,108)	(3,149)
Non-personnel expenses[2,3]	(3,785)	(5,458)
Subtotal	(6,894)	(8,607)
CORPORATE AND OTHER		
Administrative expenses	(1,311)	(1,206)
Subtotal	(1,311)	(1,206)
CONSOLIDATION	(3)	(33)
Total	**(30,286)**	**(31,422)**

1_Include € 1,072 mn (2021: € 1,043 mn) ceded acquisition costs.
2_Include € (168) mn (2021: € 102 mn) changes in assets and € 168 mn (2021: € (102) mn) changes in liabilities related to certain deferred compensation programs, entirely offsetting each other.
3_Include € (1,857) mn (2021: € (3,687) mn) expenses for a litigation provision for Structured Alpha. For further information, please refer to note 38.

32 _ Fee and commission expenses

Fee and commission expenses
€ mn

	2022	2021
PROPERTY-CASUALTY		
Fees from credit and assistance business	(1,718)	(1,546)
Service agreements	(558)	(409)
Subtotal	(2,276)	(1,955)
LIFE/HEALTH		
Investment advisory	(767)	(726)
Service agreements	(249)	(192)
Subtotal	(1,016)	(919)
ASSET MANAGEMENT		
Commissions	(2,103)	(2,189)
Other	(14)	(10)
Subtotal	(2,116)	(2,199)
CORPORATE AND OTHER		
Service agreements	(2,965)	(2,209)
Investment advisory and banking activities	(419)	(410)
Subtotal	(3,385)	(2,619)
CONSOLIDATION	3,591	2,693
Total	**(5,201)**	**(5,000)**

33 _ Income taxes

Income taxes
€ mn

	2022	2021
Current income taxes	(2,403)	(3,636)
Deferred income taxes	(64)	1,221
Total	**(2,467)**	**(2,415)**

During the year ended 31 December 2022, current income taxes included expenses of € 353 mn (2021: € 10 mn) related to prior years, and deferred income taxes included income of € 239 mn (2021: € 3 mn) related to prior years.

Of the deferred income taxes for the year ended 31 December 2022, expenses of € 793 mn (2021: income of € 1,385 mn) are attributable to the recognition of deferred taxes on temporary differences, and income of € 720 mn (2021: expenses of € 156 mn) is attributable to tax losses carried forward. Changes to applicable tax rates due to changes in tax law led to deferred tax income of € 9 mn (2021: expenses of € 8 mn).

For the years ended 31 December 2022 and 2021, the income taxes relating to components of other comprehensive income consist of the following:

Income taxes relating to components of other comprehensive income
€ mn

	2022	2021
Items that may be reclassified to profit or loss in future periods		
Foreign currency translation adjustments	246	148
Available-for-sale investments	10,291	2,489
Cash flow hedges	116	74
Share of other comprehensive income of associates and joint ventures	(19)	16
Miscellaneous	(46)	166
Items that may never be reclassified to profit or loss		
Changes in actuarial gains and losses on defined benefit plans	(798)	170
Total	**9,789**	**3,063**

The recognized income taxes for the year ended 31 December 2022 are € 243 mn (2021: € 102 mn) above the expected income taxes, which are determined by multiplying the respective income before income taxes with the applicable country-specific tax rates. The following table shows the reconciliation from the expected income taxes to the effectively recognized income taxes for the Allianz Group. The Allianz Group's reconciliation is a summary of the individual company-related reconciliations, which are based on the respective country-specific tax rates, taking into consideration consolidation effects with an impact on the Group result. The applicable tax rate used in the reconciliation for domestic Allianz Group companies includes corporate tax, trade tax, and the solidarity surcharge, and amounted to 31.0 % (2021: 31.0 %).

The effective tax rate is determined on the basis of the effective income tax expenses on income before income taxes.

Effective tax rate
€ mn

	2022	2021
Income before income taxes	9,649	9,520
Applied weighted income tax rate	23.0%	24.3%
Expected income taxes	**2,224**	**2,313**
Trade tax and similar taxes	205	102
Net tax-exempt income	(193)	(74)
Effects of tax losses	56	(1)
Other effects	175	76
Effective income taxes	**2,467**	**2,415**
Effective tax rate	**25.6%**	**25.4%**

For the year ended 31 December 2022, the write-down of deferred taxes on tax losses carried forward increased the tax expenses by € 108 mn (2021: € 82 mn). The reversal of write-down of deferred tax assets on tax losses carried forward resulted in deferred tax income of € 24 mn (2021: € 12 mn). Due to the use of tax losses carried forward, for which deferred tax assets had previously been written off, the current income tax expenses decreased by € 0 mn (2021: € 0 mn). Deferred tax income increased by € 29 mn (2021: € 71 mn) due to the use of tax losses carried forward, for which deferred tax assets had previously been written off. The aforementioned effects are shown in the reconciliation statement as "effects of tax losses".

The reconciling item "other effects" includes expenses of € 3 mn (2021: € 6 mn) related to the write-down of deferred tax assets on temporary differences and tax credits. Deferred tax income increased by € 6 mn (2021: € 1 mn) due to the reversal of write-down of deferred tax assets on temporary differences and tax credits.

The tax rates used in the calculation of the Allianz Group's deferred taxes are the applicable national rates, which in 2022 ranged from 10.0% to 40.0%, with changes to tax rates that had already been adopted in Austria and France by 31 December 2022 taken into account.

Deferred tax assets on losses carried forward are recognized to the extent to which it is more likely than not that sufficient future taxable profits will be available for realization. Entities which suffered a tax loss in either the current or the preceding period recognized deferred tax assets in excess of deferred tax liabilities amounting to € 3,859 mn (2021: € 483 mn), as there was convincing other evidence that sufficient future taxable profit will be available, including recovery of assets for more than their carrying amount.

Deferred tax assets and liabilities

Deferred tax assets and liabilities
€ mn

As of 31 December	2022	2021
DEFERRED TAX ASSETS		
Financial assets carried at fair value through income	42	38
Investments	53,626	22,850
Deferred acquisition costs	202	1,160
Other assets	3,769	1,860
Intangible assets	141	192
Tax losses carried forward	2,379	1,589
Insurance reserves	46,742	48,632
Pensions and similar obligations	3,849	5,381
Other liabilities	2,570	3,079
Total deferred tax assets	113,319	84,780
Non-recognition or valuation allowance for deferred tax assets on tax losses carried forward	(684)	(761)
Effect of netting	(105,696)	(82,110)
Net deferred tax assets	**6,939**	**1,910**
DEFERRED TAX LIABILITIES		
Financial assets carried at fair value through income	861	969
Investments	40,663	44,241
Deferred acquisition costs	8,824	6,781
Other assets	2,360	1,881
Intangible assets	1,519	1,563
Insurance reserves	49,352	28,755
Pensions and similar obligations	2,485	2,996
Other liabilities	763	550
Total deferred tax liabilities	106,827	87,736
Effect of netting	(105,696)	(82,110)
Net deferred tax liabilities	**1,131**	**5,626**
Net deferred tax assets (liabilities)	**5,807**	**(3,717)**

Taxable temporary differences associated with investments in Allianz Group companies for which no deferred tax liabilities are recognized, as the Allianz Group is able to control the timing of their reversal, and which will not reverse in the foreseeable future, amounted to € 1,721 mn (2021: € 1,966 mn). Deductible temporary differences arising from investments in Allianz Group companies for which no deferred tax assets are recognized, as it is not probable that they will reverse in the foreseeable future, amounted to € 685 mn (2021: € 438 mn).

Tax losses carried forward

Tax losses carried forward at 31 December 2022 of € 9,307 mn (2021: € 6,284 mn) resulted in the recognition of deferred tax assets to the extent that there is sufficient certainty that the unused tax losses will be utilized. At the reporting date, this prerequisite was considered not fulfilled for a partial amount of € 2,752 mn (2021: € 2,895 mn). According to tax legislation as of 31 December 2022, an amount of € 2,519 mn (2021: € 2,620 mn) of these tax losses may be carried forward indefinitely, whereas an amount of € 233 mn (2021: € 275 mn) of these tax losses carried forward will expire over the next 20 years if not utilized.

Tax losses carried forward are scheduled according to their expiry periods as follows:

Tax losses carried forward
€ mn

	2022
2023	7
2024-2025	39
2026-2027	127
2028-2032	726
>10 years	972
Unlimited	7,436
Total	**9,307**

OTHER INFORMATION

34 _ Derivative financial instruments

Derivative financial instruments
€ mn

As of 31 December	2022						2021		
	Maturity by notional amount			Notional principal amounts	Positive fair values	Negative fair values	Notional principal amounts	Positive fair values	Negative fair values
	Up to 1 year	1 - 5 years	Over 5 years						
Interest rate contracts	15,695	30,798	74,867	121,360	598	(1,352)	150,700	928	(266)
Equity/index contracts	283,819	32,053	20,660	336,532	5,268	(15,285)	367,895	9,969	(19,964)
Foreign exchange contracts	128,579	4,588	2,280	135,447	3,271	(772)	135,447	560	(1,646)
Other	1,131	14,034	249	15,414	37	(23)	31,060	64	(9)
Total	**429,224**	**81,473**	**98,056**	**608,753**	**9,174**	**(17,432)**	**685,102**	**11,521**	**(21,885)**
thereof OTC[1]	381,351	78,641	98,056	558,048	8,169	(17,427)	586,977	10,245	(21,779)
thereof exchange-traded	47,873	2,832	-	50,705	1,005	(5)	98,125	1,276	(106)

1_Consists mainly of equity/index contracts and foreign exchange contracts.

The table shows the fair value and notional amounts of all freestanding derivatives, as well as derivatives for which hedge accounting is applied by the Allianz Group, as of 31 December 2022 and 2021 respectively. The notional principal amounts indicated in the table are cumulative, as they include the absolute value of the notional principal amounts of derivatives with positive and negative fair values. Although these notional principal amounts reflect the degree of the Allianz Group's involvement in derivative transactions, they do not represent amounts exposed to risk. Further information on the use of derivatives to hedge risk can be found in the sections on market and credit risk of the Risk and Opportunity Report, which forms part of the Group Management Report.

Freestanding derivative financial instruments

As of 31 December 2022, freestanding derivatives, which are included in the line item financial assets and liabilities held for trading, had a notional principal amount of € 579.4 bn (2021: € 658.1 bn) as well as a positive fair value of € 8.5 bn (2021: € 11.2 bn), and a negative fair value of € 15.9 bn (2021: € 20.9 bn). Out of the total allocated to the freestanding derivatives, € 126.1 bn (2021: € 122.2 bn) of the notional principal relate to annuity products. Annuity products are equity-indexed or contain certain embedded options or guarantees which are considered embedded derivatives under IAS 39. For these embedded derivatives, the notional principal amounts included in the table refer to the account value of the related insurance contracts. The total negative fair value of these embedded derivatives amounts to € 11.2 bn (2021: € 12.9 bn). Further information on the fair value measurement of these derivatives can be found in note 35.

Derivative financial instruments used in accounting hedges

As of 31 December 2022, derivatives, which form part of hedge accounting relationships and which are included in the line items other assets and other liabilities, had a notional amount of € 29.4 bn (2021: € 27.0 bn) as well as a positive fair value of € 0.7 bn (2021: € 0.3 bn) and a negative fair value of € 1.5 bn (2021: € 1.0 bn). These hedging instruments mainly include interest rate forwards with a total negative fair value of € 0.9 bn (2021: fair value of € 0.0 bn).

Fair value hedges

The Allianz Group uses fair value hedges to hedge the exposure to changes in the fair value of financial assets and financial liabilities due to movements in interest or exchange rates, and to hedge its equity portfolio against equity market risk. As of 31 December 2022, the derivative financial instruments used for the related fair value hedges of the Allianz Group had a total negative fair value of € 334 mn (2021: € 256 mn).

Cash flow hedges

During the year ended 31 December 2022, cash flow hedges were used to hedge the exposure to the variability of cash flows arising from interest rate or exchange rate fluctuations as well as inflation. As of 31 December 2022, the derivative instruments utilized had a total negative fair value of € 561 mn (2021: € 40 mn).

The ineffectiveness that arises from cash flow hedges is immaterial.

Hedges of net investment in foreign operations

As of 31 December 2022, the Allianz Group hedged part of its foreign currency net investments through the issuance of several foreign currency denominated liabilities and the use of forward sales. The total positive fair value in 2022 was € 51 mn (2021: total negative fair value of € 367 mn).

Offsetting

The Allianz Group enters into enforceable master netting arrangements and similar arrangements mainly for derivatives transactions. None of these enforceable master netting arrangements or similar arrangements meet the requirements for offsetting in line with IAS 32.

Credit risk associated with netting arrangements is further mitigated by collateral. For further information on collateral, please refer to note 35. The maximum credit risk exposure is represented by the carrying amount of the financial assets.

35 _ Fair values and carrying amounts of financial instruments

Certain risk disclosure requirements of IFRS 7 are reflected in the following sections of the Risk and Opportunity Report within the Group Management Report:

- Risk-based steering and risk management,
- Internal risk capital framework,
- Allianz risk profile and management assessment,
- Market risk, credit risk, and liquidity risk in the section Quantifiable risks and opportunities by risk category.

Fair values and carrying amounts

The following table compares the carrying amount and fair value of the Allianz Group's financial assets and financial liabilities:

Fair values and carrying amounts of financial instruments
€ mn

As of 31 December	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS				
Cash and cash equivalents	22,573	22,573	24,214	24,214
Financial assets held for trading	9,289	9,289	11,961	11,961
Financial assets designated at fair value through income	7,279	7,279	7,643	7,643
Available-for-sale investments	499,044	499,044	625,250	625,250
Held-to-maturity investments	2,867	2,657	2,749	2,887
Investments in associates and joint ventures	17,293	22,853	15,416	20,149
Real estate held for investment	18,032	29,099	16,923	28,763
Loans and advances to banks and customers	125,900	116,309	124,079	138,234
Financial assets for unit-linked contracts	141,024	141,024	158,346	158,346
FINANCIAL LIABILITIES				
Financial liabilities held for trading	15,902	15,902	20,891	20,891
Liabilities to banks and customers	18,077	17,924	15,468	15,481
Financial liabilities for unit-linked contracts	141,024	141,024	158,346	158,346
Financial liabilities for puttable financial instruments	2,849	2,849	2,615	2,615
Certificated liabilities	9,046	8,410	10,788	11,611
Subordinated liabilities	11,940	10,790	10,956	11,547

As of 31 December 2022, fair values could not reliably be measured for equity investments with carrying amounts totaling € 109 mn (2021: € 110 mn). These investments are primarily investments in privately held corporations and partnerships. During the year ended 31 December 2022, such investments with carrying amounts of € 18 mn (2021: € 91 mn) were sold. The gains and losses from these disposals were immaterial.

Fair value measurement on a recurring basis

The following financial assets and liabilities are carried at fair value on a recurring basis:

- Financial assets and liabilities held for trading,
- Financial assets and liabilities designated at fair value through income,
- Available-for-sale investments,
- Financial assets and liabilities for unit-linked contracts, and
- Financial liabilities for puttable financial instruments.

The following table presents the fair value hierarchy for financial instruments carried at fair value in the consolidated balance sheet as of 31 December 2022 and 2021:

Fair value hierarchy (items carried at fair value)
€ mn

As of 31 December	2022				2021			
	Level 1[1]	Level 2[2]	Level 3[3]	Total	Level 1[1]	Level 2[2]	Level 3[3]	Total
FINANCIAL ASSETS								
Financial assets carried at fair value through income								
Financial assets held for trading	1,559	7,714	16	9,289	1,579	10,381	1	11,961
Financial assets designated at fair value through income	5,264	449	1,566	7,279	6,282	768	593	7,643
Subtotal	6,823	8,163	1,582	16,568	7,861	11,149	595	19,604
Available-for-sale investments								
Corporate bonds	9,929	179,215	35,936	225,080	12,171	230,675	34,951	277,797
Government and government agency bonds	15,100	154,671	620	170,391	15,943	210,121	684	226,748
MBS/ABS	88	23,925	2,211	26,224	30	28,001	781	28,812
Other	389	972	12,820	14,181	344	1,194	10,568	12,106
Equity securities	23,745	380	39,044	63,168	46,153	437	33,197	79,788
Subtotal	49,251	359,163	90,631	499,044	74,642	470,429	80,180	625,250
Financial assets for unit-linked contracts	108,532	30,387	2,105	141,024	120,768	36,070	1,508	158,346
Total	**164,606**	**397,712**	**94,318**	**656,636**	**203,270**	**517,647**	**82,283**	**803,200**
FINANCIAL LIABILITIES								
Financial liabilities held for trading	412	4,281	11,210	15,902	313	7,815	12,763	20,891
Financial liabilities for unit-linked contracts	108,532	30,387	2,105	141,024	120,768	36,070	1,508	158,346
Financial liabilities for puttable financial instruments	2,007	39	803	2,849	2,128	98	389	2,615
Total	**110,951**	**34,707**	**14,118**	**159,775**	**123,209**	**43,983**	**14,660**	**181,852**

1_Quoted prices in active markets.
2_Market observable inputs.
3_Non-market observable inputs.

Financial assets carried at fair value through income

Financial assets held for trading

This position mainly includes derivative financial instruments. The fair value of these derivatives is mostly determined based on the income approach, using present value techniques and the Black-Scholes-Merton model. Primary inputs for the valuation include volatilities, interest rates, yield curves, and foreign exchange rates observable at commonly quoted intervals. In some cases, it is determined based on the market approach.

Financial assets designated at fair value through income

The fair value is mainly determined based on net asset values for funds and using the market approach.

Available-for-sale investments

Debt securities

Debt securities include corporate and government and government agency bonds, MBS/ABS, and other debt securities.

The valuation techniques for these debt securities are similar. The fair value is determined using the market and the income approach. Primary inputs for the market approach are quoted prices for identical or comparable assets in active markets, where comparability between the security and the benchmark defines the fair value level. In most cases, the income approach means that a present value technique is applied, where either the cash flows or the discount curve is adjusted to reflect credit risk and/or liquidity risk. Depending on the observability of these risk parameters in the market, the security is classified as level 2 or level 3.

Level 3 investments are mainly priced based on the income approach. The primary non-market observable input used in the discounted cash flow method is an option-adjusted spread taken from a set of benchmark securities with similar characteristics. A significant yield increase of the benchmark securities in isolation could result in a decreased fair value, while a significant yield decrease could result in an increased fair value. However, a 10% stress of the main non-market observable inputs has only immaterial impact on fair value.

Equity securities

For level 2, the fair value is mainly determined using the market approach or net asset value techniques for funds. For certain private equity investments, the funds are priced based on transaction prices using the cost approach. As there are only few holders of these funds, the market is not liquid and transactions are only known to participants.

Level 3 mainly comprises private equity fund investments as well as alternative investments of the Allianz Group, and in most cases these are delivered as net asset values by the fund managers. These net asset values are calculated using material, non-public information about the respective private equity companies. The Allianz Group has only limited insight into the specific inputs used by the fund managers, hence a sensitivity analysis is not applicable. The fund's asset manager generally prices the underlying single portfolio companies in line with the International Private Equity and Venture Capital Valuation (IPEV) guidelines, using discounted cash flow (income approach) or multiple methods (market approach). For certain investments, the capital invested is considered to be a reasonable proxy for the fair value. In these cases, sensitivity analyses are also not applicable.

Financial assets for unit-linked contracts

For level 2, the fair value is determined using the market or the income approach. Valuation techniques applied for the income approach mainly include discounted cash flow models as well as the Black-Scholes-Merton model. Financial liabilities for unit-linked contracts are valued based on their corresponding assets.

Financial liabilities held for trading

This position mainly includes derivative financial instruments.

For level 2, the fair value is determined using the income or the market approach. Valuation techniques applied for the income approach mainly include discounted cash flow models as well as the Black-Scholes-Merton model. Main observable input parameters include volatilities, yield curves observable at commonly quoted intervals, and credit spreads observable in the market.

For level 3, the fair value is determined using the income or the market approach. Valuation techniques applied for the income approach mainly include discounted cash flow models. A significant proportion of level 3 liabilities represent derivatives embedded in certain life insurance and annuity contracts. Significant non-market observable input parameters include mortality rates and surrender rates. A significant decrease (increase) in surrender rates, in mortality rates, or in the utilization of annuitization benefits could result in a higher (lower) fair value. For products with a high death benefit, surrender rates may show an opposite effect.

A significant decrease (increase) in withdrawal benefit election could result in a lower (higher) fair value. A 10% change of the mortality assumption for all fixed index annuities and variable annuities could lead to a change in fair value of the embedded derivatives of up to 3.2 %. A 10% change of the surrender assumption for all fixed index annuities and variable annuities could lead to a change in fair value of the embedded derivatives of up to 3.8 %.

Quantitative description of non-market observable input(s) used for the level 3 portfolios

Description	Non-market observable input(s)	Range
Fixed index annuities	Annuitizations	0 % - 25 %
	Surrenders	0 % - 25 %
	Mortality	n/a[1]
	Withdrawal benefit election	0 % - 50 %
Variable annuities	Surrenders	0.5 % - 35 %
	Mortality	n/a[1]

1_Mortality assumptions are mainly derived from the Annuity 2000 Mortality Table.

Financial liabilities for puttable financial instruments

Financial liabilities for puttable financial instruments are generally required to be recorded at the redemption amount with changes recognized in income or equity. The fair value is based on the net asset value or the use of present value techniques.

Significant transfers of financial instruments carried at fair value

In general, financial assets and liabilities are transferred from level 1 to level 2 when their liquidity, trade frequency, and activity are no longer indicative of an active market. The same policy applies conversely for transfers from level 2 to level 1.

Transfers into/out of level 3 may occur due to a reassessment of input parameters.

Reconciliation of level 3 financial instruments

The following tables show reconciliations of the financial instruments carried at fair value and classified as level 3:

Reconciliation of level 3 financial assets

€ mn

	Financial assets carried at fair value through income	Available-for-sale investments – Debt securities[1]	Available-for-sale investments – Equity securities	Financial assets for unit-linked contracts	Total
Carrying value (fair value) as of 1 January 2022	**595**	**46,983**	**33,197**	**1,508**	**82,283**
Additions through purchases and issues	759	14,393	8,351	746	24,249
Net transfers into (out of) level 3	21	320	13	24	378
Disposals through sales and settlements	(570)	(4,883)	(2,664)	(183)	(8,301)
Net gains (losses) recognized in consolidated income statement	792	(169)	189	21	833
Net gains (losses) recognized in other comprehensive income	-	(6,265)	868	-	(5,397)
Impairments	-	(293)	(505)	-	(797)
Foreign currency translation adjustments	(17)	1,116	101	(1)	1,200
Changes in the consolidated subsidiaries of the Allianz Group	1	385	(506)	(10)	(130)
Carrying value (fair value) as of 31 December 2022	**1,582**	**51,587**	**39,044**	**2,105**	**94,318**
Net gains (losses) recognized in consolidated income statement held at the reporting date	322	117	-	20	458

1_Primarily include corporate bonds.

Reconciliation of level 3 financial liabilities

€ mn

	Financial liabilities held for trading	Financial liabilities for unit-linked contracts	Financial liabilities for puttable financial instruments	Total
Carrying value (fair value) as of 1 January 2022	**12,763**	**1,508**	**389**	**14,660**
Additions through purchases and issues	1,470	746	136	2,352
Net transfers into (out of) level 3	-	24	-	24
Disposals through sales and settlements	(1,693)	(183)	(12)	(1,889)
Net losses (gains) recognized in consolidated income statement	(2,076)	21	343	(1,713)
Foreign currency translation adjustments	747	(1)	(18)	728
Changes in the consolidated subsidiaries of the Allianz Group	-	(10)	(34)	(44)
Carrying value (fair value) as of 31 December 2022	**11,210**	**2,105**	**803**	**14,118**
Net losses (gains) recognized in consolidated income statement held at the reporting date	(2,960)	20	343	(2,598)

Fair value measurement on a non-recurring basis

Certain financial assets are measured at fair value on a non-recurring basis when events or changes in circumstances indicate that the carrying amount may not be recoverable.

If financial assets are measured at fair value on a non-recurring basis at the time of impairment, or if fair value less cost to sell is used as the measurement basis under IFRS 5, corresponding disclosures can be found in note 29.

Fair value information about financial assets and liabilities not carried at fair value

Fair value hierarchy (items not carried at fair value)
€ mn

As of 31 December	2022				2021			
	Level 1[1]	Level 2[2]	Level 3[3]	Total	Level 1[1]	Level 2[2]	Level 3[3]	Total
FINANCIAL ASSETS								
Held-to-maturity investments	1,304	1,353	-	2,657	1,271	1,616	-	2,887
Investments in associates and joint ventures	-	907	21,945	22,853	62	800	19,287	20,149
Real estate held for investment	-	-	29,099	29,099	-	-	28,763	28,763
Loans and advances to banks and customers	4,031	39,366	72,912	116,309	6,547	57,750	73,936	138,234
Total	**5,335**	**41,626**	**123,956**	**170,917**	**7,880**	**60,166**	**121,986**	**190,032**
FINANCIAL LIABILITIES								
Liabilities to banks and customers	10,069	4,097	3,758	17,924	8,340	3,612	3,529	15,481
Certificated liabilities	-	8,207	203	8,410	-	11,419	192	11,611
Subordinated liabilities	-	10,790	-	10,790	-	11,547	-	11,547
Total	**10,069**	**23,095**	**3,961**	**37,125**	**8,340**	**26,578**	**3,721**	**38,638**

1_Quoted prices in active markets.
2_Market observable inputs.
3_Non-market observable inputs.

Held-to-maturity investments

For level 2 and level 3, the fair value is mainly determined based on the market approach using quoted market prices, and the income approach using deterministic discounted cash flow models.

Investments in associates and joint ventures

For level 2 and level 3, fair values are mainly based on the income approach, using a discounted cash flow method or net asset values as provided by third-party vendors.

Real estate held for investment

Fair values are mostly determined using the market or the income approach. Valuation techniques applied for the market approach include market prices of identical or comparable assets in markets that are not active. The fair values are either calculated internally and validated by external experts or derived from expert appraisals with internal controls in place to monitor these valuations.

Loans and advances to banks and customers

For loans and advances to banks and customers, quoted market prices are rarely available. Level 1 mainly consists of highly liquid advances, e.g., short-term investments. The fair value for these assets in level 2 and level 3 is mainly derived based on the income approach using deterministic discounted cash flow models.

Liabilities to banks and customers

Level 1 mainly consists of highly liquid liabilities, e.g., payables on demand. The fair value for liabilities in level 2 and level 3 is mainly derived based on the income approach, using future cash flows discounted with risk-specific interest rates. Main non-market observable inputs include credit spreads. In some cases, the carrying amount (amortized cost) is considered to be a reasonable estimate of the fair value.

Certificated liabilities and subordinated liabilities

For level 2, the fair value is mainly determined based on the market approach, using quoted market prices, and based on the income approach, using present value techniques. For level 3, fair values are mainly derived based on the income approach, using deterministic cash flows with credit spreads as primary non-market observable inputs. In some cases, the carrying amount (amortized cost) is considered to be a reasonable estimate for the fair value.

Transfers of financial assets

As of 31 December 2022, the Allianz Group substantially retained all the risks and rewards from the ownership of transferred assets. There have not been any transfers of financial assets that were derecognized in full or partly in which Allianz continues to control the transferred assets. Transfers of financial assets mainly relate to securities lending and repurchase agreement transactions. Financial assets transferred in the context of repurchase agreement and securities lending transactions are mainly available-for-sale debt and equity securities for which substantially all of the risks and rewards are retained. As of 31 December 2022, the carrying amount of the assets transferred for securities lending transactions amounted to € 8,008 mn (2021: € 10,803 mn). For repurchase agreements, the carrying amount of the assets transferred amounted to € 217 mn (2021: € 1,118 mn), and the carrying amount of the associated liabilities amounted to € 217 mn (2021: € 1,122 mn).

Assets pledged as collateral

The carrying amounts of the assets pledged as collateral are displayed in the following table:

Assets pledged as collateral
€ mn

As of 31 December	2022	2021
Collaterals without right to resell or repledge		
Investments	11,190	12,975
Other	5	5
Subtotal	11,195	12,980
Collaterals with right to resell or repledge		
Investments	3,159	6,288
Subtotal	3,159	6,288
Total	**14,354**	**19,268**

Financial assets are pledged as collateral as part of sales and repurchases, securities borrowing, and transactions with derivatives, under terms that are usual and customary for such activities.

In addition, as part of these transactions, the Allianz Group has received collateral that it is permitted to sell or repledge in the absence of default. As of 31 December 2022, the Allianz Group received collateral consisting of fixed income and equity securities with a fair value of € 9,351 mn (2021: € 13,601 mn), which the Allianz Group has the right to sell or repledge. For the years ended 31 December 2022 and 2021, no previously received collateral was sold or repledged by the Allianz Group.

Interest Rate Benchmark Reform (Phase 2)

Regarding IBOR Reform, the transition to alternative benchmark rates affects two components, the risk-free rates for discounting cash flows in derivative transactions as well as reference rates of variable financial instruments and transactions.

In the meantime the derivatives of the Allianz Group are fully migrated due to the already implemented transition of the risk-free discount rate in major currency blocks. For cash instruments the transition of the risk-free discount rate and the transition of the reference rate Euribor used for the Euro region where the majority of the relevant financial instruments are, has already happened. The USD Libor transition will happen by mid of 2023. Overall the associated or expected effect of this transition is not material for the Allianz Group.

36 _ Interests in unconsolidated structured entities

Nature, purpose, and role of the Allianz Group in structured entities

Under IFRS 12, a structured entity is defined as an entity that has been designed so that voting rights or similar rights held by an investor are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The Allianz Group engages in some business activities that involve the use of entities that meet the above-mentioned definition of structured entities. Primarily, the Allianz Group is involved with such entities due to its investment activities associated with its insurance business and due to its asset management activities. Furthermore, structured entities are used by the Allianz Group to source out certain risks to investors as part of its reinsurance business. Generally, the classification of an entity as a structured entity may require significant judgment.

In the following sections, the business activities involving unconsolidated structured entities are described.

Investments in asset-backed securities (ABS) and mortgage-backed securities (MBS) issued by securitization vehicles

The Allianz Group acts as an investor in ABS- or MBS-issuing securitization vehicles that purchase pools of assets, including commercial mortgage loans (CMBS), auto loans, credit card receivables, and others. These securitization vehicles refinance the purchase of assets by issuing tranches of ABS or MBS whose repayment is linked to the performance of the assets held by the vehicles.

Securitization vehicles invested in by the Allianz Group have generally been set up by third parties. Furthermore, the Allianz Group has neither transferred any assets to these vehicles nor has it provided any further credit enhancements to them.

Income derived from investments in securitization vehicles mainly includes interest income generated from ABS and MBS, as well as realized gains and losses from disposals of these securities.

Within the asset management business, the Allianz Group acts as asset manager for some securitization vehicles. The assets under management of these vehicles amounted to € 3,051 mn as of 31 December 2022 (2021: € 2,734 mn). Some of the affected vehicles have been set up by the Allianz Group, others by third parties. In this context, the role of the Allianz Group is limited to asset management.

Income derived from the management of securitization vehicles comprises asset management fees.

Investments in investment funds

Considering the broad variety of investment funds across different jurisdictions, the classification of investment funds as structured entities based on the definition in IFRS 12 is judgmental. As a general rule, the management of relevant activities of an investment fund is delegated to the fund manager via asset management agreements. In contrast, influence from investors on the relevant activities of investment funds is usually either precluded by legal or regulatory provisions or not deemed substantial.

Investment funds are generally subject to stringent regulatory requirements from financial authorities in all jurisdictions across the world. Comprehensive regulation of funds protects fund investors and also helps to limit investment risk. These mechanisms result in a legal set-up of funds that the Allianz Group has to accept as investor and which may lead to a classification as structured entities under IFRS 12.

With regard to investment activities, income mainly includes distributions from the funds, as well as realized gains and losses from disposals.

Asset management activities

Within the asset management business, investment funds are established and managed to accommodate retail and institutional clients' requirements to hold investments in specific asset classes, market segments, or regions. Within the insurance business, policyholder money is partly invested in investment funds managed by Allianz's group-internal asset managers. Investment funds managed by the Allianz Group may include mutual funds, special funds, and other funds.

Income derived from the management of investment funds mainly includes asset management fees and performance-based fees.

Investment funds launched by group-internal asset managers can be considered to be sponsored by the Allianz Group. As a sponsor, the Allianz Group is involved in the legal set-up and marketing of internally managed investment funds through its asset management subsidiaries. This may include providing seed capital to the funds and providing administrative services to ensure the investment funds' operation. Investment funds managed by group-internal asset managers can be reasonably associated with the Allianz Group. The use of the Allianz name for investment funds is another indicator that the Allianz Group has acted as a sponsor for the respective funds. Information on the management fees generated in the asset management business is disclosed in note 25.

Nature of risks associated with unconsolidated structured entities

Interests in asset-backed securities (ABS) and mortgage-backed securities (MBS) issued by securitization vehicles

Carrying amounts of ABS and MBS investments by type of category
€ mn

As of 31 December	2022	2021
CMBS	9,635	12,840
CMO/CDO	6,987	6,727
U.S. Agency	2,723	3,747
Auto	557	457
Other	6,374	5,089
Total[1,2]	**26,275**	**28,861**

1_Comprises mainly investments.
2_Thereof rated AAA or AA € 20,138 mn (2021: € 24,300 mn).

The carrying amounts in the tables listed above correspond to an aggregated amortized cost amount of € 28,908 mn (2021: € 28,207 mn). In a very extreme scenario, this amortized cost amount represents the maximum exposure to loss for the Allianz Group from these investments. In the reporting period, the Allianz Group has not provided any financial or other support to these entities, nor does it intend to provide such support in the future.

Investments in investment funds

Investments in investment funds by asset class
€ mn

As of 31 December	2022	2021
Private equity funds	35,561	30,257
Property funds	12,756	11,405
Debt funds	12,581	12,383
Stock funds	2,613	4,287
Other funds	2,610	2,099
Total[1]	**66,120**	**60,430**

1_Comprises mainly investments.

Of this investment fund exposure of the Allianz Group, investments of € 7.9 bn (2021: € 12.0 bn) relate to listed investment funds, whereas investments of € 58.2 bn (2021: € 48.4 bn) relate to unlisted investment funds.

As of the reporting date, the Allianz Group has receivables from unconsolidated investment funds, which are mainly due in return for asset management services, amounting to € 1,085 mn (2021: € 1,298 mn). Furthermore, the Allianz Group has entered commitments to invest in private equity funds and further financial instruments of up to € 34,835 mn as of 31 December 2022 (2021: € 30,604 mn).

The carrying amounts in the tables listed above correspond to an aggregated amortized cost amount of € 53,944 mn (2021: € 47,842 mn). In a very extreme scenario, this amortized cost amount represents the maximum exposure to loss for the Allianz Group from these investments. In the reporting period, the Allianz Group has not provided any financial or other support to these entities, nor does it have the intention to provide such support in the future.

Besides the investments in investment funds described above, the Allianz Group also holds investment funds to fund unit-linked insurance contracts. However, these holdings are held on behalf and for the benefit of unit-linked policyholders only. For that reason, these holdings are not included in the table above. As of 31 December 2022, the volume of unit-linked assets amounted to € 141,024 mn (2021: € 158,346 mn). Any exposure to loss on these investments is solely borne by the unit-linked policyholder.

37 _ Related party transactions

Remuneration of the Board of Management and Supervisory Board

Detailed information on the remuneration of the Board of Management and Supervisory Board according to the German Stock Corporation Act (AktG) and the recommendations of the German Corporate Governance Code are disclosed in the Remuneration Report. The following descriptions are made in accordance with IAS 24.17 and IAS 24.18.

The remuneration of the Board of Management consists of a fixed remuneration component and a performance-based remuneration component:

- The fixed remuneration component comprises the base salary, perquisites (e.g., contributions to accident and liability insurances, tax consultant fees, and a company car) and pension contributions. The pension contributions of the company to the current pension plan "My Allianz Pension" are generally 15% of the total target direct compensation.
- The performance-based variable remuneration includes the short-term annual bonus and long-term share-based remuneration. The long-term, share-based compensation (Long-Term Incentive – LTI) is based on the performance in absolute and relative terms (i.e., versus competitors) of the Allianz share. Furthermore, the long-term development of key performance indicators is reflected in the deferred sustainability assessment following the four-year contractual vesting period.

The following table shows the remuneration of the Board of Management:

Remuneration of the Board of Management (expenses of the year)
€ mn

As of 31 December	2022	2021
Short-term employee benefits[1]	23	21
Post-employment benefits	6	5
Share-based payment	17	19
Total	**46**	**45**

1_Includes base salary, perquisites as well as short-term annual bonus.

Existing provisions are mainly related to post-employment benefits and share-based payment. As of 31 December 2022, reserves for pensions and similar benefits for active members of the Board of Management amounted to € 35 mn (2021: € 33 mn). Provisions for share-based payment amounted to € 40 mn (2021: € 38 mn).

The remuneration for the Supervisory Board of Allianz SE consists of a fixed remuneration, committee-related remuneration, as well as attendance fees and reimbursement of expenses. These are considered as short-term employee benefits. For the year ended 31 December 2022, the remuneration of the members of the Supervisory Board was € 3 mn (2021: € 3 mn).

Other related party transactions

Transactions between Allianz SE and its subsidiaries that are to be deemed related parties have been eliminated in the consolidation and are not disclosed in the notes.

Business relations with joint ventures and associates are set on an arm's length basis and are mainly related to loans (please refer to note 7) and reinsurance agreements.

Effective 31 December 2022, the Allianz Group disposed of the joint venture Enhanzed Reinsurance Ltd.

38 _ Litigation, guarantees, and other contingencies and commitments

Litigation

Allianz Group companies are involved in legal, regulatory, and arbitration proceedings in Germany and a number of foreign jurisdictions, including the United States. Such proceedings arise in the ordinary course of business, including, amongst others, their activities as insurance, banking and asset management companies, employers, investors, and taxpayers. While it is not feasible to predict or determine the ultimate outcome of such proceedings, they may result in substantial damages or other payments or penalties, or result in adverse publicity and damage to the Allianz Group's reputation. As a result, such proceedings could have an adverse effect on the Allianz Group's business, financial condition, and results of operations. Apart from the proceedings discussed below, Allianz SE is not aware of any threatened or pending legal, regulatory or arbitration proceedings which may have, or have had in the recent past, significant effects on its and/or the Allianz Group's financial position or profitability. Material proceedings in which Allianz Group companies are involved are in particular the following:

In September 2015, a class action complaint was filed against Allianz Life Insurance Company of North America ("Allianz Life") making allegations similar to those made in prior class actions regarding the sale of Allianz Life's annuity products, including allegations of breach of contract and violation of California unfair competition law. The action was certified as a class action, the parties reached a settlement agreement in the low two-digit million U.S. Dollar range, and the Court granted approval of the settlement. Allianz Life has made a provision for the cost of the settlement.

With respect to the multiple complaints which had been filed in U.S. Courts in connection with losses suffered by investors in AllianzGI U.S.'s Structured Alpha funds ("Funds") during the COVID-19 related market downturn, in the meantime all actions regarding private funds have been dismissed after settlements were reached with the respective investors. Currently there is one putative class action pending in a U.S. Court filed by investors in mutual funds. Plaintiffs and all defendants have reached agreement to settle the matter and the Court granted preliminary approval of the settlement. AllianzGI U.S.'s contribution to the settlement is within the respective recognized provision.

In addition, as announced by ad-hoc disclosure on 17 May 2022, AllianzGI U.S. has entered into settlements with the U.S. Department of Justice ("DOJ") and the U.S. Securities and Exchange Commission ("SEC") in connection with the Structured Alpha matter. Pursuant to the DOJ resolution, AllianzGI U.S. pleaded guilty to one count of criminal securities fraud, and pursuant to the SEC resolution the SEC found that AllianzGI U.S. violated relevant U.S. securities laws. These settlements fully resolve the U.S. governmental investigations of the Structured Alpha matter for Allianz.

As announced by ad-hoc disclosures on 17 February 2022 and 11 May 2022, Allianz recognized a provision of € 3.7 bn for the fourth quarter of 2021 and an additional provision of € 1.9 bn for the first quarter of 2022 for the Structured Alpha matter. As of 31 December 2022, the majority of the amounts provisioned have been paid out already for settlements with investors in the Funds and for payments to the U.S. authorities according to the resolutions reached with them. Allianz SE believes that the remaining provision is a fair estimate of its financial exposure in relation to any remaining compensation payments to Structured Alpha investors. Allianz is seeking a timely resolution with remaining fund investors and expects that the disclosure of additional information could have a negative impact on its position in the ongoing discussions with investors and, therefore, in accordance with IAS 37.92, management refrains from providing further details on the provision recognized as well as on any contingent liabilities.

In January 2023, a putative class action complaint has been filed against Allianz SE and its CEO in the United States District Court for the Central District of California. The complaint alleges violation of Federal U.S. Securities Laws by making false or misleading statements in public disclosures such as the annual reports of Allianz in the period between March 2018 and May 2022 regarding the AllianzGI U.S. Structured Alpha matter and internal controls. Allianz SE considers the action to be unfounded.

Guarantees

Guarantees
€ mn

As of 31 December	2022	2021
Financial guarantees	54	71
Indemnification contracts	96	109
Performance guarantees	205	54
Letter of comfort	628	-
Total	**983**	**234**

Commitments

Commitments
€ mn

As of 31 December	2022	2021
Commitments to acquire interests in associates and available-for-sale investments	34,835	30,604
Debt investments	8,072	6,087
Other	5,934	6,560
Total	**48,841**	**43,251**

Other commitments and contingencies

Any material contingent liabilities resulting from litigation matters are captured in the litigation section above.

Pursuant to §§221 et seq. of the German Insurance Supervision Act ("Versicherungsaufsichtsgesetz – VAG"), mandatory insurance guarantee schemes ("Sicherungsfonds") for life insurers as well as for health insurers are implemented in Germany, which are financed through their member undertakings.

The insurance guarantee scheme for life insurers levies annual contributions and, under certain circumstances, special contributions. As of 31 December 2022, the future liabilities of Allianz Lebensversicherungs-AG and further subsidiaries of Allianz SE to the insurance guarantee scheme pursuant to the SichLVFinV amount to annual contributions of € 4.8 mn (2021: € 15.7 mn) and potential special contributions of, in principle, € 303 mn (2021: € 295 mn) per year. In addition, Allianz Lebensversicherungs-AG and further subsidiaries have assumed a contractual obligation to provide, if required, further funds to Protektor Lebensversicherungs-AG ("Protektor"), a life insurance company that has assumed the task of the mandatory insurance guarantee scheme for life insurers. Such obligation is, in principle, based on a maximum of 1% of the sum of the net underwriting reserves with deduction of payments already provided to the insurance guarantee scheme. As of 31 December 2022, and under inclusion of the contributions to the mandatory insurance scheme mentioned above for a limited period of time, and assuming that no other life insurer is exempted from payments, the aggregate outstanding commitment of Allianz Lebensversicherungs-AG and further subsidiaries to the insurance guarantee scheme and to Protektor is € 2,734 mn (2021: € 2,671 mn).

39 _ Hyperinflationary economies

Based on data published by the International Monetary Fund in April 2022, Türkiye is considered to be a hyperinflationary economy for financial reporting purposes since the second quarter of 2022. Consequently, operating entities with Turkish lira (TRY) as their functional currency have to apply hyperinflation accounting in accordance with IAS 29 for reporting periods ending on or after 30 June 2022. In addition, IAS 29 is already applied by subsidiaries of the Allianz Group that operate in Argentina and Lebanon.

In applying IAS 29, the Allianz Group has adopted the accounting policy to present the combined effect of the restatement in accordance with IAS 29 and the translation according to IAS 21 as a net change for the year in other comprehensive income.

The identities and levels of the price indices applied by the operating entities concerned are as follows:

Hyperinflationary economies

	Index	As of 31 December 2022	As of 31 December 2021
Türkiye	Consumer Price Index published by the Turkish Statistical Institute (TURKSTAT)	1,128.45	686.95
Lebanon	Consumer Price Index published by the Central Administration of Statistics (Lebanese Republic)	2,045.46	921.40
Argentina	Consumer Price Index published by the Argentinian Statistical Institute	1,134.59	582.46

Overall, for the year ended 31 December 2022, the application of hyperinflation accounting according to IAS 29 had a negative impact on net income of € (180) mn.

40 _ Lease arrangements

The Allianz Group occupies property in many locations under various long-term leases and has entered into various leases covering the long-term use of data processing equipment and other office equipment.

As a lessee

As of 31 December 2022, the maturities for lease liabilities were as follows:

Maturities for lease liabilities
€ mn

As of 31 December	2022			2021		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	421	48	373	447	44	403
Between one and five years	1,285	143	1,142	1,310	121	1,189
More than five years	1,356	131	1,225	1,316	118	1,198
Total	**3,063**	**322**	**2,740**	**3,072**	**282**	**2,790**

For the year ended 31 December 2022, the total cash outflow for leases amounted to € 635 mn (2021: € 583 mn).

As a lessor

For the year ended 31 December 2022, the lease income for operating leases amounted to € 1,271 mn (2021: € 1,107 mn).

The Allianz Group leases out its investment properties (see note 7) under operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Investment property comprises a number of commercial properties that are leased to third parties.

As of 31 December 2022, the maturities for the future minimum lease payments of operating leases were as follows:

Operating leases - maturities for the future minimum lease payments
€ mn

As of 31 December	2022	2021
One year and less	916	994
Between 1 and up to 2 years	778	866
Between 2 and up to 3 years	702	793
Between 3 and up to 4 years	599	649
Between 4 and up to 5 years	496	609
More than 5 years	1,690	2,138
Total	**5,181**	**6,047**

41 _ Pensions and similar obligations

Overview

Retirement benefits in the Allianz Group, which are granted to employees and in Germany also to agents, are either in the form of defined benefit or defined contribution plans. For defined benefit plans, the beneficiary is granted a defined benefit by the employer or via an external entity. In contrast to defined contribution arrangements, the future cost to the employer of a defined benefit plan is not known with certainty in advance.

The Allianz Group provides competitive and cost-effective retirement and disability benefits using risk-appropriate vehicles. The plans may vary from country to country due to the different legal, fiscal, and economic environments.

Risks typically associated with defined benefit plans are biometric risks such as longevity, disability, and death, as well as economic risks such as interest rates, inflation, and compensation increases. New plans are primarily based on contributions and may include, in some cases, guarantees such as the preservation of contributions or minimum interest rates.

In the Pension Task Force, the heads of Group HR, Group Accounting and Reporting, Group Treasury and Corporate Finance, Group Actuarial, Planning & Controlling, Group Risk and AIM met four times to provide global governance and pre-align pension-related topics such as risk management and Solvency II prior to relevant Group Committee meetings.

Each of the pension plans in Germany, the U.K. and Switzerland contributes more than 5% to the Allianz Group’s defined benefit obligation or its plan assets. As the Allianz Retirement and Death Benefits Fund in the U.K. closed from 1 July 2015 to future accrual and the plans in Switzerland are nearly negligible from a risk perspective, except a minor liquidity risk due to the “Freizügigkeitsleistung”, only the defined benefit plans in Germany are described in more detail regarding key risks and regulatory environment.

Most active German employees participate in contribution-based plans using different vehicles to cover the base salary both below and above the German social security ceiling (GSSC). Since 1 January 2015, the Allianz Group contributes for new entrants and for the majority of contribution-based pension plan beneficiaries above the GSSC to the low-risk pension plan "My Allianz Pension", where only contributions are preserved. For salaries above the GSSC, the Allianz Group decides each year whether and to which extent a budget for the contribution-based pension plans is provided. Independently of this decision, an additional risk premium is paid to cover death and disability. Generally the accruals of the contribution-based pension plans are wholly funded, whereas the grandfathered plans are funded to a minor extent. On retirement, the accumulated capital is paid as a lump sum or converted to a lifetime annuity.

Employees who joined Allianz before 1 January 2015 participate in the Allianz Versorgungskasse VVaG (AVK), financed through employee contributions, and the Allianz Pensionsverein e.V. (APV), which is financed by the employer. Both pension funds provide pension benefits for the base salary up to the GSSC, are wholly funded along local regulatory requirements, and were closed to new entrants, effective 31 December 2014. AVK and APV are legally separate administered pension funds with trustee boards being responsible for the investment of the assets and the risk management. AVK is subject to German insurance regulation. The assets of the contribution-based pension plans are allocated to a trust (Methusalem Trust e.V.) and managed by a board of trustees. For the AVK, the annual minimum interest rate guaranteed is 1.75% – 3.50%, depending on the date of joining the Allianz Group, and for the closed part of the contribution-based pension plan it is 2.75%.

There is also a partly funded defined benefit pension plan for agents ("VertreterVersorgungsWerk, VVW"), which has been closed for new entrants since 31 December 2011. A part of the pension plan serves as a replacement for the compensatory claim of agents according to German Commercial Code (§89b). VVW is similar to a final salary benefit plan, and pension increases are broadly linked to inflation.

Pension increases apart from AVK and APV are guaranteed at 1% p.a. at a minimum. Depending on legal requirements, some pension increases are linked to inflation. In AVK, the complete surplus share of the retirees is used to increase their pension.

The period in which a retirement benefit can be drawn is usually between the ages of 60 and 67. Disability benefits are granted until retirement pension is paid. In the case of death under the previous plans, surviving dependents normally receive 60% (widow/widower) and 20% (per child) of the original employee's pension, in total not to exceed 100%. Under the "My Allianz Pension" plan, the surviving dependents receive the capital accrued.

Additionally, the Allianz Group offers a deferred compensation program, "Pensionszusage durch Entgeltumwandlung (PZE)", for active employees. Within some boundaries they convert at their discretion parts of their gross income and, in exchange, receive a pension commitment of equal value. PZE is qualified as a defined benefit plan with small risk exposure.

Defined benefit plans

The following table sets out the changes in the defined benefit obligation, in the fair value of plan assets, in the effect of the asset ceiling as well as in the net defined benefit balance for the various Allianz Group defined benefit plans:

Reconciliation of defined benefit obligation, fair value of plan assets, effect of asset ceiling, and net defined benefit balance
€ mn

	Defined benefit obligation		Fair value of plan assets		Effect of asset ceiling[1]		Net defined benefit balance	
	I		II		III		(I-II+III)	
	2022	2021	2022	2021	2022	2021	2022	2021
Balance as of 1 January	**27,095**	**26,450**	**16,471**	**16,130**	**67**	**50**	**10,691**	**10,370**
Current service costs	456	481	-	-	-	-	456	481
Interest expenses	322	213	-	-	-	-	322	213
Interest income	-	-	199	137	-	-	(199)	(137)
Other[2]	33	(24)	-	-	-	-	33	(24)
Expenses recognized in the consolidated income statement	**811**	**670**	**199**	**137**	**-**	**-**	**612**	**533**
Actuarial (gains)/losses due to								
Changes in demographic assumptions	(40)	(25)	-	-	-	-	(40)	(25)
Changes in financial assumptions	(5,935)	40	-	-	-	-	(5,935)	40
Experience adjustments[3]	363	443	-	-	-	-	363	443
Return on plan assets greater/(less) than interest income on plan assets	-	-	(2,965)	(130)	-	-	2,965	130
Change in effect of asset ceiling in excess of interest	-	-	-	-	39	13	39	13
Remeasurements recognized in the consolidated statement of comprehensive income (before deferred taxes)	**(5,612)**	**458**	**(2,965)**	**(130)**	**39**	**13**	**(2,607)**	**601**
Employer contributions	-	-	691	451	-	-	(691)	(451)
Plan participants' contributions	118	119	118	119	-	-	-	-
Benefits paid	(839)	(813)	(496)	(483)	-	-	(342)	(331)
Acquisitions and divestitures	3	-	-	-	-	-	3	-
Settlement payments/assets distributed on settlement[4]	(329)	-	(321)	-	-	-	(8)	-
Foreign currency translation adjustments	27	200	33	226	4	3	(2)	(23)
Changes in the consolidated subsidiaries of the Allianz Group	-	11	19	20	-	-	(19)	(9)
Balance as of 31 December[5]	**21,274**	**27,095**	**13,749**	**16,471**	**110**	**67**	**7,635**	**10,691**
thereof assets	-	-	-	-	-	-	(358)	(494)
thereof liabilities	-	-	-	-	-	-	7,994	11,185
Thereof allotted to:								
Germany	17,513	21,970	9,998	11,324	-	-	7,515	10,646
United Kingdom	1,055	1,775	1,214	1,969	-	-	(159)	(194)
Switzerland	1,511	1,545	1,718	1,836	109	67	(97)	(224)

1_The asset ceiling is determined by taking into account the reduction of future contributions.
2_For 2022, includes € 21 mn for the buy-out in the United States .
3_Includes for Germany € 74 mn (2021: € 123 mn) due to higher pension commitments because of inflation and € 230 mn (2021: € 321 mn) due to higher valuation reserves.
4_Includes for the United States € 309 mn due to the buy-out.
5_As of 31 December 2022, € 4,934 mn (2021: € 6,583 mn) of the defined benefit obligation is wholly unfunded, while € 16,339 mn (2021: € 20,513 mn) is wholly or partly funded.

As of 31 December 2022 and 2021, post-retirement health benefits were immaterial.

Assumptions

The assumptions for the actuarial computation of the defined benefit obligation and the recognized expenses depend on the circumstances in the country where the plan has been established.

The calculations are based on current actuarially calculated mortality tables, projected turnover depending on age and length of service, and internal Allianz Group retirement projections. Although this represents the best estimate as of today, considering a further increase in life expectancy could be reasonable. The weighted average life expectancy of a currently 65-year-old female plan participant is about 89.6 (2021: 89.6) years, and of a currently 65-year-old male plan participant about 86.9 (2021: 86.8) years. An increase in life expectancy by one year would lead to an increase of the defined benefit obligation by € 493 mn (2021: € 848 mn).

The weighted average values of the assumptions for the Allianz Group’s defined benefit plans used to determine the defined benefit obligation and the recognized expenses are as follows:

Assumptions for defined benefit plans
%

As of 31 December	2022	2021
Discount rate	**3.6**	**1.2**
This includes the following country rates:		
Germany		
long duration	3.7	1.2
short duration	3.7	0.9
United Kingdom	4.8	1.9
Switzerland	1.8	0.3
Rate of compensation increase	**1.8**	**1.8**
Rate of pension increase	**2.2**	**1.9**
Rate of medical cost trend	**9.4**	**2.9**

The recognized expenses are recorded based on the assumptions of the corresponding previous year.

The discount rate assumption is the most significant risk for the defined benefit obligation. It reflects market yields at the balance sheet date of high-quality fixed-income investments corresponding to the currency and duration of the liabilities. In the eurozone, the decision for the discount rate is based on AA-rated financial and corporate bonds, and a standardized cash flow profile for a mixed population.

The range for the sensitivity calculations was derived by analyzing the average volatility over a five-year period.

An increase in the discount rate by 50 basis points would lead to a decrease of € 1.0 bn (2021: € 1.7 bn) in the defined benefit obligation, whereas a decrease in the discount rate by 50 basis points would lead to an increase of € 1.1 bn (2021: 2.0 bn).

An increase of pre-retirement benefit assumptions (e.g., a salary increase) of 25 basis points would have an effect of € 39 mn (2021: € 68 mn) on the defined benefit obligation. However, the increase of post-retirement assumptions (e.g., inflation-linked increases of pension payments) of 25 basis points would increase the defined benefit obligation by € 343 mn (2021: € 604 mn).

Plan assets/Asset liability management (ALM)

Based on the estimated future cash flows of € 941 mn for 2023, € 931 mn for 2024, € 969 mn for 2025, € 1,012 mn for 2026, € 1,056 mn for 2027, and € 5,405 mn for 2028 – 2032, the weighted duration of the defined benefit obligation is 14.0 (2021: 16.6) years. Based on the liability profiles of the defined benefit obligation and on the regulatory funding requirements, the Allianz Group uses stochastic asset liability models to optimize the asset allocation from a risk-return perspective.

Due to a well-diversified portfolio of approximately 129,000 (2021: 135,000) plan participants, no reasonable uncertainty is expected with regard to future cash flows that could affect the liquidity of the Allianz Group. The following chart shows the asset allocation:

Asset allocation of plan assets
€ mn

As of 31 December	2022	2021
Equity securities		
Quoted	1,268	1,569
Non-quoted	31	13
Debt securities		
Quoted	3,174	4,564
Non-quoted	1,837	2,880
Real estate[1]	**948**	**962**
Annuity contracts[1,2]	**4,845**	**4,954**
Life insurance investment products[1]	**1,329**	**1,249**
Other	**315**	**279**
Total	**13,749**	**16,471**

1_Real estate, annuity contracts, and life insurance investment products are generally non-quoted.
2_Includes as of 31 December 2022 € 438 mn (2021: € 647 mn) in the United Kingdom due to a buy-in.

The bulk of the plan assets are held by Allianz Versorgungskasse VVaG, Munich, which is not part of the Allianz Group. Plan assets do not include any real estate used by the Allianz Group, and include only € 4.0 mn (2021: € 3.3 mn) of its own transferable financial instruments.

In addition to the plan assets of € 13.7 bn (2021: € 16.5 bn), the Allianz Group has dedicated assets at Group level amounting to € 7.1 bn as of 31 December 2022 (2021: € 9.6 bn), which are likewise managed according to Allianz ALM standards.

Contributions

For the year ending 31 December 2023, the Allianz Group expects to contribute € 229 mn to its defined benefit plans (2021: € 276 mn for the year ending 31 December 2022), and to pay € 431 mn directly to participants in its defined benefit plans (2021: € 412 mn for the year ending 31 December 2022).

Defined contribution plans

Defined contribution plans are funded through independent pension funds or similar organizations. Contributions fixed in advance (e.g., based on salary) are paid to these institutions and the beneficiary's right to benefits exists against the pension fund. The employer has no obligation beyond payment of the contributions.

During the year ended 31 December 2022, the Allianz Group recognized expenses for defined contribution plans of € 345 mn (2021: € 316 mn). Additionally, the Allianz Group paid contributions for state pension schemes of € 342 mn (2021: € 348 mn).

42 _ Share-based compensation plans

Allianz equity incentive plan (AEI plan)

The AEI plan is granted in the form of restricted stock units (RSUs) and is part of the variable compensation component for the plan beneficiaries.

The RSU granted to a plan participant obligates the Allianz Group to pay in cash the ten-day average Xetra closing price of the Allianz SE share on the vesting day, or to convert one RSU into one Allianz SE share. The Allianz Group can choose the settlement method for each unit. The payout is capped at a 200 % share price growth above the grant price.

The RSUs are subject to a contractual vesting period of four years and the payout per RSU is fixed on the last day of the contractual vesting period, which ends on the tenth trading day following the annual financial media conference in the year the respective AEI plan expires.

In addition, upon the death of a plan participant, a change of control or notice for operational reasons, the RSUs vest immediately and are exercised by the company.

The RSUs are virtual stocks without dividend payments and with a capped payout. The fair value is calculated by subtracting the net present value of expected future dividend payments until maturity, as well as the fair value of the cap from the prevailing share price as of the valuation date. The cap is valued as a European short call option, using prevailing market data as of the valuation date.

The following table shows the assumptions used in calculating the fair value of the RSUs at grant date:

Assumptions of AEI plans

Year of issue[1]		2023[2]	2022	2021
Share price	€	220.29	200.99	203.13
Average dividend yield of Allianz SE share	%	5.3	5.8	5.1
Average interest rate	%	2.9	(0.3)	(0.5)
Expected volatility of the Allianz SE share price	%	18.6	21.2	20.9

1_The AEI RSUs are granted as part of the remuneration of the respective prior year.
2_The assumptions for RSU grants delivered in March 2023 are based on best estimate.

The RSUs are accounted for as cash-settled plans because the Allianz Group intends to settle in cash. Therefore, the Allianz Group accrues the fair value of the RSUs as compensation expenses over the IFRS vesting period. During the year ended 31 December 2022, the Allianz Group recognized compensation expenses related to the AEI plans of € 113 mn (2021: € 132 mn).

As of 31 December 2022, the Allianz Group recorded provisions of € 326 mn (2021: € 338 mn) for these RSUs in other liabilities.

Long-term incentive plan (LTI Plan)

Under the LTI plan, awards are granted in the form of index-linked restricted stock units (RSUs) which are part of the remuneration policy[1] for the members of the Allianz SE's Board of Management.

RSUs granted to the members of the Board of Management obligate Allianz SE to pay per RSU a cash amount equal to the ten-day average Xetra closing price of the Allianz SE share on the last day of the contractual vesting period, multiplied by a performance factor which reflects the total performance of the Allianz stock relative to the total performance of the STOXX Europe 600 Insurance Index during the four-year contractual vesting period.

The contractual vesting period ends on the tenth trading day following the annual financial media conference in the year the respective RSU award expires. The payout per RSU is subject to a 200% share price cap relative to the share price at the grant date and a 200% cap applied to the performance factor. In addition, there is a cap applicable to the total compensation including the LTI payout and various other compensation components.

The fair value of the index-linked RSUs is calculated as the present value of the expected future payout, taking into account the link between share price performance and relative performance compared to the index, as well as the relevant caps and thresholds as defined in the payout formula. The expected future payout is determined on the basis of observable market data as of the valuation date and market standard simulation techniques.

The following table shows the assumptions used in calculating the fair value of the index-linked RSUs at grant date:

Assumptions of LTI plans

Year of issue[1]		2023[2]	2022	2021
Share price	€	220.29	200.99	203.13
Average dividend yield of Allianz SE share	%	5.3	5.8	5.1
Average interest rate	%	2.7	0.0	(0.5)
Expected volatility of the Allianz SE share price	%	20.5	21.9	20.9
Expected volatility of the index	%	17.2	18.4	17.9
Expected correlation of the Allianz SE share price and index	%	87.0	92.3	94.0

1_The LTI RSUs are granted as part of the remuneration of the respective prior year.
2_The assumptions for RSU grants delivered in March 2023 are based on best estimate.

The index-linked RSUs are accounted for as cash-settled plans because the Allianz Group settles in cash. Therefore, the Allianz Group accrues the fair value of the RSUs as compensation expenses over the IFRS vesting period. During the year ended 31 December 2022, the Allianz Group recognized compensation expenses related to the LTI plans of € 16 mn (2021: € 11 mn).

As of 31 December 2022, the Allianz Group recorded provisions of € 41 mn (2021: € 22 mn) for these index-linked RSUs in other liabilities.

PIMCO LLC Class M-unit plan

In 2008, AllianzGI L.P. launched a management share-based payment incentive plan for certain senior-level executives and affiliates of PIMCO LLC. Participants in the plan are granted options to acquire an own class of equity instruments (M-units), which vest in one-third increments on approximately the third, fourth, and fifth anniversary of the option grant date. Upon vesting, options will automatically be exercised in a cashless transaction, provided they are in the money. Participants may elect to defer the receipt of M-units through the M-unit Deferral Plan until termination of their service at the latest. With the M-unit Plan, participants can directly participate in PIMCO's performance. Class M-units are non-voting common equity with limited information rights. They bear quarterly distributions equal to a pro-rata share of PIMCO's net distributable income. Deferred M-units have a right to receive a quarterly cash compensation equal to and in lieu of quarterly dividend payments.

A maximum of 250,000 M-units are authorized for issuance under the M-unit Plan.

According to an amendment of the PIMCO LLC Class M-unit Plan, no new M-unit options will be issued after 14 March 2020. Already issued and outstanding M-unit options remain valid and continue as is.

The fair value of the underlying M-unit options was measured using the Black-Scholes option pricing model. Volatility was derived in part by considering the average historical and implied volatility of a selected group of peers. The expected life of one granted option was calculated based on treating the three vesting tranches (one third in years 3, 4, and 5) as three separate awards.

The number and weighted-average exercise price of the M-unit options outstanding and exercisable are as follows:

1_For detailed information regarding the LTI plans and the remuneration policy for the members of the Allianz SE's Board of Management, please see the Remuneration Report.

Reconciliation of outstanding M-unit options

	2022		2021	
	Number of options	Weighted-average exercise price	Number of options	Weighted-average exercise price
		€		€
Outstanding as of 1 January	**102,231**	**13,480.70**	**148,726**	**11,993.37**
Granted	-	-	-	-
Exercised	(38,379)	13,080.42	(41,017)	11,402.94
Forfeited	(4,848)	15,165.61	(5,478)	13,382.08
Outstanding as of 31 December	**59,004**	**14,364.26**	**102,231**	**13,480.70**
Exercisable as of 31 December	-	-	-	-

As of 31 December 2022, the aggregate intrinsic value of share options outstanding was € 173 mn (2021: € 681 mn).

As of 31 December 2022, the M-unit options outstanding have an exercise price between € 13,601.31 and € 16,684.00, and a weighted-average remaining contractual life of 1.46 years.

The share options settled by delivery of PIMCO LLC shares are accounted for as equity-settled plans. Therefore, PIMCO LLC measures the total compensation expense to be recognized for the equity-settled shares based on their fair value as of the grant date. The total compensation expense is recognized over the vesting period.

During the year ended 31 December 2022, the Allianz Group recorded compensation expenses of € 7 mn (2021: € 10 mn) related to these share options.

Employee stock purchase plan

The Allianz Group offers Allianz SE shares in 41 countries to entitled employees at favorable conditions. The shares have a minimum holding period of three to five years. During the year ended 31 December 2022, the number of shares sold to employees under these plans was 877,315 (2021: 676,669). From 2018 onwards, the employees receive one bonus share for three shares bought. For the year ended 31 December 2022, these bonus shares had an equivalent value of € 35 mn (2021: € 33 mn). During the year ended 31 December 2022, employees were additionally granted 87,172 (2021: -) free shares.

Other share option and shareholding plans

The Allianz Group has other local share-based compensation plans, including share option and employee share purchase plans, none of which, individually or in the aggregate, are material to the consolidated financial statements.

43 _ Earnings per share

Earnings per share are generally calculated by dividing net income attributable to shareholders by the weighted-average number of shares outstanding. According to IFRS, the net income attributable to shareholders was adjusted for net financial charges related to undated subordinated bonds classified as shareholders' equity. The Allianz Group recognized net financial charges of € 119 mn (2021: € 50 mn).

For the calculation of diluted earnings per share, the nominator and denominator are adjusted for the effects of potentially dilutive shares. These effects arise from various share-based compensation plans of the Allianz Group.

Earnings per share
€ mn

	2022	2021
Net income attributable to shareholders – basic	6,619	6,560
Effect of potentially dilutive shares	(13)	(42)
Net income attributable to shareholders – diluted	**6,606**	**6,518**
Weighted-average number of shares outstanding – basic	404,793,132	410,924,074
Potentially dilutive shares	1,467,572	764,967
Weighted-average number of shares outstanding – diluted	**406,260,704**	**411,689,041**
Basic earnings per share (€)	**16.35**	**15.96**
Diluted earnings per share (€)	**16.26**	**15.83**

44 _ Other information

Number of employees

As of 31 December 2022, the Allianz Group employed 159,253 (2021: 155,411) people, thereof 39,198 (2021: 39,720) in Germany. The average total number of employees for the year ended 31 December 2022 was 157,332 (2021: 152,840).

Personnel expenses

Personnel expenses
€ mn

	2022	2021
Salaries and wages	11,090	10,587
Social security contributions and employee assistance	1,595	1,553
Expenses for pensions and other post-retirement benefits	1,280	1,199
Total	**13,965**	**13,339**

Issuance of the Declaration of Conformity with the German Corporate Governance Code according to § 161 AktG

On 15 December 2022, the Board of Management and the Supervisory Board of Allianz SE issued the Declaration of Conformity with the German Corporate Governance Code required by § 161 AktG and made it permanently available on the company's website.

Remuneration for the Board of Management and the Supervisory Board according to § 314 (1) No. 6 HGB

As of 31 December 2022, the Board of Management is comprised of eleven members (2021: ten members). The following values reflect the expenses for the full Board of Management active in the respective year.

The sum of the total remuneration of the Allianz SE Board of Management for 2022, excluding pension service cost, amounts to € 42 mn (2021: € 39 mn).

The equity-related remuneration in 2022 is comprised of 118,784[1] (2021: 97,208[2]) Restricted Stock Units (RSUs).

RSUs with a total fair value of € 18.7 mn (2021: € 17.9 mn) were granted to the Board of Management for the year ended 31 December 2022.

In 2022, former members of the Board of Management and their dependents received remunerations and other benefits totaling € 8 mn (2021: € 10 mn), while reserves for current pension obligations and accrued pension rights totaled € 171 mn (2021: € 201 mn).

The total remuneration for all Supervisory Board members, including attendance fees, amounted to € 2.9 mn (2021: € 2.8 mn).

As of 31 December 2022, advances granted, loans and contingent liabilities entered into by Allianz SE or its subsidiaries for members of the Board of Management of Allianz SE amounted to € 2.0 mn and for members of the Supervisory Board of Allianz SE to € 13.6 thou. The interest rates as well as the collateralization of the loans to members of the Board of Management and the Supervisory Board are at arm's length.

Board of Management and Supervisory Board compensation by individual is included in the Remuneration Report.

Fees to the auditor

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC GmbH) is the external auditing firm for the Allianz Group.

The following fees were recognized in the fiscal year or services rendered by PwC GmbH and the worldwide member firms of PricewaterhouseCoopers International Limited (PwCIL):

PwC fees
€ mn

	PwCIL		thereof: PwC GmbH	
	2022	2021	2022	2021
Audit services	79.0	53.7	22.9	15.9
Other attestation services	6.0	5.8	1.6	2.3
Tax services	1.5	2.0	-	0.1
Other services	6.3	12.4	0.9	1.6
Total	**92.8**	**73.8**	**25.4**	**19.9**

Audit services primarily relate to services rendered for the audit of the Allianz Group's consolidated financial statements, the audit of the statutory financial statements of Allianz SE and its subsidiaries, the audit of the Allianz Group's Solvency II market value balance sheet as well as those of Allianz SE and its subsidiaries. In addition, a review of the Allianz Group's consolidated interim financial statements was performed. The 2022 fees for audit services include fees for the implementation audit of IFRS 9 and IFRS 17.

Tax services primarily refer to tax compliance services, other services mainly refer to consulting services.

45 _ Subsequent events

The Allianz Group was not subject to any subsequent events that significantly impacted the Group's financial result after the balance sheet date and before the financial statements were authorized for issue.

1_The relevant share price used to determine the final number of RSUs granted is only available after the sign-off of the Annual Report by the external auditors, thus numbers are based on a best estimate.

2_The disclosure in the Annual Report 2021 was based on a best estimate of the RSU grants. The figures shown here for 2021 now include the actual fair value as of the grant date (4 March 2022). The value therefore differs from the amount disclosed last year.

46 _ List of participations of the Allianz Group as of 31 December 2022 according to § 313 (2) HGB

	% owned[1]
GERMANY	
Consolidated affiliates	
ACP GmbH & Co. Beteiligungen KG II, Munich	0.0 [2]
ACP Vermögensverwaltung GmbH & Co. KG Nr. 4, Munich	100.0
ACP Vermögensverwaltung GmbH & Co. KG Nr. 4 a, Munich	100.0
ACP Vermögensverwaltung GmbH & Co. KG Nr. 4 d, Munich	100.0
ADAC Autoversicherung AG, Munich	51.0
ADEUS Aktienregister-Service-GmbH, Munich	79.6
ADVANIA GmbH, Hamburg	60.0
AfricaGrow GP GmbH, Munich	100.0
AGCS Infrastrukturfonds GmbH, Munich	100.0
AGCS-Argos 76 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AGCS-Argos 86 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
ALIDA Grundstücksgesellschaft mbH & Co. KG, Hamburg	94.8
Allianz AADB Fonds, Frankfurt am Main	100.0 [3]
Allianz ADAC AV Fonds, Frankfurt am Main	100.0 [3]
Allianz Africa Holding GmbH, Munich	100.0
Allianz Agrar AG, Munich	100.0 [4]
Allianz AKR Fonds, Frankfurt am Main	100.0 [3]
Allianz ALD Fonds, Frankfurt am Main	100.0 [3]
Allianz APAV Fonds, Frankfurt am Main	100.0 [3]
Allianz Asset Management GmbH, Munich	100.0
Allianz AZL Vermögensverwaltung GmbH & Co. KG, Munich	100.0
Allianz Beratungs- und Vertriebs-AG, Munich	100.0
Allianz Capital Partners GmbH, Munich	100.0
Allianz Capital Partners Verwaltungs GmbH, Munich	100.0
Allianz Climate Solutions GmbH, Munich	100.0
Allianz Deutschland AG, Munich	100.0
Allianz Digital Health GmbH, Munich	100.0 [4]
Allianz Direct Fonds, Frankfurt am Main	100.0 [3]
Allianz Direct Versicherungs-AG, Munich	100.0
Allianz DLVR Fonds, Frankfurt am Main	100.0 [3]
Allianz EEE Fonds, Frankfurt am Main	100.0 [3]
Allianz EP GmbH, Munich	100.0
Allianz Esa EuroShip GmbH, Bad Friedrichshall	51.0
Allianz Esa GmbH, Bad Friedrichshall	100.0
Allianz FAD Fonds, Frankfurt am Main	100.0 [3]
Allianz Finanzbeteiligungs GmbH, Munich	100.0
Allianz Focus Teleport Beteiligungs-GmbH & Co. KG, Stuttgart	100.0
Allianz Global Corporate & Specialty SE, Munich	100.0
Allianz Global Health GmbH, Munich	100.0
Allianz Global Investors GmbH, Frankfurt am Main	100.0
Allianz Global Investors Holdings GmbH, Frankfurt am Main	100.0
Allianz GLR Fonds, Frankfurt am Main	100.0 [3]
Allianz GLRS Fonds, Frankfurt am Main	100.0 [3]
Allianz GRGB Fonds, Frankfurt am Main	100.0 [3]
Allianz Handwerker Services GmbH, Aschheim	100.0
Allianz Hirschgarten GmbH & Co. KG, Stuttgart	100.0
Allianz Investment Management SE, Munich	100.0 [4]
Allianz Kunde und Markt GmbH, Munich	100.0
Allianz LAD Fonds, Frankfurt am Main	100.0 [3]
Allianz Leben Direkt Infrastruktur GmbH, Munich	100.0
Allianz Leben Infrastrukturfonds GmbH, Munich	100.0
Allianz Leben Private Equity Fonds 2001 GmbH, Munich	100.0
Allianz Leben Private Equity Fonds Plus GmbH, Munich	100.0
Allianz Lebensversicherungs-Aktiengesellschaft, Stuttgart	100.0
Allianz L-PD Fonds, Frankfurt am Main	100.0 [3]
Allianz NM 28 GmbH & Co. KG, Stuttgart	93.3
Allianz of Asia-Pacific and Africa GmbH, Munich	100.0
Allianz ONE - Business Solutions GmbH, Munich	100.0
Allianz Partners Deutschland GmbH, Aschheim	100.0
Allianz Pension Direkt Infrastruktur GmbH, Munich	100.0
Allianz Pension Partners GmbH, Munich	100.0
Allianz Pension Service GmbH, Munich	100.0
Allianz Pensionsfonds Aktiengesellschaft, Stuttgart	100.0
Allianz Pensionskasse Aktiengesellschaft, Stuttgart	100.0
Allianz PK-PD Fonds, Frankfurt am Main	100.0 [3]
Allianz PKV-PD Fonds, Frankfurt am Main	100.0 [3]
Allianz Polch Logistics GmbH & Co. KG, Stuttgart	88.0
Allianz Private Equity GmbH, Munich	100.0
Allianz Private Equity Partners Verwaltungs GmbH, Munich	100.0
Allianz Private Krankenversicherungs-Aktiengesellschaft, Munich	100.0
Allianz ProzessFinanz GmbH, Munich	100.0
Allianz PV-RD Fonds, Frankfurt am Main	92.4 [3]
Allianz PV-WS Fonds, Frankfurt am Main	92.4 [3]
Allianz Re Asia Fonds, Frankfurt am Main	100.0 [3]
Allianz Real Estate GmbH, Munich	100.0 [4]
Allianz Rechtsschutz-Service GmbH, Munich	100.0
Allianz Renewable Energy Management GmbH, Sehestedt	100.0
Allianz Renewable Energy Subholding GmbH & Co. KG, Sehestedt	100.0
Allianz RFG Fonds, Frankfurt am Main	100.0 [3]
Allianz Risk Consulting GmbH, Munich	100.0
Allianz SDR Fonds, Frankfurt am Main	100.0 [3]
Allianz SE Ashmore Emerging Markets Corporates Fund, Frankfurt am Main	100.0 [3]
Allianz SE-PD Fonds, Frankfurt am Main	100.0 [3]
Allianz Service Center GmbH, Unterföhring	100.0
Allianz SOA Fonds, Frankfurt am Main	100.0 [3]
Allianz Stromversorgungs-GmbH, Munich	100.0
Allianz Taunusanlage GbR, Stuttgart	99.5
Allianz Technology SE, Munich	100.0
Allianz Treuhand GmbH, Stuttgart	100.0
Allianz UGD 1 Fonds, Frankfurt am Main	100.0 [3]
Allianz VAE Fonds, Frankfurt am Main	100.0 [3]
Allianz Versicherungs-Aktiengesellschaft, Munich	100.0
Allianz VGI 1 Fonds, Frankfurt am Main	100.0 [3]
Allianz VGL Fonds, Frankfurt am Main	100.0 [3]
Allianz VK RentenDirekt Fonds, Frankfurt am Main	100.0 [3]
Allianz VKA Fonds, Frankfurt am Main	100.0 [3]
Allianz V-PD Fonds, Frankfurt am Main	100.0 [3]
Allianz VSR Fonds, Frankfurt am Main	100.0 [3]
Allianz Warranty GmbH, Unterföhring	100.0
Allianz X GmbH, Munich	100.0
Allianz ZWK Nürnberg GmbH & Co. KG, Stuttgart	100.0
Allvest GmbH, Munich	100.0
APK Infrastrukturfonds GmbH, Munich	100.0
APK-Argos 65 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
APK-Argos 75 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
APK-Argos 85 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
APK-Argos 95 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
APKV Direkt Infrastruktur GmbH, Munich	100.0
APKV Infrastrukturfonds GmbH, Munich	100.0
APKV Private Equity Fonds GmbH, Munich	100.0
APKV-Argos 74 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
APKV-Argos 84 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
ARE Funds APK GmbH, Munich	100.0
ARE Funds APKV GmbH, Munich	100.0
ARE Funds AZL GmbH, Munich	100.0
ARE Funds AZV GmbH, Munich	100.0
AREF III GER 1 GmbH, Frankfurt am Main	100.0
AREF III GER 2 GmbH, Frankfurt am Main	100.0
AREF III GER GmbH & Co. KG, Frankfurt am Main	100.0
Ashmore Emerging Market Corporates, Frankfurt am Main	100.0 [3]
atpacvc Fund GmbH & Co. KG, Munich	100.0
atpacvc GmbH, Munich	100.0
atpacvc GP GmbH, Munich	100.0
Atropos Vermögensverwaltungsgesellschaft mbH, Munich	100.0
Auros II GmbH, Munich	100.0
AV8 Ventures II GmbH & Co. KG, Munich	100.0
AVS Automotive VersicherungsService GmbH, Rüsselsheim	100.0
AZ ATLAS GmbH & Co. KG, Stuttgart	94.9
AZ ATLAS Immo GmbH, Stuttgart	100.0
AZ ATLAS Verwaltungs-GmbH, Stuttgart	100.0
AZ Northside GmbH & Co. KG, Stuttgart	94.0
AZ-Arges Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZ-Argos 56 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZ-Argos 71 Vermögensverwaltungsgesellschaft mbH & Co. KG, Munich	100.0
AZ-Argos 88 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZL AI Nr. 1 GmbH, Munich	100.0
AZL FOUR T1 GmbH, Frankfurt am Main	100.0
AZL PE Nr. 1 GmbH, Munich	100.0
AZL-Argos 73 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZL-Argos 83 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZL-Argos 89 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZL-Private Finance GmbH, Stuttgart	100.0
AZRE AZD P&C Master Fund, Frankfurt am Main	100.0 [3]
AZ-SGD Classic Infrastrukturfonds GmbH, Munich	100.0
AZ-SGD Direkt Infrastruktur GmbH, Munich	100.0
AZ-SGD Infrastrukturfonds GmbH, Munich	100.0

	% owned[1]
AZ-SGD Private Equity Fonds 2 GmbH, Munich	100.0
AZ-SGD Private Equity Fonds GmbH, Munich	100.0
AZT Automotive GmbH, Ismaning	100.0
AZV-Argos 72 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZV-Argos 77 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZV-Argos 82 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZV-Argos 87 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
Blitz 22-856 GmbH, Munich	100.0
BrahmsQ Objekt GmbH & Co. KG, Stuttgart	94.8
ControlExpert GmbH, Langenfeld	100.0
ControlExpert Holding GmbH, Langenfeld	100.0
Deutsche Lebensversicherungs-Aktiengesellschaft, Berlin	100.0
DONATOR Beratungs GmbH, Munich	100.0
DONATOR Beteiligungsverwaltung GmbH, Munich	100.0
Driven By GmbH, Munich	100.0
EASTSIDE Joint Venture GmbH & Co. KG, Frankfurt am Main	50.0 [2]
EASTSIDE TAMARA GmbH, Frankfurt am Main	50.0 [2]
Euler Hermes Aktiengesellschaft, Hamburg	100.0
Euler Hermes Collections GmbH, Potsdam	100.0
GA Global Automotive Versicherungsservice GmbH, Halle (Saale)	100.0
IconicFinance GmbH, Munich	100.0
IDS GmbH - Analysis and Reporting Services, Munich	100.0
Kaiser X Labs GmbH, Munich	100.0
KVM ServicePlus - Kunden- und Vertriebsmanagement GmbH, Halle (Saale)	100.0
Lola Vermögensverwaltungsgesellschaft mbH & Co. KG, Munich	100.0
MAWISTA GmbH, Plochingen	100.0
META Finanz-Informationssysteme GmbH, Munich	100.0
Mondial Kundenservice GmbH, Nuremberg	100.0
myHealth X GmbH, Munich	100.0
PIMCO EM Corporates, Frankfurt am Main	100.0 [3]
PIMCO Europe GmbH, Munich	100.0
Projekt Hirschgarten MK8 GmbH & Co. KG, Stuttgart	94.9
REC Frankfurt Objekt GmbH & Co. KG, Hamburg	80.0
REC Frankfurt zweite Objektverwaltungsgesellschaft mbH, Hamburg	60.0
RehaCare GmbH Gesellschaft der medizinischen und beruflichen Rehabilitation, Munich	100.0
Roland Holding GmbH, Munich	75.6
Seine GmbH, Munich	100.0
Seine II GmbH, Munich	100.0
simplesurance GmbH, Berlin	100.0
Spherion Beteiligungs GmbH & Co. KG, Stuttgart	100.0
Spherion Objekt GmbH & Co. KG, Stuttgart	89.9
Spherion Verwaltungs GmbH, Stuttgart	100.0
Syncier GmbH, Munich	100.0
UfS Beteiligungs-GmbH, Munich	100.0
VCIS Germany GmbH, Cologne	50.0 [2]
Vivy GmbH, Berlin	100.0
VLS Versicherungslogistik GmbH, Berlin	100.0
Volkswagen Autoversicherung AG, Braunschweig	100.0
Volkswagen Autoversicherung Holding GmbH, Braunschweig	49.0 [2]
VW AV, Frankfurt am Main	100.0 [3]

	% owned[1]
Windpark Aller-Leine-Tal GmbH & Co. KG, Sehestedt	100.0
Windpark Berge-Kleeste GmbH & Co. KG, Sehestedt	100.0
Windpark Büttel GmbH & Co. KG, Sehestedt	100.0
Windpark Calau GmbH & Co. KG, Sehestedt	100.0
Windpark Cottbuser See GmbH & Co. KG, Sehestedt	100.0
Windpark Cottbuser See Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Dahme GmbH & Co. KG, Sehestedt	100.0
Windpark Dahme Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Eckolstädt GmbH & Co. KG, Sehestedt	100.0
Windpark Emmendorf GmbH & Co. KG, Sehestedt	100.0
Windpark Emmendorf Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Freyenstein-Halenbeck GmbH & Co. KG, Sehestedt	100.0
Windpark Freyenstein-Halenbeck Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Kesfeld Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Kesfeld-Heckhuscheid GmbH & Co. KG, Sehestedt	100.0
Windpark Kirf GmbH & Co. KG, Sehestedt	100.0
Windpark Kirf Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Kittlitz GmbH & Co. KG, Sehestedt	100.0
Windpark Kittlitz Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Kleeste Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Pröttlin GmbH & Co. KG, Sehestedt	100.0
Windpark Pröttlin Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Quitzow GmbH & Co. KG, Sehestedt	100.0
Windpark Quitzow Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Redekin-Genthin GmbH & Co. KG, Sehestedt	100.0
Windpark Redekin-Genthin Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Schönwalde GmbH & Co. KG, Sehestedt	100.0
Windpark Schönwalde Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Waltersdorf GmbH & Co. KG Renditefonds, Sehestedt	100.0
Windpark Waltersdorf Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Werder Zinndorf GmbH & Co. KG, Sehestedt	100.0
Windpark Werder Zinndorf Repowering GmbH & Co. KG, Sehestedt	100.0
Non-consolidated affiliates	
AERS Consortio Aktiengesellschaft, Stuttgart	55.3
Allianz Global Benefits GmbH, Stuttgart	100.0
Allianz Objektbeteiligungs-GmbH, Stuttgart	100.0
Allianz OrtungsServices GmbH, Munich	100.0
Allianz Pension Consult GmbH, Stuttgart	100.0
Allianz zweite Objektbeteiligungs-GmbH, Stuttgart	100.0
AZ Beteiligungs-Management GmbH, Munich	100.0
Infrastruktur Putlitz Ost GmbH & Co. KG, Husum	70.8
manroland AG, Offenbach am Main	100.0 [5,6]
manroland Vertrieb und Service GmbH, Mühlheim am Main	100.0 [6]

	% owned[1]
Stiftung Allianz für Kinder gemeinnützige GmbH, Munich	100.0
Joint ventures	
AQ Focus Teleport GmbH & Co. KG, Hamburg	50.0
AQ Focus Teleport Verwaltungs GmbH, Hamburg	50.0
AQ Überseehaus GmbH & Co. KG, Hamburg	39.9 [7]
AQ Überseehaus Verwaltungs GmbH, Hamburg	50.0
AVAG Versicherungsvermittlungs-Gesellschaft mbH, Augsburg	50.0
Dealis Fund Operations GmbH, Frankfurt am Main	50.0
Die BrückenKöpfe X BKX GmbH & Co. Invest KG, Berlin	50.0 [3]
EDGE Wriezener Karree Berlin GmbH & Co. KG, Frankfurt am Main	47.5 [7]
PNE WIND Infrastruktur Calau II GmbH, Cuxhaven	50.0
PNE WIND Park III GmbH & Co. KG, Cuxhaven	50.0
Rhino Management GmbH, Frankfurt am Main	50.0
Seagull Portfolio GmbH & Co. KG, Frankfurt am Main	56.3 [7]
SPN Service Partner Netzwerk GmbH, Munich	30.0 [7]
UGG TopCo GmbH & Co. KG, Ismaning	41.8 [7]
UGG TopCo/HoldCo General Partner GmbH, Ismaning	41.8 [7]
VGP Park München GmbH, Vaterstetten-Baldham	48.9 [7]
Associates	
Autobahn Tank & Rast Gruppe GmbH & Co. KG, Bonn	25.0
Autobahn Tank & Rast Management GmbH, Bonn	25.0
AV Packaging GmbH, Munich	100.0 [8]
Caldera Service GmbH, Hamburg	25.1
Clark Holding SE, Frankfurt am Main	21.9
DCSO Deutsche Cyber-Sicherheitsorganisation GmbH, Berlin	25.0
esa EuroShip GmbH & Co. KG Underwriting for Shipping, Bad Friedrichshall	40.0
ESG Book GmbH, Frankfurt am Main	11.3 [8]
InnoSolutas GmbH, Bad Friedrichshall	25.0
KomfortDynamik Sondervermögen, Frankfurt am Main	3.5 [3,8]
Norsea Gas GmbH, Friedeburg-Etzel	28.0
Seagull Deutschland GP GmbH, Frankfurt am Main	49.9
T&R MLP GmbH, Bonn	25.0
T&R Real Estate GmbH, Bonn	25.0
Umspannwerk Putlitz GmbH & Co. KG, Oldenburg	25.4
Verimi GmbH, Berlin	11.8 [8]
Windkraft Kirf Infrastruktur GmbH, Neumagen-Dhron	50.0 [8]
FOREIGN ENTITIES	
Consolidated affiliates	
1739908 Ontario Ltd., Toronto, ON	100.0
1800 M Owner GP LLC, Wilmington, DE	100.0
1800 M REIT GP LLC, Wilmington, DE	100.0
1800 M Street Owner LP, Wilmington, DE	100.0
1800 M Street REIT LP, Wilmington, DE	100.0
1800 M Street TRS LP, Wilmington, DE	100.0
1800 M Street Venture LP, Wilmington, DE	45.0 [2]
35° East SAS, Paris la Défense	100.0
490 Fulton JV LP, Wilmington, DE	96.5
490 Fulton REIT LP, Wilmington, DE	100.0
490 Lower Unit GP LLC, Wilmington, DE	100.0

	% owned[1]
490 Lower Unit LP, Wilmington, DE	100.0
ACRE Hinoki Pte. Ltd., Singapore	100.0
ACRE Sugi Pte. Ltd., Singapore	100.0
ACRE Yuzu Pte. Ltd., Singapore	100.0
AEIF II S.A. SICAV-RAIF, Senningerberg	100.0 [3]
AEL EM PIMCO, Vienna	100.0 [3]
AEM Energy Systems Ltd., Chalandri	100.0
Aero-Fonte S.r.l., Misterbianco	100.0
Aetna Health Insurance (Thailand) Public Company Limited, Bangkok	100.0
AEV EM PIMCO, Vienna	100.0 [3]
AFI2 Real Estate Fund (Compartment), Luxembourg	100.0
AGA Service Company Corp., Richmond, VA	100.0
AGCS International Holding B.V., Amsterdam	100.0
AGCS Marine Insurance Company, Chicago, IL	100.0
AGF Inversiones S.A., Buenos Aires	100.0
AIM Equity Europe Cantons, Paris	100.0 [3]
AIM Equity PG Vie, Paris	100.0 [3]
AIM Equity US, Paris	100.0 [3]
AIM Underwriting Limited, Toronto, ON	100.0
Allianz - Slovenská DSS a.s., Bratislava	100.0
Allianz - Slovenská poist'ovňa a.s., Bratislava	99.6
Allianz (UK) Limited, Guildford	100.0
Allianz 001 S.r.l., Velletri	51.0
Allianz 002 S.r.l., Rome	51.0
Allianz 003 S.r.l., Rome	51.0
Allianz 004 S.r.l., Rome	51.0
Allianz 071 S.r.l., Sassari	51.0
Allianz 101 Moorgate Holding S.à r.l., Luxembourg	100.0
Allianz 101 S.r.l., Turin	51.0
Allianz 111 S.r.l., Saint-Christophe	51.0
Allianz 231 S.r.l., Merate	51.0
Allianz 311 S.r.l., Milan	51.0
Allianz 312 S.r.l., Castelfranco Veneto	51.0
Allianz 351 S.r.l., Este	51.0
Allianz 371 S.r.l., Verona	51.0
Allianz 391 S.r.l., Bolzano	51.0
Allianz 421 S.r.l., Reggio Emilia	51.0
Allianz 481 S.r.l., Faenza	51.0
Allianz 671 S.r.l., L'Aquila	51.0
Allianz 701 S.r.l., Corato	51.0
Allianz 871 S.r.l., Cosenza	51.0
Allianz 901 S.r.l., Palermo	51.0
Allianz Actio France, Paris	72.7 [3]
Allianz Actions Aéquitas, Paris	74.9 [3]
Allianz Actions Emergentes, Paris	92.5 [3]
Allianz Actions Euro, Paris	37.1 [2,3]
Allianz Actions Euro Convictions, Paris	40.3 [2,3]
Allianz Actions France, Paris	54.5 [3]
Allianz Advisory Pte. Ltd., Singapore	100.0
Allianz Africa Financial Services S.à r.l., Casablanca	100.0
Allianz Africa SAS, Paris la Défense	100.0
Allianz Africa Services SA, Abidjan	100.0
Allianz Air France IFC, Paris	100.0 [3]
Allianz Alapkezelő Zrt., Budapest	100.0
Allianz Allvest Invest SICAV-SIF - Allvest Active Invest, Luxembourg	93.5 [3]
Allianz Allvest Invest SICAV-SIF - Allvest Passive Invest, Luxembourg	97.0 [3]
Allianz Argentina Compañía de Seguros Generales S.A., Buenos Aires	100.0

	% owned[1]
Allianz Asia Holding Pte. Ltd., Singapore	100.0
Allianz Asia Pacific Private Credit Debt Holdings S.à r.l., Senningerberg	0.0 [2]
Allianz Asia Pacific Private Credit Debt SecCo S.à r.l., Luxembourg	0.0 [2]
Allianz Asia Private Credit Funds S.A. SICAV-RAIF, Senningerberg	100.0 [3]
Allianz Asia Private Credit Funds S.A. SICAV-RAIF (Compartment III), Senningerberg	0.0 [2,3]
Allianz Asset Management of America Holdings Inc., Dover, DE	100.0
Allianz Asset Management of America L.P., Dover, DE	100.0
Allianz Asset Management of America LLC, Dover, DE	100.0
Allianz Asset Management U.S. Holding II LLC, Dover, DE	100.0
Allianz Australia Claim Services Pty Limited, Sydney	100.0
Allianz Australia Employee Share Plan Pty Ltd., Sydney	100.0
Allianz Australia General Insurance Limited, Sydney	100.0
Allianz Australia Insurance Limited, Sydney	100.0
Allianz Australia Life Insurance Holdings Limited, Sydney	100.0
Allianz Australia Life Insurance Limited, Sydney	100.0
Allianz Australia Limited, Sydney	100.0
Allianz Australia Services Pty Limited, Sydney	100.0
Allianz Australia Workers Compensation (NSW) Limited, Sydney	100.0
Allianz Australia Workers' Compensation (Victoria) Limited, Sydney	100.0
Allianz Australian Real Estate Trust, Sydney	99.9 [3]
Allianz Aviation Managers LLC, Wilmington, DE	100.0
Allianz Ayudhya Assurance Public Company Limited, Bangkok	82.8
Allianz Ayudhya Capital Public Company Limited, Bangkok	49.0 [2]
Allianz Ayudhya General Insurance Public Company Limited, Bangkok	100.0
Allianz Bank Bulgaria AD, Sofia	99.9
Allianz Bank Financial Advisors S.p.A., Milan	100.0
Allianz Banque S.A., Puteaux	100.0
Allianz Benelux S.A., Brussels	100.0
Allianz Bonds Euro High Yield, Paris	100.0 [3]
Allianz Bulgaria Holding AD, Sofia	66.2
Allianz Business Services Limited, Guildford	100.0
Allianz Cameroun Assurances SA, Douala	75.4
Allianz Cameroun Assurances Vie SA, Douala	76.4
Allianz Capital Partners of America LLC, Dover, DE	100.0
Allianz Carbon Investments B.V., Amsterdam	100.0
Allianz Cash SAS, Paris la Défense	100.0
Allianz Chicago Private Reit LP, Wilmington, DE	100.0
Allianz China Future Technologies, Senningerberg	100.0 [3]
Allianz China Healthy Living, Senningerberg	100.0 [3]
Allianz China Insurance Holding Limited, Shanghai	100.0
Allianz China Life Insurance Co. Ltd., Shanghai	100.0
Allianz Clean Planet, Senningerberg	39.8 [2,3]
Allianz Climate Transition, Senningerberg	37.0 [2,3]
Allianz Colombia S.A., Bogotá D.C.	100.0
Allianz Compañía de Seguros y Reaseguros S.A., Madrid	99.9
Allianz Côte d'Ivoire Assurances SA, Abidjan	74.1
Allianz Côte d'Ivoire Assurances Vie SA, Abidjan	71.0
Allianz Creactions 1, Paris	100.0 [3]

	% owned[1]
Allianz Creactions II, Paris	100.0 [3]
Allianz Crowdfunding Fund I FPCI, Paris	100.0 [3]
Allianz Crowdlending, Paris	100.0 [3]
Allianz CV Investor GP LLC, Wilmington, DE	100.0
Allianz CV Management LLC, Wilmington, DE	100.0
Allianz Debt Fund FPS, Paris	100.0 [3]
Allianz Debt Fund S.à r.l., Luxembourg	100.0
Allianz Debt Fund SCSp SICAV-SIF, Luxembourg	90.5 [3]
Allianz Debt Investments PCREL S.à r.l., Luxembourg	100.0 [3]
Allianz Debt Investments S.à r.l., Luxembourg	100.0
Allianz Debt Investments SCSp SICAV-SIF, Luxembourg	100.0 [3]
Allianz Digital Services Pte. Ltd., Singapore	100.0
Allianz Direct S.p.A., Milan	100.0
Allianz do Brasil Participações Ltda., São Paulo	100.0
Allianz Eiffel Square Kft., Budapest	100.0
Allianz Elementar Lebensversicherungs-Aktiengesellschaft, Vienna	100.0
Allianz Elementar Versicherungs-Aktiengesellschaft, Vienna	100.0
Allianz EM Loans S.C.S., Luxembourg	100.0 [3]
Allianz Emerging Markets Sovereign Bond, Senningerberg	60.0 [3]
Allianz Engineering Inspection Services Limited, Guildford	100.0
Allianz Equity Emerging Markets 1, Paris	100.0 [3]
Allianz Equity Investments Ltd., Guildford	100.0
Allianz Euro Core Infrastructure Debt GP S.à r.l., Senningerberg	100.0
Allianz Euro Credit Risk Control, Senningerberg	97.5 [3]
Allianz Europe B.V., Amsterdam	100.0
Allianz Europe Ltd., London	100.0
Allianz Europe Small and Micro Cap Equity, Senningerberg	100.0 [3]
Allianz European Infrastructure II GP S.à r.l., Senningerberg	100.0
Allianz Finance Actions France, Paris	47.2 [2,3]
Allianz Finance Corporation, Wilmington, DE	100.0
Allianz Finance II B.V., Amsterdam	100.0
Allianz Finance II Luxembourg S.à r.l., Luxembourg	100.0
Allianz Finance III B.V., Amsterdam	100.0
Allianz Finance IV Luxembourg S.à r.l., Luxembourg	100.0
Allianz Finance IX Luxembourg S.A., Luxembourg	100.0
Allianz Finance VII Luxembourg S.A., Luxembourg	100.0
Allianz Finance VIII Luxembourg S.A., Luxembourg	100.0
Allianz Finance X Luxembourg S.A., Luxembourg	93.2
Allianz Fire and Marine Insurance Japan Ltd., Tokyo	100.0
Allianz FMO SDG Loan Fund S.C.A. SICAV-SIF, Senningerberg	100.0 [3]
Allianz Foglalkoztatói Nyugdíjszolgáltató Zrt., Budapest	100.0
Allianz France Favart I, Paris	100.0 [3]
Allianz France Immobilier Expansion - AFIX, Paris la Défense	100.0
Allianz France Investissement OPCI, Paris la Défense	100.0
Allianz France Real Estate Invest SPPICAV, Paris la Défense	100.0
Allianz France Real Estate S.à r.l., Luxembourg	100.0
Allianz France Relance, Senningerberg	77.4 [3]
Allianz France Richelieu 1 S.A.S., Paris la Défense	100.0
Allianz France S.A., Paris la Défense	100.0

	% owned[1]
Allianz France US REIT GP LLC, Wilmington, DE	100.0
Allianz France US REIT LP, Wilmington, DE	100.0
Allianz Fund Investments 2 S.A. (Compartment), Luxembourg	100.0
Allianz Fund Investments Inc., Wilmington, DE	100.0
Allianz Fund Investments S.A., Luxembourg	100.0
Allianz General Insurance Company (Malaysia) Berhad, Kuala Lumpur	100.0
Allianz General Insurance Public Co. Ltd., Bangkok	100.0
Allianz Global Corporate & Specialty do Brasil Participações Ltda., Rio de Janeiro	100.0
Allianz Global Corporate & Specialty of Africa (Proprietary) Ltd., Johannesburg	100.0
Allianz Global Corporate & Specialty Resseguros Brasil S.A., São Paulo	100.0
Allianz Global Corporate & Specialty South Africa Ltd., Johannesburg	100.0
Allianz Global Diversified Infrastructure Equity GP S.à r.l., Senningerberg	100.0
Allianz Global Diversified Infrastructure Equity II GP S.à r.l., Senningerberg	100.0
Allianz Global Diversified Private Debt Fund GP S.à r.l., Senningerberg	100.0
Allianz Global Fundamental Strategy, Senningerberg	29.0 [2,3]
Allianz Global Infrastructure and Energy Transition Debt Fund GP S.à r.l., Senningerberg	100.0
Allianz Global Investors (Schweiz) AG, Zurich	100.0
Allianz Global Investors Asia Pacific Ltd., Hong Kong	100.0
Allianz Global Investors Asset Management (Shanghai) Limited, Shanghai	100.0
Allianz Global Investors Distributors LLC, Dover, DE	100.0
Allianz Global Investors Holdings Ltd., London	100.0
Allianz Global Investors Ireland Ltd., Dublin	100.0
Allianz Global Investors Japan Co. Ltd., Tokyo	100.0
Allianz Global Investors Nominee Services Ltd., George Town	100.0
Allianz Global Investors Overseas Asset Management (Shanghai) Limited, Shanghai	100.0
Allianz Global Investors Singapore Ltd., Singapore	100.0
Allianz Global Investors Taiwan Ltd., Taipei	100.0
Allianz Global Investors U.S. Holdings LLC, Dover, DE	100.0
Allianz Global Investors U.S. LLC, Dover, DE	100.0
Allianz Global Investors UK Limited, London	100.0
Allianz Global Life dac, Dublin	100.0
Allianz Global Private Debt Opportunities Feeder Fund SA SICAV-RAIF, Senningerberg	100.0 [3]
Allianz Global Private Debt Opportunities Fund GP S.à r.l., Senningerberg	100.0
Allianz Global Private Debt Opportunities Fund SCSp SICAV-RAIF, Senningerberg	100.0 [3]
Allianz Global Real Assets and Private Markets Fund S.A. SICAV-RAIF, Senningerberg	100.0 [3]
Allianz Global Real Estate Debt Opportunities Fund GP S.à r.l., Senningerberg	100.0
Allianz Global Risks US Insurance Company Corp., Chicago, IL	100.0
Allianz Hayat ve Emeklilik A.S., Istanbul	89.0
Allianz Hedeland Logistics ApS, Copenhagen	100.0
Allianz Hellas Single Member Insurance S.A., Athens	100.0
Allianz Hold Co Real Estate S.à r.l., Luxembourg	100.0
Allianz Holding eins GmbH, Vienna	100.0
Allianz Holding France SAS, Paris la Défense	100.0
Allianz Holdings p.l.c., Dublin	100.0
Allianz Holdings plc, Guildford	100.0
Allianz Home Equity Income GP 1 Limited, London	100.0
Allianz Hospitaliers Euro, Paris	100.0 [3]
Allianz Hospitaliers Valeurs Durables, Paris	100.0 [3]
Allianz Hrvatska d.d., Zagreb	100.0
Allianz Hungária Biztosító Zrt., Budapest	100.0
Allianz HY Investor GP LLC, Wilmington, DE	100.0
Allianz HY Investor LP, Wilmington, DE	100.0
Allianz I.A.R.D. S.A., Paris la Défense	100.0
Allianz IARD EM Debt, Paris	100.0 [3]
Allianz IARD Multi-Assets, Paris	100.0 [3]
Allianz IARD Vintage FCPR, Paris	100.0 [3]
Allianz Impact Green Bond, Paris	100.0 [3]
Allianz Infrastructure Holding I Pte. Ltd., Singapore	100.0
Allianz Infrastructure Luxembourg Holdco I S.A., Luxembourg	100.0
Allianz Infrastructure Luxembourg Holdco II S.A., Luxembourg	100.0
Allianz Infrastructure Luxembourg Holdco III S.A., Luxembourg	100.0
Allianz Infrastructure Luxembourg Holdco IV S.A., Luxembourg	100.0
Allianz Infrastructure Luxembourg I S.à r.l., Luxembourg	100.0
Allianz Infrastructure Luxembourg II S.à r.l., Luxembourg	100.0
Allianz Infrastructure Luxembourg III S.A., Luxembourg	100.0
Allianz Infrastructure Norway Holdco I S.à r.l., Luxembourg	100.0
Allianz Infrastructure Spain Holdco I S.à r.l., Luxembourg	100.0
Allianz Infrastructure Spain Holdco II S.à r.l., Luxembourg	100.0
Allianz Insurance Agents - Insurance Agents' Coordinators Single-member Ltd., Athens	100.0
Allianz Insurance Asset Management Co. Ltd., Beijing	100.0
Allianz Insurance Company - Egypt S.A.E., New Cairo	95.0
Allianz Insurance Company of Ghana Limited, Accra	100.0
Allianz Insurance Company of Kenya Limited, Nairobi	100.0
Allianz Insurance Lanka Limited, Colombo	100.0
Allianz Insurance Laos Co. Ltd., Vientiane	51.0
Allianz Insurance plc, Guildford	100.0
Allianz Insurance Singapore Pte. Ltd., Singapore	100.0
Allianz Inversiones S.A., Bogotá D.C.	100.0
Allianz Invest 10, Vienna	100.0 [3]
Allianz Invest 11, Vienna	100.0 [3]
Allianz Invest 12, Vienna	100.0 [3]
Allianz Invest d.o.o., Zagreb	100.0
Allianz Invest Kapitalanlagegesellschaft mbH, Vienna	100.0
Allianz Invest Osteuropa Rentenfonds, Vienna	92.2 [3]
Allianz Invest Spezial 13, Vienna	100.0 [3]
Allianz Invest Spezial 3, Vienna	100.0 [3]
Allianz Investment Management LLC, St. Paul, MN	100.0
Allianz Investment Management Singapore Pte. Ltd., Singapore	100.0
Allianz Investment Management U.S. LLC, St. Paul, MN	100.0
Allianz Investments HoldCo S.à r.l., Luxembourg	100.0
Allianz Investments I Luxembourg S.à r.l., Luxembourg	100.0
Allianz Investments III Luxembourg S.A., Luxembourg	100.0
Allianz Jewel Fund ICAV, Dublin	100.0 [3]
Allianz Jingdong General Insurance Company Ltd., Guangzhou	53.3
Allianz kontakt s.r.o., Prague	100.0
Allianz Leasing Bulgaria AD, Sofia	100.0
Allianz Leben Real Estate Holding I S.à r.l., Luxembourg	100.0
Allianz Leben Real Estate Holding II S.à r.l., Luxembourg	100.0
Allianz Lietuva gyvybės draudimas UAB, Vilnius	100.0
Allianz Life (Bermuda) Ltd., Hamilton	100.0
Allianz Life Assurance Company - Egypt S.A.E., New Cairo	100.0
Allianz Life Financial Services LLC, Minneapolis, MN	100.0
Allianz Life Insurance Company Ltd., Moscow	100.0
Allianz Life Insurance Company of Ghana Limited, Accra	100.0
Allianz Life Insurance Company of Missouri, Clayton, MO	100.0
Allianz Life Insurance Company of New York, New York, NY	100.0
Allianz Life Insurance Company of North America, Minneapolis, MN	100.0
Allianz Life Insurance Lanka Ltd., Colombo	100.0
Allianz Life Insurance Malaysia Berhad, Kuala Lumpur	100.0
Allianz Life Luxembourg S.A., Luxembourg	100.0
Allianz Madagascar Assurances SA, Antananarivo	100.0
Allianz Malaysia Berhad, Kuala Lumpur	75.0
Allianz Management Services Limited, Guildford	100.0
Allianz Marine & Transit Underwriting Agency Pty Ltd., Sydney	100.0
Allianz Marine (UK) Ltd., London	100.0
Allianz Maroc S.A., Casablanca	98.9
Allianz MENA Holding (Bermuda) Limited, Hamilton	100.0
Allianz Metaverse, Senningerberg	100.0 [3]
Allianz México S.A. Compañía de Seguros, Mexico City	100.0
Allianz Mid Cap Loans FCT, Paris	100.0 [3]
Allianz Multi Croissance, Paris	100.0 [3]
Allianz Multi Dynamisme, Paris	94.1 [3]
Allianz Multi Equilibre, Paris	97.9 [3]
Allianz Multi Harmonie, Paris	99.3 [3]
Allianz Multi Horizon 2027-2029, Paris	37.2 [2,3]
Allianz Multi Horizon 2030-2032, Paris	38.2 [2,3]
Allianz Multi Horizon 2033-2035, Paris	78.1 [3]
Allianz Multi Horizon 2036-2038, Paris	100.0 [3]
Allianz Multi Horizon 2039-2041, Paris	100.0 [3]
Allianz Multi Horizon Court Terme, Paris	57.9 [3]
Allianz Multi Horizon Long Terme, Paris	40.6 [2,3]
Allianz Multi Opportunités, Paris	99.8 [3]
Allianz Multi Rendement Réel, Paris	81.8 [3]
Allianz Mutual Funds Management Company S.A., Athens	100.0
Allianz Nederland Groep N.V., Rotterdam	100.0
Allianz Neo ISR 2021, Senningerberg	100.0 [3]
Allianz Neo ISR 2022, Senningerberg	100.0 [3]
Allianz New Zealand Limited, Auckland	100.0
Allianz Nigeria Insurance Limited, Lagos	100.0
Allianz Nikko Pte. Ltd., Singapore	100.0
Allianz Nikko1 Pte. Ltd., Singapore	100.0
Allianz Nikko2 Pte. Ltd., Singapore	100.0
Allianz Nikko3 Pte. Ltd., Singapore	100.0

	% owned[1]
Allianz Obligations Internationales, Paris	81.5 [3]
Allianz of America Inc., Wilmington, DE	100.0
Allianz Opéra, Paris	100.0 [3]
Allianz p.l.c., Dublin	100.0
Allianz Partners S.A.S., Saint-Ouen	100.0
Allianz Patrimoine Immobilier SAS, Paris la Défense	100.0
Allianz PCREL US Debt S.A., Luxembourg	100.0
Allianz Pension Fund Trustees Ltd., Guildford	100.0
Allianz Pensionskasse Aktiengesellschaft, Vienna	100.0
Allianz penzijní spolecnost a.s., Prague	100.0
Allianz Perfekta 71 S.A., Luxembourg	94.9
Allianz PIMCO Corporate, Vienna	91.3 [3]
Allianz PIMCO Mortgage, Vienna	98.5 [3]
Allianz PNB Life Insurance Inc., Makati City	51.0
Allianz pojistovna a.s., Prague	100.0
Allianz Polska Services Sp. z o.o., Warsaw	100.0
Allianz Premie Pensioen Instelling B.V., Rotterdam	100.0
Allianz Presse Infra GP S.à r.l., Luxembourg	92.4
Allianz Presse Infra S.C.S., Luxembourg	92.4
Allianz Presse US REIT GP LLC, Wilmington, DE	92.4
Allianz Presse US REIT LP, Wilmington, DE	92.4
Allianz Private Credit Fund S.A. SICAV-RAIF, Senningerberg	100.0 [3]
Allianz Private Debt Secondary Feeder Fund I SA SICAV-RAIF, Senningerberg	100.0
Allianz Private Debt Secondary Fund I GP S.à r.l., Senningerberg	100.0
Allianz Private Equity Fund SCSp, Senningerberg	98.0 [3]
Allianz Private Equity GP S.à r.l., Senningerberg	100.0
Allianz Private Equity Partners Europa III, Milan	99.6 [3]
Allianz Private Equity Partners IV, Milan	100.0 [3]
Allianz Private Equity Partners V, Milan	100.0 [3]
Allianz Private Markets GP S.à r.l., Senningerberg	100.0
Allianz Properties Limited, Guildford	100.0
Allianz Quantitative Analytics Sp. z o.o., Warsaw	100.0
Allianz Re Argentina S.A., Buenos Aires	100.0
Allianz Re Dublin dac, Dublin	100.0
Allianz Real Estate (Shanghai) Co. Ltd., Shanghai	100.0
Allianz Real Estate Asia Pacific Pte. Ltd., Singapore	100.0
Allianz Real Estate Hedeland 2 ApS, Copenhagen	100.0
Allianz Real Estate Hedeland 3 ApS, Copenhagen	100.0
Allianz Real Estate Hedeland 4 ApS, Copenhagen	100.0
Allianz Real Estate Investment S.A., Luxembourg	100.0
Allianz Real Estate Japan GK, Tokyo	100.0
Allianz Real Estate of America LLC, Wilmington, DE	100.0
Allianz Real Estate Trust II (1), Sydney	99.2 [3]
Allianz Real Estate Trust II (2), Sydney	99.2 [3]
Allianz Real Estate Trust III (1), Sydney	97.9 [3]
Allianz Real Estate Trust III (1) Sub-trust (1), Sydney	100.0 [3]
Allianz Real Estate Trust III (2), Sydney	97.9 [3]
Allianz Real Estate Trust IV, Sydney	95.5 [3]
Allianz Reinsurance America Inc., Petaluma, CA	100.0
Allianz Reinsurance Management Services Inc., Wilmington, DE	100.0
Allianz Renewable Energy Fund III GP SCSp, Senningerberg	100.0
Allianz Renewable Energy Fund III Lux GP S.à r.l., Senningerberg	100.0
Allianz Renewable Energy Fund Management 1 Ltd., London	100.0

	% owned[1]
Allianz Renewable Energy Management AT II GmbH, Pottenbrunn	100.0
Allianz Renewable Energy Partners I LP, London	100.0
Allianz Renewable Energy Partners II Limited, London	100.0
Allianz Renewable Energy Partners III LP, London	99.3
Allianz Renewable Energy Partners IV Limited, London	99.3
Allianz Renewable Energy Partners IX Limited, London	99.2
Allianz Renewable Energy Partners Luxembourg II S.A., Luxembourg	100.0
Allianz Renewable Energy Partners Luxembourg IV S.A., Luxembourg	99.3
Allianz Renewable Energy Partners Luxembourg V S.A., Luxembourg	100.0
Allianz Renewable Energy Partners Luxembourg VI S.A., Luxembourg	100.0
Allianz Renewable Energy Partners Luxembourg VIII S.A., Luxembourg	100.0
Allianz Renewable Energy Partners of America 2 LLC, Wilmington, DE	100.0
Allianz Renewable Energy Partners of America LLC, Wilmington, DE	100.0
Allianz Renewable Energy Partners V Limited, London	100.0
Allianz Renewable Energy Partners VI Limited, London	100.0
Allianz Renewable Energy Partners VII LP, London	100.0
Allianz Renewable Energy Partners VIII Limited, London	100.0
Allianz Residential Mortgage Company S.A., Luxembourg	100.0
Allianz Resilient Credit Euro Fund GP S.à r.l., Senningerberg	100.0
Allianz Resilient Opportunistic Credit Fund GP S.à r.l., Senningerberg	100.0
Allianz Resilient Opportunistic Credit Fund SCSp SICAV-RAIF, Senningerberg	90.9 [3]
Allianz Retraite S.A., Paris la Défense	100.0
Allianz Risk Consulting LLC, Glendale, CA	100.0
Allianz Risk Transfer (Bermuda) Ltd., Hamilton	100.0
Allianz Risk Transfer AG, Schaan	100.0
Allianz Risk Transfer Inc., New York, NY	100.0
Allianz S.A. de C.V., Mexico City	100.0
Allianz S.p.A., Milan	100.0
Allianz Saint-Marc CL, Paris	100.0 [3]
Allianz Sakura Multifamily 1 Pte. Ltd., Singapore	100.0
Allianz Sakura Multifamily 2 Pte. Ltd., Singapore	100.0
Allianz Sakura Multifamily Lux GP S.à r.l., Luxembourg	100.0
Allianz Sakura Multifamily Lux SCSp, Luxembourg	100.0
Allianz SAS S.A.S., Bogotá D.C.	100.0
Allianz Saúde S.A., São Paulo	100.0
Allianz Saudi Fransi Cooperative Insurance Company, Riyadh	51.0
Allianz Sécurité, Paris	94.0 [3]
Allianz Sécurité PEA, Paris	32.1 [2,3]
Allianz Seguros de Vida S.A., Bogotá D.C.	100.0
Allianz Seguros S.A., São Paulo	100.0
Allianz Seguros S.A., Bogotá D.C.	100.0
Allianz Selection Alternative, Senningerberg	100.0 [3]
Allianz Selection Fixed Income, Senningerberg	100.0 [3]
Allianz Selection Small and Midcap Equity, Senningerberg	100.0 [3]
Allianz Sénégal Assurances SA, Dakar	83.4
Allianz Sénégal Assurances Vie SA, Dakar	98.5

	% owned[1]
Allianz Services (UK) Limited, London	100.0
Allianz Services Mauritius LLC, Ebene	100.0
Allianz Services Private Ltd., Thiruvananthapuram	100.0
Allianz Serviços e Participações S.A., Rio de Janeiro	100.0
Allianz Servizi S.p.A., Milan	100.0
Allianz SI PF Holding Corp., Toronto, ON	100.0
Allianz Sigorta A.S., Istanbul	96.2
Allianz SNA s.a.l., Beirut	100.0
Allianz Société Financière S.à r.l., Luxembourg	100.0
Allianz Soluciones de Inversión AV S.A. , Madrid	100.0
Allianz South America Holding B.V., Amsterdam	100.0
Allianz Sp. z o.o., Warsaw	100.0
Allianz Special Opportunities Alternative Fund, Milan	100.0 [3]
Allianz Sport et Bien-être, Paris	77.0 [3]
Allianz Strategic Investments LLC, St. Paul, MN	100.0
Allianz Strategic Investments S.à r.l., Luxembourg	100.0
Allianz Strategy Select 50, Senningerberg	50.0 [2,3]
Allianz Suisse Immobilien AG, Wallisellen	100.0
Allianz Suisse Lebensversicherungs-Gesellschaft AG, Wallisellen	100.0
Allianz Suisse Versicherungs-Gesellschaft AG, Wallisellen	100.0
Allianz Sustainable Health Evolution, Senningerberg	94.5 [3]
Allianz Synergies, Paris	100.0 [3]
Allianz Systematic Enhanced US Equity SRI, Senningerberg	99.9 [3]
Allianz Taiwan Life Insurance Co. Ltd., Taipei	99.7
Allianz Team, Paris	87.2 [3]
Allianz Team Formule 1, Paris	94.6 [3]
Allianz Technology (Slovakia) s.r.o., Bratislava	100.0
Allianz Technology (Thailand) Co. Ltd., Bangkok	100.0
Allianz Technology AG, Wallisellen	100.0
Allianz Technology GmbH, Vienna	100.0
Allianz Technology International B.V., Amsterdam	100.0
Allianz Technology of America Inc., Wilmington, DE	100.0
Allianz Technology S.L., Barcelona	100.0
Allianz Technology S.p.A., Milan	100.0
Allianz Technology s.r.o., Prague	100.0
Allianz Technology SAS, Saint-Ouen	100.0
Allianz Thematic Income, Hong Kong	62.7 [3]
Allianz Tiriac Pensii Private Societate de administrare a fondurilor de pensii private S.A., Bucuresti	100.0
Allianz Tulip GP S.à r.l., Senningerberg	100.0
Allianz UK Government Bond, Senningerberg	99.7 [3]
Allianz UK Infrastructure Debt GP 2 Limited, London	100.0
Allianz UK Infrastructure Debt GP Limited, London	100.0
Allianz Ukraine LLC, Kiev	100.0
Allianz Underwriters Insurance Company Corp., Chicago, IL	100.0
Allianz US Debt Holding S.A., Luxembourg	100.0
Allianz US Income Growth Advisory Master Fundo de Investimento Multimercado Investimento no Exterior, São Paulo	91.5 [3]
Allianz US Investment GP LLC, Wilmington, DE	100.0
Allianz US Investment LP, Wilmington, DE	100.0
Allianz US Private Credit Solutions GP LLC, Wilmington, DE	100.0
Allianz US Private REIT GP LLC, Wilmington, DE	100.0
Allianz US Private REIT LP, Wilmington, DE	100.0
Allianz Valeurs Durables, Paris	34.4 [2,3]

	% owned[1]
Allianz Value S.r.l., Milan	100.0
Allianz Vermogen B.V., Rotterdam	100.0
Allianz Vermögenskonzept Chance, Senningerberg	100.0 [3]
Allianz Vie EM Debt, Paris	100.0 [3]
Allianz VIE Multi-Assets, Paris	100.0 [3]
Allianz Vie S.A., Paris la Défense	100.0
Allianz Viva S.p.A., Milan	100.0
Allianz Vorsorgekasse AG, Vienna	100.0
Allianz Working Capital Investment Grade Fund, Senningerberg	100.0 [3]
Allianz Worldwide Partners (Hong Kong) Ltd., Hong Kong	100.0
Allianz X Euler Hermes Co-Investments S.à r.l., Luxembourg	100.0
Allianz Yasam ve Emeklilik A.S., Istanbul	80.0
Allianz ZB d.o.o. Mandatory and Voluntary Pension Funds Management Company, Zagreb	51.0
AllianzGI US Private Credit Solutions GP II LLC, Wilmington, DE	100.0
AllianzGI USD Infrastructure Debt Fund GP LLC, Wilmington, DE	100.0
AllianzIM U.S. Large Cap 6 Month Buffer10 Apr/Oct ETF, Wilmington, DE	32.9 [2,3]
AllianzIM U.S. Large Cap 6 Month Buffer10 Jan/Jul ETF, Wilmington, DE	34.0 [2,3]
AllianzIM U.S. Large Cap Buffer10 Nov ETF, Wilmington, DE	30.6 [2,3]
Allianz-Tiriac Asigurari SA, Bucharest	52.2
Allianz-Tiriac Unit Asigurari S.A., Bucharest	100.0
Alma S.r.l., Bologna	100.0
Altair - Fondo di Investimento Alternativo Immobiliare di Tipo Chiuso, Rome	100.0 [3]
Alter Ego S.A., Chalandri	97.3
American Automobile Insurance Company Corp., O'Fallon, MO	100.0
APEF Feeder FCP-RAIF, Senningerberg	41.6 [2,3]
APEH Europe VI, Paris	99.6 [3]
APEH Europe VII, Paris	100.0 [3]
APK US Investment GP LLC, Wilmington, DE	100.0
APK US Investment LP, Wilmington, DE	100.0
APKV US Private REIT GP LLC, Wilmington, DE	100.0
APKV US Private REIT LP, Wilmington, DE	100.0
APP Broker S.r.l., Trieste	100.0
Appia Investments S.r.l., Milan	57.6
Aqua Holdings (Thailand) Company Limited, Bangkok	100.0
ARAGO, Paris	100.0 [3]
Arcturus MF GK, Tokyo	100.0
AREAP Core 1 GP Pte. Ltd., Singapore	100.0
Arges Investments I N.V., Amsterdam	100.0
Arges Investments II N.V., Amsterdam	100.0
Asit Services S.R.L., Bucharest	100.0
Assistance, Courtage d'Assurance et de Réassurance S.A., Paris la Défense	100.0
Assurances Médicales SA, Metz	100.0
Atlas Fund, Milan	100.0 [3]
atpacvc LLC, Wilmington, DE	100.0
Avip Top Harmonie, Paris	98.9 [3]
Avip Top Tempéré, Paris	99.8 [3]
AVS Automotive VersicherungsService GmbH, Vienna	100.0
AWP Argentina S.A., Buenos Aires	100.0
AWP Assistance (India) Private Limited, Gurgaon	100.0
AWP Assistance Ireland Limited, Dublin	100.0
AWP Assistance Service España S.A., Madrid	100.0

	% owned[1]
AWP Assistance UK Ltd., London	100.0
AWP Australia Holdings Pty Ltd., Brisbane	100.0
AWP Australia Pty Ltd., Brisbane	100.0
AWP Austria GmbH, Vienna	100.0
AWP Brokers & Services Hellas S.A., Athens	100.0
AWP Business Services Co. Ltd., Beijing	100.0
AWP Colombia SAS, Bogotá D.C.	100.0
AWP Contact Center Italia S.r.l., Milan	100.0
AWP France SAS, Saint-Ouen	95.0
AWP Health & Life S.A., Saint-Ouen	100.0
AWP Health & Life Services Limited, Dublin	100.0
AWP Japan Co. Ltd., Tokyo	100.0
AWP MEA Holdings Co. W.L.L., Manama	100.0
AWP Mexico S.A. de C.V., Mexico City	100.0
AWP P&C S.A., Saint-Ouen	100.0
AWP Polska Sp. z o.o., Warsaw	100.0
AWP Réunion SAS, Sainte-Marie	100.0
AWP RUS LLC, Moscow	100.0
AWP Service Brasil Ltda., São Bernardo do Campo	100.0
AWP Services (India) Private Limited, Gurgaon	100.0
AWP Services (Thailand) Co. Ltd., Bangkok	100.0
AWP Services Belgium S.A., Brussels	100.0
AWP Services New Zealand Limited, Auckland	100.0
AWP Services NL B.V., Amsterdam	100.0
AWP Services Sdn. Bhd., Kuala Lumpur	100.0
AWP Services Singapore Pte. Ltd., Singapore	100.0
AWP Servicios Mexico S.A. de C.V., Mexico City	100.0
AWP Servis Hizmetleri A.S., Istanbul	97.0
AWP Solutions CR a SR s.r.o., Prague	100.0
AWP Ticket Guard Small Amount & Short Term Insurance Co. Ltd., Tokyo	100.0
AWP USA Inc., Richmond, VA	100.0
AZ Euro Investments II S.à r.l., Luxembourg	100.0
AZ Euro Investments S.A., Luxembourg	100.0
AZ Jupiter 10 B.V., Amsterdam	100.0
AZ Jupiter 11 B.V., Amsterdam	97.8
AZ Jupiter 8 B.V., Amsterdam	100.0
AZ Jupiter 9 B.V., Amsterdam	100.0
AZ Real Estate GP LLC, Wilmington, DE	100.0
AZ Servisni centar d.o.o., Zagreb	100.0
AZ Vers US Private REIT GP LLC, Wilmington, DE	100.0
AZ Vers US Private REIT LP, Wilmington, DE	100.0
AZ-CR Seed Investor LP, Wilmington, DE	100.0
AZGA Insurance Agency Canada Ltd., Kitchener, ON	100.0
AZGA Service Canada Inc., Kitchener, ON	55.0
AZL PF Investments Inc., Minneapolis, MN	100.0
AZOA Services Corporation, New York, NY	100.0
AZP Malaysia Agency Sdn. Bhd., Kuala Lumpur	100.0
AZWP Services Portugal Lda., Lisbon	100.0
Barcelona Sea Offices S.A., Barcelona	100.0
Batzella Societa' Agricola a Responsabilita' Limitata, Castagneto Carducci	100.0
BBVA Allianz Seguros y Reaseguros S.A., Madrid	50.0 [2]
BCP-AZ Investment L.P., Wilmington, DE	98.0
Beleggingsmaatschappij Willemsbruggen B.V., Rotterdam	100.0
Belgravia Square Ltd., London	100.0
Berkley Investments S.A., Warsaw	100.0
Beykoz Gayrimenkul Yatirim Insaat Turizm Sanayi ve Ticaret A.S., Ankara	100.0
Bilans Service S.N.C., Courbevoie	66.0

	% owned[1]
BN Infrastruktur GmbH, St. Pölten	74.9
Borgo San Felice S.r.l., Castelnuovo Berardenga	100.0
BPS Brindisi 211 S.r.l., Lecce	100.0
BPS Brindisi 213 S.r.l., Lecce	100.0
BPS Brindisi 222 S.r.l., Lecce	100.0
BPS Mesagne 214 S.r.l., Lecce	100.0
BPS Mesagne 215 S.r.l., Lecce	100.0
BPS Mesagne 216 S.r.l., Lecce	100.0
BPS Mesagne 223 S.r.l., Lecce	100.0
BPS Mesagne 224 S.r.l., Lecce	100.0
Brasil de Imóveis e Participações Ltda., São Paulo	100.0
BRAVO CRE CIV LLC, Wilmington, DE	100.0
BRAVO II CIV LLC, Wilmington, DE	100.0
BRAVO III CIV LLC, Wilmington, DE	100.0
BRAVO IV CIV LLC, Wilmington, DE	100.0
BRAVO IV Holding Fund CIV I LP, George Town	100.0
Brobacken Nät AB, Stockholm	100.0
Brunswick S.à r.l., Luxembourg	100.0
BSMC (Thailand) Company Limited, Bangkok	100.0
Buddies Enterprises Limited, Guildford	100.0
C.E.P.E. de Bajouve S.à r.l., Versailles	100.0
C.E.P.E. de Haut Chemin S.à r.l., Versailles	100.0
C.E.P.E. de la Baume S.à r.l., Versailles	100.0
C.E.P.E. de la Forterre S.à r.l., Versailles	100.0
C.E.P.E. de Vieille Carrière S.à r.l., Versailles	100.0
C.E.P.E. du Blaiseron S.à r.l., Versailles	100.0
C.E.P.E. du Bois de la Serre S.à r.l., Versailles	100.0
Calobra Investments Sp. z o.o., Warsaw	100.0
CAP, Rechtsschutz-Versicherungsgesellschaft AG, Wallisellen	100.0
Caroline Berlin S.C.S., Luxembourg	93.2
Castle Field Limited, Hong Kong	100.0
CCAF GP I LLC, Wilmington, DE	100.0
CELUHO S.à r.l., Luxembourg	100.0
Central Shopping Center a.s., Bratislava	100.0
Centrale Photovoltaique de Saint Marcel sur Aude SAS, Versailles	100.0
Centrale Photovoltaique de Valensole SAS, Versailles	100.0
CEPE de Langres Sud S.à r.l., Versailles	100.0
CEPE de Mont Gimont S.à r.l., Versailles	100.0
CEPE de Sambres S.à r.l., Versailles	100.0
CEPE des Portes de la Côte d'Or S.à r.l., Versailles	100.0
Ceres Holding I S.à r.l., Luxembourg	100.0
Ceres Warsaw Gorzow Sp. z o.o., Warsaw	100.0
Chicago Insurance Company Corp., Chicago, IL	100.0
CIC Allianz Insurance Ltd., Sydney	100.0
CIMU 92, Saint-Denis	53.5 [3]
Citizen Capital Impact Initiative, Paris	72.0 [3]
Clavariedelle Luxembourg S.à r.l., Luxembourg	100.0
Climmolux Holding SA, Luxembourg	100.0
Club Marine Limited, Sydney	100.0
COF II CIV LLC, Wilmington, DE	100.0
COF III CIV LLC, Wilmington, DE	100.0
COF III Holding Fund CIV I LP, George Town	100.0
COF IV CIV LLC, Wilmington, DE	100.0
COF IV Holding Fund CIV I LP, George Town	100.0
Columbia REIT - 221 Main Street LP, Wilmington, DE	100.0
Columbia REIT - 333 Market Street LP, Wilmington, DE	45.0 [2]

	% owned[1]
Columbia REIT - University Circle LP, Wilmington, DE	100.0
Companhia de Seguros Allianz Portugal S.A., Lisbon	64.8
Compañía Colombiana de Servicio Automotriz S.A., Bogotá D.C.	100.0
Consultatio Renta Mixta F.C.I., Buenos Aires	100.0 [3]
Control Expert Gestao Comercio e Desenvolvimento Ltda., Jundiaí	95.0
Control Expert Italia S.r.l., Venice	80.0
Control Expert Mexico S. de R.L. de C.V., Mexico City	95.0
Control Expert Systems Technologies S.L., Madrid	94.9
ControlExpert Argentina SRL, Buenos Aires	90.0
ControlExpert Chile Spa, Las Condes	95.0
ControlExpert Colombia SAS, Bogotá D.C.	90.0
ControlExpert Holding B.V., Amsterdam	95.0
ControlExpert Hong Kong Corp. Limited, Hong Kong	90.0
ControlExpert Inc., Wilmington, DE	90.0
ControlExpert Japan KK, Tokyo	100.0
ControlExpert Polska Sp. z o.o., Warsaw	100.0
ControlExpert Schweiz GmbH, Cham	100.0
ControlExpert Thailand Co. Ltd., Bangkok	100.0
ControlExpert UK Limited, Farnborough	87.0
Corn Investment Ltd., London	100.0
Corsetec Assessoria e Corretagem de Seguros Ltda., São Paulo	100.0
Cova Beijing Zpark Investment Pte. Ltd., Singapore	98.0
CPRN Thailand Ltd., Bangkok	100.0
CURATIO DMCC LLC, Dubai	100.0
D23E GP LLC, Wilmington, DE	100.0
Darta Saving Life Assurance dac, Dublin	100.0
DCCF GP I Series 1 LLC, Wilmington, DE	100.0
Deeside Investments Inc., Wilmington, DE	50.1
Delphine Fund, Milan	100.0 [3]
Delta Technical Services Ltd., London	100.0
Diamond Point a.s., Prague	100.0
Dresdner Kleinwort Pfandbriefe Investments II Inc., Wilmington, DE	100.0
EDCO Berkeley S.à r.l., Luxembourg	100.0
EDCO CIV LLC, Wilmington, DE	100.0
EDCO Holdco S.à r.l., Luxembourg	100.0
EDCO Nevern S.à r.l., Luxembourg	100.0
EDCO Pembroke S.à r.l., Luxembourg	100.0
EDCO UK CIV LLC, Wilmington, DE	100.0
EF Solutions LLC, Wilmington, DE	100.0
EH 39 Ouest, Paris la Défense	100.0 [3]
EIG Altstadt Holdings Blocker LLC, Wilmington, DE	100.0
Eiger Institutional Fund, Basel	100.0 [3]
Elite Prize Limited, Hong Kong	100.0
Elix Vintage Residencial SOCIMI S.A., Madrid	100.0
ELVIA e-invest AG, Wallisellen	100.0
Emerging Market Climate Action Fund GP S.à r.l., Senningerberg	100.0
Energie Eolienne Lusanger S.à r.l., Versailles	100.0
Enertrag-Dunowo Sp. z o.o., Szczecin	100.0
Eolica Erchie S.r.l., Lecce	100.0
EP Tactical GP LLC, Wilmington, DE	100.0
Etablissements J. Moneger SA, Dakar	100.0
Euler Hermes Acmar SA, Casablanca	55.0
Euler Hermes Acmar Services SARL, Casablanca	100.0

	% owned[1]
Euler Hermes Asset Management France S.A., Paris la Défense	100.0
Euler Hermes Australia Pty Limited, Sydney	100.0
Euler Hermes Canada Services Inc., Montreal, QC	100.0
Euler Hermes Collections North America Company, Owings Mills, MD	100.0
Euler Hermes Collections Sp. z o.o., Warsaw	100.0
Euler Hermes Consulting (Shanghai) Co. Ltd., Shanghai	100.0
Euler Hermes Crédit France S.A.S., Paris la Défense	100.0
Euler Hermes Digital Ventures, Paris	100.0 [3]
Euler Hermes Excess North America LLC, Owings Mills, MD	100.0
Euler Hermes Group SAS, Paris la Défense	100.0
Euler Hermes Hellas Services Ltd., Athens	100.0
Euler Hermes Hong Kong Service Limited, Hong Kong	100.0
Euler Hermes Intermediary Agency S.r.l., Milan	100.0
Euler Hermes Japan Services Ltd., Tokyo	100.0
Euler Hermes Korea Non-life Broker Company Limited, Seoul	100.0
Euler Hermes Luxembourg Holding S.à r.l., Luxembourg	100.0
Euler Hermes New Zealand Limited, Auckland	100.0
Euler Hermes North America Holding Inc., Wilmington, DE	100.0
Euler Hermes North America Insurance Company Inc., Owings Mills, MD	100.0
Euler Hermes Patrimonia SA, Brussels	100.0
Euler Hermes Ré SA, Luxembourg	100.0
Euler Hermes Real Estate SPPICAV, Paris la Défense	60.0
Euler Hermes Recouvrement France S.A.S., Paris la Défense	100.0
Euler Hermes Reinsurance AG, Wallisellen	100.0
Euler Hermes Risk Yönetimi A.S., Istanbul	100.0
Euler Hermes S.A., Brussels	100.0
Euler Hermes Seguros S.A., São Paulo	100.0
Euler Hermes Service AB, Stockholm	100.0
Euler Hermes Services B.V., 's-Hertogenbosch	100.0
Euler Hermes Services Belgium S.A., Brussels	100.0
Euler Hermes Services Bulgaria EOOD, Sofia	100.0
Euler Hermes Services Ceská republika s.r.o., Prague	100.0
Euler Hermes Services India Private Limited, Mumbai	100.0
Euler Hermes Services Ireland Limited, Dublin	100.0
Euler Hermes Services Italia S.r.l., Rome	100.0
Euler Hermes Services North America LLC, Owings Mills, MD	100.0
Euler Hermes Services Romania S.R.L., Bucharest	100.0
Euler Hermes Services S.A.S., Paris la Défense	100.0
Euler Hermes Services Schweiz AG, Wallisellen	100.0
Euler Hermes Services South Africa Ltd., Johannesburg	100.0
Euler Hermes Services Tunisia S.à r.l., Tunis	100.0
Euler Hermes Services UK Limited, London	100.0
Euler Hermes Serviços de Gestão de Riscos Ltda., São Paulo	100.0
Euler Hermes Sigorta A.S., Istanbul	100.0
Euler Hermes Singapore Services Pte. Ltd., Singapore	100.0
Euler Hermes South Express S.A., Ixelles	100.0
Euler Hermes Taiwan Services Limited, Taipei	100.0

	% owned[1]
Euler Hermes, Okurowska-Minkiewicz, Maliszewski - Kancelaria Prawna Sp.k, Warsaw	100.0
Eurl 20-22 Rue Le Peletier, Paris la Défense	100.0
European Reliance Asset Management M.F.M.C.S.A., Chalandri	99.0
European Reliance General Insurance Company S.A., Chalandri	100.0
Eurosol Invest S.r.l., Udine	100.0
Expander Advisors Sp. z o.o., Warsaw	100.0
Fairmead Insurance Limited, Guildford	100.0
FCP Allianz Africa Equity WAEMU, Abidjan	100.0 [3]
FCP Helliot, Paris	100.0 [3]
Fénix Directo Compañía de Seguros y Reaseguros S.A., Madrid	100.0
Ferme Eolienne de Villemur-sur-Tarn S.à r.l., Versailles	100.0
Ferme Eolienne des Jaladeaux S.à r.l., Versailles	100.0
Financière Callisto SAS, Paris la Défense	100.0
FinOS Technology Holding Pte. Ltd., Singapore	100.0
FinOS Technology Malaysia Sdn. Bhd., Kuala Lumpur	100.0
Fireman's Fund Financial Services LLC, Dallas, TX	100.0
Fireman's Fund Indemnity Corporation, Liberty Corner, NJ	100.0
Fireman's Fund Insurance Company Corp., Petaluma, CA	100.0
Flexible Real Estate Income GP LLC, Wilmington, DE	100.0
Flying Desire Limited, Hong Kong	100.0
Fondo Chiuso Allianz Infrastructure Partners I, Milan	100.0 [3]
Foshan Geluo Storage Services Co. Ltd., Foshan	100.0
Fragonard Assurances S.A., Saint-Ouen	100.0
Franklin S.C.S., Luxembourg	94.5
Friederike MLP S.à r.l., Luxembourg	100.0
Fu An Management Consulting Co. Ltd., Beijing	1.0 [2]
Galore Expert Limited, Hong Kong	100.0
Generation Vie S.A., Paris la Défense	52.5
Gestion de Téléassistance et de Services S.A., Châtillon	100.0
GIE Euler Hermes Facturation France, Paris la Défense	100.0
GIE Euler Hermes SFAC Services, Paris la Défense	100.0
GIS Diversified Income ESG Fund, Dublin	100.0 [3]
GIS Emerging Local Bond ESG Fund, Dublin	80.1 [3]
GIS Low Duration Opportunities ESG Fund, Dublin	100.0 [3]
Glärnisch Institutional Fund, Basel	100.0 [3]
Global Azawaki S.L., Madrid	100.0
Global Besande S.L., Madrid	100.0
Global Carena S.L., Madrid	100.0
Global Sedano S.L., Madrid	100.0
Global Transport & Automotive Insurance Solutions Pty Limited, Sydney	100.0
Great Lake Funding I LP, Wilmington, DE	100.0 [3]
Grupo Multiasistencia S.A., Madrid	100.0
Grus MF GK, Tokyo	100.0
GT Motive Einsa Unipessoal Lda., Lisbon	100.0
GT Motive GmbH, Freienbach	100.0
GT Motive Limited, London	100.0
GT Motive S.L., San Sebastian de los Reyes	86.0
GT Motive SASU, Montrouge	100.0
Gurtin Fixed Income Management LLC, Dover, DE	100.0
Händelö Logistics AB, Stockholm	100.0
Händelö Logistics Holding AB, Sundsvall	100.0

	% owned[1]	
Harro Development Praha s.r.o., Prague	100.0	
Havelaar & van Stolk B.V., Rotterdam	100.0	
Health Care Management Company Limited, Bangkok	100.0	
Helviass Verzekeringen B.V., Rotterdam	100.0	
Highway Insurance Company Limited, Guildford	100.0	
Highway Insurance Group Limited, Guildford	100.0	
Home & Legacy Insurance Services Limited, Guildford	100.0	
HRA GP LLC, George Town	100.0	
Humble Bright Limited, Hong Kong	100.0	
Hunter Premium Funding Ltd., Sydney	100.0	
Hwang Affin Income Fund 5, Kuala Lumpur	100.0	3
ICON Immobilien GmbH & Co. KG, Vienna	100.0	
ICON Inter GmbH & Co. KG, Vienna	100.0	
IEELV GP S.à r.l., Luxembourg	100.0	
Immovalor Gestion S.A., Paris	100.0	
ImWind PDV GmbH & Co. KG, Pottenbrunn	100.0	
InnovAllianz, Paris	99.6	3
InnovAllianz 2, Paris	100.0	3
Insurance CJSC "Medexpress", Saint Petersburg	100.0	
Intermediass S.r.l., Milan	100.0	
Interstate Fire & Casualty Company, Chicago, IL	100.0	
Investitori Logistic Fund, Milan	100.0	3
Investitori Real Estate Fund, Milan	100.0	3
Investitori SGR S.p.A., Milan	100.0	
Järvsö Sörby Vindkraft AB, Danderyd	100.0	
JCR Intertrad Co. Ltd., Bangkok	40.0	2
Jefferson Insurance Company Corp., New York, NY	100.0	
Joukhaisselän Tuulipuisto Oy, Oulu	100.0	
Jouttikallio Wind Oy, Kotka	100.0	
JSC Insurance Company Allianz, Moscow	100.0	
Jubilee Allianz General Insurance (K) Limited, Nairobi	66.0	
Jubilee Allianz General Insurance (Mauritius) Ltd., Port Louis	66.0	
Jubilee Allianz General Insurance Company Limited, Kampala	66.0	
Jubilee Insurance Company of Burundi S.A., Bujumbura	51.0	
KAIGO Hi-Tech Development (Beijing) Co. Ltd., Beijing	100.0	
KaiLong Greater China Real Estate Fund II S.C.Sp., Luxembourg	100.0	
Kensington Fund, Milan	100.0	3
Keyeast Pte. Ltd., Singapore	100.0	
Kiinteistö Oy Rahtiraitti 6, Vantaa	100.0	
Kiinteistöosakeyhtiö Eteläesplanadi 2 Oy, Helsinki	100.0	
KLGCREF II Holdco Pte. Ltd., Singapore	100.0	
Kohlenberg & Ruppert Premium Properties S.à r.l., Luxembourg	100.0	
Kroknet S.à r.l., Paris	100.0	
Kromgatan 4-6 Logistics AB, Gothenburg	100.0	
Kuolavaara-Keulakkopään Tuulipuisto Oy, Oulu	100.0	
La Rurale SA, Paris la Défense	100.0	
Life Plus Sp. z o.o., Warsaw	100.0	
Lincoln Infrastructure USA Inc., Wilmington, DE	100.0	
Liverpool Victoria General Insurance Group Limited, Guildford	100.0	
Liverpool Victoria Insurance Company Limited, Guildford	100.0	
LLC "Euler Hermes Credit Management", Moscow	100.0	
LLC "IC Euler Hermes Ru", Moscow	100.0	
LLC "Medexpress-service", Saint Petersburg	100.0	

	% owned[1]	
LLC "Risk Audit", Moscow	100.0	
LV Assistance Services Limited, Guildford	100.0	
LV Insurance Management Limited, Guildford	100.0	
LV Repair Services Limited, Guildford	100.0	
Maevaara Vind 2 AB, Stockholm	100.0	
Maevaara Vind AB, Stockholm	100.0	
Magni Holding JV S.à r.l., Luxembourg	57.7	
MCF Immocap Value, Paris	100.0	3
Medi24 AG, Bern	100.0	
Medicount (Private) Limited, Islamabad	100.0	
MediCount Global Ltd., Ebene	71.6	
Medicount Healthcare Private Limited, Bangalore	100.0	
Michael Ostlund Property S.A., Bruxelles	100.0	
Mindseg Corretora de Seguros Ltda., São Bernardo do Campo	100.0	
Minor Health Enterprise Company Limited, Bangkok	100.0	
Mombyasen Wind Farm AB, Halmstad	100.0	
Money Mate Defensiv, Senningerberg	48.3	2,3
Morningchapter S.A., Ourique	100.0	
Multiasistencia S.A., Madrid	100.0	
Multiassistance S.A., Paris	100.0	
Multimags - Multiassistência e Gestão de Sinistros, Unipessoal Lda., Lisbon	100.0	
My Health Services (Thailand) Company Limited, Bangkok	100.0	
National Surety Corporation, Chicago, IL	100.0	
Neoasistencia Manoteras S.L., Madrid	100.0	
Nextcare Bahrain Ancillary Services Company B.S.C., Manama	100.0	
NEXtCARE Claims Management LLC, Dubai	100.0	
NEXtCARE Claims Management LLC, Qurum	70.0	
NEXtCARE Egypt LLC, New Cairo	100.0	
NEXtCARE Lebanon SAL, Beirut	100.0	
NEXtCARE Tunisie LLC, Tunis	100.0	
Niederösterreichische Glasfaserinfrastrukturgesellschaft mbH, St. Pölten	100.0	
nöGIG Phase Drei GmbH, St. Pölten	74.9	
nöGIG Phase Zwei GmbH, St. Pölten	100.0	
Northstar Mezzanine Partners VI U.S. Feeder II L.P., Dover, DE	100.0	3
OANS Open Access Network Süd GmbH, Klagenfurt am Wörthersee	50.0	2
öGIG Fiber GmbH, St. Pölten	100.0	
öGIG GmbH, St. Pölten	80.0	
öGIG Netzbetrieb GmbH, St. Pölten	100.0	
OPCI Allianz France Angel, Paris la Défense	100.0	
Orione PV S.r.l., Lecce	100.0	
Orsa Maggiore PV S.r.l., Lecce	100.0	
Orsa Minore PV S.r.l., Lecce	100.0	
Pacific Investment Management Company LLC, Dover, DE	91.7	
PAF GP S.à r.l., Luxembourg	100.0	
PAF Lux SCA SICAV-RAIF (Compartment), Luxembourg	100.0	3
Parc Eolien de Bonneuil S.à r.l., Versailles	100.0	
Parc Eolien de Bruyère Grande SAS, Versailles	100.0	
Parc Eolien de Chaourse SAS, Versailles	100.0	
Parc Eolien de Chateau Garnier SAS, Versailles	100.0	
Parc Eolien de Croquettes SAS, Versailles	100.0	
Parc Eolien de Derval SAS, Versailles	100.0	
Parc Eolien de Dyé SAS, Versailles	100.0	
Parc Eolien de Fontfroide SAS, Versailles	100.0	

	% owned[1]	
Parc Eolien de Forge SAS, Versailles	100.0	
Parc Eolien de la Sole du Bois SAS, Versailles	100.0	
Parc Eolien de Longchamps SAS, Versailles	100.0	
Parc Eolien de Ly-Fontaine SAS, Versailles	100.0	
Parc Eolien de Pliboux SAS, Versailles	100.0	
Parc Eolien de Remigny SAS, Versailles	100.0	
Parc Eolien des Barbes d´Or SAS, Versailles	100.0	
Parc Eolien des Joyeuses SAS, Versailles	100.0	
Parc Eolien des Mistandines SAS, Versailles	100.0	
Parc Eolien des Quatre Buissons SAS, Versailles	100.0	
Parc Eolien du Bois Guillaume SAS, Versailles	100.0	
Parc Eolien Les Treize SAS, Versailles	100.0	
Partner Hotel S.A., Chalandri	50.0	2
PCRED CIV LLC, Wilmington, DE	100.0	
PCRED II CIV LLC, Wilmington, DE	100.0	
Pet Plan Ltd., Guildford	100.0	
PFP Holdings LLC, Wilmington, DE	100.0	
PGA Global Services LLC, Dover, DE	100.0	
PIMCO (Schweiz) GmbH, Zurich	100.0	
PIMCO Asia Ltd., Hong Kong	100.0	
PIMCO Asia Pte. Ltd., Singapore	100.0	
PIMCO Aurora LLC, Dover, DE	100.0	
PIMCO Australia Management Limited, Sydney	100.0	
PIMCO Australia Pty Ltd., Sydney	100.0	
PIMCO BRAVO III Offshore GP L.P., George Town	100.0	
PIMCO BRAVO III Offshore GP Ltd., George Town	100.0	
PIMCO BRAVO IV Offshore GP Ltd., George Town	100.0	
PIMCO California Flexible Municipal Income Fund, Boston, MA	53.3	3
PIMCO Canada Corp., Halifax, NS	100.0	
PIMCO Climate Bond Fund, Dublin	30.6	2,3
PIMCO Climate Bond Fund, Boston, MA	40.2	2,3
PIMCO COF II LLC, Wilmington, DE	100.0	
PIMCO COF III Offshore GP Ltd., George Town	100.0	
PIMCO COF IV Offshore GP LP, George Town	100.0	
PIMCO COF IV Offshore GP Ltd., George Town	100.0	
PIMCO Commercial Real Estate Debt Fund II L.P., Wilmington, DE	28.5	2,3
PIMCO CRE Opportunities Offshore GP Ltd., George Town	100.0	
PIMCO Europe Ltd., London	100.0	
PIMCO European Data Centre Opportunity Fund Feeder SCSp, Luxembourg	100.0	3
PIMCO European Data Centre Opportunity Fund SCSp, Luxembourg	100.0	3
PIMCO Flexible Emerging Markets Income Fund, Boston, MA	92.9	3
PIMCO Flexible Real Estate Income Fund, Wilmington, DE	98.3	3
PIMCO Formations LLC, Wilmington, DE	100.0	
PIMCO GIS Income Fund II, Dublin	43.8	2,3
PIMCO Global Advisors (Ireland) Ltd., Dublin	100.0	
PIMCO Global Advisors (Luxembourg) S.A., Luxembourg	100.0	
PIMCO Global Advisors (Resources) LLC, Dover, DE	100.0	
PIMCO Global Advisors LLC, Dover, DE	100.0	
PIMCO Global Holdings LLC, Dover, DE	100.0	
PIMCO GP I Canada Corporation, Toronto, ON	100.0	
PIMCO GP I LLC, Wilmington, DE	100.0	
PIMCO GP II S.à r.l., Luxembourg	100.0	
PIMCO GP III LLC, Wilmington, DE	100.0	
PIMCO GP IV S.à r.l., Luxembourg	100.0	
PIMCO GP IX LLC, Wilmington, DE	100.0	

	% owned[1]
PIMCO GP IX S.à r.l., Luxembourg	100.0
PIMCO GP L LLC, Wilmington, DE	100.0
PIMCO GP LI LLC, Wilmington, DE	100.0
PIMCO GP LII LLC, Wilmington, DE	100.0
PIMCO GP LIII LLC, Wilmington, DE	100.0
PIMCO GP LIV - Series I LLC, Wilmington, DE	100.0
PIMCO GP LIV LLC, Wilmington, DE	100.0
PIMCO GP LIX LLC, Wilmington, DE	100.0
PIMCO GP LV LLC, Wilmington, DE	100.0
PIMCO GP LVI LLC, Wilmington, DE	100.0
PIMCO GP LVII LLC, Wilmington, DE	100.0
PIMCO GP LVIII LLC, Wilmington, DE	100.0
PIMCO GP LX LLC, Wilmington, DE	100.0
PIMCO GP S.à r.l., Luxembourg	100.0
PIMCO GP V LLC, Wilmington, DE	100.0
PIMCO GP V S.à r.l., Luxembourg	100.0
PIMCO GP VI S.à r.l., Luxembourg	100.0
PIMCO GP VII S.à r.l., Luxembourg	100.0
PIMCO GP VIII S.à r.l., Luxembourg	100.0
PIMCO GP X LLC, Wilmington, DE	100.0
PIMCO GP XI LLC, Wilmington, DE	100.0
PIMCO GP XII LLC, Wilmington, DE	100.0
PIMCO GP XIII LLC, Wilmington, DE	100.0
PIMCO GP XIV LLC, Wilmington, DE	100.0
PIMCO GP XIX LLC, Wilmington, DE	100.0
PIMCO GP XL LLC, Wilmington, DE	100.0
PIMCO GP XLI LLC, Wilmington, DE	100.0
PIMCO GP XLIV LLC, Wilmington, DE	100.0
PIMCO GP XLIX LLC, Wilmington, DE	100.0
PIMCO GP XLV LLC, Wilmington, DE	100.0
PIMCO GP XLVI LLC, Wilmington, DE	100.0
PIMCO GP XLVII LLC, Wilmington, DE	100.0
PIMCO GP XLVIII LLC, Wilmington, DE	100.0
PIMCO GP XV LLC, Wilmington, DE	100.0
PIMCO GP XVI LLC, Wilmington, DE	100.0
PIMCO GP XVII LLC, Wilmington, DE	100.0
PIMCO GP XVIII LLC, Wilmington, DE	100.0
PIMCO GP XX LLC, Wilmington, DE	100.0
PIMCO GP XXI-C LLC, Wilmington, DE	100.0
PIMCO GP XXII LLC, Wilmington, DE	100.0
PIMCO GP XXIII Ltd., George Town	100.0
PIMCO GP XXIV LLC, Wilmington, DE	100.0
PIMCO GP XXIX LLC, Wilmington, DE	100.0
PIMCO GP XXV LLC, Wilmington, DE	100.0
PIMCO GP XXVI LLC, Wilmington, DE	100.0
PIMCO GP XXVII LLC, Wilmington, DE	100.0
PIMCO GP XXVIII LLC, Wilmington, DE	100.0
PIMCO GP XXX LLC, Wilmington, DE	100.0
PIMCO GP XXXI LLC, Wilmington, DE	100.0
PIMCO GP XXXII LLC, Wilmington, DE	100.0
PIMCO GP XXXIII LLC, Wilmington, DE	100.0
PIMCO GP XXXIV LLC, Wilmington, DE	100.0
PIMCO GP XXXIX LLC, Wilmington, DE	100.0
PIMCO GP XXXV LLC, Wilmington, DE	100.0
PIMCO GP XXXVI LLC, Wilmington, DE	100.0
PIMCO GP XXXVII LLC, Wilmington, DE	100.0
PIMCO GP XXXVIII LLC, Wilmington, DE	100.0
PIMCO Investments LLC, Dover, DE	100.0
PIMCO Japan Ltd., Road Town	100.0
PIMCO Latin America Administradora de Carteiras Ltda., Rio de Janeiro	100.0
PIMCO Overseas Investment Fund Management (Shanghai) Limited, Shanghai	100.0
PIMCO REALPATH Blend 2065 Fund, Wilmington, DE	100.0 [3]
PIMCO REIT Management LLC, Wilmington, DE	100.0
PIMCO StocksPLUS AR Fund, Dublin	75.6 [3]
PIMCO Taiwan Ltd., Taipei	100.0
POD Allianz Bulgaria AD, Sofia	65.9
Porowneo.pl Sp. z o.o., Warsaw	100.0
Primacy Underwriting Management Limited, Wellington	100.0
Primacy Underwriting Management Pty Ltd., Sydney	100.0
Promultitravaux SAS, Paris	100.0
Protexia France S.A., Paris la Défense	100.0
PSS Allianz Protect 85 I, Senningerberg	100.0 [3]
PT Allianz Global Investors Asset Management Indonesia, Jakarta	100.0
PT Asuransi Allianz Life Indonesia, Jakarta	99.8
PT Asuransi Allianz Life Syariah Indonesia, Jakarta	100.0
PT Asuransi Allianz Utama Indonesia, Jakarta	97.8
PT Blue Dot Services, Jakarta	100.0
PTE Allianz Polska S.A., Warsaw	100.0
Q 207 GP S.à r.l., Luxembourg	100.0
Q207 S.C.S., Luxembourg	94.0
Quality1 AG, Bubikon	100.0
Questar Agency Inc., Minneapolis, MN	100.0
Questar Capital Corporation, Minneapolis, MN	100.0
Raloriz S.L., Madrid	100.0
RB Fiduciaria S.p.A., Milan	100.0
RE-AA SA, Abidjan	100.0
Real Faubourg Haussmann SAS, Paris la Défense	100.0
Real FR Haussmann SAS, Paris la Défense	100.0
Redoma 2 S.A., Luxembourg	100.0
Redoma S.à r.l., Luxembourg	100.0
Reliance Single-Member Insurance Agents S.A., Chalandri	100.0
Rivage Richelieu 1 FCP, Paris	100.0 [3]
Rokko Development Praha s.r.o., Prague	100.0
SA Carène Assurance, Paris	100.0
SA Vignobles de Larose, Saint-Laurent-Médoc	100.0
Saarenkylä Tuulipuisto Oy, Oulu	100.0
Santander Allianz TU na Zycie S.A., Warsaw	51.0
Santander Allianz TU S.A., Warsaw	51.0
Säntis Umbrella Fund, Zurich	100.0 [3]
SAS Allianz Etoile, Paris la Défense	100.0
SAS Allianz Forum Seine, Paris la Défense	100.0
SAS Allianz Logistique, Paris la Défense	100.0
SAS Allianz PH, Paris la Défense	100.0
SAS Allianz Platine, Paris la Défense	100.0
SAS Allianz Prony, Paris la Défense	100.0
SAS Allianz Rivoli, Paris la Défense	100.0
SAS Allianz Serbie, Paris la Défense	100.0
SAS Angel Shopping Centre, Paris la Défense	100.0
SAS Chaponnay Mérieux Logistics, Paris la Défense	100.0
SAS Madeleine Opéra, Paris la Défense	100.0
SAS Passage des princes, Paris la Défense	100.0
SAS Pershing Hall, Paris la Défense	100.0
SAS Société d'Exploitation du Parc Eolien d'Aussac Vadalle, Versailles	100.0
SAS Société d'Exploitation du Parc Eolien de Nélausa, Versailles	100.0
Sättravallen Wind Power AB, Strömstad	100.0
Saudi NEXtCARE LLC, Al Khobar	68.0
SC Tour Michelet, Paris la Défense	100.0
SCI 46 Desmoulins, Paris la Défense	100.0
SCI Allianz Arc de Seine, Paris la Défense	100.0
SCI Allianz Citylights, Paris la Défense	100.0
SCI Allianz Immobilier Durable, Paris La Défense	100.0
SCI Allianz Immobilier Durable 18, Paris la Défense	100.0
SCI Allianz Invest Pierre, Paris la Défense	100.0
SCI Allianz Messine, Paris la Défense	100.0
SCI Allianz Value Pierre, Paris la Défense	100.0
SCI Allianz Work'In Park, Paris la Défense	100.0
SCI ESQ, Paris la Défense	100.0
SCI Onnaing Escaut Logistics, Paris la Défense	100.0
SCI Pont D'Ain Septembre Logistics, Paris la Défense	100.0
SCI Réau Papin Logistics, Paris la Défense	100.0
SCI Stratus, Paris la Défense	100.0
SCI Via Pierre 1, Paris la Défense	100.0
Seagull Holding SCS, Luxembourg	100.0
Servicios Compartidos Multiasistencia S.L., Madrid	100.0
SIFCOM Assur S.A., Abidjan	60.0
Sigma Reparaciones S.L., Madrid	100.0
Silex Gas Norway AS, Oslo	100.0
Sirius S.A., Luxembourg	94.8
SNC Allianz Informatique France, Paris la Défense	100.0
Societa' Agricola San Felice S.p.A., Milan	100.0
Societé de la Rocade L2 de Marseille S.A., Marseille	53.5 [3]
Société de Production d'Electricité d'Haucourt Moulaine SAS, Versailles	100.0
Société d'Energie Eolienne de Cambon SAS, Versailles	100.0
Société Européenne de Protection et de Services d'Assistance à Domicile S.A., Saint-Ouen	56.0
Société Foncière Européenne B.V., Amsterdam	100.0
Société Nationale Foncière S.A.L., Beirut	66.0
SOFE One Co. Ltd., Bangkok	100.0
SOFE Two Co. Ltd., Bangkok	100.0
Sofiholding S.A., Brussels	100.0
Soft Services Innovators Single Member S.A., Chalandri	100.0
South City Office Broodthaers SA, Brussels	100.0
SpaceCo S.A., Paris la Défense	100.0
Stam Fem Gångaren 11 AB, Stockholm	100.0
StocksPLUS Management Inc., Dover, DE	100.0
Syncier Consulting GmbH, Vienna	100.0
Taone SAS, Paris la Défense	100.0
Téléservices et Sécurité S.à r.l., Châtillon	99.9
Tempo Multiasistencia Gestão de Rede Ltda., Barueri	100.0
TFI Allianz Polska S.A., Warsaw	100.0
The American Insurance Company Corp., Chicago, IL	100.0
The Jubilee General Insurance Company of Tanzania Limited, Dar es Salaam	51.0
Thor Spain City Link HoldCo S.L., Madrid	95.0
Thor Spain City Link PropCo 1 S.L., Madrid	100.0
Thor Spain City Link PropCo 2 S.L., Madrid	100.0
Tihama Investments B.V., Amsterdam	100.0
Top Versicherungsservice GmbH, Vienna	100.0
TopImmo A GmbH & Co. KG, Vienna	100.0
TopImmo Besitzgesellschaft B GmbH & Co. KG, Vienna	100.0

	% owned[1]
Trafalgar Insurance Limited, Guildford	100.0
Triton Lux SCS, Luxembourg	100.0
TU Allianz Zycie Polska S.A., Warsaw	100.0
TU Euler Hermes S.A., Warsaw	100.0
TUiR Allianz Polska S.A., Warsaw	100.0
UK Logistics GP S.à r.l., Luxembourg	100.0
UK Logistics PropCo I S.à r.l., Luxembourg	100.0
UK Logistics PropCo II S.à r.l., Luxembourg	100.0
UK Logistics PropCo III S.à r.l., Luxembourg	100.0
UK Logistics PropCo IV S.à r.l., Luxembourg	100.0
UK Logistics PropCo V S.à r.l., Luxembourg	100.0
UK Logistics S.C.Sp., Luxembourg	100.0
Unicredit Allianz Assicurazioni S.p.A., Milan	50.0 [2]
Unicredit Allianz Vita S.p.A., Milan	50.0 [2]
UP 36 SA, Brussels	100.0
Vailog Hong Kong DC17 Limited, Hong Kong	100.0
Vailog Hong Kong DC19 Limited, Hong Kong	100.0
Valderrama S.A., Luxembourg	100.0
Vanilla Capital Markets S.A., Luxembourg	100.0 [3]
Vet Envoy Limited, Guildford	100.0
Vintage Rents S.L., Madrid	100.0
Viveole SAS, Versailles	100.0
Vordere Zollamtsstraße 13 GmbH, Vienna	100.0
Weihong (Shanghai) Storage Services Co. Ltd., Shanghai	100.0
Weilong (Hubei) Storage Services Co. Ltd., Ezhou	100.0
Weilong (Jiaxing) Storage Services Co. Ltd., Jiaxing	100.0
Weiyi (Shenyang) Storage Services Co. Ltd., Shenyang	100.0
Windpark AO GmbH, Pottenbrunn	100.0
Windpark EDM GmbH, Pottenbrunn	100.0
Windpark EDM GmbH & Co. KG, Pottenbrunn	100.0
Windpark GHW GmbH, Pottenbrunn	100.0
Windpark Ladendorf GmbH, Pottenbrunn	100.0
Windpark Les Cent Jalois SAS, Versailles	100.0
Windpark LOI GmbH, Pottenbrunn	100.0
Windpark PDV GmbH, Pottenbrunn	100.0
Windpark PL GmbH, Pottenbrunn	100.0
Windpark Scharndorf GmbH, Pottenbrunn	100.0
Windpark Zistersdorf GmbH, Pottenbrunn	100.0
Windpower Ujscie Sp. z o.o., Poznan	100.0
Wm. H. McGee & Co. Inc., New York, NY	100.0
YAO NEWREP Investments S.A., Luxembourg	94.0
Yorktown Financial Companies Inc., Minneapolis, MN	100.0
ZAD Allianz Bulgaria AD, Sofia	87.4
ZAD Allianz Bulgaria Life AD, Sofia	99.0
ZAD Energy AD, Sofia	51.0
Non-consolidated affiliates	
Allianz 261 S.r.l., Crema	51.0
Allianz CV Investor LP, Wilmington, DE	100.0
Allianz Energie Beteiligung GP S.à r.l, Luxembourg	50.0 [2]
Allianz Energie Beteiligung SCSp, Senningerberg	50.0 [2]
Allianz Global Corporate & Specialty SE Escritório de Representação no Brasil Ltda., Rio de Janeiro	100.0
Allianz Northern Ireland Limited, Belfast	100.0
Allianz Pension Services AG, Wallisellen	100.0
Assurance France Aviation S.A., Paris la Défense	100.0
COGAR S.à r.l., Paris	100.0
Thoracker-Immobilien AG, Bern	100.0

	% owned[1]
Top Versicherungs-Vermittler Service GmbH, Vienna	100.0
Joint ventures	
1 Liverpool Street LP, London	70.0 [7]
101 Moorgate LP, London	70.0 [7]
114 Venture LP, Wilmington, DE	49.5 [7]
1515 Broadway Realty LP, Wilmington, DE	43.0 [7]
30 HY WM REIT Owner LP, Wilmington, DE	49.0 [7]
53 State JV L.P., Wilmington, DE	49.0 [7]
55-15 Grand Avenue Investor JV L.P., Wilmington, DE	49.9 [7]
A&A Centri Commerciali S.r.l., Bolzano	50.0
AA Ronsin Investment Holding Limited, Hong Kong	62.0 [7]
ACRE Acacia Investment Trust I, Sydney	50.0 [3]
ACRE Acacia Management I Pty Ltd., Sydney	50.0
ACRE Karri Investment Trust, Sydney	50.0 [3]
Allee-Center Kft., Budapest	50.0
Altair MF TMK, Tokyo	49.9 [7]
AMLI-Allianz Investment LP, Wilmington, DE	75.0 [7]
Arcturus MF TMK, Tokyo	51.0 [7]
AREAP Core I LP, Singapore	50.0
AREAP JMF 1 LP, Singapore	33.3 [7]
AS Gasinfrastruktur Beteiligung GmbH, Vienna	55.6 [7]
Austin West Campus Student Housing LP, Wilmington, DE	45.0 [7]
AZ/JH Co-Investment Venture (DC) LP, Wilmington, DE	80.0 [7]
AZ/JH Co-Investment Venture (IL) LP, Wilmington, DE	80.0 [7]
Bajaj Allianz Financial Distributors Limited, Pune	50.0
Bazalgette Equity Ltd., London	34.3 [7]
BCal Houston JV L.P., Wilmington, DE	38.4 [7]
BL West End Offices Limited, London	75.0 [7]
Canis MF TMK, Tokyo	49.9 [7]
Chapter Master Limited Partnership, New York, NY	45.5 [7]
CHP-AZ Seeded Industrial L.P., Wilmington, DE	49.0 [7]
Corvus MF TMK, Tokyo	25.4 [7]
COSEC-Companhia de Seguro de Créditos S.A., Lisbon	50.0
CPIC Fund Management Co. Ltd., Shanghai	49.0 [7]
CPPIC Euler Hermes Insurance Sales Co. Ltd., Shanghai	49.0 [7]
Daiwater Investment Limited, Hatfield	36.6 [7]
Dundrum Car Park GP Limited, Dublin	50.0
Dundrum Car Park Limited Partnership, Dublin	50.0
Dundrum Retail GP Designated Activity Company, Dublin	50.0
Dundrum Retail Limited Partnership, Dublin	50.0
Elton Investments S.à r.l., Luxembourg	32.5 [7]
ESR India Logistics Fund Pte. Ltd., Singapore	50.0
Euromarkt Center d.o.o., Ljubljana	50.0
Fiumaranuova S.r.l., Milan	50.0
Floene Energias S.A., Lisbon	45.5 [7]
GBTC I LP, Singapore	50.0
GBTC II LP, Singapore	50.0
Grus MF TMK, Tokyo	51.0 [7]
Helios SCC Sp. z o.o., Katowice	45.0 [7]
HKZ Investor Holding B.V., Arnhem	51.0 [7]
Hudson One Ferry JV L.P., Wilmington, DE	45.0 [7]
Italian Shopping Centre Investment S.r.l., Milan	50.0
LBA IV-PPI Venture LLC, Wilmington, DE	45.0 [7]
LBA IV-PPII-Office Venture LLC, Wilmington, DE	45.0 [7]

	% owned[1]
LBA IV-PPII-Retail Venture LLC, Wilmington, DE	45.0 [7]
LPC Logistics Venture One LP, Wilmington, DE	31.7 [7]
Muralis MF TMK, Tokyo	49.9 [7]
NET4GAS Holdings s.r.o., Prague	50.0
NeuConnect Holdings B.V., Amsterdam	25.0 [7]
NRF (Finland) AB, Västeras	50.0
NRP Nordic Logistics Fund AS, Oslo	49.5 [7]
Ophir-Rochor Commercial Pte. Ltd., Singapore	60.0 [7]
Orion MF TMK, Tokyo	49.9 [7]
Piaf Bidco B.V., Amsterdam	23.9 [7]
Podium Fund HY REIT Owner LP, Wilmington, DE	44.3 [7]
Porterbrook Holdings I Limited, Derby	30.0 [7]
Previndustria - Fiduciaria Previdenza Imprenditori S.p.A., Milan	50.0
Queenspoint S.L., Madrid	50.0
RMPA Holdings Limited, Colchester	56.0 [7]
Scape Australia (Vulture) Trust, Sydney	34.5 [3,7]
Scape Australia Holding Trust, Sydney	34.5 [3,7]
Scape Investment Operating Company No. 3 Pty Ltd., Sydney	34.5 [3,7]
Scape Investment Trust No. 3, Sydney	27.6 [3,7]
SCI Docks V2, Paris la Défense	50.0
SCI Docks V3, Paris la Défense	50.0
SES Shopping Center AT 1 GmbH, Salzburg	50.0
SES Shopping Center FP 1 GmbH, Salzburg	50.0
SES Shopping Center SP 1 GmbH, Salzburg	50.0
Sirius MF TMK, Tokyo	49.9 [7]
Solunion Compañía Internacional de Seguros y Reaseguros SA, Madrid	50.0
Spanish Gas Distribution Investments S.à r.l., Senningerberg	40.0 [7]
SPREF II Pte. Ltd., Singapore	50.0
Stonecutter JV Limited, London	50.0
Terminal Venture LP, Wilmington, DE	30.9 [7]
The FIZZ Student Housing Fund S.C.S., Luxembourg	49.0 [3,7]
The Israeli Credit Insurance Company Ltd., Tel Aviv	50.0
The State-Whitehall Company LP, Wilmington, DE	49.9 [7]
Tokio Marine Rogge Asset Management Ltd., London	50.0
Top Vorsorge-Management GmbH, Vienna	50.0
TopTorony Ingatlanhasznosító Zrt., Budapest	50.0
Triskelion Property Holding Designated Activity Company, Dublin	50.0
Valley (III) Pte. Ltd., Singapore	41.5 [7]
VGP European Logistics 2 S.à r.l., Senningerberg	50.0
VGP European Logistics S.à r.l., Senningerberg	50.0
VISION (III) Pte. Ltd., Singapore	30.0 [7]
Wallcon Operating L.P., Wilmington, DE	49.0 [7]
Waterford Blue Lagoon LP, Wilmington, DE	49.0 [7]
Associates	
ABT SAS, Paris	25.0
AEON Allianz Life Insurance Co. Ltd., Tokyo	40.0
Allianz Best Styles Europe Equity, Senningerberg	14.7 [3,8]
Allianz EFU Health Insurance Ltd., Karachi	49.0
Allianz Europe Small Cap Equity, Senningerberg	20.0 [3]
Allianz FinanzPlan 2055, Senningerberg	1.3 [3,8]
Allianz Fóndika S.A. de C.V., Mexico City	26.8
Allianz France Investissement IV, Paris	73.3 [3,8]
Allianz Impact Investment Fund S.A. SICAV-RAIF, Senningerberg	28.0 [3]
Allianz Invest Mündelrenten, Vienna	29.5 [3]

	% owned[1]
Alpha Asia Macro Trends Fund III Private Limited, Singapore	27.7 [3]
Archstone Multifamily Partners AC LP, Wilmington, DE	28.6 [3]
Areim Fastigheter 2 AB, Stockholm	23.3
Areim Fastigheter 3 AB, Stockholm	31.6
Assurcard S.A., Louvain	20.0
Assurpath S.A., Buenos Aires	40.0
Autoelektro tehnicki pregledi d.o.o., Vojnić	49.0
AWP Insurance Brokerage (Beijing) Co. Ltd., Beijing	100.0 [8]
Bajaj Allianz General Insurance Company Ltd., Pune	26.0
Bajaj Allianz Life Insurance Company Ltd., Pune	26.0
Beacon Platform Incorporated, Wilmington, DE	26.9
Berkshire Hathaway Services India Private Limited, New Delhi	20.0
Berkshire India Private Limited, New Delhi	20.0
Best Regain Limited, Hong Kong	16.4 [8]
Blue Vista Student Housing Select Strategies Fund L.P., Dover, DE	24.9
Broker on-line de Productores de Seguros S.A., Buenos Aires	30.0
Carlyle China Realty L.P., George Town	50.0 [3,8]
Carlyle China Rome Logistics L.P., George Town	38.2 [3]
CBRE Dutch Office Fund, Schiphol	26.0 [3]
Chicago Parking Meters LLC, Wilmington, DE	49.9
ControlExpert China Co. Ltd., Beijing	30.0
Data Quest SAL, Beirut	36.0
Delgaz Grid S.A., Târgu Mures	30.0
Delong Limited, Hong Kong	16.4 [8]
Douglas Emmett Partnership X LP, Wilmington, DE	28.1 [3]
EMOB Electric Mobility S.à r.l., Marrakech	33.0
ERES APAC II (GP) S.à r.l., Luxembourg	32.1 [3]
European Outlet Mall Fund, Luxembourg	26.0 [3]
Four Oaks Place LP, Wilmington, DE	49.0
France Investissement Relance 2020, Paris	74.4 [3,8]
Global Stream Limited, Hong Kong	16.4 [8]
Glory Basic Limited, Hong Kong	16.4 [8]
Heimstaden Eagle AB, Malmö	56.3 [8]
HPS A-Life Direct Lending Fund L.P., Wilmington, DE	100.0 [8]
HUB Platform Technology Partners Ltd., London	28.6
Jumble Succeed Limited, Hong Kong	16.4 [8]
Lennar Multifamily Venture LP, Wilmington, DE	11.3 [3,8]
Link (LRM) Limited, Hong Kong	16.4 [8]
Long Coast Limited, Hong Kong	16.4 [8]
Luxury Gain Limited, Hong Kong	16.4 [8]
Medgulf Takaful B.S.C.(c), Manama	25.0
MFM Holding Ltd., London	34.8
Milvik AB, Stockholm	36.2
Modern Diamond Limited, Hong Kong	16.4 [8]
MTech Capital Fund (EU) SCSp, Luxembourg	27.3
National Insurance Company Berhad Ltd., Bandar Seri Begawan	25.0
New Try Limited, Hong Kong	16.4 [8]
Nordic Ren-Gas Oy, Espoo	30.0
Ocean Properties LLP, Singapore	20.0
OeKB EH Beteiligungs- und Management AG, Vienna	49.0
PIMCO BRAVO Fund IV Lux Feeder SCSp, Luxembourg	13.9 [3,8]
PIMCO Corporate Opportunities Fund III Lux Feeder SCSp, Luxembourg	38.0 [3]
PIMCO Corporate Opportunities Fund III Onshore Feeder L.P., Wilmington, DE	0.8 [3,8]
PIMCO ILS Fund SP I, George Town	19.8 [3,8]
PIMCO ILS Fund SP II, George Town	10.1 [3,8]
PIMCO Income Fundo Investimento Cotas Fundo Investimento Multimercado Investimento Exterior, Rio de Janeiro	4.5 [3,8]
Pool-ul de Asigurare Impotriva Dezastrelor Naturale SA, Bucharest	15.0 [8]
Praise Creator Limited, Hong Kong	16.4 [8]
Prime Space Limited, Hong Kong	16.4 [8]
Professional Agencies Reinsurance Limited, Hamilton	17.5 [8]
Quadgas Holdings Topco Limited, Saint Helier	13.0 [8]
Redwood Japan Logistics Fund II LP, Singapore	32.2 [3]
Residenze CYL S.p.A., Milan	33.3
Saint-Barth Assurances S.à r.l., Saint Barthelemy	33.0
Santéclair S.A., Nantes	46.6
SAS Alta Gramont, Paris	49.0
Scape Australia Management Pty Ltd., Sydney	8.8 [8]
Scape Investment Operating Company No. 2 Pty Ltd., Sydney	50.0 [3,8]
Scape Investment Trust No. 2, Sydney	50.0 [3,8]
SCI Bercy Village, Paris	49.0
Sierra European Retail Real Estate Assets Holdings B.V., Amsterdam	25.0
Sino Phil Limited, Hong Kong	16.4 [8]
Smart Citylife S.r.l., Milan	29.0
SNC Alta CRP Gennevilliers, Paris	49.0
SNC Alta CRP La Valette, Paris	49.0
SNC Société d'aménagement de la Gare de l'Est, Paris	49.0
Summer Blaze Limited, Hong Kong	16.4 [8]
Supreme Cosmo Limited, Hong Kong	16.4 [8]
Sure Rainbow Limited, Hong Kong	16.4 [8]
Tikehau Real Estate III SPPICAV, Paris	12.2 [8]
UK Outlet Mall Partnership LP, Edinburgh	19.5 [8]
ULLIS Investments S.A. SICAV-RAIF, Luxembourg	27.9 [3]
Upward America Venture LP, Wilmington, DE	18.9 [3,8]
Wildlife Works Carbon LLC, Wilmington, DE	9.6 [8]

1_Percentage includes equity participations held by dependent entities in full, even if the Allianz Group's share in the dependent entity is below 100 %.
2_Classified as affiliate according to IFRS 10.
3_Investment fund.
4_Releasing impact according to § 264 (3) HGB through the Allianz Group's consolidated financial statements.
5_Group share through indirect holder Roland Holding GmbH, Munich: 75.6 %.
6_Insolvent.
7_Classified as joint venture according to IFRS 11.
8_Classified as associate according to IAS 28.

The Allianz Group refrains from disclosure of participations which are not included in one of the above categories, as they are of minor importance for giving a true and fair view of the assets, liabilities, financial position, and profit or loss of the Allianz Group.

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FURTHER INFORMATION

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RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the group.

Munich, 14 February 2023

Allianz SE
The Board of Management

Oliver Bäte

Sirma Boshnakova

Dr. Barbara Karuth-Zelle

Dr. Klaus-Peter Röhler

Giulio Terzariol

Dr. Günther Thallinger

Christopher Townsend

Renate Wagner

Dr. Andreas Wimmer

INDEPENDENT AUDITOR'S REPORT

To Allianz SE, Munich

Report on the audit of the consolidated financial statements and of the group management report

Audit opinions

We have audited the consolidated financial statements of Allianz SE, Munich, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Allianz SE including the non-financial group statement to comply with §§ [Articles] 315b to 315c HGB [Handelsgesetzbuch: German Commercial Code] included in section „Non-Financial Statement" for the financial year from 1 January to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the „Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2022, and of its financial performance for the financial year from 1 January to 31 December 2022,
- the accompanying group management report (excluding the non-financial group statement) as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development; we do not express an audit opinion on those parts of the group management report listed in the „Other Information" section of our auditor's report and
- the non-financial group statement included in section „Non-Financial Statement" of the group management report is prepared, in all material respects, in accordance with the applicable German legal and European requirements as well as with the specifying criteria disclosed by the Group's executive directors.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as „EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the „Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements, on the group management report and on the non-financial group statement included in the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

1. Measurement of certain technical assets and liabilities as well as certain financial liabilities carried at fair value (Level 3) in life and health insurance
2. Measurement of certain technical provisions in property-casualty insurance

Our presentation of these key audit matters has been structured in each case as follows:

1. Matter and issue
2. Audit approach and findings
3. Reference to further information

Hereinafter we present the key audit matters:

❶ Measurement of certain technical assets and liabilities as well as certain financial liabilities carried at fair value (Level 3) in life and health insurance

① In the consolidated financial statements of the Company, assets and liabilities of the Life and Health Insurance business segment amounting to € 31,043 million and € 555,892 million (3.0 % or 54.4 % of consolidated total assets) are reported under the „Deferred acquisition costs" and „Reserves for insurance and investment contracts" balance sheet items, respectively. Furthermore, financial liabilities from the life and health insurance segment amounting to € 13,315 million (1.3 % of consolidated total assets) are reported that are classified as Level 3 of the fair value hierarchy according to the requirements of IFRS 13. Furthermore, assets amounting to € 43,331 million (4.2 % of consolidated total assets) are reported under the „Reinsurance assets" balance sheet item and liabilities are reported under the „Other liabilities" balance sheet item relating to reinsurance contracts of the life/health business segment.

These technical assets and liabilities are measured using complex actuarial methods and models based on a comprehensive process for arriving at assumptions about future developments relating to the insurance portfolios to be measured. The methods used and the actuarial assumptions determined in connection with interest rates, investment yields, mortality, invalidity, longevity, costs and future behavior of policyholders could materially affect the measurement of these technical assets and liabilities.

The financial liabilities concerned include mainly bifurcated derivative financial instruments resulting from insurance contracts and are assigned to Level 3 of the fair value hierarchy as for the measurement in the underlying valuation models sufficient observable market data was not available and therefore significant unobservable inputs had to be used instead. These inputs may include data derived from approximations using, inter alia, historical data. In this context, the derivative financial instruments resulting from insurance contracts are subject to an increased valuation risk due to lower objectivity and the underlying assumptions and estimates of the executive directors.

Against this background and due to the material significance of the amounts for the assets, liabilities and financial performance of the Group and the complex process for determining the underlying assumptions and estimates of the executive directors, the measurement of these technical assets and liabilities as well as of the financial liabilities carried at fair value (Level 3) was of particular significance in the context of our audit.

② As part of our audit, we assessed the appropriateness of selected controls established by the Company for the purpose of selecting the valuation methods applied, determining assumptions and making estimates for the measurement of certain technical assets and liabilities as well as financial liabilities carried at fair value (Level 3). In doing so we evaluated, among others, the integrity of the underlying data and the process for determining the assumptions and estimates used in the valuation.

With the support of our internal valuation specialists, we have compared the respective valuation methods applied and the material assumptions with generally recognized methods and industry standards and examined to what extent these are appropriate for the valuation of technical assets and liabilities as well as financial liabilities carried at fair value (Level 3). A key point of our audit was the assessment of the liability adequacy test and the recoverability of reinsurance assets, the evaluation of expected gross margins/profits, which are used, among other things, as the basis for amortizing the deferred acquisition costs, and the assessment of the appropriateness of material assumptions not observable in the market for the measurement of derivative financial instruments, such as mortality rates and lapse/surrender rates. Our audit also included an evaluation of the plausibility and integrity of the data and assumptions used in the valuation and of the Group Actuarial department's reporting to the Group Reserve Committee.

Based on our audit procedures, we were able to satisfy ourselves that the methods and assumptions used by the executive directors are appropriate overall for measuring certain technical assets and liabilities as well as the financial liabilities carried at fair value (Level 3).

③ The Company's disclosures on the measurement of certain technical assets and liabilities as well as the measurement of certain financial liabilities carried at fair value (Level 3) in life and health insurance are included in sections 2 and 16 and sections 2 and 35, respectively, of the notes to the consolidated financial statements.

❷ Measurement of certain technical provisions in property-casualty insurance

① In the consolidated financial statements of the Company, technical provisions amounting to € 91,267 million (8.5 % of consolidated total assets) are reported under the „Reserves for loss and loss adjustment expenses" balance sheet item. Of this amount, € 76.989 million is attributable to the Property-Casualty Insurance business segment.

Reserves for loss and loss adjustment expenses in property casualty insurance represent the Company's expectations regarding future payments for known and unknown claims including associated expenses. The Company uses various methods to estimate these obligations. Furthermore, the measurement of these provisions requires a significant degree of judgment by the executive directors of the Company regarding the assumptions made, such as the impact of increased inflation rates, loss developments and regulatory changes. In particular, the lines of products with low loss frequency, high individual losses or long claims settlement periods are usually subject to increased estimation uncertainties. Due to the material significance of these provisions for the assets, liabilities and financial performance of the Group as well as the considerable scope for judgment on the part of the executive directors and the associated uncertainties in the estimations made, the measurement of the technical provisions in property casualty insurance was of particular significance to our audit.

② As part of our audit, we evaluated the appropriateness of selected controls established by the Company for the purpose of selecting actuarial methods, determining assumptions and making estimates for the measurement of certain technical provisions in property-casualty insurance.

With the support of our property-casualty insurance valuation specialists, we have compared the respective actuarial methods applied and the material assumptions with generally recognized actuarial methods and industry standards and examined to what extent these are appropriate for the valuation. Our audit also included an evaluation of the plausibility and integrity of the data and assumptions, including the assessment of the executive directors regarding the impact of increased inflation rates, used in the valuation and a reconstruction of the claims settlement processes. Furthermore, we recalculated the amount of the provisions for selected lines of products, in particular lines of products with large reserves or increased estimation uncertainties. For these lines of products we compared the recalculated provisions with the provisions calculated by the Company and evaluated any differences. We also examined whether any adjustments to estimates in loss reserves at Group level were adequately documented and substantiated. Our audit also included an evaluation of the Group Actuarial department's reporting to the Group Reserve Committee.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are appropriate overall for measuring the technical provisions in property casualty insurance.

③ The Company's disclosures on the measurement of the provisions for claims outstanding in property-casualty insurance are included in sections 2 and 15 of the notes to the consolidated financial statements.

Other information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the group statement on corporate governance pursuant to § 315d HGB included in section „Corporate Governance Statement" of the group management report
- the disclosures marked as unaudited in the group management report

The other information comprises further

- the remuneration report pursuant to § 162 AktG [Aktiengesetz: German Stock Corporation Act], for which the supervisory board is also responsible
- all remaining parts of the group annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements, on the group management report and on the non -financial group statement included in the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the executive directors and the supervisory board for the consolidated financial statements and the group management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The executive directors are also responsible for the preparation of the non-financial group statement included in the group management report in accordance with the applicable German legal and European requirements as well as with the specifying criteria disclosed by the Group's executive directors. Furthermore, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a non-financial group statement that is free from material misstatement, whether due to fraud (i.e., fraudulent reporting in the non-financial group statement) or error.

The applicable requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which authoritative comprehensive interpretations have not yet been published. Accordingly, the executive directors have disclosed their interpretations of such wording and terms in section „EU Taxonomy Regulation" of the non-financial group statement. The executive directors are responsible for the defensibility of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of these interpretations is uncertain.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements, of the group management report as well as of the non-financial group statement included in the group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, and whether the non-financial group statement has been prepared, in all material respects, in accordance with the applicable German legal and European requirements and with the specifying criteria disclosed by the Company's executive directors , as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements, on the group management report and on the non-financial group statement.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
– Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report and of the non-financial group statement included in the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
– Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
– Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
– Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
– Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
– Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.
– Evaluate the suitability of the criteria presented by the executive directors in the non-financial group statement as a whole. As explained in the description of the responsibilities of the executive directors, the executive directors have interpreted the wording and terms contained in the relevant regulations; the legal conformity of these interpretations is subject to inherent uncertainties

mentioned in this description. Those inherent uncertainties in the interpretation apply to our audit accordingly.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the consolidated financial statements and the group management report prepared for publication purposes in accordance with § 317 Abs. 3a HGB

Assurance opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the „ESEF documents") contained in the electronic file Allianz SE_KA+KLB_ESEF-2022-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format („ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2022 contained in the „Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the assurance opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the „Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the executive directors and the supervisory board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

– Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
– Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
– Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
– Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
– Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 4 May 2022. We were engaged by the supervisory board on 10 May 2022. We have been the group auditor of the Allianz SE, Munich, without interruption since the financial year 2018.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to another matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the „Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Richard Burger.

Munich, 20 February 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Richard Burger	Clemens Koch
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

AUDITOR'S REPORT

Auditor's report

To Allianz SE, Munich

We have audited the remuneration report of Allianz SE, Munich, for the financial year from 1. January to 31. December 2022 including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of the executive directors and the supervisory board

The executive directors and the supervisory board of Allianz SE are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit opinion

In our opinion, based on the findings of our audit, the remuneration report for the financial year from 1. January to 31. December 2022, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

Reference to an other matter – formal audit of the remuneration report according to § 162 AktG

The audit of the content of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

Restriction on use

We issue this auditor's report on the basis of the engagement agreed with Allianz SE. The audit has been performed only for purposes of the company and the auditor's report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor's report is only towards the company in accordance with this engagement. The auditor's report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. § 334 BGB [Bürgerliches Gesetzbuch: German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.

Munich, 20 February 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Richard Burger	Frank Trauschke
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Further Allianz publications

Allianz Sustainability Report 2022

The Allianz Group Sustainability Report "Building confidence in tomorrow" covers our contribution to the environment, society and economy. It provides full details of our sustainability strategy, approach and progress in 2022 as well as an outlook for 2023.
Date of publication: 03 March 2023 **www.allianz.com/sustainability**

Allianz People Fact Book 2022

The People Fact Book is the official and most comprehensive report on our workforce facts and figures, highlighting major HR achievements over the past year and revealing the outlook for 2022.
Date of publication: 29 March 2023 **www.allianz.com/hrfactbook**

Guideline on Alternative Performance Measures

Further information on the definition of our Alternative Performance Measures and their components, as well as the basis of calculation adopted **www.allianz.com/results**

Allianz at a glance

You can find informative overviews of the past years on our website:
Allianz share key indicators: **www.allianz.com/key-indicators-share**
Allianz Group key indicators: **www.allianz.com/key-indicators-group**

Financial calendar

Important dates[1]

Annual General Meeting	4 May 2023
Financial Results 1Q	12 May 2023
Financial Results 2Q/Interim Report 6M	10 August 2023
Financial Results 3Q	10 November 2023
Financial Results 2023	23 February 2024
Annual Report 2023	7 March 2024
Annual General Meeting	8 May 2024

1_The German Securities Trading Act ("Wertpapierhandelsgesetz") obliges issuers to announce immediately any information which may have a substantial price impact, irrespective of the communicated schedules. Therefore we cannot exclude that we have to announce key figures related to quarterly and fiscal year results ahead of the dates mentioned above. As we can never rule out changes to these dates, we recommend checking them online at www.allianz.com/financialcalendar.

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