CFO topics

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Mid and large commercial

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Germany P/C

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Allianz Global Investors

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CEO Allianz Global Investors

London, December 2022
Business in focus: 23% of Group operating profit

Revenues
(2021, EUR bn)

Allianz Group
EUR 149bn

Operating profit
(2021, EUR bn)

Allianz Group
EUR 13.4bn

Business in focus

EUR 30bn
20%

Mid and large commercial
Germany P/C
Allianz Global Investors

EUR 3.1bn
23%

Mid and large commercial
Germany P/C
Allianz Global Investors
<table>
<thead>
<tr>
<th>Topics</th>
<th>Message</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims inflation</td>
<td>Manageable</td>
</tr>
<tr>
<td>Solvency II</td>
<td>Active management of sensitivity</td>
</tr>
<tr>
<td>Capital management</td>
<td>Discipline to continue</td>
</tr>
<tr>
<td>IFRS 9/17</td>
<td>Fundamentals stable, better disclosure</td>
</tr>
<tr>
<td>Outlook 2024</td>
<td>Ambition reiterated</td>
</tr>
</tbody>
</table>
1 Claims inflation – manageable

- Claims inflation
- Price increases: 3Q 22 internal growth 8.8%, thereof price 6.7%
- Higher investment income: FY 2022 operating investment result expected EUR ~0.7bn above plan
- Strong reserves
- Management levers: EUR ~0.5bn claims cost reduction in 2024 versus 2021
Solvency II – active management of sensitivity

Interest rate sensitivity of SII ratio (in %-p)

-50bps

Equity sensitivity of SII ratio (in %-p)

-30%

Traded equities
Non-traded equities

2019 2020 2021 1Q 22 2Q 22 3Q 22 4Q 22e
-9 -9 -5 -4 -1 -4 ≤-5

2019 2020 2021 1Q 22 2Q 22 3Q 22 4Q 22e
Accumulated payout to shareholders (EUR bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>DPS (EUR)</th>
<th>Dividend (EUR bn)</th>
<th>Buybacks (EUR bn)</th>
<th>Payout ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>7.60</td>
<td>3.4</td>
<td>0</td>
<td>50%</td>
</tr>
<tr>
<td>2017</td>
<td>8.00</td>
<td>3.4</td>
<td>3.0</td>
<td>94%</td>
</tr>
<tr>
<td>2018</td>
<td>9.00</td>
<td>3.8</td>
<td>3.0</td>
<td>91%</td>
</tr>
<tr>
<td>2019</td>
<td>9.60</td>
<td>4.0</td>
<td>1.5</td>
<td>70%</td>
</tr>
<tr>
<td>2020</td>
<td>9.60</td>
<td>4.0</td>
<td>0.75</td>
<td>70%</td>
</tr>
<tr>
<td>2021</td>
<td>10.80</td>
<td>4.4</td>
<td>0.75</td>
<td>78%</td>
</tr>
<tr>
<td>2022e</td>
<td>10.80</td>
<td>≥4.5</td>
<td>2.0</td>
<td>≥90%</td>
</tr>
</tbody>
</table>

CAGR

DPS (EUR): +7%
Dividend (EUR bn): ≥4.5
Buybacks (EUR bn): 2.0
Payout ratio: Ø 78%

>38bn payout to shareholders over 7 years
### IFRS 9/17 – fundamentals stable, better disclosure

<table>
<thead>
<tr>
<th>Economic Impact</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Limited**     | Solvency II: Not impacted  
|                 | Cash flow: Not impacted  
|                 | Dividend: No change, still based on adjusted net income |

<table>
<thead>
<tr>
<th>Fundamentals</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Strong**      | Operating profit: No major change, slightly higher in the short-term  
|                 | Net income: Similar level; somewhat more volatile  
|                 | S/h equity: Significantly less volatile; adjusted for OCI slightly lower  
|                 | CSM: Strong pool of future profits  
|                 | RoE: Slightly higher |

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Improved**    | Transparency: Additional KPIs and balance sheet items  
|                 | Comparability: Common set of valuation principles across the entire industry  
|                 | Simplicity: Central assumptions similar to Solvency II  
|                 | Profitability: Better reflection of market and interest rate impact |
## Outlook 2024 – ambition reiterated

### Operating profit

<table>
<thead>
<tr>
<th></th>
<th>2022 target</th>
<th>9M 2022 annualized</th>
<th>2024 target(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>P/C</td>
<td>~6.0</td>
<td>6.3</td>
<td>~6.6</td>
</tr>
<tr>
<td>L/H</td>
<td>~4.8</td>
<td>4.5</td>
<td>~5.3</td>
</tr>
<tr>
<td>AM</td>
<td>~3.4</td>
<td>3.2</td>
<td>~3.7</td>
</tr>
<tr>
<td>Corp</td>
<td>~0.8</td>
<td>-0.4</td>
<td>~0.8</td>
</tr>
<tr>
<td>Total</td>
<td>~13.4</td>
<td>13.6</td>
<td>≥14.5</td>
</tr>
</tbody>
</table>

#### Summary

- Allianz set for record OP in 2022
- Ambition 2024 reiterated
- Continuous strong capital management

1) Targets are before IFRS 9/17 accounting changes; impact from NatCat, financial markets, regulatory action and litigation, F/X and global economic developments not predictable
Mid and large commercial

INSIDE ALLIANZ SERIES

#10

Chris Townsend
Member of the Board of Management Allianz SE

London, December 2022
**Mid and large commercial at a glance**

**Allianz P/C – total revenues by customer segment**

9M 2022

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>LargeCorp</td>
<td>16%</td>
</tr>
<tr>
<td>MidCorp</td>
<td>12%</td>
</tr>
<tr>
<td>SME</td>
<td>8%</td>
</tr>
<tr>
<td>AZ Partners</td>
<td>10%</td>
</tr>
<tr>
<td>Credit insurance</td>
<td>4%</td>
</tr>
<tr>
<td>Reinsurance¹</td>
<td>2%</td>
</tr>
<tr>
<td>Fleet</td>
<td>8%</td>
</tr>
<tr>
<td>Retail</td>
<td>40%</td>
</tr>
</tbody>
</table>

**EUR 54bn**

**Allianz commercial (35%)**

**Commercial market**

- Global market of EUR >500bn growing at >7% CAGR²
- Continued rate increases driven by loss cost inflation
- Broker distribution with agents in selected markets
- Key competitors: Chubb, Zurich, AIG and AXA

**Commercial at Allianz**

- Globally diversified portfolio with LargeCorp, MidCorp, credit insurance and assumed reinsurance business
- Accounts for 35% of total revenues and 49% in operating profit in Property-Casualty (9M 2022)
- Active globally in 58 countries

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¹ 3rd party reinsurance only
² Source: Aon, inpoint; Finaccord; Allianz internal analysis (2021-2025)
AGCS – revenue and profitability split

**Revenues by region**
- North America: 46%
- Regional unit London: 18%
- CEE: 16%
- Mediterranean & Africa: 11%
- Asia Pacific: 7%
- Ibero / Latin America: 3%

**Revenues by line of business**
- Financial lines: 19%
- Liability: 18%
- Energy and construction: 13%
- Property: 11%
- Marine: 11%
- MidCorp: 11%
- Aviation: 7%
- ART: 5%
- Entertainment: 5%

**Revenues (EUR bn)**
- 2019: 9.1
- 2020: 9.3
- 2021: 9.5

**Operating profit (EUR mn)**
- 2019: -284
- 2020: -482
- 2021: 366

**Combined ratio (%)**
- 2019: 112.3
- 2020: 115.5
- 2021: 97.5

**Highlights**
- Strong progress of portfolio remediation incl. exposure reduction of >30%, strong positive rate change, reinsurance optimization and balance sheet strengthening
- Continued improvement of performance: as of 9M 2022 EUR 8.5bn revenues, CR at 95.4%, OP of EUR 459mn
- Strong global Allianz and partner network
- Specialists in complex corporate risks with approximately 280 risk engineers and more than 600 claims experts
- Excellent ratings (S&P: AA; A.M. Best: A+)

1) Based on gross net premiums written (excl. facultative reinsurance and fronting business)
2) Portfolio capacity gross net
Allianz MidCorp – revenue and profitability split

Revenues by region¹ (2021)

- Europe excl. CEE: 70%
- Asia: 8%
- CEE: 6%
- Latin America: 4%
- Rest of World: 13%

Revenues (EUR bn)

- 2021: 8.3
- 9M21: 6.5
- 9M22: 6.5

Combined ratio (%)

- 2021: 27.2
- 9M21: 67.2
- 9M22: 88.6

Revenues by line of business¹ (2021)

- Property: 28%
- Liability: 16%
- Engineering: 10%
- Other: 47%

Operating profit (EUR mn)

- 2021: 861
- 9M21: 346
- 9M22: 1,016

Highlights

- Well diversified business with presence in 40 countries
- Largest markets Germany, UK and France
- Good progress in global MidCorp strategy with focus on globally aligned risk appetite, global rollout of pricing and portfolio management tools, integration of data, and creation of regional hubs

¹ Based on gross premiums written
Mid and large commercial – key messages

Market
Growing and profitable market

Footprint
Capabilities and distribution strength to serve customers globally

Track record
Strong profitability improvement in 2021/22; future volatility reduced

Strategy
AGCS: strict profitability focus / MidCorp: global streamlining

Ambition
EUR 1.5bn OP target\(^1\) for 2024 well on track

\(^1\) Ambition communicated at CMD 2021, excluding Allianz Trade
Allianz
Germany P/C

Laura Gersch
CFO Allianz Versicherungs-AG
London, December 2022
Germany P/C at a glance

Key data 2021

- Population: 83mn
- GDP (EUR): 3,602bn
- GDP growth: 2.6%
- GDP/capita (EUR): 43,292
- Inflation: 3.1%
- P/C insurance penetration\(^1\): 2.2%
- Country rating (S&P): AAA

Market specifics

- Second largest European P/C insurance market
- Highly competitive in P/C
- Allianz clear market leader
- No major changes in competitive landscape, top ten competitors more or less unchanged in recent years
- No major M&A or M&A attempts in the last years

P/C market size and growth (GPW in EUR bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (GPW EUR bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>73</td>
</tr>
<tr>
<td>2020</td>
<td>75</td>
</tr>
<tr>
<td>2021</td>
<td>77</td>
</tr>
</tbody>
</table>

Market shares (2021, GPW)

<table>
<thead>
<tr>
<th>Company</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R+V</td>
<td>14.2%</td>
</tr>
<tr>
<td>HUK</td>
<td>8.4%</td>
</tr>
<tr>
<td>Talanx</td>
<td>7.3%</td>
</tr>
<tr>
<td>AXA</td>
<td>6.3%</td>
</tr>
<tr>
<td>ERGO</td>
<td>5.6%</td>
</tr>
<tr>
<td>Provinz</td>
<td>5.3%</td>
</tr>
<tr>
<td>Generali</td>
<td>5.1%</td>
</tr>
<tr>
<td>VK BY³</td>
<td>5.0%</td>
</tr>
<tr>
<td>LVM</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

1) GPW as % of GDP
2) Versicherungskammer Bayern
Sources: Destatis
### Allianz Germany P/C (1/2)

#### Highlights
- Allianz clear market leader with 14% market share
- ~10.5mn retail customers
- EUR 11bn revenues with EUR 1.1bn operating profit
- Productivity improvement (ER -1.6%-p 2021 vs. 2018)
- Full product range for private and commercial customers
- >8,000 tied agents and more than 3,700 salespeople

#### Milestones
- 1890: Formation of Allianz as an accident and transport insurance company
- 1918: Entry into the motor insurance business
- 1954: Opening of new headquarters in Munich
- 1990: Takeover of the East German state insurance authority
- 2006: Foundation of Allianz Deutschland AG

### Revenues (EUR bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues (EUR bn)</th>
<th>CAGR +1.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>10.7</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>10.9</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>11.1</td>
<td></td>
</tr>
</tbody>
</table>

### Operating profit (EUR bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating profit (EUR bn)</th>
<th>CAGR -5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1.3</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>1.2</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>1.1</td>
<td></td>
</tr>
</tbody>
</table>

### Combined ratio (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Combined ratio (%)</th>
<th>+1.1%-p</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>92.4</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>93.0</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>93.5</td>
<td></td>
</tr>
</tbody>
</table>

### Return on equity1 (%) (Net of NatCat)

<table>
<thead>
<tr>
<th>Year</th>
<th>Return on equity (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>23.7</td>
</tr>
<tr>
<td>2020</td>
<td>16.9</td>
</tr>
<tr>
<td>2021</td>
<td>17.7</td>
</tr>
</tbody>
</table>

1) Excl. unrealized gains/losses on debt securities (net of shadow DAC) and goodwill

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17
Allianz Germany P/C (2/2)

2021

Product mix (in %, GPW)

- Commercial GPW
  - EUR 4.4bn

- Retail GPW
  - EUR 6.6bn

Distribution mix (in %, GPW)

- Agents 73%
- Brokers 17%
- Automotive 5%
- AAV¹ 4%
- Other 2%

Market shares (GPW)

- Allianz 14.2%
- AXA 8.4%
- HUK 7.3%
- Talanx 6.3%
- ERGO 5.3%

1) ADAC Autoversicherung (motor insurer of largest German automobile club)
2) Accident insurance with premium refund
Allianz Germany P/C – key messages

Market
Second largest European market with attractive margins

Footprint
Clear market leader with 14% market share

Track record
EUR 1.1bn OP in 2021 despite high NatCat

Strategy
“Beat the best” culture along the entire value chain

Ambition
Operating profit ≥ EUR 1.5bn in 2024

1) Based on IFRS 9/17
Tobias Pross  
CEO Allianz Global Investors

London,  
December 2022
The asset management market at a glance

Key data¹

• Global AuM reached high-water mark of EUR 108tn in 2021 (13% yoy growth)
• Global asset management revenues at EUR 450bn in 2021, more than doubled in last decade
• Market correction in 2022 with return to growth over following years expected

Market and industry trends

• Rise of high alpha active and passives (low-cost beta) with increasing demand for differentiation
• Increased attractiveness of fixed income as an asset class in higher interest rate environment
• Pivot to private markets continues; strong growth in infrastructure and private equity expected
• Sustainability continues to gain further importance (esp. in Europe), with significant differentiation potential especially in private markets
• Digital distribution continues to gain traction

Global AuM¹ (EUR tn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Passive</th>
<th>Active</th>
<th>Alternatives</th>
<th>Money markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>18</td>
<td>49</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>2021</td>
<td>60</td>
<td>16</td>
<td>24</td>
<td>9</td>
</tr>
</tbody>
</table>

Indiv. CAGR:
- +16%
- +11%
- +12%
- +13%

CAGR +12%

Revenues from average annual AuM

Peer AuM end of 2021² (EUR tn)

<table>
<thead>
<tr>
<th>Firm</th>
<th>AuM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amundi</td>
<td>2.1</td>
</tr>
<tr>
<td>Goldman Sachs</td>
<td>2.0</td>
</tr>
<tr>
<td>Invesco</td>
<td>1.4</td>
</tr>
<tr>
<td>Franklin</td>
<td>1.4</td>
</tr>
<tr>
<td>Natixis</td>
<td>1.2</td>
</tr>
<tr>
<td>UBS</td>
<td>1.1</td>
</tr>
<tr>
<td>DWS</td>
<td>0.9</td>
</tr>
<tr>
<td>AXA</td>
<td>0.9</td>
</tr>
<tr>
<td>Schroders</td>
<td>0.9</td>
</tr>
<tr>
<td>AllianzGI</td>
<td>0.7</td>
</tr>
<tr>
<td>HSBC</td>
<td>0.6</td>
</tr>
<tr>
<td>Abrdn</td>
<td>0.6</td>
</tr>
</tbody>
</table>

1) Source: McKinsey Growth Cube
2) AllianzGI and peers with similar asset class mix. Source: IPE 2022
Allianz Global Investors (1/2)

### Total AuM (EUR bn)
- 2019: 563
- 2020: 582
- 2021: 673

**CAGR +9%**

**AZ Assets**
- 2019: 206
- 2020: 208
- 2021: 217

**3rd party AuM**
- 2019: 357
- 2020: 374
- 2021: 456

### Operating profit (EUR mn)
- 2019: 625
- 2020: 626
- 2021: 932

**CAGR +22%**

**CIR (%)**
- 2019: 70.1
- 2020: 68.4
- 2021: 60.0

### 3rd party net flows (EUR bn)
- 2019: -7.5
- 2020: 7.0
- 2021: 45.5

**CAGR +6%**

**% of average 3rd party AuM**
- 2019: -2.2
- 2020: 2.0
- 2021: 10.9

### Revenues (EUR mn)
- 2019: 2,086
- 2020: 1,983
- 2021: 2,333

**3rd party AuM margin**
- 2019: 45.9
- 2020: 47.6
- 2021: 46.7

**Performance fees**
- 2019: 301
- 2020: 143
- 2021: 158

**AuM driven & other revenues**
- 2019: 1,786
- 2020: 1,839
- 2021: 2,175

### Highlights
- Global footprint: 20+ locations worldwide
- 600+ investment professionals, 500+ relationship managers
- Dedicated to active investment with capabilities in equities, fixed income, multi-asset and private markets
- Offering a range of sustainable investment approaches for diverse client needs

### Milestones
- **2020 - 2022** Transformation program Excellence through Optimization and Simplicity: Building a simplified at-scale global offering and operating model
- **July 2022** Long-term strategic partnership with Voya Investment Management; impact on total AuM EUR -42bn, impact on AuM driven revenues EUR -61mn in 3Q 2022

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1) Excluding performance fees and other income
2) End of 3Q 2022
Allianz Global Investors (2/2)

3Q 2022

Investment vehicles
- Mutual funds: 51%
- Separate accounts: 49%

Asset classes
- Fixed income: 32%
- Multi-asset: 28%
- Equity: 23%
- Alternatives: 17%

Regions
- Europe: 80%
- Asia Pacific: 18%
- Americas: 2%

3rd party AuM
- Mutual funds: 70%
- Separate accounts: 30%

Asset classes
- Multi-asset: 39%
- Equity: 31%
- Fixed income: 27%
- Alternatives: 4%

Regions
- Europe: 72%
- Asia Pacific: 25%
- Americas: 2%

1) 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.
Allianz Global Investors – key messages

- U.S. challenges absorbed, good start to Voya partnership
- Scale, footprint and offering to deliver sustainable profitable growth
- Significant OP contribution to Group (> EUR 700mn, given stable markets)
- Attractive strategic growth opportunities
  - Private market capabilities
  - ESG and sustainable products
  - Asia, including China and South-East Asia
  - Risk management, advisory and digital wealth management services
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 the 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 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.

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