



Annual General Meeting of Allianz SE on May 4, 2023

Supervisory Board Report

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The report delivered at the Annual General Meeting may differ from this preliminary version, especially to reflect developments occurring in the intervening period. The valid version is the one delivered to the Annual General Meeting.

Dear Shareholders,

On behalf of the entire Supervisory Board and the Board of Management, I would like to welcome you to the Annual General Meeting.

With the approval of the Supervisory Board, the Board of Management has decided to hold the Annual General Meeting in virtual format again, i.e. without the shareholders or their representatives physically present at the meeting venue.

Please let me begin by explaining the reasons for this:

Last year the German legislator revised the laws that govern virtual general meetings based on the experiences gained with virtual general meetings held under the conditions of the pandemic in the past three years.

When introducing the new virtual general meeting, it was the German legislator's declared objective to create a full-fledged and stand-alone meeting format equivalent to the in-person version.

In particular, the legislator has expressly incorporated all existing shareholder rights into the new law so that they apply to virtual meetings as well. Only the physical venue of the general meeting is now replaced by a digital gathering.

Under the new format, you can address the Board of Management and the Supervisory Board directly and as usual with your speeches, questions and, of course, any critical comments you may have. I will explain the specifics in greater detail in a moment.

I can understand the criticism occasionally heard that members of management boards and supervisory boards are resorting to the virtual format to avoid interacting with shareholders directly. It goes without saying that an in-person meeting is more vivid than the exchange between the Supervisory Board, the Board of Management and the shareholders in the virtual format.

Therefore, please rest assured that all of us will try our best today to convince all of you, including those shareholders that are critical towards the virtual format.

As described, your rights are following the rights you would have attending the General Meeting in person. From the Board of Management's and the Supervisory Board's point of view, your contribution in a virtual format has the same importance as a contribution in an in-person meeting.

The widely supra-regional and international nature of Allianz's shareholder composition, is a good reason for holding General Meetings virtually. It is not just that this gives a broader group of shareholders an opportunity to contribute to the discussion and ask questions. It also creates a way to make your contributions available to a broad forum of shareholders. For many of the nearly one million shareholders of Allianz SE, the virtual format offers the only way to actively participate in the General Meeting.

Naturally, this format is new to us all. It is no longer the kind of virtual meeting that we experienced in the past three years under the COVID emergency legislation. Certainly, we will gain valuable experience with the new format today and gratefully welcome your feedback and suggestions for improvement.

The COVID-19 pandemic seems to be over, but moving forward, this new format will be the means of choice if, for whatever reason, an in-person General Meeting cannot be held. The General Meeting must always be in a position to pass urgently needed resolutions and, specifically, to decide on the appropriation of net earnings and thus on the dividend.

For the future, the Board of Management and the Supervisory Board propose not to exhaust the statutory authorization period of five years for holding virtual general meetings but to create the prerequisites for the next two years through the amendment of the Statutes.

The Board of Management will make the respective decision on the format and the exact design of the General Meeting at its discretion and in the best interests of the Company and the shareholders. It will take into account the experiences made at today's General Meeting as well as your feedback and ensure that the virtual format closely corresponds to the in-person version. I think that this has already been made clear with the setup of today's Meeting.

So much for my preliminary remarks on the virtual General Meeting. Before submitting my report to you, please allow me to make some further preliminary remarks and organizational notes.

The COVID-19 pandemic with its impact on the working live and supply chains remained the dominant topic in the past financial year, which was then abruptly pushed into the background in February last year by the war in Ukraine. The human suffering that this war involves is unimaginable.

We at Allianz condemn this war and are appalled by its consequences, in particular for the civilian population in Ukraine. This has led to a huge wave of solidarity, compassion, and a willingness to help on the part of Allianz employees.

The war and the ensuing energy crisis led to a significant and nearly worldwide rise in inflation that prompted many central banks to shift away from low-interest policies and institute rapid increases in interest rates. Signs are increasingly pointing to a higher and a more volatile inflation than expected. This is very relevant to Allianz's business.

Apart from this, 2022 presented other geopolitical challenges that all affect Allianz's business in one way or another. These challenges include the ongoing conflict between the US and China, as well as global climate change.

This spring, these challenges were compounded by the turbulences in the financial markets triggered by difficulties at two banks in the US and the emergency acquisition of Credit Suisse by UBS in Switzerland. In contrast to 2008, the global impacts have been limited, at least thus far. It appears that the Solvency II regime in effect in the European insurance sector is making a significant contribution to having risk-based capital resources – and hence to safeguarding the financial sector. There has been no chain reaction in the banking sector this time around, either, in contrast to the financial crisis of 2008. However, it also appears that the outflow of client funds can be accelerated via social media and that the corresponding domino effects need to be made more controllable.

Dear Shareholders,

Please rest assured that the Supervisory Board, in close consultation with the Board of Management, will continue to analyze and evaluate macroeconomic and geopolitical developments in an effort to assess the impact on the risk profile of Allianz thus avoiding negative surprises as much as possible.

Next to external factors, the 2022 financial year was particularly challenging due to Structured Alpha, an Allianz-internal topic. I will discuss this in greater detail in a moment as part of my report to the Annual General Meeting.

1. Changes in the Board of Management and Supervisory Board of Allianz SE since the last Annual General Meeting

Two changes in the composition of the Board of Management have been made since May 2022.

First, on December 31, 2022, Sergio Balbinot left the Board of Management to begin his retirement.

Mr. Balbinot joined the Allianz Board of Management in 2015 following a very successful career as co-CEO at Generali. He was mainly responsible for the regions of Western and Southern Europe as well as Asia/Pacific. In this capacity, he successfully further developed the partnerships with UniCredit and HSBC and, both organically and through smart acquisitions, very solidly and profitably drove the growth of our subsidiaries in the Western and Southern European markets. During his tenure, he not only repositioned Allianz's business in Asia but also doubled its share in the consolidated earnings. In China, Mr. Balbinot laid the groundwork for the expansion of Allianz's engagement. This led to, among other things, the granting of state permits for a fully foreign-owned insurance holding company, and for the first fully foreign-owned asset management company. With his professional and always prudent approach, Mr. Balbinot has made an important contribution to profitable growth at Allianz and the good reputation of Allianz among relevant stakeholders, such as banking partners and supervisory authorities.

Ivan de la Sota also resigned from the Board of Management of Allianz SE effective December 31, 2022. One of Mr. de la Sota's main responsibilities, the Allianz Customer Model, was relayed to other Board of Management divisions earlier than originally planned. Consequently, the Supervisory Board agreed with Mr. de la Sota on an early termination of his term of office and consented to the dissolution of the division of which he was in charge.

Mr. de la Sota had been employed by Allianz since 1991. After holding an initial position in the business segment Southern Europe at the former Allianz AG, he assumed operational responsibilities as CFO of Allianz Seguros in Spain. As CEO of Allianz Portugal, he introduced the successful Spanish model and platform there between 2007 and 2010; as CEO of Allianz Spain from 2012 to 2015, he was one of the first to promote digitalization in the insurance sector. After serving as regional CEO for the Iberia & Latin America region, in April 2018, Mr. de la Sota was appointed to the Board of Management of Allianz SE, where, as Chief Business Transformation Officer of the Group, he advanced the topics of innovation and digitalization on a global scale.

The Supervisory Board expressed its sincere gratitude to Mr. Balbinot and Mr. de la Sota for their many years of work and dedication to Allianz. Ladies and gentlemen, I believe I can reiterate that gratitude today to both gentlemen on your behalf. We wish them all the best.

New elections to the Supervisory Board were held at the last Annual General Meeting; there have been no changes since that election.

2. Presentation of the Financial Statements

With that, let me continue with the Financial Statements. The Annual Financial Statements of Allianz SE and the Group, together with the relevant management reports, have been audited and deemed proper by PricewaterhouseCoopers Wirtschaftsprüfungsgesellschaft. The auditor issued an unqualified auditor's opinion for both Financial Statements.

The Board of Management and the auditor explained the Financial Statements in detail both to the Audit Committee and to the full Supervisory Board. The Supervisory Board approved the Annual Financial Statements after a thorough examination. The Annual Financial Statements of Allianz SE have thus been formally adopted.

3. Supervisory Board Report

In the past financial year, the Supervisory Board held six regular meetings and three extraordinary meetings. In addition, following the elections to the Supervisory Board, a constitutive meeting was held after the Annual General Meeting 2022. Next to the plenary meetings, an additional 26 regular meetings of the Supervisory Board committees were held, along with four extraordinary meetings of the Audit Committee. As is customary, the detailed written presentation of the work of the Supervisory Board and its committees can be found starting with page 4 of the Annual Report of the Allianz Group. Let me highlight some of the priorities of our work:

One of the defining topics was the treatment of the Structured Alpha matter of Allianz Global Investors in the US from various perspectives. In this respect, too, the written report shows how closely the Supervisory Board has monitored the progress in this matter.

In order to ensure an appropriate monitoring of the whole matter and of the internal clarification and review of the facts the Supervisory Board delegated to the Audit Committee the task of closely monitoring the Structured Alpha matter and regularly reporting to the full Supervisory Board. For this, the Working Group of the Audit

Committee, which had already been set up in 2021, again provided assistance in a supportive capacity. To gain an independent overview of the legal issues involved, the Supervisory Board again consulted a law firm last year which the Supervisory Board commissioned itself.

We addressed this matter at numerous meetings. In early 2022, the main focus was on talks with investors and the formation of provisions. As the year progressed, the focus turned to the settlement proceedings with the US Department of Justice and the US Securities and Exchange Commission, especially in the run-up to the agreement reached on May 17, 2022.

At its five regular and an 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, and the full Supervisory Board dealt with the matter in detail during its six regular and three additionally scheduled extraordinary meetings. With the support of the law firm we had commissioned, we extensively discussed with the Board of Management its considerations and weightings relating to the conclusion of settlements with investors and the US authorities.

It goes without saying that, when dealing with events of this magnitude, the Supervisory Board also lends detailed attention to the question of potential responsibility at the level of the Board of Management of Allianz SE. With this in mind, we commissioned the external legal advisors to conduct an independent investigation relating to potential claims for damages against former or current members of the Board of Management of Allianz SE. These investigations came to the conclusion that there is no indication whatsoever for any breaches of duty that could lead to claims for damages against former or current members of the Board of Management in connection with the Structured Alpha matter. In particular, no evidence was found that former or current members of the Board of Management had any information on the fraudulent schemes of the portfolio managers of Structured Alpha. This is in line with the assessment of the American Department of Justice. Furthermore, no breaches of duty of the Board of Management with regard to the business organization, on which claims for damages could be based, have been identified.

To ensure, together with the Board of Management, that an incident like this will never happen again, the Supervisory Board closely monitored and supervised the internal review of the matter, paying particular attention to the internal investigations launched and measures adopted by the Board of Management.

In the opinion of the Supervisory Board, the Board of Management managed to swiftly handle the Structured Alpha matter and to strengthen business in the US by quietly partnering with Voya Investment Management. Certainly, Mr. Bäte will also address this

in a moment.

Now, I would like to highlight several other topics in the work of the Supervisory Board during the past year.

As customary, the Board of Management informed the Supervisory Board about the development of business at all regular meetings, providing details about the development of revenues and results as well as the individual business segments. We also regularly engaged in discussions with the Board of Management about the adequacy of capitalization and the solvency ratio, both for Allianz SE and for the Group. We paid extensive attention to the corresponding stress and risk scenarios.

Another focus of the work, not just of the full Supervisory Board but of our Audit Committee as well, involved the impact of the changeover to the new accounting standards IFRS 9 and 17 as of financial year 2023. We received continuous reporting on the status of the implementation measures for a proper transition to the new standards and discussed their impact on financial reporting at Allianz with the Board of Management.

Last year too, we dealt in detail with a variety of strategic topics and with the Board of Management's plans for the financial years 2023/2024. During meetings of the full Supervisory Board and of the Technology Committee, we addressed the topic of cybersecurity and discussed the potential of data analysis and artificial intelligence for Allianz with the Board of Management.

Finally, we again devoted extensive attention to Board of Management personnel as well as succession planning for both the Board of Management and the Supervisory Board. I will return to the challenges involved in a moment, especially in the search for suitable candidates for the Supervisory Board, in my presentation of Agenda Item 7.

Dear Shareholders,

The responsibility of the Supervisory Board also includes monitoring compliance with the standards of good corporate governance. Details on the development of corporate governance within the Allianz Group can be found in the Corporate Governance Statement that begins on page 16 of the Annual Report of the Allianz Group. In December 2022, the Board of Management and Supervisory Board submitted the Declaration of Conformity with the German Corporate Governance Code; this declaration is now permanently available to the shareholders on the Company's website. In summary, it can be stated that Allianz is in compliance with all the recommendations of the Code in its current version and also observes all the suggestions made therein.

Ladies and Gentlemen,

In spite of the Structured Alpha matter, and despite the numerous geopolitical tensions we are experiencing, Allianz managed to increase revenues in the past financial year and again achieved a record operating result. The Solvency II capitalization ratio stood at an impressive 201 percent at year's end, which confirms the capital strength of Allianz. With the proposed dividend of 11.40 euros, you too, dear shareholders, should benefit from these successes.

On behalf of the entire Supervisory Board, I would like to take this opportunity to also express our thanks to all Allianz Group employees. If not for your continued commitment and dedication, these outstanding results would not have been possible, again. It is all of you who make Team Allianz what it is.

Thank you very much for your commitment!

Next, I come to the presentation of the remuneration of the Board of Management and Supervisory Board in the past financial year. You will find detailed explanations in the Remuneration Report that begins on page 26 of the Annual Report of the Allianz Group.

The Remuneration Report for financial year 2022 is presented to you for approval today under Agenda Item 6. The Report describes the Remuneration Systems adopted by the General Meeting and then explains the application of the respective Remuneration System in financial year 2022. For this, you will again find detailed and individualized disclosures on the remuneration of current and former members of the Board of Management and the Supervisory Board.

As required by law, the Report was prepared jointly by the Board of Management and the Supervisory Board. It takes into account the requirements of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code. As in the previous year, we commissioned our auditor to conduct a full review of the contents of the Remuneration Report for 2022. With its Auditor's Report, PwC confirmed that the Remuneration Report for the past financial year, including the related disclosures, complies in all material respects with the provisions of the German Stock Corporation Act.

As in the previous year, the format of the Remuneration Report is focused on complete transparency. As an additional service, a summary is prepended which gives you an overview of the remuneration of the Board of Management.

To substantiate the remuneration of the members of the Board of Management, the report provides you with the calculation of the Group's financial targets. With regard to the derivation of the individual contribution factor and the individual remuneration amount, a detailed statement is made on each individual member of the Board of Management. We also explain our expectations for the active Board of Management members for the current financial year.

Once again, with regard to the operating business, the financial performance of the Board of Management for the financial year 2022 can be characterized as very strong. Despite strong capital market distortions, solvency and essential credit ratings stabilized at a solid level.

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

All in all, however, it can be observed that the strong overall performance in the financial year 2022 was achieved on a sustainable basis. Both, customers and employees of Allianz once again awarded Allianz very good ratings with regard to the quality indicators in question. Specifically, these include improvements in the relevant indices for the measurement of customer and employee satisfaction. The environmental target set for reducing CO2 emissions per employee was also clearly exceeded.

At this point, I would like to draw your attention to an adjustment in the target "net income attributable to shareholders". As a consequence of the war in Ukraine, Allianz SE has decided to withdraw from the Russian market. This decision was not foreseeable, neither in terms of budget planning nor in terms of the setting of targets for the members of the Board of Management. The divestment of the majority stake in the Russian business led to 437 million euros in extraordinary expenses in the financial year 2022, as reflected in the net income attributable to shareholders. It is at the discretion of the Supervisory Board to take unpredictable and extraordinary developments such as these into account when determining target-achievement. In order to recognize the actual performance of the Board of Management when determining the variable remuneration, we have decided to exercise this discretion. You will also find a detailed explanation of this in the written report provided to you.

As I mentioned at the beginning of my Report, the Supervisory Board has thoroughly assessed whether Allianz SE has any claims for damages in connection with the Structured Alpha matter. When determining the variable remuneration for members of the Board of Management, we also considered whether there is a basis for reducing the payout, the so-called "malus," or for recovering variable remuneration components already paid, also

known as a “clawback.” Neither the internal audits nor the extensive external reviews conducted with the aid of various independent consultants have produced any grounds for a resort to malus or clawback arrangements.

Then I would like to present to you adjustments to the Board of Management remuneration that have taken effect as of the beginning of this financial year. I would like to point out that these are non-substantial changes to the Remuneration System and therefore do not necessitate a presentation of the Remuneration System to the Annual General Meeting for approval.

The first adjustment concerns the target setting for net income attributable to the shareholders and more precisely the bonus curve. As of the beginning of financial year 2023, the new financial-reporting standards IFRS 9 and 17 apply. The transition to IFRS 9 leads to a significant increase in the share of assets measured at fair value on the income statement in the property and casualty business segment. This leads to markedly higher fluctuation margin in net income in combination with fewer steering options on the part of the Board of Management. The plan for the medium term is to adjust the Group’s financial target “net income attributable to shareholders” by eliminating certain non-operating effects such as fluctuations due to market movements. As a transitional measure, the Supervisory Board has decided to adjust the bonus curve to address fluctuations in net income – in both directions – that are beyond the control of the Board of Management. For this purpose, 100 percent target achievement is defined as a plateau with an upward or downward fluctuation range of 500 million euros. We intend to present the revision of the Group target for approval at the 2024 Annual General Meeting, or in 2025 at the latest, as part of a general review of the Remuneration System for the Board of Management.

In addition to this technical adjustment, in its annual review of the appropriateness of the Board of Management remuneration, the Supervisory Board identified a need to adjust the level of remuneration. The remuneration of regular members of the Board of Management was last adjusted in 2019. Looking at the remuneration of the Board of Management compared to the DAX 40 companies on the basis of revenue, number of employees, and market capitalization, it turns out that the remuneration of the Chairperson of the Board of Management and the ordinary members of the Board of Management is below the benchmark. In addition, after reducing the entire Board of Management to nine members, we also redistributed the tasks assigned to the members, leading to an increase in the workload for the remaining Board members as of this year. For these reasons, the Supervisory Board considers a 5 percent increase in the annual target remuneration of all members of the Board of Management to be appropriate. The Remuneration Report entails the exact euro amounts. I would also like to point out that the ratio of the remuneration of the Chairperson of the Board of Management to an ordinary member of the Board of Management remains unchanged and is equal to a factor of 1.96.

Furthermore, the general upper limits to remuneration have not been increased, either.

This brings me to the remuneration of the members of the Supervisory Board.

The remuneration of the Supervisory Board continues to consist of a fixed remuneration, with committee memberships remunerated differently. The individual breakdown of remuneration of the Supervisory Board members can be found in the Remuneration Report, whereas no exceptions applied for the financial year 2022. In our annual review, however, we identified a need to adjust the remuneration of the Supervisory Board, too.

This adjustment is presented to you for voting under Agenda Item 7.

The last adjustment to the remuneration of the entire Supervisory Board was made at the Annual General Meeting 2018. Since then, the sole amendment made was the introduction of a remuneration for the members of the Nomination Committee at the Annual General Meeting 2021.

Over the past several years, the workload has increased significantly, for both the full Supervisory Board and the Supervisory Board committees. This was not only caused by special topics such as the Structured Alpha matter, which was time consuming and professionally demanding for the Supervisory Board, too. Rather, we can observe an increase of new topics in general, such as in the field of technology, sustainability and accounting, as well as continuously growing legal and regulatory requirements for the Supervisory Board. As I can attest from personal experience, all of this is particularly true for the Chairperson of the Supervisory Board, the Chairperson of the Audit Committee and the members of the Audit Committee.

However, there is another factor that is decisive for the assessment of the appropriateness of the remuneration of the Supervisory Board and that I would like to mention here. The regulatory requirements regarding the qualifications of Supervisory Board members in the insurance sector have significantly increased in recent years. In order to be able to attract suitable candidates for Allianz, it is essential to offer attractive remuneration in international comparison. We will need to replace three retiring members of the Supervisory Board on the shareholder representatives' side in the coming two years alone.

By now, institutional investors as well as proxy advisors increasingly expect that the Chairperson of the Supervisory Board is no former member of the Board of Management of Allianz SE. In order to be able to attract suitable external candidates for this position, the remuneration must be sufficiently attractive.

For these reasons, today the proposal is put before the Annual General Meeting, under Agenda Item 7, to adopt an adjustment of the Supervisory Board remuneration, along with

the corresponding amendments to the Statutes. It is proposed that the annual fixed remuneration paid to all regular members of the Supervisory Board be increased to 150,000 euros apiece. The remuneration for the Chairperson of the Supervisory Board is to be increased threefold, i.e. to 450,000 euros, and for the Vice Chairs to 225,000 euros apiece. The annual fixed remuneration for members of the Audit Committee of the Supervisory Board is to be increased to 75,000 euros apiece and the remuneration for the Chairperson of the Audit Committee to 150,000 euros. In all other respects, the Remuneration System for the Supervisory Board adopted by the Annual General Meeting in 2021 shall remain unchanged.

And with this, I have reached the end of my report. Thank you for your attention! Now I would like to ask Mr. Bäte, the CEO of Allianz SE, for his report.