Group financial results FY 2022 and 1Q 2023

IFRS 9/17

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Munich
May 12, 2023

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Content/topics

FY 2022

Group financial results

(IFRS 9/17 versus IFRS 4)

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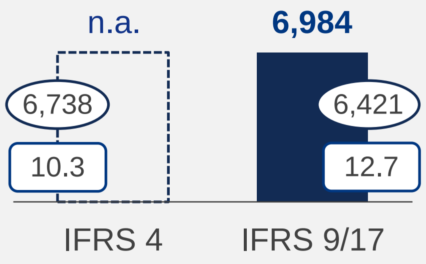
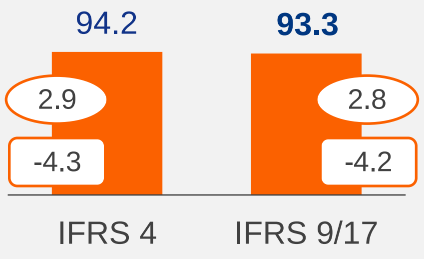
Highlights 2022: consistent results under IFRS 9/17

Group	Property-Casualty	Life/Health	Asset Management
Total business volume[1] in EUR bn (values in brackets based on IFRS 4)			
153.3 (152.7)	**70.6** (70.0)	**75.3** (75.1)	**8.2** (8.2)
Operating profit in EUR mn (values in brackets based on IFRS 4)			
13,814 (14,164)	**6,827** (6,189)	**4,218** (5,282)	**3,198** (3,199)

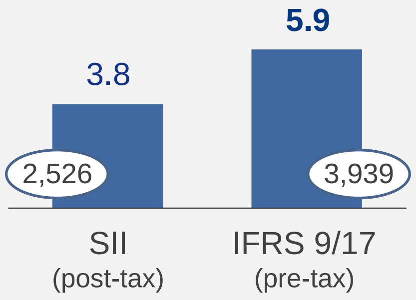
Shareholders' core net income (in EUR mn)	**Combined ratio** (in %)	**New business margin** (in %)	**Cost-income ratio** (in %)



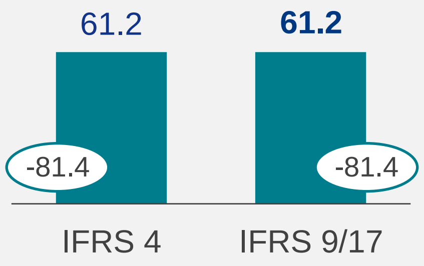
Shareholders' net income
RoE (in %)



NatCat impact
Run-off ratio



VNB (EUR mn)



3rd party net flows (EUR bn)

1) Total revenues under IFRS 4

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Highlights 2022: consistent results under IFRS 9/17

Comments

- **Total business volume**
  Comparable to total revenues under IFRS 4. Differences mainly relate to minor methodological changes.
- **P/C – OP and CR benefit from discounting**
  Operating profit driven by higher insurance service result (= discounting of loss reserves), partially offset by lower operating investment result (= interest accretion on loss reserves).
- **L/H – OP impacted by US accounting mismatch**
  Hedging strategy for US Life business optimized for stabilization of profits under IFRS 4; under IFRS 9/17 it results in an adverse impact of EUR ~0.6bn. Impact expected to decline significantly in 2023.
- **LH – new business**
  IFRS 9/17 view is before tax and minorities.
- **AM – largely unaffected by IFRS 9/17**
- **Shareholders' net income**
  Lower mainly due to operating profit.
- **Shareholders' core net income**
  Reflects underlying profitability by adjusting for non-operating market movements (included in line item "result from assets and liabilities measured at fair value incl. derivatives") and purchase GAAP accounting excluding distribution agreements (included in line item "amortization of intangible assets") after taxes and minorities. Adjustment in 2022 was EUR +563mn.
- **RoE**
  IFRS 9/17 RoE based on shareholder's core net income. Ratio higher than under IFRS 4 mainly due to lower average shareholders' equity.

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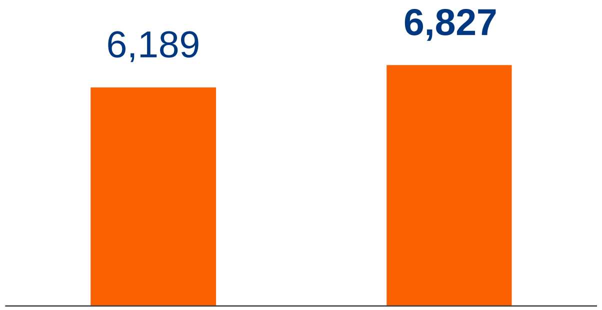
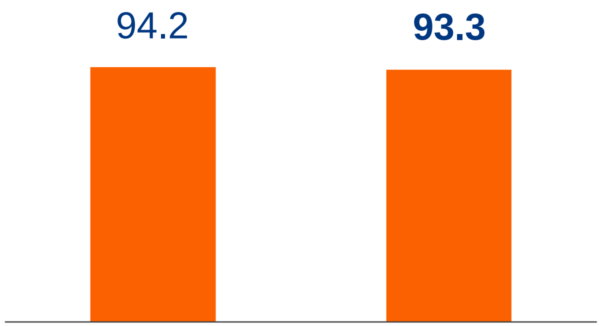
P/C: OP and CR benefit from discounting

Operating profit
(EUR mn)



	2022 IFRS 4	**2022 IFRS 9/17**
Insurance service result	3,080	**4,298**
Operating investment result	3,026	**2,432**
Other	83	**97**

Combined ratio
(in %)



	2022 IFRS 4	**2022 IFRS 9/17**
Loss ratio[1]	67.5	**68.4**
t/o NatCat impact	2.9	2.8
t/o run-off ratio	-4.3	-4.2
Expense ratio	26.8	**24.9**

1) Including reinsurance result with reinsurance ratio of 2.7% under IFRS 9/17

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P/C: OP and CR benefit from discounting

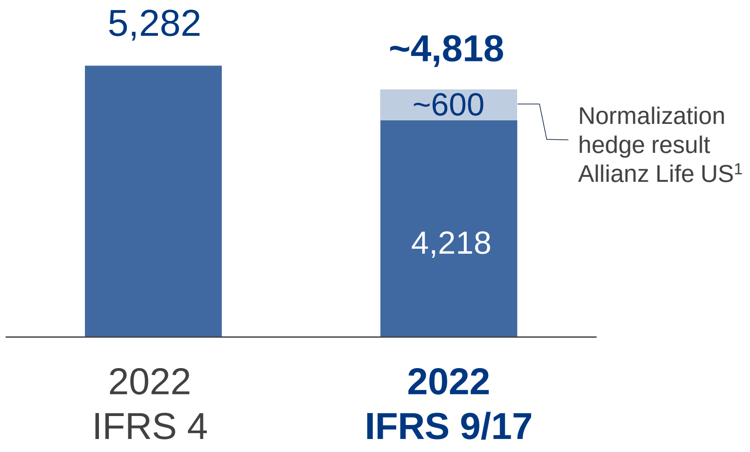
Comments

- **Operating profit benefits from discounting**
  OP under IFRS 9/17 at EUR 6.8bn, up Δ EUR +0.6bn versus IFRS 4. Insurance service result (ISR) benefits from discounting of loss reserves (Δ EUR +1.1bn).
  Unwind from discounting of loss reserves (Δ EUR -0.4bn) main driver for lower investment result.
  Remaining deltas mostly relate to German APR business which is measured under variable fee approach (VFA).
- **P/C measurement models**
  99% of GPW accounted at premium allocation approach (PAA).
- **Combined ratio – methodology**
  CR calculation under IFRS 9/17 based on new denominator “insurance revenues” (FY 2022: EUR 64.0bn) which is gross of reinsurance.
  Reinsurance result comprising the sum of ceded premiums, losses and expenses included in the nominator of the loss ratio.
- **Combined ratio 1.0%-p lower**
  Lower CR driven by discounting effect (Δ -1.7%-p), partially offset by adverse impact from higher top-line (Δ +0.6%-p; gross versus net view). Risk adjustment overall neutral with negative impact on AY LR (Δ +0.6%-p) compensated by positive impact on run-off result.
- **Loss ratio at 68.4%**
  LR under IFRS 9/17 above IFRS 4 (Δ +0.9%-p).
  Positive impacts from discounting of loss reserves and German APR business overcompensated by inclusion of reinsurance result (+2.7%).
- **Expense ratio decreases to 24.9%**
  Driven by gross view versus net view under IFRS 4.

L/H: normalized results on similar level

Normalized operating profit

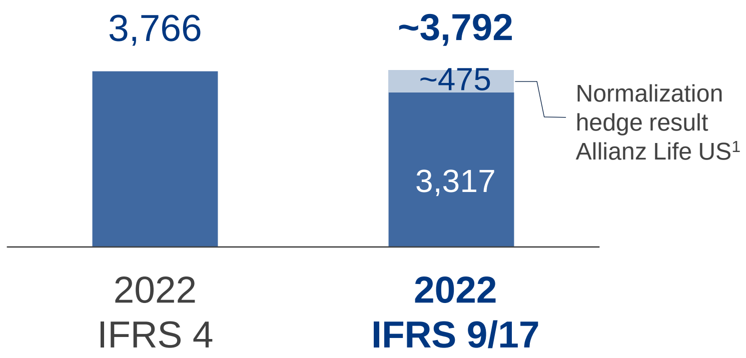
(EUR mn)



	2022 IFRS 4	2022 IFRS 9/17
Operating profit	5,282	**4,218**
Normalization hedge result[1]	–	~600
Normalized operating profit	5,282	**~4,818**

Normalized net income

(EUR mn)



	2022 IFRS 4	2022 IFRS 9/17
Net income	3,766	**3,317**
Normalization hedge result[1]	–	~475
Normalized net income	3,766	**~3,792**

1) Estimate

L/H: normalized results on similar level

Comments

- **Normalized results on similar level**
  IFRS 9/17 operating profit and net income impacted by hedging result from Allianz Life. In 2022 hedging strategy of Allianz USA was optimized for stabilization of profits under IFRS 4 with significant adverse impact under IFRS 9/17.
  Hedging strategy 2023 aligned to IFRS 9/17
  Impact expected to be reduced significantly in 2023.

- **L/H measurement model** (% of LRC[1])

Variable fee approach (VFA):	77%
Building block approach (BBA) / modified BBA:	23%
Premium allocation approach (PAA):	0%

1) Liability for remaining coverage

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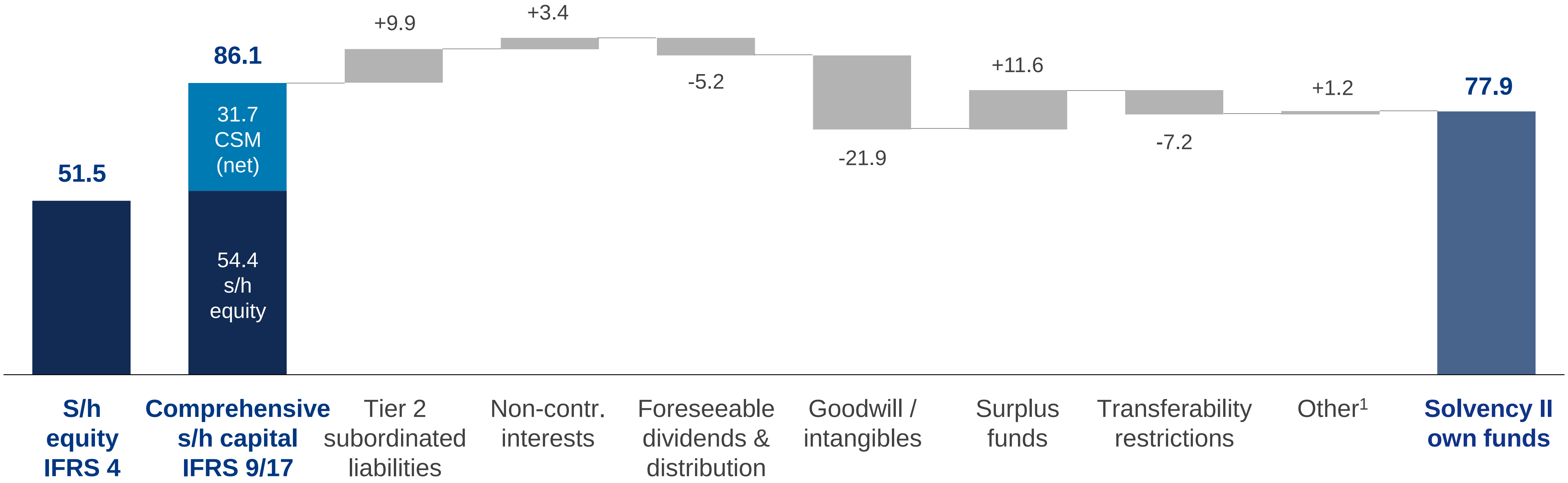
Group: SII own funds 2022

As of 31.12.2022 (EUR bn)



1) Other valuation differences including taxes

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Group: SII own funds 2022

Comments

- **Shareholders' equity**: Higher IFRS 9/17 shareholders' equity compared to IFRS 4 primarily due to valuation differences in assets and liabilities.
- **Foreseeable dividends and distribution**: Accrual of dividend for FY 2022 and remaining part of share buy-back announced in November 2022.
- **Other** contains, e.g., impact from valuation differences on investments, insurance liabilities and related taxes, as well as impact from scope differences.

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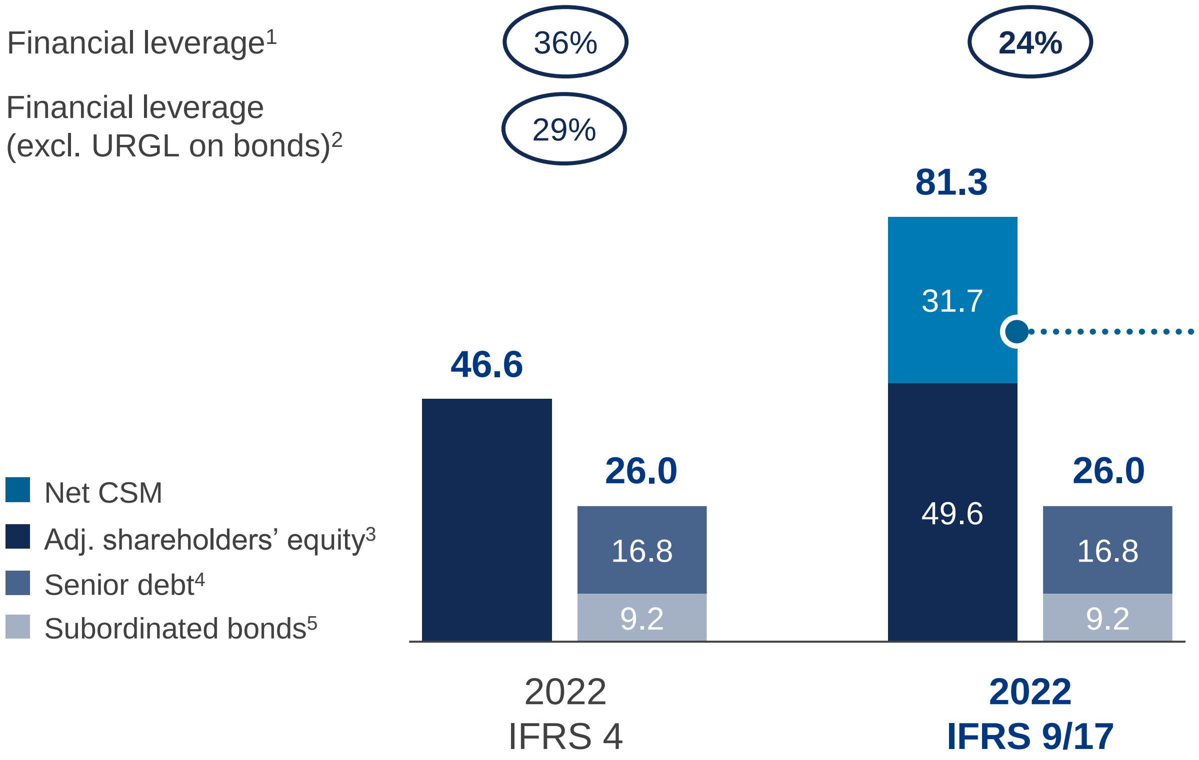
Group: IFRS 9/17 leverage at 24%

Capital and leverage (EUR bn)



Gross CSM	**53.4**
– PV of non-attributable costs	-7.6
– Reinsurance	-2.0
– Non-controlling interests	-0.9
– Tax	-11.2
= Net CSM	**31.7**

1) Senior debt and subordinated bonds divided by the sum of senior debt, subordinated bonds and shareholders´ equity (IFRS 4) resp. comprehensive s/h capital (IFRS 9/17) adj. for RT1 bonds
2) Senior debt and subordinated bonds divided by the sum of senior debt, subordinated bonds, shareholders' equity; adj. for RT1 bonds and net unrealized gains/losses on bonds ("URGL on bonds") of EUR -18.3bn for 2022
3) Shareholders' equity excluding RT1 bonds
4) Certificated liabilities issued or guaranteed by Allianz SE incl. money market securities; nominal value excl. hedges
5) Subordinated bonds issued or guaranteed by Allianz SE incl. RT1 bonds; nominal value excl. hedges

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Group: IFRS 9/17 leverage at 24%

Comments

- **Leverage calculation**
  Shareholders' equity excludes RT1 bonds in leverage calculation under both accounting regimes.

  Denominator of IFRS 9/17 leverage ratio includes net CSM.

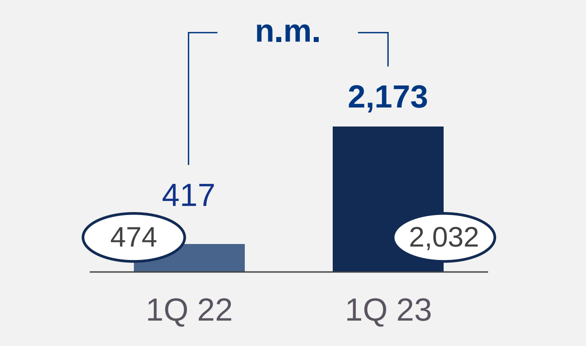
Content/topics

1Q 2023

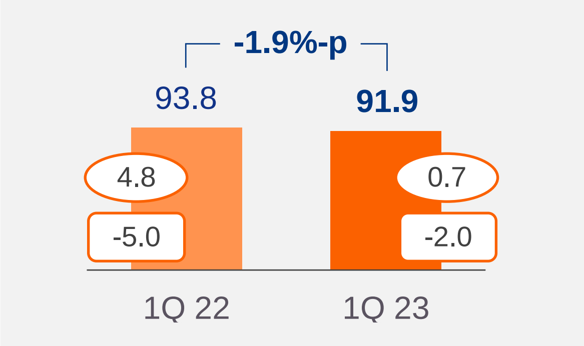
Group financial results

Group: excellent start into 2023

Group	Property-Casualty	Life/Health	Asset Management
Total business volume 1Q 23 in EUR bn (internal growth vs. prior year in %)			
46.0 (+3.5%)	**24.1** (+11.1%)	**20.1** (-3.4%)	**1.9** (-8.3%)
Operating profit 1Q 23 in EUR mn (vs. prior year in %)			
3,731 (+24.2%)	**1,872** (+22.7%)	**1,320** (+63.8%)	**723** (-13.2%)
Shareholders' core net income (in EUR mn)	**Combined ratio** (in %)	**New business margin** (in %)	**Cost-income ratio** (in %)

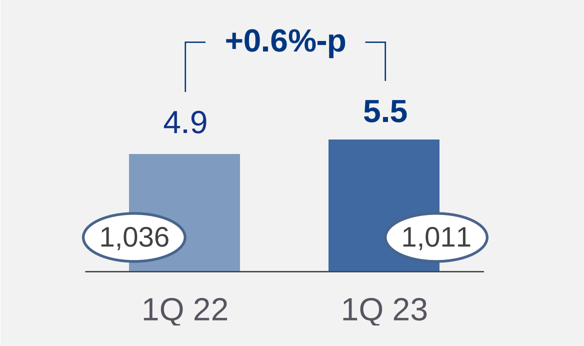


Shareholders' net income

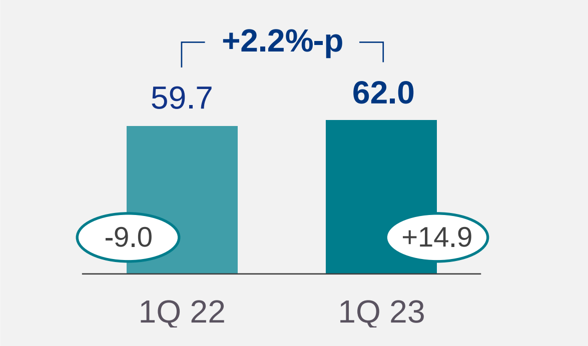


NatCat impact

Run-off ratio



VNB (EUR mn)



3rd party net flows (EUR bn)

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Group: excellent start into 2023

Comments

- **P/C segment with double-digit internal growth**
  Business volume L/H declines mainly due to lower single premium business. Consolidation (+0.5%) and F/X (-0.1%) lead to total revenue growth of 3.9%.
- **Operating profit strong at EUR 3.7bn**
  Group operating profit 5% above run-rate for FY outlook mid-point. Good performance across all segments.
- **Shareholders' core net income at EUR 2.2bn**
  Higher operating profit (∆ EUR +0.7bn) and better non-operating result (∆ EUR +1.1bn). Non-operating profit result impacted by an onerous contract provision of EUR 0.2bn for the expected disposal loss from the sale of our Lebanon business operations. Non-operating profit in the prior year was impacted by a provision of EUR 1.9bn for the AllianzGI U.S. Structured Alpha matter.
- **EUR 1bn SBB announced 2022 / finished 2023**
  A total of 4.7mn shares were acquired representing 1.2% of outstanding capital. Number of shares issued at 403.3mn and number of shares outstanding at 398.4mn.
- **P/C – very good performance**
  Operating profit at EUR 1.9bn, up 23% driven by strong insurance service result partly offset by slightly lower investment and 'other' result. CR down -1.9%-p due to benign NatCat which is partially compensated by lower run-off result. Internal growth accelerates to 11%.
- **L/H – strong operating profit**
  CSM release of EUR 1.2bn in line with expectations. Strong contribution from operating investment result. Normalized CSM growth good at 1.1%. NBM excellent at 5.5%. VNB broadly stable at EUR 1.0bn (-2.4%).
- **AM – EUR 15bn 3rd party net inflows**
  EUR 723mn operating profit at 24% of FY outlook midpoint, down 13% driven by lower business volume. CIR at 62%.
- **Corporate & Other**
  Operating loss (EUR -176mn) in line with expectations. Operating loss narrows by EUR 25mn.

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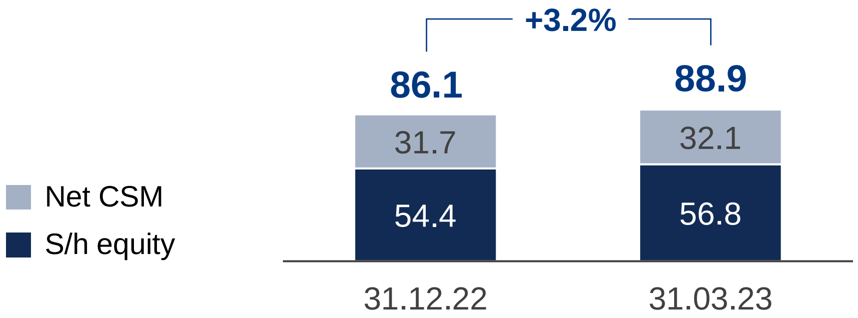
Group: strong capitalization

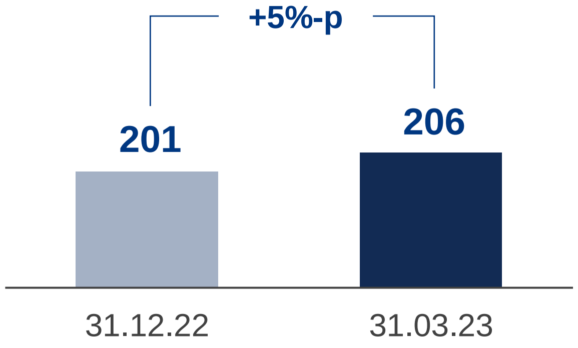
Comprehensive s/h capital
(EUR bn)



S/h equity – key sensitivities[2]

Equity markets	-30%	-4%
Interest rate SII non-parallel	+50bps	-2%
	-50bps	+2%
Credit spread +50bps	on gov. bonds	-1%
	on non-gov. bonds	-2%

SII capitalization[1]
(%)



SII capitalization – key sensitivities

Equity markets[3]	+30%	+11%-p
	-30%	-13%-p
Interest rate SII non-parallel	+50bps	+1%-p
	-50bps	-3%-p
Credit spread +50bps	on gov. bonds	-5%-p
	on non-gov. bonds	0%-p

1) Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio amounted to 230% as of 31.12.22 and 232% as of 31.03.23

2) Disclosed EQ sensitivities are estimates
3) For SII ratio, If stress applied to traded equities only, sensitivities would be +4%-p/-1%-p for a +/-30% stress

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Group: strong capitalization

Comments

- **Comprehensive shareholders' capital**
  In 1Q 2023, shareholders' equity increases by EUR 2.4bn. Drivers:
  + EUR 2.0bn shareholders' net income
  + EUR 1.1bn net OCI and F/X
  – EUR 0.7bn remaining impact of share buy-back announced in November 2022.

  Net CSM slightly up, following good normalized CSM growth.
- **SII sensitivities**
  Sensitivities nearly unchanged. In a combined stress scenario, we estimate an additional impact due to cross effects of ~-4%-p compared to the sum of the individual sensitivities.
- **SII ratio**
  increase by 5%-p from 201% to 206%. Main drivers:
  + 7%-p organic capital generation (+2%-p after tax and dividend accrual)
  + 4%-p market impact
  – 3%-p capital management and management actions, driven by dividend accrual
  – 4%-p tax / other.
- **Transitionals**
  Including transitionals, the Group SII ratio stands at 232%. Our general capital steering will continue to focus on the SII ratio excluding the application of transitional measures for technical provisions.

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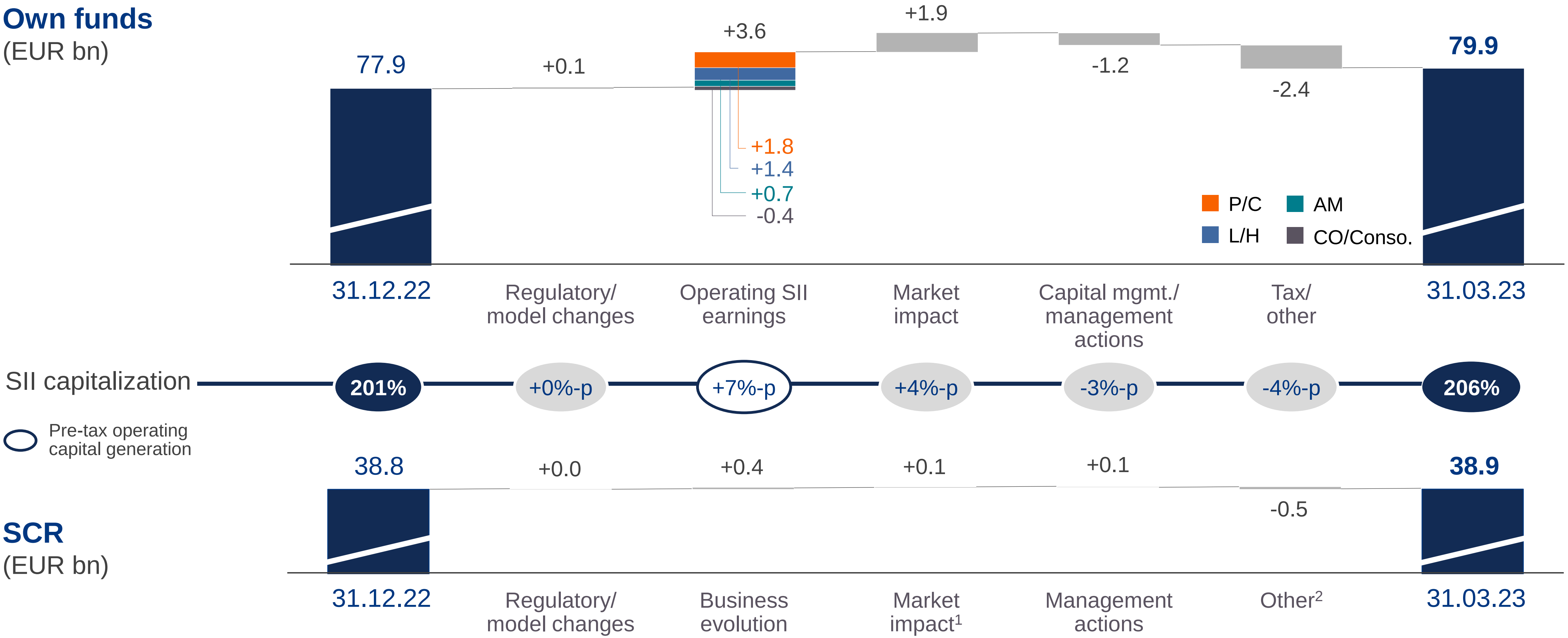
Group: 7%-p capital generation



1) Including cross effects and policyholder participation
2) Other effects on SCR include diversification effects

Group: 7%-p capital generation

Comments

- **7%-p SII capital generation pre-tax/dividend**
  Capital generation after tax and dividend +2%-p. Very good level given growth-related capital requirements for P/C business.
- **Operating SII earnings**
  Strong at EUR +3.6bn. Earnings are close to IFRS results.
- **Market impact**
  +4%-p impact (+3%-p after tax): Dampening impact from decreasing interest rates is more than compensated by favorable equity markets, tightening of sovereign credit spreads and lower interest rate volatility.
- **Capital management/management actions**
  -3%-p impact, driven by dividend accrual and the acquisition of Innovation Group.
- **Tax/other**
  -4%-p impact mainly driven by taxes.
- **Expected impacts FY 2023**
  We continue to anticipate an operating capital generation net of tax and dividend of 8%-p to 10%-p in 2023. The announced share buy-back of EUR 1.5bn will reduce the SII ratio by ~4%-p.

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P/C: double-digit internal growth

(EUR mn)

		Total Business Volume			Rate change on renewals	
		1Q 23	Total growth Δ p.y.	Internal growth Δ p.y.	**3M 23**	12M 22
	Total P/C segment	**24,108**	**+11.2%**	**+11.1%**	**+5.6%**	**+4.9%**
Selected OEs	Germany	5,134	+6.0%	+5.8%	+5.8%	+3.5%
	France	1,510	+3.5%	+3.5%	+8.1%	+6.2%
	Switzerland	1,236	+3.4%	-0.9%	+0.9%	+2.0%
	Central and Eastern Europe	1,228	+6.5%	+6.6%	n.a.	n.a.
	United Kingdom	1,184	-0.8%	+4.7%	+15.4%	+6.1%
	Italy	1,073	+5.5%	+5.5%	+4.7%	+2.0%
	Australia	997	+12.4%	+13.9%	+9.8%	+9.9%
	Spain	804	+1.6%	+1.6%	+7.8%	+6.7%
	Latin America	662	+19.0%	+27.7%	n.a.	n.a.
Global lines	Allianz Partners	2,867	+16.9%	+15.1%	+6.5%	+6.5%
	AGCS[1]	2,514	+24.0%	+21.8%	+2.3%	+6.0%
	Allianz Trade	1,083	+11.2%	+11.0%	-2.6%	-3.5%

1) Excluding fronting & captives

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P/C: double-digit internal growth

Comments

- **Strong internal growth of 11.1%**
  Price (+5.6%), volume (+5.0%) and service fees (+0.5%) contribute to internal growth. Consolidations (+0.9%, mainly European Reliance in Greece and Aetna in Thailand) and F/X (-0.9%) lead to total growth of +11.2%. Total growth in retail (incl. SME & fleet) at 9.2% and in commercial at 20.2%.
  Rate change on renewals at 5.6% with continuous positive momentum (FY 2022: +4.9%).
- **Germany – price and volume contribute**
  Good growth across all lines of business, particularly in motor and property.
- **France – positive price effect main driver**
  Higher top-line equally driven by retail and commercial.
- **Switzerland – price more than offset by lower volume**
  Lower volume in motor partially compensated by growth in SMC and MidCorp.
- **CEE – Austria and Hungary main contributors**
- **UK – positive price effect**
  Internal growth supported by rate increases in motor retail.
- **Italy – positive price and volume effects**
  Top-line mainly driven by non-motor retail and MidCorp.
- **Australia – driven by price and volume**
  Strong growth in retail and commercial driven by rate increases.
- **LatAm – growth mainly driven by rate increases in Brazil**
- **Spain – positive price effect partially offset by volume**
  Price increases across all segments due to high inflation.
- **Allianz Partners – price and volume positive**
  Good growth in travel as well as international health, also due to successful integration of the Aetna portfolio.
- **AGCS[1] – price and volume drive growth**
  Strong new business, high customer retention and positive rate environment with ART, MidCorp and Property as main growth drivers.
- **Allianz Trade – positive volume effect**
  Driven by higher trade volumes (partly due to inflation) and good customer retention.

1) Excluding fronting & captives

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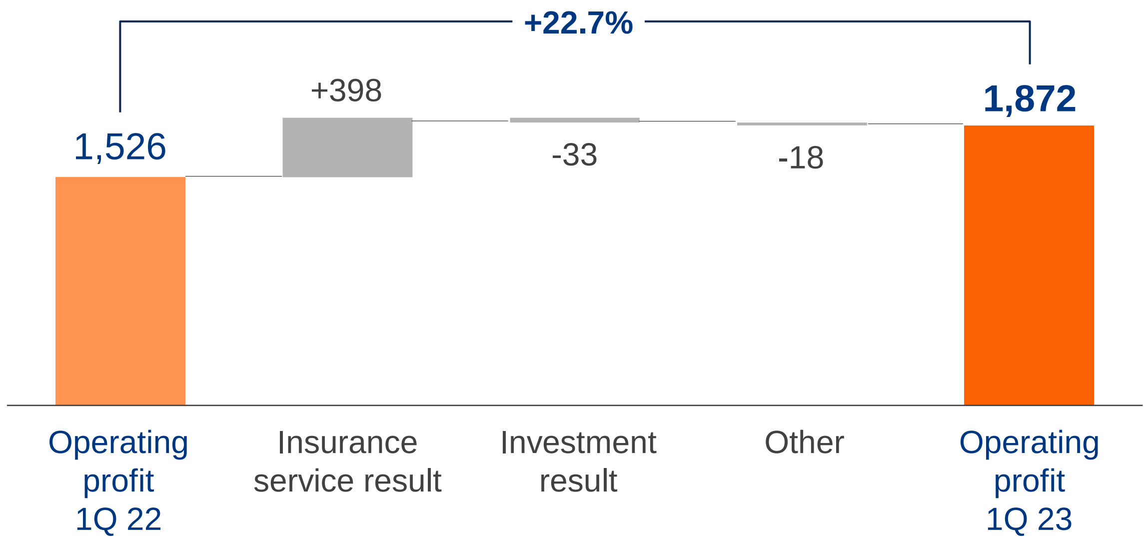
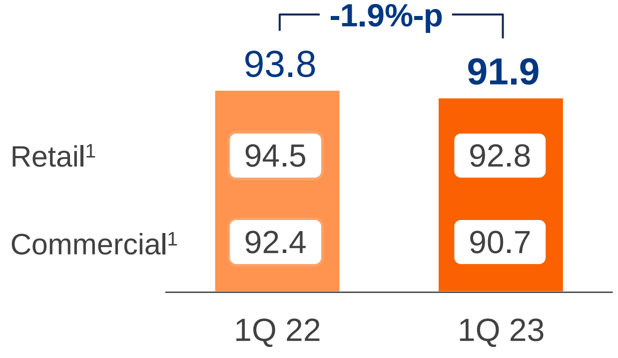
P/C: operating profit strong at EUR 1.9bn

Operating profit drivers
(EUR mn)



1Q 23	**1,336**	**532**	**4**
1Q 22	939	565	22

Combined ratio
(in %)



	1Q 22	1Q 23
Loss ratio[2]	68.4%	**67.0%**
t/o NatCat impact	4.8%	0.7%
t/o run-off ratio	-5.0%	-2.0%
Expense ratio	25.4%	**24.9%**
Revenue basis		
Insurance revenues (EUR bn)	15.1	**16.4**

1) Retail including SME and Fleet; Commercial including large Corporate, MidCorp, credit insurance, internal and 3rd party R/I
2) Reinsurance ratio: 2.8% in 1Q 22, 4.6% in 1Q 23. Higher ratio driven by benign NatCat environment (lower level of ceded claims)

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P/C: operating profit strong at EUR 1.9bn

Comments

- **Operating profit at 27% of target mid-point**
  OP up 23% driven by strong insurance service result, partly offset by slightly lower investment and 'other' results. CR improves -1.9%-p. Benign NatCat and better attritional LR partially compensated by worsening of run-off result. Loss component and risk adjustment broadly stable.
- **AY LR ex. NatCat (attritional LR)**
  Attritional LR improves -0.4%-p to 68.3% driven by higher discounting effect (∆ -2.5%-p). Undiscounted attritional LR at 71.6%, up +2.2%-p versus 1Q 2022 mainly due to inflation, but fully in-line with FY 2022 level (71.5%). Large and weather-related losses remain stable.
- **NatCat – below normal level**
  NatCat impact at EUR 117mn/0.7%, entirely driven by earthquake in Türkiye and Syria, thereby significantly below prior year and normalized expectation of ~2.5%.
- **Run-off down 3.0%-p**
  Prior year impacted by high COVID-19 related reserve releases. Run-off in 1Q 2023 includes -0.8%-p from release of risk adjustment.
- **Expense ratio improves by 0.5%-p**
  Strong top-line growth above cost inflation and continuous productivity enhancements.
- **Combined ratio by customer segment**
  CR in retail (incl. SME and fleet) down ∆ -1.7%-p from low NatCat and discounting while CR in commercial improves to 90.7% (∆ -1.7%-p) due to excellent CR in MidCorp (86.6%).
- **Combined ratio details**

P/C segment	**1Q 2022**	**1Q 2023**	**∆**
Attritional LR	68.6%	68.3%	-0.4%-p
t/o discounting impact	*-0.9%*	*-3.4%*	*-2.5%-p*
NatCat impact	4.8%	0.7%	-4.1%-p
Run-off ratio	-5.0%	-2.0%	+3.0%-p
Expense ratio	25.4%	24.9%	-0.5%-p
Combined ratio	**93.8%**	**91.9%**	**-1.9%-p**

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P/C: excellent performance

(EUR mn)

		Operating profit		Combined ratio		Net NatCat impact	
		1Q 23	Δ p.y.	1Q 23	Δ p.y.	1Q 23	Δ p.y.
	Total P/C segment	**1,872**	**+22.7%**	**91.9%**	**-1.9%-p**	**0.7%-p**	**-4.1%-p**
Selected OEs	Germany	447	+39.6%	87.3%	-5.7%-p	0.0%-p	-9.3%-p
	France	151	+1.4%	90.7%	-2.2%-p	0.0%-p	-2.3%-p
	Switzerland	82	-0.0%	87.8%	-0.9%-p	0.0%-p	0.0%-p
	Central and Eastern Europe	135	-0.2%	89.8%	+2.1%-p	0.0%-p	-0.4%-p
	United Kingdom	65	+16.3%	96.4%	-0.5%-p	0.0%-p	-3.2%-p
	Italy	166	+19.7%	86.8%	-2.5%-p	0.0%-p	0.0%-p
	Australia	54	n.m.[1]	96.7%	-5.5%-p	0.0%-p	-17.9%-p
	Spain	45	+3.5%	94.4%	-0.2%-p	0.0%-p	0.0%-p
	Latin America	59	n.m.[1]	99.8%	-4.7%-p	0.0%-p	0.0%-p
Global lines	Allianz Partners	82	+45.3%	95.8%	-0.6%-p	0.0%-p	0.0%-p
	AGCS[2]	202	+10.9%	93.2%	+0.3%-p	1.7%-p	-1.5%-p
	Allianz Trade	155	-1.9%	80.8%	+2.2%-p	-	-

1) In 1Q 22 OP for Australia was at EUR -17mn (Δ +71mn). OP for Latin America was at EUR -3mn (Δ +62mn).
2) Excluding fronting & captives

P/C: excellent performance

Comments

- **Germany – very strong profitability**
  CR improves due to lower NatCat, partly compensated by higher attritional LR and less favorable run-off result.
- **France – stable operating profit**
  Better insurance service result from benign NatCat, compensated by lower investment result.
- **CEE – OP and CR remain on very good level**
  CR worsens driven by Hungary (extra-profit tax) as well as high inflation across the region.
- **UK – solid performance in a difficult environment**
- **Italy – excellent performance**
  CR improves driven by better LR and ER.
- **Australia – prior year impacted by severe NatCat**
  Lower NatCat impact overcompensates worsening of run-off result, higher large losses and ER.
- **Spain – stable results**
  Better run-off result, partly offset by ER. Market environment in motor remains challenging due to inflation.
- **LatAm – significantly improved**
  Recovery of Brazilian motor business following decisive remediation actions.
- **Allianz Partners – strong improvement of OP**
  Operating profit driven by good growth and improved margin.
- **AGCS[1] – double digit OP growth**
  Strong top-line growth at stable CR.
  CR incl. fronting & captives improves Δ -0.2%-p to 95.4%.
- **Allianz Trade – continuous strong profitability**
  Higher ER from positive one-off in 1Q 2022 partly offset by better LR.
  Prior year included EUR 0.1bn IBNR for Russia/Ukraine.

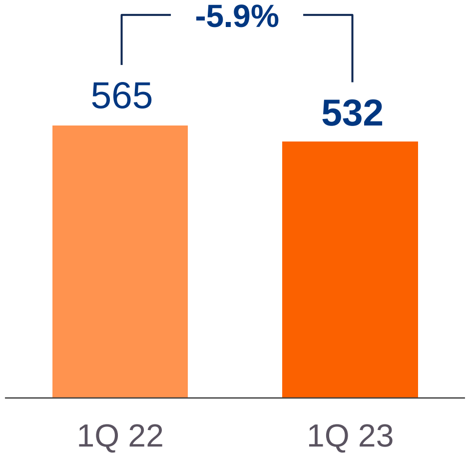
1) CR excl. fronting & captives provides a better reflection of AGCS' underlying business performance. OP identical under both views

Allianz

P/C: investment result slightly lower

Operating investment result

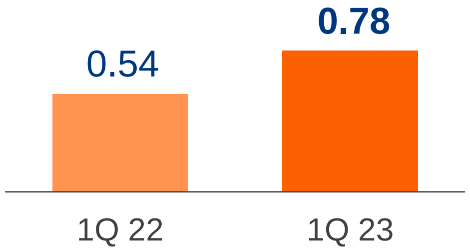
(EUR mn)



Interest & similar income[1]	806	**945**	+139
Interest accretion	-104	**-218**	-114
Valuation result & other[2]	-138	**-196**	-58

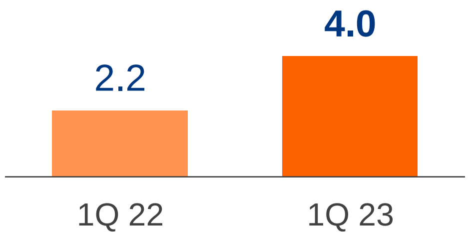
Current yield

(debt securities; in %)



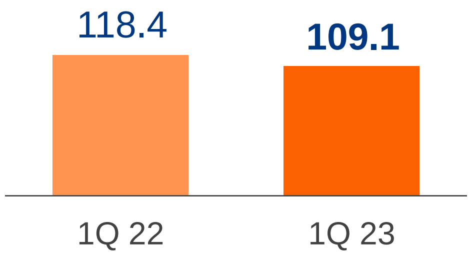
Economic reinvestment yield

(debt securities, in %)



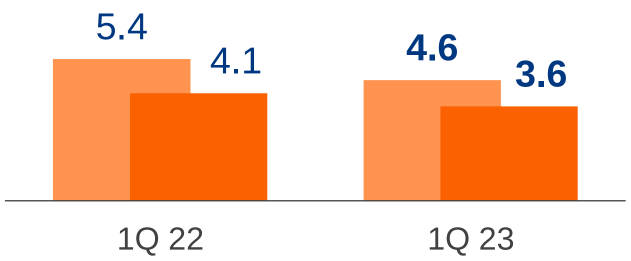
Total average asset base[3]

(EUR bn)



Duration[4]

Assets
Liabilities



1) Net of interest expenses
2) Other comprises realized gains/losses, investment expenses, F/X gains/losses on insurance assets/liabilities and other
3) Asset base includes health business France
4) Solvency II duration

Allianz

P/C: investment result slightly lower

Comments

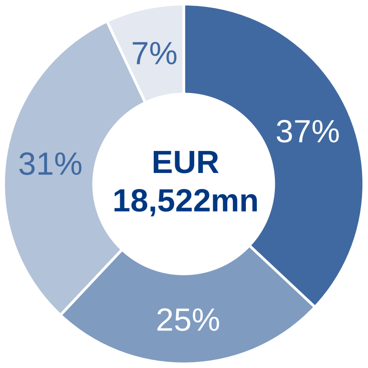
- **Interest & similar income**
  Driven by higher income from debt and cash from uplift in interest rates.
- **Interest accretion doubles**
  Unwind of discount for 2022 loss reserves increases sharply in comparison to previous years, due to jump in yields.
- **Valuation result and other**
  Valuation result and other in 1Q 2023 close to normalized expected quarterly result. Deterioration versus 1Q 2022 mainly driven by worsening of F/X result net of hedges due to appreciation of EUR versus USD in 1Q 2023.
- **Reinvestment yield**
  Economic reinvestment yield rises to 4.0% benefitting from changed yield environment.
- **Change in duration**
  Duration for assets and liabilities declines due to higher interest rates.

Allianz

L/H: value of new business at good level

(EUR mn)	PVNBP		New business margin		Value of new business	
	1Q 23	Δ p.y.	1Q 23	Δ p.y.	1Q 23	Δ p.y.
Total L/H segment	**18,522**	**-12.4%**	**5.5%**	**+0.6%-p**	**1,011**	**-2.4%**
USA	4,033	+20.0%	5.9%	-1.7%-p	238	-7.3%
Germany Life	3,700	-29.8%	5.6%	+0.7%-p	208	-19.7%
France	3,640	+0.6%	4.2%	+2.7%-p	154	+177.8%
Italy	2,848	-30.9%	3.9%	+1.1%-p	112	-3.6%
Asia-Pacific	1,546	-6.2%	7.2%	-0.6%-p	111	-12.9%
Germany Health	833	-30.8%	5.7%	-1.0%-p	48	-41.5%
Central & Eastern Europe	348	-11.6%	10.0%	+0.6%-p	35	-6.0%

PVNBP by LoB



	NBM
Capital-efficient products	5.6%
Unit-linked w/o guarantees	4.3%
Protection & health	6.2%
Guaranteed savings & annuities	5.7%

Allianz

L/H: value of new business at good level

Comments

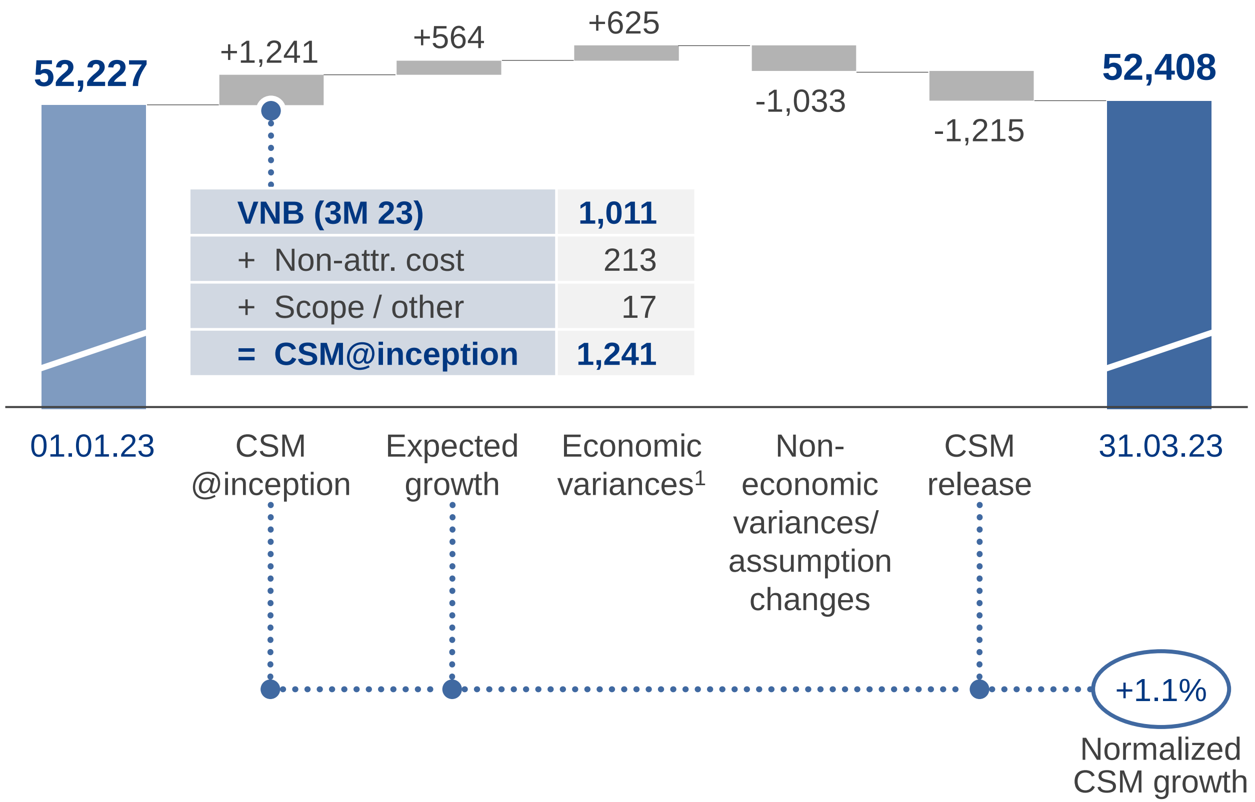
- **Value of new business at EUR 1bn**
  Impact from improved new business margin offset by lower new business volume.
- **PVNBP**
  Decline of EUR 2.6bn driven by economic impacts (EUR -1.4bn resp. -7%), mainly discounting impact from higher interest rates. In addition lower single-premium business in Italy (EUR -0.8bn) and Germany Life (EUR -0.6bn). New business from the USA grows by EUR 0.7bn. Share of preferred lines at 93%.
- **New business margin**
  Improvement due to better business mix and higher interest rates. All lines with strong margins. NBM 2023 expected to be >5%.
- **Economic reinvestment yield (debt securities) at 4.6%**Reinvestment yield up to 4.6% from 3.2% for 12M 2022.
- **USA – largest contributor to VNB**
  Sales increase supported by FIA sales promotion. NBM strong at 5.9% with expected internal rate of return at target.
- **Germany Life – share of preferred lines at 87%**
  Decline of PVNBP driven by economic impacts (EUR -0.7bn resp. -12%) and a decline of single premium business. Lower volume partially offset by better NBM.
- **France – significant improvement of NBM**
  Increase of VNB driven by improved NBM. NBM benefits from higher interest rates. Share of preferred lines at 97%.
- **Italy – market sentiment weighs on UL sales**
  UL sales down by EUR 0.9bn. Prior year level supported by one large renegotiated contract (EUR ~0.3bn) in GS&A business.
- **Asia Pacific – VNB at good level**
  Lower sales in China. NBM very good at 7.2%, decline driven by expense overruns in China and Taiwan.
- **Germany Health – adverse discounting impact**
  Decline of PVNBP driven by economic impacts (EUR -0.5bn resp. -38%).

Allianz

L/H: normalized CSM growth good at 1.1%

Contractual service margin

(EUR mn)



VNB (3M 23)	**1,011**
+ Non-attr. cost	213
+ Scope / other	17
= CSM@inception	**1,241**

CSM sensitivities[2]

Equity markets	+30%	+7%
	-30%	-7%
Interest rate	+50bps	-1%
	-50bps	+1%
Credit spread +50bps	on gov. bonds	-1%
	on non-gov. bonds	-1%

1) Including F/X
2) Disclosed CSM sensitivities are estimates

Allianz

L/H: normalized CSM growth good at 1.1%

Comments

- **CSM slightly up**
  Normalized CSM growth of EUR 0.6bn and economic variances (EUR 0.6bn) largely offset by non-economic variances/assumption changes (EUR -1.0bn), the latter mainly due to reclassification of investment business in Mexico from IFRS 17 to IFRS 9.
- **Normalized CSM growth good at 1.1%**
  Drivers are healthy levels of value of new business and expected in-force return. CSM release of EUR 1.2bn in line with expectations. Annualized normalized CSM growth at ~4%.
- **Expected in-force growth**
  In line with expectations.
- **Economic variances and assumption changes**
  Increase mainly due to favorable market movement (EUR +0.8bn), i.e. higher equity markets and lower risk-free rates. Adverse impact from F/X (EUR -0.2bn).
- **Non-economic variances / assumption changes**
  Decline driven by reclassification of investment business in Mexico from IFRS 17 to IFRS 9 (EUR -0.7bn) and model changes.
- **Duration of assets at 8.8 and 8.4 for liabilities**

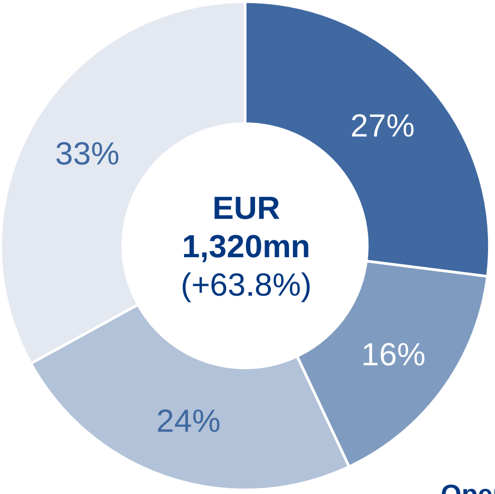
Allianz

L/H: operating profit strong at EUR 1.3bn

Operating profit
(EUR mn)

	1Q 22	1Q 23	Δ p.y.
CSM release	1,191	**1,215**	+24
Release of risk adjustment	135	129	-6
Variances from claims & expenses[1]	-78	-62	+16
Losses on onerous contracts	-58	18	+76
Non-attributable cost	-232	-250	-18
Operating investment result	-228	258	+486
Other operating	75	12	-63
Operating profit	806	**1,320**	+514

Operating profit by LoB
(EUR mn)



	Operating profit (EUR mn)
Capital-efficient products	363
Unit-linked w/o guarantees	208
Protection & health	313
Guaranteed savings & annuities	436

1) Including reinsurance result

Allianz

L/H: operating profit strong at EUR 1.3bn

Comments

- **Operating profit strong at EUR 1.3bn**
  CSM release stable and in line with expectations. Annualized CSM release ratio at 9%. Strong contribution from operating investment result. All other profit sources broadly in line with expectations.
- **Limited comparability with previous year´s figures**
  In the prior year adverse impact from accounting mismatch in the U.S. reflected in operating investment result. Impact expected to be significantly reduced in 2023 when hedging strategy is aligned with IFRS 17 accounting.
- **Variances from claims & expenses**
  Driven by release of ceded CSM and risk adjustment.
- **Losses on onerous contracts**
  Driven by reversal of prior-year loss component in Taiwan. Prior-year result impacted by group health business in France and increased “expected credit losses” in Russia.
- **Non-attributable costs**
  Non-attributable costs offset by corresponding CSM release.
- **Operating investment result at good level**
  Strong contribution from Germany Life, CEE, USA and Asia. Prior-year result impacted by accounting mismatch USA and “expected credit losses” in Russia.

Allianz

L/H: good results across operating entities

(EUR mn)	CSM			Operating profit		
	1Q 23	Δ QTD	Δ QTD normalized[1]	1Q 23	Δ p.y.	t/o CSM release
Total L/H segment	**52,408**	**+0.3%**	**+1.1%**	**1,320**	**+63.8%**	**1,215**
USA	11,653	-3.6%	+0.9%	315	n.m.	304
Germany Life	17,334	+5.9%	+1.3%	252	-10.4%	273
France	4,870	-0.0%	+2.3%	183	+13.3%	182
Italy	2,985	+3.1%	+1.1%	142	-0.2%	100
Asia-Pacific	4,322	+3.9%	+1.5%	154	+13.6%	136
Germany Health	5,764	-0.1%	+1.2%	44	-14.3%	57
Central & Eastern Europe	1,682	+1.0%	+0.7%	105	+37.6%	64

1) Normalized CSM growth rate with CSM of new business, expected growth minus CSM release

Allianz

L/H: good results across operating entities

Comments

CSM

- **USA**
  Normalized CSM growth with EUR 0.1bn resp. 0.9% at solid level. Adverse impact from non-economic variances and assumption changes (EUR -0.3bn) and F/X (EUR -0.2bn).
- **Germany Life**
  Support from good normalized CSM growth of EUR 0.2bn resp. 1.3%. Positive impact from economic variances, mainly due to lower interest rates.
- **Italy**
  Good normalized CSM growth of 1.1%. Positive impact from economic variances, mainly due to higher equity markets.
- **France**
  Normalized CSM growth of 2.3% driven by group health business. Adverse impact from model changes.
- **Asia-Pacific**
  Strong normalized CSM growth of 1.5% and positive impact from model changes.

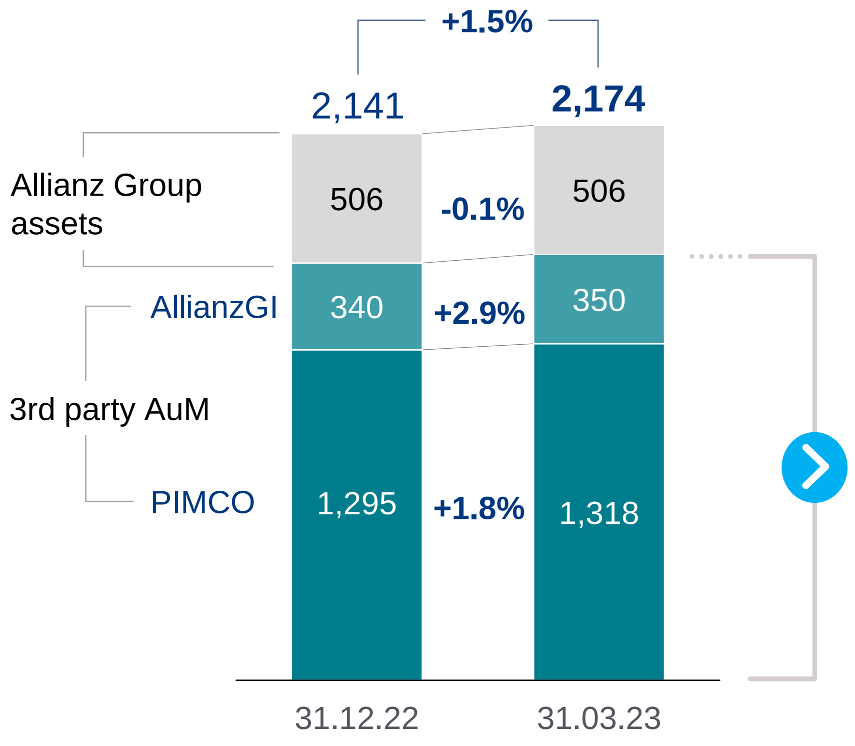
Operating profit

- **Germany Life and Germany Health**
  Profitability at good level.
- **USA – strong profitability**
  Prior-year result from Allianz Life USA impacted by accounting mismatch. Volatility of impact from hedging to be reduced significantly in 2023 when hedging strategy is aligned with IFRS 17 accounting.
- **France – double-digit profit growth**
  Profit growth driven by better claims experience and negative loss component in the prior year.
- **Italy – good profitability**
  Difference between operating profit and CSM release driven by investment contracts.
- **CEE – loss component Russia**
  Difference between operating profit and CSM release driven by operating investment result. Prior-year result impacted by increased “expected credit losses” in Russia.

Allianz

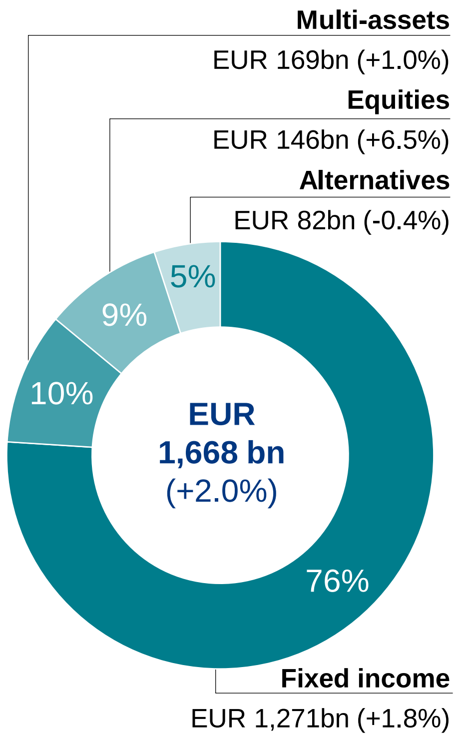
AM: EUR 2.2tn total AuM

Total assets under management
(EUR bn)

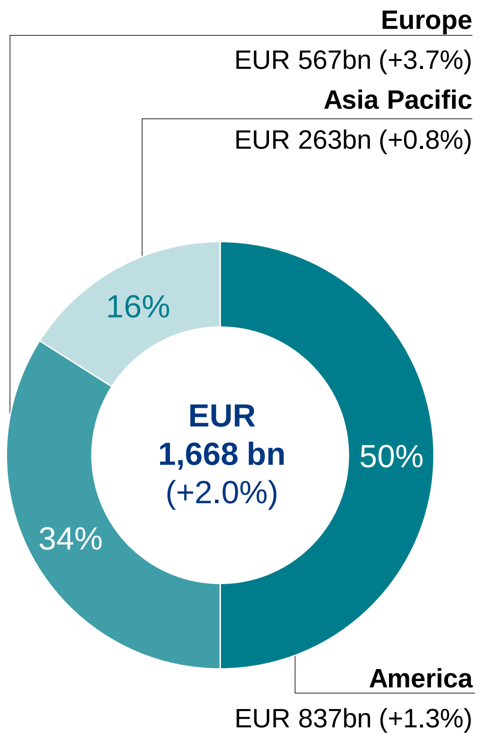


3rd party AuM split
(EUR bn)

Asset classes



Regions



Allianz

AM: EUR 2.2tn total AuM

Comments

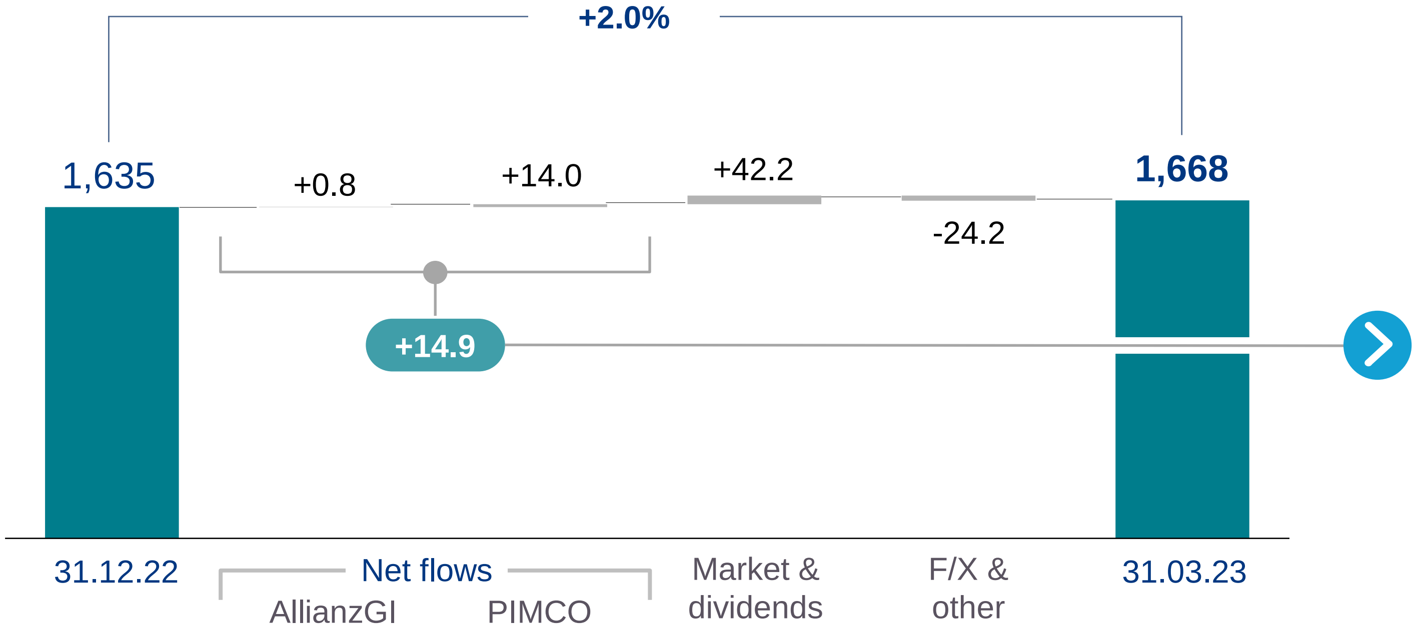
- **Total AuM up 1.5%**
  Total AuM increase versus end of 2022 mainly due to market effects, but also due to net inflows.
- **Business highlights**
  Investment performance: 87% of 3rd party AuM outperform benchmarks on a trailing 3-year basis before fees.

Allianz

AM: 3rd party AuM up 2% to EUR 1.7tn

3rd party assets under management development

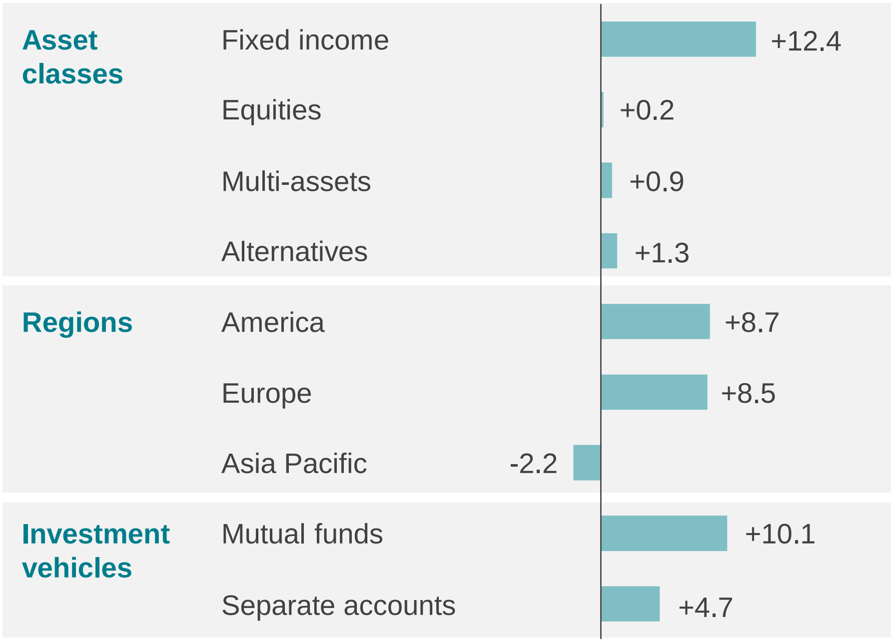
(EUR bn)



in %	+0.1%	+0.9%	+2.6%	-1.5%

3rd party net flow split

(EUR bn)



Allianz

AM: 3rd party AuM up 2% to EUR 1.7tn

Comments

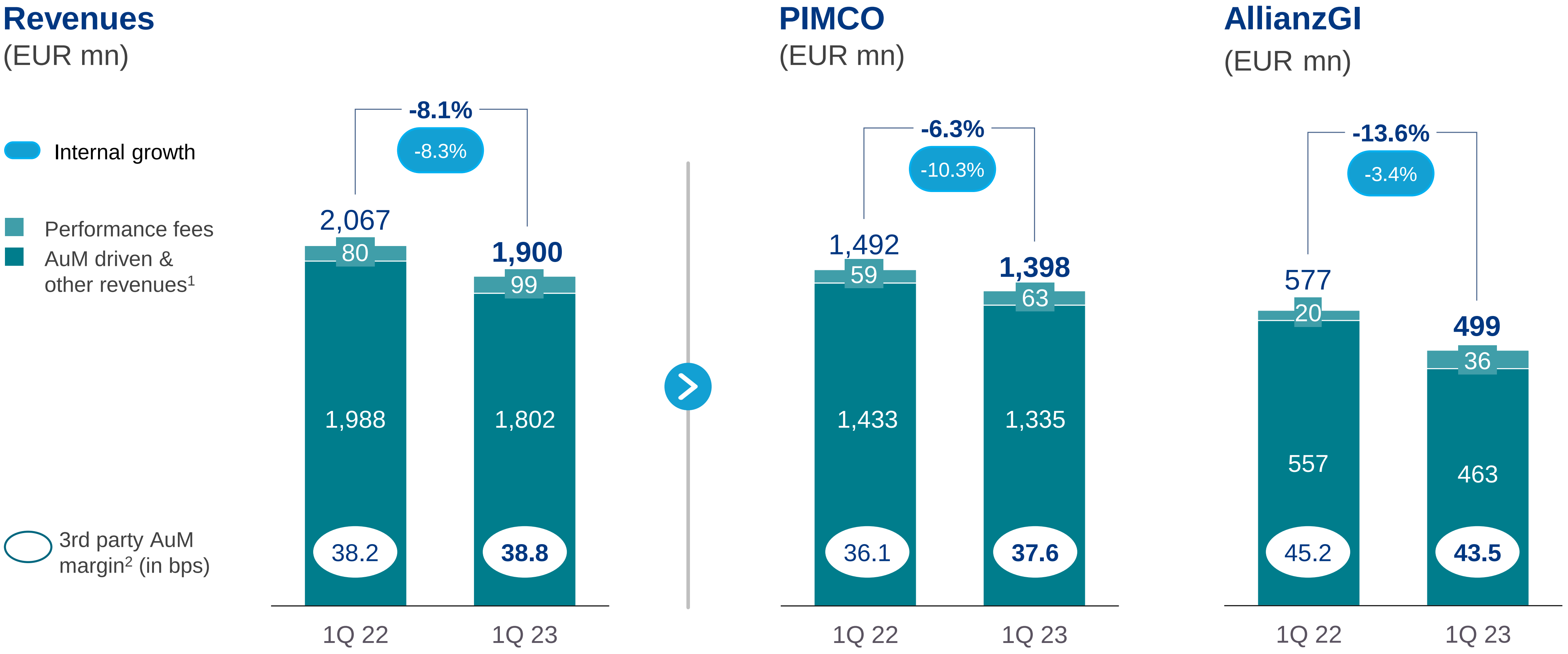
- **3rd party AuM at EUR 1.7tn**
  3rd party AuM increase versus end of 2022 due to market effects and 3rd party net inflows. Increase mitigated by unfavorable F/X impact.

  Average 3rd party AuM at EUR 1,670bn in 1Q 2023, 13% below corresponding level in 1Q 2022 and 8% below average FY 2022 level.

- **3rd party net flows PIMCO: EUR +14bn**
  3rd party net inflows driven by fixed income business especially in Europe and America.

- **3rd party net flows AllianzGI: EUR +1bn**
  3rd party net inflows driven by multi-assets. Continuous success of Income & Growth strategy.

AM: lower average AuM impact revenues



1) Thereof other revenues: AM: 1Q 22: EUR -9mn; 1Q 23: EUR +25mn; PIMCO: 1Q 22: EUR -1mn; 1Q 23: EUR +0mn; AllianzGI: 1Q 22: EUR -5mn; 1Q 23: EUR +21mn
2) Excluding performance fees and other income

AM: lower average AuM impact revenues

Comments

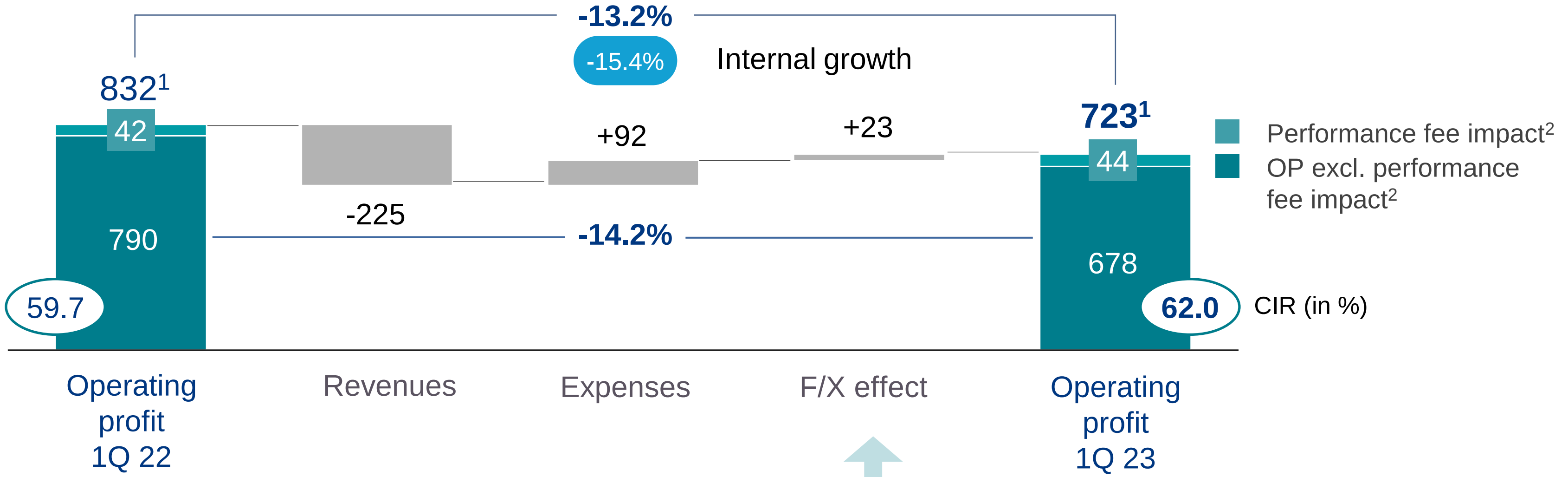
- **Segment revenues – down 8%**
  Revenues decrease by 8% due to lower average 3rd party AuM (Δ -13%), partially compensated by higher fee margin (Δ +0.6bps).

- **Segment margin – up 0.6bps**
  Margin at 38.8bps after 38.2bps in 1Q 2022 driven by PIMCO.
- **PIMCO margin – up 1.4bps**
  Increase driven by lower distribution expenses and lower CEF launch costs.
- **AllianzGI margin – down 1.7bps**
  Decrease mainly due to Voya-related effects.

Allianz

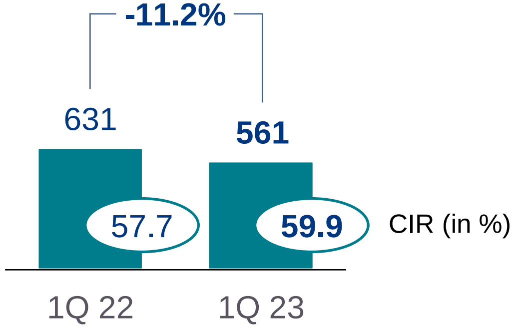
AM: operating profit at EUR 723mn

Operating profit drivers
(EUR mn)

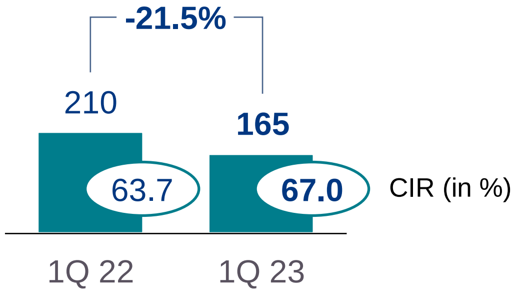


F/X impact	+58	-35
1Q 23	**1,900**	**-1,178**
1Q 22	2,067	-1,235

PIMCO
(EUR mn)



AllianzGI
(EUR mn)



1) Including operating result from other entities of EUR -9mn in 1Q 22 and EUR -3mn in 1Q 23
2) Performance fees of PIMCO and AllianzGI (excl. Allianz Capital Partners), net of 30% variable compensation

Allianz

AM: operating profit at EUR 723mn

Comments

- **Segment – OP at EUR 723mn**
  Resilient performance in a challenging market environment. OP at 24% of FY outlook midpoint. Lower AuM driven revenues, following lower average AuM, are partially compensated by lower expenses and slightly higher performance fees.

  CIR up 2.2%-p to 62.0%.

- **PIMCO – OP at 561mn**
  EUR 561mn OP, down 11% mainly due to lower AuM driven revenues, partially compensated by lower variable compensation.

  CIR up 2.2%-p to 59.9%: Impact from lower revenues (Δ -6.3%) mitigated by lower expenses (Δ -2.7%).

- **AllianzGI – OP at EUR 165mn**
  OP at EUR 165mn. Reduction of 22% mainly due to lower AuM driven revenues. Decrease mitigated by expense discipline.

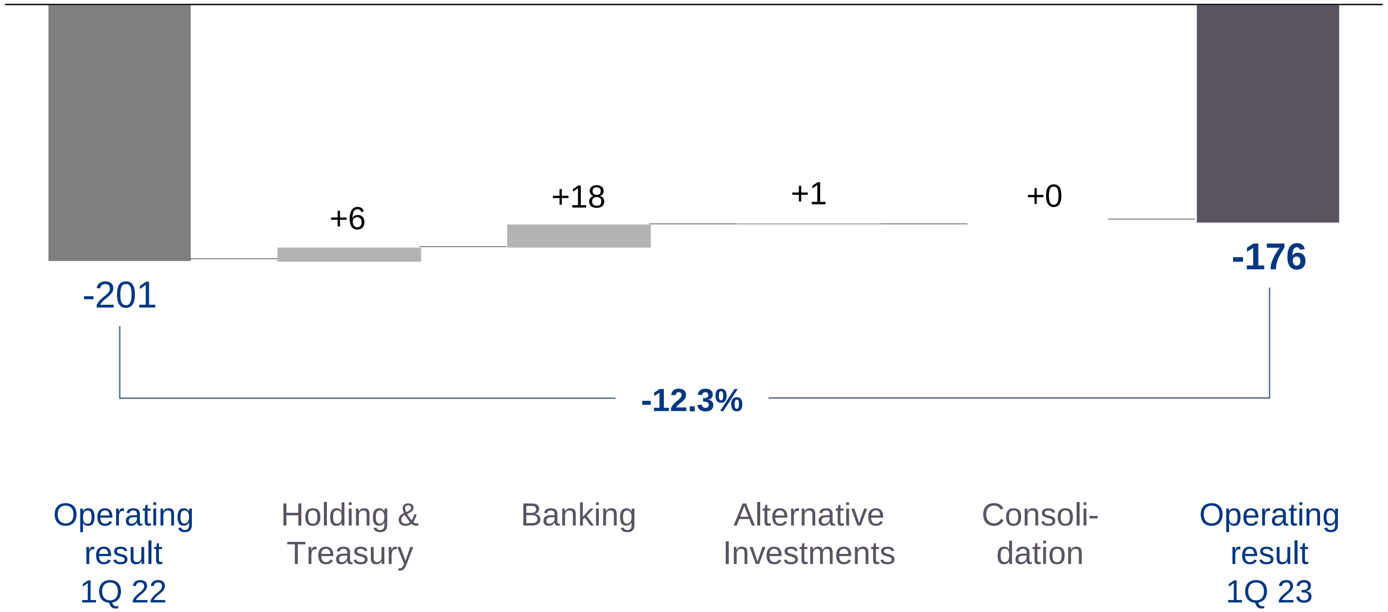
  CIR up 3.3%-p to 67.0%: Impact from lower revenues (Δ -13.6%) dampened by lower expenses (Δ -9.0%).

Allianz

CO: in line with expectations

Operating result development and components

(EUR mn)



1Q 23	**-218**	**34**	**7**	**0**
1Q 22	-224	17	6	0

CO: in line with expectations

Comments

- **Operating loss improves by EUR 25mn**
  Operating loss narrows mainly due to better result of Banking Italy (Δ EUR +14mn).

Allianz

Group: s/h core net income at EUR 2.2bn

(EUR mn)	1Q 22	1Q 23	Δ p.y.
Operating profit	3,004	3,731	+726
Non-operating items	**-1,954**	**-816**	**+1,139**
Realized gains/losses (net)	341	-26	-366
Expected credit loss and impairments (net)	-156	-180	-24
Result from assets and liabilities measured at fair value incl. derivatives	48	-195	-243
Interest expenses from external debt	-132	-142	-10
Restructuring and integration expenses	-263	-48	+215
Amortization of intangible assets	-76	-75	+1
Other[1]	-1,716	-150	+1,566
Income before taxes	**1,050**	**2,915**	**+1,865**
Income taxes	-465	-755	-290
Net income	**585**	**2,160**	**+1,575**
Non-controlling interests	-111	-128	-17
Shareholders' net income	**474**	**2,032**	**+1,558**
Adjustments for non-operating market movements and PGAAP[2]	-57	141	+197
Shareholders' core net income	**417**	**2,173**	**+1,755**
Effective tax rate	44%	26%	-18%-p
Core earnings per share (in EUR)	1.02	5.43	+4.41

1) Includes hyperinflation result
2) After tax and minorities

Allianz

Group: s/h core net income at EUR 2.2bn

Comments

- **S/h core net income up EUR 1.8bn to EUR 2.2bn**
  Increase driven by operating profit (Δ EUR +0.7bn) and non-operating result (Δ EUR +1.1bn).
  Prior-year non-operating result includes a provision of EUR 1.9bn for the AllianzGI U.S. Structured Alpha matter.
- **Harvesting result down by EUR 0.4bn**
  Lower realized gains on fixed income and realized gains from consolidated entity in the prior year. Impairments impacted by an onerous contract provision of EUR 0.2bn for the expected disposal loss from the sale of our Lebanon business operations (no material impact on cash and no impact on SII).
- **Result from assets and liabilities measured at FV**
  Driven by fair value through P&L assets. Prior-year result benefits from significant hedging gain. Line item also includes amortization of tax incentivized alternative investments with a run-rate of EUR -0.2bn – -0.3bn p.a.
- **Restructuring expenses**
  In the prior year significant restructuring charges across Germany, Italy and Allianz Technology.
- **Other**
  Adverse impact from hyperinflation accounting (EUR -0.1bn).
  Prior-year result includes a provision of EUR 1.9bn for the AllianzGI U.S. Structured Alpha matter.
- **Tax rate in line with expectations**
  Prior-year tax rate impacted by litigation and regional profit mix.
- **Introduction of shareholders´ core net income**
  Reflects underlying profitability by adjusting for non-operating market movements (included in line item “result from assets and liabilities measured at fair value incl. derivatives”) and purchase GAAP accounting excluding distribution agreements (included in line item “amortization of intangible assets”) after taxes and minorities.

Allianz

Summary – excellent start into 2023

Facts and figures 1Q 2023 (EUR)

46.0bn
Total business volume

3.7bn
Operating profit

14.2bn +/- 1bn
OP outlook

2.2bn
Shareholders' core net income

206%
Solvency II ratio

1.5bn
Share buy-back announced

Content/topics

Glossary (1)

AGCS	Allianz Global Corporate & Specialty
AllianzGI	Allianz Global Investors
AM	(The Allianz business segment) Asset Management
APR	Accident insurance with premium refund (“Unfallversicherung mit Beitragsrückzahlung”): Special form of accident insurance where the policyholder, in addition to insurance coverage for accidents, has a guaranteed claim to the refund of premiums, either at the agreed maturity date or in the event of death.
Attritional LR	Represents the loss ratio excluding claims from natural catastrophes (net) and the results of the prior year’s reserve development (net). Please refer to “LR” (loss ratio), “NatCat”.
AuM	Assets under management are assets or securities portfolios, valued at current market value, for which Allianz Asset Management companies provide discretionary investment management decisions and have the portfolio management responsibility. Assets under management include portfolios sub-managed by third-party investment firms. The portfolios are managed on behalf of third parties as well as on behalf of the Allianz Group. **Net flows:** 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. **Market & dividends:** Represents current income earned on and changes in fair value of securities held in client accounts. This also includes dividends from net investment income and from net realized capital gains to investors of open-ended mutual funds and closed-end funds.
AY LR	Accident year loss ratio: Represents the loss ratio excluding the results of the prior year’s reserve development (net). Please refer to “LR” (loss ratio).
AZ	Allianz
BBA	Building Block Approach, IFRS 17 measurement model also referred to as “General Measurement Model (GMM)” in the standard.
Bps	Basis points: 1 Basis point = 0.01%.
CEAG	Capital-efficient alternative guarantee [products]. Please refer to “L/H lines of business”.
CEE	Central and Eastern Europe

Glossary (2)

CIR	Cost-income ratio: Operating expenses divided by operating revenues.
CO	(The Allianz business segment) Corporate and Other
Comprehensive shareholders' capital	Shareholders' equity plus net-CSM.
Core EPS	Core earnings per share: Calculated by dividing the respective period's shareholders' core net income, adjusted for net financial charges related to undated subordinated bonds classified as shareholders' equity, by the weighted average number of shares outstanding (basic core EPS). To calculate diluted core earnings per share, the number of common shares outstanding and the core net income attributable to shareholders are adjusted to include the effects of potentially dilutive common shares that could still be exercised. Potentially dilutive common shares result from share-based compensation plans (diluted core EPS).
Core RoE	**Core return on equity – Group:** Represents the annualized ratio of shareholders' core net income to the average shareholders' equity at the beginning and at the end of the period. Shareholders' core net income 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 net OCI are excluded. **Core return on equity P/C OE:** Represents the annualized ratio of core net income to the average total equity excluding net OCI, deducting goodwill and deducting participations in affiliates not already consolidated in this OE, at the beginning and at the end of the period. **Core return on equity L/H OE**: Represents the annualized ratio of core net income to the average total equity excluding net OCI and deducting goodwill at the beginning and at the end of the period.
CR	Combined ratio: Represents the total of operating acquisition and administrative expenses including non-attributable acquisition and administrative expenses, claims and insurance benefits incurred, and the reinsurance result divided by insurance revenue.
CSM	Contractual service margin: Balance sheet liability, containing deferred discounted future profits of in-force long duration business. "Gross CSM" accounts for (i) the present value of non-attributable costs, (ii) the part of the CSM ceded to third-party reinsurers, (iii) tax and (iv) non-controlling interests. "Net CSM" is an adjusted CSM which reduces the Gross CSM by respective items (i), (ii), (iii) and (iv).
Current yield	Represents interest and similar income divided by average asset base at book value.

Glossary (3)

dNPS	Digital net promoter score: A measurement of customers' willingness to recommend Allianz.
ECL	Expected credit loss
Economic reinvestment yield	Reflects the reinvestment yield, including F/X hedging costs on non-domestic hard-currency F/X bonds as well as expected F/X losses on non-domestic emerging-market bonds in local currencies. The yield is presented on an annual basis.
EIOPA	European Insurance and Occupational Pensions Authority.
ER	Expense ratio: Represents operating acquisition and administrative expenses including non-attributable acquisition and administrative expenses divided by insurance revenue. All income and expenses related to reinsurance contracts held are part of the reinsurance result which is part of the loss ratio.
Expected in-force return	Unwind from discount plus normalized investment over-returns from in-force book above valuation rate.
F/X	Foreign exchange rate
FIA	Fixed index annuity: Annuity contract under which the policyholder can elect to be credited based on movements in equity or in bond market indices, with the principal remaining protected.
FV	Fair value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
FVTOCI	Fair value through other comprehensive income – change in fair value shown in OCI.
FVTPL	Fair value through P&L – change in fair value shown in P&L.
Goodwill	Difference between the cost of acquisition and the fair value of the net assets acquired.
Government bonds	Government bonds include government and government agency bonds.
Gross/net	In insurance terminology the terms "gross" and "net" mean before and after consideration of reinsurance ceded, respectively. In investment terminology the term "net" is used where the relevant expenses have already been deducted.
GS&A	Guaranteed savings & annuities [products]. Please refer to "L/H lines of business".
Held for sale	A non-current asset is classified as held for sale if its carrying amount will principally be recovered through a sale transaction rather than continued use. On the date a non-current asset meets the criteria for being considered as held for sale, it is measured at the lower of its carrying amount and its fair value less costs to sell.

Glossary (4)

IFRS	International Financial Reporting Standards: As of 2002, the term IFRS refers to the total set of standards adopted by the International Accounting Standards Board. Standards approved before 2002 continue to be referred to as International Accounting Standards (IAS).
IMIX	Our Inclusive Meritocracy Index (IMIX) measures the progress of the organization on its way towards inclusive meritocracy. This internal index is based on ten items from the Allianz Engagement Survey (AES) which deal with leadership, performance, and corporate culture.
Insurance revenue	The amount charged for insurance coverage and other services when it is earned.
Insurance service result	Presents in profit or loss insurance revenue, insurance service expenses including incurred claims and other incurred insurance service expenses as well as the reinsurance service result. The following components are also included by Allianz in the operating insurance service result: 1) Non-attributable acquisition, administrative and claims expenses of our operating entities; 2) Adjustments for claims and expense variances where our operating entities share the technical results with the policyholders (only for insurance contracts under the variable fee approach); 3) Restructuring expenses that are shared with the policyholder.
Internal growth	Total business volume performance excluding the effects of foreign-currency translation as well as of acquisitions and disposals.
JV	Joint venture
KPI	Key performance indicator
L/H	(The Allianz business segment) Life and Health insurance
L/H lines of business	**Guaranteed savings & annuities [products] (GS&A):** Life insurance products linked to life expectancy, offering life and / or death benefits in the form of single or multiple payments to beneficiaries and possibly including financial and non-financial guarantees. **Capital-efficient alternative guarantee [products] (CEAG):** Products that are based on the general account but involve a significantly lower market risk, either through comprehensive asset/liability management or through significant limitation of the guarantee. This also includes hybrid products which, in addition to conventional assets, invest in a separate account (unit-linked). Capital-efficient products offer a guaranteed surrender value at limited risk, due to, e.g. precise asset-liability management or market value adjustment. **Protection & health [products] (P&H):** Insurance products covering the risks associated with events that affect an individual’s physical or mental integrity. **Unit-linked [products] without guarantees:** With conventional unit-linked products, all benefits under the contract are directly linked to the value of a set of assets which are pooled in an internal or external fund and held in a separate account by the insurer. In this constellation, it is the policyholder rather than the insurer who bears the risk.

Glossary (5)

LatAm	Latin America: South America and Mexico
LIC	Liability for incurred claims
LoB	Line of business
LR	Loss ratio: Represents the total of claims and insurance benefits incurred and the reinsurance result divided by insurance revenue.
LRC	Liability for remaining coverage: Liability relating to coverage that will be provided to the policyholder for insured events that have not yet occurred.
LTC	Long-term care
NatCat	Accumulation of net claims impact that are all related to the same natural or weather/atmospheric event during a certain period and where the estimated gross loss for the Allianz Group exceeds EUR 20mn.
NBM	New-business margin: Performance indicator to measure the profitability of new business in the Life/Health business segment. It is calculated as the Value of New Business (VNB), divided by the present value of new business premiums (PVNBP), both based on the same assumptions to ensure a valid and meaningful indicator.
Net	Please refer to “Gross/net”
Non-controlling interests	Those parts of the equity of affiliates which are not owned by companies of the Allianz Group.
OCI	Other comprehensive income – component of equity, includes revenues, expenses, gains, and losses not shown in net income.
OE	Operating entity
Onerous contracts	Contracts for which the unavoidable costs of meeting the contractual obligation outweigh the expected benefits.

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Glossary (6)

OP	Operating profit: The portion of income before income taxes that is attributable to the ongoing core operations of the Allianz Group, which generally excludes the following non-operating effects: realized gains/losses (net), expected credit loss allowance, income from derivatives (net), interest expenses from external debt, impairments of investments (net), valuation result from investments and other assets and financial liabilities measured at fair value through profit and loss, 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 income and expenses from the application of hyperinflation accounting. For insurance products with policyholder participation, all items listed above are included in operating profit if the profit sources are shared with policyholders.
Operating SII earnings	Operating SII earnings represent the change in own funds, before tax and dividend accrual, that is attributable to the Allianz Group’s ongoing core operations. As such, operating SII earnings comprise: expected return from existing business, new business value, operating variances and changes in assumptions, and interest expense on external debt. Operating SII earnings exclude the following effects, which are disclosed separately in our analysis of own funds movements: regulatory / model changes, economic variances driven by changes in capital market parameters, including F/X rates, taxes, non-operating restructuring charges, capital management (e.g. issuance or redemption of subordinated debt, dividend accruals and payments, share buy-back programs), one-off impacts from, e.g., the acquisition and disposal of subsidiaries, changes in transferability restrictions, and the effects resulting from the application of tier limits.
Own funds	The capital eligible to cover the regulatory solvency capital requirement.
P/C	(The Allianz business segment) Property and Casualty [insurance]
P&H	Protection & health [products]. Please refer to “L/H lines of business”.
PAA	Premium Allocation Approach, simplified measurement model as defined by IFRS 17 for short term business, in particular applicable to most P/C business.
PIMCO	Pacific Investment Management Company Group.
PVNBP	Present value of new business premiums: i.e. the present value of future premiums on new business written during the period in question, discounted at a reference rate. This includes the present value of projected new regular premiums plus the total amount of single premiums received. PVNBP is shown before non-controlling interests, unless otherwise stated.

Glossary (7)

Pre-tax operating capital generation	Represents the change in SII capitalization following regulatory model changes and which is attributable to a) changes in own funds as a consequence of operating SII earnings and b) changes in SCR as a consequence of business evolution. Factors such as market developments, dividends, capital management activities, taxes, etc. are not taken into account.
PVFCF	Present value of future cash flows, balance sheet liability representing the policyholder reserve of the in-force business based on discounted expected cash flows to policyholders including attributable expenses.
RA	Risk adjustment – additional reserve for non-financial risks.
Recycling	Reclassification of unrealized gains and losses from accumulated other comprehensive income (OCI) to the income statement (P&L).
R/I	Reinsurance: Insurance companies transfer parts of the insurance risk they have assumed to reinsurance companies. **Reinsurance result**: Represents the total of premiums (ceded to reinsurers), claims and insurance benefits (ceded to reinsurers) and expenses (ceded to reinsurers). **Reinsurance ratio**: Represents the reinsurance result divided by insurance revenue.
RILA	Registered index-linked annuities.
Run-off ratio	The run-off result (net result from reserve developments for prior (accident) years in P/C business) as a percentage of insurance revenue.
SII	Solvency II.
SII capitalization	Ratio that expresses the capital adequacy of a company by comparing own funds to SCR.
SCR	Solvency capital requirement.
SE	Societas Europaea: European stock company.
SFCR	Solvency and Financial Condition Report.
Shareholders’ core net income	Presents the portion of shareholders’ net income before non-operating market movements and before amortization of intangible assets from business combinations.
SPPI	Solely payments of principal and interest – criterion determining whether fixed income assets are measured at amortized cost, FVTOCI or FVTPL.

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Glossary (8)

TBV	Total business volume: It presents a measure for the overall amount of business generated during a specific reporting period. According to our business segments, total business volume in the Allianz Group comprises: - Gross premiums written as well as fee and commission income in Property-Casualty; - Statutory gross premiums written in Life/Health; and - Operating revenues in Asset Management.
Total equity	The sum of shareholders' equity and non-controlling interests.
UFR	Ultimate forward rate: The UFR is determined using the EIOPA methodology and guidelines, and is used for extrapolation of periods after the last liquid point defined by the SII regulation. The UFR is calculated for each currency based on expected real rates and inflation for the respective region. The UFR is subject to revision in order to reflect fundamental changes in long term expectations.
UL	Unit-linked: Please refer to "L/H lines of business".
VA	Variable annuities: The benefits payable under this type of life insurance depend primarily on the performance of the investments in a mutual fund. The policyholder shares equally in the profits or losses of the underlying investments. In addition, the contracts can include separate guarantees, such as guaranteed death, withdrawal, accumulation or income benefits.
VFA	Variable Fee Approach, IFRS 17 measurement model for direct participating business.
VNB	The additional value to shareholders that results from the writing of new business. The VNB is determined as the present value of pre-tax future profits, adjusted for acquisition expenses overrun or underrun and non-attributable costs, minus a risk adjustment, all determined at issue date. Value of new business is calculated at point of sale, interpreted as at the beginning of each quarter assumptions.

Content/topics

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Cautionary note regarding forward-looking statements

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