Allianz

ALLIANZ GROUP

Courage to move forward

Annual Report 2023

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CONTENT

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

Guideline on Alternative Performance Measures
For further information on the definition of our Alternative Performance Measures and their components, as well as the basis of calculation adopted, please refer to the **Allianz company website**.

New IFRS 9/17 accounting standards
The financial results are based on the new IFRS 9 (Financial Instruments) and IFRS 17 (Insurance Contracts) accounting standards, which have been adopted as of 1 January 2023. Comparative periods have been adjusted to reflect the application of these new accounting standards.

TO OUR INVESTORS

A

OLIVER BÄTE
Chief Executive Officer

Dear Investors –

In 2023, the theme that dominated the global economy, capital markets and society alike was the fight against inflation. Over the past year, no one has been immune to inflation's corrosive effects on savings and the affordability of goods. The monetary policies that were taken to mitigate inflation now appear to have arrested its trajectory, but present manifold challenges both for businesses and consumers.

Throughout a period in which our customers and partners experienced significant increases in their cost of living and challenges in sustaining their businesses, we maintained our focus on delivering the greatest possible value to them through our customer service and product offerings. For our shareholders, we steered our business model and managed our capital position to overcome inflationary challenges, ultimately contributing to a record performance. Our ability to manage inflation in all its forms is proving to be a distinct competitive advantage for Allianz.

We have successfully consolidated our leading position as one of the largest global insurers and active asset managers, one that is able to leverage its scale, global reach, and diversified business model to address the financial and protection needs of more people around the world. At the end of the 2023, our share price reached a 20-year high, our total business volume increased by 5.5 % to € 162 bn, and our operating profit reached another record level, rising by 6.7 % to € 14.7 bn.

Our **Property-Casualty** segment grew strongly by 8.4 % to almost € 77 bn in total business volume. The operating profit topped € 6.9 bn for the first time, despite another year that was marked by increased claims resulting from more frequent and severe natural catastrophes. This clearly confirms our healthy underlying profitability and underwriting expertise.

Our **Life/Health** segment demonstrated robust growth, with the value of new business increasing by 2.2 % to € 4.0 bn as we developed attractive solutions to protect our customers from the effects of inflation on their savings. The operating profit of € 5.2 bn was strong, making the Life/Health segment a resilient contributor to our earnings power.

Our **Asset Management** segment proved resilient managing through a volatile environment to deliver an operating profit of € 3.1 bn. We recorded third-party net inflows of € 21.5 bn – a signal of active investors' readiness to invest in the market through us – and we achieved growth in third-party assets under management to € 1.7 tn. Together with our continued strong investment outperformance, this bodes well for further improvements in growth and profitability.

Our shareholders benefited from an outstanding total return of 27 % for the year, outperforming the European insurance sector, our direct peers, and the broader European stock market. This performance is backed by our financial strength and affirmed by the leading financial rating agencies which place Allianz in the top of our category, at AA (S&P Global), Aa2 (Moody's) and A+ (AM Best) respectively, and fully in line with our ratings objectives. Looking ahead, we will focus on unlocking the benefits of our scale, further increasing our productivity, and translating excellent customer experience into profitable customer growth.

Alongside our strong financial performance, Allianz's organizational health further raises our confidence that our company will remain resilient in the face of volatility and be able to exceed our stakeholders' expectations in the future:

Our brand value is stronger than ever before. Allianz is the world's leading insurance and asset management brand for the fifth time in a row according to Interbrand's 2023 Best Global Brands ranking, with our brand value exceeding USD 20 bn for the first time. In addition, in an increasingly polarized world, Allianz remains the most trusted insurance brand among our peer set across all stakeholder groups, according to Edelman Trust Intelligence data. We embrace our societal responsibility and leverage our strength, stability, and skills to address the root causes of polarization and secure the future of those who put their trust in us.

Our customers value the care and service we provide in their moments of greatest need. We evaluate our business performance based on the experience of our customers, as their satisfaction and loyalty are among the most important drivers of our growth. Our latest Net Promoter Score® results, which measure our customers' loyalty through customers' willingness to recommend Allianz, show that three-quarters of our operating entities outperformed their peers, a remarkable jump of 11 percentage points from last year. And we are also proud that 59 % of our operating entities have achieved the distinction of Loyalty Leadership status, which is a leading indicator for our future market expansion.

Our success would be impossible without our engaged and healthy workforce. We are therefore extremely proud that Allianz achieved record results in all three globally benchmarked indices of employee engagement against a declining industry trend: our Inclusive Meritocracy Index increased by 2 percentage points reaching best-in-class levels, our Work Well Index+ rose by 5 percentage points, and our Employee Engagement Index by 3 percentage points. In addition, our employee share ownership reached 70 %, which is a remarkable expression of our people's confidence in our organization. Our industry leadership in diversity reflects the strength of our workforce and its preparedness for the future, and this talent advantage is recognized by the global Refinitiv Diversity & Inclusion Index 2023, which ranked Allianz first in the insurance category for the 5th consecutive year.

However, our efforts to ensure resilience and to protect what is most valuable to our customers exceed our organization and touch on society at large. In 2023, we again demonstrated our industry leadership in sustainability by publishing our first comprehensive net-zero transition plan – with concrete milestones to be achieved by 2030 – detailing our commitment to achieve net-zero emissions in the investment of policyholder funds and our property and casualty portfolios by 2050.

As we look ahead, our corporate health and resilience are foundational to our ability to deliver strong results and returns amid even the most challenging environments – especially in the increasingly polarized world we live in today. We are well-prepared to lead in this context, drawing on the principles of sustainability, strength, and inclusion at which Allianz has excelled since our founding 134 years ago. Our company and our purpose are as relevant and important today as they have ever been, and we will not shy away from this calling.

On behalf of our management team and our employees, I thank you for your trust in the Allianz Group and look forward to earning your continued support in the year ahead.

Sincerely yours,

Oliver Bäte

SUPERVISORY BOARD REPORT

Ladies and Gentlemen,

As in previous years, the Supervisory Board comprehensively fulfilled its duties and obligations as laid out in the company's statutes and applicable law in the financial year 2023. It monitored the activities of the company's Board of Management, addressed the succession planning for the Board of Management and the Supervisory Board, and advised the Board of Management on business management issues.

Overview

In the financial year 2023, the Supervisory Board held six meetings and adopted one written resolution. The meetings took place in February, March, May, June, September, and December. The written resolution was adopted in October. All meetings were held as in-person meetings.

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

In the first half of 2023 in particular, the meetings again focused on the review of the Structured Alpha matter in close dialogue with the Board of Management, assisted by the law firm mandated by the Supervisory Board. The reports and deliberations also focused on the impact of rising inflation rates and interest rates on the overall economy and the insurance sector as well as a range of strategic topics, including the risk strategy and IT strategy, and the Board of Management's planning for the financial year 2024. The status of the digital implementation of the Allianz Customer Model by means of the Allianz Business Master Platform and the merger of the global MidCorp business with the business of Allianz Global Corporate & Specialty SE under the trading name Allianz Commercial was reported on at several meetings. Another regular item discussed was cyber risk security. The Supervisory Board also dealt extensively with personnel matters relating to the Board of Management as well as succession planning for the Board of Management and the Supervisory Board. The deliberations of the Supervisory Board and in particular the Personnel Committee and Sustainability Committee also included establishing target achievement and setting targets for the remuneration of the Board of Management.

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

Once again in 2023, individual and group training sessions were implemented on the basis of a development plan adopted for the further training of the members of the Supervisory Board, for example on the topics of cybersecurity, the sales strategy, and the auditing of financial statements.

Issues discussed in the Supervisory Board plenary sessions

At the meeting on 16 February 2023, the Supervisory Board dealt extensively with the preliminary business figures for the financial year 2022 and the Board of Management's dividend proposal. The appointed audit firm, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Frankfurt am Main, reported in detail on the preliminary results of its audit. In the further course of the meeting, the Supervisory Board also discussed the status of the measures taken to implement results from the audit carried out by the Federal Financial Supervisory Authority (BaFin) regarding the Group steering processes and the System of Governance. Comprehensive discussions were also held on the status of implementation of the actions adopted by the Board of Management following the Structured Alpha matter. The Supervisory Board also obtained a detailed report on the status of the investigations carried out by the external lawyers into the question of potential misconduct at the level of subsidiaries in connection with the Structured Alpha matter. The Board of Management also reported on PIMCO's Asset Management business, focusing in particular on governance topics. The Supervisory Board also discussed the target achievement of the individual members of the Board of Management and, on that basis, set their variable remuneration for the financial year 2022, subject to the approval of the annual financial statements. In this context, the Supervisory Board decided to make use of its discretion to take unforeseeable extraordinary developments into account in determining target achievement and to use the net income attributable to shareholders, adjusted for the effects of Allianz's divestment in Russia, as the basis for target achievement. Against the backdrop of the Structured Alpha matter, the Supervisory Board once more also discussed the question of the applicability of the so-called compliance caveat in paying variable remuneration components to members of the Board of Management. The independent investigations of potential breaches of duty by members of the Board of Management had already concluded in December 2022 that there were no indications of misconduct by any members of the Board of Management of Allianz SE. Hence there was no reason to apply the compliance caveat. As part of the performance assessment, the Supervisory Board carried out a fit and proper assessment of the members of the Board of Management. The Supervisory Board also dealt with succession planning for the Supervisory Board. At the end of the meeting, the Supervisory Board held an executive session without the Board of Management members being present and discussed questions relating to succession planning for the Board of Management as well as the talks of the Supervisory Board Chairman with investors and proxy advisors.

At the meeting on 2 March 2023, the Board of Management first reported on the business developments to that date in the financial year 2023. The Board of Management also presented its report on the development of risks and solvency in the financial year 2022 and the outlook for 2023. The annual reports from Internal Audit and Compliance were also presented and discussed at the meeting. The Supervisory Board then discussed the audited annual and consolidated financial statements and the Management and Group Management Report, including the Non-Financial Statement and the Remuneration Report, the solvency statements for Allianz SE and the Allianz Group, as well as the Board of Management's recommendation for the appropriation of earnings. The auditor confirmed that there had been no discrepancies since their February report and issued an unqualified auditor's report for the individual and consolidated financial statements and for the solvency statements. The auditor did not have any reservations, either, regarding the audit of the Non-Financial Statement and the Remuneration Report, which partly went beyond legal requirements. The Supervisory Board then approved the audited annual and consolidated financial statements. It approved the Board of Management's proposal for the appropriation of earnings for the financial year 2022, the Remuneration Report and the Supervisory Board Report, the Corporate Governance Statement, and the Non-Financial Statement. Furthermore, the Board of Management reported on the status of investigations into potential misconduct at the level of subsidiaries in relation to the Structured Alpha matter. In addition, the Supervisory Board resolved, at the recommendation of the Audit Committee, to propose to the Annual General Meeting the election of PwC as auditor for the 2023 individual and consolidated financial statements and for the review of the half-year financial report for 2023, and to mandate PwC with the supplementary audit of the Remuneration Report and the Non-Financial Statement for the financial year 2023. Moreover, the Supervisory Board reviewed the agenda and proposals for resolution for Allianz SE's 2023 Annual General Meeting (AGM) and approved the stipulations of the Board of Management for the virtual AGM. It also obtained extensive information on the status of implementation of the Allianz Business Master Platform. Lastly, the Supervisory Board dealt with succession planning for the Supervisory Board and the Board of Management.

On 4 May 2023, just before the Annual General Meeting, the Board of Management briefed the Supervisory Board on business developments in the first quarter of 2023, as well as on the current situation of both the Allianz Group and Allianz SE, in particular with regard to the development of the Group's solvency. The Supervisory Board also once again dealt with the status of the measures initiated by the Board of Management following the Structured Alpha matter and the status of the measures to implement results of the audit carried out by the BaFin regarding the Group steering processes and the System of Governance.

The meeting on 23 June 2023 was held at Allianz UK in London. At the meeting, the Board of Management provided a comprehensive report on the business developments in the financial year 2023 to that date. The Supervisory Board also dealt with BaFin's findings from the review of the implementation of the insurance supervisory law requirements for IT and the measures initiated by the Board of Management in response to these findings. Furthermore, given the substantial progress in implementing the measures initiated following the Structured Alpha matter, and at the recommendation of the lawyers mandated by the Supervisory Board, the Supervisory Board decided to dissolve the Audit Committee working group specifically set up for this purpose in 2021 and to return to regular reporting. In addition, the Supervisory Board obtained a comprehensive report on the status of the merger of the global MidCorp business with the business of Allianz Global Corporate & Specialty SE under the trading name Allianz Commercial. The Board of Management also reported in detail on the current concept of the Allianz Business Master Platform and its implementation status. Other topics covered by reports included the Board of Management's decision to leave the Net-Zero Insurance Alliance, and the business of Allianz UK, which was reported on by the CEO of Allianz UK. In addition, the Board of Management provided its regular status report on cyber risks and cybersecurity at Allianz as well as its annual report on Group data privacy. Finally, the Supervisory Board again dealt with succession planning for the Board of Management and Supervisory Board. The mandates of Board of Management members Dr. Karuth-Zelle and Mr. Townsend were each extended by five years up until 31 December 2028. At the end of the meeting, the Supervisory Board held an executive session without the members of the Board of Management being present and informed itself about the mid-year talks held between the Chairman of the Supervisory Board and the members of the Board of Management. Furthermore, the Supervisory Board discussed the assessment of Allianz made by an external finance and insurance analyst from the independent analyst firm Autonomous Research with that analyst.

At the meeting on 28 September 2023, the Board of Management firstly again reported on the business developments in the financial year 2023 to that date, focusing in particular on the effects of damages from natural catastrophes. One of the key items discussed at the meeting was the Board of Management's IT strategy, and, in that context, the implementation status of the current strategy to launch the Business Master Platform. The Board of Management also reported on the motor vehicle liability insurance segment in Germany and provided an update on the business of Allianz Direct. The Supervisory Board also dealt with the status of business activities in the Latin America region. Moreover, the Supervisory Board discussed the upcoming decisions regarding personnel matters relating to the Board of Management, and – in accordance with the proposal submitted by the Personnel Committee – approved Mr. Terzariol's resignation from the Board of Management and the termination of his service contract by way of mutual agreement with effect from 31 December 2023. The Supervisory Board appointed Ms. Claire-Marie Coste-Lepoutre to the Board of Management of Allianz SE to succeed Mr. Terzariol with effect from 1 January 2024. Subsequently, the Supervisory Board discussed the results of the self-evaluation of the Supervisory Board required by supervisory law and the resulting development plan, which includes training programs on accounting and the internal model for the financial year 2024. The Supervisory Board also discussed the succession planning for the Supervisory Board. The Supervisory Board then held its executive session without the members of the Board of Management being present.

On 1 October 2023, the Supervisory Board extended the mandate of Mr. Bäte as member and Chairman of the Board of Management until the end of the day of the Annual General Meeting resolving on the approval of the actions of the Board of Management for the financial year 2027 by way of a written resolution. In the same circular resolution, the Supervisory Board extended the mandate of Dr. Wimmer as member of the Board of Management up until 30 September 2029.

At the meeting on 14 December 2023, the Board of Management first informed the Supervisory Board about the results for the third quarter, the further business developments, and the situation of the Allianz Group. Furthermore, the Supervisory Board discussed the risk strategy for the financial year 2024 and, closely linked with the risk strategy, the planning for the financial year 2024. It also obtained a report from the Board of Management on the status of implementation of the Allianz Commercial project and on the Asset Management business of Allianz Global Investors. The Board of Management also presented its regular status report on cyber risk security, dealing in particular with global staff shortages in IT. The Board of Management also reported on the M&A strategy and current M&A transactions. At that meeting, the Supervisory Board again discussed succession planning for the Board of Management. It also reviewed the appropriateness of the Board of Management's remuneration and set the targets for the variable remuneration for the members of the Board of Management for 2024. The appropriateness of the remuneration for the Supervisory Board members was also reviewed on the basis of an external benchmark analysis. The Supervisory Board also dealt with the Declaration of Conformity with the German Corporate Governance Code. The Supervisory Board then discussed the results of the self-assessment of its own activities (so-called efficiency review), once again carried out using an internal questionnaire in 2023. The Supervisory Board also discussed succession planning for the Supervisory Board. The Supervisory Board then held an executive session without the members of the Board of Management being present and discussed the planning of Supervisory Board activities for the financial year 2024.

Declaration of Conformity with the German Corporate Governance Code

On 14 December 2023, the Board of Management and the Supervisory Board issued the Declaration of Conformity in accordance with section 161 of the German Stock Corporation Act ("Aktiengesetz") and posted it on the company website, where it is available at all times. Allianz SE has complied with all recommendations set out by the German Corporate Governance Code in the version of 28 April 2022, and will continue to comply with them in the future. Further explanations on corporate governance in the Allianz Group can be found in the Corporate Governance Statement. More details on corporate governance are also provided on the **Allianz company website**.

Committee activities

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

The Standing Committee held five meetings in the financial year 2023, all of which were held as in-person meetings. The committee dealt with corporate governance issues, in particular the preparation of the Declaration of Conformity with the German Corporate Governance Code. The committee also dealt with the preparation of and follow-up to the Annual General Meeting, extensively deliberating on the format for the Annual General Meeting. The Standing Committee also prepared the Supervisory Board self-evaluation as required by supervisory law and the associated development plan. Collective and, if necessary, individual training measures are continuously carried out as part of the implementation of the development plan. The Standing Committee also reviewed the appropriateness of the remuneration of the members of the Supervisory Board. Regarding the Supervisory Board's annual efficiency review, the committee also discussed the implementation of the results of the efficiency review conducted in 2022 and prepared the efficiency review for 2023. As planned, the review was implemented without any external support. Lastly, the Standing Committee prepared the analysis of the results of the efficiency review 2023 by the Supervisory Board.

The Personnel Committee held four regular meetings and one extraordinary meeting in 2023. The regular meetings were held in person, while the extraordinary meeting took place in a virtual format. At the meetings, the committee discussed in detail the preparatory review of the Remuneration Report for 2022 and target achievement of the members of the Board of Management for the financial year 2022, including the annual Fit & Proper assessment of each member of the Board of Management. As part of the target-assessment process, the Personnel Committee discussed in particular the adjustment of the net income, as a target performance indicator for variable remuneration, to reflect the extraordinary charges resulting from the divestment of the Russian business. The Personnel Committee also prepared the annual review of the appropriateness of the remuneration of the Board of Management and dealt with potential amendments to the remuneration system for the Board of Management. Furthermore, discussions focused on the preparation of the target setting for the variable remuneration for 2024. The committee also dealt with the departure of Mr. Terzariol from the Board of Management. Against this background and in light of the expiry of various mandates at the Board of Management, the Personnel Committee intensively dealt with succession planning for the Board of Management. Lastly, it discussed individual issues related to mandates or contracts of (former) Board of Management members.

The Audit Committee held five meetings in 2023. All meetings were held in person. In the presence of the auditor, the committee discussed both Allianz SE's annual financial statements and the Allianz Group's consolidated financial statements, the management reports including non-financial reporting, the respective solvency statements, and the half-year financial report as well as the Remuneration Report. The auditor presented his respective audit reports. Reviews by the Audit Committee revealed no reasons for objection. The Board of Management reported on the quarterly results and discussed them in detail with the Audit Committee together with the results of the auditor's review. The Board of Management also reported regularly on relevant special topics. In this context, the Audit Committee dealt, in particular, with the impact of the rise in inflation rates, the divestment of the majority stake in Allianz's Russian business, and the implementation of the new accounting standards IFRS 9 and 17.

At all meetings, the Audit Committee also reviewed and monitored the status of the processing of the Structured Alpha matter. The focus of its deliberations in this context was on the status of implementation of the measures taken in response to the Structured Alpha matter to remedy the deficiencies identified. The Supervisory Board was regularly briefed on this matter by the Board of Management and the external lawyers assisting the Board of Management, and additionally obtained advice from the independent lawyers mandated by the Supervisory Board. In the framework of these monitoring activities, the Committee also discussed the appropriateness and completeness of these measures. With the support of the lawyers mandated by the Board of Management and the lawyers commissioned by the Supervisory Board, the Audit Committee also comprehensively dealt with the question of potential claims for damages against employees working for subsidiaries in connection with the Structured Alpha matter, and prepared the discussion of this topic at the plenary meetings of the Supervisory Board. The Audit Committee's special working group specifically set up for this purpose also met twice in

February and April 2023 before this working group was dissolved by the Supervisory Board in June 2023.

In addition, the committee dealt with the proposal to the Annual General Meeting for the appointment of the auditor and, following the Annual General Meeting, the awarding of the audit mandates and determined key audit areas for the financial year 2023. At Group level, the focus was on governance processes in connection with ESG commitments. A review of the design and effectiveness of control functions, which were transferred to Allianz Technology together with a large number of IT services, was established as another key audit area at Group level. Other key audit areas were the review of controls over non-financial reporting and the assessment of the appropriateness of horizontal monitoring by Compliance. The results of the audits of the key audit areas were subsequently reported by the auditor at individual meetings. The Audit Committee discussed the assessment of the audit risk, the audit strategy, and the audit planning with the auditor. In addition, the Audit Committee held several discussions with the auditor in the absence of the Board of Management. Moreover, the Audit Committee conducted an assessment of the quality of the audit and discussed the auditor's fees. It also dealt with the awarding of non-audit services to the auditor and approved an updated positive list of pre-approved audit and non-audit services. As before, the Audit Committee obtained a separate report from the PwC auditors in charge of the Asset Management.

Furthermore, the Audit Committee was regularly informed by the Board of Management about the status of implementation of the measures taken by the Board of Management in response to the results of a review by BaFin of the implementation of the insurance supervisory law requirements for IT.

In addition, the Audit Committee dealt extensively with the internal control systems, the accounting process and internal controls in the context of financial reporting, the annual review of the Group's system of governance and the audit plan prepared by Internal Audit for 2024. The committee also received reports on the implementation of the requirements of the German Supply Chain Act and discussed the Board of Management's further planning with regard to the Allianz Customer Model and the Business Master Platform with the auditor. At all meetings, reports on legal and compliance issues within the Group, operational risks, the work performed by Internal Audit, and data privacy issues were presented and discussed in detail. Furthermore, the head of the actuarial function (Group Actuarial, Planning & Controlling) presented his annual report.

The Risk Committee held two meetings in 2023, both of which were held in person. At both meetings, the committee discussed the current risk situation of the Allianz Group and Allianz SE with the Board of Management. At the March meeting, the Risk Report and other risk-related statements in the annual and consolidated financial statements as well as management and Group management reports were reviewed with the auditor and acknowledged with approval. The appropriateness of the early risk detection system at Allianz SE and the Allianz Group and the result of further risk assessments by the auditor were also discussed. A recommendation was provided to the Audit Committee to include the Risk Report, as presented and discussed, in the Annual Report.

At both meetings, the Risk Committee extensively dealt with the risk strategy, risk appetite, capital management, the external rating, as well as the effectiveness of the risk management system for the Allianz Group and Allianz SE. In this context, the committee discussed the current implementation status of enhancements of the risk and control framework. The committee also obtained reports on Allianz’s own risk and solvency assessment and changes to the internal Solvency II model and discussed the reports in detail with the Board of Management and the head of the risk function. Moreover, the Risk Committee again dealt with the war in Ukraine, in particular with regard to possible scenarios for its further development, and its potential impact on the risk situation of Allianz. In addition, the Risk Committee intensively dealt with the impact of rising interest rates and inflation. In this context, discussions with the Board of Management and the head of the risk function focused, in particular, on potential effects on policy-holder termination behavior, as well as – with a view to liquidity risks – stress scenarios for the life insurance segment and the asset management segment as well as possible countermeasures. Furthermore, the Risk Committee dealt with the newly developed risk metrics for considering the asset management segment when establishing the risk capital requirements and obtained reports on the real estate portfolio, its quality, as well as current risk management measures. In addition, its deliberations focused on the respective implementation status of the transformation program for the Business Master Platform and the measures taken by the Board of Management in response to the BaFin’s findings as part of a review of the implementation of the insurance supervisory law requirements for IT.

The Technology Committee held two meetings in the financial year 2023, both of which were held as in-person meetings. At these meetings, the committee extensively discussed the Business Master Platform and technological innovations. Detailed discussions were held regarding process mining, data analytics, and artificial intelligence, as well as the operational implications and profit contribution potential of these topics. In this context, the Technology Committee also dealt with the strategy for the use of data and artificial intelligence. Lastly, the Technology Committee received a report from the Board of Management on regulatory issues, for instance on the implementation of the Digital Operational Resilience Act (DORA).

The Nomination Committee held five meetings in the financial year 2023, all of which were held in person. A major focus was on succession planning for the Supervisory Board, in particular with regard to the elections to the Supervisory Board due in the next few years. The Nomination Committee intensively discussed potential candidates to succeed the members of the Supervisory Board who will be retiring in the coming years. Excellently suited candidates were identified for each retiring member of the Supervisory Board. They have all declared their willingness to stand for election to the Supervisory Board at the Annual General Meetings in 2024, 2025, and 2026. In addition, the Nomination Committee, together with the Board of Management and in consultation with BaFin, agreed on specific measures to prepare the candidates at an early stage for the duties of members of the Supervisory Board of Allianz SE. These measures include, for example, preparing candidates in the framework of a mandate or a guest role on the Supervisory Board of a European subsidiary of Allianz SE, or other suitable measures, as well as the early identification of training measures, taking particular account of the fitness requirements communicated by BaFin. The Nomination Committee also prepared the discussions regarding the composition of the Supervisory Board committees from the 2024 Annual General Meeting onwards.

The Sustainability Committee held four meetings in the financial year 2023. One meeting was held as a video conference, while three meetings were held in person. The committee prepared the assessment of target achievement by the Board of Management regarding the sustainability targets for the financial year 2022 and the definition of sustainability targets for the financial year 2023 by the Personnel Committee and the Supervisory Board. In addition, the committee dealt in detail with sustainability-related reporting (Sustainability Report, Non-Financial Statement and Tax Transparency Report, each for the financial year 2022), including the planned amendments resulting from an E.U. Directive (Corporate Sustainability Reporting Directive – CSRD). At the September meeting, the committee also held discussions with the Board of Management on the Allianz Group's long-term climate targets resulting from the published "Net-zero plan with interim targets for 2030 for key business areas", and prepared the setting of sustainability targets for 2024 by the Personnel Committee. The committee also focused on the ongoing development of the sustainability strategy, particularly with regard to the general socio-political and business environment, as well as on the application of new artificial intelligence technologies for data usage in customer products. In view of the particular importance of the latter topic for the Allianz Group's business activities, also with regard to aspects of data ethics, the members of the Technology Committee also participated in the discussion of this topic at the relevant meeting.

The Supervisory Board obtained regular and comprehensive information on the work performed by the committees.

Overview of members' participation in Supervisory Board and committee meetings in the financial year 2023

Individualized publication of members' participation in meetings

	Presence	%
Plenary sessions of the Supervisory Board		
Michael Diekmann (Chairman)	6/6	100
Gabriele Burkhardt-Berg (Vice Chairwoman)	6/6	100
Herbert Hainer (Vice Chairman)	6/6	100
Sophie Boissard	6/6	100
Christine Bosse	6/6	100
Rashmy Chatterjee	6/6	100
Dr. Friedrich Eichiner	6/6	100
Jean-Claude Le Goaër	6/6	100
Martina Grundler	6/6	100
Frank Kirsch	6/6	100
Jürgen Lawrenz	6/6	100
Primiano Di Paolo	6/6	100
Standing Committee		
Michael Diekmann (Chairman)	5/5	100
Sophie Boissard	5/5	100
Jean-Claude Le Goaër	5/5	100
Herbert Hainer	5/5	100
Jürgen Lawrenz	5/5	100
Personnel Committee		
Michael Diekmann (Chairman)	5/5	100
Gabriele Burkhardt-Berg	5/5	100
Herbert Hainer	5/5	100
Audit Committee		
Dr. Friedrich Eichiner (Chairman)	5/5	100
Sophie Boissard	5/5	100
Michael Diekmann	5/5	100
Jean-Claude Le Goaër	5/5	100
Martina Grundler	5/5	100
Risk Committee		
Michael Diekmann (Chairman)	2/2	100
Christine Bosse	2/2	100
Dr. Friedrich Eichiner	2/2	100
Frank Kirsch	2/2	100
Primiano Di Paolo	2/2	100
Technology Committee		
Rashmy Chatterjee (Chairwoman)	2/2	100
Gabriele Burkhardt-Berg	2/2	100
Michael Diekmann	2/2	100
Dr. Friedrich Eichiner	2/2	100
Jürgen Lawrenz	2/2	100
Nomination Committee		
Michael Diekmann (Chairman)	5/5	100
Christine Bosse	5/5	100
Dr. Friedrich Eichiner	5/5	100
Sustainability Committee		
Christine Bosse (Chairwoman)	4/4	100
Sophie Boissard	3/4	75
Gabriele Burkhardt-Berg	4/4	100
Michael Diekmann	4/4	100
Frank Kirsch	3/4	75

Audit of annual accounts and consolidated financial statements

Upon a proposal submitted by the Supervisory Board, the company's Annual General Meeting held on 4 May 2023 appointed PwC as auditor for the annual and consolidated financial statements as well as the review of the half-year Financial Report 2023. PwC audited the financial statements of Allianz SE and the Allianz Group as well as the respective management reports and issued an unqualified auditor's report in each case. The management reports each also contain the Non-Financial Statement. The consolidated financial statements were prepared on the basis of the International Financial Reporting Standards (IFRS) as applicable in the European Union. The annual financial statements of Allianz SE were prepared in accordance with German law and accounting standards. PwC performed a review of the half-year Financial Report. In addition, PwC was also mandated to perform an audit of the solvency statements according to Solvency II as of 31 December 2023 for Allianz SE and the Allianz Group. Furthermore, PwC was commissioned to conduct an audit of the contents of the Non-Financial Statement and the Remuneration Report.

All Supervisory Board members received the documentation relating to the annual financial statements and the audit reports from PwC in due time. The preliminary financial statements and PwC's preliminary audit results were discussed in the Audit Committee on 21 February 2024, as well as in the Supervisory Board's plenary session on 22 February 2024. The finalized financial statements and PwC's audit reports (dated 26 February 2024) were reviewed by the Audit Committee on 5 March 2024 and discussed in the Supervisory Board plenary session on 6 March 2024. The auditors participated in the discussions and presented the results of their audit. Particular emphasis was placed on the key audit matters described in the auditor's report and on the audit procedures performed. No material weaknesses in the internal financial reporting control process were discovered. There were no circumstances that might give cause for concern about the auditor's independence. In addition, the solvency statements dated 31 December 2023 for both Allianz SE and the Allianz Group, as well as the related reports by PwC, were reviewed by the Audit Committee and the Supervisory Board.

On the basis of its own reviews of the annual and consolidated financial statements, the management and Group management reports, and the recommendation for the appropriation of earnings, the Supervisory Board has not raised any objections and agreed with the results of PwC's audit. It approved the annual and consolidated financial statements prepared by the Board of Management. The financial statements have thus been formally adopted. The Supervisory Board agrees with the Board of Management's proposal on the appropriation of earnings.

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

Members of the Supervisory Board and Board of Management

There were no changes in the composition of the Supervisory Board in the financial year 2023.

With effect from 1 January 2024, Claire-Marie Coste-Lepoutre was appointed as a member of the Board of Management. She succeeds Giulio Terzariol, who resigned from office as of 31 December 2023.

Munich, 6 March 2024

For the Supervisory Board:

Michael Diekmann
Chairman

MANDATES OF THE MEMBERS OF THE SUPERVISORY BOARD

Michael Diekmann
Chairman
Member of various Supervisory Boards
Membership in other statutory supervisory boards and SE administrative boards in Germany
Fresenius Management SE
Fresenius SE & Co. KGaA

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

Herbert Hainer
Vice Chairman
Member of various Supervisory Boards
Membership in other statutory supervisory boards and SE administrative boards in Germany
FC Bayern München AG (Chairman)

Sophie Boissard
Chairwoman of the Board of Management of Clariane SE
Membership in other statutory supervisory boards and SE administrative boards in Germany
Korian Deutschland GmbH (Clariane Group Company)
Korian Management AG (Clariane Group Company, Chairwoman)
Membership in comparable[1] supervisory bodies
Korian Belgium (Clariane Group Company)
Segesta SpA (Clariane Group Company)

Christine Bosse
Member of various Supervisory Boards
Membership in comparable[1] supervisory bodies
Coop Amba
until 28 April 2023
DNB ASA
since 25 April 2023

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

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

Jean-Claude Le Goaër
Employee of Allianz I.A.R.D. S.A.
Membership in comparable[1] supervisory bodies
Membership in Group bodies
Allianz France S.A.

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

Frank Kirsch
Employee of Allianz Beratungs- und Vertriebs-AG

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

Primiano Di Paolo
Employee of Allianz Technology S.p.A.

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

MANDATES OF THE MEMBERS OF THE BOARD OF MANAGEMENT

Oliver Bäte
Chairman of the Board of Management
Membership in comparable[1] supervisory bodies
Coalition, Inc.
since 28 November 2023

Sirma Boshnakova
Insurance Western & Southern Europe, Allianz Direct, Allianz Partners
Membership in comparable[1] supervisory bodies
Membership in Group bodies
Allianz Holding France SAS
Allianz Sigorta A.S.
since 7 March 2023
Allianz Yasam ve Emeklilik A.S.
since 7 March 2023

Claire-Marie Coste-Lepoutre
since 1 January 2024
Finance, Risk Actuarial, Legal, Compliance

Dr. Barbara Karuth-Zelle
Operations, IT and Organization
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Technology SE (Chairwoman)
Membership in comparable[1] supervisory bodies
Membership in Group bodies
Allianz Partners S.A.S.

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

Giulio Terzariol
until 31 December 2023
Finance, Risk Actuarial, Legal, Compliance

Dr. Günther Thallinger
Investment Management
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Investment Management SE (Chairman)
Allianz Lebensversicherungs-AG
until 10 March 2023
Allianz Private Krankenversicherungs-AG
Allianz Versicherungs-AG
until 9 March 2023

Christopher Townsend
Global Insurance Lines, Reinsurance, Anglo Markets, Iberia, Latin America, Africa
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Global Corporate & Specialty SE (Chairman)
Membership in comparable[1] supervisory bodies
Sanlam Allianz Africa (Pty) Ltd. (Chairman)
since 5 September 2023
Membership in Group bodies
Allianz Australia Ltd.
Allianz Plc
Euler Hermes Group SAS (Chairman)

Renate Wagner
Asia Pacific, Mergers & Acquisitions, People and Culture
Membership in comparable[1] supervisory bodies
Bajaj Allianz General Insurance Company Ltd.
Bajaj Allianz Life Insurance Company Ltd.
UniCredit S.p.A.
Membership in Group bodies
Allianz Australia Ltd.
since 15 May 2023
Allianz (China) Insurance Holding Company Ltd. (Chairwoman)
since 20 February 2023

Dr. Andreas Wimmer
Asset Management, US Life Insurance
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Lebensversicherungs-AG
since 10 March 2023
Membership in comparable[1] supervisory bodies
Membership in Group bodies
Allianz Life Insurance Company of North America (Chairman)

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

CORPORATE GOVERNANCE

B

CORPORATE GOVERNANCE STATEMENT

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

Corporate Constitution of the European Company (SE)

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

Regulatory requirements

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

Declaration of Conformity with the German Corporate Governance Code

Good corporate governance is essential for sustainable business performance. The Board of Management and the Supervisory Board of Allianz SE therefore attach great importance to complying with the recommendations of the German Corporate Governance Code (hereinafter "Code"), as amended from time to time. There are no statutory provisions on the basis of which recommendations of the Code are not applicable to Allianz SE. On 14 December 2023, the Board of Management and the Supervisory Board issued the following Declaration of Conformity of Allianz SE with the Code:

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

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

Since issuing the last Declaration of Conformity on 15 December 2022, Allianz SE has complied with all recommendations of the German Corporate Governance Code Commission in the version of 28 April 2022, and will comply with the recommendations in the future.

Munich, 14 December 2023
Allianz SE

On behalf of the Board of Management:
Signed Oliver Bäte Signed Giulio Terzariol

On behalf of the Supervisory Board:
Signed Michael Diekmann

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

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

Board of Management

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

Composition and operations of the Board of Management

The Board of Management of Allianz SE currently has nine members. As a general rule, its members may not be older than 62. Further information on the members of the Board of Management can be found in Mandates of the Members of the Board of Management. The composition is also available on the **Allianz company website**, which also provides the CVs of the members of the Board of Management.

The members of the Board of Management are jointly responsible for the management of the company and compliance with legal requirements. Notwithstanding this overall responsibility, the individual members independently head the departments assigned to them. They consult with the Chairperson of the Board of Management on important issues. The Chairperson of the Board of Management is also responsible for coordinating the departments.

Divisional responsibilities for business segments and/or functional responsibilities are assigned to the individual departments. The latter include, inter alia, Finance, Risk Management and Controlling Functions, Investments, Operations and IT, Human Resources, Legal, Compliance, Internal Audit, and Mergers & Acquisitions. Business division responsibilities focus on geographical regions or global lines. Rules of procedure specify the inner organization of the Board of Management as well as the departmental responsibilities.

The meetings of the Board of Management are convened and chaired by the Chairperson. In addition, any member of the Board may request a meeting, stating the proposed subject of discussion. As a rule, a meeting of the Board of Management was held every two weeks in the financial year 2023.

The Board of Management has a quorum if all members of the Board of Management have been invited to a meeting and at least half its members – including the Chairperson or a member of the Board of Management appointed by him – attend the meeting. Unless otherwise stipulated by law, the full Board of Management takes decisions with a simple majority of participating members. In the event of a tie, the Chairperson of the Board of Management has the deciding vote. The Chairperson can also veto decisions, but he cannot enforce a decision against the majority vote of the Board of Management.

Composition and operations of the Board of Management committees and the Group committees

The Board of Management has formed committees from among its members. The task of these committees is to coordinate and decide on matters of the Board of Management referred to them, to prepare decisions for the Board of Management reserved to it, and to submit proposals for resolutions. The committees advise the full Board of Management. The responsibilities and composition of the committees are defined in the respective rules of procedure.

In the financial year 2023, the following Board of Management committees were in place:

Board committees

Board committees	Responsibilities
Group Finance and Risk Committee Giulio Terzariol (Chairman), Dr. Klaus-Peter Röhler, Dr. Günther Thallinger, Christopher Townsend, Dr. Andreas Wimmer.	Preparing the capital and liquidity planning for the Group and Allianz SE; implementing and overseeing the principles of group-wide capital and liquidity management; defining risk standards and preparing the risk strategy; approving key financial transactions and pension-related transactions; preparing guidelines for derivatives, Group financing and internal Group capital management as well as establishing and overseeing a group-wide risk management and risk monitoring system.
Group IT Committee Dr. Barbara Karuth-Zelle (Chairwoman), Sirma Boshnakova, Dr. Klaus-Peter Röhler, Giulio Terzariol, Dr. Günther Thallinger, Christopher Townsend.	Developing and proposing a group-wide IT strategy, monitoring its implementation, and approving local and group-wide IT investments as well as reviewing and overseeing individual IT projects.
Group Mergers and Acquisitions Committee Renate Wagner (Chairwoman), Oliver Bäte, Giulio Terzariol, Dr. Andreas Wimmer.	Managing and overseeing Group M&A transactions, including approval of individual transactions within certain thresholds.

As of 31 December 2023

In addition to Board of Management committees, there are also Group committees. They, too, are responsible for coordinating and deciding on matters of the Board of Management referred to them, for preparing decisions for the Board of Management of Allianz SE, reserved to it, and submitting proposals for resolutions. They are also responsible for ensuring a smooth flow of information within the Group.

In the financial year 2023, the following Group committees were in place:

Group committees

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

As of 31 December 2023

Diversity concept for the Board of Management and succession planning

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

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

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

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

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

Currently, the Board of Management of Allianz SE comprises four female members, accounting for 44.4 %. Four members of the Board of Management have international backgrounds based on their origin. There is an adequate degree of diversity with regard to educational and professional backgrounds. The Board of Management of Allianz SE is thus composed in accordance with the diversity concept.

Remuneration of the Board of Management

The Supervisory Board of Allianz SE has adopted a clear and comprehensible system for the remuneration of the members of the Board of Management. The Board of Management remuneration system must be submitted to the General Meeting for approval whenever a material amendment is planned to be effected, but at least every four years. The most recent submission of the remuneration system for the Board of Management of Allianz SE to the General Meeting for approval was on 5 May 2021.

In addition, the Board of Management and Supervisory Board must prepare a clear and comprehensible annual report on the remuneration of current and former Board members, which must be submitted to the General Meeting for approval each year.

The current remuneration system for the Board of Management and the Remuneration Report, including the auditor's report, are available on the **Allianz company website**.

Cooperation with the Supervisory Board

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

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

Supervisory Board

The Supervisory Board oversees and advises the Board of Management on managing the business. It is also responsible for appointing the members of the Board of Management, determining their overall remuneration, succession planning for the Board of Management, and reviewing Allianz SE's and the Allianz Group's annual financial statements. The Supervisory Board's activities in the financial year 2023, including an individualized disclosure of the meeting participation, are described in the Supervisory Board Report.

Composition and operations of the Supervisory Board

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

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

The composition of the Supervisory Board is presented in the Supervisory Board Report. Further information on the Supervisory Board members is presented in Mandates of the Members of the Board of Management. Furthermore, the composition and a general description of the operations of the Supervisory Board are available on the **Allianz company website**, which also provides the CVs of the Supervisory Board members.

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

The Supervisory Board regularly reviews the efficiency of its activities and the activities of its committees in the framework of a so-called self-assessment. The self-assessment is carried out either by means of an internal questionnaire or by consulting an external consultant. In 2023, the self-assessment was carried out using an internal questionnaire. The Supervisory Board plenary session discusses recommendations for improvements and adopts appropriate measures on the basis of recommendations from the Standing Committee. In addition, the fitness and propriety of the individual members of the Supervisory Board are reviewed as part of an annual self-evaluation required by supervisory law, and a development plan for the Supervisory Board is drawn up on this basis. The Supervisory Board and the Audit Committee also hold regular sessions that are not attended by any of the members of the Board of Management.

Composition and operations of the Supervisory Board committees

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

Supervisory Board committees

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

As of 31 December 2023

Objectives of the Supervisory Board regarding its composition – diversity concept

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

Objectives for the composition of Allianz SE's Supervisory Board

"The aim of Allianz SE's Supervisory Board is to have members who are equipped with the necessary skills and competence to properly supervise and advise Allianz SE's management. Supervisory Board candidates should possess the professional expertise and experience, integrity, motivation and commitment, independence, and personality required to successfully carry out the responsibilities of a Supervisory Board member in a financial services institution with international operations.
These objectives take into account the regulatory requirements for the composition of the Supervisory Board as well as the relevant recommendations of the German Corporate Governance Code ("GCGC"). In addition to the requirements for each individual member, a profile of skills and expertise ("Kompetenzprofil") as well as a diversity concept are provided for the entire Supervisory Board.

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

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

1. Propriety

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

2. Fitness

The members of the Supervisory Board must have the expertise and experience necessary for a diligent and autonomous exercise of the Allianz SE Supervisory Board mandate, in particular for exercising control of and giving advice to the Management Board as well as for the active support of the development of the company. This comprises in particular:
- adequate expertise in all business areas,
- adequate expertise in the insurance and finance sector or comparable relevant experience and expertise in other sectors,
- adequate expertise in the regulatory provisions material for Allianz SE (supervisory law, including Solvency II regulation, corporate and capital markets law, corporate governance),
- ability to assess the business risks,
- knowledge of accounting basics and insurance specific risk management basics.

3. Independence

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

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

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

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

4. Time of availability

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

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

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

5. Retirement age

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

6. Term of membership

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

7. Former Allianz SE Management Board members

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

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

II. Requirements for the entire Supervisory Board

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

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

2. Diversity concept

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

The Supervisory Board pursues these objectives, and thus also the diversity concept, when nominating candidates for shareholder representatives. As employee representatives are appointed according to different national provisions, the potential to influence the selection of employee representatives is limited.

The Supervisory Board of Allianz SE is composed in accordance with these objectives, including the diversity concept:

According to the assessment of the Supervisory Board, all shareholder representatives – i.e., Ms. Boissard, Ms. Bosse, Ms. Chatterjee as well as Mr. Diekmann, Dr. Eichiner and Mr. Hainer – are independent within the meaning of the objectives (see No. I.3).

The members of the Audit Committee as a whole are familiar with the sector in which the company operates. All shareholder representatives on the Audit Committee, including the Chairperson of the Committee, have comprehensive expertise in the fields of accounting and auditing. The expertise in the field of accounting consists of special knowledge and experience in the application of accounting principles and internal control and risk management systems, and the expertise in the field of auditing consists of special knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and its audit.

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

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

With five female and seven male Supervisory Board members, the gender ratio of 30 % required under the German Act on the Equal Participation of Women and Men in Executive Positions is met. In addition, the Supervisory Board has five members with international backgrounds.

The skills profile is also met by the Supervisory Board as a whole. Based on the objectives for its composition, the Supervisory Board of Allianz SE has developed the following qualification matrix.

Supervisory Board of Allianz SE: Qualification matrix

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

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

Supervisory Board remuneration

The remuneration of the Supervisory Board is laid down in the Statutes of Allianz SE. The most recent resolution on Supervisory Board remuneration was passed at the Annual General Meeting on 4 May 2023. The corresponding resolution of the Annual General Meeting and the Remuneration Report, including the auditor's report, are available at the **Allianz company website**.

General Meeting

Shareholders exercise their rights at the General Meeting. The General Meeting elects the shareholder representatives of the Supervisory Board and decides on the approval of the actions taken by the Board of Management and the Supervisory Board. It decides, in particular, on the appropriation of net earnings, capital measures, the election of the auditor, and approval of intercompany agreements. It also decides on the approval of the remuneration system for the members of the Board of Management presented by the Supervisory Board, the remuneration of the Supervisory Board, the approval of the Remuneration Report prepared by the Board of Management and the Supervisory Board, as well as changes to the Company's Statutes. Resolutions of the General Meeting shall be passed, unless mandatory legal provisions require otherwise, by a simple majority of the votes cast. In accordance with European regulations and the Statutes, amendments to the Statutes require at least a two-thirds majority of the votes cast if less than half of the share capital is represented at the General Meeting. In addition, such resolutions require the simple majority of the capital stock represented at the time of the resolution, unless higher thresholds are stipulated by law. When adopting resolutions, each share confers one vote.

Each year, an Annual General Meeting is held, at which the Board of Management and Supervisory Board give an account of the preceding financial year. For special circumstances, the German Stock Corporation Act provides for the convening of an Extraordinary General Meeting. If authorized by the Statutes, general meetings can also be held in virtual format.

Corporate governance practices

Internal control system and risk management system

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

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

Compliance management system

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

Code of Conduct

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

Directors' Dealings

Members of the Board of Management and the Supervisory Board, as well as persons closely associated with them, are obliged by the E.U. Market Abuse Regulation to notify both Allianz SE and the German Federal Financial Supervisory Authority of any transactions carried out by them involving shares or debt securities of Allianz SE or related financial derivatives or other related financial instruments as soon as the value of the acquisition or disposal transactions by the member reaches or exceeds € 20 thou in total within a calendar year. These disclosures are published on the **Allianz company website**.

Accounting and auditing

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

The auditor of the annual financial statements and the auditor in charge of the review of the half-yearly financial report were elected by the Annual General Meeting on 4 May 2023. The audit of the financial statements covers the individual financial statements of Allianz SE and the consolidated financial statements of the Allianz Group. In addition, the auditor audits the (Group) Management Report, including the Non-Financial Statement. In accordance with regulatory requirements, the solvency statements are also audited by the auditor, who also has to audit the Remuneration Report.

The Non-Financial Statement and the Remuneration Report for the financial year 2023 were also subjected to a substantive audit by the auditor, in addition to the statutory audit scope.

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

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

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

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

Pursuant to §16(2) SEAG, it has to be ensured that the Board of Management includes at least one female and at least one male member when appointing members to the Board of Management. This statutory requirement is met by the current Board of Management of Allianz SE. As at 31 December 2023, the proportion of women on the Board of Management was 33.3%. Since 1 January 2024, the proportion of women on the Board of Management has been 44.4%.

With regard to the proportion of women on the first and second management levels below the Board of Management, the Board of Management has set targets of 30% for each, to be met by 31 December 2024. As at 31 December 2023, this target was already met for the first management level with a percentage of women of 34.2%, but was not yet met for the second level with a percentage of 28.6%.

With regard to the Supervisory Boards of the subsidiaries concerned, the target quotas for nine of those eleven subsidiaries were set at 33%, the target quota for one subsidiary concerned was set at 35%, and the target quota for the remaining subsidiary concerned was set at 50% for 31 December 2024. Eight of the eleven subsidiaries reached this target ahead of the due date as at 31 December 2023.

The target quotas for the respective Boards of Management of the subsidiaries concerned were between 25% and 50% (35.7% on average) for 31 December 2024 and were already met by eight of the eleven companies as of 31 December 2023. For the subsidiaries concerned, the respective Boards of Management have set target quotas of 30% to 40% (32.9% on average) for 31 December 2024 for the first management level and target quotas of 30% to 43.5% (39.2% on average) for the second management level below the Board of Management. Due to internal restructurings, one of the eleven subsidiaries no longer has any employees below the level of the Board of Management. Therefore, reference will only be made to ten subsidiaries in the following paragraph.

As at 31 December 2023, the targets were met by four of the ten subsidiaries concerned for the first management level, while two of the ten companies met the target set for the second management level ahead of the due date. Despite increased efforts to promote women in the Allianz Group and in the individual subsidiaries, it was not possible to reach the targets ahead of the due date in the other cases as it was not always possible to identify suitable female candidates for all vacant positions. Allianz continues to work to achieve these targets.

TAKEOVER-RELATED STATEMENTS AND EXPLANATIONS

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

Composition of share capital

As of 31 December 2023, the share capital of Allianz SE was € 1,169,920,000. It was divided into 391,718,983 registered and fully paid-up shares with no par value. All shares carry the same rights and obligations. Each no-par value share carries one vote.

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

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

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

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

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

Shares with special rights conferring powers of control

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

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

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

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

Authorization of the Board of Management to issue and repurchase shares

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

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

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

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

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

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

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

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

REMUNERATION REPORT

The Remuneration Report describes the structure and arrangements of the remuneration system for the Board of Management and the Supervisory Board of Allianz SE. It explains the application of the remuneration system in the 2023 financial year, using detailed and individualized specifications on the remuneration of current and former members of the Board of Management and the Supervisory Board.

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

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

The remuneration year of 2023 at a glance

The economic and geopolitical environment

In the first half of the year in particular, 2023 was characterized by the continued dynamic inflation trend in many leading economies. Only in the second half of the year was a slow normalization of inflation rates achieved thanks to rapid interest rate hikes by central banks. The economic impact of high inflation and restrictive monetary policy was also evident on the international capital markets. In addition to high claims inflation, the insurance industry and asset management therefore also had to successfully navigate a very volatile investment environment. Natural disasters, such as the earthquake in Türkiye and Syria as well as thunderstorms in Germany, also posed major challenges for our industry in 2023. The ongoing war in Ukraine and the conflict in the Middle East contributed to the challenging geopolitical and economic environment.

The Supervisory Board's Personnel Committee closely monitored business developments, particularly with regard to potential target achievement at Group level and individual remuneration targets at the half-year and year-end 2023. In addition to the financial targets, the non-financial targets and target achievement for 2023 were also discussed intensively, and changes to the Management Board were prepared and implemented.

Group financial targets

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

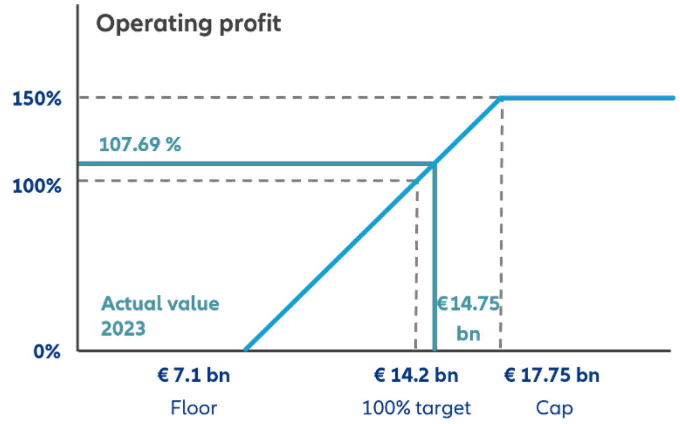
The operating profit target of € 14.20 bn was exceeded to € 14.75 bn, as the Property-Casualty, Life/Health, and Corporate and Other business segments achieved growth in operating profit and more than compensated for the slight decline in the Asset Management business segment. This resulted in a target achievement of 107.69% for the operating profit.

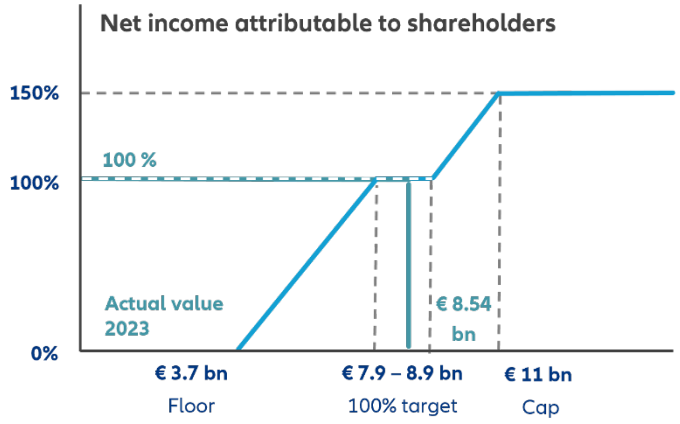
The transition to IFRS 9 means a significant increase in the share of assets measured at fair value through profit or loss on the balance sheet in the Property-Casualty business segment and thus significantly higher volatility of the net income in combination with fewer steering options. In the Board's remuneration system, which will be submitted for approval by the 2025 Annual General Meeting, the Group's financial target of net income attributable to shareholders will be adjusted going forward by eliminating certain non-operating effects such as fluctuations from market movements.

For the 2023 financial year, the bonus curve was adjusted in order to address fluctuations in the net income that the Board of Management cannot control in either direction. For this purpose, 100% target achievement was defined as a plateau with an upward or downward fluctuation range of € 500 mn.

Net income attributable to shareholders amounted to € 8.54 bn in the past financial year and was therefore within the target range of € 7.9 – 8.9 bn, resulting in a target achievement of 100.00%.

Overall, this results in a target achievement rate for the Group's financial targets of 103.85%.





Board of Management performance in 2023

In the financial year under review, the Board of Management faced unprecedented challenges requiring a team effort. In addition to the geopolitical and macroeconomic challenges, the Board of Management had to meet supervisory requirements and adopt decisions to implement the digital future. These topics had to be jointly addressed by the entire Board of Management across the divisional areas of responsibility. The members of the Board of Management also successfully handled the additional tasks arising from the streamlining effected in the financial year under review. This applies in particular to the business activities in Spain, Portugal and Latin America, Allianz X, and the implementation of IT verticalization and business model transformation.

As a result, the Board of Management achieved a record result in terms of operating profit and net income, despite a massive adverse impact resulting from natural disasters, high inflation, and rapidly rising interest rates. This strong overall performance was achieved on a sustainable basis: Customer satisfaction at Allianz once again reached top scores. The proportion of local business segments considered as market leaders in terms of customer satisfaction as measured by the digital Net Promoter Score (dNPS), for example, grew to 59%. Employee testimonials were also very positive. The Inclusive Meritocracy Index and Work Well Index Plus, which are used to measure employee satisfaction, rose to new record levels of 81% and 76%, respectively, bucking a negative trend in the industry. In addition, the Board of Management also met its ambitious environmental targets. Examples include CO_2 emissions per employee, which were reduced by 62% versus the baseline year 2019 and were thus further reduced compared to the previous year (-57%) despite a normalization of travel behavior after the end of the COVID-19 pandemic.

Due to the very good overall team performance of the Board of Management in all cross-divisional matters, for the first time the Supervisory Board unanimously decided to refrain from differentiating the individual contribution factor for the annual bonus for the 2023 financial year and to set a common factor of 1.15 for the regular Board members and to assess Mr. Bäte's performance in leading the Board of Management team with a factor of 1.17. Individual performance by the individual members of the Board of Management is described in detail below.

Potential application of malus and clawback

In the financial year, there was no reason to reduce the payment of variable remuneration (malus) or to reclaim variable remuneration already paid out (clawback).

Approval of remuneration system and Remuneration Report

The system for the remuneration of members of the Board of Management was approved by the Annual General Meeting on 5 May 2021 with a majority vote of 87.14%. The remuneration system applies to all members of the Board of Management who were in office in the 2023 financial year.

The Remuneration Report for 2022 was approved at the Annual General Meeting on 4 May 2023 with a majority vote of 82.94%.

Overall, the remuneration system and the Remuneration Report are strongly supported by investors and proxy advisors. In discussions with the Supervisory Board, it is emphasized, among other things, that the transparency provided with regard to Board of Management remuneration exceeds the best practice standard in Germany in many respects and that the Supervisory Board exercises its discretionary powers, as granted to them to the usual extent, very responsibly.

Changes to the composition of the Board of Management

Giulio Terzariol was released from his mandate as a member of the Board of Management on 31 December 2023 so that he can pursue a career opportunity outside the company in his home country.

Claire-Marie Coste-Lepoutre took over from Giulio Terzariol on 1 January 2024 and has been working with Mr. Terzariol on a seamless handover of his responsibilities.

Remuneration of the Allianz SE Board of Management

Key principles of Board remuneration

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

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

Determination of the remuneration system

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

Clarity and comprehensibility are ensured at all times. Feedback from investors is also considered.

Determination and adequacy of Board of Management remuneration

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

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

Horizontal appropriateness

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

As part of the review in 2022 of the appropriateness of the remuneration of the Board of Management, a need to adjust the level of remuneration for the Board members at Allianz SE was identified for 2023 and going forward. A comparison of Board of Management remuneration with the DAX 40 companies on the basis of turnover, number of employees and market capitalization shows that the remuneration of the Chairperson of the Management Board and the ordinary members of the Management Board is below the comparative value. In addition, the reduction of the entire Board of Management to nine members and the associated redistribution of tasks led to an increase in the workload for the remaining Board members. For these reasons, the Supervisory Board deemed an increase in the annual target remuneration of 5% for all Board members to be appropriate. The exact amounts can be found in the graph relating to the overview of the structure of the target remuneration.

Vertical appropriateness

This comparison is based on the total direct remuneration of a member of the Board of Management and the average direct remuneration of an employee of the German Allianz companies. The Supervisory Board's decision in December is based on the factor resulting from this comparison for the previous financial year. For the 2022 financial year, the factor for the Chairperson of the Board of Management to an employee was "65" and the factor for a regular Board member to an employee was "37". For the 2023 financial year, the respective factor for the Chairperson of the Board of Management to an employee is "68" and the factor regular board member to employee is "36".

Overview of the Allianz SE remuneration system

The following diagram provides an overview of the structure and amount of the target remuneration of the members of the Board of Management in the 2023 financial year.

	In € thou CEO / BM	Components
30% Base salary	2,007 1,024	• **Fix**
25% Annual bonus	1,673 854	**Target achievement factor (0-150%)** Group result (50% operating result, 50% net income) × Individual contribution factor (0.8-1.2)
45% Long-term incentive (LTI), deferred	3,011 1,536	**LTI payout factor (0-272%[1])** Target achievement factor annual bonus × 4-year share price development × Relative performance factor (index comparison) × Sustainability check[2] (100% down to 0)
100%	**6,691** **3,414**	

Other elements

Shareholding requirement	Shareholding requirement • CEO: 2 x base salary • BM: 1 x base salary Total stock exposure, including LTI at full run-rate: • CEO: 8 x base salary • BM: 7 x base salary
Pension provision (pension contributions)	• 15% of the target remuneration (50% of the base salary) • CEO: € 1,003 thou, BM: € 512 thou
Severance payment	• Severance payment limit ≤ 2 x target remuneration excluding pension contributions
Malus Clawback	• Applicable to the entire variable remuneration: • Malus: up to 100% • Clawback: up to 3 years
Cap	• Remuneration cap including pension contributions in € thou: • CEO: € 11,750, BM: € 6,000

CEO = Chief Executive Officer, BM = regular Board member.
Consideration of sustainability criteria.
1_The cap of € 11,750 thou, or € 6,000 thou including pension contributions, limits the LTI effective payout to a maximum of 272% of the target allocation value.
2_Review of target achievement for sustainability on the basis of financial, environmental, and social criteria.

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

Fixed remuneration

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

Base salary

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

Perquisites

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

Pension contribution

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

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

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

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

Performance-based remuneration

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

Annual bonus

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

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

Long-term incentive – LTI

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

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

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

Additional remuneration principles

Shareholding obligation and shareholding exposure

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

- Chairperson of the Board of Management: two times base salary, i.e., € 4,013 thou,
- Regular Board of Management member: one time base salary, i.e., € 1,024 thou.

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

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

Malus/clawback

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

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

Payout cap

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

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

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

Deviation from the remuneration system

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

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

In the 2023 financial year, the Supervisory Board did not make use of the option to deviate from the remuneration system.

Remuneration adjustment

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

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

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

Rather than being automatic, adjustment requires a justified decision by the Supervisory Board on a case-by-case basis. Such a moderate adjustment of the target remuneration does not in itself represent a significant change to the remuneration system. These adjustments or deviations must be justified in detail in the respective Remuneration Report for the financial year.

Termination of service

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

Severance payment cap

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

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

Transition payment

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

Miscellaneous

Internal and external Board appointments

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

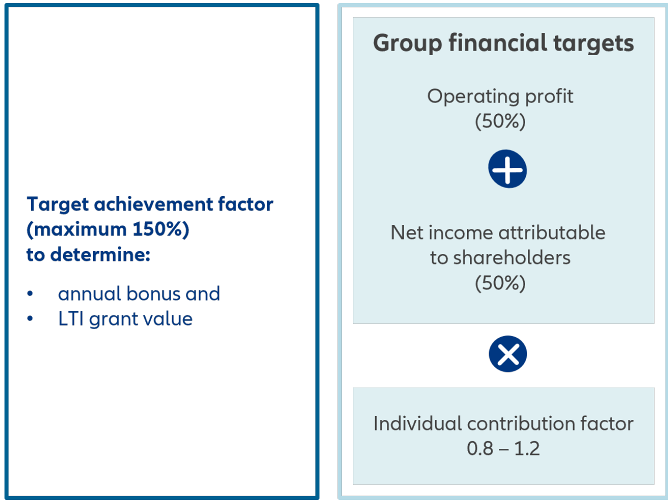
In recognition of related benefits to the organization, and subject to prior approval by the Supervisory Board of Allianz SE, Board members are also allowed to accept a limited number of non-executive supervisory roles at appropriate external organizations. In these cases, 50% of the remuneration received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

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

Variable remuneration system

Target achievement factor to determine the variable remuneration

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



Group financial targets

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

Operating profit highlights the underlying performance of ongoing core operations.

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

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

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

Individual contribution factor (ICF): 0.8 - 1.2

	Strategic priority	Individual strategic objective: set at the beginning of the respective performance year and linked to a corresponding performance indicator.
Performance	Profitability	Divisional focus: business division operating profit and net income. Functional focus: special quantitative targets if applicable.
Performance	Productivity	Divisional property-casualty cost ratio and asset management cost-income ratio.
Non-financial targets	Environmental Social Governance	Sustainability as measured by the greenhouse gas reduction of Allianz companies and by the development of a roadmap to reduce CO_2 emissions in the context of capital allocation. Customer satisfaction: development of digital Net Promoter Score. Employee engagement: development of the Allianz Engagement Survey including Inclusive Meritocracy Index, Work Well Index Plus. Leadership contribution with particular focus on customer & market excellence, collaborative leadership, entrepreneurship and trust.

Impact on

Annual bonus (short-term) + LTI allocation (long-term) + LTI sustainability check (long-term)

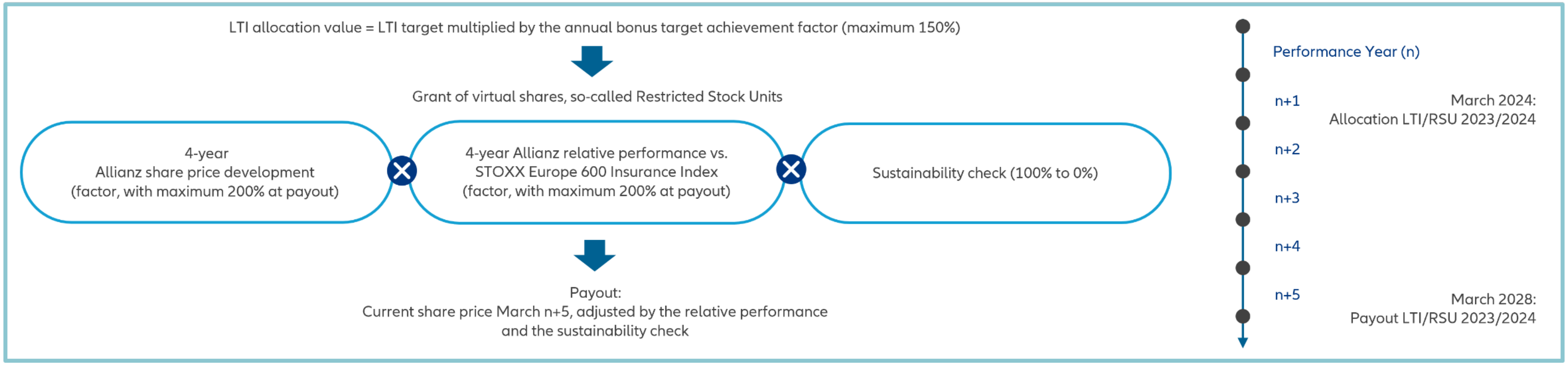
Individual performance indicators

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

- Strategic priority: An individual strategic priority will be set for every Board member at the beginning of each performance year, linked to a corresponding KPI and qualitatively assessed by the Supervisory Board. In addition, overarching strategic goals that apply to all Board members are set.
- Performance (business division targets): For Board members with business-related division responsibilities, the contribution to the financial performance is based on various indicators of profitability (e.g., operating profit and net income) and productivity (e.g., expense ratio) for the respective business division. For Board members with a functional focus, division-specific performance targets are determined based on their key responsibilities, and are qualitatively assessed.
- Sustainability targets: Non-financial sustainability targets take into account customer satisfaction (e.g., digital Net Promoter Score (dNPS), employee engagement (e.g., Allianz Engagement Survey), and leadership quality. The assessment of the individual leadership quality also includes a review of behavioral aspects, such as customer orientation, collaborative leadership, entrepreneurship, and trust (e.g., corporate social responsibility, integrity, diversity, and sustainability as measured by the greenhouse gas reduction of Allianz companies and by the development of a roadmap to reduce CO_2 emissions in the context of capital allocation).

Additional information, in particular regarding the annual sustainability targets for the Allianz SE Board of Management can be found in the Non-Financial Statement for the Allianz Group and Allianz SE.

LTI key features



Determining the individual contribution factor (ICF)

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

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

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

Long-term incentive (LTI) design

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

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

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

- Relative performance versus peers: Besides the absolute share-price development, the LTI payout takes the relative performance of the Allianz share into account. The total shareholder return (TSR) of the Allianz share is benchmarked against the TSR of the STOXX Europe 600 insurance index by reflecting the relation of the total performance of the Allianz share ("Allianz TSR") and the total performance of the STOXX Europe 600 insurance index ("Index TSR") between the start and end of the four-year

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

contractual vesting period. The payout is based on the TSR performance factor, which is calculated as follows:

- At the end of the contractual vesting period, the difference between the Allianz TSR and the Index TSR is determined in percentage points; the result is multiplied by "2" because the comparison with competitors and the market is critically important, so the outperformance/underperformance is given a twofold weighting.
- To determine the factor, 100 percentage points are added to the result. Example: 1 percentage point outperformance results in a relative performance factor of 102%; 1 percentage point underperformance results in a relative performance factor of 98%.

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

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

The sustainability assessment covers:

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

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

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

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

Illustrative examples:

LTI payout: performance exceeds expectation (scenario 1)

Illustrative example for a regular Board member	%	Number of RSUs	€ thou
LTI initial grant based on:			
•LTI target			1,536
•LTI allocation amount: annual bonus achievement factor applied to LTI target	110		1,690
•RSU grant (listed share price: € 220, share price relevant to the calculation of the allocation: € 170 (= reduced by the net present value of estimated future dividends of € 50))		9,940	
LTI payout at vesting based on:			
•RSUs x share price at vesting (€ 269)			2,674
•TSR relative performance factor: 2 x (TSR Allianz: 45 % – TSR STOXX Europe 600 Insurance: 40 %) + 100 %	110		
Payout			**2,941**

LTI payout: performance remains below expectation (scenario 2)

Illustrative example for regular Board member	%	Number of RSUs	€ thou
LTI initial grant based on:			
•LTI target			1,536
•LTI allocation amount: annual bonus achievement factor applied to LTI target	90		1,383
•RSU grant (listed share price: € 220, share price relevant to the calculation of the allocation: € 170 (= reduced by the net present value of estimated future dividends of € 50))		8,133	
LTI payout at vesting based on:			
•RSUs x share price at vesting (€ 203)			1,651
•TSR relative performance factor: 2 x (TSR Allianz: 15 % – TSR STOXX Europe 600 Insurance: 40 %) + 100 %	50		
Payout			**825**

Application of the remuneration system in the financial year

Variable remuneration for the financial year

Group financial targets and target achievement

The degree of target achievement for the Group's financial targets is calculated as the simple average of the target achievement of the operating profit for the year and the net income attributable to shareholders for the year. The operating profit target of € 14.20 bn was exceeded to € 14.75 bn as the Property-Casualty, Life/Health, Corporate and Other business segments achieved growth in operating profit and more than compensated for the slight decline in the Asset Management business segment. This resulted in a target achievement of 107.69 % for the operating profit.

The transition to IFRS 9 means a significant increase in the share of assets measured at fair value through profit or loss on the balance sheet in the Property-Casualty business segment and thus significantly higher volatility of the net income in combination with fewer steering options. For the 2023 financial year, the bonus curve was adjusted in order to address fluctuations in the net income that the Board of Management cannot control in either direction. For this purpose, 100 % target achievement was defined as a plateau with an upward or downward fluctuation range of € 500 mn. Net income attributable to shareholders amounted to € 8.54 bn in the past financial year and was therefore within the target range of € 7.9 – 8.9 bn, resulting in a target achievement of 100.00 %.

Overall, this results in a target achievement rate for the Group's financial targets of 103.85 %.

Group financial target achievement 2022 und 2023

Group financial target achievement	Operating profit		Net income attributable to shareholders		Achievement level combined in %	
Financial year	2022	**2023**	2022	**2023**	2022	**2023**
Bonus curve						
0 % - Floor in € bn	6.70	7.10	3.60	3.70		
100 % - Target in € bn	13.40	14.20	7.20	7.9 – 8.9		
150 % - Max in € bn	16.75	17.75	9.00	11.00		
Target achievement					105.35	103.85
Achievement level in € bn[1]	14.16	14.75	7.17	8.54		
Achievement level in %	111.40	107.69	99.29	100.00		
Weight in %	50.00	50.00	50.00	50.00		

1_The 2022 operating profit and net income attributable to shareholders shown in this table (and also in the following tables within the Remuneration Report) are as published in the Annual Report 2022 and have not been adjusted to reflect the application of the new accounting standards IFRS 9 (Financial Instruments) and IFRS 17 (Insurance Contracts), which have been adopted as of 1 January 2023.

Individual performance indicators and application of the individual contribution factor

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

Individual performance indicators

Board members	Summary of individual performance in 2023	Individual contribution factor (ICF)
Oliver Bäte	• Another record result in a challenging economic and geopolitical environment. • Top results in terms of brand value and customer and employee satisfaction as the basis for future success.	1.17
Sirma Boshnakova	• Very good growth of the platform businesses Allianz Partners, Allianz Direct and the Solvd claims platform. • Foundation laid for further growth, e.g., through the successful conclusion of a bancassurance partnership in the Netherlands.	1.15
Dr. Barbara Karuth-Zelle	• Significant progress in large technology projects, in particular the realignment of the Business Master Platform. • Substantial improvements in the stability of infrastructure services and user satisfaction with workplace services. • Consistent improvement in the company's IT security and strengthening of Group IT Governance by way of driving ambitious transformation projects forward.	1.15
Dr. Klaus-Peter Röhler	• Further productivity gains and pursuit of key transformation projects within the Allianz Group. • Considerable improvements in customer and employee satisfaction. • Financial target achievement was adversely impacted by claims arising from natural disasters, in particular in Germany.	1.15
Giulio Terzariol	• Further strengthening of the solvency ratio, confirmation of or improvement in key credit ratings, and safeguarding Group liquidity. • Very good management of the inflationary environment as the basis for only moderate impacts on the combined ratio in property insurance and on Group results. • Successful integration of control functions and sustained strengthening of Group Governance.	1.15
Dr. Günther Thallinger	• Solid investment result in a capital market environment characterized by extreme interest rate hikes. • Safeguarding Group liquidity through consistent reallocation of the investment portfolio, and positioning for a potentially sustained increase in capital market volatility. • Strong commitment in formulating and implementing the new ambitious Net-Zero Plan, which contributes to the expansion of Allianz's leading position in sustainability.	1.15
Christopher Townsend	• Strong results in the Commercial Lines business, driven by a very gratifying performance of Allianz Commercial and Allianz Trade. • Improvements of results in the entities in Spain, Portugal, and Latin America. • Further progress in developing the cross-border Commercial Lines platform.	1.15
Renate Wagner	• Robust growth and solid profitability in the Asia-Pacific business despite continued challenges in Australia. • Top scores in terms of employee satisfaction and further progress in Diversity & Inclusion, externally recognized through the granting of numerous awards.	1.15
Dr. Andreas Wimmer	• Cushioning adverse market effects in Asset Management through disciplined cost management and achievement of robust new business despite strong volatility. • Very good growth in U.S. Life Insurance and successful pursuit of an ambitious IT transformation.	1.15

As CEO, Oliver Bäte and his Board of Management team once again led the company to a record profit. In addition to the very good financial performance, his strong personal commitment also helped the company to again achieve top scores for brand value as well as customer and employee satisfaction, forming an excellent basis for the continued successful development of Allianz. With regard to the Capital Markets Day to be held in December 2024, the Supervisory Board expects to see the formulation and implementation of the updated corporate strategy in the new financial year. Moreover, the initiatives launched to deliver further productivity gains in the core business and accelerate profitable customer growth are expected to be consistently pursued.

Sirma Boshnakova successfully drove the growth of the platform business ahead in the completed financial year: Apart from the continued strong development of Allianz Partners, Ms. Boshnakova successfully launched the Solvd claims service platform in several markets. The Allianz Direct direct insurance company also reported robust growth and was migrated to a new IT infrastructure. In addition, the conclusion of a partnership in the bancassurance channel in the Netherlands forms an important basis for further growth. Alongside the continued scaling of Solvd, the Supervisory Board expects Ms. Boshnakova's area of responsibility to deliver further improvement in profitability in 2024.

Barbara Karuth-Zelle delivered significant progress in major technology projects, in particular the realignment of the Business Master Platform. She also achieved considerable enhancements of the stability of infrastructure services and user satisfaction with workplace services. Ms. Karuth-Zelle was also responsible for the implementation of important productivity and digitalization initiatives. In addition, Ms. Karuth-Zelle consistently improved the company's IT security and reinforced Group IT Governance by driving ambitious transformation projects forward. Also, the economic management of the IT budget progressed in the completed financial year. For 2024, the Supervisory Board expects to see continued steady improvements, particularly with regard to the speed of implementation and profitability of the IT portfolio, as well as significant and visible productivity gains at Allianz Technology.

Klaus-Peter Röhler delivered further productivity gains in the portfolio he manages by and drove important transformation projects forward within the Allianz Group. The significant improvement in customer satisfaction, for example in life insurance in Germany and Switzerland, is particularly noteworthy. Employee satisfaction also continued to improve year-on-year in almost all subsidiaries in Mr. Röhler's portfolio. The achievement of financial targets in Mr. Röhler's portfolio was adversely affected by losses from natural disasters, particularly in Germany. For 2024, the Supervisory Board expects to see further efficiency gains through IT investments and the consistent further development of pricing and claims models in property insurance, particularly with regard to the mapping of natural events resulting from climate change.

As CFO, Giulio Terzariol once again contributed significantly to the company's very solid position in all key financial indicators. Despite an extremely challenging economic environment, he further strengthened the solvency ratio, achieved the confirmation of or even improvements in key credit ratings, and safeguarded Group liquidity. He was also instrumental in ensuring that the high inflation rate only had a moderate impact on the combined ratio in property insurance and the Group result. Mr. Terzariol also successfully implemented the integration of the control functions and strengthened Group Governance in the long term. After a career spanning 25 years at Allianz with assignments in various places including the U.S., Asia and at the Munich head office, Mr. Terzariol left the company at the end of the year at his own request. The Supervisory Board thanks Mr. Terzariol for his outstanding contributions to the sustainable success of Allianz and wishes him all the best for the future.

Günther Thallinger once again achieved a solid investment result in a challenging capital market environment characterized by extreme interest rate increases in many economies. Moreover, Mr. Thallinger's consistent reallocation of the investment portfolio helped secure the company's strong positioning, even with regard to a potential continued increase in capital market volatility, as well as Group liquidity. Allianz's leading position in the area of sustainability was further expanded, in particular due to Mr. Thallinger's strong personal commitment in formulating and implementing the new, ambitious Net-Zero Plan. For 2024, the Supervisory Board expects to see a consistent adjustment of the investment portfolio to the changing economic framework, taking account of capital market requirements, as well as further profitable growth in the health insurance business.

Christopher Townsend again achieved strong results in the Commercial Lines business in the 2023 financial year, driven by a very gratifying performance delivered by both Allianz Commercial and Allianz Trade. The entities in Spain, Portugal and Latin America, newly allocated to his area of responsibility, also delivered notably improved results. In addition, Mr. Townsend continued to drive the development of the global Commercial Lines business forward. For 2024, the Supervisory Board expects to see sustained improvements in the results of Allianz UK and the realization of the financial targets and visible productivity gains from the globalization of the Commercial Lines business.

Renate Wagner quickly adjusted to her new responsibility for the Asia-Pacific business in the completed financial year and achieved robust growth and solid profitability despite continued challenges in Australia. Moreover, Ms. Wagner's efforts relating to the workforce and culture at Allianz again delivered very good results. Examples include employee satisfaction, which reached a record level and the top score among Allianz's competitors in the completed financial year. Allianz once again won several awards to honor its success in the area of Diversity & Inclusion. For 2024, the Supervisory Board expects further profitable growth in Asia and improved results in Australia. Furthermore, strategic HR planning will remain a top priority in times of shortages of skilled labor.

Andreas Wimmer safeguarded the resilience of the Asset Management business segment and U.S. Life Insurance in a very challenging capital market environment. In Asset Management, he cushioned adverse market effects through disciplined cost management and achieved robust new business despite strong volatility. In addition to very good growth in U.S. Life Insurance, he also successfully drove an ambitious IT transformation forward. For 2024, the Supervisory Board expects to see the expansion of business with alternative asset classes for third-party customers and the consistent continuation of the integration of the Life Insurance and Asset Management business segments in order to strengthen the resulting business opportunities and the capital efficiency of the Allianz Group.

Overview target achievement and variable remuneration for the financial year

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

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

		Target achievement			Annual bonus				LTI allocation[1]			
Board member		Group financial performance	ICF	Target achievement factor	Target	Min	Max	Payout	Target	Min	Max	Allocation
Active Board members in 2023		%	0.8-1.2	%	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou
Oliver Bäte	2023	103.85	1.17	121.50	1,673	-	2,510	2,033	3,011	-	4,516	3,658
Appointed: 01/2008 CEO since 05/2015	2022	105.35	1.16	122.21	1,593	-	2,390	1,947	2,867	-	4,301	3,504
Sirma Boshnakova	2023	103.85	1.15	119.43	854	-	1,280	1,020	1,536	-	2,304	1,835
Appointed: 1/2022	2022	105.35	1.12	117.99	813	-	1,220	959	1,463	-	2,195	1,726
Dr. Barbara Karuth-Zelle	2023	103.85	1.15	119.43	854	-	1,280	1,020	1,536	-	2,304	1,835
Appointed: 01/2021	2022	105.35	1.12	117.99	813	-	1,220	959	1,463	-	2,195	1,726
Dr. Klaus-Peter Röhler	2023	103.85	1.15	119.43	854	-	1,280	1,020	1,536	-	2,304	1,835
Appointed: 04/2020	2022	105.35	1.14	120.10	813	-	1,220	976	1,463	-	2,195	1,757
Giulio Terzariol	2023	103.85	1.15	119.43	854	-	1,280	1,020	1,536	-	2,304	-
Appointed: 01/2018 End of service: 12/2023	2022	105.35	1.13	119.05	813	-	1,220	968	1,463	-	2,195	1,742
Dr. Günther Thallinger	2023	103.85	1.15	119.43	854	-	1,280	1,020	1,536	-	2,304	1,835
Appointed: 01/2017	2022	105.35	1.13	119.05	813	-	1,220	968	1,463	-	2,195	1,742
Christopher Townsend	2023	103.85	1.15	119.43	854	-	1,280	1,020	1,536	-	2,304	1,835
Appointed: 01/2021	2022	105.35	1.13	119.05	813	-	1,220	968	1,463	-	2,195	1,742
Renate Wagner	2023	103.85	1.15	119.43	854	-	1,280	1,020	1,536	-	2,304	1,835
Appointed: 01/2020	2022	105.35	1.14	120.10	813	-	1,220	976	1,463	-	2,195	1,757
Dr. Andreas Wimmer	2023	103.85	1.15	119.43	854	-	1,280	1,020	1,536	-	2,304	1,835
Appointed: 10/2021	2022	105.35	1.12	117.99	813	-	1,220	959	1,463	-	2,195	1,726

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

Individual remuneration of members of the Board of Management

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

The table "Remuneration in the financial year" features the remuneration awarded and due in accordance with §162 (1) sentence 1 AktG. It includes the payments made in the financial year for base salary, perquisites, and other remuneration. For the variable remuneration, the components for performance fully rendered in the financial year are reported. This requirement is met where the applicable performance criteria are fulfilled and conditions subsequent and suspensive have been met or have ceased to exist. For the 2023 financial year, this is the annual bonus that refers to the 2023 performance period and is paid out in March 2024. For the share-based renumeration, the payout of the Allianz Equity Incentive (AEI) RSU allocated in 2019 for the 2018 financial year, which vested in the 2023 financial year, is reported.

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

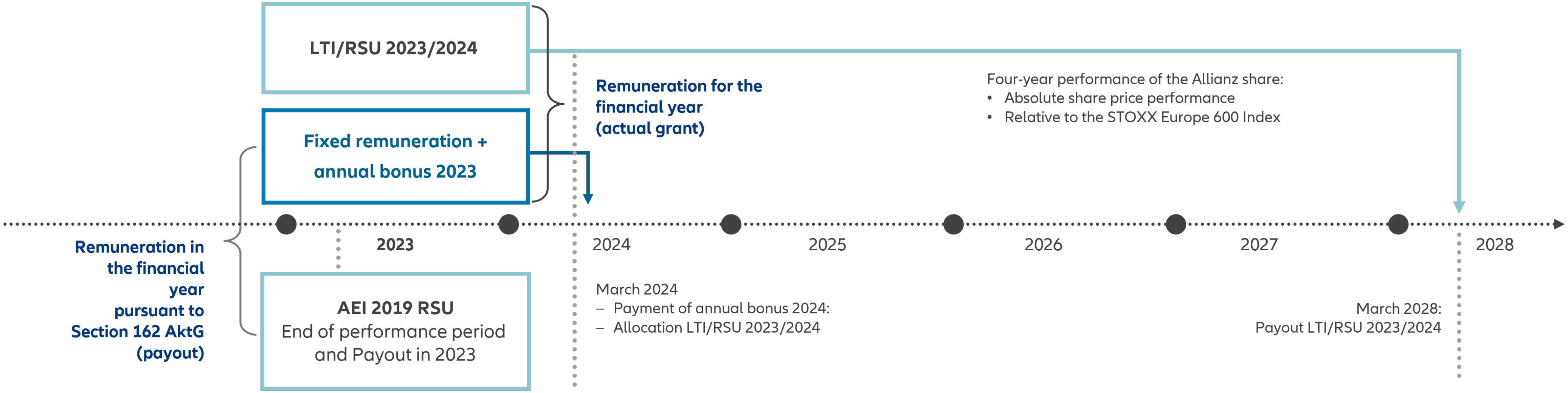
The amounts for the annual bonus and LTI allocation reported here result from the achievement of the targets for the financial year. The information therefore directly depicts the correlation between remuneration and business development.

Furthermore, the remuneration for the financial year is decisive for reviewing the retention of the general payout cap of € 11,750 thou for the Chairperson of the Board of Management and € 6,000 thou for a regular member. It is reviewed prior to the payout in 2028 of the LTI tranches allocated for the 2023 financial year, and reported in the Remuneration Report for the respective financial year.

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

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

The following diagram presents the allocation of the remuneration components in the two tables, using the financial year 2023 as an example:



Remuneration in the financial year

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

Individual remuneration: 2023 and 2022

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

Board members		Fixed compensation				Variable short-term		Variable long-term				Total compen-sation acc. § 162 AktG	Pension service cost	Total
		Base salary		Perquisites		Annual bonus		Share-based compensation		Other compensation				
Board members active in financial year		€ thou	in % of TC	€ thou	in % of TC	€ thou	in % of TC	€ thou	in % of TC	€ thou	in % of TC	€ thou	€ thou	€ thou
Oliver Bäte	2023	2,007	32	35	1	2,033	32	2,283	36	-	-	6,357	1,109	7,466
Appointed: 01/2008 CEO since 05/2015	2022	1,911	34	15	-	1,947	34	1,786	32	-	-	5,660	1,122	6,782
Sirma Boshnakova	2023	1,024	49	29	1	1,020	49	-	-	-	-	2,072	444	2,516
Appointed: 01/2022	2022	975	50	27[1]	1	959	49	-	-	-	-	1,961	412	2,373
Dr. Barbara Karuth-Zelle	2023	1,024	49	27	1	1,020	49	-	-	-	-	2,071	552	2,622
Appointed: 01/2021	2022	975	50	11	1	959	49	-	-	-	-	1,945	556	2,502
Dr. Klaus-Peter Röhler	2023	1,024	49	54	3	1,020	49	-	-	-	-	2,097	502	2,599
Appointed: 04/2020	2022	975	49	19	1	976	50	-	-	-	-	1,970	533	2,503
Giulio Terzariol	2023	1,024	30	83	2	1,020	30	1,251	37	-	-	3,378	555	3,933
Appointed: 01/2018 End of service: 12/2023	2022	975	49	30	2	968	49	-	-	-	-	1,973	570	2,543
Dr. Günther Thallinger	2023	1,024	31	4	-	1,020	31	1,278	38	-	-	3,325	547	3,872
Appointed: 01/2017	2022	975	32	2	-	968	32	1,106	36	-	-	3,051	548	3,599
Christopher Townsend	2023	1,024	50	18	1	1,020	49	-	-	-	-	2,062	434	2,496
Appointed: 01/2021	2022	975	49	30	2	968	49	-	-	-	-	1,972	412	2,384
Renate Wagner	2023	1,024	49	30	1	1,020	49	-	-	-	-	2,074	529	2,602
Appointed: 01/2020	2022	975	49	26	1	976	49	-	-	-	-	1,977	526	2,504
Dr. Andreas Wimmer	2023	1,024	50	8	-	1,020	50	-	-	-	-	2,051	538	2,589
Appointed: 10/2021	2022	975	50	9	-	959	49	-	-	-	-	1,944	413	2,357

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

Compliance with the maximum remuneration principles on payouts for share-based remuneration in the 2023 financial year

In the 2023 financial year, the RSU tranches for the 2018 financial year, allocated in March 2019, were paid out to Oliver Bäte, Giulio Terzariol, and Dr. Günther Thallinger. According to the remuneration system applicable at the time of the allocation, the RSU payout is solely dependent on the absolute share price performance and capped at 200% above the grant price. During the term of the AEI/RSU 2019 tranche, the decisive price of the Allianz share rose from € 193.66 to € 219.06. The increase, and therefore the payout, remained significantly below this cap.

Remuneration for the financial year

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

Individual remuneration: 2023 and 2022

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

Board members		Fixed compensation				Variable short-term		Variable long-term				Total compen-sation	Pension service cost	Total
		Base salary		Perquisites		Annual bonus		Share-based compensation		Other compensation				
Board members active in financial year		€ thou	in % of TC	€ thou	in % of TC	€ thou	in % of TC	€ thou	in % of TC	€ thou	in % of TC	€ thou	€ thou	€ thou
Oliver Bäte	2023	2,007	26	35	-	2,033	26	3,658	47	-	-	7,732	1,109	8,841
Appointed: 01/2008 CEO since 05/2015	2022	1,911	26	15	-	1,947	26	3,504	47	-	-	7,378	1,122	8,500
Sirma Boshnakova	2023	1,024	26	29	1	1,020	26	1,835	47	-	-	3,907	444	4,351
Appointed: 01/2022	2022	975	26	27[1]	1	959	26	1,726	47	-	-	3,687	412	4,099
Dr. Barbara Karuth-Zelle	2023	1,024	26	27	1	1,020	26	1,835	47	-	-	3,905	552	4,457
Appointed: 01/2021	2022	975	27	11	-	959	26	1,726	47	-	-	3,672	556	4,228
Dr. Klaus-Peter Röhler	2023	1,024	26	54	1	1,020	26	1,835	47	-	-	3,932	502	4,434
Appointed: 04/2020	2022	975	26	19	1	976	26	1,757	47	-	-	3,727	533	4,260
Giulio Terzariol	2023	1,024	48	83	4	1,020	48	-	-	-	-	2,126	555	2,682
Appointed: 01/2018 End of service: 12/2023	2022	975	26	30	1	968	26	1,742	47	-	-	3,715	570	4,285
Dr. Günther Thallinger	2023	1,024	26	4	-	1,020	26	1,835	47	-	-	3,882	547	4,429
Appointed: 01/2017	2022	975	26	2	-	968	26	1,742	47	-	-	3,687	548	4,235
Christopher Townsend	2023	1,024	26	18	-	1,020	26	1,835	47	-	-	3,896	434	4,330
Appointed: 01/2021	2022	975	26	30	1	968	26	1,742	47	-	-	3,714	412	4,126
Renate Wagner	2023	1,024	26	30	1	1,020	26	1,835	47	-	-	3,908	529	4,437
Appointed: 01/2020	2022	975	26	26	1	976	26	1,757	47	-	-	3,735	526	4,261
Dr. Andreas Wimmer	2023	1,024	26	8	-	1,020	26	1,835	47	-	-	3,885	538	4,424
Appointed: 10/2021	2022	975	27	9	-	959	26	1,726	47	-	-	3,670	413	4,083

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

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

Giulio Terzariol left the Board of Management of Allianz SE as of 31 December 2023 at his own request. All RSUs held by him on 31 December 2023 were forfeited on 2 January 2024.

Remuneration awarded and due in the 2023 financial year for former members of the Board of Management

The following table shows the components awarded and due to former members of the Board of Management in the 2023 financial year, in accordance with § 162 AktG, and their relative share of total remuneration.

Sergio Balbinot has made use of the option to draw his pension benefits mainly as a lump sum. The “other compensation” column shows the compensation (in total: € 1,625.5) for the post-contractual non-competition clause to the extent already paid in 2023.

According to § 162 (5) AktG, reporting is done at individual employee level for up to 10 years after the end of the financial year in which the Board member in question has ended their activity. Remuneration awarded and due totaling € 4 mn was awarded in the 2023 financial year to 12 members of the Board of Management who had left before this period.

Individual remuneration: 2023
€ thou (total might not sum up due to rounding)

Former members of the Board of Management	Share-based compensation		Pensions		Other compensation		Total
	€ thou	in % of total	€ thou	in % of total	€ thou	in % of total	€ thou
Sergio Balbinot (until 12/2022)	1,318	21	3,359	54	1,499	24	6,176
Ivan de la Sota (until 12/2022)	1,082	100	-	-	-	-	1,082
Jacqueline Hunt (until 09/2021)	1,278	99	-	-	9	1	1,287
Dr. Christof Mascher (until 12/2020)	1,159	90	132	10	-	-	1,291
Niran Peiris (until 12/2020)	1,225	100	-	-	-	-	1,225
Dr. Axel Theis (until 03/2020)	1,318	80	334	20	-	-	1,652
Dr. Helga Jung (until 12/2019)	1,225	97	41	3	-	-	1,266
Dr. Dieter Wemmer (until 12/2017)	-	-	95	100	-	-	95
Dr. Werner Zedelius (until 12/2017)	-	-	482	100	-	-	482
Dr. Maximilian Zimmerer (until 12/2016)	-	-	282	100	-	-	282
Manuel Bauer (until 08/2015)	-	-	136	100	-	-	136
Michael Diekmann (until 04/2015)	-	-	682	100	-	-	682
Clement Booth (until 12/2014)	-	-	151	100	-	-	151

Share-based remuneration

The following table shows the development of the RSU portfolios of the members of the Board of Management in the reporting year. The number of RSUs granted under the former Allianz Equity Incentive (AEI – up to and including the allocation for the 2018 financial year) and under the current Long Term Incentive (LTI – from the 2019 financial year) are displayed separately. As Giulio Terzariol left the Executive Board on 31 December 2023, all RSUs (38,697 units) expired on 2 January 2024.

The reported RSU portfolios may include RSUs which have been granted prior to the appointment as member of the Board of Management of Allianz SE. The decisive price of the Allianz share at the time of payout was € 219.06.

RSU portfolio development in financial year

			Development during financial year			
Board members	RSU plan	Number of RSUs on 1 January 2023	Number of RSUs allocated in March 2023	Number of RSUs settled in March 2023	Number of RSUs forfeited in 2023	Number of RSUs on 31 December 2023
Oliver Bäte	LTI/RSU	53,943	20,335	-	-	74,278
	AEI/RSU	10,422	-	10,422	-	-
Sirma Boshnakova	LTI/RSU	-	10,017	-	-	10,017
	AEI/RSU	12,735	-	1,591	-	11,144
Dr. Barbara Karuth-Zelle	LTI/RSU	10,203	10,017	-	-	20,220
	AEI/RSU	6,723	-	1,955	-	4,768
Dr. Klaus-Peter Röhler	LTI/RSU	16,201	10,196	-	-	26,397
	AEI/RSU	12,166	-	4,903	-	7,263
Giulio Terzariol[1] (until 12/2023)	LTI/RSU	28,590	10,107	-	-	38,697
	AEI/RSU	5,713	-	5,713	-	-
Dr. Günther Thallinger	LTI/RSU	28,590	10,107	-	-	38,697
	AEI/RSU	5,834	-	5,834	-	-
Christopher Townsend	LTI/RSU	10,203	10,107	-	-	20,310
	AEI/RSU	-	-	-	-	-
Renate Wagner	LTI/RSU	18,084	10,196	-	-	28,280
	AEI/RSU	2,532	-	1,327	-	1,205
Dr. Andreas Wimmer	LTI/RSU	2,638	10,017	-	-	12,655
	AEI/RSU	9,844	-	1,101	-	8,743

1_All RSUs held by Giulio Terzariol on 31 December 2023 were forfeited on 2 January 2024.

Shareholding requirements

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

Shareholding exposure as of 31 December 2023

in € thou	Share-ownership portfolio[1]	RSU portfolio[2]	Total portfolio	Proportion of total portfolio value of base salary in %
Board members active in financial year				
Oliver Bäte	4,942	17,195	22,137	1,103
Sirma Boshnakova	545	4,786	5,331	521
Dr. Barbara Karuth-Zelle	1,154	5,806	6,961	680
Dr. Klaus-Peter Röhler	1,135	7,866	9,001	879
Giulio Terzariol (until 12/2023)	1,265	9,135	10,400	1,016
Dr. Günther Thallinger	1,265	9,135	10,400	1,016
Christopher Townsend	1,154	4,708	5,862	573
Renate Wagner	1,159	6,861	8,020	783
Dr. Andreas Wimmer	545	4,866	5,411	529

1_Based on the XETRA closing price of the Allianz share as of 29 December 2023. Shareholdings as of 31 December 2023: Oliver Bäte: 20,427 shares; Giulio Terzariol and Dr. Günther Thallinger: 5,230 shares each, Renate Wagner: 4,789 shares, Dr. Barbara Karuth-Zelle and Christopher Townsend: 4,771 shares each, Dr. Klaus-Peter Röhler: 4,693 shares, Sirma Boshnakova and Dr. Andreas Wimmer: 2,252 shares each.

2_Based on fair value of RSU portfolio as of 31 December 2023 shown in the table reporting the share-based compensation. The determination of the LTI fair values is based on an option pricing model taking into account additional input parameters, including the term structure of interest rates and the expected relative performance of the Allianz share price compared to the peer index. For the latter, simulation techniques are applied at the valuation date to determine the volatility of the Allianz stock, the volatility of the peer index, and their correlation. All RSUs held by Giulio Terzariol on 31 December 2023 were forfeited on 2 January 2024.

Pensions

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

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

In 2023, the Allianz Group paid € 5 mn (2022: € 6 mn) to increase reserves for pensions and similar benefits for active members of the Board of Management. As of 31 December 2023, reserves for pensions and similar benefits for active members of the Board of Management amounted to € 35 mn (2022: € 35 mn).

Reserves for current pension obligations and accrued pension rights for former members of the Board of Management totaled € 176 mn (2022: € 171 mn).

Individual pensions: 2023 and 2022

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

		Current pension plan		Previous pension plans[1]		Total	
Board members		SC[2]	DBO[3]	SC[2]	DBO[3]	SC[2]	DBO[3]
Oliver Bäte	2023	942	7,012	167	4,713	1,109	11,725
	2022	913	5,848	209	4,608	1,122	10,456
Sirma Boshnakova	2023	444	1,202	-	-	444	1,202
	2022	412	739	-	-	412	739
Dr. Barbara Karuth-Zelle	2023	479	2,147	73	840	552	2,987
	2022	464	1,608	92	804	556	2,412
Dr. Klaus-Peter Röhler	2023	478	2,894	24	1,880	502	4,774
	2022	462	2,331	71	1,843	533	4,174
Giulio Terzariol (until 12/2023)	2023	477	3,026	78	1,064	555	4,090
	2022	462	2,460	108	1,001	570	3,461
Dr. Günther Thallinger	2023	480	3,598	67	1,193	547	4,791
	2022	466	3,005	82	1,252	548	4,257
Christopher Townsend	2023	434	1,308	-	-	434	1,308
	2022	412	845	-	-	412	845
Renate Wagner	2023	480	2,220	49	168	529	2,388
	2022	465	1,678	61	176	526	1,854
Dr. Andreas Wimmer	2023	481	1,751	58	238	538	1,989
	2022	367	1,222	46	237	413	1,459

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

Comparative presentation

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

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

Dr. Günther Thallinger received the share-based compensation for the first time in the 2022 financial year and Giulio Terzariol in 2023. The significant change from 2020 to 2021 in Dr. Klaus-Peter Röhler's remuneration is explained by the fact that he joined the Board of Management during the year, so the remuneration reported for 2020 is pro rata only. The same rationale applies to the increase from 2021 to 2022 in Dr. Andreas Wimmer's remuneration, as he joined during 2021.

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

Comparative presentation

	Development of Board of Management compensation, profit, and average compensation of employees								
Financial year	2019	Change 2019 to 2020 in %	2020	Change 2020 to 2021 in %	2021	Change 2021 to 2022 in %	2022	Change 2022 to 2023 in %	2023
Board of management compensation in € thou									
Board members active in financial year									
Oliver Bäte	5,058	6	5,350	11	5,912	(4)	5,660	12	6,357
Sirma Boshnakova (appointed: 01/2022)	-	-	-	-	-	-	1,961	6	2,072
Dr. Barbara Karuth-Zelle	-	-	-	-	1,861	5	1,945	6	2,071
Dr. Klaus-Peter Röhler	-	-	1,285	47	1,888	4	1,970	6	2,097
Giulio Terzariol (end of service: 12/2023)	1,946	(13)	1,694	10	1,870	6	1,973	71	3,378
Dr. Günther Thallinger	1,926	(13)	1,678	10	1,852	65	3,051	9	3,325
Christopher Townsend	-	-	-	-	1,903	4	1,972	5	2,062
Renate Wagner	-	-	1,708	10	1,883	5	1,977	5	2,074
Dr. Andreas Wimmer (appointed: 10/2021)	-	-	-	-	472	312	1,944	6	2,051
Former members									
Sergio Balbinot (end of service 12/2022)	2,030	80	3,644	(5)	3,453	(8)	3,184	94	6,167
Ivan de la Sota[1] (end of service 12/2022)	1,833	(6)	1,717	6	1,814	(3)	1,755	(38)	1,082
Jacqueline Hunt (end of service: 09/2021)	1,967	(14)	1,699	39	2,357	23	2,903	(56)	1,287
Dr. Christof Mascher (end of service: 12/2020)	3,356	(2)	3,285	(56)	1,452	(17)	1,200	8	1,291
Niran Peiris (end of service: 12/2020)	1,730	(13)	1,507	-	-	-	4	30,525[2]	1,225
Dr. Axel Theis (end of service: 03/2020)	1,988	21	2,405	(26)	1,773	(17)	1,472	12	1,652
Dr. Helga Jung (end of service: 12/2019)	3,135	(54)	1,428	(5)	1,354	(17)	1,118	13	1,266
Profit development in € bn									
Operating profit	11.86	(9)	10.75	25	13.40	6	14.16	4	14.75
Net income attributable to shareholders	7.91	(14)	6.81	(3)	6.61	2	6.74[3]	27	8.54
Net income acc. Allianz SE financial statement	4.60	-	4.61	16	5.35	(10)	4.79	68	8.05
Average employee compensation in € thou									
Average compensation based on full-time equivalent	86	(6)	81	4	84	4	87	7	93

1_In order to ensure actual comparability for Mr. de la Sota, Mr. de la Sota's compensation for the 2022 financial year is shown as € 6,502 thou, excluding the severance payment made in January 2023. Including the severance payment, his compensation amounts to € 8,257 thou, and the change 2021 to 2022 is 355 %.
2_The significant increase reported is due to the fact that Niran Peiris received a payment from share-based remuneration in 2023, while only expenses for tax consultancy fees were reimbursed in 2022.
3_Including the adjustment impact of the deconsolidation in Russia, Group net income amounted to € 7.17 bn, with a growth rate of 19%.

Remuneration of the Allianz SE Supervisory Board

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

Remuneration principles

- The set total remuneration is both aligned with the scale and scope of the Supervisory Board's duties and appropriate in view of the Company's activities and its business and financial situation. This also reflects the contribution made by the monitoring activity of the Supervisory Board to the long-term development of the Company.
- The remuneration takes into account the individual functions and responsibilities of Supervisory Board members, such as Chairperson, Deputy Chairperson, or Committee memberships.
- The remuneration structure allows proper oversight of management as well as independent decisions on executive personnel and remuneration.
- Given Allianz's relative size and complexity as well as its sustainable performance, the remuneration of the Supervisory Board is oriented towards the fourth quartile of the supervisory board remuneration of peers in the DAX.

Remuneration structure and components

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

The Supervisory Board's Remuneration System was presented to the Annual General Meeting of Allianz SE on 4 May 2023 and was approved with a majority vote of 95.07 %.

Fixed annual remuneration

The remuneration of a Supervisory Board member consists of a fixed cash amount paid pro rata temporis after the end of the respective quarter of the financial year. Each regular Supervisory Board member receives a fixed remuneration amounting to € 150 thou per year. The Chairperson receives € 450 thou, each Deputy Chairperson receives € 225 thou.

Committee-related remuneration

The Chairperson and members of the Supervisory Board committees receive additional committee-related remuneration which is also paid pro rata temporis after the end of the respective quarter of the financial year. The committee-related remuneration is as shown in the graph below:

Attendance fees and expenses

In addition to the fixed and committee-related remuneration, members of the Supervisory Board receive an attendance fee of € 1,000 for each Supervisory Board or committee meeting they attend in person. Should several meetings be held on the same or consecutive days, the attendance fee will only be paid once. The attendance fee is payable after the respective meeting.

In addition, the Supervisory Board members are reimbursed for expenses incurred in connection with their Supervisory Board activities. The company provides insurance coverage and technical support to the Supervisory Board members to an extent reasonable for carrying out their Supervisory Board duties.

Fixed annual remuneration

Chairperson	Deputy Chairperson	Regular member
€ 450 thou	€ 225 thou	€ 150 thou

Committee remuneration

<table>
<tr><th></th><th>Audit Committee</th><th>Personnel Committee</th><th>Risk Committee</th><th>Standing Committee</th><th>Technology Committee</th><th>Sustainability Committee</th><th>Nomination Committee</th></tr>
<tr><td>Chairperson</td><td>€ 150 thou</td><td colspan="5">€ 50 thou</td><td>€ 25 thou</td></tr>
<tr><td>Member</td><td>€ 75 thou</td><td colspan="5">€ 25 thou</td><td>€ 12.5 thou</td></tr>
</table>

Remuneration awarded and due

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

Individual remuneration: 2023 and 2022
€ thou (total might not sum up due to rounding)

Members of the Supervisory Board		Fixed remuneration		Committee remuneration		Attendance fees		Total remune-ration	Committees[1]						
									A	N	P	R	S	T	SU
Members active in financial year		€ thou	in % of total	€ thou	in % of total	€ thou	in % of total	€ thou							
Michael Diekmann	2023	450.0	59	300.0	40	9.0	1	759.0	M	C	C	C	C	M	M
(Chairperson)	2022	250.0	47	275.0	51	12.0	2	537.0	M	C	C	C	C	M	M
Gabriele Burkhardt-Berg	2023	225.0	74	75.0	25	6.0	2	306.0			M			M	M
(Deputy Chairperson)	2022	187.5	71	75.0	28	3.0	1	265.5			M			M	M
Herbert Hainer	2023	225.0	80	50.0	18	6.0	2	281.0			M		M		
(Deputy Chairperson: from 05/2022)	2022	166.7	76	50.0	23	4.0	2	220.7			M		M		
Sophie Boissard	2023	150.0	53	125.0	44	7.0	2	282.0	M				M		M
	2022	125.0	56	91.7	41	5.0	2	221.7	M				M		M
Christine Bosse	2023	150.0	62	87.5	36	6.0	2	243.5		M		M			C
	2022	125.0	58	87.5	41	3.0	1	215.5		M		M			C
Rashmy Chatterjee	2023	150.0	73	50.0	24	5.0	2	205.0						C	
(from 05/2022)	2022	83.3	70	33.3	28	3.0	3	119.7						C	
Dr. Friedrich Eichiner	2023	150.0	40	212.5	57	10.0	3	372.5	C	M		M		M	
	2022	125.0	43	158.3	55	6.0	2	289.3	C	M		M		M	
Jean-Claude Le Goaër	2023	150.0	58	100.0	39	9.0	3	259.0	M				M		
	2022	125.0	61	75.0	36	6.0	3	206.0	M				M		
Martina Grundler	2023	150.0	64	75.0	32	8.0	3	233.0	M						
	2022	125.0	70	50.0	28	4.0	2	179.0	M						
Frank Kirsch	2023	150.0	73	50.0	24	6.0	3	206.0				M			M
	2022	125.0	70	50.0	28	3.0	2	178.0				M			M
Jürgen Lawrenz	2023	150.0	73	50.0	24	6.0	3	206.0					M	M	
	2022	125.0	70	50.0	28	3.0	2	178.0					M	M	
Primiano Di Paolo	2023	150.0	83	25.0	14	6.0	3	181.0				M			
(from 05/2022)	2022	83.3	81	16.7	16	3.0	3	103.0				M			
Total	**2023**	**2,250.0**	**64**	**1,200.0**	**34**	**84.0**	**2**	**3,534.0**	-	-	-	-	-	-	-
	2022	**1,776.0**	**61**	**1,059.4**	**37**	**55.0**	**2**	**2,890.4**	-	-	-	-	-	-	-

Legend: C = Chairperson of the respective committee, M = Member of the respective committee.
1_Abbreviations: A = Audit, N = Nomination, P = Personnel, R = Risk, S = Standing, T = Technology, SU = Sustainability.

Comparative presentation

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

In the case of Ms. Rashmy Chatterjee and Mr. Primiano Di Paolo, the significant change from 2022 to 2023 is due to the fact that only pro rata remuneration is reported for both of them for the 2022 financial year, as they joined the Supervisory Board during the year.

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

Comparative presentation

Comparative information	Development of Supervisory Board compensation, profit, and average compensation of employees								
Financial year	2019	Change 2019 to 2020 in %	2020	Change 2020 to 2021 in %	2021	Change 2021 to 2022 in %	2022	Change 2022 to 2023 in %	2023
Supervisory Board compensation in € thou									
Active members in financial year									
Michael Diekmann	484.0	-	486.0	9	530.9	1	537.0	41	759.0
Gabriele Burkhardt-Berg	243.5	(1)	240.5	9	261.4	2	265.5	15	306.0
Herbert Hainer	181.0	(1)	180.0	(2)	176.0	25	220.7	27	281.0
Sophie Boissard	184.0	(3)	178.0	13	200.9	10	221.7	27	282.0
Christine Bosse	156.0	(2)	153.0	37	209.3	3	215.5	13	243.5
Rashmy Chatterjee (since 05/2022)	-	-	-	-	-	-	119.7	71	205.0
Dr. Friedrich Eichiner	284.0	(1)	281.0	(1)	278.0	4	289.3	29	372.5
Jean-Claude Le Goaër	209.0	(3)	203.0	-	203.0	1	206.0	26	259.0
Martina Grundler	182.0	(2)	179.0	(2)	176.0	2	179.0	30	233.0
Frank Kirsch	156.0	(1)	154.0	13	173.9	2	178.0	16	206.0
Jürgen Lawrenz	181.0	(1)	179.0	(2)	176.0	1	178.0	16	206.0
Primiano Di Paolo (since 05/2022)	-	-	-	-	-	-	103.0	76	181.0
Profit development in € bn									
Operating profit	11.86	(9)	10.75	25	13.40	6	14.16	4	14.75
Net income attributable to shareholders	7.91	(14)	6.81	(3)	6.61	2	6.74[1]	27	8.54
Net income acc. Allianz SE financial statement	4.60	-	4.61	16	5.35	(10)	4.79	68	8.05
Average employee compensation in € thou									
Average compensation based on full-time equivalent	86	(6)	81	4	84	4	87	7	93

1_Including the adjustment impact of the deconsolidation in Russia, Group net income amounted to € 7.17 bn, with a growth rate of 19%.

Remuneration for mandates in other Allianz companies and for other functions

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

GROUP MANAGEMENT REPORT

C

BUSINESS OPERATIONS

Allianz Group structure

Allianz SE and its subsidiaries (the Allianz Group) offer property-casualty insurance, life/health insurance, and asset management products and services in almost 70 countries, with the largest of our operations located in Europe. The Allianz Group serves around 125 million private and corporate customers[1]. Allianz SE, the parent company of the Allianz Group, has its headquarters in Munich, Germany.

The Allianz Group's structure reflects both our business segments and geographical regions. Business activities are organized by product and type of service, based on how these are strategically managed: insurance activities, asset management activities, and corporate and other activities. Due to differences in the nature of products, risks, and capital allocation, insurance activities are further divided into the two categories property-casualty and life/health. In accordance with the Board of Management's responsibilities, each of the insurance categories is grouped into regional reportable segments. In 2023, the Allianz Group had 11 reportable segments.

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

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

Insurance operations

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

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

Asset management

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

Corporate and Other

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

1_Including non-consolidated entities with Allianz customers.
2_For further information on organizational changes, please refer to the chapter Executive Summary of 2023 Results.
3_Based on currently available peer data. Final peer analysis first available after publication of this Annual Report, due to the ongoing peers' full year reporting season. Allianz has defined a group of comparable peers with a similar business mix and global footprint, which includes AIG, AXA, Chubb, Generali, and Zurich.

Worldwide presence and business segments

Market presence of our business operations[1]

	Property-Casualty	Life/Health	Banking
Insurance German Speaking Countries, Insurance Central & Eastern Europe			
German Speaking Countries			
Germany	X	X	
Switzerland	X	X	
Central & Eastern Europe			
Austria	X	X	
Bulgaria	X	X	X
Croatia	X	X	
Czech Republic	X	X	
Hungary	X	X	
Lithuania		X	
Poland	X	X	
Romania	X	X	
Slovakia	X	X	
Slovenia	X	X	
Ukraine	X		
Insurance Western & Southern Europe, Allianz Direct and Allianz Partners			
Europe			
Italy	X	X	X
Türkiye	X	X	
France	X	X	X
Belgium	X	X	
The Netherlands	X	X	
Luxembourg		X	
Greece	X	X	
Allianz Partners			
Allianz Partners	X	X	
Allianz Direct			
Allianz Direct	X		
Insurance Asia Pacific			
Asia Pacific			
China	X	X	
Indonesia	X	X	
Japan		X	
Laos	X		
Malaysia	X	X	
Philippines		X	
Singapore	X		
Sri Lanka	X	X	
Taiwan		X	
Thailand	X	X	
India	X	X	
Australia			
Australia	X	X	
USA			
U.S. life insurance		X	
Global Insurance Lines & Anglo Markets, Insurance Iberia & Latin America, Insurance Middle East, and Africa[2,3]			
Global Insurance Lines & Anglo Markets			
United Kingdom	X		
Ireland	X		
Allianz Global Corporate & Specialty	X		
Allianz Trade	X		
Reinsurance	X	X	
Insurance Iberia & Latin America			
Iberia			
Spain	X	X	
Portugal	X	X	
Latin America			
Argentina	X		
Brazil	X	X	
Colombia	X	X	
Mexico	X	X	
Middle East			
Saudi Arabia	X	X	

1_This overview is based on our organizational structure as of 31 December 2023.
2_The Global Insurance Lines serve clients through a worldwide network of Allianz-owned offices plus network partners in other locations – the table above does not list every country separately in which the global insurance lines operate.
3_In Africa, all businesses were contributed to a joint venture with Sanlam, where the Allianz Group held a minority stake of 41% at the end of the year 2023. This joint venture also includes the Allianz Egypt business. In the Middle East, we sold our Lebanon operations in July 2023.

	Retail Asset Management	Institutional Asset Management
Asset Management		
North and Latin America		
United States[1]	X	X
Canada	X	X
Brazil	X	X
Europe		
Germany	X	X
France	X	X
Italy	X	X
Ireland	X	X
Luxembourg	X	X
Spain	X	X
Switzerland	X	X
Belgium	X	X
The Netherlands	X	X
United Kingdom[2]	X	X
Sweden[3]	X	X
Asia Pacific		
Japan	X	X
Hong Kong	X	X
Taiwan	X	X
Singapore	X	X
China	X	X
Australia	X	X
Indonesia	X	X

1_Due to the restructuring of AllianzGI's U.S. business, all U.S. institutional business is conducted out of Allianz Capital Partners of America. Distribution in the United States is done through Voya.
2_Following Brexit, during 2023, the business of the UK Branch has been transferred to AllianzGI UK Ltd. and also the business of the Allianz Capital Partners – London Branch has been transferred to AllianzGI UK Ltd.
3_AllianzGI GmbH – Sweden Branch is offering sales support only, no regulated services are performed locally.

Our steering

Board of Management and organizational structure

The members of the Board of Management of Allianz SE are jointly responsible for the management of the company and compliance with legal requirements. Notwithstanding this overall responsibility, the individual members independently head the departments assigned to them. They consult with the Chairperson of the Board of Management on important issues. The Chairperson of the Board of Management is also responsible for coordinating the departments.

Divisional responsibilities for business segments and/or functional responsibilities are assigned to the individual departments. The latter include Finance, Risk Management and Controlling Functions, Investments, Operations and IT, Human Resources, Legal, Compliance, Internal Audit, and Mergers & Acquisitions. Business division responsibilities focus on geographical regions or global lines. Rules of procedure specify the inner organization of the Board of Management as well as the departmental responsibilities in more detail.

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

Target setting and monitoring

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

We continuously monitor our business performance against these targets through monthly reviews – which cover key operational and financial metrics – to ensure we can move quickly and take appropriate measures in the event of negative developments. The Allianz Group uses operating profit and core net income as key financial performance indicators across all its business segments. Other indicators include segment-specific figures, such as the combined ratio for Property-Casualty, core return on equity[1] and new business margins for Life/Health, and the cost-income ratio for Asset Management. For a comprehensive overview of our business segment performance, please refer to the respective chapters on the following pages.

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

Non-financial key performance indicators (KPIs) too, are taken into account when determining the variable remuneration of the Board of Management. Non-financial KPIs include customer satisfaction, employee satisfaction as well as various environmental indicators. For further information on non-financial KPIs, as well as an overview of the development and expected development of these non-financial KPIs, please refer to the Non-Financial Statement.

1_ Effective 2023, core return on equity represents the ratio of shareholders' core net income to the average shareholders' equity at the beginning and at the end of the year. From the average shareholders' equity unrealized gains and losses from insurance contracts and other unrealized gains and losses are excluded and participations in affiliates not already consolidated in this segment are deducted.

NON-FINANCIAL STATEMENT

About the statement

This section has been compiled in accordance with the Corporate Social Responsibility (CSR) Directive Implementation Act (EU Directive 2014/95/EU), which has been transposed into German law via §§ 315d, 289f HGB.

Allianz will be required to report under the new sustainability reporting regime of Corporate Sustainability Reporting Directive (CSRD) in its sustainability statement for financial year 2024. We are moving towards compliance with the CSRD with our financial year 2023 reporting for "Climate change" (European Sustainability Reporting Standards (ESRS) E1) and "Own workforce" (ESRS S1), in terms of anticipating structural and many content requirements of CSRD. All material topics will be covered as per the CSRD as of financial year 2024 reporting. Going forward, the focus for Allianz will shift from reporting in accordance with Global Reporting Initiative (GRI) towards full CSRD compliance for financial year 2024.

The topics "Climate change" and "Own workforce" are strategic sustainability focus areas at the Allianz Group, supported by our 2021 GRI materiality assessment and confirmed by the 2023 Corporate Sustainability Reporting Directive (CSRD) materiality assessment.

The concepts and key performance indicators (KPIs) that reflect our material sustainability matters, based on the 2021 GRI materiality assessment, have been prepared in accordance with the latest GRI standards. For further information on our materiality assessment, please refer to section "06.6" in our Group Sustainability Report 2023 on the **Allianz company website**.

This non-financial chapter of our 2023 Annual Report covers the entire Allianz Group. All measures, activities, and key figures refer to the 2023 financial year (1 January 2023 to 31 December 2023). For targets relevant for the remuneration of the Board of Management, we disclose the targets that were set for this year, the achievements from this year and the targets for next year. For all other topics, we present the objectives and actions taken in the reporting year. Unless otherwise stated, we use the control principle defined by the International Financial Reporting Standards (IFRS) when determining the scope of reporting for the Allianz Group. This Non-Financial Statement is an integral part of the management report and is subject to statutory audit by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.

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

The governance process for non-financial reporting is aligned with financial reporting and follows the same review principles as the Annual Report, engaging with the Board of Management and Supervisory Board.

The Non-Financial Statement has the following main chapters:

- Company description
- Corporate sustainability governance and strategy,
- Environmental matters,
- Social matters,
- Responsible consumer/sales,
- Cybersecurity,
- Human rights matters,
- Employee matters,
- Compliance/anti-corruption and bribery matters,
- EU Taxonomy Regulation,
- Outlook.

Company description

The Allianz Group is one of the world's leading insurers and asset managers with around 125 million private and corporate customers[1] in almost 70 countries.

Our customers benefit from a broad range of personal and corporate insurance services. This includes property, life and health insurance, assistance services, credit insurance, and global business insurance.

As one of the world's largest investors, Allianz manages around € 737 bn on behalf of its insurance customers. Our asset managers – PIMCO and Allianz Global Investors – manage € 1.7 tn of third-party assets.

For further information on our business model, see our Business Operations chapter in the Allianz Group's Annual Report 2023 and section "01.2" of our Group Sustainability Report 2023 on the **Allianz company website**.

Corporate sustainability governance and strategy

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

Our ambition is to support the transformation towards sustainable economies as a partner to our stakeholders. In doing so, we want to drive real-world impact across societies, economies, and the environment. This includes helping to shape the economy to provide the social minimum for all while maintaining environmental barriers.

1_Including non-consolidated entities with Allianz customers.

Governance

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

Allianz established a Sustainability Committee (as a committee of the Supervisory Board) to strengthen the integration and implementation of our sustainability strategy throughout the organization and business functions.

The core objectives of the Sustainability Committee include: advising the Supervisory Board on sustainability-related issues to support economically sound and sustainable development and positioning of the Allianz Group, closely monitoring and supporting oversight of the Management Board's sustainability strategy, in particular the management and execution of the strategic framework for group-wide sustainability measures and conducting preliminary examination of the sustainability-related disclosures, including the non-financial statement as part of the Supervisory Board's review. It also supports the Personnel Committee in the preparation of the sustainability-related target setting, as well as the review of the set targets' fulfillment for the Management Board's remuneration. In 2023, the Sustainability Committee prepared the recommendation of the sustainability-related targets for the members of the Board of Management of Allianz SE, reviewed the respective achievements of the Board of Management, and gave its recommendation to the Personnel Committee of the Supervisory Board. The Sustainability Committee was kept informed on the sustainability strategy and provided advice and guidance on critical issues.

Global Sustainability was established in 2021 and supports the Group Sustainability Board in the execution of its responsibilities. This includes preparation, coordination, and implementation of the decisions by the Group Sustainability Board. It supports Allianz's Group Centers and operating entities to effectively integrate the Group's sustainability strategy into their business processes and policy framework. Global Sustainability drives the integration of sustainability-related matters across the organization and business to ensure Allianz plays a role in shaping the societies and economies in which it operates.

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

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

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

While many operating entities (OEs) had already established local responsibilities for sustainability integration, this was formalized during 2023 with mandatory roles. Each OE must nominate one Board member to be responsible for sustainability, who will be supported by at least one Sustainability Lead.

In 2023 and for 2024, the targets for the Board of Management have been further developed to reflect sustainability priorities. The table below describes the targets in more detail. Minor wording changes were applied compared to the publications last year to create consistency with the Allianz SE Board Member target letters. The underlying targets remain unchanged compared to last year.

Sustainability-related targets linked to the remuneration of the Board of Management

Our Targets		Board Targets 2023	Achievement 2023	Board Targets 2024	More Details
Overarching		Achieve strong sustainability position (top performance in DJSI, MSCI)	DJSI/S&P Global CSA[1]: 3rd MSCI[2]: AA	Achieve strong sustainability position (top performance in DJSI, MSCI)	For further insights, please refer to section Corporate sustainability governance and strategy
		Ensure sustainable solutions in proprietary investments and products	Sustainable Investments scope grew with the addition of sub-sovereigns, active increase, market value growth and further scope expansion; framework for sustainable Life savings products established and growth plan for Sustainable Insurance Solutions in Property-Casualty developed	Ensure sustainable solutions in proprietary investments and products	For further insights, please refer to section Environmental matters and EU Taxonomy Regulation
		Define positioning on Social in line with Allianz purpose focusing on Sustainable Development Goal 8 (SDG 8)	Social positioning defined with focus on societal resilience, (financial-) education and employability, including Lifelong Learning	n.a.	For further insights, please refer to section Social matters
Environmental	Decarbonization	50 % reduction of GHG (greenhouse gas) emissions per employee from Operations by 2023 (vs 2019) and 100 % renewable electricity (RE) as share of total electricity consumption in 2023	GHG emissions from Operations reduced (-62 %) and renewable electricity share increased to 100%[3]	Follow through on the transition plan to reach the net-zero commitments from our business and operations	For further insights, please refer to section Environmental matters
		Follow through on net-zero ambition, in particular in line with our Net-Zero Alliances commitments	GHG emissions from Proprietary Investments reduced ahead of target (exceeding 40 %); Additionally, Allianz Net Zero Transition Plan published, including 2030 targets for Proprietary investments, Property-Casualty and Operations		For further insights, please refer to section Environmental matters
Social	Customer Loyalty	Digital Net Promoter Score (dNPS) development against previous year and overall ambition level	Achieved 59 % Loyalty Leaders across all business segments[4]	Digital Net Promoter Score (dNPS) development against previous year and overall ambition level	For further insights, please refer to section Responsible consumer/sales
	Employee Engagement	Inclusive Meritocracy Index (IMIX) and Work Well Index+ (WWI +) development against previous year and overall ambition level	IMIX: 81 % (2022: 79 %) WWI +: 76 % (2022: 71 %)	Inclusive Meritocracy Index (IMIX) and Work Well Index+ (WWI +) development against previous year and overall ambition level	For further insights, please refer to section Employee matters
	Employability & Lifelong Learning	n.a.	n.a.	Ensure Lifelong Learning	For further insights, please refer to section Employee matters
Governance		Leadership Contribution with particular focus on Allianz People Attributes (Customer & Market Excellence, Collaborative Leadership, Entrepreneurship and Trust)	All board members fully meet leadership standards and requirements based on the evaluation of extensive 360 degree feedback (incl. peers, reporting lines and other personnel)	Leadership Contribution with particular focus on Allianz People Attributes (Customer & Market Excellence, Collaborative Leadership, Entrepreneurship and Trust)	For further insights, please refer to section Employee matters

1_Top 5 of assessed companies, which are DJSI eligible at industry level; 3rd highest score among the insurance industry with 82/100 – score date 31 December 2023.
2_The use by Allianz of any MSCI ESG research LLC or its affiliates ('MSCI') data, and the use of MSCI logos, trademarks, service marks or index names herein, does not constitute a sponsorship, endorsement, recommendation, or promotion of Allianz by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided as-is and without warranty. MSCI names and logos are trademarks or service marks of MSCI.
3_For more details about the sources of the renewable electricity, please refer to section Energy consumption & mix.
4_Loyalty Leadership is a category within dNPS describing the performance of Allianz versus the rest of market at a local level. Loyalty Leadership is the best of four categories in the rating systematic (Below Market/At Market/Above Market/Loyalty Leader).

In 2023, the variable component of the board members´ remuneration (individual contribution factor) considered a range of sustainability-related targets, as shown in the table above.

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

Target and achievements: sustainability ratings

Rating	Board targets 2023	Achievements 2023
DJSI/ S&P Global CSA	Top 5	3rd[1] (2022: 3rd)
MSCI[2]	AA - AAA	AA (2022: AA)

1_Top 5 of assessed companies, which are DJSI eligible at industry level; 3rd highest score among the insurance industry with 82/100 – score date 31 December 2023.
2_The use by Allianz of any MSCI ESG research LLC or its affiliates ('MSCI') data, and the use of MSCI logos, trademarks, service marks or index names herein, does not constitute a sponsorship, endorsement, recommendation, or promotion of Allianz by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided as-is and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Materiality

Having an in-depth understanding and being able to appropriately respond to the changing context in which we operate is fundamental to us, both to have a positive impact and to manage any potentially adverse impacts. To this end and to stay abreast of the trends that are most relevant to our stakeholders and our business, as well as to align our sustainability strategy, implementation measures, and reporting, we assess the materiality of sustainability matters on a regular basis.

In 2023, we carried out a robust and comprehensive double materiality assessment process (in accordance with the CSRD) and accompanying European Sustainability Reporting Standards (ESRS)[1], accounting for the evolving methodology to cover financial materiality (risks and opportunities from a business perspective) and impact materiality (impacts on people and planet). This has allowed us to deepen our understanding of matters previously identified as being material to our key stakeholders. It also enabled us to extend our assessment to those sustainability matters that have not been focus areas so far, but are now moving more into focus, as data, methodologies, and overall research and regulatory guidance evolve. The process, methodology, and outcome of the double materiality assessment were thoroughly reviewed and endorsed by our Group Sustainability Board and the Board of Management. In addition, Board of Management approval has been granted via the Allianz Group Annual Report sign-off process.

The CSRD double materiality assessment (CSRD DMA) will form the basis of our future reporting and will be reviewed annually. It has also been used to test our 2021 materiality assessment, which was based on the GRI Standards. This GRI materiality assessment, which identified 19 material issues, is still applicable. Topics were ranked and presented in a materiality matrix based on key stakeholder views on their importance to society and our business. The highest-ranked topics under the GRI materiality assessment were:

- Climate change,
- Ethics and responsible business,
- Cybersecurity.

For further details on the GRI materiality assessment, please refer to the "06.6" section in the Group Sustainability Report 2023 on the **Allianz company website**.

The CSRD DMA confirms the relevance of the previously identified topics. In addition, it forms the basis for introducing further topics to our sustainability reporting going forward, primarily from more broadly looking into impacts in the value chain. Regarding sustainability-related risks, the CSRD DMA does not identify additional principal risks with expected significant adverse impacts on Allianz (as according to the German Commercial Code (Handelsgesetzbuch – HGB). For further information on (potential) sustainability-related risks, please refer to the section "Outlook".

While taxation is not covered under CSRD, it remains a relevant topic for Allianz in 2023 under the NFRD and is reported based on GRI 207-Tax. The respective information can be found in the section "04.5" in our Group Sustainability Report 2023 on the **Allianz company website** as well as in our Group Tax Strategy published separately on the **Allianz company website**.

Partnerships also remain a relevant topic; going forward, respective details will be covered under the CSRD topic to which a partnership relates.

The topics "Climate change" (ESRS E1) and "Own workforce" (ESRS S1) are strategic sustainability focus areas at the Allianz Group, supported by the GRI materiality assessment and confirmed by the CSRD DMA. As such, we chose to already converge towards the CSRD with our financial year 2023 reporting for these two topics, in terms of anticipating its structural and many of its content requirements. For all material matters, disclosures in accordance with the topical ESRS and the cross-cutting ESRS will be fully covered as per the CSRD as of financial year 2024 reporting. As at financial year-end 2023, the stakeholder engagement process was still ongoing, so that reporting on this process and reflection of the results will be introduced next year.

For a description of the CSRD DMA process and outcome for the financial year 2023, please refer to the section "Outlook".

Sustainability approach

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

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

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

1_It should be noted that the national transposition of the CSRD is still outstanding. The materiality assessment conducted for the financial year 2023 and described in this section and the Outlook section is based on the guidance from the European Financial Reporting Advisory Group (EFRAG) available as at December 2023. In the event of changes to the CSRD upon becoming national law, those changes will be reflected in next year's reporting.

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

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

In everything we do across our priorities of E, S, and G, we strive to embed the sustainability principles and activities that are outlined in our Group Sustainability Report 2023 on the **Allianz company website**.

Risk management

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

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

We continue to expand and strengthen our sustainability risk management framework. Understanding the requirements and limitations of our operating entities helps us to develop global sustainability processes that can be integrated into local processes and systems.

Sustainability integration approach

Our commitment to tackling sustainability topics applies to our own operations and our insurance, investment, and asset management activities.

As a global insurer, investor and asset manager, understanding and addressing sustainability issues helps us to reduce risks and capitalize on impacts and opportunities in all areas of our business.

As well as managing risks, sustainability integration directs us to create products and services that add value to society. We collaborate with clients and investee companies to deliver real-world benefits, and channel capital flows towards sustainable outcomes for all stakeholders.

Sustainability opportunities and risks

As an insurance company that manages risks ranging from single events to decades, it is important for Allianz to make a holistic assessment of risk.

In the Allianz Group Risk Policy, we define sustainability risks as events or conditions that could have significant negative impacts on the assets, liabilities, profitability, or reputation of the Allianz Group or one of its companies. Examples include environmental and climate change risks, human rights violations, risks to local communities, and workforce risks.

If sustainability risks are not identified and managed effectively, they can have significant repercussions for Allianz and our customers, suppliers, investee companies and other stakeholders These repercussions include impacts on our reputation, supply chains, business continuity, quality, operations, and finances.

By screening insurance, investment, and asset management projects from a sustainability perspective, we extend our understanding of risks and can exploit potential business opportunities to benefit shareholders, customers, and other stakeholders.

Our group-wide rules and processes

Our group-wide corporate rules and sustainability processes apply to all relevant underwriting, proprietary investment, and operations activities. They require strong collaboration between relevant functions and business areas.

Key processes are included in the internal Allianz Standard for Reputational Risk Management (AS RRIM) and other corporate rules such as the Allianz Standard for P&C Underwriting and Allianz ESG Functional Rule for Investments. A new corporate rule, the Allianz Standard for Integration of Sustainability (ASIS), captures and updates some of the sustainability components of the AS RRIM in effect from 1 January 2024.

The publicly available Allianz Sustainability Integration Framework provides transparency around our sustainability-related processes and guidelines. We published the fifth version of the Framework in 2023 on the **Allianz company website**.

Our asset management units have developed processes, rules, and governance for integrating sustainability into their investment activities.

Consistent application of sustainability processes in our own business operations, insurance, and proprietary investment activities is crucial to mitigate risks and exploit the opportunities from the transition to a sustainable economy and society. It is also essential to our transformation into a sustainable financial service provider.

Regulation as a driver of sustainability integration

We welcome sustainability regulation as a major driver for fair competition and a level playing field. We believe that sound regulation can improve the structure and clarity of sustainability information.

In 2023, we also actively engaged in and supported regulatory developments. For example, we are a member of the European Commission's Platform on Sustainable Finance and have contributed to the work of the European Financial Reporting Advisory Group (EFRAG) on EU sustainability reporting standards. Until April 2022, we did this via in-kind membership of the Project Task Force on European Sustainability Reporting Standards (PTF-ESRS). Since May 2022, when the new EFRAG governance was set up, our contribution has been via an in-kind membership representing the EU insurance industry in the Sustainability Reporting Technical Expert Group (SR TEG).

In this context, Allianz aims to contribute expert input with respect to the insurance industry, such as on the dual role of insurers as preparers and users of sustainability information, as well as on existing interconnected regulation.

We aim to leverage regulation on sustainability by ensuring consistent implementation across all Allianz businesses. At the same time, we aim to build business opportunities in line with regulatory concepts.

Allianz has established a Sustainable Finance Regulation implementation project at Group level to drive this. Internal guidance is designed in close interaction with Group Centers and Operating Entities, to ensure consistent interpretation and implementation. The focus in 2023 was on the implementation of Sustainable Finance Disclosure Regulation (SFDR), namely regarding pre-contractual and periodic product disclosure as well as website disclosure in consideration of "Principal Adverse Impact" for the Life-Asset product offering.

In 2023, Allianz started convergence into future CSRD reporting with a respective implementation project. The project is managed by the Group Accounting and Reporting function and defines policies, processes and reporting content in line with future ESRS requirements. The Group Sustainability Board oversees progress and deliverables of the project and provides directional guidance. The CSRD project is underpinned by the ambition to implement ESRS requirements with the same quality and diligence as for financial reporting processes.

Environmental matters

The net-zero challenge

Human-made climate change, one of the greatest global challenges of our time, has already caused far-reaching negative consequences and losses for nature and people. Various human and natural systems are being stressed beyond the limits of their adaptive capacity. Therefore, irreversible damage has already started to occur.

In order to mitigate these developments, the 2015 Paris Agreement set the goal of limiting global warming to a maximum of 1.5 °C by the end of the century. This has resulted in a fixed greenhouse gas emissions (GHG) budget; i.e., an upper limit for global emissions that may still be released. Based on modeled emission pathways from the Intergovernmental Panel on Climate Change (IPCC) **6th Assessment Report**, emissions need to be almost halved every decade to restrict warming to 1.5 °C with limited or no overshoot, with a 50% probability of success. This would allow carbon (CO2) emissions to reach net-zero by 2050, meaning that residual emissions would be balanced by atmospheric carbon removal. Climate scientists estimate that halting GHG emissions on a net level would subsequently put a stop to further warming.

In 2022, however, annual energy-related carbon emissions reached a record level of 37 billion tons according to the **International Energy Agency**. If current trends continue, the GHG budget will be exceeded way before 2030 and the target of 1.5 °C will be overshot significantly. This increases the need for an even more rapid transition later on, as well as the use of atmospheric carbon removal – i.e., negative emission solutions – to bring warming back to 1.5 °C by the end of this century. **Recent research** has shown this is still possible but requires urgent action by companies and policymakers alike.

Transition plan and strategy

Our approach to climate change is grounded in the Allianz Group Climate Change Strategy. First published in 2005, it steers our response to climate-related impacts, risks, and opportunities in our insurance and investment business. Since 2015, the Climate Change Strategy has been built around our efforts to anticipate climate risks, care for our customers, and enable the net-zero transition.

Since 2018, our Climate Change Strategy has committed us to contribute to pursuing efforts that limit global warming to 1.5 °C by the end of the century. To anticipate and enable this transition, Allianz has committed to net-zero greenhouse gases (GHG) for our proprietary investments, Property-Casualty insurance, and our own operations. In September 2023, we published our Inaugural Net-Zero Transition Plan on the **Allianz company website**, which describes our intermediary targets for 2030 and key actions to achieve them. This approach builds on the previously released 2025 emissions targets for proprietary investments and own operations.

Our priorities include quantitative emission targets, strategic growth of financing and insuring of low-carbon technologies that support net-zero, targeted restrictions for fossil fuel-based business models to manage transition risks, and a systemic approach to investee engagement and policy advocacy, supported by climate action in our own operations.

These elements, which address the impacts, risks, and opportunities of climate change, are explained in more detail in the subsequent sections on insurance, investments, own operations, and risks. Our ambition is to be a trusted partner for our customers and investee companies across different sectors in their transition toward net-zero.

Since the net-zero transition is a systemic issue, it requires a whole-of-society response. Therefore, we are also seeking to join forces with other stakeholders. Our approach on the investment side builds on the work of the U.N.-convened Net-Zero Asset Owner Alliance, which Allianz co-founded and currently chairs. Furthermore, we encourage companies to implement net-zero strategies via our participation in The B Team, Climate Action 100+, the Transition Pathway Initiative, and the Principles for Responsible Investment.

For further information and a full list of sustainability related memberships, please refer to the section "06.3" in our Group Sustainability Report 2023 on the **Allianz company website.**

Climate-related opportunities

Our materiality analysis under CSRD found climate-related opportunities to be material for the Property-Casualty insurance and proprietary investments. Our business strategy and our net-zero transition plan aim to systematically leverage opportunities to finance and insure a low-carbon and climate-resilient future, e.g., by investing in renewable energy, energy efficiency in real estate, and electric vehicle infrastructure.

We have strategically insured and invested in low-carbon assets for over a decade. With our 2023 Inaugural Net-Zero Transition Plan, we have also set quantitative targets for investing and insuring solutions that are needed in the net-zero transition. Our Sustainable Solutions program provides products and services that aim to create positive impacts with our (re-)insurance activities and investments. Growing sustainable solutions is among the topics included in the annual financial planning processes of our operating entities, in order to systematically identify growth and profitability potential. For further information on sustainable solutions, please refer to the section EU Taxonomy for non-life insurance.

We believe our intermediate climate targets will help us realize growth potential. For commercial insurance in particular, our transition plan includes a target to achieve 150% profitable growth in revenues from renewable energy and low-carbon technology solutions by 2030.

Climate policy dialogue

We can achieve our targets only jointly with public policy and the real economy, as the necessary changes require broad support. For instance, sufficient frameworks and market incentives are required to bring down demand for emission-intensive products and to allocate capital in line with a 1.5 °C trajectory. The private sector, including insurers, can play an important role in raising awareness and making the business case for getting on track to limit global warming. To that end, we also work with policymakers and regulators to support sustainable financing and achieve the goals laid down in the Paris Agreement. We are advocating for global effective climate policy which should achieve the following:

- Embedding "net-zero by 2050" in short and long-term governmental climate targets, climate strategies, and emissions reduction plans, following the latest climate science in line with pathways of no or low overshoot of a 1.5 °C temperature rise.
- Developing sector policies to promote a swift and socially fair transition, including the development of more granular short-, medium- and long-term net-zero infrastructure plans.
- Implementing stringent carbon pricing to internalize the external costs of pollution, including a phase-out of direct and indirect fossil fuel subsidies.
- Protecting nature and supporting regenerative forestry and agriculture. Supporting and redirecting fossil fuel-related subsidies to scale up new technologies that will provide solutions in hard-to-abate sectors, e.g., carbon capture and storage, and green hydrogen.
- Promoting mandatory assured climate disclosure, including transition plans, GHG emissions, associated reduction targets, and alignment with 1.5 °C trajectories, ideally aligned internationally.
- Ensuring sustainable finance regulation that provides a defined, science-based, and reliable framework via a common taxonomy of sustainability, clarification of asset managers' duties, inclusion of sustainability in prudential regulation, and enhanced transparency of corporate reporting.

1.5 °C alignment of targets

Our emission targets are aligned with credible, science-backed climate scenarios – such as those provided by the IPCC[1] – that limit global warming in 2100 to 1.5 °C with only a limited or no overshoot of this temperature during this century. While the individual scenarios differ in their assumptions and narratives, they agree on a necessary emission reduction range for CO_2 emissions of 36% to 69% from 2020 to 2030, with a median reduction of 48%.[2] All our existing sub-portfolio targets with a global focus are in line with this. For our motor retail portfolio, the targeted reductions, which apply to nine European markets, are aligned with respective net-zero pathways.[3]

Our target year 2030 is defined as year-end 2029. Our base years for the 2030 targets in proprietary investments and operations continue to be the base year 2019 (building on existing 2025 targets). This also allows us to filter out the temporary effects of the COVID-19 pandemic. The approach taken for our P&C insurance targets was to focus on the most recent year for which data was available, this being 2022.

Decarbonization levers

For our portfolio targets, there are generally two levers for decarbonization, that is reducing GHG emissions: either our portfolio companies – i.e., the customers we insure or the companies we invest in – reduce their GHG emissions, or we change the composition of our portfolio over time.

The former relies directly on GHG emission reductions in the real economy, which is not under our control. The latter can also occur naturally as part of typical insurance and investment business cycles in different lines of business, sectors, and individual customers, and is generally more under our control.

We aim to achieve GHG emission reductions through actions such as engaging customers, increasing exposures to lower-carbon business, and setting targets for lower-carbon technologies, as well as reducing our exposure to defined fossil-fuel business such as thermal coal. For our own operational GHG emissions, the main levers for reduction are Electricity, Buildings as well as Fleet, Business Travel, and Procurement. These elements are described in more detail in the following sections.

We apply both absolute and intensity GHG emission targets. Absolute GHG emissions refer to an absolute amount of GHG emissions associated with the respective business activity such as investing or insuring; absolute GHG emission targets seek to reduce the absolute amount of GHG emissions. GHG emission intensity and associated targets, on the other hand, harmonize the GHG emissions through a denominator that relates to a business activity. For example, GHG emissions per million invested or per million of premium.

Property-Casualty insurance

The GHG emissions associated with our commercial portfolio will be reduced as we continue the planned implementation of our underwriting guidelines for coal as well as for oil and gas in line with announced thresholds and timelines. Our portfolio will also change as we continue to expand our risk appetite in the segment of renewable energy, low-carbon, and transition technologies. We will also benefit from GHG emission reductions in the real economy that our corporate customers pursue as part of their own net-zero strategies as required by governments, investors, and other stakeholders, and in addition, enabled by us as an insurer. A supportive policy environment is crucial here and is an important lever both for the net-zero transition in the global economy and for our target achievement.

The GHG emissions associated with our motor retail portfolio are planned to be reduced through various initiatives; firstly, by increasing our share of battery electric vehicles for our markets in scope. It is also clear from **market research** that customers want to drive less, so we will encourage sustainable behaviors by providing offerings that reward these lifestyle changes. Another key lever will therefore be providing further incentives for reducing GHG emissions via mileage-based product offerings. When considering potential initiatives we took into account future projections in each of the countries for which we have set targets, including energy usage, vehicle usage and vehicle types. Our incentives will therefore balance the improvements we expect to see in the respective markets with Allianz actions aimed at closing the gap to our stated targets. We will therefore actively steer our in-scope portfolios to be more sustainable whilst benefiting from changes we predict to observe in market behavior.

We will also engage with customers to support their transition to electric mobility and meet their changing needs. We are committed to offering comprehensive insurance products for battery electric vehicles and the related ecosystem, and to supporting our customers in transitioning to new forms of mobility.

1_6th Assessment Report. Further scenarios used include the IEA's Net-Zero by 2050 and the One Earth Climate Model.

2_For GHG emissions, the range is 34 to 60, with a median of 43.

3_Target applies to the most relevant markets for Allianz, where adequate and reliable data is available.

Proprietary investment

Our investment management function allows us to influence our portfolio allocation by setting targets and frameworks for our asset managers. These include defining concrete decarbonization targets for individual mandates, excluding certain high-emitting companies without reduction plans, and increasing target volumes for investments in climate solutions.

In order to achieve GHG emission reductions in the companies in our portfolio, we cultivate all types of engagement: bilateral, multilateral, and asset manager engagement. As part of our multilateral engagement activities, the transition of whole sectors is a particular focus.

Own operations

As the specific definition of net-zero is still evolving for financial institutions and we anticipate CSRD requirements, we are no longer referring to the 2030 target for our Own Operations as a net-zero commitment. We will instead refer to it as a 2030 intermediate target. The rest of the decarbonization and removal targets for Own Operations remain as communicated in the Inaugural Net-Zero Transition Plan.

By 2025 we aim to reduce GHG emissions per employee by 50% versus a 2019 baseline across Scope 1, Scope 2, and selected Scope 3 emissions (for further information, please refer to the section "Own Operations"). For year-end 2030, we target GHG emission reductions of 70% and for year-end 2029, 65%[1] versus a 2019 baseline.

To address the remaining 30%[2] of the emissions we will use high-quality carbon removal solutions.

Key levers for GHG emission reduction will be the areas of Renewable Electricity, Buildings, as well as Fleet, Business Travel, and Procurement. In the area of Renewable Electricity, we source 100% renewable electricity from 2023 onwards and implement energy efficiency measures.[3] For Buildings, we have developed a Buildings Standards Catalogue that includes various measures addressing GHG emission reduction. For Fleet and Business Travel, we aim to shift to a fully electric corporate car fleet by 2030 at the latest, achieve a 40% reduction of GHG emissions from travel activities by 2025 compared to a 2019 baseline, and purchase sustainable aviation fuel (SAF) in order to address GHG emissions from air travel. For Procurement, we will ask 100% of global framework vendors in our supply chain that provide services globally to establish a public commitment to net-zero GHG emissions in line with the 1.5 °C path by 2025.

Carbon removal and carbon credits

In the past reporting year, we did not use carbon removal and associated carbon credits when accounting for our GHG and the associated reduction targets. Our net-zero targets will likely require the use of atmospheric carbon removal in the respective net-zero targets year. For this, we expect to only use high-quality carbon removal. Our focus remains on GHG emission reductions.

Governance

Ultimate responsibility for all matters relating to sustainability, including climate, resides with the Board of Management of Allianz SE as the Group's parent company. This includes climate change and the net-zero transition plan, which has been approved by the Board of Management. Climate-related matters are typically part of all Group Sustainability Board meetings, which are held at least quarterly. For further information, please refer to the section "Corporate sustainability governance and strategy".

Our Climate Change Strategy is rooted in the established sustainability governance (for further information, please refer to the section "Corporate sustainability governance and strategy") and its associated policies on sustainability, climate, and the energy sector. For further information, please refer to the section "Overarching Policies".

Progress

In the following sections on insurance, investments, and operations, we report on the details and progress of the implementation of the transition plan.

Overarching policies

The Allianz sustainability approach integrates climate and sustainability-related considerations by applying group-wide corporate rules and sustainability instruments across underwriting and investment activities. Key processes include the internal Allianz Standard for Reputational Risk Management (AS RRIM) and other corporate rules, such as the Allianz Standard for P&C Underwriting (ASU) and Allianz ESG Functional Rule for Investments (EFRI).

The AS RRIM has been in place since 2013 and establishes a core set of principles and processes for the management of reputational risks and sustainability issues within the Group. It is owned by Group Risk, authorized by the Group Finance and Risk Committee and acknowledged by the Allianz SE Board of Management. The objective of the Standard is to proactively identify business decisions and business activities with the potential to trigger reputational issues and, where appropriate, take action to minimize their probability and/or impact. This Standard is mandatory for all operating entities of the Allianz Group. For 2024, the intention is for it to be superseded by the Allianz Standard for Communications and the Allianz Standard for Integration of Sustainability.

Furthermore, Allianz has four energy-related guidelines in place: **thermal coal**, **oil sands**, **oil & gas**, and **renewable/low-carbon energy**. The guidelines are owned by Global Sustainability and authorized by the Allianz SE Board of Management. They apply to proprietary investments and P&C insurance, including facultative reinsurance. Their common goals are to contribute to the transition from fossil fuels to cleaner energy technologies, to manage sustainability and reputational risks, and to achieve our net-zero related targets. The three fossil fuel guidelines define business practices and business models where we do not provide further services or investments along defined technical exclusion criteria. They typically differentiate between single-site restrictions – which apply to stand-alone P&C covers as well as direct project investments – and restrictions on company-level exposures. Purely to support renewable and low-carbon technologies, we allow ring-fenced coverages of and investments into projects and subsidiaries of companies that are otherwise restricted due to the fossil-related energy guidelines. This is described in the Renewable/Low-Carbon Energy Guideline. The guidelines were introduced in 2015 (thermal coal), 2021 (oil sands), 2022 (oil & gas), and 2023 (renewable/low-carbon) respectively.

1_The strategy review for own operations is currently ongoing and will be updated accordingly in 2024.

2_Remaining 30 % means, that if we achieve 70 % reduction by year-end 2030, we will remove 30 %. If the reduction target is overachieved, then we remove the remaining gap to 100 %.

3_For more details about the sources of the renewable electricity, please refer to section "Energy and consumption mix".

As in previous years, we report on the exemptions granted based on the rules outlined in the guideline to companies breaching thermal coal thresholds. In 2023, we received two coal-related requests from our operating entities to exempt corporate clients from company-based restrictions related to both P&C insurance and proprietary investment segments. Of these, one was granted and one was not granted. The granted one was a 1.5 °C exemption, which means that the company was assessed to be on a 1.5 °C pathway despite its coal exposure. The option to grant a grace period of one year for companies aligned with well below 2 °C was granted four times in 2022. As of January 2023, this was no longer possible as per the guideline's rules. The requirement to refer business for so-called green exemptions – i.e., permission to underwrite or invest in renewable energy projects of companies restricted based on the coal guideline, for example – was removed in February 2023 when the new Renewable/Low-Carbon Energy Guideline was published. As a result, there is no further reporting on those exemptions.

The publicly available 5th version of the Allianz Sustainability Integration Framework (formerly the ESG Integration Framework) on the **Allianz company website**, lays out these main internal policies and processes related to our overarching sustainability risk approach.

The subsequent sections will outline specific policies applicable to proprietary investments and insurance.

Insurance

Current emissions

According to the GHG protocol, reporting on emissions associated with insurance underwriting activities is optional. In our motor retail and commercial insurance portfolios, we have made important progress in measuring insurance-associated emissions and we set inaugural emission reduction targets in 2023. For these targets, we follow the methodology of the Partnership for Carbon Accounting Financials (PCAF) Insurance-Associated Emissions Standard.[1]

According to the standard, insurance-associated emissions (IAE) for commercial lines are calculated by multiplying an attribution factor (i.e., for commercial lines this is the insurance premium divided by insured customer's revenue) by the absolute GHG emissions of the re/insured customer or asset. The attribution factor determines what share of the absolute emissions of an insured customer or asset is attributable to re/insurance.

For the portfolio in scope of the emission reduction target for commercial insurance, the baseline insurance-associated emissions in 2022 was 1.00 mn t CO_2e and the insurance-associated emission intensity was 0.26 kt CO_2e/€ mn GWP.[2] Given the lack of reliable and comparable data on customer Scope 3 emissions, our commercial baseline currently only covers our customers' Scope 1 and Scope 2 emissions.

For motor retail, the calculation considers the Scope 1 and 2 emissions of insured vehicles within a portfolio and multiplies them by an attribution factor. The attribution factor represents the insurance industry's share of the total cost of ownership of a vehicle, which includes other costs such as depreciation, fuel, and maintenance. The carbon emissions of the insured vehicles are multiplied by the industry attribution factor (calculated by PCAF as 6.99 % for 2023) to calculate the insurance-associated emissions.

For the motor retail portfolios covered by the emission reduction target, the baseline for absolute insurance-associated emissions in 2022 was 2.10 mn t CO_2[3] (Scope 1 and Scope 2 emissions) in line with the PCAF standard.

Overall GHG emission reduction target

For commercial insurance, we are setting an intensity target for the sub-portfolio of large companies in all sectors, which is managed by Allianz Global Corporate and Specialty. We are focusing on those companies for which GHG emission data is available. For the 2022 baseline, this cohort represented 13 % of the premiums in the commercial segment for which emission accounting methodologies are currently available.[4] Our target is to reduce the emission intensity of this sub-portfolio by 45 % by 2030 against our 2022 baseline (see table "2030 Targets for insurance-associated emissions").

Our target of a 45 % emission intensity reduction for this sub-portfolio refers to emission intensity as the main KPI and not to the absolute insurance-associated emissions (in tonnes of CO_2e). Emission intensity shows the volume of customer-generated emissions associated with every € 1 million of premium we write (tonnes CO_2e/million EUR). While defining an intensity target allows us to reflect the expected growth of our portfolio by 2030 in a dynamic way, our targeted reduction is still within the scenario range of necessary absolute reduction to limit global warming to 1.5 °C. For further information, please refer to section "Transition Plan & Strategy". In addition to factoring in expected portfolio growth, our target definition was also informed by the anticipated real economy decarbonization, which we modeled using authoritative scenarios such as the Stated Policies Scenario (STEPS) of the International Energy Agency.

Our first intermediary target for commercial lines targets the sub-portfolio with the largest climate impact and adequate GHG data quality. This will allow us to steer our portfolio and measure our progress based on reasonable and verifiable GHG emission data, rather than overly relying on sector estimates.

For retail insurance, we are setting a target to reduce the absolute carbon emissions within our motor retail portfolio. For the motor retail portfolio, the target covers nine key European markets, namely: Austria, Belgium, France, Italy, Germany, the Netherlands, Spain, Switzerland, and the UK. Our target is to reduce the absolute carbon emissions within our in-scope portfolios by 30 % by 2030 against our 2022 baseline. Portfolios classified as in scope are aligned with the PCAF standard for personal motor.

For the 2022 baseline, the in-scope portfolios within these markets represent 55 % of the motor retail premiums. The target focuses on the most relevant motor markets for Allianz where the biggest impact can be made. This includes where there is adequate and reliable data available, in order for emissions to be measured and progress against our target to be accurately tracked.

In addition, our target setting is aligned with limiting global warming to 1.5 °C and was informed by the anticipated real economy decarbonization, which we modeled using scenarios from external data partners.

1_For further details on the methodology please refer to the explanatory notes on the **Allianz company website**. An exception to the application of the PCAF standard is made for the calculation of Insurance-Associated Emissions (IEAs) for insurance policies as defined in the Allianz Statement on renewable/ low-carbon energy, as the standard does not yet specify accounting rules for the measurement of IEAs related to these types of assets.

2_With an average data quality score of 2.41. For more details on the calculation of the data quality score following the PCAF standard, please refer to the explanatory notes on the **Allianz company website**.

3_With an average data quality score of 2.61. For more details on the calculation of the data quality score following the PCAF standard, please refer to the explanatory notes on the **Allianz company website** .

4_In line with Lines of Business currently covered by the PCAF Standard. Scope coverage is unchanged compared to the Inaugural Net-Zero Transition Plan. Share of premiums related to GHG reduction target follows IFRS definition of gross written premiums and deviates from PCAF, which excludes external acquisition costs; following PCAF definition of insurance premiums, scope coverage represents roughly 16 % of the eligible premiums in the commercial segment. More details can be found in the explanatory notes.

2030 Targets for insurance-associated emissions

	Unit of targets	Target 2030	Baseline 2022	Delta target 2030 vs Baseline 2022 (%)
Commercial	kt CO_2e/€ mn GWP	0.14	0.26	(45.0)
Retail motor	mn t CO_2[1]	1.47	2.10	(30.0)

1_Motor retail target is CO_2 emissions only, not CO_2e, to be consistent with the data which is currently available.

Decarbonization levers

Insured customers decarbonization

In the commercial insurance business, our aim is to drive decarbonization across all industry sectors and partner with our customers on their net-zero journeys by leveraging collaboration, sustainability expertise, and best practice, as well as our influence as a major global insurance company.

To this end, we will proactively approach customers to foster dialogue and encourage a shift toward science-based net-zero strategies. Firstly, each year we will engage with the top 100 customers, selected by premium size and average industry sector emission intensity, who do not currently have an emissions reporting or a disclosure approach and are therefore currently not in scope for our emission reduction target. By taking this step, we are endeavoring to raise awareness for increased transparency and data exchange and ultimately aiming to close the GHG reporting gap in our portfolio. Secondly, we will engage with customers within the transportation industry – specifically aviation and marine – by leveraging best-practice exchanges on decarbonization strategies for these sectors. Thirdly, we will seek dedicated exchanges with two to three companies per year on their net-zero strategies. For this engagement category, we will screen our portfolio to identify high-emitting companies who have not yet developed science-based net-zero strategies. Sustainability teams within AGCS will support in the selection of engagement candidates and prepare the engagement dialogues, which will be conducted jointly with the distribution and underwriting teams.

For motor retail insurance, we will also actively engage with our customers to encourage the transition to net-zero. We aim to engage with 20 million current and potential customers by 2030 to support their transition to electric mobility, mainly through Allianz-developed online platforms, newsletters and advertising. The 20 million target reflects the current and estimated future number of customers in the markets defined as in scope, who do not own a battery electric vehicle (BEV). Engagement will include focusing on the benefits of switching to electric mobility and the practicalities of doing so, for example home charging infrastructure and insurance options.

To increase our share of sustainably-minded customers, we will offer mileage-based products to reward customers who are actively seeking to reduce their emissions. Our aim in offering such solutions is to encourage change across the insurance sector in how we, as an industry, approach motor insurance.

By offering mileage-based products, we will ensure fair and risk-adequate pricing for our customers that aligns with our technical excellence program. Increasing our market share of BEVs will enable us to collect more data and thus improve the accuracy of our risk models. We are committed to understanding the risks, gathering data, and being actively involved in research in order to ensure our net-zero plan invests in society to the benefit of all.

To support the implementation of our actions, a dedicated team within Global P&C at Allianz SE will support engagement activities, which will be achieved in collaboration with OEs.

Portfolio steering

Furthermore, for commercial portfolios, we are committing to actively supporting the net-zero transition by fostering profitable growth and scaling up of renewable energy, low-carbon and other transition technologies that are a key element of the net-zero transformation. Concretely, we aim to profitably grow revenues in Property Damage (PD) and Business Interruption (BI) coverages related to these transition solutions[1] by 150 % by 2030 compared to 2022.

In addition, we are applying the energy-related guidelines as laid out in the section "Overarching Policies". The focus on these high-emitting sectors is an important lever and contributor to the targeted reduction of emissions intensity at portfolio level.

Restricted companies are listed in the Global ESG Risk List, which is available to all underwriters globally. Training on the application of the policies is offered regularly to support underwriting teams with their implementation.

To ensure we deliver on our targets, we have clearly defined roles and responsibilities to allow for ownership of the topics and monitoring of progression toward completion. Although targets are stated as 2030, there are clear internal interim timelines and reporting processes that will allow for regular monitoring of progress.

Additionally, to support the implementation of our decarbonization strategy for commercial lines, we have set up two dedicated sustainability teams in the AGCS Chief Technical Office (CTO). The Sustainability Governance team oversees the implementation of portfolio strategy, target setting, monitoring, and reporting. The Sustainability Solutions team focuses on business growth and expansion in line with our "insuring the transition" actions. Both teams work closely together and support our distribution and underwriting teams. In addition, our Allianz Risk Consulting teams continue to provide expertise on emerging technology requirements and challenges.

To further support the transition to net-zero within our motor retail portfolio, we aim by 2030 to insure a larger percentage of BEVs in the Allianz portfolios compared to the share of BEVs in the respective in-scope markets.

To enable this portfolio change, we are committed to offering comprehensive insurance products for BEVs and the related ecosystem, in order to support our customers in transitioning to this new technology. Our ambition is to be a market leader for BEVs and we have implemented a mobility strategy in order to support this transition. This strategy is an ongoing project with key deliverables and drives our ambition to be a market leader through strategy development, global exchanges, monitoring, and reporting.

A workstream within the technical area oversees the implementation of our mobility strategy. This workstream has a focus on technical leadership in electric vehicles, supporting our markets in the development and implementation of action plans to meet our targets, as well as ensuring the regular delivery and monitoring of key performance indicators. It also utilizes Allianz's global presence through regular exchanges with OEs as part of internal Mobility Smart Circle meetings and optimizing the pooling of mobility data across countries, leveraging the Group's expertise.

1_Transition solutions include the technologies mentioned in the Allianz Renewable/Low-Carbon Energy Statement, as well as waste to energy, carbon capture and storage (CCS)/direct air capture, battery storage and grid-stability-related investments, smart grids and electrification, electric transportation, EV and battery manufacturing plants, electric mass transit infrastructure construction (rail), certified green buildings, industry projects related to energy transition (ammonia and bio-based/synthetic fuels), and green shipping. We have started working on harmonizing terminology and underlying eligible technologies related to the targets for climate solutions (currently used for proprietary investments) and transition solutions (currently used for P&C insurance). We expect to conclude this work and report on it in 2024 fiscal year.

Additionally, to support the implementation of the overall decarbonization strategy for motor retail, a dedicated team within Global P&C at Allianz SE oversees target and strategy development, portfolio steering, reporting and monitoring, data maintenance, and quality assurance.

Insurance-specific policies

All relevant aspects of our insurance portfolios are governed by the Allianz Standard for P&C Underwriting (ASU). Ownership and execution of the Standard sits with Global P&C and is governed by the Group Underwriting Committee (GUC). However, ultimate responsibility resides with the Allianz SE Board of Management. The ASU governs the rules and principles for P&C Underwriting within the Allianz Group and is an integral part of the overall Group risk architecture. Its rules and principles focus on underwriting sustainable and profitable business. The ASU includes our principles for sustainability and codifies roles and responsibilities within operating entities related to the decarbonization of underwriting portfolios.

The objectives of the Sustainable Insurance section of the ASU include: developing sustainable business opportunities, building resilience and anticipating future developments and adapting to them, safeguarding against reputational risks, and taking adequate corporate responsibility for our planet.

The ASU is published in the Allianz Corporate Rules Book and is available to all relevant internal stakeholders.

Investments

Current emissions

For our proprietary investment portfolio, we are calculating financed GHG emissions according to PCAF guidance and expanding the methodology to asset classes not yet covered by PCAF. Although we aspire to calculate financed GHG emissions for as much of our portfolio as possible, we are constrained by the development of methodologies and availability of data. Nevertheless, we remain committed to progressively expanding the coverage of our portfolio over time.

We do not calculate financed GHG emissions for covered bonds, ABS/MBS and cash as there is no methodology available yet for these asset classes. To see these asset classes, please see lines "no methodology" in table "Financed emissions".

We calculate three types of financed GHG emissions defined by the underlying investment: 1) Corporates, which includes all investees with a balance sheet, i.e., – in PCAF terminology – listed equity and corporate bonds, business loans and unlisted equity, as well as project finance; 2) Real Estate, which includes commercial real estate loans and real estate equity investments; and 3) Public Debt, which includes sovereign debt, sub-sovereign debt, and supranational debt. As there is no specific PCAF guidance on carbon accounting for sub-sovereigns and supranationals, we have adapted the methodology for sovereign debt to these two asset classes. We do not cover 100 % of our exposure in these three types of financed GHG emissions (i.e., Corporates, Real Estate and Public Debt) due to the lack of relevant emission data information. To see this data coverage gap, please see column "coverage" in table "Financed emissions".

For a detailed description of our carbon accounting methodology, please refer to our explanatory notes on the **Allianz company website**.

In 2023, our total financed GHG emissions were 57.3 mn t CO_2e compared to 46.4 mn t CO_2e in 2022 (see table "Financed emissions"). The increase was driven in particular by adding new asset classes like sub-sovereigns, supranationals, and infrastructure debt.

Our total coverage of financed GHG emissions increased from 59.6 % to 62.1 %.

The table below shows the book value, financed GHG emissions, and coverage (i.e., percentage of book value for which financed GHG emissions are calculated) per carbon footprint methodology and is split into IFRS 9 asset classes.

Financed emissions

	2023				2022			
	Book value (€ bn)	Absolute financed emissions (mn t CO_2e)	Carbon intensity (t CO_2e/€ mn invested)	Coverage (%)	Book value (€ bn)	Absolute financed emissions (mn t CO_2e)	Carbon intensity (t CO_2e/€ mn invested)	Coverage (%)
Corporates	294.2	20.1	64.7	90.6	194.3	16.6	75.1	-
Public debt	166.6	36.7	204.1	99.5	130.8	29.5	192.6	99.7
Real estate	110.6	0.4	9.7	22.9	35.0	0.3	10.5	74.3
No methodology yet[1]	165.4	-	-	-	343.3	-	-	-
Total	**736.8**	**57.3**	**77.6**	**62.1**	**703.3**	**46.4**	**115.8**	**59.6**
Corporates	237.6	18.1	70.5	94.5	161.9	14.5	77.3	-
Public debt	159.3	35.8	204.9	99.5	122.3	28.1	194.9	-
Real estate	68.6	0.0	6.2	1.0	0.0	0.0	49.3	-
No methodology yet[1]	69.1	-	-	-	231.5	-	-	-
Debt investments measured at fair value through other comprehensive income	534.7	53.9	93.5	71.8	515.6	42.6	128.4	-
Corporates	25.3	1.1	48.7	90.8	21.2	1.1	52.4	-
Real Estate	0.7	0.0	2.1	-	-	-	-	-
No methodology yet[1]	1.0	-	-	-	5.5	-	-	-
Equity investments designated at fair value through other comprehensive income	26.9	1.1	46.5	85.3	26.6	1.1	52.4	-
Corporates	7.3	0.3	34.8	64.4	4.1	0.3	69.1	-
Real estate	10.7	0.3	24.9	77.1	9.1	0.2	20.5	-
No methodology yet[1]	3.3	-	-	-	9.3	-	-	-
Shares in affiliates and associated enterprises	21.2	0.6	26.9	60.9	22.4	0.5	35.7	-
Real estate	23.9	0.1	4.2	64.9	25.9	0.1	4.9	-
Real estate held for investment	23.9	0.1	4.2	64.9	25.9	0.1	4.9	-
Corporates	7.3	0.0	0.8	9.5	0.0	0.0	1.5	-
Public debt	-	-	-	-	-	-	-	-
Real estate	0.4	-	-	-	-	-	-	-
No methodology yet[1]	65.9	-	-	-	66.6	-	-	-
Investment funds measured at fair value through profit or loss	73.6	0.0	0.1	0.9	66.6	0.0	1.5	-
Corporates	17.4	0.7	39.1	80.3	7.1	0.7	87.9	-
Public debt	6.0	0.9	175.0	99.6	8.5	1.4	153.5	-
Real estate	6.0	0.0	2.4	12.6	-	-	-	-
No methodology yet[1]	27.1	-	-	-	30.5	-	-	-
Other (book value < € 20 bn and cash)	56.5	1.6	37.7	36.7	46.1	2.1	121.7	-

1_This includes asset classes for which no methodology exists yet, e.g. covered bonds.

Target setting for GHG emission reduction – introduction

We deem the framework laid out by the UN-convened Net-Zero Asset Owner Alliance (NZAOA) for target setting for GHG emission reduction to be best practice. Thus we in general follow the recommendations of the NZAOA for setting intermediate decarbonization targets. While the NZAOA Target Setting Protocol (NZAOA TSP) defines targets for engagements, sectors and financing the transition, we display these as actions in line with ESRS E1. The NZAOA TSP was aligned with all relevant stakeholders and vetted in a public consultation and was developed with a strong reference to the 1.5°C no/low overshoot climate scenarios in the latest report of the IPCC. For further information, please see section "The scientific basis for establishing net-zero targets" of the **NZAOA TSP**[1].

We have already reached our intermediate 2025 decarbonization target for corporate bonds and listed equities in 2023 as we reduced our financed GHG emissions by 44% against the target of a 25 % reduction. For full 2025 target reporting, please refer to the section "03.2" in our Group Sustainability Report 2023 on the **Allianz company website**. We have also reached our targets for engagements and financing the transition. For further information, please refer to the section "Decarbonization Levers".

We have therefore decided to update our complete range of targets in 2023 and define new targets for 2030. When setting these targets, we considered potential future developments in large industries, especially the E.U. and the U.S., based on the latest climate law and regulation; i.e., "Fit for 55" and the "Inflation Reduction Act". We also wanted our new targets to include what we have learned from previous years; e.g., related to data availability. The targets remain in line with the latest science (IPCC report) and industry best practice (NZAOA TSP) and are broader in terms of coverage and depth. For a detailed explanation of our 2030 targets, please refer to Explaining Allianz Intermediate Climate Target Setting 2030 for Proprietary Investments[2] on the **Allianz company website**.

As of the financial year 2024, we will only report on our new 2030 targets.

Overall GHG emission reduction target

We have set an absolute GHG emission reduction target for listed corporates (corporate bonds and public equity). Our target is to reduce absolute GHG emissions in the respective asset classes by 50% by 2030 compared to the 2019 baseline emissions.

We have added a 2030 emission intensity reduction target covering all listed and unlisted corporate exposure (e.g., infrastructure debt) in the amount of 50% compared to the 2019 baseline emission intensity (see table "2030 Targets for emissions associated with proprietary investments").

A reduction of 50% is in line with latest IPCC scenarios and equals the midpoint of the respective scenario range from 40 % to 60 %. For further information, please refer to section "1.5 °C alignment of targets" and the work of the NZAOA with the IPCC scenarios[3].

For unlisted corporates, we are still in the process of gathering emission data and we do not know beforehand how many of our portfolio companies and indirect investments via funds will deliver data in the coming years until 2030. As data coverage is uncertain and changing, we cannot set a reasonable absolute GHG emission reduction target for our overall corporate portfolio. An intensity metric does not rely on coverage as absolute GHG emissions are divided by the respective portfolio exposure. We therefore decided to set an emission intensity reduction target for our listed and unlisted corporates portfolio for 2030.

We have set 2030 targets that are aligned with the Carbon Risk Real Estate Monitor (**CRREM**) for our real estate equity and debt portfolios. These sectoral decarbonization pathways are based on the latest science, supported by the Science Based Targets initiative, and widely accepted as best practice.

Our progress toward target achievement will be monitored regularly and reported in the Non-Financial Statement.

The table below shows Allianz intermediate 2030 decarbonization targets as well as the respective baseline year values, where available. We have defined GHG emission reduction targets for corporates and real estate.

2030 Targets for emissions associated with proprietary investments

	Book value 2023 (€ bn)	% of total	Unit of targets	Target 2030	Current year 2023	Baseline year 2019	Delta Target 2030 vs Baseline 2019 (%)
All Corporates (Listed and Unlisted)	294.2	39.9	t CO2e/€ mn invested	54.0	64.7	108.1	(50.0)
thereof: Listed Corporates (Traded Equity / Corporate Bonds)	192.2	26.1	mn t CO_2e	12.5	14.0	24.9	(50.0)
Real Estate (Equity and Debt)[1,2,5]	110.6	15.0	kg CO_2/m^2	ca. 25.0	33.5	-	-
No methodology[3]	165.4	22.4	-	-	-	-	-
No target yet[4]	166.6	22.6	mn t CO_2e	-	36.7	-	-
Total	**736.8**	**100.0**	**-**	**-**	**-**	**-**	**-**

1_Including 50 % of real estate funds and w/o retail mortgages.
2_Including Pimco Prime Real Estate portfolio.
3_This includes asset classes for which no methodology exists yet, e.g. covered bonds and cash.
4_This includes asset classes for which we calculate owned emissions but have no targets yet, e.g. sovereign bonds.
5_Target 2030: Exact target depends on regional and sectorial portfolio composition 12/2029.

1_AOA-Target-Setting-Protocol-Third-edition.pdf
2_Explaining Allianz Intermediate Climate Target Setting 2030 for Proprietary Investments.
3_Target-Setting Protocol Third Edition – United Nations Environment – Finance Initiative

Decarbonization levers

Portfolio allocation change

The scope of actions outlined below to implement portfolio allocation changes is in line with the scope of our overall GHG emission reduction targets; i.e., covering our global exposure in corporates and real estate.

As an investment management function, we have set targets and frameworks for our asset managers that will ultimately lead to a change in our portfolio allocation with respect to asset classes, investees, and sectors.

As we have set overall GHG reduction targets on a Group-wide level, we start by breaking down the global target to individual mandate level. Each asset manager is then responsible for reaching the respective mandate decarbonization target by taking appropriate actions. For real estate, for example, these actions might include tenant engagement, portfolio transactions, and deep refurbishments. We hold regular deep-dive meetings where we monitor and discuss the decarbonization performance of our asset managers against the set targets.

As well as setting decarbonization targets per mandate, we exclude certain companies in line with our global energy-related guidelines for thermal coal, oil sands, oil & gas. For further information, please refer to section "Overarching Policies". These exclusions therefore contribute to the implementation of our sector targets for oil & gas and utilities that are outlined below. All excluded companies are included in the Allianz Group Risk Global Restricted List and are shared with all asset managers on a regular basis. Asset managers are obliged to comply with these restrictions.

We aim to finance the transition of companies in the hard-to-abate cement and steel sector that are aligned with a 1.5 °C world and have well-defined decarbonization strategies. We will therefore create a separate emission bucket and adjust the sub-portfolio target for listed equity and corporate bonds to reflect additional exposure in those transition leaders included on our new steel and cement climate list.

We have set sector targets for the high-emitting sectors listed below. These targets will trigger three types of actions supporting our overall GHG emission reduction target: sector engagements (for further information, please refer to section "Portfolio company decarbonization"), exclusions, and moving from climate laggards to climate leaders within the respective sectors:

- Oil & Gas (coverage Allianz O&G 100 list):
  - Scope 1, 2 and 3 (cat 11): 43.07 g CO_2e/MJ in line with IEA Net-Zero GHG Emissions by 2050 scenario
  - 100 % of AuM to set net-zero targets across all 3 emission scopes (target year 2025)
- Utilities (Coverage Transition Pathway Initiative (TPI)):
  - Scope 1: 0.17 t CO_2e/MWh in line with IEA Net-Zero GHG Emissions by 2050 scenario
  - Coal phase out in line with 1.5 °C pathway
- Steel (Coverage TPI):
  - Scope 1 and 2: 1.18 t CO_2e/t steel in line with IEA Net-Zero GHG Emissions by 2050 scenario
- Automobile (Coverage TPI):
  - Scope 3 (cat 11): 41.68 g CO_2e/km in line with IEA Net-Zero GHG Emissions by 2050 scenario

In 2023, we added the sectors Steel and Automobile. For both sectors, we are currently implementing data flows as a first step.

Portfolio decarbonization will also be fostered by increasing our share in Sustainable Investments. We have achieved our 2025 target for financing the transition; i.e., we have created between 4 and 5 new blended finance vehicles and have made initial investments in forestry and hydrogen.

We have therefore included a quantitative 2030 target for investments in climate solutions, which is to increase climate solution investments by at least € 20 bn by 2030, subject to market environment and constraints.

As a first step to reach this target, we have defined all low-carbon technologies that qualify as climate solutions[1]. We need to develop a process to align and agree on concrete volumes per annum with all relevant stakeholders: operating entities, asset managers, and relevant Group centers.

We have defined two additional requirements for our investments. Firstly, we will predominantly invest in Article 8 or Article 9 funds (or equivalent) as defined by the EU Sustainable Finance Disclosure Regulation (SFDR). Secondly, we will require a credible transition plan for all unlisted direct investment with a carbon intensity above 100 t CO_2e/€ mn invested.

Portfolio company decarbonization

The extent to which we can achieve reduction of GHG emissions for our investee companies and real estate investments depends on the respective ownership structure. For example, in the case of fully-owned real estate assets, we can directly influence GHG emissions by deep refurbishments. However, if we are only a minority owner, we are restricted to indirectly impacting GHG emissions through engagement, for example, or proxy voting (public equity).

One indirect lever to reach our 2030 GHG emission reduction targets is therefore continued engagement and support of our portfolio companies. We have consequently implemented a systematic and strong engagement approach across all types of engagements: bilateral, multilateral, and asset manager. For further information on our engagement approach, please refer to our 2023 – Allianz Investment Management – Our Engagement Approach on the **Allianz company website**.

We have already achieved our 2025 engagement targets in 2023 as we have engaged the top 30 (non-aligned) emitters in our portfolio, increased our engagement activities by 100 %, and fully participated in all NZAOA sector and asset manager engagements.

1_We have started working on harmonizing terminology and underlying eligible technologies related to the targets for climate solutions (currently used for proprietary investments) and transition solutions (currently used for P&C insurance). We expect to conclude this work and report on it in FY2024.

We have therefore updated our engagement targets earlier than originally planned. By 2030 (versus September 2023), we firstly want to engage with all external asset managers who are "below expectations" based on a systematic assessment. In order to reach this target, we initially need to perform a systematic sustainability assessment of all of our public and private asset managers. If an asset manager does meet our minimum expectations, we will start engagement to close identified gaps. We regularly review our public equity asset managers against best practice guidance (e.g., NZAOA guidance on best practice for proxy voting and climate lobbying).

Secondly, we want to participate in 30 multilateral engagements (at least 15 of them with a focus on climate), either as the lead organization or as a member. In order to reach this target, we will continuously review existing or new multilateral engagement initiatives. In 2023, we joined the collaborative engagement initiative "Investor Initiative on Hazardous Chemicals" (IIHC).

Thirdly, we aim to engage with 15 non-multilaterally engaged portfolio emitters among the top 100. We will screen the financed GHG emissions of our portfolio companies to identify those qualifying for engagement; i.e., those with the highest financed GHG emissions that are not already engaged.

As many of our high emitters in the portfolio can only decarbonize properly if the whole sector – including the value chain – decarbonizes, we are also active in sector engagements via multilateral engagement initiatives. Sector engagements are supporting our sector targets for 2030, in particular in the oil & gas and steel sectors. For more information on our sector targets, please refer to the section "Portfolio allocation changes".

The whole investment management function of Allianz is responsible for implementing climate topics in the existing processes and hence in the investment portfolio.

Proprietary investment specific policies

We are committed to managing climate change risk identified as a material risk for our proprietary investment portfolio. To align our investment management function with this commitment, we have set ambitious GHG emission reduction targets that incentivize respective decision-making (see table "2030 Targets for emissions associated with proprietary investments"). Our Allianz ESG Functional Rule for Investments (EFRI) sets out the rules, principles, and processes that govern the integration and application of climate topics to the Insurance Investment Assets of Allianz.

The EFRI provides a detailed description of all relevant processes for integrating climate into the investment processes and managing climate risk:

- Selecting and monitoring asset managers: Asset managers need to adhere to their own qualified sustainability policy including climate as a key topic. Regular review meetings with asset managers covering sustainability topics need to be performed.
- Systematic evaluation and scoring of investments: For unlisted assets, a case-by-case evaluation needs to be performed to identify potential sustainability risks. For listed assets, sustainability criteria based on MSCI data are used to screen all investments and inform our investment decision-making.
- Active engagements: As an integral part of our strategy, we perform bilateral engagements based on systematic sustainability scoring, multilateral engagements, and asset manager engagements.
- Exclusions of certain sectors, companies and sovereigns: Certain investments need to be excluded based on the Allianz guidelines for Oil and Gas and Coal-based business models. Some exclusions are triggered by engagement.
- Sustainable Investments: We define sustainable investments in line with the SFDR Article 2 (17) and actively pursue investment opportunities that support solutions to environmental and societal challenges, aligned with the U.N. Sustainable Development Goals (U.N. SDGs).
- Risk management: The Allianz Climate Change Risk Solution (ACCRiS) tool must be used to assess physical climate change risk for fully-owned real estate and prospectively for all single location assets. Whenever a certain level of physical risk is identified, a climate change adaptation plan needs to be implemented.

For further details, please refer to section "02.2.1" in our Group Sustainability Report 2023 on the **Allianz company website**.

The EFRI applies to all proprietary investment assets excluding unit-linked assets and is owned by the Sustainable Investing team. It is authorized by the respective Allianz SE Board Member responsible for Investments. The EFRI is published in the Allianz Corporate Rules Book and is available to all relevant stakeholders.

The EFRI is mandatory within the Allianz Group for all insurance and reinsurance legal entities, including related pension schemes and all types of investment assets. Sustainability governance is fully integrated into existing governance structures and makes use of existing committees (e.g., the Group Investment Committee).

Own operations

Current emissions

In our own operations, we aim to reduce our environmental footprint over time. We have established a dedicated unit – Group Sustainable Operations – within Group Operations & IT to align the strategic approach across all Allianz entities, with the aim of reducing their environmental footprint and accelerating impact through setting clear targets and sharing best practice. The main operations in scope are Travel and Fleet, Procurement, Facility Management, and IT.

The total GHG emissions arising from Allianz Operations were 136,448 t CO_2e in 2023. Of that, 31,774 t CO_2e result from Scope 1, 7,929 t CO_2e from Scope 2, and 96,745 t CO_2e from Scope 3. Included Scope 3 GHG emissions from categories 3.1, 3.3, 3.6 and 3.7 cover fuel- and energy-related emissions, business travel, remote working, public cloud, and paper use. Scope 3 GHG financed emissions which fall under category 3.15 are excluded. For further information, please refer to the section "Insurance Overarching" and the section "Investments Overarching". For further details on 2023 GHG emissions and a comparison to 2022 GHG emissions, please see table "Greenhouse gas emissions".

Greenhouse gas emissions
t CO_2e

	2023	2022	Delta (%)
Gross Scope 1 GHG emissions	31,774	30,953	2.7
Gross market-based Scope 2 GHG emissions	7,929	30,490	(74.0)
Gross location-based Scope 2 GHG emissions[1]	112,228	138,339	(18.9)
Gross Scope 3 GHG emissions (selected)[2]	96,745	92,467	4.6
Total emissions from own operation and further value chain	**136,448**	**153,910**	**(11.3)**

1_Not included in the calculation of total emissions.
2_Including fuel- and energy- related activities, business travel, remote working, paper and public cloud.

Own operations GHG emission reduction target

As explained in the “Transition Plan & Strategy" section, anticipating CSRD, we are no longer referring to the 2030 target for our Own Operations as a Net-Zero commitment. We will instead refer to it as a 2030 intermediate target.

Our decarbonization and removal targets for Own Operations remain as communicated in the Inaugural Net-Zero Transition Plan.

By 2025 we aim to reduce GHG emissions per employee by 50% versus a 2019 baseline across Scope 1, Scope 2, and selected Scope 3 emissions (see section “Current Emissions”). For year-end 2030, we target GHG emission reductions of 70% and for year-end 2029, 65% versus a 2019 baseline. The target was defined in alignment with the latest climate science. The progress towards our 2030 target is assessed on a yearly basis as part of our annual reporting cycles. In 2023, we made progress by reducing our GHG emissions by 62% per employee compared to our 2019 baseline.

Greenhouse gas emission targets
t CO_2e per employee

	Emissions Target 2030	Emissions Target 2025	Target 2023	Achievement 2023	Emissions current year 2023	Emissions Baseline 2019	Delta Target 2030 vs Baseline 2019	Delta Target 2025 vs Baseline 2019
Scope 1, 2 and selected scope 3 emissions[1]	0.828	1.183	We expect in 2023 emissions at a comparable level to 2022 with some post COVID-19 corrections.	Our carbon footprint per employee was 0.9 tons (2022: 1.0). This represents a 62 % reduction (2022: 57 %) against a 2019 baseline. This reduction was mainly the result of sourcing 100% renewable electricity[2] for our office buildings and data centers and a reduction in our energy consumption, which balanced increasing business travel post COVID-19.	0.894	2.367	(65.0) %	(50.0) %

1_Scope 3 includes fuel- and energy- related activities, business travel, remote working, paper and public cloud.
2_For more details about the sources of the renewable electricity, please refer to section "Energy & consumption mix".

Energy consumption & mix

In 2023, we had a total energy consumption of 1,574,357 GJ.

We achieved a 47 % reduction in energy consumption in our office buildings per employee against a target reduction of 20 % by year-end 2025 against a 2019 baseline (2022: 32 % reduction).

100%[1] of the electricity we used in our office buildings and data centers came from renewable, low-carbon sources (2022: 89%).

The above was achieved through a combination of green tariffs (65.7 %), expanding the use of on-site renewable technologies (0.2 %), and sourcing unbundled renewable Energy Attribute Certificates (EACs) (34.1 %). For a comprehensive overview of our energy consumption and mix, please see table “Energy consumption and mix”.

1_For more information, please refer to the section “Decarbonization levers – Renewable Electricity”.

Energy consumption and mix

As of 31 December		2023	2022	Delta (%)
Energy consumption from office buildings	GJ	1,232,510	1,578,675	(21.9)
Energy consumption from data centers	GJ	286,312	325,212	(12.0)
Total energy consumption[1]	**GJ**	**1,574,357**	**1,965,294**	**(19.9)**
Energy consumption from office buildings per employee	GJ/employee	8.1	10.4	(22.3)
Energy reduction in office buildings per employee since 2019	%	(47)	(32)	(15.1) %-p

1_The total energy consumption includes also energy from remote working.

Energy source
%

As of 31 December	2023	2022	Delta
Electricity	72.5	67.4	5.1 %-p
Fossil fuels	9.6	12.4	(2.8) %-p
Long distance heating	16.8	18.8	(2.0) %-p
Other sources (incl. energy from own sources including photovoltaic, internal waste heat)	1.1	1.4	(0.3) %-p

Renewable electricity

As of 31 December		2023[1]	2022	Delta (%)
Renewable electricity	GJ	1,122,821	1,153,987	(2.7)
Renewable electricity as a share of all electricity	%	100	89	11 %-p

1_For more information, please refer to the section "Decarbonization levers – Renewable Electricity".

To achieve our GHG emission reduction targets, we have the following decarbonization levers.

Decarbonization levers

Renewable electricity

As a signatory of the RE100 initiative, we have committed to sourcing 100% renewable electricity (RE) for our group-wide operations and data centers by 2023. RE100 is a global initiative bringing together businesses committed to 100% renewable electricity.

Energy sourcing has been a strategic procurement function since 2021 and plays a key role in our transition toward 100% renewable electricity, mainly by shifting energy procurement from locally driven to globally driven processes. Activities in 2023 included leveraging opportunities to agree green tariffs with local power providers and holding conversations with landlords supported by green lease clauses. We encourage green tariffs and local direct investments in Allianz-owned self-generation, centrally supported by PIMCO Prime Real Estate. Furthermore, renewable Energy Attribute Certificates have played a role in the transition to 100% renewable electricity as an interim solution for markets and Allianz entities with limited access to renewable electricity.

In 2023, we achieved our goal of covering 100% (2022: 89%) of our electricity for all office buildings and data centers with renewable, low carbon sources. 98.6% of this is in line with the RE100 technical criteria and 1.4% is secured via renewable Energy Attribute Certificates from neighboring countries as we operate in some countries like Ukraine, Saudi Arabia and Ghana[1] where there is currently no availability of renewable electricity meeting the RE100 criteria. We continue our efforts to cover all our renewable electricity in line with RE100 technical criteria and will closely monitor the market development in the respective countries.

Buildings

Embedding sustainability in our buildings encompasses energy efficiency and reduction. We aim to reduce the energy consumption in our office buildings per employee by 20 % by year-end 2025 against a 2019 baseline.

We implement environmental management systems (EMS) and energy efficiency processes based on ISO14001 and ISO50001 standards to improve environmental management governance practices at some of our major locations and entities. Some locations also pursue certifications such as LEED, BREEAM[2], etc. To address energy efficiency and reduction holistically, our operating entities are encouraged to develop approaches to reduce energy consumption.

We have set up a Buildings Standards Catalogue to harmonize Allianz's approach to sustainability in buildings. This comprehensive listing of minimum standards includes elements of governance-/certifications, furnishings, construction/renovations, renewable energy, energy efficiency, water, waste, food, and commuting, as well as guidance on green lease selection criteria.

In 2023, we achieved a 47 % reduction in energy consumption in our office buildings per employee compared to our 2019 baseline (2022: 32 %).

Fleet and business travel

When it comes to fleet and business travel, our aim is to continuously reduce corresponding GHG emissions now that COVID-19 measures have been lifted and business trips are permitted again. We aim to reduce our GHG emissions from business travel by 40 % by 2025 against a 2019 baseline. As a signatory of the EV100 initiative, Allianz has committed to fully electrify the company fleet by 2030 at the latest.

The current travel regulation is under review and – once updated in 2024 – will encompass climate-related topics for business travel. In addition, our travel tools offer a sort and filter function based on CO_2 emissions for flight searches. Further, meetings should be held digitally whenever possible.

In 2023, GHG emissions from business travel were reduced by 44 % per employee against a 2019 baseline[3] (2022: 47 %). As of 2023, 22 % of our fleet vehicles are electrified[4] (2022: 11%).

Procurement

With regard to our supply chain, our target is to ensure that 100% of global framework vendors – i.e., vendors providing products and services for Allianz globally – have made a public commitment to net-zero GHG emissions in line with a 1.5 °C path by 2025.

The procurement function sources services and products for the Allianz Group by partnering with thousands of vendors all around the world for activities such as IT, professional services, and marketing. Our procurement policy and processes are reviewed regularly. In 2022, they were updated to align with the Allianz Group sustainability strategy and to embed the operations sustainability strategy across procurement activities. To ensure our IT partners are following our

1_Full list of countries: Hong Kong, Bahrain, Cameroon, Ghana, Tunisia, Ivory Coast, Kenya, Lebanon, Senegal, Madagascar, Laos, Myanmar, Qatar, Reunion Island, Saudi Arabia, Ukraine.

2_LEED (Leadership in Energy and Environmental Design) and BREEAM (Building Research Establishment Environmental Assessment Methodology) are certifications assessing the sustainability of buildings based on a rating system.

3_GHG emissions from business travel were restated for 2019 (new absolute: 140,787 t CO_2e, new relative: 1.0 t CO_2e per employee). For air travel emissions, 2022 emission factors were applied to consider post-Covid air travel load factors and to ensure comparability.

4_Including battery electric and plug-in hybrid vehicles.

decarbonization ambition, we have implemented sustainability criteria in all Requests for Information (RFIs)/Requests for Proposal (RFPs) and tenders. The catalogue of questions covers environmental aspects in four categories (Hardware, Software, Application/ Infrastructure & Communication) and produces a rating based on defined sustainability criteria.

Our assessment indicates that, in 2023, 76 % of global framework vendors had an existing net-zero commitment (2022: 65 %).

Sustainability incentive schemes

Sustainability forms part of the individual contribution factor of the remuneration of each member of the Allianz SE Board of Management. This extends to the decarbonization targets of proprietary investments as well as own operations. For further information, please refer to Remuneration Report and the section "Corporate responsibility governance and strategy".

Climate-related risks

Climate change will materially affect global economies and Allianz, with its international footprint and many different lines of business, is no exception – as already highlighted in the section on materiality analysis. The risks and opportunities emerging today will evolve and increase over the mid to long term. They include acute and chronic physical impacts on property and human health, such as increasing temperatures, extreme weather events, rising sea levels, intensifying heatwaves, droughts, and potential changes in vector-borne diseases.

Risks and opportunities also result from the cross-sectoral structural change stemming from the transition to a low-carbon economy. These transition risks include the impacts of changes in climate policy, technology, and market sentiment, and their impact on the market value of financial assets, as well as impacts resulting from climate change litigation.

Impact on and impact of our business

The Allianz Group is exposed to risks that are influenced by climate change in a multitude of ways. Our core business activities mean that we are affected in two key ways, both of which can influence the ability of assets to generate long-term value:

– As an insurer providing insurance policies – e.g., covering health impacts, property damage, or litigation claims – and through changes in the sectors and business models we underwrite.
– As a large-scale institutional investor with significant interests in various economies, companies, infrastructure, and real estate that might be affected by the physical impact of climate change and the transition to a low-carbon economy.

As well as being impacted by climate change, the choices Allianz makes about how to conduct our business have an impact on climate change, e.g., by investing in or insuring activities that either cause or reduce GHG emissions. To manage potentially detrimental impacts on both the climate and our business, we have committed to align our proprietary investment and insurance underwriting portfolios to 1.5 °C climate scenarios.

Strategy resilience, stress tests, and climate scenario analysis

Climate change considerations are an integral part of our insurance and investment strategy.

We apply various quantitative and qualitative strategies when carrying out climate stress testing and scenario analysis. Considerations in this regard include the long-term horizons over which climate change may unfold and the high level of uncertainty over the direction of future climate and economic developments. Our objective is to foster risk awareness, build expertise in the assessment of financial risks from climate change, test our business strategy resilience, and inform risk management and business decision-making.

We perform sensitivity and scenario analyses with time horizons up to 2050 and including scenarios ranging from 1.5 °C to 4 °C of average warming by the end of the century. While time horizons naturally differ depending on the lines of business under consideration, the range of scenarios we apply allows us to better assess a variety of risks associated with climate change.

When we conduct analyses that assess 1.5 °C scenario alignment, we adjust our scenario selection using guidance developed by the NZAOA that is focused on 1.5 °C scenarios with no or low overshoot of 1.5 °C of warming. This limits the need to remove GHG emissions from the atmosphere in the second half of the century.

When conducting outside-in impact scenario analysis, we use a broader range of scenarios in terms of temperature outcomes and characteristics. Qualitative assessments are conducted to explore to what extent and across which channels climate change risks affect distinct aspects of our business, unconstrained by the still limited availability of quantitative models to fully cover all aspects of climate change across our entire business activities. We deploy quantitative assessments for indicative sizing of our exposure to climate change risks. A top-down approach is developed to assess risks at the level of our balance sheet. Complementary bottom-up modeling for the most relevant exposures provides insights into climate change risks at the level of individual investment or underwriting projects and may support contextualization of results from top-down analyses.

It should be noted that the analyses included in this report reflect our current approaches to climate change risk assessments. Prevailing methodological and data limitations as well as the high degree of uncertainty inherent in any long-term analysis may still limit the decision-making usefulness of some results. However, these approaches will change over time as climate scenarios evolve in line with research, developmental-stage methods improve further, and industry best practices emerge.

Qualitative assessment of climate change risks

Approach

The guiding objective of the qualitative climate change risk assessment is comprehensiveness, whereby it is important to identify the many ways that Allianz's risk profile can be adversely affected across all areas of the business, in both the short, medium and long term. There are multiple ways in which climate change may trigger risk events, so it is essential that this understanding is established in enough detail for it to provide a solid basis for applying risk-based prioritization with the aim of evaluating mitigation effectiveness and management actions.

To achieve full coverage of Allianz's business footprint, the assessment was structured along investments, property-casualty underwriting, life/health underwriting, operations, with investments and underwriting further subdivided into asset class and line of business, respectively. For each area (or alternatively, asset class for investments, and line of business for underwriting), the main relevant climate change-related risk drivers were identified. In this context, a risk driver is any development or event wholly or primarily attributable to climate change that potentially impacts Allianz's risk profile. Such risk drivers can be categorized into technological, regulatory, legal, and consumer behavior developments (transition risks), as well as physical risks such as floods, drought, or wildfires.

For each risk driver, a range of potential short- to medium-term and long-term impacts for the insurance sector was considered, utilizing knowledge acquired via a combination of desktop research and consultation with subject matter experts both internal and external to Allianz. Lastly, the potential magnitude of each of these risk impacts was assessed against various dimensions of financial and non-financial performance.

The initial qualitative risk assessment was performed throughout 2022 at the Allianz Group level. During 2023, subsidiaries adapted the assessment according to their local risk profiles. The outcome of this exercise provides further insights into the relevance of climate change risk drivers for both the Allianz Group as a whole and individual subsidiaries, taking into account their specific business profile, geographical presence, and locally applicable regulations.

Results

For a summary of the main climate change risks faced by the Allianz Group as well as corresponding impacts derived from the qualitative risk assessment, please see tables "Key climate change transition risks" and "Key climate change physical risks".

Key climate change transition risks

Risk driver	Context	Main potential risk impacts
Emerging technologies	Climate change mitigation and adaption is driving the rapid development of new or modification of existing technologies (e.g. sustainable aviation fuels, carbon capture and storage, electric vehicles). Although many of these technologies presently face challenges in terms of quickly scaling up – whether due to prohibitive cost, an inadequate supply of raw inputs, missing infrastructure, customer skepticism or a need to further develop the technology itself – it is expected that many of these issues will be resolved over time and the technologies will become widely adopted.	**Investments** - Companies that fail to adopt these new technologies may face future cost disadvantages via a combination of higher energy costs, higher financing costs or costs from participation in carbon emissions trading schemes. On the revenues side, customers may become adverse towards companies that fail to adopt climate-related technologies. This risk is particularly relevant for those business sectors with a comparatively high emissions footprint, such as energy, transportation and construction. - Stranded assets are also possible, whereby technological breakthroughs render older, high emission technologies obsolete, in particular when further squeezed by decarbonization-related regulations. Conversely, it is also possible that promising technologies ultimately fail to deliver on their potential and earn a return on substantial investments in research and development. - Allianz is susceptible to financial market losses based on investment exposures to those companies and sectors most likely to be impacted by the above developments. **Underwriting** The introduction of new technologies may lead to more frequent and severe malfunctions, damage or process disruptions, especially in the early application phase. Areas of particular vulnerability include electric vehicles and renewable energy technologies, such as battery energy storage systems. In this context, providing insurance coverage may represent a challenge for insurers due to the lack of historical claims data as a basis for modeling and pricing, which may trigger an increase in insured manufacturers' product liability exposure.
Regulatory developments	As signatories to the Paris Agreement, many countries have adopted legally binding commitments in line with the Paris Agreement target of holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels. To deliver on these commitments countries are enacting increasingly stringent regulations designed to reduce carbon emissions, such as the phase out of combustion engines, encouraging the adoption of heat pumps or increasing the share of sustainably produced energy. Given the swift and drastic reduction required, the impact of these regulations is widespread across many business sectors, although naturally most consequential for those responsible for the largest share of emissions.	**Investments** - Increasingly complex and partly untested regulations promoting mitigation and adaptation to climate change may trigger significant costs or losses for companies operating in high emission sectors, both in terms of implementation costs and as a direct consequence of the policies themselves. Direct consequences include write-down costs, whereby as a result of a regulatory directive, the projected financial return on company assets is diminished. - Furthermore, fragmentation of regulations at a regional and global level may lead to competitive disadvantages based on a company's geographic location, especially for companies that are highly dependent on international trade. Competitive disadvantages may result from either operating under a comparatively strict set of regulations relative to peers (e.g. carbon emission limits), or conversely, due to regulations enacted to counter such environmental arbitrage (e.g. border taxes, restricted market access for companies with poor climate practices). - Allianz is susceptible to financial market losses based on investment exposures to those companies and sectors most likely to be impacted by the above developments. **Operations** - Allianz is committed to full compliance with all climate-change regulations applicable to the organization. The design and implementation of processes needed to comply will require investments in employees, external expertise, 3rd party databases, IT systems and more. - Beyond the direct costs, regulations are likely to result in an increase in Allianz' operational complexity – for example in the form of expanded data gathering and reporting requirements or additional sustainability considerations to be applied in the design, marketing and service of products. This increased complexity in turn may drive an increase in the likelihood and severity of process failures and accompanying operational losses.

Risk driver	Context	Main potential risk impacts
Climate litigation	Climate change has emerged to become a source of potential high-impact litigation, whether in terms of monetary losses (e.g. fines, awarding of damages) or through court ordered changes in defendants' business practices that negatively impact profitability or – in extreme cases – viability of the business model itself. This trend is expected to continue as both litigants seek compensation for climate related damages and activists turn to court systems in response to real or perceived political and business failures to adequately address climate change.	**Investments** - Companies may be subject to litigation arising from discrepancies between publicly declared long-term net-zero commitments and emissions reductions that are realistically achievable based on actions taken, as well as general (vague) sustainability statements deemed misleading or otherwise not supported by actual outcomes ("Greenwashing"). - Climate attribution science supports the assignment of responsibility for climate-change related damages to those companies historically responsible for a large share of emissions, whether from the extraction and processing of fossil fuels or their consumption via production or product use (e.g. energy generation, transportation). As the confidence levels of climate attribution models improve they may increasingly be recognized by courts and juries in determining culpability and corresponding damages. Given past studies suggesting a relatively small number of companies are responsible for an outsized share of total historical emissions – primarily within the oil & gas and utility sectors – the legal exposure of these companies in particular may be quite significant. - In addition to the costs or losses directly attributable to climate-change related regulations, companies also face legal exposures for failure to comply. Against the backdrop of sweeping regulations and tight timelines for their adoption – which is unavoidable in the light of nations' legally binding emission reduction commitments – it may prove challenging for certain companies or even entire sectors to fully comply. This is relevant not only for operations and product design, but also climate-change related reporting and disclosure requirements. - Allianz is susceptible to financial market losses based on investment exposures to those companies and sectors most likely to be impacted by the above developments. **Underwriting** The above climate litigation drivers for investments may also adversely impact Allianz' risk profile with respect to Underwriting Risks. Greenwashing, advances in climate attribution science, new and expanded regulations and an overall increase in climate-change related litigation all introduce new and potentially significant legal exposures for many of Allianz' commercial policyholders, especially those operating in high-emission sectors such as oil & gas, energy generation or transportation. Allianz risk exposures arise from indemnity coverages for legal proceedings against these policyholders, in particular within the D&O and Liability lines of business.

Key climate change physical risks

Risk driver	Context	Main potential risk impacts
Extreme weather (acute physical risk event)	Climate change is the primary driver behind a contemporary increase in the frequency and severity of extreme weather events, which trigger losses in the form of human casualties, physical damages and disruptions to business or leisure activities.	**Investments** - Within the real estate sector property valuations may increasingly be dependent on exposure to extreme weather events, both from a macro- and micro-geographic perspective. The most exposed properties might experience higher losses from property damage, a loss of rental income due to business disruptions and higher insurance and financing costs. While measures may be taken to help mitigate the real estate impact of extreme weather events, such as strengthening structures against wind and flood damage, these typically require costly investments. These issues also largely apply towards the construction and infrastructure sectors as well. - At a sovereign level, government finances may become strained through an ever increasing need to finance recovery and repair efforts following catastrophic weather events. Over time this support may lead to a deterioration in the creditworthiness of sovereign debt, further compounding losses via higher debt servicing costs, or in extreme cases may even lead to default scenarios. Alternatively, governments may choose to invest in mitigation or adaption initiatives, however in many cases these solutions come with high costs that may likewise place pressure on government finances. - At a more general level, corporate bonds and equities may be impacted to various degrees depending on the sector and geographic location. For example, floods, fires, droughts and heat waves can trigger large loss events in many different sectors, such as agriculture, tourism, energy production, shipping and manufacturing. This injects a new source of risk and volatility into corporate financial outcomes, which may challenge their ability to consistently deliver reliable profits or, in extreme cases, trigger instances of bankruptcy. Ultimately these issues will be reflected in share prices and bond valuations. - Allianz is susceptible to financial market losses based on investment exposures to those companies and sectors most likely to be impacted by the above developments. **Underwriting** - Increases in the frequency and severity of claims are almost certain to occur across both retail and commercial P&C business lines. This projection concerns not only property claims due to direct physical damage, but other coverages as well, such as those typically contained within business interruption, accident, entertainment, and travel policies. - Claims for liability coverages may also increase insofar as policyholders are considered negligent in protecting customers or other third parties from damages caused by extreme weather events. - In addition to impacts derived from policy exposures, it may also become increasingly cost-prohibitive for Allianz to obtain reinsurance coverages in line with our risk appetite and risk bearing capacity. Such developments might restrict our ability to underwrite some risk exposures and – in extreme cases – precipitate an exit from certain insurance markets.

Risk driver	Context	Main potential risk impacts
Climate volatility (chronic physical risk event)	A meaningful portion of economic activity is dependent on the climate and susceptible to changes against the current status-quo. For example, with respect to raw materials, a volatile climate may lead to losses of arable land to desertification, losses of timber due to wildfires, reduced fishery yields due to ocean acidification or water scarcity that diminishes production capacity in high water use sectors, such as the manufacturing of apparels and textiles. Impacts beyond availability of resources include phenomena such as permanent decreases in worker productivity due to frequent heatwaves or a loss in attractiveness for those tourist destinations no longer reliably providing the desired weather.	**Investments** - An increased volatility in the availability – and therefore price – of raw materials has various implications at the individual company level, especially for those companies whose value generation is primarily dependent on the processing of raw materials. Collectively, these implications may have consequential impacts on overall economic activity. - Resource availability will emerge as an increasingly important consideration in the capital investment decisions of companies within certain sectors (e.g. manufacturing, timber, agriculture, fisheries). Volatility and scarcity risks in raw material inputs will increase the required risk-adjusted return on such investments, which may lead to a higher number of boardroom decisions to forego potential profit-generating opportunities (i.e. will trigger corporate retrenchment instead of expansion). - Companies may struggle to optimally price their goods against a backdrop of higher price volatility for their production inputs. Participation in commodity markets to hedge against price volatility will likely come with a higher cost than in the past, as commodity markets react to the volatility by increasing the risk premium on futures contracts. - Beyond manufacturing and raw material processing, temperature volatility may also adversely impact weather dependent sectors, such as construction, tourism and sustainable energy generation. - Allianz is susceptible to financial market losses based on investment exposures to those companies and sectors most likely to be impacted by the above developments. **Underwriting** - Insurance portfolios may experience consequential shifts in the risk profile for those regions or sectors with the highest exposures to climate volatility, affecting both claims and insurance demand. In contrast to acute physical risks, these risks are not attributable to individual extreme weather events, but rather reflect permanent trends or slow-developing climate change impacts. - For example, rising sea levels that make coastal areas more prone to flooding are likely to increase claims costs and expenses for both retail and commercial property coverages. On the revenues side, necessary premium increases may not be able to fully capture increased losses due to political and consumer pressure to maintain insurance affordability, while in the most exposed regions the uninsurability of certain risks may cause a reduction in the total size of the insurance market. - Overall, while climate volatility risks are generally considered more long term in nature, if not carefully managed these developments will increase the potential risk for Allianz of losing market share, premium income or profitability.

The above results demonstrate that the most relevant climate change risks for Allianz as an organization relate to proprietary investments and property-casualty underwriting. Risks related to company operations and life/health underwriting are also present, albeit to a lesser extent.

In terms of time frames, the assessment foresees transition risks as more significant in the short to medium term than in the long term under scenarios where alignment with the goals of the Paris Agreement is rigorously pursued. This reflects the view that a large proportion of measures to address climate change will need to be introduced in the next 5 to 15 years, which will constitute a comparatively dynamic period of transition risk relevance.

In terms of the most relevant physical risks, acute physical risks are likewise considered more significant over the short to medium term than the long term. While this may run contrary to the understanding that acute physical risks will continue to increase in both magnitude and frequency, the presumption is that adaptive measures will help blunt impact severity in the longer term. This includes both adaptive measures by external parties – such as regulations restricting or encouraging movement away from disaster prone areas – and mitigation measures by Allianz, such as improvements in the management of insurance risk concentrations and the pricing of insurance coverages.

When considering the above results, it is important to understand that outcomes of this qualitative process are highly dependent on the input of individual risk experts. Although the process leveraged research and statistical information where possible, professional judgment was applied in determining the impacts specific to Allianz. Provided that professional judgment is subject to various forms of bias, results are liable to change. In addition, the emergence of further statistical and other fact-based research may also influence conclusions.

For further information on mitigation measures to address and manage risk impacts, please refer to the section "Conclusion".

Quantitative assessment of climate change risks

Approach

The integrated climate change stress test presented in the following section complements the holistic qualitative risk assessment with quantitative information for a limited set of risks and risk transmission channels. It demonstrates our continuing efforts to build capabilities and capacities for quantitative climate change risk assessments and gain experience with sizing balance sheet exposures to climate change risks.

The stress test covers both sides of the balance sheet by measuring asset- or liability-specific stress impacts, as well as their dependencies for a static balance sheet. We take into account a period up to 2050, which is relevant both for the implementation of key political and business strategies linked to the Paris Climate Agreement and for the onset of increasing global warming and its negative consequences. Impacts are estimated for market stresses, as well as property-casualty and life/health underwriting stresses, using NGFS[1]/IPCC[2] scenario-based data from various sources. NGFS scenarios are selected for this analysis since they are compiled on behalf of central banks and supervisory authorities for financial stress testing, provide pathways for macroeconomic variables in a variety of scenarios representing different levels of transition and physical risk, and are available open source. IPCC Representative Concentration Pathways (RCPs) are the starting point of well-established scientific studies on the development of climate-related hazards in climate change scenarios, which can be adapted for modelling underwriting risks. All entities contributing to the Allianz Group's Solvency II model are in scope for the assessment. The main focus of the analysis is to provide a best estimate for market value balance sheet impacts.

Scenarios

For the current implementation of the integrated climate change stress test, we have considered five scenario narratives from the suite of NGFS reference scenarios. The (1) Net Zero 2050 scenario is determined by an orderly transition to net-zero emissions by 2050 following the target to limit global warming to 1.5 °C through stringent climate policies at the cost of moderate economic strain in the initial years. The (2) Below 2 °C scenario assumes an early and orderly transition to a low-carbon economy, with an unambitious policy target to limit global warming to below 2 °C by the end of the century. In this scenario, policy action has limited impact on economic growth. In the (3) Delayed Transition scenario, GHG emissions remain high until 2030, when strong policy measures are taken to limit warming to below 2 °C. Physical risks are relatively small in these scenarios over the 2050 time horizon.

The (4) Nationally Determined Contributions scenario includes all pledged climate policies, even if not yet implemented. However, these pledged policies are still insufficient to limit global warming to below 2 °C, leading to increasing physical risks. Accounting only for climate policies that were in place before 2019, the (5) Current Policies scenario is characterized by limited transition risks and high physical risks, which start to become more visible over the second half of the projection period.

Methods, assumptions & limitations

NGFS scenarios are used to obtain financial market variables for application in the market stress module of the integrated climate change stress test. The market stresses themselves are applied to market values of both assets and liabilities of in-scope entities, where a simplified approach is used to assess the mitigation of stress impacts due to policyholder profit sharing. Scenario variables used in the property-casualty and life/health underwriting stress modules are derived from hazard models that are contingent on the IPCC's RCPs 2.6, 4.5, 6.0, and 8.5. For the life/health underwriting stress module, stress variables are based on a study by Gasparrini et al.3 that projects temperature-related excess mortality under various heat and cold pathways and their net change up to the end of the century. The life/health underwriting stresses are applied to the best estimate of liabilities for biometric risk exposure. The property-casualty underwriting stress module relies on projections for Average Annual Loss under RCP scenarios for a selection of the most climate change-relevant country and peril combinations (i.e., inland flooding, hail and tropical cyclone) developed by NatCat modeling experts at Allianz Re. The property-casualty underwriting stresses are applied to the best estimate of liabilities for NatCat risk exposures.

To separate the impact of climate change risk from trend growth, stress levels are assessed relative to a baseline or counterfactual scenario as defined by the NGFS, a hypothetical scenario in which neither progression of climate change nor the implementation of transition measures is assumed. Furthermore, the calculation of stress impacts is based on instantaneous stresses on the static year-end 2023 balance sheet, without adaptation or mitigation actions from Allianz and its business partners. In particular, internal measures such as contract repricing, deployment of reinsurance strategies, or portfolio steering have not been taken into account, as well as external measures such as public investment in flood defences. Impact estimates from the different stress test modules are integrated based on a matching of global mean temperatures for 2050 between NGFS and IPCC scenarios as well as consideration of the overall scenario characteristics. No diversification between market stresses and underwriting stresses is assumed for the aggregation.

Impact estimates from the integrated climate change stress test rely on scientific research and scenario data that is available and considered relevant as of the current point in time. Nevertheless, the magnitude of outcomes has to be treated with caution when accounting for the significant uncertainties inherent in climate change modeling and the crucial role of assumptions in long-term projections. These include, but are not limited to, uncertainties in the scientific studies underlying the projected distributions of NatCat events, uncertainties in the modeling of macroeconomic impacts of physical risks, as well as uncertainties due to the limitations of climate change scenarios in capturing environmental, social, and economic cascading effects or tipping points. Uncertainties around assumptions for the counterfactual scenario can also have a critical impact on results.

1_NGFS: Network for Greening the Financial System.
2_IPCC: Intergovernmental Panel on Climate Change.
3_Gasparrini et. al. (2017) Projections of temperature-related excess mortality under climate change scenarios, Lancet Planet Health 1(9):e360-e367.

Results

In terms of the aggregate market and property-casualty and life/health underwriting stress impacts, two key overarching observations may be derived. Firstly, with the exception of the Delayed Transition scenario, cumulative market value balance sheet impacts over the first 5-10 years of the projection period are largely determined by the different levels of transition risk in the scenarios, whereas impacts from physical risks are small in comparison but increase gradually. Secondly, market stress is the largest contributor to overall cumulative market value balance sheet impacts, exceeding the combined contribution from property-casualty and life/health underwriting stresses by a considerable margin.

Expounding upon the above general observations at the individual scenario level, we note the following:

- Moderate cumulative market value balance sheet impacts are realized in the Net Zero 2050 scenario, where the initial economic strain subsides rapidly until 2030.
- The orderly implementation of the not too ambitious policy target in the Below 2 °C scenario comes with a low transition risk initially. While stress impacts in the long term in the Below 2 °C scenario are comparable to stress impacts in the Net Zero 2050 scenario, an overall negative trend compared to the 1.5 °C scenario is predicted in the second half of the century due to higher physical risk associated with higher mean temperatures.
- In the Delayed Transition scenario, very low stress impacts materialize in initial years, followed by high cumulative market value balance sheet impacts of (13.6) % after 2035 with the start of the delayed implementation of a policy ambition that is comparable to that in the Below 2 °C scenario. Economic recovery is rather slow in this scenario.
- Initial losses from transition risk in the Nationally Determined Contributions scenarios, comparable to losses in the Below 2 °C scenarios, turn into losses from physical risk in later years that gradually increase over time.
- In the absence of stringent climate policy implementation, stress impacts are relatively muted until the second half of the time horizon for the Current Policies scenario, similar to the Delayed Transition scenario, where stress impacts from physical risk phase in bringing about moderate cumulative market value balance sheet impacts of approximately (5.5) % in the long term. Beyond this period, both the Current Policies and the Nationally Determined Contributions scenarios are expected to entail even more material losses as impacts from physical risks increase and outweigh transition risk impacts.

An excerpt from the aggregated stress test results is shown in table "Estimated maximum adverse cumulative market value balance sheet impacts in NGFS/IPCC scenarios relative to a baseline scenario without climate change". The complete analysis covers the period from now until 2050, whereas the excerpt here shows the estimated maximum adverse impacts over the 5-20 year period, taking into account, amongst other considerations, that the current NGFS scenarios are primarily aimed at modeling long-term climate-economic relationships.

Estimated maximum adverse cumulative market value balance sheet impacts in NGFS/IPCC scenarios relative to a baseline scenario without climate change
%

Scenario	Long-term 5-20 years
Net Zero 2050	(2.8)
Below 2 °C	(2.7)
Delayed Transition	(13.6)
Nationally Determined Contributions	(5.2)
Current Policies	(5.5)

Conclusion

It is apparent from a review of the results of the qualitative risk assessment and consideration of potential risk responses that while some new mitigation measures (such as processes, controls, strategies) tailored to climate change may be necessary, the current risk management approaches are generally either adequate, or only require smaller modifications. For example, with respect to property-casualty underwriting, well-established techniques such as premium adjustments, changes in coverages, exclusions, expansions, or revisions to risk limits can all be effectively utilized. Despite this conclusion, the consequences in areas where climate change is set to fundamentally transform insurance markets are less predictable and require strategic attention. Fundamental transformation includes aspects such as coverage affordability, the shrinkage of existing markets, or the emergence of new markets, as well as products or coverages encompassing difficult-to-price risks (e.g., similar to industry experience around the emergence of cyber insurance).

From the quantitative perspective, the overall impact estimates derived from the integrated climate change stress test are considered to be within Allianz's risk tolerance, considering both the magnitude of predicted losses and the time horizon over which they materialize. Extending this analysis to a dynamic balance sheet view would further support this assessment; for example, accounting for risk mitigating management actions such as adaptation of derivatives hedging and reinsurance programs, repricing of insurance products, or strategic repositioning of investment and insurance portfolios. The approximate estimates we carried out on the effectiveness of selected management actions confirm this view.

Addressing the immediate effects of climate policy implementation requires the incorporation of climate change-specific measures. These include long-term strategies aimed at aligning investment and insurance portfolios with climate policy targets, as formulated in our transition plan, see the section "Transition plan & strategy". However, successfully managing an economic crisis that may unfold as an indirect effect of climate policy implementation – e.g., in the Delayed Transition scenario – necessitates having well-established mitigation measures ready and operational, such as limiting or hedging equity and corporate bond exposures, or effective asset liability management.

We will continue to refine our climate change risk assessments in line with the evolving understanding of assessment methodologies and improving data availability and quality, while also accounting for a shifting climatic and political baseline.

Social matters

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

Concepts

Allianz is committed to having a positive social impact and helping to deliver the United Nations Sustainable Development Goals (UN SDGs). For further information on our commitment to the UN SDGs, please refer to the sections "01.4", "01.5" and "04.4" in our Group Sustainability Report 2023 on the **Allianz company website**. We understand social impact as the effect that our global organization has on the well-being of the community – from global society to local communities where we live and work. This ambition is lived out through our company purpose, our group-wide business strategy, and the local efforts of our operating entities.

Our long-term approach as an investor and insurer is an opportunity to offer measures that can mitigate future risks and shape societies for generations; for example, through pension systems, environmental and climate protection. As a global insurer, we uphold the principle of solidarity. Pooling risks is part of our core business model and we have a keen interest in supporting stable communities. We have a role to play in enabling future generations and persons with disabilities to overcome the economic and social impacts of social risks.

Tax transparency

At Allianz, we are continuously engaging in tax transparency. We consider taxes to be a core component of corporate responsibility and sustainability.

Our ambition is to take a responsible approach to the management of taxes. We aim for being recognized as a compliant, co-operative and reliable taxpayer in each country we operate. For a comprehensive description of our approach see our Group Tax Strategy on the **Allianz company website**.

In 2023, we have consolidated our tax transparency reporting products while keeping the same level of information. We are presenting our total tax contribution and our country-by-country reporting now in our Sustainability Report along with other information about current tax topics and developments.

Corporate citizenship

We are aware that our actions have the potential to influence the future living conditions, employability and well-being of young people and persons with disabilities and that our decisions play an integral part in determining this future.

Allianz wants to shape its social impact in a meaningful and lasting way. This social impact stems from both the nature of our business and the effect that our global organization has on the well-being of the communities it is active in.

We view supporting and upskilling young people and persons with disabilities to help them get into education and employability as one way to contribute to SDGs, and in particular to SDG 8: Decent work and economic growth.

Our ambition is shaped by our company purpose, "We secure your future", defined by our group-wide business strategy, and brought to life through our employees and the local efforts of our operating entities (OE) who actively implement our Corporate Citizenship Strategy and strengthen its alignment with the SDG 8 but also with SDG 17 via philanthropic initiatives, global partnerships and volunteerism.

In 2021, we launched the Social Impact Fund (SIF) which supports our OE's strategic opportunities by focusing on creating measurable impact through intersectoral partnerships.

On top of this social work and based on the lessons learned from existing partnerships with the International Olympic Committee (IOC) and the International Paralympic Committee (IPC) Allianz has further developed a major global initiative: Move Now is a program that prepares our focus groups for their professional future by offering opportunities to move mentally and physically. It is an initiative that OEs can run in the countries we operate in and an initiative which we support financially with our SIF.

For MoveNow, the SIF picks up and leverages existing formats from the partnerships with the IOC and the IPC. In 2023, it provided resources for 18 local partnerships that focus on the goals of SDG 8. To further support its local entities in setting their ambitions and measuring and reporting on the impact of corporate citizenship activities at a local level, Allianz has introduced the Allianz Social Impact Measurement Framework.

For further information, please refer to section "04.4" in our Group Sustainability Report 2023 on the **Allianz company website**.

Objectives and actions: societal impact

Topic	Objectives	Progress and actions 2023
Corporate citizenship strategy	Continue with the implementation of the new strategy and roll-out of the impact measurement framework.	Integrated Social Impact Measurement Framework into data collection process to enhance input-output-outcome-impact (IOOI) reporting in support of local entities setting their ambitions and measuring the impact of corporate citizenship activities.
Corporate citizenship activities	- Continue to contribute to society through corporate giving and employee volunteering in alignment with our strategy. - Identify and launch activities that would be supported through the Allianz Social Impact Fund.	Social Impact Fund supported 18 corporate citizenship programs led by operating entities (OEs) in partnership with NGOs in delivery of social impact locally in alignment with global strategy.

Responsible consumer/sales

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

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

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

We use the globally recognized Net Promoter Score® (NPS) as our key metric for measuring customer loyalty through customers' willingness to recommend Allianz. In 2022, we switched to digital NPS tracking. The digital NPS paradigm allows us to measure customer loyalty continuously, eliminating seasonality and deepening our understanding of customers' sentiment. Additionally, the new measurement sets higher standards for our operating entities, which are measured against a broader set of competitors. This year, we achieved a remarkable NPS of 59% Loyalty Leadership across all our business segments. This result exceeds our target (50% loyalty leaders by 2024) and reinforces our position as a trusted and preferred insurance and financial service partner.

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

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

Findings from the VoC and dNPS programs also help us design the global Allianz experience for our customers. In 2023, we continued our journey to co-create and scale one global Allianz customer experience by developing additional initiatives. Firstly, we continued to implement the Annual Policy Review initiative, which was launched in November 2022, as a way to engage with customers and discuss their insurance portfolio and current needs.

Secondly, we worked together with the Allianz Behavioral Economics team to improve the policy renewal communication template by providing customers with more clarity and transparency. And thirdly, in June 2023, we launched a global Prewarning & Prevention initiative, focused on helping customers prevent damage to their property due to climate-related events. Working with climate scientists and risk experts across the Group, we co-created the Global Risk Assessment (GloRiA) tool and customer education assets, which enable users to learn more about the Nat Cat risks associated with their place of residence.

The Allianz Customer Model (ACM) is our end-to-end global business model that puts the customer at the center of our business and enables Allianz to be simple, digital, and scalable. Our ambition is to simplify and harmonize our business globally.

Within this context, the Allianz Customer Model was designed first for Retail Property and Casualty lines and then extended to Health, Life, B2B2C, MidCorp, Large Corporate and Reinsurance.

Our target has been to continuously roll out the model across Allianz operating entities. As of the second quarter of 2023, ACM has been rolled out to 39 operating entities, comprising 99% of gross written premium (GWP) for our retail Property and Casualty business.

A tangible example of how the Allianz Customer Model is transforming our business is our Master Products. A Master Product is a template available in the Allianz Product Lab with streamlined product elements that are linked to harmonized claims and pricing values. Allianz OEs can configure Master Products to create the right product for their market and make adaptations that are required by regulation. So far, we have created 21 Property-Casualty Master Products which cover more than 90% of Property-Casualty GWP in our OEs (excluding global lines). Harmonized Master Products allow us to efficiently scale essential IT assets such as Quote & Buy and First Notification of Loss in the Business Master Platform. This platform digitalizes the business requirements of the ACM. It comprises a combination of scalable technological elements, systems and services plus functionalities and configurations, to better serve our customers, intermediaries, partners, and employees.

This involves transforming the whole value chain across products, sales, claims, and operations. Our aim is to continuously roll out the model across Allianz OEs.

Rather than selling individual insurance products, our vision is to evolve our products into full ecosystems and offer customers relevant and trusted solutions. In addition, we are using the ACM to upgrade customer journeys at the Group level.

Our approach to customer responsibility and compliance is described in the section "04.3" of our Group Sustainability Report 2023 on the **Allianz company website**.

Cybersecurity

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

Information security

Information security is the application of technologies, processes, and controls to protect systems, networks, programs, devices, and data from unauthorized access and against cyberattacks, and to meet related regulatory requirements. Our dedicated Information Security function aims to ensure the confidentiality, availability, and integrity of information across the Allianz Group.

As a core business discipline, information security is managed globally through a robust and mature governance framework aligned with international standard ISO 27001. Our approach is closely monitored by a dedicated Group Chief Information Security Officer (CISO) function and the Allianz SE Board of Management. An executive accountability regime supports the enforcement of the governance framework for all entities.

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

The functional rules are complemented by detailed descriptions of best practices to be followed across 16 defined topics to ensure the "'security by design"' principle. Information security is regularly audited, both internally and externally, and regular training is provided through dedicated exercises across all layers of the organization.

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

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

All employees are required to participate in cyber-awareness training at least quarterly. This training includes activities like simulated phishing e-mails, awareness campaigns, and dedicated information security training, with the latter being offered regularly. We also participate in industry and global/regional initiatives to support the security of the internet ecosystem as a whole.

Further information on our commitment to information security is described in the section "05.1.1" in our Group Sustainability Report 2023 on the **Allianz company website**.

Data privacy

Protecting personal data and maintaining trust in our processes are key priorities. Our customers, employees, and other stakeholders expect us to treat their data with the utmost care and we take this responsibility extremely seriously. We are committed to the highest standards to protect customer privacy and we work closely with other stakeholders involved in the update and modernization of European privacy legislation, including industry associations, members of parliament, and authorities. We also strive to communicate honestly and openly about actions that involve the personal data we process by publishing privacy notices that explain who we are, how we collect, share, and use personal data, and how individuals can exercise their privacy rights.

Our group-wide privacy program ensures compliance with all relevant data privacy laws and regulations. All data privacy matters are overseen by Group Data Privacy.

The Allianz Privacy Standard (APS) is our global standard for data privacy and the foundation of the Allianz Privacy Framework. As the highest policy document in the Allianz Privacy Framework, the APS defines rules and principles for collecting and processing personal data, including the ten privacy principles that all employees must respect wherever they are in the world:

1. Due care.
2. Data quality (purpose limitation, data minimization and storage limitation).
3. Lawful basis (personal data is only processed if we have a lawful basis to do so).
4. Transparency and openness towards employees and customers on where personal data is stored and used.
5. Relationships with data processors (ensure organizations that process personal data on our behalf adhere to our privacy requirements).
6. Adequate protection of personal data when it is transferred.
7. Security and confidentiality (appropriate technical and organizational security safeguards are in place to protect personal data).
8. Timely reporting of personal data breaches.
9. Privacy by design and default.
10. Cooperation with data protection authorities.

In addition to the APS, our data protection authority has approved our Binding Corporate Rules (BCRs), which allow Allianz Group companies to lawfully transfer personal data from within the European Economic Area to other jurisdictions, where it is required for business purposes.

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

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

Assessments (TIAs) for processes that transfer personal data from the European Economic Area (EEA) to suppliers in third countries in order to confirm an adequate level of data privacy is maintained. We designed a TIA template in our privacy management platform, which was rolled out to all our operating entities in the EEA to ensure such assessments are conducted in a consistent, semi-automated way.

In committing to the highest standards of data protection, we believe the maintenance of a state-of-the-art privacy program needs to be supported by diligent and continuous monitoring and assurance activities. Privacy reviews require every operating entity, global line, and regional office to undergo a rigorous examination of the design, implementation, and effectiveness of its local privacy program and related process and controls. The frequency of these reviews is based on risk, but they are carried out at least once every five years. As of the end of 2023, we have conducted 22 privacy reviews, including joint reviews with Information Security and peer Data Protection Officers (DPOs). This is a 37% increase compared to 2022 and concludes the five-year privacy review cycle.

For further information on our commitment to data privacy, please refer to the section "05.1.2" in our Group Sustainability Report 2023 on the **Allianz company website.**

Data ethics

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

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

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

Following its establishment in 2021, the Data Advisory Board (DAB) has continued its work to elevate and integrate data ethics into governance and decision-making, as well as to support the positioning of Allianz as both a leading insurer and investor in the data ethics space and wider sustainability efforts. In 2023, the DAB monitored the final implementation of the Allianz Practical Guidance for AI in OEs that are members of the Renewal Agenda Committee.

Furthermore, emerging risks regarding generative AI have been addressed by dedicated guidelines in further development of the Allianz Practical Guidance for AI. Training led by Group Privacy and Group Data Analytics has been expanded to target a broader employee base as well as employees who develop and/or use AI in applicable OEs.

For further information on our commitment to data ethics, please refer to the section "05.1.3" in our Group Sustainability Report 2023 on the **Allianz company website**.

Cyber risk

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

For further information on cyber risk, please refer to the section "05.1.4" in our Group Sustainability Report 2023 on the **Allianz company website**.

Objectives and actions: cybersecurity

Topic	Objectives	Progress and actions 2023
Information security executive accountability	- Define and include information security targets for all responsible board members, including local operating entities, to ensure appropriate focus on securing Allianz. - Further upgrade targets and risk indicator monitoring, linking them to quantified risk exposure and roll-out of global cyber risk management strategy.	- Target objectives for all operating entities included key information security risk indicators in addition to targets for strategic programs related to information security. - Additionally, a mechanism was devised to ensure a direct link between information security standing and reward.
Data privacy and data ethics	- Ensure our Record of Processing Activities (RoPA) and Privacy Impact Assessments (PIAs) are accurate and kept up-to-date. - Deploy a rigorous training program for privacy professionals and privacy champions. - Monitor final implementation of the AI Practical Guidance in all EU Renewal Agenda Committee (RACo) operating entities. - Develop guidance for generative AI usage.	- A self-assessment on the completeness and quality of RoPA and PIAs was conducted by all operating entities and followed up with sample-based targeted reviews of 21 operating entities by Group Data Privacy. - Conducted 2 Privacy Expert Trainings and 4 Privacy Champion Trainings, attended by 33 and 203 participants respectively. - Instituted a quarterly program to train relevant employees on the Practical Guidance for AI and Guidance for Generative AI. - Monitoring program and actions for final implementation of Practical Guidance for AI in EU RACo OEs.

Human rights matters

Allianz is committed to respecting and protecting international human rights, and to ensuring that Allianz is not complicit in human rights abuses.

The following section describes how we address human rights risks in our business activities, own operations, and supply chain. The Allianz Sustainability Board oversees human rights due diligence for the Allianz Group, while Global Sustainability seeks to continuously improve human rights related governance.

Relevant frameworks

The human rights that Allianz is committed to respecting are those agreed by governments in:

- The International Bill of Human Rights: This consists of the Universal Declaration of Human Rights; the International Covenant on Economic, Social and Cultural Rights; and the International Covenant on Civil and Political Rights and its two Optional Protocols.
- The core International Labor Organization (ILO) Conventions: These include the prohibition of child labor and forced labor; freedom of association and the right to collective bargaining; occupational health and safety; and the elimination of discrimination in respect of employment and occupation.

Allianz has been a member of the U.N. Global Compact (UNGC) since 2002 and uses the UNGC principles to guide its business activities. These principles cover human rights, labor rights, environmental protection, and anti-corruption. For further information on Allianz's Communication on Progress, please refer to the **UNGC website**.

Allianz aims to identify, prevent, mitigate, or remediate adverse human rights impacts linked to our business activities and operations, including in our supply chain. Our approach is guided by the OECD Guidelines for Multinational Enterprises and the U.N. Guiding Principles on Business and Human Rights (UNGP).

Human rights in our own operations and supply chain

Allianz SE has been subject to the German Supply Chain Due Diligence Act (GSCA) since 1 January 2023. GSCA applies to large companies based in Germany and their "own business area". The own business area of Allianz SE (as the holding company of the Allianz Group) encompasses all entities that are part of the Allianz System of Governance, irrespective of location. Therefore, our GSCA risk management covers all those Allianz entities and their suppliers worldwide.

For further information, please refer to the Allianz Policy Statement on Human Rights[1] on the **Allianz company website**.

As part of GSCA implementation, Allianz has implemented further due diligence procedures that are appropriate to ensure that risks to the human rights of people working for Allianz or for our suppliers, and those whose human rights may otherwise be directly affected by the economic activities of Allianz or its suppliers are minimized, and that breaches are remedied promptly and adequately.

At the heart of our due diligence processes are annual and ad-hoc analyses of human rights risks in our own operations and supplier base worldwide. If risks are identified, we take appropriate measures to minimize them. If human rights violations are identified, we take immediate remedial action to address those violations, in line with our influence on respective suppliers.

Allianz SE publishes an annual human rights policy statement and reports annually to the responsible regulator (Bundesamt für Wirtschaft und Ausfuhrkontrolle) about our human rights due diligence.

A Group Human Rights Officer was appointed in 2023 to monitor the effectiveness of our risk management systems in our own operations and supply chain worldwide.

For further information on our people and culture strategies, please refer to the section "Employee matters" and the section "04.2" in our Group Sustainability Report 2023 on the **Allianz company website**.

The Allianz Group Code of Conduct reflects Allianz's values and principles and gives our employees guidance in their actions and decisions. At Allianz, we expect employees to support and adhere to human rights in alignment with international standards. For further information, please refer to the Allianz Group Code of Conduct on the **Allianz company website**.

Further measures have been implemented to minimize risks to relevant human rights and labor standards in our own operations. These include:

- The protection of human rights has been enshrined in our internal corporate rules, depending on local laws and requirements.
- Anonymous feedback tools and surveys give our employees the opportunity to evaluate issues such as workload, wages, and diversity.
- Extensive measures have been put in place to ensure the physical safety of employees, as well as to improve their health and well-being.

We at Allianz expect all our suppliers to act with integrity and to respect the rights of their own employees and other people who may be affected by the supplier's business activities. These expectations are embedded in our **Vendor Code of Conduct** and **Sustainable Procurement Charter**.

Allianz has established a worldwide complaints mechanism that is open to Allianz employees, the employees of our suppliers, and other people whose rights might be impacted by Allianz's operations and business activities.

Human rights in our business activities

As a corporate insurer and investor, our human rights due diligence process forms part of our overall sustainability approach which is integrated into our broader risk management system.

We use a combination of sector and country-specific approaches to identify human rights risks.

Human rights-related due diligence has been integrated into all sensitive business areas where relevant, to ensure that human rights are part of the overall risk assessment for insurance and investments in non-listed asset classes.

We maintain a mandatory referral list for sensitive countries where systematic human rights violations occur. For business transactions located in these countries, we carry out explicit due diligence in accordance with our Human Rights Guideline that covers various human rights violations.

When a human rights risk is identified by an underwriter or investment manager, a mandatory referral process starts for further

1_As part of its human rights due diligence under the German Supply Chain Act (GSCA), Allianz SE publishes an annual Human Rights Policy Statement for the Allianz Group. This Statement covers our policies and due diligence approach on a wide range of human rights risks, including child labor, forced labor, and slavery. Until further regulatory clarification, Allianz will continue to publish, on the Allianz company website, an annual Modern Slavery Act Statement that complies with the relevant UK Act, even though the content is also covered in the GSCA Policy Statement.

due diligence by sustainability experts and the involvement of central units such as the risk and communication departments.

Where an issue is detected and the (re)insurer/investor has leverage, engagement is encouraged to address and mitigate a potential human rights risk.

If no mitigation measures exist or if leverage cannot be increased, and the risk is determined to be unacceptable, Allianz declines to engage in the business transaction.

For further information, please refer to the **Allianz Sustainability Integration Framework** and chapter "02" in our Sustainability Report 2023 on the **Allianz company website**.

Objectives and actions: regulatory requirements

Topic	Objectives	Progress and actions 2023
German Supply Chain Act	- Appropriate due diligence processes for the own operations and global supply chain of Allianz SE, with the objective to identify and minimize human rights risks and certain environmental risks	-Risk analyses conducted in own operations and supply chain, using a risk-based approach - Group Human Rights Officer monitored Allianz risk management - Human rights policy statement published

Employee matters

All employee matters are managed by the People and Culture function at Allianz Group level and across all Allianz operating entities. The KPI tables in the following sections anticipate future CSRD requirements under ESRS S1 where applicable, indicated in the table name.

Group People and Culture strategy highlights

"We secure your future" is our corporate purpose and living up to it starts with our 154,862[1] (see table "S1-6.1") employees. Our Group People and Culture strategy is based on fulfilling this purpose and on our employer value proposition "We care for tomorrow", staying true to our brand promise of expressing confidence in tomorrow, and putting our customers at the center of what we do. This is what drives our decisions and actions and we do it in line with our people attributes: Entrepreneurship, Customer & Market Excellence, Trust, and Collaborative Leadership.

Our ambition is to be the top employer in the financial services industry globally. We work to attract top talent and support our employees on their growth and development journey, delivering a strong business impact and making a positive social contribution wherever we operate.

To reach this ambition, we have based our People and Culture strategy on three pillars:

1. The Employees and Candidates pillar includes all our strategic priorities that enable us to attract top talents and to engage, retain, and develop our employees. Strong employee engagement is important to us, and we foster a culture and working environment where people and performance matter. We ensure lifelong learning and are committed to growing and developing our people to be prepared for the future. Fair remuneration as well as health and safety for our employees are of utmost importance. Accordingly, we offer a broad range of flexible work options.
2. The Business pillar includes our Diversity, Equity, and Inclusion (DEI) engagement and Strategic Workforce Planning (SWP) initiative, which fuel our business to deliver on Allianz's strategic goals. We are committed to strengthening diversity, equity, and inclusion in the workplace by providing equal opportunities for all, fostering gender balance, and embracing a diverse workforce not only in terms of gender representation but also in terms of generations, disability, nationalities, ethnicities, religious beliefs, and LGBTQ+ identity. A diverse workforce enables us to better understand and fulfill the needs of our equally diverse customer base. Strategic Workforce Planning, on the other hand, aims to understand workforce development in response to global megatrends and how we can equip our workforce with the skills they need for today and for the future.
3. The Brand and Society pillar displays the contribution our People and Culture function makes to business and society and that we create positive social impact. Our contribution is verified and acknowledged by external certifications like Great Place to Work® (GPTW) and EDGE as well as global rankings like Refinitiv. Furthermore, we engage with the World Economic Forum, for instance, as a member of the Good Work Alliance for a more resilient, equitable, inclusive, and humane future of work. Our People and Culture operations contribute to generating sustainable and inclusive growth and help to deliver on U.N. Sustainable Development Goal 8, "Decent work and Economic growth".

Policies related to own workforce

Policies are instrumental in implementing our Group People and Culture strategy. We consider our established Allianz Corporate Rules as policies according to the ESRS' policy definition. At Allianz, we are committed to respecting the human rights outlined in the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization (ILO) on Fundamental Principles and Rights at Work, and the International Bill of Human Rights. Furthermore, Allianz explicitly supports the goal of observing and implementing the fundamental rights of these external charters. For further information, please refer to the section "Compliance/anti-corruption and bribery matters", the section "Collective bargaining and social dialogue", and the section "Human Rights in own workforce".

The Allianz Group Code of Conduct reflects our values and principles and thus guides our employees in their actions and decisions. How we act, how we operate, and the decisions that we make are focused on caring for each other and treating everyone fairly and with respect. The Allianz Group Code of Conduct outlines the importance of diversity, equity, and inclusion as well as the health and safety of our employees and clearly commits to a zero-tolerance policy toward discrimination, bullying, or harassment. For further information on the Allianz Group Code of Conduct, please refer to the section "Compliances/anti-corruption and bribery matters".

The Allianz Standard for Human Resources (ASHR) establishes core rules and principles for People and Culture management, and it specifies the role of the respective Group People and Culture functions including professional, organizational, and procedural requirements. The People and Culture function is committed to these principles and acts as a service provider for the business. The Standard applies to the entire Allianz Group except Allianz Asset Management companies which are covered by separate standards aligning the general principles outlined in the ASHR. The following People and Culture topics are covered by the ASHR: Learning and development and performance management (for further information, please refer to the section "Learning and development and performance management")

1_Contracted headcount working in companies fully covered under global People and Culture reporting standard. Contracted headcount working at consolidated Allianz Group operating entities: 157,883.

and health and safety (for further information, please refer to the sub-section "Health and safety"). The ASHR is reviewed once a year and considers interests of key stakeholders, particularly Allianz SE Group centers. Material changes must be approved by the respective Allianz SE Board Member in charge of People and Culture. The ASHR will be reviewed in 2024 and updated due to the requirements of CSRD and the German Supply Chain Due Diligence Act, for instance.

The Allianz Group Remuneration Policy establishes the general and specific basic principles of the remuneration system. It defines processes related to performance evaluation, the remuneration system (including remuneration plans), and corresponding roles and responsibilities.

Compliance with the Group Remuneration Policy is mandatory within the Allianz Group. The implementation of the policy is guided by the principle of proportionality, taking into account the nature of business, size, complexity, and regulation of the respective operating entity. This principle of proportionality only applies to the "how" and not to the "if" of the implementation.

The Group Remuneration Policy is reviewed once a year in accordance with the regulatory requirements under Solvency II and approved by the Allianz SE Board of Management. The review process considers the interests of key stakeholders, particularly Allianz SE Group centers.

Group People and Culture ensures consistent implementation and application of the Group Remuneration Policy. Each operating entity concerned is obliged to provide a Statement of Accountability to the management of Allianz SE to confirm local implementation of the Group Remuneration Policy. Both the ASHR and the Group Remuneration Policy are published in the Allianz Corporate Rule Book.

Our Allianz Functional Guidelines for Diversity, Equity, and Inclusion (DEI) describe our strategy, rationale, and principles for DEI. They show which targets and ambitions we have set ourselves, and how we implement and monitor those targets. In 2023, we published an update that includes our 2024 Diversity, Equity, and Inclusion targets and ambitions. The Guidelines are applicable to the entire Allianz Group except Allianz Asset Management companies, which have their own initiatives to promote equal opportunity. Our Functional Guidelines for DEI describe our commitments to the U.N. Women's Empowerment Principles, the U.N. Free & Equal LGBTQ+ Standards of Conduct, and membership of the Valuable 500.

Our Allianz Global Anti-Harassment & Anti-Discrimination Functional Guideline outlines our global zero-tolerance standard against harassment (including but not limited to sexual harassment) and discrimination. We encourage employees to speak up in line with our open communication and feedback culture and to use the Allianz Group's whistleblowing channels. For further information, please refer to the section "Compliance/anti-corruption and bribery matters". To reflect important changes, both the Allianz Functional Guidelines for DEI and the Anti-Harassment & Anti-Discrimination Functional Guideline are updated by the respective departments and subsequently approved by the Group People and Culture Officer.

All mentioned policies are reviewed once a year. If one of the mentioned policies or single items within the policy are in conflict with local law or regulations, the local law or regulations will prevail.

Beyond policies, it is crucial that targets and ambitions are implemented according to our Group People and Culture strategy. Table "S1-5" shows our targets as defined under CSRD as well as our ambitions where relevant.

Overview of Employees matters, targets and ambitions (S1-5)

	Employee matters section	Employee matters sub-section	Targets and ambitions 2023[1]	Achievements[1]	Targets and ambitions 2024[1]
1st Strategic Pillar Employees/ Candidates	Engaging with our workforce	AES Survey	Inclusive Meritocracy Index (IMIX) and Work Well Index+ (WWI +) development against previous year and overall ambition level.	81 % IMIX 76 % WWI +	Inclusive Meritocracy Index (IMIX) 75 % plus and Work Well Index+ (WWI +) development against previous year and overall ambition level.
	Learning and development and performance management	Training and skills development		50.01 hours/employee	43 hours of learning on average per employee p.a.
		Performance management	80 % of the Allianz executive[2] population complete the Personal Development Plan	83.87 % of the Allianz executive[2] population with completed Personal Development Plan	80 % of the Allianz executive population complete the Personal Development Plan 60 % of the Allianz non-executive population complete the Personal Development Plan
2nd Strategic Pillar Business	Diversity, Equity, and Inclusion (DEI)	Gender		Allianz Global Executives (AGE): 25.96 % female Allianz Senior Executives (ASE): 27.90 % female Allianz Executives (AE): 35.51 % female	Allianz Global Executives (AGE): 30 % female Allianz Senior Executives (ASE): 30 % female Allianz Executives (AE): 40 % female
		Generations		34.31 % employees < 35 years old	At least 25 % of our global workforce is younger than 35 years old
3rd Strategic Pillar Brand and Society				EDGE certification in the sub-section Fair remuneration Refinitiv in the subsection Diversity, equity, and inclusion (DEI)	Secure Allianz's position as DEI leader by global rankings and through certifications

1_Allianz Asset Management companies do not apply the Allianz Global Grading System. They have their own initiatives to promote equal opportunity.
2_Liverpool Victoria General Insurance Group Limited, Guildford and Liverpool Victoria Insurance Company Limited, Guildford are excluded from Allianz UK's data due to grading data unavailability for PDP.

Characteristics of our employees

As of 31 December 2023, 154,862[1] employees hold a working contract with Allianz (for more information on number of employees, please see table "S1-6.1" and refer to the note 8.18 to the consolidated financial statements). This contracted headcount figure is the basis for the figures in the remainder of the section "Employee matters".

The metrics in the section "Employee matters" are collected centrally by Allianz Group People and Culture according to globally defined standards. Their definitions are documented in our People and Culture metrics definition handbook.

The split into the different business segments in tables "S1-6.2" and "S1-6.4" reflects the Allianz Group structure and ensures consistency throughout the report. For further information, please refer to Business operations chapter. In addition, Germany as a country is displayed separately in accordance with CSRD requirements as it represents over 10% of the total contracted headcount.

Table "S1-6.3" shows that the majority of our employees hold a permanent contract. Temporary contracts are sometimes offered to new employees before an offer of permanent employment is made, to seasonal workers to meet customer demands, or to career entrants for summer internships in some operating entities. A minor part of our employees, for instance, those operating as medical professionals for Allianz or working students, are non-guaranteed hours employees. The majority of our active headcount are full-time employees, while some employees use the flexibility that Allianz offers to work part-time. For further information, please refer to the section "Work-life balance".

1_Number of employees in Allianz's companies fully covered under global People and Culture reporting standard (which includes all companies in and related to the insurance, asset management, and banking business). Contracted headcount working at consolidated Allianz Group companies: 157,883.

Employee headcount[1], broken down by gender (S1-6.1)

As of 31 December 2023	Number of employees (headcount)
Male	73,884
Female	80,949
Not reported as female or male[2]	29
Total employees	**154,862**

1_Number of employees in Allianz's companies fully covered under global People and Culture reporting standard (which includes all companies in and related to the insurance, asset management, and banking business). Contracted headcount working at consolidated Allianz Group companies: 157,883.
2_Comprises non-binary and not reported.

Employee headcount in Allianz's business segments and in countries with at least 10% of Allianz's total number of employees (S1-6.2)

As of 31 December 2023	Number of employees (headcount)
German Speaking Countries and Central & Eastern Europe	35,595
Western & Southern Europe, Allianz Direct and Allianz Partners	40,286
Asia Pacific	15,887
USA	2,125
Global Insurance Lines & Anglo Markets, Iberia & Latin America, Middle East and Africa	25,648
Asset Management	6,999
Corporate and Other[1]	28,322
Total employees	**154,862**
thereof: Germany[2]	38,792

1_For further information on Corporate and Other (incl. Allianz Technology) figures, please refer to note 5 to the consolidated financial statements.
2_Location of employees.

Employee headcount by contract type, broken down by gender (S1-6.3)

As of 31 December 2023	Female	Male	Not reported as female or male[1]	Total
Number of employees (headcount)	80,949	73,884	29	154,862
Number of permanent employees (headcount)	76,318	70,310	28	146,656
Number of temporary employees (headcount)	4,631	3,574	1	8,206
Number of non-guaranteed hours employees (headcount)[2]	56	27	-	83
Number of full-time employees (active headcount)[3]	62,826	68,929	29	131,784
Number of part-time employees (active headcount)[3]	14,774	3,802	-	18,576

1_Comprises non-binary and not reported.
2_Employees with a working contract but without a guaranteed number of working hours and thus not having a guaranteed salary.
3_Full-time and part-time employees are calculated based on active headcount, excluding, e.g., employees on sabbatical leave, in military or civilian service, or on parental leave.

Employee headcount by contract type, broken down by business segment (S1-6.4)

As of 31 December 2023	Number of employees (headcount)	Number of permanent employees (headcount)	Number of temporary employees (headcount)	Number of non-guaranteed hours employees (headcount)[1]	Number of full-time employees (active headcount)	Number of part-time employees (active headcount)
German Speaking Countries and Central & Eastern Europe	35,595	32,948	2,647	-	26,478	7,222
Western & Southern Europe, Allianz Direct and Allianz Partners	40,286	38,430	1,856	68	33,299	5,825
Asia Pacific	15,887	14,003	1,884	1	15,120	598
USA	2,125	2,117	8	-	2,097	20
Global Insurance Lines & Anglo Markets, Iberia & Latin America, Middle East and Africa	25,648	24,941	707	8	22,539	2,563
Asset Management	6,999	6,673	326	-	6,506	365
Corporate and Other[2]	28,322	27,544	778	6	25,745	1,983
Total Group	**154,862**	**146,656**	**8,206**	**83**	**131,784**	**18,576**
thereof: Germany[3]	38,792	35,533	3,259	9	28,805	7,948

1_Non-guaranteed hours employees are employees with a working contract but without a guaranteed number of working hours and thus not having a guaranteed salary.
2_For further information on Corporate and Other (incl. Allianz Technology) figures, please refer to note 5 to the consolidated financial statements.
3_Location of employees.

Employee turnover (S1-6.5)

As of 31 December		2023
Total external leavers[1]	#	21,181
Employee turnover rate[2]	%	13.97
Total external leavers[1] excl. employees whose temporary contract ends during the reporting period	#	19,616
Employee turnover rate[2] excl. employees whose temporary contract ends during the reporting period	%	12.94

1_Employees who left the company during the reporting period due to layoffs, (un)voluntary leaving, retirement, death, and other.
2_The employee turnover rate is defined as the number of total external leavers divided by average contracted headcount. The average contracted headcount is calculated over the four quarters of the current year and the last quarter of the previous year. Hence, it is the sum of contracted headcount of the four quarters of the current year and the last quarter of the previous year divided by 5.

Processes to remediate negative impacts and channels for own workforce to raise concerns

For further information, please refer to the section "Compliance/anti-corruption and bribery matters".

Human rights in own workforce

At Allianz, we are committed to respecting the human rights outlined in the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization (ILO) on Fundamental Principles and Rights at Work, and the International Bill of Human Rights. For further information, please refer to the **Allianz company website**.

Allianz SE, as the holding company of the Allianz Group, has been subject to the Lieferkettensorgfaltspflichtengesetz (German Supply Chain Act (GSCA)) since January 2023. The GSCA requires us to establish worldwide risk management systems concerning the human rights of our own employees and the employees of our suppliers, amongst others.

In our own operations, Allianz has established a risk management system that is designed to identify, analyze, and prioritize risks to the human rights of employees. Allianz will continue to further rollout and strengthen these processes over the course of 2024.

Among protected rights listed in the GSCA, the risk categories that are most relevant for our own operations are: occupational health and safety, equal treatment (which includes DEI and equal pay), freedom of association / collective bargaining, and adequate / living wages.

If risks are identified, we take preventive measures to mitigate those risks. If violations are found, Allianz is legally obliged to remedy them promptly. The effectiveness of measures is regularly reviewed.

Our risk management system also encompasses an annual (public) Policy Statement on Human Rights, a global complaints mechanism (**SpeakUp@Allianz**), independent monitoring through the Group Human Rights Officer, and an annual (public) report to the Federal Office for Economic Affairs and Export Control.

1st Strategic Pillar: Employee and Candidates

The section "1st Strategic Pillar: Employees and Candidates" outlines the topics engaging with own workforce, learning and development and performance management, fair remuneration, benefits, social protection, health and safety, work-life balance, and collective bargaining and social dialogue.

Engaging with own workforce

Listening and engaging with our employees are the cornerstones of implementing our People and Culture strategy. The member of the Board of Management responsible for People and Culture is accountable for developing our framework for listening to employees and steering activities to ensure progress towards implementation of our ambition and reaching our ambitions. Operational responsibility is assigned to the Global People and Culture Officer and Local Human Resources Directors. Our employee listening framework consists of the annual Allianz Engagement Survey (AES) and biannual Pulse surveys.

The AES is our well-established employee platform for gathering employee feedback globally and has been in place since 2010. Our two key indicators recorded with the survey are the Inclusive Meritocracy Index (IMIX) and the Work Well Index+ (WWI +). The IMIX measures our progress in building a culture where both people and performance matter, meaning that we enable employees to unlock their full potential. The IMIX score is derived out of a basket of ten questions. In 2023, the IMIX increased by 2 percentage points to 81% (2022: 79%). Improvements in our IMIX scores demonstrate that we are making progress in the areas of leadership, performance, and corporate culture.

The WWI + measures employee well-being. A higher index score is associated with higher employee well-being. The WWI+ score rose by +5pp to 76% (2022: 71%). For further information, please refer to the section "Health and safety".

These positive 2023 results were achieved against the backdrop of deteriorating scores of external global benchmarks. We consider these good results to be a positive reflection of our ongoing follow-up activity in the aftermath of the survey and our efforts to continuously enhance the employee experience. Each Allianz entity thoroughly analyzes its results to gain an in-depth insight and agree on effective action plans with their teams. In addition, we expanded our global Engagement Matters program in 2023. This initiative provides frameworks of measures to increase employee engagement, offering support to all entities in identifying initiatives to implement on a global and local level in response to the feedback received. The focus areas identified are connected locally and globally so that Allianz operating entities can work on impactful measures.

The AES results are directly linked to the performance targets of the Allianz Board of Management. We aim to achieve an IMIX score above 75% and WWI+ development against previous year and overall ambition level in 2024.

Our global Pulse surveys constitute the second employee listening channel. Pulse surveys took place in the first and second quarters of 2023 to check the impact of engagement plans and ask our employees about focus topics including Sustainability, Health and Safety, Personal Development and Risk Culture.

Our efforts in engaging with our employees have been recognized with awards and certifications. In 2023, we proudly achieved GPTW certifications at 43 entities across 26 countries, marking a substantial leap from 15 entities certified in 2022. Allianz also reached a commendable 82% in the Trust Index and further narrowed the gap to the 86% score required for Top 25 World's Best Workplaces. Moving forward, our ambition is to increase the number of GPTW-certified entities as well as the number of OEs on the National Best Workplace lists.

For further information on our processes for engaging with our workforce, please refer to the section "Collective bargaining and social dialogue".

Learning and development and performance management

This section addresses the strategic sub-section Training and skills development including Performance management.

Training and skills development

Learning and development is a key differentiator in the financial services industry where customer need are constantly changing in response to a rapidly evolving external context, as observed in various industries. Our ambition is for employees to develop skills for today and for the future to ensure Allianz is prepared for emerging trends and opportunities and able to attract the best talent.

Allianz fosters personal, professional, and leadership skills, as well as digital skills and technical expertise, and emphasizes the development of EQ (emotional quotient, such as curiosity, resilience, "we mentality", and flexibility) as well as IQ (intelligence quotient, such as digital and data, problem-solving and business, sustainability, and leadership) skills. Allianz is committed globally to employee lifelong learning and development.

To live up to this commitment, we offer global learning through our global #learn initiative. We have set up programs targeted to key areas, such as property and casualty, life and health, IT, strategy, finance, sustainability, communications, market management, and operations. Allianz operating entities have access to global and local offers as part of their broader action plans to support employee learning and development.

A special focus in 2023 was put on the topics of IT, data, and artificial intelligence. We offered generative AI and ChatGPT training to all managers with the aim of explaining the new technology to Allianz leaders and in order to develop relevant use cases for Allianz. More than a thousand managers took part in the training between October and December 2023. Additionally, we held the inaugural global Fit4IT day in 40 operating entities, covering approximately 85% of employees. Our employees were able to invest half a day in upskilling, familiarizing themselves with various IT tools.

We are also proud of our Allianz Sustainability Training for all our employees which covers the basics on sustainability – why it is important and what Allianz is doing to integrate sustainability into our business model – and offers inspiration on how employees can contribute to a more sustainable future.

We employ a wide range of learning and development approaches including on-the-job learning, mentoring and coaching, classroom trainings, peer circles, and digital learning. We encourage employee learning in all formats, and all are included in the learning hours reported. The total hours reported in table "S1-13.1" thus include self-directed learning (such as videos and podcasts) as well as other, alternative, learning formats (such as coaching), which together account for 32.08% of total learning hours.

We have a strong focus on digital learning. Through our digital learning ecosystem, employees are able to source learning both from our AllianzU learning platform powered by Degreed and LinkedIn Learning. Our internally developed global learning offers are available in five languages and are available to all employees. Learning consumption is measured globally on a monthly basis.

Developing our leaders is of the utmost importance to us. We run five global programs every year to develop strong leaders:

- #lead Ignite is targeted at new people leaders who qualify as potential or new Allianz executives. It aims to equip them with the knowledge, mindset, and skills needed to lead at Allianz.
- #lead Empower develops the leadership capabilities needed for leaders at the future and recently identified Allianz Senior Executive level to make the transition from leading teams to leading leaders and the business.
- #lead Transform was created for future and recently appointed top executives. The program is built around our core #lead mindsets: curiosity, resilience, "we-mentality", and flexibility.
- #lead Accelerator prepares future and current board members for leading the organization with strategic project work, board exposure, peer coaching, and external insights.
- #sheleads sets the standard for effective gender balance via sponsorship, peer coaching, and learning sessions with our alumni community. The program enables our female leaders to make their next career move.

In addition to the global programs, all leaders are encouraged to obtain the Allianz Leadership Passport, which is the "license" to be a people leader at Allianz globally. The program sets minimum standards for all people leaders, with an equal focus on hard and soft skills, for our leaders to balance IQ and EQ. After obtaining their Leadership Passport, leaders must refresh their passports on a yearly basis by undertaking further training. Monitoring and reporting on the take up of the #lead passport as well as the five global programs is managed globally by Group People and Culture. We monitor usage and learning consumption on a monthly basis.

To achieve our commitment to employee lifelong learning, Allianz set the global target of a yearly minimum average of 43 hours of training per employee by 2024. In 2023, our employees learned on average for 50.01 hours, as reported in table "S1-13.1". Additionally, a commitment to lifelong learning is included in the Board of Management targets for 2024. To support strong performance in current and future responsibilities, employee upskilling and development, we offer them a minimum of one hour working time per week dedicated to training.

The training hours per employee metric is monitored on a quarterly basis.

Average training hours per employee, broken down by gender (S1-13.1)

As of 31 December	2023
Average training hours[1]	50.01
Female	47.52
Male	52.67
Not reported as female or male[2]	69.99

1_Calculated as a ratio of total training hours divided by active headcount.
2_Comprises non-binary and not reported.

Performance management

At Allianz, we are committed to developing and growing our people, including through performance management. Our performance management aims both to enhance the employees' individual performance and to align their priorities with Allianz's corporate purpose and strategic business goals. Setting priorities properly and conducting regular check-ins enables employees to let their full potential unfold, which in turn helps Allianz achieve its business ambitions. Performance management is an ongoing, continuous process of communicating on-the-job priorities, performance expectations, and development goals.

The framework for Performance Management is implemented within the Allianz Group, documented in the Allianz Group Remuneration Policy.

The global People and Culture template on our leading People and Culture IT system enables the consistent application of the key steps making up the performance management cycle. The template is available to both the executive and non-executive employee populations. Execution and outcomes of the Performance Management process are subject to local legal regulations and respective governance bodies, e.g., local or global Compensation Committees.

The key steps of the Performance Management Process at Allianz can be described as follows:

- Priority setting is the initial kick-off of the annual performance management cycle and refers to setting clear, transparent, outcome-oriented, and flexible goals to be achieved throughout the year while giving guidance on desired behaviors.
- Mid-year check-in is the time to request and provide feedback for the first half of the year. Line manager and employee reflect on priorities and behaviors, and agree on joint measures to continuously improve performance through development opportunities on the job and off the job. Mid-year check-in is supported by our Multi-Rater feedback process. The Multi-Rater feedback is a tool for getting 360-degree feedback from colleagues. It is mandatory for Allianz's executive population, whereas implementation for the non-executive population is subject to the local rules and regulations of our operating entities. Based on the "People Attributes", Multi-Rater provides employees with valuable insights into their strengths and developmental areas.
- The Personal Development Plan (PDP) lays out the employee's yearly development goals. Employees are expected to agree with their manager on their individual development measures, usually during the mid-year review discussion. The PDP helps the employee record and track progress towards their own development goals. The 2023 target of 80% PDP completion by the Allianz executive population was achieved, as displayed in table "S1-13.2". The same target is set for 2024. For the Allianz non-executive population, the 2024 target is a 60% PDP completion rate.
- Year-End-Review is the assessment of individual performance of an employee by the line manager at the end of each year. The assessment is based on a 3-point rating scale: below, at, or above target. The overall individual performance of an employee is reflected in the Individual Performance Assessment.
- Performance and Talent Dialogue is a calibration of an employee's individual performance on the basis of cross-comparison within the relevant population. This ensures the application of consistent performance standards and an appropriate level of differentiation with close attention to non-discrimination of employees in any regard.
- Communication of final Individual Performance Assessment is the feedback discussion between the line manager and employee, which normally takes place in 1Q of the following year and seeks a common understanding of accomplishments and development opportunities.

Allianz Executives and levels above[3,4] (AE+) with a Personal Development Plan (PDP), broken down by gender (S1-13.2)
in %

As of 31 December	2023
Executives with a PDP[1]	83.87
% of male executives with a PDP out of all male executives	83.31
% of female executives with a PDP out of all female executives	84.94
% of not reported as female or male executives with a PDP out of all executives not reported as female or male[2]	-

1_Includes all executive positions (Allianz Global Executive Positions, Allianz Senior Executive Positions, and Allianz Executive Positions).
2_Comprises non-binary and not reported.
3_Allianz Asset Management companies excluded from global reporting of AE and ASE cluster as Allianz Global Grading System is not applicable to them.
4_Liverpool Victoria General Insurance Group Limited, Guildford and Liverpool Victoria Insurance Company Limited, Guildford are excluded from Allianz UK's data due to grading data unavailability for PDP.

Fair remuneration, benefits, and social protection

This section summarizes the topic of Adequate Wages and outlines the strategic topic Fair remuneration. Furthermore, we will address the topics Benefits and Social Protection.

Adequate wages

In accordance with the Allianz Group Remuneration Policy, internal and external benchmarking is performed to ensure appropriateness of (individual) remuneration and general pay levels. Allianz expects all operating entities to follow the principles described in the Allianz Group Remuneration Policy.

Fair remuneration

Allianz is committed to equity and fairness as defined in our Allianz Group Code of Conduct. This includes ensuring Allianz operating entities enforce equal pay for equal work in the same or comparable roles for all genders. This principle is outlined in our Allianz Group Remuneration Policy. An annual global equal pay review across the organization identifies equal pay gaps which can be mitigated with appropriate action.

In addition to equal pay, there is also a gender pay gap to be considered. This consists of the difference in average remuneration between men and women across a whole organization, irrespective of role or seniority. If one gender is more represented in higher paid, senior roles in one organization, for example, there will be a gender pay gap. Allianz takes several actions to foster gender equity in representation and thus close the gender pay gap. One important action is the ambition to have higher female representation in senior positions. To reach our gender representation targets, we monitor the percentage of our female employees on a quarterly basis and implement concrete actions towards target achievement. We also foster best practice exchange among operating entities to drive gender equality in representation (see also the section "Diversity, Equity, and Inclusion (DEI)").

To measure our progress towards equity and fairness and to continue to move forward on our journey, in 2021 we launched the EDGE (Economic Dividends for Gender Equality) certification process for our insurance business segment and several global lines, currently covering 73% of the Allianz Group's global headcount. EDGE is the leading standard for diversity, equity, and inclusion and monitors companies' progress on gender equality against established criteria, including equal pay. We are proud that Allianz has been recertified by EDGE in 2023.

Benefits

Reward and recognition at Allianz go beyond remuneration. Allianz also supports its employees around the world with attractive benefits. This shows that we care about employees' Health, Money, Career, and Time and support them to find professional and personal fulfillment.

Our Global Benefits Strategy for the insurance business is structured around these four pillars. We introduced minimum standards for benefits available to employees across Allianz in 1Q 2023, and we expect our global rebranding and communication campaign to further increase the transparency and visibility of Allianz benefits among employees in 2024.

Benefits take economic, environmental, and social factors into account, and incentives are oriented towards creating long-term value and financial protection. The Allianz Employee Share Purchase Plan (ESPP) for instance offers employees Allianz shares at favorable conditions in 43 countries, allowing them to benefit from the success of the company and its long-term performance. As a token of appreciation for meeting previous year Group targets, Allianz offered one Allianz Free Share – or its cash equivalent in countries that do not offer the ESPP – to employees globally in 2023.

For further information on employee benefits, please refer to our **People Fact Book 2023** and our **Global recruiting homepage**.

Social protection

We operate in countries where our employees have at least access to social protection programs against loss of income due to major life events: sickness, unemployment, employment injury, parental leave, and retirement. In countries where social protection is not provided through public social security schemes, we aim to close potential gaps through additional offerings. Best practice examples are our entities in the United States, where Allianz provides health insurance benefits, or India, where we provide paternity, and carer leave options.[1]

Health and safety

The health, safety, physical, and mental well-being of our employees is a top priority. We aim to sustain and improve employee health and well-being across our global workforce. Two key levers to achieve this ambition are our Minimum Health Requirements and our Occupational Health and Safety (OHS) Management system.

The four Minimum Health Requirements are:

1. Professional Support: Allianz offers employees 24/7 free of charge access to professional psychological support through Employee Assistance Programs.
2. Leadership Enablement: Allianz offers targeted health and well-being training for people leaders, through both the #lead program and other platforms to ensure managers are equipped with the knowledge to sustain employee health and well-being as well as to strengthen resilience in their teams.
3. Employee Feedback: Employees have the opportunity to give once a year feedback on their health and well-being through global surveys, such as Pulse surveys. For further information, please refer to the section "Engaging with own workforce".
4. Focus Time: Meeting-free calendar days have been introduced to provide most employees with time to focus on their work.

The four Minimum Health Requirements are reinforced by the "Agreement on Guidelines concerning Work Related Stress and Minimum Health Requirements" between the Allianz SE and the (European) SE Works Council of Allianz SE. It applies to Allianz SE and its subsidiaries with registered offices in the Member States of the E.U., the contracting states of the EEA, the UK, and Switzerland. All best endeavors will be made to adopt the minimum health requirements across the Allianz Group, where national legislation does not prevent this.

The minimum health requirements were monitored regularly and reported to both management and employee representatives once a year, which shows our commitment to the well-being of our global workforce.

To effectively manage OHS matters, most local Allianz entities have furthermore implemented OHS management systems. They include OHS risk and hazards assessments, dedicated action plans to mitigate these risks as well as emergency actions. Internal inspections take place frequently and progress in reducing and preventing health issues and risks is assessed against targets on a regular basis. This includes procedures to investigate work-related injuries, ill health, diseases, and incidents. Our workforce is trained regularly to raise awareness and reduce operational health and safety incidents.

The health and safety of our global workforce is measured via our Work Well Index+ (WWI +) and other KPIs.

1_The following major exceptions apply: Unemployment benefits are not available for non-citizens in Malaysia and Taiwan who are usually expats covered by their home countries' social welfare benefits. In a few countries, unemployment benefits are excluded in case of self-termination of work contract, for example in Croatia or in Türkiye. In Singapore and Hong Kong unemployment benefits are generally not part of the social security system.

- Work Well Index+: To track well-being globally, we refer to the WWI+ index, which monitors the progress of health and well-being throughout the organization. We also use pulse check surveys to check in with employees during the year. For further information, please refer to the section "Engaging with own workforce".
- Regular monitoring of further health and safety indicators: Local Employee Assistance Program providers perform quarterly monitoring of additional indicators, which are reported to the Allianz Board of Management on a semiannual basis. Finally, CSRD-compliant KPIs, covering work-related injuries, ill health, accidents, fatalities, and days lost (see table S1-14) are monitored annually and serve as a point of reference for the health, safety, and well-being of our global workforce.

Health and safety (S1-14)

As of 31 December	Unit	2023
Number of fatalities related to work-related injuries/ill health	#	1
Number of recordable work-related accidents	#	847
Rate of recordable work-related accidents	Per one million work hours	3.71
Cases of recordable work-related ill health[1]	#	355
Number of days lost to work-related injuries/ fatalities/ accidents/ ill health[1,2]	#	16,665

1_The data of reporting unit Allianz Partners Service is not included in cases of recordable work-related ill-health and number of days lost to work-related injuries/fatalities/accidents/ill health.
2_Globally, where national legislation or local culture/ norms do not prevent this.

Work-life balance

This section covers Flexible working options and the Family-related leave topic.

Flexible working

Allianz offers a wide range of offerings. For us, hybrid working combines the best of both worlds: the flexibility of mobile working with the benefits of targeted collaboration and in-person connection. Flexible work options are key for talent attraction and employee engagement, while regular in-person touch points help us foster team spirit, co-creation, and cross-team exchange.

Most of our employees across the globe have the opportunity to spend a minimum of 40% of their working hours working from outside the office. Our global minimum offering provides a lot of empowerment, trust, and flexibility to our local teams to decide what works best for their customers, their business, and their teams. The flexible work offerings therefore differ in our operating entities but for all of them customer centricity and customer needs are the north star.

We track the actual employee time that was spent working outside the Allianz offices on a biannual basis and collect employee feedback in our AES survey. The survey results show that flexible work has been one of the positive drivers for employee engagement in 2023.

For further information on further flexible work options, please refer to our People Fact Book 2023 on the **Allianz company website**.

Family-related leave

Being a parent and caring for family members are important responsibilities. Our Allianz employees deserve support in fulfilling these roles and keeping a positive work-life balance. Allianz is committed to supporting parents and families by offering childcare facilities, leisure activities, emergency assistance, and other family services. Family-related leave is specific to countries and usually covers maternity leave, paternity leave, parental leave, and carers' leave. Allianz adheres to all statutory requirements in the countries we operate in and aims to exceed those standards where possible and appropriate.

Work-life balance metrics (S1-15)
In %

As of 31 December	2023
Employees entitled to take family-related leave (share of total employees)	99.07
Employees that took family-related leave (share of entitled employees)	8.56
Male (share of employees that took family-related leave)	32.78
Female (share of employees that took family-related leave)	67.06
Not reported as female or male (share of employees that took family-related leave)[1]	0.16

1_Comprises non-binary and not reported.

Collective bargaining coverage and social dialogue

We aim to ensure that employee rights are protected across all Allianz operating entities. Allianz was one of the first companies to create pan-European worker participation standards and to establish a European SE Works Council under the legislation for Societas Europaea (SE) companies (an agreement concerning the participation of employees in Allianz SE).

Through this body and the regular dialogue between management and employee representatives and their trade unions, Allianz ensures effective representation of all its employees at European level. Our (European) Works Council Executive Committee is evidence that Allianz endorses the establishment of employee representatives in its Group companies and welcomes their cooperation with the trade unions.

Employee representation is widespread across Europe. The right of workers to establish workers' representative bodies and thus negotiate working conditions is guaranteed by law in many jurisdictions. The mandate of workers' representatives and the role of the employer in regard to collective bargaining and the social dialogue is very much shaped by local legal requirements.

Allianz supports the principles enshrined in the ILO (International Labour Organization) core conventions on freedom of association and collective bargaining. In countries where those principles have been enshrined in local law, we fully respect and implement local rules on trade unions and worker representation. In countries that have not ratified the relevant ILO conventions, we respect the primacy of local laws and look for ways to allow our employees to organize and voice their interests vis-à-vis management. Globally, the percentage of Allianz's workforce covered by collective bargaining agreements is 48.46%.

According to CSRD reporting requirements, "coverage" includes the number of employees to whom the companies concerned are obliged to apply the collective agreements. Irrespective of the obligation, there are a large number of companies that apply the collective agreements and provisions on a voluntary basis.

We work closely with employee representatives (members of the (European) SE Works Council's Executive Committee and employee representatives on the supervisory board of Allianz SE) to support change implementation, manage impacts on employees, and promote opportunities. The "social dialogue" is our pan-European forum that has existed for over a decade. It supports the progress of our business strategy, our agenda, and our response to the increased pace of change in topics such as the digital revolution. Discussions in 2023 included the Strategic Workforce Planning program.

Collective bargaining coverage and social dialogue (S1-8)

	Collective Bargaining Coverage		Social Dialogue
Coverage Rate	Employees - EEA[1]	Employees - Non-EEA[2]	Workplace representation (EEA only)[1]
0-19 %	-	Corporate and Other[3]	-
20-39 %	-	Asia Pacific	-
40-59 %	-	Global Insurance Lines & Anglo Markets, Iberia & Latin America, Middle East and Africa	-
60-79 %	Germany[4]		-
80-100 %	-	-	Germany[4]

1_For countries with at least 10 % of Allianz's total number of employees.
2_For business segments with at least 10 % of Allianz's total number of employees.
3_For further information on Corporate and Other (incl. Allianz Technology) figures, please refer to note 5 to the consolidated financial statements.
4_Location of employees.

2nd Strategic Pillar: Business

This section outlines the two strategic sub-sections Diversity, Equity, and Inclusion (DEI), focusing on Gender and Age distribution, and Persons with disabilities. We further describe the Strategic Workforce Planning topic.

Diversity, Equity, and Inclusion (DEI)

Diversity is a core element of our culture. Our customers are diverse, and in order to best understand and serve them, our workforce needs to be diverse, too. We believe that diverse teams create better results, show higher resilience, and are more innovative and more productive, provided they can act in an environment where everyone can be themselves and unique views are appreciated. Being both diverse and inclusive has a positive impact on our business.

We are committed to strengthening inclusion in our workplace, by ensuring equal opportunities for all, and shaping a diverse workforce along five DEI dimensions: gender, people with disabilities, nationalities/ethnicities, generations, and LGBTQ+. With our Allianz Functional Guidelines for DEI and our Anti-Harassment & Anti-Discrimination Functional Guideline, we aim to ensure that across our operating entities and functions there is no discrimination for reasons including gender, age, sexual orientation, ethnicity, nationality, physical or mental abilities, religious beliefs, or social background.

At Allianz, we want to achieve our targets and ambitions for our DEI dimensions in a sustainable manner. The key to this is an inclusive workplace environment. We have multiple actions in place to strengthen our inclusive workplace environment, such as:

- Global Inclusion Council: Our Global Inclusion Council (GIC) sets the DEI strategy and plays a crucial role in driving initiatives to achieve our targets and ambitions, in integrating DEI into the business and monitoring progress. The GIC has been in place since 2007 and consists of more than 20 Allianz senior managers from operating entities, Allianz Group Center representatives, and the leads of our five global employee networks for DEI which leads to 81 local network chapters.
- DEI Employee Networks: Employee networks enable us to engage with our employees. They help us to raise awareness, support employees, advocate for change, and shape the agenda for DEI. We have five global employee networks: "Allianz NEO" for gender inclusion, "Allianz Beyond" for disability inclusion, "Allianz GRACE" for ethnicity and cultural inclusion, "Allianz Engage" for generational inclusion, and "Allianz Pride" for LGBTQ+ inclusion. 15 new networks operating locally were added in 2023.
- DEI as part of daily business – Mentoring Campaign: At Allianz, DEI is integrated into the way we conduct business. Our global Mentoring Campaign #KeepExploring, which took place throughout 2023, championed an intersectional approach featuring personal experiences of employees presenting more than one diversity dimension, e.g. combining different generations with nationalities, and/or genders.

Global People and Culture monitor the development of our targets and ambitions on a regular basis and report progress to the Allianz Board of Management on a semi-annual basis (for gender, this is done on a quarterly basis). Additionally, we support operating entities in setting up their individual local action plans to reach DEI targets and foster best practice exchange.

The achievements of our DEI strategy are recognized by external global awards and rankings. For example, Refinitiv – a global Diversity and Inclusion Index – identifies the top 100 publicly traded companies with the most diverse and inclusive workplaces. In 2023, Allianz was ranked #1 in the Insurance industry and #1 in Germany across all industries. Our reputation as a DEI leader strengthens Allianz's brand as a trusted provider of financial services.

For further information on DEI targets and ambitions, see our DEI Booklet 2023 on the **Allianz company website**.

Gender

At Allianz, we have already attained overall numerical gender parity in our workforce with 80,949 female and 73,884 male employees. We are committed to equal opportunities for all, regardless of gender, and put measures in place to see this reflected in the staffing of leadership positions. As outlined in our Allianz Functional Guidelines for DEI[1], our 2024 targets are to have 30% women in Allianz Global Executive positions, and 30% women in Allianz Senior Executive positions. In addition, we aim to have 40% women in Allianz Executive positions and 50% women in our talent pools. For further information, please refer to section the "Fair remuneration". Allianz NEO, our employee network for gender inclusion currently has 20 local networks in place. Allianz NEO focuses on helping to find concrete improvement opportunities, creating dialogue and allyship, and endorsing new perspectives and novel working models for both women and men.

Generations

With five different generations currently working together at Allianz, we are committed to leveraging the combined strengths, individual skills, and experiences of all generations. We aim to have a balanced generational representation, where GenZ and GenY (employees under 35) represent at least 25% of our global workforce. As of the end of 2023, 34.31% of our global workforce (see table S1-9.2) is younger than 35, which ensures a balanced generational representation.

Our efforts for age inclusion are strongly supported by Allianz Engage, our employee network for generational diversity with 11 local networks in place. Through Allianz Engage, our employees are invited to proactively contribute to a company culture where the knowledge of all generations is called upon, for example, through mentoring. In the Allianz Group, we have more than 700 mutual mentoring arrangements in place, allowing people from different generations to enter into mentoring partnerships to connect and to share knowledge, experiences, skills and perspectives in a genuine learning exchange beneficial for everyone involved.

1_The Guidelines including any targets stated therein do not apply to Allianz Asset Management companies, which have their own initiatives to promote equal opportunity.

Diversity, Equity & Inclusion (S1-9.1)

As of 31 December	2023	
	#	%
Gender distribution	-	-
in Allianz SE Supervisory Board	12	-
Male	7	58.33
Female	5	41.67
Not reported as female or male[1]	-	-
in Allianz SE Board of Management	9	-
Male	6	66.67
Female	3	33.33
Not reported as female or male[1]	-	-
in Executive positions (top management)[2]	6,788	-
Male	4,461	65.72
Female	2,327	34.28
Not reported as female or male[1]	-	-
in Allianz Global Executive (AGE) positions	235	3.46
Male	174	74.04
Female	61	25.96
Not reported as female or male[1]	-	-
in Allianz Senior Executive (ASE) positions[3]	803	11.83
Male	579	72.10
Female	224	27.90
Not reported as female or male[1]	-	-
in Allianz Executive (AE) positions[3]	5,750	84.71
Male	3,708	64.49
Female	2,042	35.51
Not reported as female or male[1]	-	-

1_Comprises non-binary and not reported.
2_Includes all executive positions (Allianz Global Executive Positions, Allianz Senior Executive Positions, and Allianz Executive Positions).
3_Allianz Asset Management companies excluded from global reporting of AE and ASE cluster as Allianz Global Grading System is not applicable to them.

Age distribution (S1-9.2)

As of 31 December	2023	
	#	%
Age distribution[1]		
Share of employees < 30 years old	28,757	19.13
Share of employees 30-50 years old	82,598	54.93
Share of employees > 50 years old	39,004	25.94
Share of employees < 35 years old	51,595	34.31

1_Age distribution is calculated based on active headcount, excluding, e.g., employees with a dormant employment relationship (for example due to sabbatical leave, in military or civilian service, or on parental leave).

Persons with disabilities

Allianz Functional Guidelines for DEI explicitly outline that we prioritize the well-being of all our employees and work hard to ensure that our processes and workplaces are equally accessible to everyone, irrespective of their disability status.

Allianz Beyond, our employee network for disability inclusion, currently has 12 local networks in place, with three local networks launched in 2023. It focuses on raising awareness of disability inclusion, identifying ways to make Allianz more accessible (physically and digitally). It also aims at creating a safe space for employees to disclose their disability and voice their workplace assistance needs in order to perform at their best. And it promotes Allianz externally as an attractive employer for people with disabilities.

Allianz has been a Valuable 500 member since 2020 and is committed to increasing transparency on disabilities in the corporate landscape through increased disclosure. As an Iconic Leader, Allianz played a crucial role in the identification and definition of five Valuable 500 Disability Inclusion KPIs. These were announced at the World Economic Forum in 2023 and cover five dimensions: Workforce Representation, Goals, Training, Employee Resource Groups, and Digital Accessibility. Allianz reports on the Valuable 500 Disability Inclusion KPIs in our DEI Booklet 2023 on the **Allianz company website** and is working with Valuable 500 to secure commitment from other members to disclose Disability Inclusion KPIs and ultimately grant people with disabilities more equity in the workplace.

Allianz has been a trusted partner of the Paralympic Movement since 2006 and became the first international partner of the International Paralympics Committee (IPC) in 2011. Through our continuous support, we recognize the athleticism and professionalism of Paralympians. Our efforts have a positive impact on career opportunities for people with disabilities, including through career fairs for Paralympic and Olympic athletes, with tangible results, leading to the hiring of 27 Paralympians and Olympians. For further information, see also our People Fact Book 2023 on the **Allianz company website**.

Allianz is committed to strengthening its inclusive workplace culture for its entire global workforce, including employees with disabilities. For more details regarding our local ambitions, please see our DEI Booklet 2023 on the **Allianz company website**.

Strategic Workforce Planning

Allianz has implemented Strategic Workforce Planning (SWP) to create transparency on upcoming workforce developments. SWP compares workforce supply by cluster of job profiles (called Talent Segments) against projected workforce demand over the next five years. At Allianz, this is a structured yearly process that is integrated into the annual planning cycle. The result goes far beyond providing transparency on possible recruiting gaps. We are able to steer the mix of roles that we need in our workforce in order to implement Allianz strategies and fulfil our future vision. SWP provides a quantitative assessment of the resources required for ongoing transformations and indicates how our workforce can be equipped with the skills they need to remain employable in the future.

This global transparency allows us to decide what to focus our work on and customize solutions for up- and reskilling as well as retention and recruiting. SWP currently covers approximately 85% of our 2023 employee population. Global monitoring and steering using SWP KPIs ensures the implementation of Strategic Workforce Planning and maximizes its value within the business functions.

3rd Strategic Pillar 3: Brand and Society

Good working conditions along with equal treatment and equal opportunities for all are the basis for the CSRD convergence approach discussed in this Employee matters section. These subjects are an integral part of our brand value and societal commitments, as reflected in our ratings.

Our positive social impact is verified and acknowledged by external certifications and global rankings (for further information, please refer to Great Place to Work certification in the section "Processes to engage with own workforce", EDGE certification in the section "Fair remuneration", and Refinitiv in the section "Diversity, equity, and inclusion (DEI)"). Beyond certifications and rankings, Allianz is a member of the Valuable 500 and a trusted partner of the International Paralympics Committee (for further information, please refer to section "Persons with disabilities"). Allianz is a member of the World Economic Forum Good Work Alliance; for more information, please refer to the **Good Work Alliance website**. We are committed to human rights (for further information, please refer to the section "Human Rights in own workforce"), the U.N. Charter, U.N. SDGs, as well as our external certifications, rankings, and partnerships.

For further information on our social positioning, please refer to section "Corporate Citizenship".

Compliance/anti-corruption and bribery matters

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

Concept and programs

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

In 2021, the Compliance Assurance of Risks and Effectiveness (CARE) program was initiated. In 2023, the Compliance Function continued to develop the way it assesses Group and local Compliance departments. Review procedures have been expanded to confirm adequate compliance scope, ensure adequate skills to meet the scope, and confirm compliance with global programs and local specificities. While CARE is primarily a challenged self-assessment exercise, it is reinforced with Compliance Reviews of operating entities that are completed and coordinated by Allianz Group Compliance. Compliance Reviews are completed on a risk-based, three-yearly cycle.

Compliance Reviews are supplemented by Targeted Reviews, which assess the implementation status and effectiveness of individual programs such as Antitrust and Sales Compliance. This multi-faceted review and confirmation strategy has several benefits. First, operating entities are monitored more frequently and are engaged in more holistic assurance activities. Second, frequent interactions with operating entities provide additional opportunities to monitor, guide, and – if necessary – enforce remedial activities. Finally, people can learn from local and Group best practices, which further reinforces our compliance culture.

An online compliance management tool provides an overview of issues detected during the above activities. Users are required to use the tool to report and document actions taken to mitigate and follow up on any issues identified.

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

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

The Allianz Group Code of Conduct outlines the basic principles and values that guide the everyday decisions and conduct of all employees. The current version of the Allianz Group Code of Conduct was approved by the Allianz SE Board of Management in 2020. New joiners at Allianz are informed of their obligation to adhere to the Allianz Group Code of Conduct. The key principles addressed by the Allianz Group Code of Conduct and the accompanying training are mutual respect, integrity, transparency, and responsibility.

Allianz has zero tolerance of fraud. We are committed to complying with all applicable anti-fraud, anti-bribery, and anti-corruption laws and regulations in all jurisdictions in which we operate.

Zero tolerance applies regardless of who benefits from the fraud – Allianz as a company, other internal parties (employees, tied agents, intermediaries) or any third parties acting on behalf of Allianz. To protect against fraud, we will take prompt and appropriate action where necessary – against employees, others acting on behalf of Allianz or third parties. This includes appropriately protecting customer and third-party data.

Similarly, Allianz does not tolerate bribery and corruption. Employees are strictly prohibited from directly or indirectly offering, requesting, accepting, providing, paying, soliciting, promising, authorizing or receiving anything of value (anything monetary or non-monetary that provides a benefit of any kind) to or from any public official or anyone in the private sector in order to obtain or retain business or gain an improper personal or business advantage.

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

Employees are encouraged to report concerns and have multiple channels for doing so. These include via management, speaking directly with Allianz Group Compliance, by e-mail, and anonymously via a third-party solution provided by Business Keeper GmbH and accessible via the intranet.

The same tool is also accessible to external parties on the **Allianz company website**. Some operating entities provide employees with the option to report via an ombudsman.

All reported incidents are assessed, documented, and managed according to internal guidelines and with strict confidentiality. The Allianz Group has specific procedures in place to ensure that no retaliation measures are taken against whistleblowers; reflecting our commitment to enable a healthy SpeakUp culture within the company. Retaliation measures are not accepted in any form.

Group Compliance runs an annual awareness campaign to remind employees of the avenues available for reporting.

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

Topic	Objectives	Progress and actions 2023
Compliance	Continue to enhance the effectiveness of local compliance organizations by enriching our compliance reviews, to further bolster the governance and processes of underlying compliance organizations across our OEs.	2023 Compliance Review Plan executed.

EU Taxonomy Regulation

Regulatory background

The EU Taxonomy Regulation (Regulation (EU) 2020/852) is a "green" classification system that translates the EU's environmental objectives into criteria for determining whether an economic activity qualifies as environmentally sustainable and the degree to which an investment is environmentally sustainable. The EU Taxonomy Regulation came into effect in 2020 and Allianz is reporting Taxonomy-eligibility for the third year in a row; however, Taxonomy-alignment is reported from the financial year 2023 onwards (described subsequently) only. The EU Taxonomy Regulation intends to provide increased transparency for stakeholders.

On 21 December 2023, the EU Commission published a guidance on Art. 8 EU Taxonomy Regulation. The document was assessed by Allianz but could not be fully considered for the 2023 reporting.[1] Details about the implemented changes can be found in the respective subchapters.

EU Taxonomy for non-life insurance

Allianz's approach to Sustainable Solutions in the Property and Casualty insurance business

We are regarding the EU Taxonomy Regulation in the broader context of sustainable insurance solutions and are consequently reporting on it in combination with our Sustainable Solutions framework.

It is an integral part of our strategy to not only insure our customers against risks, but also to support them in their challenges of a world which is about to transition to a more sustainable way of living and doing business. We aim to create real world impact through our business activities and contribute to ESG objectives based on science and in line with regulatory requirements and international agreements. This is based on the understanding that property-casualty (P&C) insurance can support multiple ESG objectives beyond climate change adaptation. The role of the insurance industry is not limited to the classic role as risk managers but goes beyond and includes the public expectations to accelerate a fair and just transition of economies and societies.

Therefore, we have established a comprehensive framework for Allianz Sustainable Solutions, including guidelines, screening criteria and definitions, a certification grid, governance, and defined processes to safeguard us against greenwashing risks, provide strategic guidance to explore business opportunities, and take corporate responsibility for our planet.

Under the Allianz Sustainable Solutions framework, the Technical Screening Criteria (Annex 2, 10.1, Commission Delegated Regulation (EU) 2021/2139) (Climate Delegated Act) supplementing the EU Taxonomy Regulation) serve as minimum requirements to qualify products as sustainable. Simultaneously, the Technical Screening Criteria are used as guidance for our product development with the objective to increase the resilience of our insurance activities and support our customers in building adaptive capacity.

In 2023, the first year of Taxonomy-alignment reporting, we have been focusing on screening our existing product portfolio, identifying gaps, working on immediate actions to close gaps in existing products, and have started developing and implementing further new Taxonomy-aligned products.

EU Taxonomy Regulation for non-life insurance business: Underwriting of climate-related perils

For non-life insurance activities, the Climate Delegated Act has established "climate change adaptation" as (the only) potential substantial contribution to environmental objectives as laid out in the EU Taxonomy Regulation.

The Climate Delegated Act and the Technical Screening Criteria set forth therein predominantly expect insurance activities to adequately reflect climate-related risks and support customers and society in building resilience against the adverse effects of climate change. It consequently reflects the traditional role of the insurance industry as risk manager. Only the "do no significant harm" and "minimum safeguards" criteria set additional requirements for Taxonomy-alignment beyond the contribution to climate change adaptation.

The EU Taxonomy Regulation does not impose business restrictions or material requirements for insurance activities but introduces disclosure obligations for the insurance Lines of Business (LoBs) in scope. The disclosure of the proportion of Taxonomy-aligned revenues allows for the comparison of companies and investment portfolios, to channel capital flows towards Sustainable Investments.[2]

EU Taxonomy-eligibility

The eight LoBs of non-life insurance laid down in the Technical Screening Criteria are in scope of the EU Taxonomy Regulation ("Taxonomy-eligible"), as the insurance products sold under these LoBs have the potential to contribute to climate change adaptation. We define all P&C LoBs laid down in Annex 2 section 10.1 of the Climate Delegated as eligible and they have been included in the Taxonomy-alignment screening. The template "Taxonomy KPIs for non-life underwriting" below also includes our Taxonomy-eligible and Taxonomy-non-eligible proportions for financial year 2022. Since Taxonomy-alignment has been assessed for the first time by Allianz for financial year 2023, the 2022 figures are not applicable for these lines and marked as such.

EU Taxonomy-alignment

Taxonomy-alignment of an activity goes beyond Taxonomy-eligibility. For non-life insurance business, it implies that the insurance activity substantially contributes to climate change adaptation, does not significantly harm the environmental objective of climate change mitigation, is carried out in compliance with the minimum safeguards, and complies with the Technical Screening Criteria. We have screened our entire eligible non-life insurance portfolio under the Article 3 Taxonomy Regulation and the Technical Screening Criteria and are reporting accordingly.

It is in the nature of new regulations that not all details are specified, and a common understanding and application needs to be developed across markets to achieve consistency and comparability. In order to ensure a consistent application across all Allianz entities, we have developed internal guidelines and also taken a conservative approach, where screening criteria left room for interpretation. The following illustrates those aspects that we deem to be the most important and challenging:

1_Draft Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (21 December 2023).

2_Further information on Sustainable Investments can be found in section "02.2" of the Group Sustainability Report 2023 on the **Allianz company website**.

Leadership in modeling and pricing of climate risks

State-of-the-art modelling techniques (1.1): Assessing and pricing risks adequately is key for a sustainable and resilient insurance operation. The Allianz approach to state-of-the-art pricing is the Technical Price System as part of our Technical Excellence initiative. In the existing Technical Price Certification (TPC), portfolios are screened on a regular basis across the Allianz Group. A successful TPC requires (but is not limited to), that the technical price is available at policy level. This includes the best estimate of all future, expected costs of the risk (including the expected ultimate loss) as a forward-looking scenario. Both output from hazard mapping and NatCat risk models are included in expected claims costs. Where and to the extent that a portfolio meets our internal TPC requirements, we have concluded that predicted costs of climate related hazards are properly reflected in the Technical Price at best estimate.

Provide incentives for risk reduction (1.3): This criterion is based on the fundamental understanding, that the insurer should protect itself and set incentives for customers to protect themselves or their assets, against the adverse effects of climate change. Therefore, it is necessary, however sufficient, if the climate-related exposure is considered in pricing as a price signal of risk (e.g., hazard zones) or in terms and conditions such as deductibles or limits, that serve as a differentiator for respective exposures.

Product design

Risk-based rewards for preventive actions taken by policyholders (2.1): The regulator expects an insurance product to include risk-based rewards for customers to take preventive actions in order to protect themselves or their insured assets against climate change risks. Other than for the previous criterion ("Provide incentives for risk-reduction), differentiation only related to the location of a risk is not sufficient. We define preventive actions as any specific measures that can be taken by customers if they are suitable to reduce either the frequency or severity of climate change related claims. They must be considered in the product and be offered to all customers. Risk-based rewards must be reflected in the technical price, and there has to be a direct relation between the preventive measure taken by the customer, and the risk-based reward granted. Hence, general deductibles which do not refer to specific preventive measures or no claims discounts are not sufficient.

The distribution strategy for such products covers measures to ensure that policyholders are informed on the relevance of preventive measures (2.2): The regulator sees adaptation to climate change risks as an overall societal objective to which insurers and their customers should contribute, since risk-prevention is a key lever for reducing the overall economic burden. Thus, the distribution strategy must include measures to ensure that customers (new and existing) are informed about the preventive measures and the relevance of such preventive measure that they could take. Information on the relevance of preventive measures can be shared individually (e.g., through customer specific risk assessment reports in commercial business) or in general, which is appropriate for retail business (e.g., through information in newsletters, regular contract related communication or terms and conditions). It is also appropriate to briefly inform the customers about the topic and direct them to more detailed information, for instance on a company website.

Do no significant harm ("DNSH") – Climate change mitigation

The DNSH criterion defines which insurance activities related to customers engaged in the fossil fuel value chain must not be classified as sustainable (Taxonomy-aligned). We are taking a mainly conservative approach and define the fossil fuel value chain extensively as upstream (e.g., exploration, extraction), midstream (e.g., transport, storage, pipelines) or downstream (e.g., refinery, trading and sales including gas stations) activities or related assets. Additionally, we consider commercially used fossil fuel power plants to be part of the fossil fuel value chain. Beyond that, the end-use of fossil fuels is not in scope of this criterion (e.g., combustion engine vehicles or oil-fired heating systems). Thus, the DNSH criterion is automatically fulfilled for retail business, as private use is considered as end-use.

In our portfolio screening approach, we applied the International Standard of Industrial Classification of economic activities (ISIC codes) to identify policies which are not in line with the DNSH criterion as defined above: The different ISIC codes have been classified as either compliant with DNSH, not compliant with DNSH or to be assessed on an individual customer level. We have screened our portfolios against this internal classification system. As our commercial risks are allocated to ISIC codes (or comparable national or internal classifications), we could identify policies and revenues which do not comply with DNSH.

There are no further environmental objectives next to "climate change mitigation" that insurance activities could significantly harm according to the EU Taxonomy Regulation, meaning that an assessment of further DNSH criteria is not applicable. These are still indicated with a "Y" in the template "Taxonomy KPIs for non-life underwriting" below.

Minimum Safeguards

Taxonomy-aligned activities needs to be carried out in compliance with Minimum Safeguards with respect to the value chain (i.e., with respect to policyholders in the insurance context). Minimum Safeguards require a due diligence process which is aligned with UN Guiding Principles on Business and Human Rights (UNGP) and OECD Guidelines for Multinational Enterprises. This is ensured by our Sustainability referral process governed by the Allianz Standard for Reputational Risk Management (AS RRIM), which applies to insurance transactions following a risk-based approach. For more information on the Sustainability referral process, please refer to the Allianz Sustainability Integration Framework, version 5.0 on the **Allianz company website**.

Overall results of EU Taxonomy Screening

For the financial year 2023 we are reporting a relatively low share of Taxonomy-aligned revenues. Risk-based rewards for preventative actions and the respective advice to customers turned out to be the most important aspects. We have been focusing on screening our existing product portfolio, identifying gaps, working on immediate actions to close gaps in existing products, and started developing and implementing further new Taxonomy-aligned products.

Allianz's Sustainable Solutions

Changing customer expectations and demands as well as regulatory evolution are modifying the role of the insurance industry and require a dedicated strategy to manage the impact of sustainability in P&C Business. The Principles for Sustainable Insurance published by the United Nations Environment Programme Finance Initiative (UNEP FI) outline a strategic approach where all activities in the insurance value chain – including interactions with stakeholders – are performed in a responsible and forward-looking way by identifying, assessing, managing, and monitoring risks and opportunities associated with environmental and social issues. The sustainability requirements aim to reduce risks, develop innovative solutions, improve business performance, and contribute to environmental, social, and economic sustainability.[1]

1_Principles for Sustainable Insurance – United Nations Environment – Finance Initiative (unepfi.org).

Against this background, we developed an enhanced Allianz Sustainable Solutions framework. As a result, our overall approach for assessing and classifying Sustainable Solutions was revised. The former Sustainable Solution definition and its application were replaced by the new Sustainable Solutions framework as of January 1st, 2023. This also enables us to report on Sustainable Solutions based on the new Sustainable Solutions framework for the financial year 2023.

The Sustainable Solutions framework is based on regulatory requirements (e.g., the EU Taxonomy Regulation) as an integral part. However, it goes beyond and includes additional product elements which contribute to ESG objectives beyond climate change adaptation to support our customers in their transition.

We define a Sustainable (P&C insurance) Solution as an insurance product or service that substantially contributes to climate change adaptation and to one or more further environmental, social, or governance objectives, without doing significant harm to any of the other objectives, which is in line with the principles of Minimum Safeguards and hence supports our customers in transitioning towards an environmentally or socially sustainable way of doing business or living.

To ensure compliance across the Allianz Group, the Sustainable Solutions framework is codified in internal policies and applies as a harmonized and mandatory framework for all Allianz P&C entities, including a certification process for sustainable products and services. Eligible objectives and suitable product elements have been predefined. They were derived from the EU Taxonomy Regulation – where available[1] – and the United Nation Sustainable Development Goals, and can be summarized as follows:

Environmental objectives

– Climate change mitigation: avoid, reduce or remove GHG emissions.
– Sustainable use and protection of water and marine resources: contribute to good status of water bodies.
– Transition to a circular economy: promote durability, re-use and recycling.
– Pollution prevention and control: improve quality of air, water, and land.
– Protection, conservation and restoration of biodiversity and ecosystems.

Social objectives

– Encourage and expand access to insurance and services for helpers or socially disadvantaged groups.
– Foster socially responsible behavior or engagement.

In 2023, we generated € 3,026 mn revenues from certified Sustainable Solutions in our P&C business. Hence, the Sustainable Solutions framework contributes to our overall purpose: We secure your future.

Information on data sources for revenue disclosure

Data collection is conducted in the Solvency II P&C LoB reporting infrastructure. The system is set up in SAP. Information is based on non-consolidated LoB reporting.

Definition of premiums

In line with the requirements that are set forth by the EU Taxonomy Regulation, Allianz follows the principle to use figures as premium base that relate to financial reporting and are communicated externally through Allianz financial statements – Total Business Volume (TBV). TBV presents a measure for the overall amount of business generated during a specific reporting period. As TBV by itself does not represent a premium related to the insurance coverage (it also includes fee and commission income), the following adjustment has been performed: As fee and commission income are not directly linked to the provision of insurance coverage, they are eliminated to arrive at the coverage related premium figure.

This premium figure represents the required gross written premiums level.

Determination of (retro)ceded premium share

For natural catastrophe events, the Allianz Group has a centralized program in place that pools exposures from its subsidiaries through internal reinsurance agreements. Allianz SE limits exposures in this portfolio through external reinsurance. Subsidiaries of the Allianz Group generally do not enter into individual external reinsurance agreements for natural catastrophe events. Accordingly, a breakdown into single Taxonomy-aligned products is not available, as indicated in the template below.

The guidance on EU Taxonomy Reporting[2] published by the EU Commission in December 2023 states that insurance undertakings should use those insurance premiums that only pertain to the coverage of climate-related perils for the purpose of computing Taxonomy-alignment. Hence, only the portion of the premium from Taxonomy-aligned products related to the exposure stemming from climate related perils could be reported as sustainable revenue. We applied this guidance to calculate the share of Taxonomy-aligned revenues.

For our reinsurance contracts issued (third party), we prepared our systems to report the entire premium of any treaty providing coverage for climate-related perils for financial year 2023 reporting, based on the prevailing market practice and interpretation of the EU Taxonomy Regulation. With the new requirement to unbundle the premium into solely climate risk related, our systems need further adaptation to systematically allow this premium unbundling in the required quality and could not be done in time for financial year 2023.

Ensure implementation into our business

Our Sustainable Solutions framework and its application have been integrated into the binding Allianz Standard for P&C Underwriting (ASU), which governs the rules and principles for P&C underwriting within the Allianz Group and is an integral part of the overall Group risk architecture as described in the Group Risk Policy.

As of January 2023, all newly developed products and services must be assessed and classified under the Sustainable Solutions framework in the product development process by our operating entities. Results are validated by a dedicated function within our Group Center Global P&C, which has the responsibility to approve or not approve submitted products as a sustainable and in case of a positive approval, issue a respective certification.

In addition, as of January 2024, products or services may only be labeled, advertised, or in any other way promoted as Sustainable Solutions (or any other term that implies the sustainability of a solution, such as "green" or "social"), if the product or service is certified under our Sustainable Solutions framework.

1_The Allianz Sustainable Solutions framework applies to all P&C insurance LoBs.
2_Draft Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (21 December 2023).

Allianz's actions and measurements

The Sustainable Solutions framework incorporates material ESG objectives into P&C decision-making and portfolio management processes. We aim to shift our product portfolio towards sustainable products by using the Sustainable Solutions framework as guiding considerations in the product development process.

Allianz has always offered comprehensive insurance cover for climate-related perils. Still, closing the insurance protection gap remains a major challenge in many markets. To increase the penetration rate of covers for natural catastrophes, our product strategy is moving towards coverage for natural catastrophes per default (with opt-out elements).

To manage climate-related risks adequately, we are continuously improving our risk- and pricing-models by integrating the latest data and information on climate change impacts through forward-looking NatCat scenarios and global hazard maps. However, effective adaptation to climate change does not only require adequate pricing of risks, but also individual measures by customers. We have therefore started considering preventative actions taken by the customer in our products and pricing models. Living up to our role as a climate risk manager, we are also integrating advisory services into our customer communication and provide relevant information to customers, for example, on how to build stronger resilience against climate-related events.

In addition, we are committed to offering comprehensive insurance products for low-carbon technologies – such as battery electric vehicles (BEV) and the related ecosystem – as well as for renewable energy technologies, to support the transition of our customers towards more environment-friendly solutions. For instance, Allianz entities offer BEV insurance products, which meet the specific needs of the new ecosystem such as range anxiety, comprehensive coverage of accessory equipment, and coverage for battery disposal. Within our commercial energy and construction business, we offer insurance to cover the setup, installation, and operation of renewable energy projects such as solar and wind farms, both onshore and offshore.

Material ESG objectives are also considered in our claims processes. We have started integrating environmental standards into our claims processes by encouraging or incentivizing our customers, car repair shops, and manufacturers to repair instead of replace or to use refurbished parts, where possible. Moreover, we started increasing our claims payments to our customers to not only rebuild damaged assets such as buildings, but to use more sustainable or energy-efficient building materials or elements (build back better), as well as building more resilience against the adverse effects of climate change (build back stronger).

Allianz's ambition

Our ambition is to be a trusted partner for our customers and investee companies across different sectors in their transition to net zero, as well as to support our customers in their transition to environment-friendly choices.

The new Allianz Sustainable Solutions framework was launched in January 2023 across all our entities. This includes qualitative targets for the financial year 2023 for to the Board of Management and CEOs of our operating entities to ensure the implementation of Sustainable Solutions. To accelerate the journey in 2024, we have set quantitative growth targets for to the Board of Management and CEOs of our operating entities.

In our reinsurance lines, we initiated discussions with our clients on their fossil fuel related exposures in order to support their net-zero transition pathways.

As of 2024, our entities will continue to report internally on a regular basis on the following KPIs:

- Taxonomy-aligned revenues
- Sustainable Solutions-certified revenues.

Template: The underwriting KPI for non-life insurance and reinsurance undertakings

Economic activities	Substantial contribution to climate change adaptation			DNSH (Do Not Significant Harm)					
	Absolute premiums 2023	Proportion of premiums 2023	Proportion of premiums 2022	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards
	€ mn	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	644.6	0.9	n.a.	Y	Y	Y	Y	Y	Y
A.1.1 Of which reinsured	n.a.	n.a.	n.a.	Y	Y	Y	Y	Y	Y
A.1.2 Of which stemming from reinsurance activities	0	0	n.a.	Y	Y	Y	Y	Y	Y
A.1.2.1 Of which reinsured (retrocession)	0	0	n.a.	Y	Y	Y	Y	Y	Y
A.2 Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	56,055.5	76.3	76.7						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	16,788.5	22.8	23.3						
Total (A.1 + A.2 + B.)	**73,488.6**	**100**	**100**						

EU Taxonomy for proprietary investments

Scope of application and methodology

For investments, the EU Taxonomy Regulation currently limits the scope of financial investments that can be considered as "Taxonomy-eligible" to exposures to undertakings that are obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU. This means that for Taxonomy reporting as an investor in other undertakings, the Allianz Group can only consider reported data of economic activities of investees in scope of the NFRD that are, thus, obliged to disclose under Art. 8 of the EU Taxonomy Regulation. Where the Allianz Group fully controls a non-financial investment – including real estate – the scope is not limited in that regard.

The eligibility and alignment share includes activities of controlled subsidiaries, NFRD-related investments, and non-NFRD funds that may have underlying NFRD investments or non-financial assets. For controlled investments and mortgages with property as collateral, Allianz has three main asset classes: real estate held for investment, commercial and retail mortgages, and renewable investments. Allianz's minority interest investments in investees are mostly through publicly listed stocks and bonds. Eligibility for Allianz's controlled assets has been determined for all six environmental objectives that are listed in the EU Taxonomy Regulation. Alignment reporting is produced for the two published environmental objectives of climate change mitigation and climate change adaptation.

As in 2022, all real estate asset classes including mortgages are considered 100% eligible, with the addition in 2023 of joint ventures in real estate. For further information, please refer to section "Changes to proprietary investment reporting". Eligibility (and alignment) for Allianz investments in investees is attained via reported data provided by Moody's Analytics.

The focus of Taxonomy reporting for 2023 is alignment, which is a step beyond eligibility. For an asset to be aligned, three steps are necessary, which is first, the substantial contribution to one or more environmental objectives in line with specific Technical Screening Criteria, second, meeting the DNSH criterion (related to the other environmental objectives) and third, meeting the minimum safeguards criteria. Naturally, eligibility is a prerequisite for alignment.

Alignment screening relates to the first two climate change objectives, climate change mitigation and climate change adaptation. Allianz has attained a relatively low alignment quota from screening our own portfolio. The main constraints included lack of data availability for commercial mortgages, and lack of comparative data for real estate held for investment (typically for Energy Performance Certificates determined on demand data that could not be benchmarked to the top 15% of real estate stock).

For retail mortgage loans especially, Allianz uses a third-party provider (SkenData) that employs an EU Taxonomy model to screen real estate objects at a building level. The criteria used to assess energy performance are equal to the ones used in energy performance certificates. The DNSH criteria considers both the exposure and vulnerability (after considering mitigating action). Overall risk materiality is then determined for each building jointly assessing the said factors. Only when such risk is classified as low or medium, the real estate object can be considered Taxonomy-aligned.

The Allianz Group uses only reported data for listed assets (no estimated data is used). For single listed asset products, Allianz employs a data hierarchy prioritizing data reported at issuer level. If reported data is not available at issuer level, then parent-level data is sourced. If that is unavailable, Allianz uses reported data from the ultimate group parent entity. Taxonomy-alignment is considered only for NFRD companies that publish reported data. The data hierarchy logic is suppressed for investment funds. For further information, please refer to section "Limitations of reported numbers".

For investments, a look-through approach applies for investment funds and unit-linked products. However, such reporting for the financial year 2023 is limited due to lack of available data at issuer level. For further information, please refer to section "Limitations of reported numbers".

Allianz complies with the EU Taxonomy Regulation by reporting the respective Taxonomy KPIs. For investments, these numbers give us a technical view on the current status of our investment portfolio with regards to their Taxonomy-alignment. At this stage, the EU Taxonomy investment criteria is not used for business or investment steering purposes. However, we continue to monitor the evolution of the Taxonomy Regulation to cover further sectors of the economy and become a tool for portfolio steering in the future.

Nuclear and Gas Delegated act

In addition, as part of the 2023 Taxonomy reporting, Allianz is required to disclose its exposure to the six nuclear and gas activities stipulated in the Commission Delegated Regulation (EU) 2022/1214 (Annex III). This disclosure seeks to elicit the portion of aligned investments that are a result of the stated activities. For 2023, Allianz's exposure to nuclear and gas activities is considered very small (around 2 % of aligned assets for turnover and CAPEX based on total alignment figures). However, additional disclosure tables have been produced with the limitation that some KPIs were unable to be calculated due to lack of data at the climate objective level.

Reporting about third-party asset management

In 2023, Allianz took the decision to de-scope third-party asset management from EU Taxonomy investment reporting, in line with current market practice and interpretation of existing regulatory requirements for 2023 reporting.

Calculation of KPIs

The main alignment KPIs for 2023 include alignment based on turnover and alignment based on CAPEX. For our financial investments, each KPI is determined using only reported data for the investee. If, for example, Allianz has an investment in a company with a turnover alignment of 10 % and the book value of the investment is 100, Allianz would report a turnover alignment balance of 10. And if Allianz has covered assets of 200, then the final alignment share based on turnover would be 10/200, or 5 %. The total alignment based on turnover additionally includes alignment shares from Allianz's own investment real estate held for investment, retail mortgages, and renewable investments. The total alignment KPI based on CAPEX is determined in the same way.

For 2023, Allianz has followed the disclosure guidance for insurer investment KPIs detailed in Annex IX/X of the Commission Delegated Regulation (EU) 2021/2178 (Disclosure Delegated Act). As mentioned earlier, the main changes regarding the Commission Delegated Regulation (EU) 2022/1214 for 2023 are the introduction of alignment KPIs (by turnover and CAPEX) and the separate tables required for nuclear/gas exposures. The Annex X template has a number of shortcomings, with the main one concerning its specification of the non-eligible KPIs. Eligibility and alignment fractions are determined as a percentage of the turnover or CAPEX denominators. As such, these rows need to be made explicit in the template. In the absence of these rows, the numbers have been provided in the footnotes for completeness.

Changes to proprietary investment reporting

For Taxonomy reporting in 2023, there were some changes to how Allianz presents its numbers.

The first change relates to the treatment of cash and cash equivalents. In 2022, Allianz considered these as non-eligible; however, they were included as part of the denominator for KPI calculations. After reassessing the EU Taxonomy Regulation, Allianz has determined that cash and cash equivalents should not be included in the scope of assets covered by the investment KPI. Annex X of the Disclosure Delegated Act defines in-scope assets of insurance and reinsurance undertakings as "all direct and indirect investments, including investments in collective investment undertakings and participations, loans and mortgages, property, plant and equipment, as well as, where relevant, intangibles". Cash and cash equivalents are specifically not included in the scope of assets covered by the investment KPI. This view is affirmed by EIOPA's technical advice on key performance indicators under Article 8 of the EU Taxonomy Regulation of February 26, 2021 (EIOPA-21-184).

The second change relates to the asset classes considered relevant for eligibility. In 2022, Allianz considered investments in real estate funds to be 100 % eligible on the basis that the vast majority of the underlying investments were in real estate. In 2023, Allianz determined that, by the same logic, its joint venture real estate investments should also be 100 % eligible. The impact of this reassessment leads to a small reclassification from non-eligible to eligible for this asset class for 2023.

Finally, in 2023, the transition to a new accounting regime has meant that most of Allianz's real estate investment held for investments are measured at fair value, as opposed to cost less accumulated depreciation. In particular, this has led to higher valuations of the stated asset class compared to the previous year.

Limitations of reported numbers

For 2023, Allianz is relying on reported information from investees for the year 2022. For that year, financial institutions were not required to report alignment figures; as a result, alignment quotas for the said companies will be low or zero.

For investment funds, Allianz uses a fund look-through approach where possible to report fund eligibility, leveraging data in the Tripartite Template (TPT). However, look-through coverage of companies was limited for 2023 due to limited adoption of the TPT and the inability to obtain underlying investment eligibility. In addition, the aforementioned data hierarchy approach is suppressed for investment funds: if investment level look-through data is not available, eligibility is assumed to be zero. This is because listed asset data for Allianz SE has been collected for the underwriting KPI, which has a high eligibility share of 79 %. This is deemed inappropriately high for investment funds. The conservative approach is designed to mitigate the risk of reporting eligibility figures that may not be representative of the underlying investments. Going forward, Allianz aims to expand the look-through capability for investment funds.

In addition, a complete screening of our renewables portfolio was not possible for United States based SPVs. The said investments are 100% eligible and likely have a high degree of alignment but have not been considered as such for 2023 reporting due to inadequate data at the time of reporting.

Under the EU Taxonomy Regulation, our business strategy, product design processes, and engagement with customers and counterparties concept are being integrated into our business activities, but are evolving and can be further developed as alignment reporting matures and a market-based solution for fund look-through is widely adopted.

Template: The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned economic activities in relation to total investments – part I

Allianz Group reporting under the Taxonomy Regulation	Taxonomy KPIs for insurance undertakings – Allianz Group proprietary investments		
	Ratios (relative to total assets covered by the KPI) in %		Monetary amounts (€ bn)
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:	
Turnover	1.49	Turnover	11.0
CAPEX	2.02	CAPEX	15.0
The percentage and value of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities[1]:	75.46	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities:	741.9
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI[2]:	2.80	Value in monetary amounts of derivatives:	20.8
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI[3]:		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings	29.80	For non-financial undertakings	221.0
For financial undertakings	12.72	For financial undertakings	94.3
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI[3]:		Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings	22.66	For non-financial undertakings	168.1
For financial undertakings	10.15	For financial undertakings	75.3
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings	8.96	For non-financial undertakings	66.5
For financial undertakings	33.59	For financial undertakings	249.2
The proportion of exposures to other counterparties and assets over total assets covered by the KPI:	12.13	Value of exposures to other counterparties and assets:	90.0
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders.	85.62	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders:	635.2
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI[4]:	35.93	The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI:	266.6
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI[5]:	17.27	Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned:	128.1

1_€ 5.1 bn of exposure has been allocated to sovereign exposures from funds with sovereign balances.
2_The difference in balance sheet exposure to derivatives is a result of allocating derivatives from fund balances (including from unit-linked based products) into this line (€ 5.7 bn).
3_Funds have been categorized as "financial" undertakings apart from real estate funds, which have been categorized as "non-financial".
4_Numbers in table based on turnover. Numbers based on CAPEX: € 276 bn and 37.20 %. The balance for non-eligible share contains balances from NFRD companies where data was not available: € 212.1 bn for based on turnover, € 247.4 bn based on CAPEX.
5_Numbers in table based on turnover. Numbers based on CAPEX: € 114.7 bn and 15.46 %.

Template: The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned economic activities in relation to total investments – part II

Allianz Group reporting under the Taxonomy Regulation - Allianz Group proprietary investments							
Turnover				CAPEX			
	Ratio in %		Monetary amount in € bn		Ratio in %		Monetary amount in € bn
Additional, complementary disclosures: breakdown of numerator of the KPI							
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:		The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings	0.98	For non-financial undertakings	7.3	For non-financial undertakings	1.52	For non-financial undertakings	11.3
For financial undertakings	0.03	For financial undertakings	0.2	For financial undertakings	0.07	For financial undertakings	0.5
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	0.98	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	7.3	The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	1.94	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	14.4
The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	0.48	Value of Taxonomy-aligned exposures to other counterparties over total assets covered by the KPI:	3.6	The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	0.43	Value of Taxonomy-aligned exposures to other counterparties over total assets covered by the KPI:	3.2

Template: The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned economic activities in relation to total investments – part III

Breakdown of the numerator of the KPI per environmental objective				
Taxonomy-aligned activities - provided "do-not-significant-harm" (DNSH) and social safeguards positive assessment:				
	Turnover		CAPEX	
Taxonomy-aligned activities	Ratio in %	Monetary amount in bn €	Ratio in %	Monetary amount in bn €
(1) Climate change mitigation	1.44	10.7	1.87	13.8
a) Transitional Activities	0.03	0.2	0.06	0.4
b) Enabling Activities	0.21	1.6	0.33	2.4
(2) Climate change adaptation	0.01	0.0	0.11	0.8
a) Enabling Activities	-	-	-	-
(3) The sustainable use and protection of water and marine	-	-	-	-
a) Enabling Activities	-	-	-	-
(4) The transition to a circular economy	-	-	-	-
a) Enabling Activities	-	-	-	-
(5) Pollution prevention and control	-	-	-	-
a) Enabling Activities	-	-	-	-
(6) The protection and restoration of biodiversity and ecosystems	-	-	-	-
a) Enabling Activities	-	-	-	-

1_Total alignment quotas for turnover and CAPEX are not fully allocated to Climate Change Mitigation and Climate Change Adaptation objectives due to data limitations for investments in undertakings.

Template 1: Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Templates 2-5 Taxonomy-aligned, -eligible but not taxonomy-aligned, and non-eligible activities (part I)

Allianz Group Reporting under the Taxonomy Regulation (for FY 2023)	Turnover						CAPEX					
Nuclear and Gas relevant exposures	CCM+CCA		CCM[1,3,4]		CCA[2,3,4]		CCM+CCA		CCM[1,3,4]		CCA[2,3,4]	
KPI figures in € bn	Book value	%	Book value	%	Book value	%	Book value	%	Book value	%	Book value	%
Nuclear & gas related Taxonomy-aligned economic activities relative to assets covered by the KPI	**741.9**		n.a.[5]	n.a.	n.a.	n.a.	**741.9**		n.a.	n.a.	n.a.	n.a.
Investments funding Taxonomy-aligned economic activities referred to 4.26	-	-	-	-	-	-	-	-	-	-	-	-
Investments funding Taxonomy-aligned economic activities referred to 4.27	-	-	-	-	-	-	0.0	0.01	0.0	0.01	-	-
Investments funding Taxonomy-aligned economic activities referred to 4.28	0.2	0.03	0.2	0.03	-	-	0.3	0.04	0.3	0.04	-	-
Investments funding Taxonomy-aligned economic activities referred to 4.29	-	-	-	-	-	-	-	-	-	-	-	-
Investments funding Taxonomy-aligned economic activities referred to 4.30	-	-	-	-	-	-	-	-	-	-	-	-
Investments funding Taxonomy-aligned economic activities referred to 4.31	-	-	-	-	-	-	-	-	-	-	-	-
Investments funding other Taxonomy-aligned economic activities other than nuclear & gas related economic activities	10.8	1.46	10.5	1.42	0.0	0.01	14.7	1.98	13.5	1.82	0.8	0.11
Nuclear & gas related Taxonomy-aligned economic activities relative to total Taxonomy-aligned economic activities	**11.0**	**100.00**	**10.7**	**100.00**	**0.0**	**100.00**	**15.0**	**100.00**	**13.8**	**100.00**	**0.8**	**100.00**
Investments funding Taxonomy-aligned economic activities referred to 4.26	-	-	-	-	-	-	-	-	-	-	-	-
Investments funding Taxonomy-aligned economic activities referred to 4.27	0.0	0.01	0.0	0.01	-	-	0.0	0.25	0.0	0.27	-	-
Investments funding Taxonomy-aligned economic activities referred to 4.28	0.2	1.86	0.2	1.92	-	-	0.3	1.99	0.3	2.15	-	-
Investments funding Taxonomy-aligned economic activities referred to 4.29	-	-	-	-	-	-	0.0	0.01	0.0	0.02	-	-
Investments funding Taxonomy-aligned economic activities referred to 4.30	-	-	-	-	-	-	0.0	0.02	0.0	0.02	-	-
Investments funding Taxonomy-aligned economic activities referred to 4.31	-	-	-	-	-	-	-	-	-	-	-	-
Investments funding other Taxonomy-aligned economic activities other than nuclear & gas related economic activities	10.8	98.12	10.5	98.06	0.0	100.00	14.7	97.73	13.5	97.54	0.8	100.00

1_CCM: Climate change mitigation.
2_CCA: Climate change adaptation.
3_Due to data constraints, alignment quotas could not be allocated to climate objectives or nuclear/gas activities.
4_Activity numbers 4.26 - 4.31 correspond to the following activities:
4.26: The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.
4.27: The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.
4.28: The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.
4.29: The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.
4.30: The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.
4.31: The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.
5_n.a. refers to information "not available".

Templates 2-5 Taxonomy-aligned, -eligible but not taxonomy-aligned, and non-eligible activities (part II)

Allianz Group Reporting under the Taxonomy Regulation (for FY 2023)	Turnover						CAPEX					
Nuclear and Gas relevant exposures	CCM+CCA		CCM[1,3,4]		CCA[2,3,4]		CCM+CCA		CCM[1,3,4]		CCA[2,3,4]	
KPI figures in € bn	Book value	%	Book value	%	Book value	%	Book value	%	Book value	%	Book value	%
Nuclear & gas related Taxonomy-eligible, but not Taxonomy-aligned economic activities relative to assets covered by the KPI	**128.1**	**17.27**	n.a.[5]	n.a.	n.a.	n.a.	**114.7**	**15.46**	n.a.	n.a.	n.a.	n.a.
Investments funding Taxonomy-eligible, but not Taxonomy-aligned economic activities referred to 4.26	-	-	-	-	-	-	-	-	-	-	-	-
Investments funding Taxonomy-eligible, but not Taxonomy-aligned economic activities referred to 4.27	-	-	-	-	-	-	-	-	-	-	-	-
Investments funding Taxonomy-eligible, but not Taxonomy-aligned economic activities referred to 4.28	-	-	-	-	-	-	-	-	-	-	-	-
Investments funding Taxonomy-eligible, but not Taxonomy-aligned economic activities referred to 4.29	0.3	0.04	0.2	0.02	-	-	0.1	0.01	0.1	0.01	-	-
Investments funding Taxonomy-eligible, but not Taxonomy-aligned economic activities referred to 4.30	0.1	0.01	0.0	0.01	-	-	-	-	-	-	-	-
Investments funding Taxonomy-eligible, but not Taxonomy-aligned economic activities referred to 4.31	-	-	-	-	-	-	-	-	-	-	-	-
Investments funding other Taxonomy-eligible, but not Taxonomy-aligned economic activities other than nuclear & gas related economic activities	127.7	17.22	n.a.	n.a.	n.a.	n.a.	114.6	15.44	n.a.	n.a.	n.a.	n.a.
Nuclear & gas related Taxonomy non-eligible economic activities relative to assets covered by the KPI	**266.6**	**35.93**	n.a.	n.a.	n.a.	n.a.	**276.0**	**37.20**	n.a.	n.a.	n.a.	n.a.
Investments funding Taxonomy non-eligible economic activities referred to 4.26	-	-	n.a.	n.a.	n.a.	n.a.	-	-	n.a.	n.a.	n.a.	n.a.
Investments funding Taxonomy non-eligible economic activities referred to 4.27	-	-	n.a.	n.a.	n.a.	n.a.	0.3	0.04	n.a.	n.a.	n.a.	n.a.
Investments funding Taxonomy non-eligible economic activities referred to 4.28	0.1	0.01	n.a.	n.a.	n.a.	n.a.	0.0	0.01	n.a.	n.a.	n.a.	n.a.
Investments funding Taxonomy non-eligible economic activities referred to 4.29	-	-	n.a.	n.a.	n.a.	n.a.	-	-	n.a.	n.a.	n.a.	n.a.
Investments funding Taxonomy non-eligible economic activities referred to 4.30	-	-	n.a.	n.a.	n.a.	n.a.	-	-	n.a.	n.a.	n.a.	n.a.
Investments funding Taxonomy non-eligible economic activities referred to 4.31	-	-	n.a.	n.a.	n.a.	n.a.	-	-	n.a.	n.a.	n.a.	n.a.
Investments funding other Taxonomy non-eligible economic activities other than nuclear & gas related economic activities	266.5	35.92	n.a.	n.a.	n.a.	n.a.	275.7	37.16	n.a.	n.a.	n.a.	n.a.

1_CCM: Climate change mitigation.
2_CCA: Climate change adaptation.
3_Due to data constraints, alignment quotas could not be allocated to climate objectives or nuclear/gas activities.
4_Activity numbers 4.26 - 4.31 correspond to the following activities:
4.26: The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.
4.27: The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.
4.28: The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.
4.29: The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.
4.30: The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.
4.31: The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.
5_n.a. refers to information "not available".

Outlook

CSRD Double Materiality Assessment (DMA) – Process to identify and assess material impacts, risks, and opportunities

The CSRD DMA is conducted alongside the Allianz Group's value chain, thus covering own operations, supply chain, Life and Health (re)insurance (Life/Health), Property and Casualty (re)insurance (Property-Casualty), as well as our proprietary and third-party investments business. It follows the double materiality principles as per the CSRD/ESRS and the guidance provided by EFRAG in its Draft Implementation Guidance on the materiality assessment from December 2023. The CSRD DMA identifies material impacts, risks, and opportunities that (may) arise in the short-, medium- or long-term, or a mix thereof, following ESRS 1. In terms of topical scope, the CSRD DMA covers both the sustainability matters addressed by the topical ESRS as well as Allianz-specific sustainability matters not (sufficiently) covered therein, based on the previous GRI materiality assessment.

When assessing impact materiality, we consider positive and adverse actual and potential impacts caused by, contributed to, or connected with the Allianz Group. Such impacts are assessed based on the criteria scale, scope, remediation possibility, and likelihood. When assessing financial materiality – namely, the materiality of risks and opportunities for the Allianz Group – we take into account the likelihood of occurrence and the magnitude of the potential financial effects. In this context, we also consider our dependencies on the continuing use of natural, human, and social resources. Financial materiality is assessed in accordance with established Allianz-specific risk assessment processes. For opportunities, the identification is tied to our strategy, as the fact that a strategy to exploit opportunities exists is a precondition for (likely) materialization.

As to risks, besides the broad range of risk assessments established within the Allianz Group (e.g. Top Risk Assessment), a dedicated in-depth risk assessment covering the CSRD topics alongside the value chain was launched in the fourth quarter of 2023 to enhance the CSRD DMA going forward. Until this deep-dive is completed and given that guidance for financial companies and industry practice is still evolving, for 2023 reporting, all CSRD topics are generally considered in scope due to potential risks (e.g. policy or reputational risks). This means that we describe (potential) risks based on a conservative initial approach, thereby reporting on topics broadly, despite the majority of them being (currently) considered to be at most designated "low materiality" from a risk perspective. In a similar vein, our impact assessment will be regularly reviewed to reflect, for example, evolving regulation and methodology as well as increasing availability of portfolio-specific data.

The CSRD DMA is primarily based on desktop research and internal experts' evaluations, with consideration of in-house and external data where available and appropriate, depending on the area of the value chain being assessed:

- For our own operations, supply chain, Life/Health, and Property-Casualty retail business, we use desktop research as well as in-house and external data, where available (e.g. GHG emissions), tailored to the Allianz business context and complemented by expert evaluations. In addition, for our Life/Health commercial lines, a country analysis is performed to assess impacts regarding potential business conduct and human rights issues.
- For our Property-Casualty commercial lines and proprietary investments, the CSRD DMA is data-driven with the aim to identify (potential) impacts, risks, and opportunities related to the portfolio(s) of the Allianz Group, leveraging internal and external available data sources at country, sector, and investment level. Sources include sector proxies for environmental impacts from the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) data base, as well as, for investments, for example principle adverse impacts on sustainability factors (SFDR PAIs) or ESG sub-scores by MSCI. In addition, we conduct a country analysis to assess impacts regarding potential business conduct and human rights issues, similar to the analysis mentioned above for our Life/Health commercial lines. The evaluations of these criteria were enhanced by consulting a broad range of relevant business experts, in order to ensure consideration of Allianz portfolio-specific information, especially where there was of a lack of (sufficiently granular) data. Allianz will continue to work on data coverage and quality over the coming years. As to proprietary investments, the first CSRD DMA focuses on General Account investments. The inclusion of unit-linked investments into the CSRD DMA will be revisited during the annual revision process. When assessing impact materiality at portfolio level, we apply absolute thresholds based on gross written premiums for our commercial (re)insurance business and based on assets under management for proprietary investments. This ensures that both multiple smaller impacts and fewer larger impacts are considered in the assessment. Similar to the approach for risks, we tend to include (potential) adverse impacts in the reporting scope at this stage, following a conservative approach.
- Given that regulatory requirements and market practice are evolving, the assessment of impacts, risks, and opportunities for our third-party asset management has been initiated based on business experts' indicative qualitative assessment as a first step, assessing the extent to which the asset management services offered are associated with (potential) sustainability impacts, risks, and opportunities. We will further develop our materiality assessment process for the third-party asset management business for the financial year 2024.

CSRD DMA – Material impacts, risks, and opportunities for Allianz

The CSRD DMA conducted for the financial year 2023 suggests that topics across all topical ESRS are generally material for the Allianz Group, with the level of materiality, the number of material matters considered therein, and the primary drivers of materiality alongside the value chain differing across topics. For example, while the topic "Climate change" (ESRS E1) is material from an own operations and value chain perspective, the materiality of further environmental topics (ESRS E2-E5) is generally associated with providing financing and insurance to corporate clients. As to social and governance-related topics, they are particularly relevant from our own operations perspective (esp. ESRS S1, G1), while also playing a role in our value chain (esp. ESRS S2, S3, S4). For our third-party asset management, we have initiated a more detailed assessment, which will be reflected in our reporting for 2024. In addition to the topics "Climate change" and "Own workforce", "Business conduct" remains a key topic for the Allianz Group. Also, our ongoing focus on customer experience alongside the customer journey remains unchanged (ESRS S4), given its materiality and relevance to the Allianz sustainability strategy.

Material (potential) impacts, risks, and opportunities for Allianz are outlined below in more detail:[1]

- The topic "Climate change" (ESRS E1) is assessed to be material from an own operations and value chain perspective.

  - Adverse impacts in our own operations result from energy usage of our operations and our carbon footprint (mainly driven by this energy usage as well as by business travel), while positive measures are in place via in-place practices of energy savings and renewables usage.
  - For Property-Casualty insurance and proprietary investments, (potential) adverse impacts with respect to climate change can materialize through insuring and financing carbon-intensive activities or sectors, or government exposures with high CO2 emissions (per capita). This is a current reflection, while (potential) adverse impacts for the current portfolios are expected to decrease over time as we work to implement our net-zero transition plan. Regarding positive impacts in our (re)insurance activities and investments, we focus on offering insurance products in line with our Sustainable Solutions framework and on enlarging our Sustainable Investments. For further information, please refer to the section "02.1.1" in our Group Sustainability Report 2023 on the **Allianz company website**.
  - Related opportunities are considered material for our Property-Casualty lines and proprietary investments in that we are supporting our clients in their low-carbon transition journey in accordance with our Allianz sustainability strategy and targets.
  - The materiality of climate change risks, especially in our value chain, is mainly driven through physical climate-related risks, with climate-related transition risks – such as policy and litigation risks – increasing with longer time horizons.
  - For further information, please refer to the Group Sustainability Report 2023 on the **Allianz company website.**

- The environmental topics beyond the topic of "Climate change" which are nature-related – namely "Pollution" (ESRS E2), "Water and marine resources" (ESRS E3), "Biodiversity and ecosystems" (ESRS E4), and "Resource use and circular economy" (ESRS E5) – are assessed to be material for Allianz, primarily from a general value chain perspective.

  - For Property-Casualty commercial lines and investments, (potential) adverse impacts with respect to these topics can materialize through insuring and financing pollution-, water use-/resource use-intensive and biodiversity-affecting activities, sectors, and governments. For our Property-Casualty retail insurance portfolio, particularly "Resource use and circular economy" is material, also giving rise to opportunities associated with our sustainable claims initiative (repair instead of replace).
  - Given our provision of insurance coverage, the increase of physical hazards – also induced through biodiversity loss – poses a risk for Property-Casualty, which also puts pressure on insurability. This also applies for proprietary investments, given potential nature-related risks for our portfolio. In addition, there is also a potential short-term technology and resource scarcity/price risk for Property-Casualty retail insurance related to "Resource use and circular economy".
  - The materiality of nature-related risks for our own operations and supply chain is related to potential supply chain interruptions and implications for our resource inflows/use, overall dependency on water, as well as potential policy changes in water-stressed areas and regarding resource outflow, especially (IT) waste, also with view to stakeholder expectations.

- The topic "Own workforce" (ESRS S1) is assessed to be material for Allianz, as our employees are a key success factor for our business, and as we are committed to creating a Great Place To Work®.

  - Positive impacts are created through Allianz practices on employee engagement, training, learning, and personal development, accompanied by strategic workforce planning. We have a strong focus on diversity, equal treatment, and inclusion as well as on talent acquisition and retention. The health and well-being of our employees continues to be an area of focus – our practices include offering flexibility in working time, paying above industry-average wages, and fostering freedom of association and dialogue with our employees. Furthermore, securing the confidentiality of employee data is key for us. By implementing these and further practices – including annual risk assessments regarding the protection of human/employee rights in accordance with the German Supply Chain Act – we continue to work to ensure (potential) adverse impacts are prevented and reduced.
  - In terms of financial materiality, risk drivers relate to policy changes as well as skill shortage and retention risk, either associated with demographic change, or by not meeting employee expectations, especially compared to other employers.
  - We also see opportunities associated with our employees, in that the practices mentioned above allow us to attract and retain talent as a key success factor for our business.

- The social topics alongside the value chain (ESRS S2-S4) are assessed to be material for Allianz from an impact and financial perspective.

  - Potential adverse impacts related to "Workers in the value chain" (ESRS S2) and "Affected communities" (ESRS S3) may materialize for our Property-Casualty commercial lines and proprietary investments, given the large underwriting and proprietary investment portfolios, in which potential cases of insuring and financing activities that adversely affect workers or communities' economic, social, civil, political, and cultural rights may arise. In addition, the topic "Workers in the value chain" (ESRS S2) is assessed to be material for Allianz from an impact perspective regarding our suppliers (incl. service providers relevant for our Property-Casualty retail business). In accordance with the German Supply Chain Act, Allianz actively engages with suppliers that are exposed to potential human rights (or certain environmental) risks and expects that all suppliers respect human rights and environmental regulations in their own operations and alongside their supply chain.
  - As to risks, potential cases of adverse impacts regarding value chain workers or affected communities in the value chain can also lead to spill-over effects for Allianz.

1_As regards proprietary investments, this disclosure was developed using, among other sources, information from MSCI ESG Research LLC; for disclaimer visit **https://www.msci.com/notice-and-disclaimer**.

  - Regarding “Consumers and end-users” (ESRS S4), we identify actual positive impacts through our Life/Health and Property-Casualty retail, as well as our asset management business, by providing coverage in relation to personal life and health, strengthening protection against poverty, and fostering access to services for clients to reach their financial goals. In addition, securing data privacy and confidentiality of consumer data is key for us. Financial implications may particularly arise in case of policy changes.

- The topic “Business conduct” (ESRS G1) is assessed to be material for Allianz primarily from an own operations perspective.

  - Given our practices related to corporate culture health, whistleblower protection, supplier management, and prevention of corruption and bribery, we deem our impacts on business conduct to be positive. In addition, we engage with political stakeholders with regards to sustainability-related aspects, and we actively engage in and support regulatory developments. Potential adverse impacts may arise from our proprietary investment portfolio, given exposures to sectors or governments with higher likelihood of business conduct-related issues.
  - As business conduct is also reliant on the proper behavior of individuals, potential risks can never be fully eliminated. As a result, the matters of ethics and responsible business are also considered material from a financial perspective in our own operations and value chain. In addition, cybersecurity is assessed and tracked as one of the top risks faced by Allianz in our own operations.
  - Opportunities are associated with enhancing our corporate culture, with the aim of increasing risk awareness of our employees and avoiding misbehavior. In addition, engaging on sustainability-related matters with political stakeholders – such as the net-zero transition or via our contributions to (EU) standard-setting activities – is an opportunity for us to credibly convey our sustainability ambition and strategy.

For further information on how we address these material matters (e.g. prevention, mitigation) and contribute to sustainability, please refer to the previous sections of the Non-Financial Statement as well as the Group Sustainability Report 2023 on the **Allianz company website**.

BUSINESS ENVIRONMENT

Economic environment 2023[1]

In economic terms, 2023 provided a few surprises: primarily, the resilience of the U.S. economy. The failure of the predicted recession to materialize was mainly due to U.S. consumers, who remained keen to consume thanks to a robust labor market and excess savings accumulated during the pandemic. As many companies had also secured the previous low interest rates for the long term, the turnaround in interest rates was not yet fully reflected in corporate balance sheets. The bottom line was relatively strong growth of 2.5%; at the same time, inflation fell sharply to 4.1% (annual average).

The expected upturn in China following the reopening of the economy after the long COVID-19 lockdowns turned out to be short-lived. Structural weaknesses – particularly the challenging situation in the real-estate market – quickly regained the upper hand and dampened sentiment. Nevertheless, the Chinese economy grew by 5.2% in 2023, although this was a rather modest development compared to previous years. Finally, the eurozone recorded weak growth of only 0.5%; at the same time, inflation remained at an annual average of over 5%, although it fell below 3% again at the end of the year. This weak growth was mainly due to developments in Germany, where the economic output fell by 0.3% as a result of the energy price shock. Global economic growth slowed to 2.7%, remaining only slightly below the pre-pandemic average. The fears of recession stoked at the beginning of 2023 did not materialize.

The interest rate turnaround remained the dominant topic in the financial markets, with the focus increasingly shifting to the question of the end-of-interest-rate-hike cycle. In fact, the U.S. Federal Reserve and the European Central Bank conducted their last interest rate hikes for the time being in July and September, respectively. In 2023, the key interest rates in the United States rose by 100 basis points to 5.5%, and in the eurozone by 200 basis points to 4.0% (deposit rate). Despite this fundamentally restrictive monetary policy, the end-of-interest-rate-hikes and the expectation of future interest rate cuts led to strong price gains and optimism in the stock markets. U.S. equities (S&P 500) rose by 24% and even German equities (DAX) increased by 20% – despite the shrinking economy. A similar trend was also observed in government bond yields. Contrary to the further rise in key interest rates, yields on German government bonds fell by 53 basis points to 2.0%; U.S. government bonds remained virtually unchanged at 3.9%.

Business environment 2023 for the insurance industry

Inflation remained the defining issue for the insurance industry in 2023. Even though consumer price inflation slowed, claims inflation remained high, not least due to rising wages. This development had a negative impact on underwriting results in property and casualty insurance. Higher repair costs were also a factor – in addition to the climate change-related increase in damage events – that pushed insured losses from natural disasters above the USD 100 bn mark for the fourth year in a row.

The interest rate level was generally higher, which resulted in rising investment income for insurers from new investments and reinvestments. At the same time, however, this also intensified competition in the life business: simple investment products such as term deposits were once again able to score points with savers, which had a particularly negative impact on the single premium business. However, the feared wave of life policy lapses did not materialize, insurers' business remained stable.

In 2023, two familiar topics also became increasingly urgent: digitalization and sustainability. The breakthrough of generative artificial intelligence took the digitalization of business processes – especially the customer interface – to a new level. In terms of sustainability, insurability became a particular focus. Increasing natural hazards mean that some risk areas are no longer insurable at affordable prices. Some insurers in the United States have already responded by discontinuing new business in certain lines of business.

In the property-casualty sector, we observed strong premium growth in some areas in the reporting year, although this was primarily due to rising prices: all insurers had to increase premiums in response to the persistent claims inflation. Nevertheless, underwriting results remained under pressure in some divisions, like motor. Investment income also increased further due to higher yields.

In the life sector, premium development was much more subdued. There were also very large differences between the markets due to diverging market and product structures. In general, however, demand for risk products remained strong. Following the end of the pandemic, the topic of old-age provision is once again attracting more attention from consumers. As in property and casualty insurance, the sector has benefited from higher investment returns.

Business environment 2023 for the asset management industry

The asset management industry has faced considerable volatility in the capital market over the past 12 months. The key drivers for this were surging inflation and rapidly changing interest rates, compounded by banking turmoil and geopolitical upheaval. Another relevant change is the structural shift towards CO_2-neutral business models, bringing with it a requirement for new investment solutions.

Stock markets rose, with the MSCI World Index up by 23.8% in 2023. For bonds, active management demonstrated its value for achieving returns against the backdrop of rapidly changing interest rates. Although active investments still account for most of the assets under management, growth in passive and alternative investments continued in 2023. Besides the focus on CO_2 emissions and the ongoing growth in ESG-oriented offerings (ESG = Environment, Social, Governance), digitalization with the application of artificial intelligence (AI) and other technologies is becoming increasingly important. AI, for example, is creating new opportunities when it comes to analyzing large and unstructured sets of data. Furthermore, AI is finding its way into supporting operational efficiency via innovative forms of automation. Client satisfaction remains a high priority for the asset management value chain as a whole.

1_At the date of the publication of this report, not all general market data for the year 2023 used in this chapter was final. Also, please note that the information provided in this chapter is based on our estimates.

EXECUTIVE SUMMARY OF 2023 RESULTS

Key figures

Key figures Allianz Group[1]

		2023	2022	Delta
Total business volume[1]	€ mn	161,700	153,324	8,377
Operating profit[2]	€ mn	14,746	13,814	931
Net income[2]	€ mn	9,032	6,856	2,176
thereof: attributable to shareholders	€ mn	8,541	6,421	2,120
Shareholders' core net income[2,3]	€ mn	9,101	6,984	2,117
Solvency II capitalization ratio[4]	%	206	201	5 %-p
Core return on equity[5]	%	16.0	12.7	3.3 %-p
Core earnings per share[6]	€	22.61	16.96	5.65
Core diluted earnings per share[7]	€	22.59	16.87	5.72

1_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.
2_The Allianz Group uses operating profit, net income and shareholders' core net income as key financial indicators to assess the performance of its business segments and of the Group as a whole.
3_Presents the portion of net income attributable to shareholders before non-operating market movements and before amortization of intangible assets from business combinations (including any related income tax effects).
4_Figures as of 31 December. Figures exclude the application of transitional measures for technical provisions.
5_Represents the ratio of shareholders' core net income to the average shareholders' equity at the beginning and at the end of the year. 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, unrealized gains and losses from insurance contracts and other unrealized gains and losses are excluded.
6_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).
7_From basic core EPS, the number of common shares outstanding and the shareholders' core net income 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).

Earnings summary

Management's assessment

Our **total business volume** increased by 8.0 % on an internal basis[2], compared to the previous year. This was mostly driven by our Property-Casualty business segment due to positive price effects and volume effects, from many entities including Allianz Partners, AGCS, and Germany. The Life/Health and the Asset Management business segments also recorded positive internal growth.

Our **operating profit** increased by 6.7 % in comparison to 2022. This was mainly due to a higher operating investment result from our United States operations in the Life/Health business segment. Our Property-Casualty business segment recorded a solid operating profit driven by a higher operating investment result; this was partly offset by a lower operating fee and other result as well as the insurance service result. Operating profit from our Asset Management business segment declined slightly, mainly as a result of unfavorable foreign currency translation effects.

Our **operating investment result** increased by € 1,025 mn to € 4.8 bn, largely driven by the United States due to an accounting mismatch in the prior year. In addition, in our Property-Casualty business segment we recorded higher interest and similar income mostly due to higher interest rates.

Our **non-operating result** improved by € 1.0 bn to a loss of € 3.2 bn as the prior year result was negatively impacted by the increase in the Structured Alpha provision. In the current year, we recorded lower non-operating net investment income.

Income taxes decreased by € 259 mn to € 2.5 bn, and the effective tax rate decreased to 22.0 % (29.1 %), due to a more favorable profit mix, tax benefits from write-up of deferred tax assets on tax losses, higher tax-exempted income, and the absence of non-recurring items.

The increase in **net income** was largely driven by an increase in the provision for litigation expenses for Structured Alpha booked in the first quarter of 2022, higher operating profit, and lower income taxes. **Shareholders' core net income** was strong at € 9.1 bn.

Our **shareholders' equity**[3] increased by € 4,062 mn to € 58.5 bn, compared to 31 December 2022. This increase was mainly driven by the net income and positive net OCI, partly offset by the dividend payout and share-buy-back program. Over the same period, our **Solvency II capitalization ratio** increased to 206 %[4].

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

Other information

Recent organizational changes

Effective 1 January 2023, the Allianz Group reorganized the structure of its insurance activities to reflect the changes in the responsibilities of the Board of Management. The insurance activities in Iberia & Latin America have been included in the reportable segment Global Insurance Lines & Anglo Markets, Iberia & Latin America, Middle East and Africa. Greece was moved into the reportable segment Western & Southern Europe, Allianz Direct and Allianz Partners. Previously reported information has been adjusted to reflect this change in the composition of the Allianz Group's reportable segments.

Additionally, some minor reallocations between the reportable segments have been made.

Other parts of the Group Management Report

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

1_For further information on the Allianz Group figures, please refer to note 5 to the consolidated financial statements. The financial results are based on the new IFRS 9 (Financial Instruments) and IFRS 17 (Insurance Contracts) accounting standards, which have been adopted as of 1 January 2023. Comparative periods have been adjusted to reflect the application of these new accounting standards.

2_Internal total business volume growth, excludes the effects of foreign currency translation as well as acquisitions and disposals. For a reconciliation of nominal total business volume growth to internal total business volume growth for each of our business segments and the Allianz Group as a whole, please refer to the chapter Reconciliations.

3_For further information on shareholders' equity, please refer to the Balance Sheet Review.
4_Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio amounted to 229 % as of 31 December 2023. For further information, please refer to the Risk and Opportunity Report.

PROPERTY-CASUALTY INSURANCE OPERATIONS

Key figures

Key figures Property-Casualty[1]

		2023	2022	Delta
Total business volume[1]	€ mn	76,531	70,613	5,918
Operating profit	€ mn	6,909	6,827	82
Net income	€ mn	4,274	3,357	917
thereof: attributable to shareholders	€ mn	4,154	3,251	903
Shareholders' core net income	€ mn	4,421	3,750	671
Loss ratio[2]	%	69.3	68.4	0.9 %-p
Expense ratio[3]	%	24.6	24.9	(0.3) %-p
Combined ratio[4]	%	93.8	93.3	0.6 %-p

1_Total business volume in Property-Casualty comprises gross written premiums and fee and commission income.
2_Represents claims and benefits and the reinsurance result, divided by insurance revenue.
3_Represents operating acquisition and administrative expenses including non-attributable acquisition and administrative expenses, divided by insurance revenue.
4_Represents the total of claims and benefits, operating acquisition and administrative expenses including non-attributable acquisition and administrative expenses, and the reinsurance result, divided by insurance revenue.

Total business volume

On a nominal basis, we recorded a rise of 8.4% in total business volume compared to the previous year.

This included unfavorable foreign currency translation effects of € 2,611 mn[2] and positive (de)consolidation effects of € 671 mn. On an internal basis[3], our total business volume increased by 11.2%. This was driven by a positive price effect of 6.9%, a positive volume effect of 4.0%, and a positive service effect of 0.3%.

Most of our operations contributed positively to internal growth, there were no significant negative contributions. The following entities contributed positively to internal growth:

Allianz Partners: Total business volume increased to € 9,272 mn, an internal growth of 12.7%. This was mainly driven by favorable volume effects in our health business as well as in our travel insurance business.

AGCS: Total business volume increased to € 12,245 mn, an internal growth of 7.1%, driven by positive volume and price effects.

Germany: Total business volume went up 6.6% on an internal basis, totaling € 12,400 mn. This was mainly caused by price increases, predominantly from motor and property business.

Türkiye: Total business volume amounted to € 1,419 mn – up 109.1% on an internal basis. This development is driven by strong price increases due to the hyperinflationary environment and to a lower extent volume effects, predominantly in the health business.

Operating profit

Operating profit

€ mn

	2023	2022	Delta
Operating insurance service result	4,242	4,298	(56)
Operating investment result	2,748	2,432	316
Operating fee and other result	(81)	97	(178)
Operating profit	**6,909**	**6,827**	**82**

Our operating profit increase was due to a strong operating investment result, partly offset by a decrease in our insurance service result as well as in our operating fee and other result.

Despite our strong insurance revenue growth, our operating insurance service result decreased slightly due to an increase of our combined ratio by 0.6 percentage points to 93.8%. A lower contribution from our run-off result was partly offset by an improvement in both our accident year loss ratio and our expense ratio.

Operating insurance service result

€ mn

	2023	2022	Delta
Insurance revenue	68,757	63,963	4,794
Claims and benefits including reinsurance result	(47,629)	(43,735)	(3,895)
Acquisition and administrative expenses	(16,893)	(15,934)	(959)
Other insurance service result	7	4	3
Operating insurance service result	**4,242**	**4,298**	**(56)**

Our accident year loss ratio[4] stood at 72.5% – an improvement of 0.1 percentage points compared to the previous year. The impact of claims from natural catastrophes on our combined ratio increased by 0.6 percentage points to 3.4%.

Leaving aside losses from natural catastrophes, our accident year loss ratio improved by 0.7 percentage points to 69.1%. This was mainly due to a positive discounting impact of 2.9%, a change of 1.2 percentage points compared to the previous year due to the high interest rate environment. This positive effect was, however, partially offset by higher claims inflation, in particular in retail business.

Most of our operations contributed positively to the development of our accident year loss ratio. The main positive contributors were:

Brazil: 0.3 percentage points, driven by a business profitability recovery.

France: 0.2 percentage points, mostly due to a lower level of large losses in 2023 compared to the previous year.

AGCS: 0.2 percentage points. The biggest driver was a lower level of large losses in 2023 compared to the previous year.

1_For further information on Property-Casualty figures, please refer to note 5 to the consolidated financial statements.
2_Based on average exchange rates in 2023 compared to 2022, and based on spot rates in countries with hyperinflation (Türkiye, Argentina, Lebanon).
3_Internal total business volume growth, excludes the effects of foreign currency translation as well as acquisitions and disposals. For a reconciliation of nominal total business volume growth to internal total business volume growth for each of our business segments and the Allianz Group as a whole, please refer to the chapter Reconciliations.
4_Represents the loss ratio excluding the net result of the previous year claims (run-off).

The main operation weighing on the development of our accident year loss ratio:

Germany: 0.8 percentage points. This was primarily driven by a high level of claims from natural catastrophes in 2023.

Our run-off ratio[1] reduced to 3.2% – compared to 4.2% in 2022, in line with expectations. Most of our operations contributed positively to our run-off result.

Acquisition and administrative expenses amounted to € 16,893 mn in 2023, compared to € 15,934 mn in 2022. Our expense ratio improved by 0.3 percentage points to 24.6%, driven by the acquisition cost ratio.

Operating investment result
€ mn

	2023	2022	Delta
Interest and similar income (net of interest expenses)	4,160	3,576	584
Interest accretion	(664)	(407)	(257)
Valuation results & other	(748)	(737)	(11)
thereof: Investment expenses	(490)	(474)	(16)
Operating investment result[1]	**2,748**	**2,432**	**316**

1_For further information please refer to note 6.4 to the consolidated financial statements. 'Valuation results & other' comprises realized gains/losses (net), investment expenses, foreign currency gains/losses (net) on (re-)insurance contracts issued and held, and other items.

Our operating investment result went up considerably, driven by higher interest and similar income (net of interest expenses) mostly due to higher interest rates. This was partially offset by a higher impact from interest accretion, due to higher interest rates, as well as by our valuation results and other.

Operating fee and other result
€ mn

	2023	2022	Delta
Fee and commission income	2,534	2,391	143
Other income	39	91	(52)
Fee and commission expenses	(2,547)	(2,353)	(195)
Other expenses[1]	(107)	(32)	(75)
Operating fee and other result	**(81)**	**97**	**(178)**

1_Including reclassifications of € (11) mn from other non-operating result in 2023.

Our operating fee and other result declined, driven by an unfavorable other result, because of extra profit charges and prior year one-off gains from sale of own-use property. The fee and commission result also contributed to the decrease, especially at Allianz Partners.

Net income

Our net income increased by € 917 mn, predominantly driven by our non-operating result. The € 843 mn rise in our non-operating result was largely due to the higher non-operating investment result, which increased by € 722 mn, mainly due to favorable valuation and lower impairments. The non-operating other result also contributed to the increase, mainly due to lower restructuring expenses.

Shareholders' core net income

Compared to the previous year our shareholders' core net income rose by € 671 mn to € 4,421 mn, a development in line with our net income.

1_Represents the net result of the previous year claims (run-off) as a percentage of insurance revenue.

LIFE/HEALTH INSURANCE OPERATIONS

Key figures

Key figures Life/Health[1]

		2023	2022	Delta
Total business volume[1]	€ mn	77,878	75,258	2,620
Operating profit	€ mn	5,191	4,218	974
Net income	€ mn	3,788	3,317	471
thereof: attributable to shareholders	€ mn	3,589	3,160	428
Shareholders' core net income	€ mn	3,595	3,205	390
Core return on equity[2]	%	16.3	14.0	2.3 %-p
Value of new business (VNB)[3]	€ mn	3,985	3,898	87
Contractual service margin (CSM)[4]	€ mn	52,601	52,227	375

1_Total business volume in Life/Health comprises statutory gross premiums written.
2_Effective 2023, core return on equity represents the ratio of shareholders' core net income to the average shareholders' equity at the beginning and at the end of the year. From the average shareholders' equity, unrealized gains and losses from insurance contracts and other unrealized gains and losses are excluded and participations in affiliates not already consolidated in this segment are deducted. The comparative period has been adjusted.
3_VNB is 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.
4_Figures as of 31 December.

Total business volume

On a nominal basis, total business volume increased by 3.5% for 2023. This includes both unfavorable foreign currency translation effects of (€ 1,378 mn) and negative (de-)consolidation effects of (€ 212 mn). On an internal basis[2], total business volume increased by 5.6%, or € 4,210 mn.

Germany: Total business volume decreased to € 21,915 mn, a 0.7% decrease on an internal basis, mainly driven by reduced single premium sales. In the German health business, total business volume reached € 4,150 mn, a 4.0% increase on an internal basis, mainly driven by premium adjustments.

United States: Total business volume increased to € 18,308 mn, a 22.2% increase on an internal basis. This was due to higher sales in the fixed index annuities business.

Italy: Total business volume increased to € 11,229 mn, a 0.9% increase on an internal basis, mainly due to increases in capital efficient guarantee products and protection and health.

France: Total business volume fell slightly to € 7,167 mn, a 1.0% decrease on an internal basis.

Asia-Pacific: Total business volume decreased across the region, except for Thailand and Indonesia, to € 5,872 mn, a 5.7% decrease, on an internal basis. This was driven mainly by Taiwan (€ 380 mn) due to lower unit-linked without guarantees business as a result of contraction in the unit-linked market because of regulatory changes, and China (€ 254 mn), mainly from a decrease in savings and annuities.

Present value of new business premiums (PVNBP)[3]

Our PVNBP increased by 1.6% to € 67,281 mn. The increase is predominantly driven by the United States due to higher sales in the fixed indexed annuity business and Allianz Reinsurance, through a large reinsurance treaty. Additionally, there were negative foreign currency translation impacts of around € 0.9 bn, primarily from the United States, Asia-Pacific, and Türkiye.

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

€ mn

	2023	2022	Delta
Capital-efficient products[1]	30,702	31,385	(683)
Unit-linked without guarantee[1]	16,806	15,378	1,428
Protection & health	14,496	13,328	1,168
Guaranteed savings & annuities	5,277	6,124	(847)
Total	**67,281**	**66,216**	**1,065**

1_Selected business in Germany Life and Mexico, with PVNBP of € 3.1 bn and VNB of € 292 mn, was reclassified from capital-efficient to unit-linked in 2023.

Value of new business (VNB)

Our VNB increased. This was primarily driven by increased margin in guaranteed savings and annuities in France, as well as a large reinsurance treaty at Allianz Reinsurance in protection and health. This was partially offset by lower single premium sales in Germany Life in capital-efficient products.

Value of new business by lines of business

€ mn

	2023	2022	Delta
Capital-efficient products[1]	1,775	2,079	(304)
Unit-linked without guarantee[1]	743	477	267
Protection & health	1,161	1,110	51
Guaranteed savings & annuities	306	232	74
Total	**3,985**	**3,898**	**87**

1_Selected business in Germany Life and Mexico, with PVNBP of € 3.1 bn and VNB of € 292 mn, was reclassified from capital-efficient to unit-linked in 2023.

1_For further information on Allianz Life/Health figures, please refer to note 5 to the consolidated financial statements.
2_Internal total business volume growth, excludes the effects of foreign currency translation as well as acquisitions and disposals. For a reconciliation of nominal total business volume growth to internal total business volume growth for each of our business segments and the Allianz Group as a whole, please refer to the chapter Reconciliations.
3_PVNBP before non-controlling interests.

Operating profit

Operating profit by profit sources[1]

Operating profit by profit sources
€ mn

	2023	2022	Delta
CSM release[1]	4,967	5,020	(53)
Release of risk adjustment[1]	512	566	(54)
Variances from claims & expenses[2]	(380)	(625)	244
Losses and reversals of losses on onerous contracts[3]	(17)	(88)	71
Non-attributable expenses[4]	(1,067)	(1,066)	(1)
Operating investment result[5]	890	137	753
Other operating result[6]	288	275	13
Operating profit	**5,191**	**4,218**	**974**

1_Please refer to note 6.1 to the consolidated financial statements.
2_Including reinsurance result.
3_Excluding amortization of loss component. For further information, please refer to note 6.6 to the consolidated financial statements. The figure there includes amortization of loss component.
4_For further information, please refer to note 8.3 to the consolidated financial statements. Non-attributable expenses are the sum of non-attributable acquisition costs, non-attributable administrative expenses and non-attributable settlement costs. The above view includes insurance entities only.
5_For further information, please refer to note 5 to the consolidated financial statements.
6_For further information, please refer to note 5 to the consolidated financial statements. Other operating result represents the sum of Operating result from investment contracts, Operating fee and commission result, and Operating other result.

Operating profit was strong at € 5,191 mn, up 23.1%, mainly due to Allianz Life hedge alignment and normalization. The main drivers of the increase in operating profit are described below:

Contractual Service Margin (CSM) release is the main source of profit. The slight decrease was mainly driven by our United States and Reinsurance business caused by a high release in 2022, and Mexico from reclassification of investment business to IFRS 9 following a contract modification. This was partially offset by France from higher release on repriced protection and health products, and Italy from profitable new business and better economics.

Release of risk adjustment decreased, mainly driven by an assumption update.

Variance from claims and expenses improved, mainly from France and Asia-Pacific, with improved claims experience in protection and health.

Losses and reversals of losses on onerous contracts improved primarily driven by prior year negative impacts with unprofitable unit-linked and protection business in France, losses in Russia following the war in Ukraine, as well as Taiwan savings, driven by favorable interest rates.

Non-attributable expenses were stable.

Operating investment result increased significantly from an extraordinary low result in the prior year. In the United States, we recorded negative hedge impacts on variable annuities in 2022 that turned positive as the hedging strategy of our United States business has been aligned from IFRS 4 to IFRS 17 accounting. This was partially offset by an adverse impact from discounting in protection and health in France in line with interest rates evolution.

Other operating result increased slightly, mainly due to a reclassification of the investment business to IFRS 9 in Mexico following a contract modification and a one-off gain realized on headquarter sale in Luxembourg. This was partly offset mainly by a lower result of Investment Contracts as a result of reduced Assets under Management in Italy.

Contractual service margin (CSM) development

The CSM increased by 0.7%, compared to 31 December 2022, from € 52,227 mn to € 52,601 mn. The drivers of the € 375 mn increase were as follows:

New business contribution was strong at € 4,515 mn, mostly driven by the United States with € 1,320 mn, Germany Life with € 880 mn, Asia-Pacific with € 649 mn, Italy with € 496 mn, and France with € 416 mn.

Expected in-force return of € 3,022 mn is in line with an implied risk-free rate of 4.4% plus an overreturn yield of 1.4 %.

Economic variances of € 500 mn were caused by favorable impact from market movements (€ 0.9 bn), driven by higher equity markets and lower interest rates, offsetting adverse impact from weaker real estate. In addition, there was a negative foreign currency translation impact of € 0.4 bn.

Non-economic variances reduced CSM by € 2,696 mn, mainly driven by model and assumption changes and experience variances (€ 1.2 bn), reclassification of investment business in Mexico from IFRS 17 to IFRS 9 (impact was negative € 0.7 bn), and a one-off cost correction in Germany (impact was negative € 0.8 bn). The latter had no material impact on net CSM.

CSM release of € 4,967 mn is in line with expectation.

Net income

Our net income increased by € 471 mn, driven by the increase in the operating profit, which was partly offset by a lower non-operating result. The latter was largely driven by tax reclassification in Germany and France, offset by lower income taxes. In addition, we recorded a negative contribution from non-operating investment result in Lebanon, mainly due to the recognition of an onerous contract provision for the expected disposal loss from the sale of our Lebanese business operations.

Shareholders' core net income

Shareholders' core net income increased by € 390 mn to € 3,595 mn, which is in line with the development of the net income.

Core return on equity

Our core return on equity increased by 2.3 percentage points to 16.3 %, mainly as a result of the increase in shareholders' core net income.

1_The purpose of Life/Health operating profit presentation is to explain movements in IFRS results by focusing on underlying drivers of performance, consolidated for the Life/Health business segment.

ASSET MANAGEMENT

Key figures

Key figures Asset Management[1]

		2023	2022	Delta
Operating revenues	€ mn	8,086	8,234	(149)
Operating profit	€ mn	3,126	3,198	(72)
Cost-income ratio[1]	%	61.3	61.2	0.2 %-p
Net income	€ mn	2,353	935	1,418
thereof: attributable to shareholders	€ mn	2,158	755	1,404
Shareholders' core net income	€ mn	2,150	759	1,391
Total assets under management as of 31 December	€ bn	2,224	2,141	82
thereof: Third-party assets under management as of 31 December	€ bn	1,712	1,635	77

1_Represents operating expenses divided by operating revenues.

Assets under management[2]

Composition of total assets under management

€ bn

Type of asset class	As of 31 December 2023	As of 31 December 2022	Delta
Fixed income	1,648	1,580	67
Equities	158	148	10
Multi-assets[1]	184	179	5
Alternatives	234	235	(1)
Total	**2,224**	**2,141**	**82**

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

In 2023, net inflows[3] of total assets under management (AuM) amounted to € 3.1 bn (2022: net outflows of € 96.3 bn) – and third-party net inflows were € 21.5 bn (2022: net outflows of € 81.4 bn). PIMCO contributed to this inflow development (€ 10.0 bn total/€ 24.4 bn third-party AuM), while AllianzGI recorded net outflows of € 6.8 bn in total AuM and € 2.9 bn in third-party AuM.

Positive effects from market and dividends[4] totaled € 130.0 bn. Of this, positive effects of € 90.7 bn came from PIMCO and were mainly related to fixed-income assets, while € 39.4 bn of positive effects came from AllianzGI and were attributable to all asset classes, but mainly to equities.

Negative effects from consolidation, deconsolidation, and other adjustments amounted to € 1.2 bn.

Unfavorable foreign currency translation effects amounted to € 49.6 bn and were mainly related to PIMCO's AuM.

Third-party assets under management

		As of 31 December 2023	As of 31 December 2022	Delta
Third-party assets under management	**€ bn**	**1,712**	**1,635**	**4.7%**
Business units' share				
PIMCO	%	78.6	79.2	(0.6) %-p
AllianzGI	%	21.4	20.8	0.6 %-p
Asset classes split				
Fixed income	%	76.3	76.3	-
Equities	%	8.6	8.4	0.2 %-p
Multi-assets	%	10.1	10.3	(0.2) %-p
Alternatives	%	5.0	5.0	-
Investment vehicle split				
Mutual funds	%	58.2	58.2	-
Separate accounts	%	41.8	41.8	-
Regional allocation				
America	%	51.0	50.5	0.5 %-p
Europe	%	30.9	33.5	(2.5) %-p
Asia Pacific	%	18.1	16.0	2.1 %-p
Overall three-year rolling investment outperformance[1]	%	78	79	(1) %-p

1_Three-year rolling investment outperformance reflects the mandate-based and volume-weighted three-year investment success of all third-party assets. For separate accounts and mutual funds, the investment success (valued on the basis of the closing prices) is compared with the investment success prior to cost deduction of the respective benchmark. For some mutual funds, the investment success, reduced by fees, is compared with the investment success of the median of the respective Morningstar peer group (a position in the first and second quartile is equivalent to outperformance).

1_For further information on our Asset Management figures, please refer to note 5 to the consolidated financial statements.
2_Assets under management include portfolios sub-managed by third-party investment firms.
3_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.
4_Market and dividends represents current income earned on the securities held in client accounts as well as changes in the fair value of these securities. This also includes dividends from net investment income and from net realized capital gains to investors of both open-ended mutual funds and closed-end funds.

Operating revenues

Our operating revenues decreased by 1.8 % on a nominal basis. This development was driven by lower net fee and commission income mainly at AllianzGI, partially offset by higher other operating revenues, primarily driven by higher net interest income. On an internal basis[1], operating revenues increased by 2.4 %.

Net fee and commission income declined, mainly driven by a lower average third-party AuM level at both PIMCO and AllianzGI, while we recorded higher performance fees – predominantly at PIMCO.

Operating profit

Our operating profit decreased by 2.2 % on a nominal basis, as the decline in operating revenues exceeded a decrease in operating expenses. On an internal basis[1], our operating profit remained stable at last year's level.

The nominal decrease in administrative expenses stemmed from AllianzGI.

Our cost-income ratio remained stable.

Asset Management business segment information
€ mn

	2023	2022	Delta
Net fee and commission income excl. performance fees	7,142	7,737	(595)
Performance fees	817	474	343
Other operating revenues	126	23	103
Operating revenues	8,086	8,234	(149)
Administrative expenses (net), excluding acquisition-related expenses	(4,959)	(5,036)	77
Operating expenses	(4,959)	(5,036)	77
Operating profit	**3,126**	**3,198**	**(72)**

Net income

The increase of € 1.4 bn in our net income was mainly driven by an increase in provision for litigation expenses for Structured Alpha[2] booked in the prior year.

Shareholders' core net income

Our shareholders' core net income increased by € 1.4 bn compared to the previous year, a development in line with the net income.

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

2_For further information on Structured Alpha, please refer to note 8.13 to the consolidated financial statements.

CORPORATE AND OTHER

Key figures

Key figures Corporate and Other[1]
€ mn

	2023	2022	Delta
Operating investment result	467	436	31
Operating administrative expenses[1]	(1,289)	(1,282)	(7)
Operating fee and commission result	349	307	42
Operating result	(474)	(540)	66
Net loss	(1,385)	(842)	(543)
thereof: attributable to shareholders	(1,361)	(835)	(526)
Shareholders' core net loss	(1,062)	(824)	(238)

1_The position operating administrative expenses is part of the operating other result. For further information, please refer to note 5 to the consolidated financial statements.

Earnings summary

The operating result improved in 2023 compared to the previous year. This was due to a higher contribution from Banking and Alternative Investments, which more than offsets the decline in operating result from Holding & Treasury.

The increase in our net loss was mainly because of a lower non-operating investment result, which was burdened by a lower valuation result from financial assets and liabilities, lower income from derivatives as well as lower non-operating realized gains and losses (net). This was partly offset by a higher positive income tax result.

The shareholders' core net loss increased by € 238 mn to € 1,062 mn compared to the prior year, mainly driven by the decrease in our non-operating investment result.

1_For further information on Corporate and Other figures, please refer to note 5 to the consolidated financial statements.

OUTLOOK 2024

Overview: 2023 results versus previous year's outlook[1]

2023 results versus previous year's outlook for 2023

	Outlook 2023 – as per Annual Report 2022	Results 2023
Allianz Group	Operating profit of € 14.2 bn, plus or minus € 1 bn.	Operating profit was € 14.7 bn.
	Protect shareholder value while continuing to provide attractive returns and dividends.	Core return on equity (RoE)[1] was 16.0 %. Dividend proposal is € 13.80 per share. Furthermore, Allianz SE completed a € 1.5 bn share buy-back program in 2023.
	Selective profitable growth.	Total revenues increased by 8.0 % on an internal basis, compared to 2022.
Property-Casualty	Total business volume growth of 6 % to 8 %.	Total business volume increased by 8.4 %, above our target range. Internal growth was 11.2 %.
	Operating profit of € 7.0 bn, plus or minus 10 %.	Operating profit of € 6.9 bn was well within our target range.
	Combined ratio of approximately 93 %.	Combined ratio was at 93.8 %, missing our target.
	Operating investment income (net) benefiting from increased interest-rate environment while unwinding of discounted loss reserves weighing negatively.	Operating investment income (net) increased, supporting our operating profit target.
Life/Health	Continue to focus on profitable growth; keep developing capital-efficient products; expand to new markets. Total business volume expected to be in the range of € 75.0 bn to € 85.0 bn.	Revenues were within the outlook range at € 77.9 bn.
	Operating profit of € 5.0 bn, plus or minus 10 %.	Operating profit was € 5.2 bn.
	Core RoE[2] expected to be higher than in 2022.	16.3 % core RoE[2] was higher than 2022.
Asset Management	Moderate increase in AuM, driven by recurrence to slightly positive market returns combined with third-party net inflows at PIMCO and AllianzGI.	Total AuM increased by 3.8 %, third-party AuM by 4.7 %.
	Operating profit € 3.0 bn, plus or minus 10 %.	Operating profit was € 3.1 bn.
	Cost-income ratio around 62 %.	Cost-income ratio was 61.3 %.

1_Represents the ratio of shareholders' core net income to the average shareholders' equity at the beginning and at the end of the year. 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, unrealized gains and losses from insurance contracts and other unrealized gains and losses are excluded.
2_Effective 2023, core return on equity represents the ratio of shareholders' core net income to the average shareholders' equity at the beginning and at the end of the year. From the average shareholders' equity, unrealized gains and losses from insurance contracts and other unrealized gains and losses are excluded and participations in affiliates not already consolidated in this segment are deducted. The comparative period has been adjusted.

1_For more detailed information on the previous year's outlook for 2023, please see the Annual Report 2022 from page 89 onwards.

Economic outlook[1]

2024 is likely to be another year of interest rate reversals, but this time in the opposite direction: the leading central banks will likely start to cut key interest rates in the second half of the year. On the one hand, this reflects the expectation that inflation is largely under control, as annual average inflation will probably be within striking distance of inflation targets in both the United States (2.3 %) and the eurozone (2.5 %). On the other hand, it is a reaction to the continued weakness in demand, which is fed by several sources: the delayed effect of interest rate hikes on investment, declining fiscal policy support, and depleted savings reserves. Overall, we therefore expect economic growth to decline in 2024, falling by 0.3 percentage points to 2.4 % worldwide; for the United States, we expect it to decline to 1.4 % (-1.0 percentage points). Only the eurozone is likely to reach around the previous year's level with a rate of 0.8 %, as a return to positive growth is assumed for Germany. China will also face headwinds, not least due to its structural problems: we expect rather modest growth of 4.6 %.

Ongoing uncertainty about the timing and extent of the next interest rate moves means volatility in the financial markets will remain high in 2024. As the expected cuts in interest rates have already been anticipated in many market prices, disappointment and corresponding market reactions cannot be ruled out. Overall, equities and bonds are likely to move more or less sideways.

The outlook for 2024 is subject to a special caveat since it is a super election year. Citizens will go to the polls in countries that account for 60 % of global economic output – from India to the United States – with election results significantly impacting the economic and geopolitical constellation. First and foremost, this applies to the U.S. elections in November. The associated global political uncertainty is fostering a wait-and-see-attitude among companies and households. There is also the threat of rising political and social tensions as a result of increasing polarization in a weak economic environment.

Insurance industry outlook

Inflation will remain a dominant topic for the insurance industry in 2024, as claims inflation is unlikely to fall as quickly as consumer price inflation, mainly due to rising wages. However, continued premium increases mean that pressure on underwriting results should ease. On the other hand, the challenging macroeconomic and geopolitical environment is hampering premium growth.

In view of the increasing geopolitical upheavals, climate-related natural hazards, and technological risks worldwide, the need for risk protection and prevention remains high. Thanks to its financial strength, the insurance industry can meet these needs with innovative solutions, so its role as a partner for strengthening social resilience will continue to grow in importance.

Despite ongoing high volatility, the investment environment should remain relatively friendly in 2024. The higher interest rate level offers good opportunities for long-term investors, and insurers' investment income is likely to continue to rise.

Premium growth in the property-casualty insurance sector will continue at a slower pace; however, as in the previous year it is likely to be driven primarily by rising prices. At the same time, claims development remains challenging, with structural factors such as increasing climate-related natural catastrophes also playing a role. Investment income is expected to increase. As higher wages are putting pressure on operating costs, increasing productivity through fully digitalized processes is essential.

In the life insurance sector, providers are increasingly reflecting the higher interest rate level in their products, which should benefit demand for savings and pension products. This is possible because awareness of the need for protection in old age not only remains high but should also continue to rise in the future. The same applies to demand in the risk business. Furthermore, higher investment income will strengthen profitability.

Asset management industry outlook

In 2024, the asset management industry will probably face a different economic landscape to 2023, and will also be impacted by megatrends, including disruptive technologies and sustainability.

This challenging environment is an opportunity for active asset management to demonstrate its value potential by focusing on diversification and risk management, which help to deliver outperformance.

With inflation falling and rate cuts expected in the United States and the eurozone, there will be many opportunities in bond markets. Fixed income will therefore be an important asset class for investors in 2024. Investment grade, for example, is likely to benefit from strong yield levels, manageable supply and still decent fundamentals. Demand for alternatives – especially private market assets – is also expected to remain high. This trend is supported by investors looking for both diversification and protection against inflation. Infrastructure – including renewable energy – is expected to grow further, driven by the effort to limit CO_2 emissions. In this context, ESG-oriented investments are becoming more complex and competitive, as many investors seek ways to make a real-world impact by focusing on environmental and inclusive-growth themes.

Technology, especially artificial intelligence (AI), will emerge as a core part of the long-term opportunity set. AI will be increasingly implemented and will help raise global productivity by both automating laborious tasks and analyzing large data sets .

Margin pressure is very likely to persist, driven by passive products as well as fierce competition. Despite this multifaceted situation, the asset management industry meets all the prerequisites to remain attractive and return to a long-term growth path.

1_The information presented in the sections "Economic outlook", "Insurance industry outlook", and "Asset management industry outlook" is based on our own estimates.

Overview: outlook and assumptions for the Allianz Group in 2024

Outlook 2024	
Allianz Group	Operating profit of € 14.8 bn, plus or minus € 1 bn.
	Protect shareholder value while continuing to provide attractive returns and dividends.
	Selective profitable growth.
Property-Casualty	Total business volume growth of 5 % to 7 %.
	Operating profit of € 7.3 bn, plus or minus 10 %.
	Combined ratio to be in a range of approximately 93 % to 94 %.
	Operating investment income (net) further benefiting from high interest-rate environment while unwinding of discounted loss reserves weighing negatively.
Life/Health	Continue to focus on profitable growth; keep developing capital-efficient products; expand to new markets. Total business volume expected to be in the range of € 73.0 bn to € 83.0 bn.
	Operating profit of € 5.2 bn, plus or minus 10 %.
	Core RoE expected to be between 14.0 % and 17.0 %.
Asset Management	Moderate increase in AuM, driven by recurrence to slightly positive market returns combined with third-party net inflows at PIMCO and AllianzGI.
	Operating profit of € 3.1 bn, plus or minus 10 %.
	Cost-income ratio of approximately 61 %.

Assumptions

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

- interest rate environment to remain at a high level compared to previous years,
- no major volatility in the capital markets,
- no disruptive fiscal or regulatory interference or major litigation,
- level of claims from natural catastrophes at expected average levels,
- an average U.S. dollar-to-euro exchange rate of 1.091.
  - A 10% weakening (strengthening) of the U.S. dollar, compared to the assumed exchange rate of 1.091 to the euro, would have a negative (positive) effect on Group operating profit of approximately € 0.5 bn.

For further information on our ambitions for the period 2022 - 2024, please see the section "Our business aspirations" in the Risk and Opportunity Report.

Management's assessment of expected revenues and earnings for 2024

In 2023, our total revenues were € 161.7 bn, a 5.5% increase on a nominal and an 8.0% increase on an internal basis[1], compared to 2022. For 2024, we envisage 3% growth overall, resulting from growth in Property-Casualty and Asset Management, combined with relatively stable revenues in Life/Health, owing to our selective focus on profitable growth.

Our operating profit was € 14.7 bn in 2023. For 2024, we envisage strong performance in all business segments and an overall operating profit of € 14.8 bn, plus or minus € 1.0 bn.

Our core net income attributable to shareholders was € 9.1 bn in 2023. Consistent with our disclosure practice in the past and given the sensitivity of our non-operating results to capital market developments, we have chosen not to provide a precise outlook for net income. However, since our outlook presumes no major disruptions in our capital markets, we anticipate a positive development for both net income and core net income in 2024.

Property-Casualty insurance

In this business segment, we expect total business volume to increase by 5% to 7% in 2024 (total business volume growth in 2023: 8.4%) due to organic growth, which is supported by favorable price and volume effects across our subsidiaries.

We believe that the rise in prices we saw in a number of markets in 2023 will continue in 2024. That said, we will continue to focus on achieving strong insurance service results by adhering to our strict underwriting discipline, as in previous years.

Our combined ratio was 93.8% in 2023, which is above target. In 2024, we envisage a combined ratio in the range of approximately 93% to 94%. The underlying assumption is that the aggregate effect of improvements in pricing, claims management, and productivity will compensate for inflation in attritional claims. The impact of discounting loss reserves on our combined ratio depends on the development of interest rate levels throughout 2024. As for impacts from natural catastrophes, despite the highly volatile nature of such catastrophes in recent years, we expect those claims to be at approximately 3%.

The investment income is expected to further benefit from the high interest-rate environment, despite a likely reduction of interest rates in the second half of 2024. Going forward, we will continue to actively adapt our investment strategy to changing market conditions. It should be noted that, with the introduction of the new IFRS 17 accounting standard, the unwinding of discounted loss reserves will weigh on our investment income, dependent on interest rate levels of prior years.

Overall, we expect our 2024 operating profit to be € 7.3 bn, plus or minus 10% (2023: € 6.9 bn).

Life/Health insurance

Core RoE is one of the KPIs used in the financial steering of Life/Health. In 2024, we expect this KPI to be between 14% and 17% (2023: 16.3%). We expect that CSM normalized growth will be between 4% and 5%, which will support long-term stability and growth of operating profit.

At € 5.2 bn, the operating profit of our Life/Health business segment was within the target range in 2023. For 2024, we expect an operating profit of around € 5.2 bn, plus or minus 10%.

Asset Management

For 2024, we envisage overall moderate third-party net inflows and market returns at both PIMCO and AllianzGI, after a year of capital market volatility and high inflation. Margins should remain relatively stable, and we expect a normal level of performance fees, resulting in modest operating revenue growth. We further assume an average U.S. dollar-to-euro exchange rate of 1.091. All things considered and reflecting our current asset base, we expect our 2024 operating profit to be € 3.1 bn, plus or minus 10% (2023: € 3.1 bn).

Our cost-income ratio should be approximately 61% in 2024 (2023: 61.3%) as we continue to invest in business growth. Over the medium term, we expect to grow further; this also depends on the market development.

Corporate and Other (including consolidation)

In this business segment, we recorded an operating loss of € 0.5 bn in 2023. For 2024, we envisage an operating loss of € 0.8 bn plus or minus 10%.

1_Operating revenues adjusted for foreign currency translation and (de)consolidation effects.

Non-financial KPIs

As outlined in the "Our Steering" section in our Business Operations chapter, we have also set ourselves non-financial targets. For further information on the past and expected development of these non-financial KPIs, please refer to the Non-Financial Statement.

Financing, liquidity development, and capitalization

The Allianz Group enjoys a very robust liquidity position and excellent financial strength, as well as a healthy business mix and global diversification. This allows us to maintain high performance, despite challenges and market volatility faced by our insurance segment. The Allianz Group's Solvency II capitalization is well above regulatory requirements.

As a result, we have full access to financial markets and are in a position to raise financing at lower cost. We are determined to maintain our financial flexibility, which is supported by both the prudent steering of our liquidity resources, and our well-balanced debt maturity profile.

We are managing our portfolios with great diligence, in order to ensure that the Group has sufficient resources to back its solvency capital and liquidity needs. In addition, we will continue to monitor the sensitivity of our Solvency II capitalization ratio with regard to changes in interest rates and spreads, by continuing to ensure prudent asset/liability management and life product design.

Expected dividend development[1]

Allianz management is committed to shareholder participation in the economic development of the Allianz Group in the form of dividend payments and share buy-back programs. Through prudent capital management, the Allianz Group aims to maintain a healthy balance between achieving attractive yields and investing in profitable growth, while assuring an adequate capitalization. Due to our strong business development and an attractive dividend policy, the dividend has increased by an average of 10% over the past 10 years (2013-2022). In the interest of an attractive dividend to our shareholders, we will increase the regular payout ratio from 50% to 60% of the Group´s net income attributable to shareholders, adjusted for extraordinary and volatile items. For 2023, the Allianz SE Board of Management and the Supervisory Board propose a dividend of € 13.80 per share.

In addition, as part of our policy to return capital to shareholders on a flexible basis, Allianz SE executed nine share buy-back programs with an aggregate volume of € 12.5 bn in the period from 2017 to 2023. An additional € 1.0 bn will be executed in 2024.

All of the above is subject to our sustainable Solvency II capitalization ratio being above 150% – which is considerably below our year-end 2023 level of 206%[2].

Management's overall assessment of the Allianz Group's current economic situation

At the date of issuance of this Annual Report and based on current information regarding natural catastrophes and capital market trends – in particular foreign currency, interest rates, and equities – the Board of Management has no indication of the Allianz Group facing any major adverse developments.

Cautionary note regarding forward-looking statements

This document includes forward-looking statements, such as prospects or expectations, that are based on management's current views and assumptions and subject to known and unknown risks and uncertainties. Actual results, performance figures, or events may differ significantly from those expressed or implied in such forward-looking statements.

Deviations may arise due to changes in factors including, but not limited to, the following: (i) the general economic and competitive situation in Allianz's core business and core markets, (ii) the performance of financial markets (in particular market volatility, liquidity, and credit events), (iii) adverse publicity, regulatory actions or litigation with respect to the Allianz Group, other well-known companies, and the financial services industry generally, (iv) the frequency and severity of insured loss events, including those resulting from natural catastrophes, and the development of loss expenses, (v) mortality and morbidity levels and trends, (vi) persistency levels, (vii) the extent of credit defaults, (viii) interest rate levels, (ix) currency exchange rates, most notably the EUR/USD exchange rate, (x) changes in laws and regulations, including tax regulations, (xi) the impact of acquisitions, including and related to integration issues and reorganization measures, and (xii) the general competitive conditions that, in each individual case, apply at a local, regional, national, and/or global level. Many of these changes can be exacerbated by terrorist activities.

No duty to update

Allianz assumes no obligation to update any information or forward-looking statement contained herein, save for any information we are required to disclose by law.

1_This represents management's current state of planning and may be revised in the future. Also, note that the decision regarding dividend payments in any given year is subject to specific dividend proposals by the Management and Supervisory Boards, each of which may elect to deviate, if and as appropriate, under the then prevailing circumstances, as well as to the approval of the Annual General Meeting.

2_Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio amounted to 229% as of 31 December 2023.

BALANCE SHEET REVIEW

Shareholders' equity[1]

Shareholders' equity
€ mn

As of 31 December	2023	2022	Delta
Paid-in capital	28,902	28,902	-
Undated subordinated bonds	4,764	4,843	(79)
Retained earnings	30,702	29,354	1,348
Foreign currency translation adjustments	(2,883)	(3,048)	165
Unrealized gains and losses from insurance contracts (net)	34,207	54,854	(20,647)
Other unrealized gains and losses (net)	(37,215)	(60,490)	23,275
Total	**58,477**	**54,415**	**4,062**

Compared to 31 December 2022, shareholders' equity increased by € 4.1 bn. The retained earnings were mainly decreased by the share buy-back program with an amount of € 2.2 bn and the dividend payout in May 2023 (€ 4.5 bn). This was compensated by the net income attributable to shareholders of € 8.5 bn for the year ended 31 December 2023. The increase in other unrealized gains and losses (net) of € 23.3 bn was almost offset by the decrease of unrealized gains and loss from insurance contracts (net) with an amount of € 20.6 bn. The development of unrealized gains and losses is driven by the increase of interest rate level over the course of the year 2023.

Total assets and total liabilities

As of 31 December 2023, total assets amounted to € 983.2 bn and total liabilities were € 919.6 bn. Compared to year-end 2022, total assets and total liabilities increased by € 47.3 bn and € 42.4 bn, respectively.

The following section focuses on our financial investments in debt instruments, equities, real estate, and cash, as these reflect the major developments in our asset base.

For further information on our dominant balance sheet position, the insurance liabilities, please refer to the chapter Insurance Operations in the notes to the consolidated financial statements.

Structure of investments – portfolio overview

The following portfolio overview covers the Allianz Group's assets held for investment, which are largely driven by our insurance businesses.

Asset allocation and fixed income portfolio overview

	As of 31 December 2023	As of 31 December 2022	Delta	As of 31 December 2023	As of 31 December 2022	Delta
Type of investment	€ bn	€ bn	€ bn	%	%	%-p
Debt instruments, thereof:	**557.1**	**534.8**	**22.3**	**75.6 %**	**76.0 %**	**(0.4)**
Government bonds	187.6	182.2	5.4	33.7 %	34.1 %	(0.4)
Covered bonds	44.4	45.3	(0.9)	8.0 %	8.5 %	(0.5)
Corporate bonds	198.9	190.2	8.7	35.7 %	35.6 %	0.1
Other	126.2	117.1	9.1	22.7 %	21.9 %	0.8
Equities	**48.1**	**49.1**	**(1.0)**	**6.5 %**	**7.0 %**	**(0.5)**
Funds	**73.6**	**66.6**	**7.0**	**10.0 %**	**9.5 %**	**0.5**
Real estate	**25.7**	**27.6**	**(2.0)**	**3.5 %**	**3.9 %**	**(0.4)**
Other	**32.4**	**25.2**	**7.2**	**4.4 %**	**3.6 %**	**0.8**
Total	**736.8**	**703.3**	**33.5**	**100.0 %**	**100.0 %**	**-**

1_This does not include non-controlling interests of € 5,103 mn and € 4,320 mn as of 31 December 2023 and 2022, respectively. For further information, please refer to note 8.10 to the consolidated financial statements.

Compared to year-end 2022, our overall asset portfolio increased by € 33.5 bn, mainly in our debt instruments.

Our well-diversified exposure to **debt instruments** increased compared to year-end 2022, mainly due to market movements. About 94 % of the debt portfolio was invested in investment-grade bonds and loans.[1] Our **government bonds** portfolio contained bonds from France, Germany, Italy, and the United States, representing 13.0 %, 12.4 %, 9.7 % and 8.8 % of our portfolio shares. Our **corporate bonds** portfolio contained bonds from the United States, the eurozone, and Europe excl. the eurozone. They represented 41.7 %, 31.7 % and 12.3 % of our portfolio shares.

Our exposure to **equities** decreased, mainly due to decreasing volume.

Off-balance sheet arrangements

In the normal course of business, the Allianz Group may enter into arrangements that do not lead to the recognition of assets and liabilities in the consolidated financial statements under IFRS. Since the Allianz Group does not rely on off-balance sheet arrangements as a significant source of revenue or financing, our off-balance sheet exposure to loss is immaterial relative to our financial position.

The Allianz Group enters into various commitments including loan commitments, purchase obligations, and other commitments. For more details, please refer to note 8.13 to the consolidated financial statements.

The Allianz Group has also entered into contractual relationships with various types of structured entities. They have been designed in such a way that their relevant activities are directed by means of contractual arrangements rather than voting or similar rights. Typically, structured entities have been set up in connection with asset-backed financing and certain investment fund products. For more details on our involvement with structured entities, please refer to note 8.11 to the consolidated financial statements.

Please refer to the Risk and Opportunity Report for a description of the main concentrations of risk and other relevant risk positions.

Regulatory capital adequacy

For details on the regulatory capitalization of the Allianz Group, please refer to our Risk and Opportunity Report.

1_Excluding self-originated German private retail mortgage loans. For 2 %, no ratings were available.

LIQUIDITY AND FUNDING RESOURCES

Organization

The Allianz Group's liquidity management is based on policies and guidelines approved by the Allianz SE Board of Management. Allianz SE and each of the operating entities are responsible for managing their respective liquidity positions, while Allianz SE provides central cash pooling for the Group. Capital allocation is managed by Allianz SE for the entire Group. This structure allows the efficient use of liquidity and capital resources, and enables Allianz SE to achieve the desired liquidity and capitalization levels for the Group and its operating entities.

Liquidity management of our operating entities

Insurance operations

The major sources of liquidity for our operational activities are primary and reinsurance premiums received, reinsurance receivables collected, investment income, and proceeds generated from the maturity or sale of investments. These funds are mainly used to pay claims arising from the Property-Casualty insurance business and related expenses, life policy benefits, surrenders and cancellations, acquisition costs, and operating costs.

We receive a large part of premiums before payments of claims or policy benefits are required, generating solid cash flows from our insurance operations. This allows us to invest the funds in the interim to create investment income.

Our insurance operations also carry a high proportion of liquid investments, which can be converted into cash to pay for claims. Generally, our investments in fixed-income securities are sequenced to mature when funds are expected to be needed.

The overall liquidity of our insurance operations depends on capital market developments, interest rate levels, and our ability to realize the market value of our investment portfolio to meet insurance claims and policyholder benefits. Other factors affecting the liquidity of our Property-Casualty insurance operations include the timing, frequency, and severity of losses underlying our policies and policy renewal rates. In our Life operations, liquidity needs are generally influenced by trends in actual mortality rates compared to the assumptions underlying our life insurance reserves. Market returns, crediting rates, and the behavior of our life insurance clients – for example, regarding the level of surrenders and withdrawals – can also have a significant impact.

Asset Management operations

Within our Asset Management operations, the most important sources of liquidity are fees generated from asset management activities. These are primarily used to cover operating expenses.

Liquidity management and funding of Allianz SE

The main responsibility for managing the funding needs of the Allianz Group, maximizing access to liquidity sources and optimizing the trade off between borrowing costs, balancing the maturity profile, and the choice between senior and subordinated funding instruments, lies with Allianz SE. As such, the following sections include comments on the liquidity and funding resources of Allianz SE. Restrictions on the transferability of capital within the Group mainly result from the capital maintenance rules under applicable corporate laws as well as from the regulatory solvency capital requirements for regulated Group companies.

Liquidity resources and uses

Allianz SE ensures adequate access to liquidity and capital for our operating entities. The main sources of liquidity available to Allianz SE are dividends received from its subsidiaries and external funding raised in the capital markets. Liquidity resources are defined as readily available assets – specifically cash, money market securities, and highly liquid fixed-income securities. Our funds are primarily used for interest payments on our debt funding, operating costs, internal and external growth investments, and dividends or share buy-backs to our shareholders.

Funding sources

Allianz SE's access to external funds depends on various factors such as capital market conditions, access to credit facilities, credit ratings, and credit capacity. The financial resources available to Allianz SE in the capital markets for short-, mid- and long-term funding needs are described below. In general, mid- to long-term financing is covered by issuing senior bonds, subordinated bonds or ordinary no-par value shares.

Share capital

As of 31 December 2023, the issued share capital as registered at the Commercial Register was € 1,169,920,000. This was divided into 391,718,983 no-par value shares. As of 31 December 2023, the Allianz Group held 260,394 (2022: 1,724,834) own shares.

Allianz SE has the option to increase its share capital according to authorizations provided by the Annual General Meeting. The following table outlines Allianz SE's capital authorizations as of 31 December 2023:

Capital authorizations of Allianz SE

Capital authorization	Nominal amount	Expiry date of the authorization
Authorized Capital 2022/I[1]	€ 467,968,000	3 May 2027
Authorized Capital 2022/II[2]	€ 15,000,000	3 May 2027
Conditional Capital 2022[3]	€ 116,992,000	3 May 2027

1_For issuance of shares against contribution in cash and/or in kind.
2_For issuance of shares to employees (without shareholders' subscription rights).
3_To cover conversion or option rights of holders of bonds.

For further information on our share capital and regarding authorizations to issue and repurchase shares, please refer to the chapter Takeover-Related Statements and Explanations (part of the Group Management Report).

Long-term debt funding

As of 31 December 2023, Allianz SE had senior and subordinated bonds with a variety of maturities outstanding, reflecting our focus on long-term financing. As the cost and availability of external funding may be negatively affected by general market conditions or by matters specific to the financial services industry or the Allianz Group, we seek to reduce refinancing risk by actively steering the maturity profile of our funding structure.

Maturity structure of Allianz SE's senior and subordinated bonds[1]
€ mn

As of 31 December	Contractual maturity date			
	Up to 1 year	1 – 5 years	Over 5 years	Total
2023				
Senior bonds[2,3]	303	3,462	3,641	7,407
Fair value hedge effects related to senior bonds	-	-	(119)	(119)
Subordinated bonds (debt)[4,5]	-	-	12,715	12,715
Fair value hedge effects related to subordinated bonds (debt)	-	(71)	-	(71)
Total bonds (debt)	**303**	**3,391**	**16,237**	**19,931**
Subordinated bonds (equity)	-	-	4,764	4,764
Total bonds (equity)	**-**	**-**	**4,764**	**4,764**
2022				
Senior bonds[3]	751	3,002	4,380	8,132
Fair value hedge effects related to senior bonds	-	-	(130)	(130)
Subordinated bonds (debt)[5]	-	-	12,096	12,096
Fair value hedge effects related to subordinated bonds (debt)	-	(101)	-	(101)
Total bonds (debt)	**751**	**2,901**	**16,346**	**19,998**
Subordinated bonds (equity)	-	-	4,843	4,843
Total bonds (equity)	**-**	**-**	**4,843**	**4,843**

1_Based on carrying value (including accrued interest).
2_A senior bond of € 0.75 bn was redeemed in 2023.
3_As of 31 December 2023, includes accrued interest of € 80 mn (2022: € 79 mn).
4_Includes the issuance of two subordinated bonds (€ 1.25 bn and USD 1.0 bn) and the redemption of a € 1.5 bn subordinated bond in 2023.
5_As of 31 December 2023, includes accrued interest of € 183 mn (2022: € 147 mn).

Interest expenses on senior bonds increased, mainly due to higher funding costs on average in 2023. For subordinated bonds classified as debt, the increase of interest expenses was mainly driven by higher amounts outstanding on average in 2023.

Senior and subordinated bonds issued or guaranteed by Allianz SE[1]

As of 31 December	Nominal value	Carrying value[2]	Fair value hedge effects	Interest expenses	Weighted-average interest rate[3]
	€ mn	€ mn	€ mn	€ mn	%
2023					
Senior bonds[4]	7,366	7,407	(119)	122	1.6
Subordinated bonds (debt)[5]	12,556	12,715	(71)	460	3.7
Total bonds (debt)	**19,922**	**20,121**	**(190)**	**581**	**2.9**
Subordinated bonds (equity)[6]	4,763	4,764	-	142	3.0
Total bonds (equity)	**4,763**	**4,764**	**-**	**142**	**3.0**
2022					
Senior bonds[4]	8,095	8,132	(130)	118	1.4
Subordinated bonds (debt)[5]	11,968	12,096	(101)	429	3.6
Total bonds (debt)	**20,063**	**20,228**	**(231)**	**547**	**2.7**
Subordinated bonds (equity)[6]	4,842	4,843	-	119	3.0
Total bonds (equity)	**4,842**	**4,843**	**-**	**119**	**3.0**

1_For further information on Allianz SE debt (issued or guaranteed) as of 31 December 2023, please refer to note 7.3 to the consolidated financial statements.
2_Carrying value including accrued interest.
3_Based on nominal value.
4_As of 31 December 2023, carrying value includes accrued interest of € 80 mn (2022: € 79 mn).
5_As of 31 December 2023, carrying value includes accrued interest of € 183 mn (2022: € 147 mn).
6_Interest expenses include interest and fees paid (not part of the Consolidated Income Statement).

The following table details the long-term debt issuances and redemptions/buy-backs of Allianz SE during 2023 and 2022:

Issuances and redemptions of Allianz SE's senior and subordinated bonds
€ mn

As of 31 December	Issuances[1]	Redemptions/buy-backs[1]	Issuance net of redemptions/buy-backs
2023			
Senior bonds	-	750	(750)
Subordinated bonds (debt)	2,166	1,500	666
Subordinated bonds (equity)	-	-	-
2022			
Senior bonds	-	1,500	(1,500)
Subordinated bonds (debt)	2,500	1,500	1,000
Subordinated bonds (equity)	-	-	-

1_Based on nominal value.

Funding in non-euro currencies enables us to diversify our investor base or to take advantage of favorable funding costs in those markets. Funds raised in non-euro currencies are incorporated in our general hedging strategy. As of 31 December 2023, approximately 24.0% (2022: 20.7%) of the long-term debt was issued or guaranteed by Allianz SE in currencies other than the euro.

Currency allocation of Allianz SE's senior and subordinated bonds[1]
€ mn

As of 31 December	Euro	Non-euro	Total
2023			
Senior and subordinated bonds (debt and equity)	18,750	5,935	24,685
2022			
Senior and subordinated bonds (debt and equity)	19,750	5,155	24,905

1_Based on nominal value.

Short-term debt funding

The Medium-Term Note Program and the Commercial Paper Program constitute the available short-term sources of funding. Money market securities slightly decreased in the use of commercial paper, compared to the previous year-end. Interest expenses on money market securities increased, mainly due to higher funding costs on average in 2023.

Money market securities of Allianz SE

As of 31 December	Carrying value	Interest expenses	Average interest rate
	€ mn	€ mn	%
2023			
Money market securities	1,103	48	4.4
2022			
Money market securities	1,123	12	1.1

The Allianz Group maintained its A-1+/Prime-1 ratings for short-term issuances. We can therefore continue funding our liquidity under the Euro Commercial Paper Program at an average rate below Euribor, and under the U.S. Dollar Commercial Paper Program at an average rate slightly above SOFR (Secured Overnight Financing Rate).

Further potential sources of short-term funding that allow the Allianz Group to fine-tune its capital structure include letter of credit facilities and bank credit lines.

Allianz Group consolidated cash flows

Annual changes in cash and cash equivalents[1]
€ mn

	2023	2022	Delta
Net cash flow provided by operating activities	24,462	17,952	6,510
Net cash flow used in investing activities	(12,007)	(14,992)	2,986
Net cash flow used in financing activities	(5,724)	(4,367)	(1,357)
Change in cash and cash equivalents[2]	6,262	(1,140)	7,402

1_As of 1 January 2023, some changes have been made to the classification of cash flows from operating, investing and financing activities to reflect the cash flows in the most useful manner for the Allianz Group. These changes have also been reflected in comparative periods.
2_Includes effects of exchange rate changes on cash and cash equivalents of € (468) mn and € 268 mn in 2023 and 2022, respectively.

Net cash flow provided by operating activities increased by € 6.5 bn to € 24.5 bn in 2023. This figure comprises net income plus adjustments for non-cash charges, credits, and other items included in net earnings, as well as cash flows related to the net change in operating assets and liabilities. Net income after adding back non-cash charges and similar items decreased by € 10.5 bn to € 20.5 bn in 2023. Operating cash flows from net changes in operating assets and liabilities rose by € 17.0 bn. This was mainly driven by higher net changes from our insurance and investment contract liabilities with partially offsetting effects from financial assets for unit-linked contracts. In addition, last year we recorded the settlement of the majority of the provision related to the Structured Alpha matter.

Net cash flow used in investing activities decreased by € 3.0 bn to € 12.0 bn in 2023. This was mainly due to net cash inflows from derivative assets and liabilities after material net cash outflows in 2022, in particular in our Life/Health business operations. Lower net cash inflows from investments measured at fair value through other comprehensive income mainly in our Life/Health business operations in Germany, France, and the United States, as well as higher net cash outflows from investments measured at fair value through profit or loss, partly compensated this effect.

Net cash outflow used in financing activities increased by € 1.4 bn and amounted to € 5.7 bn in 2023. This development was largely driven by lower net cash inflows from liabilities to banks and customers and other financial liabilities as well as higher net cash outflows from the Allianz SE share buy-back program. Lower net cash outflows from our refinancing activities and higher net cash inflows from transactions between equityholders partially offset these effects.

Cash and cash equivalents increased by € 6.3 bn, mainly stemming from our Life/Health business operations in Germany and the United States.

For further information on the above, please refer to our Consolidated Statement of Cash Flows.

RECONCILIATIONS

The analysis in the previous chapters is based on our consolidated financial statements and should be read in conjunction with them. In addition to our figures stated in accordance with the International Financial Reporting Standards (IFRS), the Allianz Group uses total business volume, operating profit, shareholders' core net income, and internal growth to enhance the understanding of our results. These additional measures should be viewed as complementary to, rather than a substitute for, our figures determined according to IFRS.

For further information, please refer to note 5 to the consolidated financial statements.

Total business volume

Total business volume comprises gross premiums written as well as fee and commission income in Property-Casualty, statutory gross premiums in Life/Health, and operating revenues in Asset Management.

Composition of total business volume
€ mn

	2023	2022
Property-Casualty		
Total business volume	**76,531**	**70,613**
consisting of:		
Gross premiums written	73,998	68,222
Fee and commission income	2,534	2,391
Life/Health		
Statutory gross premiums	**77,878**	**75,258**
Asset Management		
Operating revenues	**8,086**	**8,234**
consisting of:		
Net fee and commission income	7,960	8,211
Net investment result	95	7
Other income and expenses	31	16
Consolidation	(795)	(781)
Allianz Group total business volume	**161,700**	**153,324**

Internal growth

We believe that an understanding of our total business volume performance is enhanced when the effects of foreign currency translation as well as acquisitions, disposals, and transfers (or "changes in scope of consolidation") are analyzed separately. Accordingly, in addition to presenting nominal total business volume growth, we also present internal growth, which excludes these effects.

Reconciliation of nominal total business volume growth to internal total business volume growth
%

	Internal growth	Changes in scope of consolidation	Foreign currency translation	Nominal growth
2023[1]				
Property-Casualty	11.2	1.0	(3.7)	8.4
Life/Health	5.6	(0.3)	(1.8)	3.5
Asset Management	2.4	(1.8)	(2.4)	(1.8)
Allianz Group	**8.0**	**0.2**	**(2.7)**	**5.5**

1_For 2022, not applicable due to the implementation of IFRS 9 and IFRS 17.

RISK AND OPPORTUNITY REPORT

Target and strategy of risk management

Allianz aims to ensure that the Group is adequately capitalized at all times and that Allianz SE and all other related undertakings meet or exceed their respective regulatory capital requirements for the benefit of both shareholders and policyholders.

In addition, we take the requirements of rating agencies into account. While capital requirements imposed by regulators constitute a binding constraint, meeting rating agencies' capital requirements and maintaining strong credit ratings are strategic business objectives.

We closely monitor the capital position and risk concentrations of the Group, Allianz SE and its other related undertakings, and apply regular stress tests (including standardized, historical, and reverse stress test scenarios as well as monthly stress and scenario analyses focusing on current and possible future developments). These analyses allow us to take appropriate measures to preserve our continued capital and solvency strength. For example, the risk capital reflecting the risk profile and the cost of capital is an important aspect that is considered in business decisions. Furthermore, we ensure a close alignment of the risk and business strategy by the fact that business decisions to achieve our set targets are taken within the determined risk appetite and in line with the risk strategy. The implemented sound processes to steer the business and assess and manage associated risks ensure a continuous alignment of the risk and business strategy, and enable us to detect and address any potential deviations.

In addition, our liquidity risk management framework ensures that all legal entities in scope are responsible for managing their liquidity risks and maintaining a sufficient liquidity position under both market and business conditions (expected as well as stressed).

Risk governance system and internal control system

Risk management framework

As a provider of financial services, we consider risk management, including an internal control system (ICS), to be a core competency and an integral part of our business. Our risk management framework covers all operations and subsidiaries within the Group in proportion to the inherent risks of their activities, ensuring that risks across the Group are consistently identified, analyzed, assessed, and adequately managed. The key elements of our risk management and internal control system framework are:

- Promotion of a strong risk management culture, supported by a robust risk governance structure.
- Consistent and proportional application of an integrated risk capital framework to protect our capital base and support effective capital management.
- Integration of risk considerations and capital needs into management and decision-making processes by attributing risk and allocating capital to business segments, products, and strategies.

Our risk management system is based on the following four pillars:

- Risk identification, assessment and underwriting: A robust system of risk identification, assessment and underwriting forms the foundation for appropriate risk management decisions. Supporting activities include standards for underwriting, valuation methods, individual transaction and new product approvals, emerging/operational/top risk assessments, liquidity risk and scenario analyses, amongst others.
- Risk strategy and risk appetite: Our risk strategy defines our risk appetite in line with our business strategy. It ensures that rewards are appropriate based on the risks taken and the required capital. It also ensures that delegated decision-making bodies work in line with our overall risk-bearing capacity and strategy.
- Risk reporting and monitoring: Our comprehensive qualitative and quantitative risk monitoring and reporting framework provides management with the transparency needed to assess whether our risk profile remains within the approved limits and to identify emerging issues and risks quickly. For example, risk dashboard and limit utilization reports as well as scenario analyses and stress tests are regularly prepared and communicated.
- Communication and transparency: Transparent risk disclosure provides the basis for communicating our strategy and performance to internal and external stakeholders, ensuring a sustainable positive impact on valuation and financing. It also strengthens the risk awareness and risk culture.

Internal control system

In order to support these pillars, especially risk identification, assessment and monitoring, the Allianz Group has established an ICS, which consists of both specific risk controls and further control elements. Its objectives are to:

- Safeguard the Group's existence and business continuity.
- Ensure compliance with applicable laws and regulations.
- Create a strong internal control environment, ensuring that all personnel are aware of the importance of internal controls and their role within the internal control system.
- Provide the management bodies with the relevant information for their decision-making processes.

Notwithstanding the oversight exercised by the Supervisory Board of the Allianz SE, controls are performed within the Allianz Group in terms of control areas, activities, and reporting, taking into account independence requirements, where applicable. The controls are embedded into the operational and organizational set-up throughout the Allianz Group and are subject to periodic reviews. Where appropriate, internationally recognized control frameworks such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO) or the IT-related Control Objectives for Information and Related Technology (COBIT) are used.

Internal controls, therefore, describe the set of activities undertaken by and within the Allianz Group to achieve defined control objectives, applied across all business segments and lines of business. These controls help to continuously review the effectiveness of the relevant processes and procedures (including operations and reporting), their coherence and proportionality within the Group, and to identify potential actions for the timely rectification of deficiencies. The ICS of the Allianz Group encompasses the entirety of activities undertaken to perform controls in different areas.

The ICS comprises various control concepts. Besides general elements related to all control activities, and in addition to the Risk Management Framework, specific controls are utilized, in particular, but not exclusively, around entity level controls, financial reporting, IT, risk capital calculation, underwriting (including products and distribution), investments, data privacy, customer protection, and protection/resilience. These are supplemented by management reports.

Integrated Risk and Control System for financial and non-financial reporting

The following information is provided pursuant to §289(4) and §315(4) of the German Commercial Code ("Handelsgesetzbuch – HGB"). For general information about our Integrated Risk and Control System (IRCS) and the Non-Financial Risk Management (NFRM), please refer to the section "Operational risk".

Accounting and consolidation processes

The accounting and consolidation processes we use to produce our Consolidated Financial Statements are based on a central consolidation and reporting IT solution and local general ledger solutions. The latter are largely harmonized throughout the Group, using standardized processes, master data, posting logics, and interfaces for data delivery to the Holding. Access rights to accounting systems are managed according to strict authorization and hierarchy-linked procedures.

Accounting rules for the classification, valuation, and disclosure of all items in the balance sheet, the income statement, and notes related to the annual and interim financial statements are defined primarily in our Group accounting manual.

Control system for financial and non-financial reporting

Specific internal controls for financial reporting, which follow the Non-Financial Risk Management (NFRM) approach and the general Integrated Risk and Control System (IRCS), are embedded in the accounting and consolidation processes to safeguard the accuracy, completeness, and consistency of the information provided in our financial statements.

The dedicated financial reporting control system approach can be summarized as follows:

– A centrally developed risk catalog is linked to individual accounts. This risk catalog is reviewed on a yearly basis and is the starting point for the definition of the Group's as well as the operating entities' scope of financial reporting risks. In the course of the scoping process, both materiality and susceptibility to a misstatement are considered simultaneously. In addition to the quantitative calculation, we also consider qualitative criteria, such as the expected increase in business volume or the complexity of transactions.
– Based on the centrally provided risk catalog, our local entities identify risks that could lead to material financial misstatements.
– Preventive and detective key controls addressing financial reporting risks have been put in place to reduce the likelihood and impact of financial misstatements. When a potential risk is detected or materializes, actions are taken to reduce the impact of the financial misstatement. Given the strong dependence of financial reporting processes on information technology systems, we have also implemented IT controls.
– Operating entity level controls to address non-financial reporting risks have been introduced and will be expanded going forward.
– Group Audit and local internal audit functions ensure that these controls are subject to regular control testing, in order to assure reasonable design and operating effectiveness. Internal Audit does so through a comprehensive risk-based approach that assesses the key controls of the company's internal procedures and processes, including local and group-internal controls over financial reporting risks, from an integrated perspective.

Governance

Group Accounting & Reporting and other Group center functions, the Group Disclosure Committee, and our operating entities support the Allianz SE Board of Management to ensure the completeness, accuracy, and reliability of our Consolidated Financial Statements. Group Accounting & Reporting also helps to ensure that non-financial reporting requirements are fulfilled and that data quality requirements are adhered to.

The Group Disclosure Committee ensures that the Board members are made aware of all material information that could affect our disclosures and assesses the completeness and accuracy of the information provided in the quarterly statements, half-year and annual financial reports (including the Non-Financial Statement) as well as in the Solvency and Financial Condition Report and the Regular Supervisory Report. In 2023, the Group Disclosure Committee met on a quarterly basis before the quarterly statements and financial reports were issued. In addition, the Group Disclosure Committee reviewed and approved the Solvency II reports prior to issuance.

Subsidiaries within the scope of our control system are individually responsible for adhering to the Group's internal governance and control policy and for creating local Disclosure Committees that are similar to the Group-level committee. The entities' CEOs and CFOs provide periodic signoffs to the management of Allianz SE, certifying the effectiveness of their local systems of internal control as well as the completeness, accuracy, and reliability of financial data and non-financial information reported to the Holding.

Compliance management system

The risk management system encompasses both a set of principles for specifically addressing the operational and reputational risks stemming from non-compliance with laws, regulations, and other external requirements that represent a significant compliance risk (hereafter referred to as "compliance risks"), as well as their reflection in internal corporate rules.

For the management of compliance risks, Allianz maintains a Compliance Management System (CMS). At the center of the CMS, Allianz has established compliance functions at the levels of the Allianz Group and the local operating entities as part of the Second Line of Defense. For details of the CMS, or more specifically of anti-corruption and bribery matters, please refer to the Non-Financial Statement.

Management assessment[1]

The management feels comfortable with the Group's overall risk profile. It has no indication that, as of 31 December 2023, our risk management system or internal control system is inappropriate or ineffective, and is therefore confident that they meet both the challenges of a rapidly changing environment and day-to-day business needs.

This assessment is based on several factors:

- We run an established system to monitor the effectiveness of the internal control system and to report and promptly address deficiencies, such as control failures, operational loss events, financial limit breaches, or system of governance issues. On a quarterly basis, the Group's Internal Control System Report is jointly prepared by the Group's key control functions, and shared with the Supervisory Board Audit Committee and the members of the Board of Management of the Allianz SE. The report aggregates and rates the severity of known weaknesses in the internal control system, while also tracking their timely and satisfactory resolution.
- Our Group risk management framework, including the Group's internal control system, are regularly the subject of audit activities performed by our Group's Internal Audit function.
- In addition, external auditors are independently and regularly reviewing Allianz Group's risk governance as well as performing quality reviews of risk processes, including the ICS.
- An assessment of the effectiveness of the Allianz operating entities' Risk Management functions, as well as of the implementation maturity of the risk management framework and corresponding risk management processes, is performed following the Risk Assessment, Diagnostics, Analysis and Reporting (RADAR) process.
- Allianz has dedicated guidelines and policies that clearly define the general principles, the roles and responsibilities, as well as the processes, for both the risk management framework and the internal control system.

Allianz will be required to comply with Corporate Sustainability Reporting Directive (CSRD) regulations by the end of the financial year 2024. While the new CSRD reporting requirements are being established, our internal control system is undergoing continual enhancements. A dedicated project helps to ensure diligent preparation for CSRD implementation, including the early identification of where improvements are necessary.

Structured Alpha funds of AllianzGI U.S.

As highlighted in our prior year report, the settlement of Structured Alpha related litigations was finalized both with investors and the U.S. Securities and Exchange Commission. While the uncertainties linked to this litigation have now been completely curtailed, the Allianz Group continues to exercise diligence in assuring that the Asset Management segment's internal control systems, as well as those of the Group, benefit from the key learnings stemming from this event. We continue to enhance risk management, compliance, and other assurance measures. This covers not only our response to Structured Alpha derived root causes, but we have ensured that periodic reviews of our internal controls systems' frameworks and underlying procedures also remain sensitive to a constant and rapidly evolving risk landscape.

Going beyond Management's evaluation of control measures and tactics, various audits undertaken by both internal and external auditors have been completed to confirm the robustness and persistence of the internal control system. The Asset Management segment in particular has also undergone various regulatory reviews and audits throughout various regions, and no significant issues or topics have been raised by the regulators.

As part of our settlement procedures, Allianz has also completed control environment assessment steps related to our U.S. investment advisory services. These assessments were finalized and conclusions reported to the U.S. Securities and Exchange Commission earlier in 2023. As this was one of the final key milestones, the Allianz Group has fulfilled its legal obligations to the U.S. authorities.

In addition to efforts triggered by the AllianzGI Structured Alpha matter, a strengthening of trainings for safeguarding functions and Allianz Global Executives further improved the Allianz Group's risk management framework in the last year.

Our strategy

Our business aspirations

The Board of Management of Allianz SE has defined the following objectives for the Allianz Group's medium-term strategy, building on the success of the efforts to simplify the company, with the motto "Simplicity at Scale":

- Growth: We consistently seek to capture growth opportunities for our business, and to create growth opportunities for our employees. This is how we ensure our leading market position. Due to our full breadth of products and services, we offer comprehensive solutions that meet our customers' needs and make us a trusted partner.
- Margin Expansion: We need to be profitable and efficient. To do so we are continuously improving our productivity, including in our distribution channels, while seeking to grow in high margin business segments. Additionally, we will continue our transformation so that our processes are simpler, digital, and scalable.
- Capital Efficiency: We consistently seek ways to use our capital in the most effective way and take action when, among others, it falls below our RoE threshold.

These objectives have been translated into clear ambitions for the 2022 to 2024 period. With regard to financial performance, we strive for a return on equity (excluding unrealized gains/losses on bonds[2]) of more than 13 %, while aiming to grow our earnings per share from € 21 (baseline full year 2021, as communicated in the Allianz Capital Markets Day 2021) to approximately € 25[3] by 2024 (reflecting a compound annual growth rate of 5 % to 7 %).

To ensure the sustainability of our performance, we have set ourselves non-financial targets that reflect strong underlying organizational health. For customer loyalty, our ambition is for more than 50 % of the business segments of our entities to be or become rated by their customers as a "loyalty leader" in terms of the digital Net Promoter Score (dNPS) by 2024. In terms of employee engagement, our ambition is to score above 75 % on the Inclusive Meritocracy Index. At the same time, we have also set the target to become a clear leader in sustainability and diversity.

Our business strategy

To implement these strategic objectives, to realize our growth ambition, and to accelerate our value creation, we have defined five additional strategic areas of focus:

- Transforming the Life/Health and Asset Management franchise: Fully address protection and savings needs and accelerate transformation to a capital-efficient model, leveraging our

1_Unaudited.

2_Based on IFRS 4.

3_Mid-point of our EPS target range.

strengths in Asset Management to deliver investor-defined risk/return requirements, through various investment disciplines.
- Expanding our Property & Casualty leadership position: Beat the best players in each market, building on productivity gains and scale, in retail motor and beyond.
- Boosting growth through scalable platforms: Scale our customer-facing platforms and build new operating platforms to grow our business volume and margin.
- Deepening the global vertical integration and execution of agility: Verticalize operating models across lines of business to unleash value from our skills and scale.
- Reinforcing capital productivity and resilience: Retain industry-leading financial strength and unlock further value creation potential through an improved risk/return profile and an active management and reduction of tail-risk exposure. Our focus on capital resilience is matched with a focus on talent development and diversity that also strengthens our organizational resilience.

Allianz SE's Board of Management has also defined a strategy for the management of risks. This risk strategy places particular emphasis on ensuring the integrity of the Allianz brand and reputation, remaining solvent even in the event of extremely adverse scenarios, maintaining sufficient liquidity to meet financial obligations, and providing resilient profitability.

Opportunities

Our financial strength renders us resilient against market stress, while our ongoing transformation creates capabilities allowing us to profit from new opportunities in a fast-changing business environment. For example:

- We are continuously simplifying our products and processes, harmonizing them across our businesses to consequently exploit economies of scale.
- We scale our customer-facing platforms (e.g., Mobility, Health, and Travel) and integrate our business models with digital marketplaces for customers and business partners (e.g., claims).
- Building on a strong customer base, a deep understanding of customer needs, and excellence in distribution, we strive to achieve customer loyalty leadership in all countries we operate in.
- In fast-growing regions, including Asia-Pacific, we are well-positioned to capture growth opportunities from increasing customer demand for Health & Protection.
- Worldwide, there is growth potential from providing our asset management clients (institutional and retail) with opportunities to invest in both private and public markets, pursue returns commensurate with their stated risk appetites, and engage in various investment strategies, be they equity, fixed income or alternatives.
- Building on our strong footprint in Europe, we aim to profit from ongoing consolidations, transform the capital productivity of in force businesses, and gain market share in previously unexploited markets.
- Together with our partners, we capture opportunities in bancassurance as well as future embedded insurance solutions across products and geographies, tapping into new customer segments.
- We are enhancing Allianz's unit-linked platform by converging the Group factory expertise from Life Insurance and Asset Management.
- We are focusing on sustainability by realizing ESG-based investment products, social value-added insurance coverages (e.g., flood, earthquake, and storm) and health prevention products (e.g., oncological).

In a continuously evolving market where the demands of customers constantly change, our knowledge of the industry and our expertise in product development and risk management offers us great opportunities to create timely customer-focused solutions.

Risk governance structure

Supervisory Board and Board of Management

Our approach to risk governance permits the integrated management of local and global risks and ensures that our risk profile remains consistent with both our risk strategy and our capacity to bear risks.

Within our risk governance system, the Supervisory Board and the Board of Management of Allianz SE have both Allianz SE and group-wide responsibilities.

The Board of Management formulates business objectives and sets a corresponding business strategy, risk strategy, and investment strategy. It also defines risk limits and allocates risk capital to the business activities within the Allianz Group. The core elements of the risk framework are set out in the Allianz Group Risk Policy and approved by the Board of Management. The Board of Management reports to the Supervisory Board.

The Supervisory Board advises, challenges, and supervises the Board of Management in the execution of its management activities. The following committees support the Board and the Supervisory Board on risk issues:

Supervisory Board Risk Committee

The Supervisory Board Risk Committee reports to the Supervisory Board, where the information and the findings are discussed with the Board of Management. It monitors the effectiveness of the Allianz risk management framework. Furthermore, it focuses on risk-related developments as well as general risks and specific risk exposures, and ensures that the business strategy is aligned with the risk strategy.

For more information, please refer to the paragraph "Risk Committee" in the Supervisory Board Report.

Group Finance and Risk Committee

In the context of the Group's Committee Framework, the Group Finance and Risk Committee (GFRC) reports to the Board of Management and provides oversight of the Group's and Allianz SE's risk management framework, acting as a primary early-warning function by monitoring the Allianz Group's and Allianz SE's risk profiles as well as the availability of capital. The GFRC also ensures that an adequate relationship between return and risk is maintained. Additionally, the GFRC defines risk standards, is the limit-setting authority within the framework set by the Board of Management, and approves major financing and capital management transactions. Finally, the GFRC supports the Board of Management with recommendations regarding the capital structure, capital allocation, liquidity position, and investment strategy, including strategic asset allocation for the different business segments.

Overall risk organization and roles in risk management

A comprehensive system of risk governance is achieved via the Policy Framework by setting standards related to organizational structure, risk strategy and appetite, limit systems, documentation, and reporting. These standards ensure the accurate and timely flow of risk-related information (e.g., to the Board of Management via the Management Reporting) and a disciplined approach towards decision-making and execution at both the global level (Board of Management of Allianz SE) and local levels (i.e., the Operating and Legal Entities).

In the Three Lines of Defense model, as a general principle, the responsibility for the First Line of Defense rests with business managers in the related undertaking. They are responsible for both the risks taken and the returns from their decisions. The Second Line of Defense is made up of independent global oversight functions including Risk, Actuarial, Compliance, and Legal, which support the Board of Management in defining the risk frameworks within which the business can operate. Group Audit forms the Third Line of Defense, independently and regularly reviewing risk governance implementation, compliance with risk principles, performing quality reviews of risk processes, and testing adherence to business standards, including the internal control framework.

To ensure the effectiveness of our internal control system, all functions are obliged to cooperate and exchange necessary information and advice. Given that control activities may be exercised by staff in different organizational units, appropriate mechanisms are in place between the control functions to allow fully informed and educated decision-making.

Group Risk Management function

Group Risk is managed by the Group Chief Risk Officer, who also serves as the Chief Risk Officer of Allianz SE. Group Risk supports Allianz SE's Board of Management, including its committees, by performing various analyses, communicating information related to risk management, and preparing and implementing committee decisions.

Group Risk also supports the Board of Management in developing the risk management framework – which covers risk governance, risk strategy and appetite – and risk monitoring and reporting. Group Risk's operational responsibility encompasses assessing risks across all risk categories and monitoring limits and accumulations of specific risks across business lines, including natural and human-caused (regulatory terminology: man-made) disasters and exposures to financial markets and counterparties.

Group Risk strengthens and maintains the Group's risk network through regular and close interaction with the management of related undertakings and with other key stakeholders, such as the local finance, risk, actuarial, underwriting, and investment departments. A strong group-wide risk network enables the Allianz Group to influence risk culture across the Group, identify risks at an early stage, and make management aware of these risks.

Related undertakings

Related undertakings are responsible for their own risk management, including adherence to both external requirements (for example, those imposed by local regulators) and internal standards. Their Boards of Management are responsible for setting and approving a local risk strategy – supporting the Group's risk strategy – during the annual Strategic and Planning Dialogues with the Group and for ensuring adherence to their risk strategy.

The insurance and asset management operations of our related undertakings are subject to regular reviews in the context of the group-wide internal risk management and control system. The control measures are accompanied by local Risk Management functions, headed by Chief Risk Officers, which are independent from business line management. The Risk Management functions run risk-monitoring and -controlling processes, locally set up by the respective entities. Furthermore, the local activities are subject to additional reviews by regional entities, or the Allianz Asset Management GmbH for asset management. This ensures the adherence to Group requirements and the related reporting. A local Risk Committee supports both the Board of Management (or an equivalent executive committee) and the Chief Risk Officer by acting as the primary risk monitoring and controlling body.

Consistent implementation of the Group's risk management framework in the related undertakings, including regular dialogue between the Group and the entity, is ensured, for example, through Group Risk representation on local Risk Committees (or equivalent), and through regular assessment of the appropriateness of the local risk management framework and performance of the Chief Risk Officers by Group Risk. Moreover, the Group Chief Risk Officer must be consulted on decisions regarding the staffing, objectives, and performance evaluation of local Chief Risk Officers. To further enhance the regular dialogue at management level focusing on the internal control environment, the Group is implementing the Governance and Controls Dialogue as one key instrument that should further enhance the already existing strong strategic and financial planning procedures known as the Strategic Dialogue and the Planning Dialogue. The Governance and Controls Dialogue will be enabled by an integrated Governance and Controls Dashboard, to assure a holistic overview of the risk landscape as well as external factors that may be potential risk drivers.

Other functions and bodies

In addition to Group Risk and the local Risk Management functions, legal, compliance, and actuarial functions established at both the Group and the entity levels constitute additional components of the Second Line of Defense.

Group Legal and Group Compliance seek to mitigate legal risks for the Allianz Group and Allianz SE with support from other departments. The objectives of both functions are to ensure that laws and regulations are observed, to react appropriately to all impending legislative changes or new court rulings, to attend to legal disputes and litigation, and to provide legally appropriate solutions for transactions and business processes. In addition, Group Compliance – in conjunction with Group Legal and other experts involved – is responsible for integrity management, which aims to protect the Allianz Group as well as Allianz SE and our other related undertakings and employees from regulatory and reputational risks.

Group Compliance has defined preventive, detective, and responsive controls for the assigned compliance risk areas, which are based on requirements specified in the compliance standards and Code of Conduct. A compliance control catalog, including the development of control objectives arising from the various corporate compliance guidelines, as well as a cataloging of normative risk scenarios and defined key control activities, are available.

Group Actuarial contributes towards assessing and managing risks of the Allianz Group and Allianz SE in line with regulatory requirements, in particular for those risks whose management requires actuarial expertise. The range of tasks includes, amongst others, the calculation and monitoring of technical provisions, technical actuarial assistance in business planning, reporting and monitoring of the results, and supporting the effective implementation of the risk management system. The latter includes joining Group Risk in a discipline to regularly monitor internal risk capital models, assumptions, and parameters – as well as their changes. It also includes providing support regarding capital efficiency management, contributing to the modeling of insurance risk capital, and supporting the identification of underwriting risks via independent reserve reviews.

Risk-based steering and risk management[1]

We are exposed to a variety of risks, including market, credit, underwriting, business, operational, strategic, liquidity, and reputational risks.

Allianz's Asset Management business segment is primarily exposed to operational risk, reputational risk, and business risk. Market and credit risk are primarily borne by the segment's underlying investors, be they internal or third-party clients.

We consider diversification across different business segments, lines of business and regions to be an important element in managing our risks efficiently, as it limits the economic impact of any single event and contributes to relatively stable results. Our aim is to maintain a balanced risk profile without any disproportionately large risk concentrations and accumulations.

With Solvency II being the regulatory regime relevant for the Group, our risk profile is measured and steered based on our approved Solvency II internal model[2]. We have introduced a target solvency ratio range in accordance with Solvency II, based on pre-defined stress scenarios for both the Group and related undertakings, supplemented by ad-hoc scenarios, historical and reverse stress tests, and sensitivity analyses.

Unlike the insurance business, which is balance-sheet sensitive, our Asset Management business is mainly a cash flow business. Therefore, the risk of the Asset Management business segment is also analyzed through the impact of pre-defined material stress scenarios on the operating profit. These are one component in a system of key risk indicators for Asset Management and are regularly monitored. These risk limits are reviewed on a regular basis with First Line of Defense business owners, confirming the pre-assessments derived by the entity's Risk Management functions. These risk limits (sometimes called risk bearing capacity thresholds) are presented to the underlying Risk Committee and are ultimately ratified by the Audit Committees and/or Executive Management Boards.

In addition, central elements of Allianz's dividend policy are linked to Solvency II capitalization based on the internal model. This helps us to ensure a consistent view on risk steering and capitalization in line with the Solvency II framework.

Allianz steers its business portfolio taking a comprehensive view of risk and return, which is based on the internal model and is supported by scenario analyses. Risk and concentrations are actively restricted by limits based on our internal model. The Life/Health business segment is steered – in addition to the Return on Equity – by a return on risk capital[3] (RoRC) approach for new business at the product level, while for the Property-Casualty business segment a return on equity (RoE insurance) at the portfolio level is used.

RoRC and RoE insurance are indicators that allow us to identify profitable lines of business and products on a sustainable basis. For new Life/Health insurance business, RoRC reflects the expected average return against the capital commitment over the lifetime of the products and is a key criterion for capital allocation decisions. For Property-Casualty insurance business, the RoE insurance reflects the return against the underlying equity which is allocated to the specific portfolios based on the respective risk capital requirements. This allows us to take appropriate risk-based decisions.

Consistent with industry practices, the Asset Management business segment is measured on its efficiency based upon cost to income, i.e., the Cost Income Ratio (CIR).

As a consequence, the internal model is fully integrated in the steering of the insurance business, and its application satisfies the so-called "use test" requirement under Solvency II.

Qualitative assessments as part of the Insurance and Asset Management risk framework include Top Risk Assessments, as well as group-challenged self-assessments and selected group reviews of the maturity of the local risk management systems and the adherence to the risk policy framework. Key results of the entities' qualitative risk assessments are reported to the Group on a regular basis.

Market risk

As an inherent part of our insurance operations, we collect premiums from our policyholders and invest them in a wide variety of assets. The resulting investment portfolios back the future claims payments and benefits to our customers. In addition, we also invest shareholders' capital, which is required to support the business. Finally, we use derivatives, mostly to hedge our portfolio against adverse market movements (for example, protective puts) or to reduce our reinvestment risk (for example, by using forwards, swaps, or swaptions). Asset/liability management (ALM) decisions are taken based on the internal model, considering both the risks and the returns on the financial market.

As the fair values of our investment portfolios and liabilities depend on the changes observed in the financial markets, we are exposed to the risk of adverse financial market developments. The long-dated liabilities in our Life/Health business segment and those attributable to internal pensions contribute to interest rate risk, in particular when they cannot be fully matched by available investments due to long maturities. In addition, we are also exposed to adverse changes in equity and real estate prices, credit spread levels, inflation, implied volatilities, and currencies, which might impact the value of our assets and liabilities.

To measure these market risks, real-world stochastic models[4] for the relevant risk factors are calibrated using historical time series to generate possible future market developments. After the scenarios for all the risk factors are generated, the asset and liability positions are revalued under each scenario. The worst-case outcome of the sorted portfolio profit and loss distribution at a certain confidence level (99.5 %) defines the market Value at Risk (VaR). For entities modeled using the standard formula, the market risk is based on aggregating the losses under specified standard formula shock scenarios.

Strategic asset allocation benchmarks and risk limits – including stand-alone interest rate and equity sensitivity limits, and foreign exchange exposure limits – are defined for the Group, Allianz SE, and the other related undertakings. Limits are closely monitored and, if a breach occurs, countermeasures are implemented which may include escalation to the respective decision-making bodies and/or the closing of positions.

Furthermore, we have put in place standards for hedging activities, due to the exposure to fair-value options embedded in our life insurance products. In addition, we optimize our in-force portfolio through transactional levers, such as partly or entirely divesting discontinued products and businesses; structural levers, such as adjusting the product mix; and operational levers, such as partnering with specialists to manage these books of legacy products, also called life back books.

1_This section contains specific risk disclosures as required by IFRS 17 and IFRS 7 relating to the Notes to the Consolidated Financial Statements.

2_From a formalistic perspective, the German Supervisory Authority deems our model to be "partial" because not all our entities use the internal model. Some of our smaller insurance entities report under the standard formula and others apply third country equivalence. For asset management, banking, and Institutions for Occupational Retirement Provision (IORP), sectoral requirements are applied. Without loss of generality, we might use the term internal model in the following chapters, e.g., in case of descriptions also referring to entities that use the internal model, or descriptions focusing on processes with respect to the internal model components.

3_The return on risk capital is defined as the present value of future real-world profits on the capital requirement (including buffer to regulatory requirements) held at the local level.

4_Internal pensions are evaluated and modeled based on deterministic cash flow models, following IAS 19 principles.

Finally, guidelines are provided by the Group regarding certain investments, new investment products, and the use of derivatives. Compliance with these guidelines is controlled by the risk and controlling functions at Allianz SE and the other operating entities.

With respect to investment assets of the Property-Casualty and Life/Health business segments managed by Allianz's asset managers, guidelines applicable to our insurance undertakings must be clearly elaborated as part of the asset managers' client investment guidelines. Notwithstanding the above, portfolios managed by Allianz's asset managers for the benefit of third-party investment clients must adhere to the investment frameworks and constraints as defined by and agreed with them.

Interest rate risk

Allianz is a liability-driven investor. We may suffer an economic loss in the event of falling interest rates as we reinvest maturing assets at lower rates prior to the maturity of liability contracts, if the duration of our assets is shorter than our liabilities. This risk is higher for long-dated life investment and savings products as well as for internal pensions, with a significant part of the Life/Health business segment's interest rate risk coming from Western Europe, mainly from traditional life insurance products with guarantees. Conversely, opportunities may arise when interest rates increase. Interest rate risk is managed within our asset/liability management process and controlled via interest rate sensitivity and duration mismatch limits for the Group and the local entities.

Inflation risk

We are exposed to changing inflation rates, predominantly due to our Property-Casualty insurance obligations but also due to inflation-indexed internal pension obligations. While inflation assumptions are taken into account in our underwriting, unexpected rising rates of inflation will increase both future claims and expenses, leading to higher liabilities; conversely, if future inflation rates were to be lower than assumed, liabilities would be lower than anticipated. The risk that inflation rates deviate from inflation assumptions is incorporated in our internal model. Potential severe structural breaks are monitored via historical and ad-hoc stress tests. Measures have been taken to manage currently observed elevated inflation levels. On the Property-Casualty side, this includes continuous monitoring of claims inflation, sufficient provisioning, and timely adjustments of premium rates to reflect both actual and expected inflation.

Equity risk

Insurance-focused Allianz entities may hold equity investments to diversify their portfolios and to take advantage of expected long-term returns. Strategic asset allocation benchmarks, investment and equity sensitivity limits are used to monitor and manage these exposures. In addition, equity investments fall within the scope of the credit risk platform to avoid single-name risk concentrations. Risks from changes in equity prices are normally associated with decreasing share prices and increasing equity price volatilities. As stock markets might also increase, opportunities may arise from equity investments in those events.

Credit spread risk

Fixed-income assets such as bonds may lose value if credit spreads widen. However, our risk appetite for credit spread risk takes into account the underlying economics of our business model: As a liability-driven investor, we typically hold fixed-income assets until maturity. This implies that we are less affected economically by short-term changes in market prices. In our capacity as a long-term investor, this gives us the opportunity to invest in bonds yielding spreads over the risk-free return and earning this additional yield component.

Currency risk

Allianz SE and the other related undertakings of the Allianz Group typically invest in assets which are denominated in the same currency as their liabilities. However, some foreign currency exposures are allowed to support portfolio diversification and tactical investment decisions. Our largest exposure to foreign currency risk comes from our non-euro Group companies: Whenever the euro strengthens, the euro equivalent net asset value of our foreign subsidiaries will decline from an Allianz Group and Allianz SE perspective; however, at the same time, the capital requirements in euro will decrease, partially mitigating the total impact on Allianz Group's and Allianz SE's capitalization. Based on the Allianz Group's foreign exchange management limit framework, currency risk is monitored and managed at the levels of the Allianz Group, Allianz SE, and the other operating entities of the Allianz Group.

Real estate risk

Despite the risk of decreasing real estate values, real estate is a suitable addition to our investment portfolio due to good diversification benefits, as well as to the contribution of relatively predictable, long-term cash flows.

Allianz's Group Investment Committee has defined a framework for standard transactions for real estate equity and commercial real estate loan investments. These standards outline diversification targets, minimum-return thresholds, and other qualitative and quantitative requirements. All transactions that do not meet these standards or have a total investment volume (including costs) exceeding a defined threshold must be reviewed individually by Group Risk and other Group center functions. In addition, all applicable limits must be respected, in particular those resulting from strategic asset allocation as well as its leeways and risk limits, with regards to an investing entity's portfolio.

Credit risk

Credit risk is measured as the potential economic loss in the value of our portfolio that would result from either changes in the credit quality of our counterparties ("migration risk") or the inability or unwillingness of a counterparty to fulfill contractual obligations ("default risk").

The Group's credit risk profile originates from three sources: our investment portfolio, our credit insurance business, and our external reinsurance.

- Investment portfolio: Credit risk results from our investments in fixed-income bonds, loans, derivatives, cash positions, and receivables whose value may decrease depending on the credit quality of the obligor. However, losses due to credit events can be shared with the policyholder for certain life insurance products.
- Credit insurance: Credit risk arises from potential claim payments on limits granted by Allianz Trade to its policyholders. Allianz Trade insures its policyholders against credit risk associated with short-term trade credits advanced to policyholder's clients. When the client of the policyholder is unable to meet its payment obligations, Allianz Trade indemnifies the loss to the policyholder.
- Reinsurance: Credit risk arises from potential losses from non-recoverability of reinsurance receivables or due to default on benefits under in force reinsurance treaties. Our reinsurance partners are carefully selected by a dedicated team. Besides focusing on companies with strong credit profiles, we may also require letters of credit, cash deposits, funds withheld, or assets held in trust, or other financial measures to further mitigate our exposure to credit risk.

The internal credit risk capital model takes into account the major determinants of credit risk for each instrument, including exposure at default, rating, seniority, collateral, and maturity. Additional parameters assigned to obligors are migration probabilities and obligor asset correlations reflecting dependencies within the portfolio. Ratings are assigned to single obligors using a clearly defined assignment process. The central components of this assignment process are long-term ratings from external rating agencies, and internal rating models in case of specific internal investment strategies. If available, a dynamic adjustment using market-implied ratings and the most recent qualitative information available is applied.

The loss profile of a given portfolio is obtained using a Monte Carlo simulation, taking into account interdependencies and exposure concentrations per obligor segment. The loss profiles are calculated at different levels of the Allianz Group, and then fed into the internal model at each level for further aggregation across sources of risk to derive diversified credit risk.

Our credit insurance portfolio is modeled by Allianz Trade, based on a proprietary model component which is a local adaptation of the central internal credit risk model. Allianz Trade's loss profile is integrated in the Group's internal credit risk model to capture the concentration and diversification effects.

To ensure effective credit risk management, credit VaR limits are derived from our internal risk capital framework, and rating bucket benchmarks are used to define our risk appetite for exposures in the lower investment-grade and non-investment-grade area.

Our group-wide country and obligor group limit management framework (CrisP[1]) allows us to manage counterparty concentration risk, covering both credit and equity exposures at the Group, Allianz SE, and other operating-entity levels. This limit framework forms the basis for discussions on credit actions and provides notification services featuring the quick and broad communication of credit-related decisions across the Group.

Clearly defined processes ensure that exposure concentrations and limit utilizations are appropriately monitored and managed. The setting of country and obligor exposure limits from the Group's perspective (i.e., the maximum concentration limit), which are adopted by Allianz SE and serve as maximum local limits for the other operating entities, takes into account the Allianz Group's portfolio size and structure as well as the overall risk strategy.

1_Credit Risk Platform.

Underwriting risk

Apart from risks from internal pensions, underwriting risk consists of premium and reserve risks in the Property-Casualty business segment[2] as well as biometric risks in the Life/Health business segment[3] and underwriting risks are not relevant for the Asset Management business segment and our banking operations.

Property-Casualty

The Property-Casualty primary and reinsurance business of the Allianz Group is exposed to premium-risk-related adverse developments in the current year's new and renewed business, as well as to reserve risks related to the business in force.

Premium risk

As part of our Property-Casualty business operations, we receive premiums from our customers and provide insurance protection in return. Premium risk is the risk that actual claims for the business in the current year develop adversely relative to expected claims ratios. Premium risk can be mitigated by reinsurance as well as by technical excellence in underwriting. Assessing risks as part of the underwriting process is therefore a key element of our risk management framework. There are clear underwriting limits and restrictions which are defined centrally and applied across the Group.

Premium risk is subdivided into three categories: natural catastrophe risk, terror risk, and non-catastrophe risk including man-made catastrophes.

Premium risk is estimated based on actuarial models that are used to derive loss distributions. Non-catastrophe risks are modeled using frequency and severity models for large losses and aggregate loss distribution models for attritional losses. Natural disasters such as earthquakes, storms, and floods represent a significant challenge for risk management due to their high accumulation potential for higher return periods. For natural catastrophe risks, we use special modeling techniques which combine portfolio data (geographic location, characteristics of insured objects, and their values) with simulated natural disaster scenarios to estimate the magnitude and frequency of potential losses. Where such stochastic models do not exist, we use deterministic, scenario-based approaches to estimate potential losses. Similar approaches are used to evaluate risk concentrations for terror events and man-made catastrophes, including losses from cyber incidents and industrial concentrations.

2_Property-Casualty is also referred to as Non-Life.

These loss distributions are then used within the internal model to calculate potential losses with a predefined confidence level of 99.5 %.

Reserve risk

Reserve risk represents the risk of adverse developments in best-estimate reserves over a one-year time horizon, resulting from fluctuations in the timing and/or amount of claims settlement. We estimate and hold reserves for claims resulting from past events that have not yet been settled. In case of unexpected developments, we would experience a gain or loss dependent on the assumptions applied for the estimate. In addition, the risk of inflation volatility deviating from historical observations and of changes in yield curves is covered in the specific market risk modules.

Similar to premium risk, reserve risk is calculated based on actuarial models. The reserve distributions derived are then used within the internal model to calculate potential losses based on a predefined confidence level of 99.5 %.

In order to reduce the risk of unexpected reserve volatility, Allianz SE and the other related undertakings of the Allianz Group constantly monitor the development of reserves for insurance claims on a line-of-business level. In addition, related undertakings generally conduct annual reserve uncertainty analyses based on similar methods used for reserve risk calculations. The Allianz Group performs regular independent reviews of these analyses and Group representatives participate in the local reserve committee meetings.

Retrocession is another important instrument to mitigate reserve risk.

Life/Health

Underwriting risks in our Life/Health operations (biometric risks) include mortality, disability, morbidity, and longevity risks. Mortality, disability, and morbidity risks are associated with an unexpected increase in the occurrence of death, disability, or medical claims. Longevity risk is the risk that the reserves covering life annuities and pension products might not be sufficient due to longer life expectancies of the insured.

Life/Health underwriting risk arises from profitability being lower than expected. As profitability calculations are based on several parameters – such as assumptions on future mortality rates, or morbidity claims – the actual development may differ from the expected one. For example, lower-than-expected mortality rates would lead to additional annuity payments in the future. However,

3_Life/Health is also referred to as Life.

beneficial deviations are also possible; for example, a trend towards healthier lifestyles will most likely result in lower overall health insurance claims.

We measure these risks within our internal model, distinguishing, where appropriate, between risks affecting the absolute level and trend development of the actuarial assumptions on the one hand and pandemic risk scenarios on the other. Depending on the nature and complexity of the risks involved, our health business is represented in the internal model according to Property-Casualty or Life/Health calculation methods and is therefore included in the relevant Property-Casualty and Life/Health figures accordingly. However, most of our health business is attributable to the Life/Health business segment.

Business risk

Business risks include cost risks and policyholder behavior risks. They are mostly driven by the Life/Health business and to a lesser extent by the Property-Casualty and the Asset Management business. Cost risks are associated with the risk that expenses incurred in administering insurance policies – or investment management expenses for portfolio management – are higher than expected or that new business volume decreases to a level that does not allow Allianz to absorb its fixed costs. Business risk is measured relative to baseline plans.

For the Life/Health business, policyholder behavior risks are risks related to unpredictable, adverse behavior of policyholders in exercising their contractual options, such as, for instance, early termination of contracts, surrenders, partial withdrawals, renewals, and annuity take-up options.

Assumptions on policyholder behavior are set in line with accepted actuarial methods and based on own historical data, where available. If there is no historical data, assumptions are based on industry data or expert judgment. These are used as a basis to determine the economic impact of policyholder behavior under different scenarios within our internal model.

The potential interaction between market risks (in particular interest rate risk) and lapse risk is covered by two different modeling aspects:

- Financial rationality: The Life/Health cash flow models generally contain a dynamic modeling of lapse where the best estimate lapse rate is increased if market returns are significantly higher than the overall return of the insurance policy and vice versa.
- Cross effects: This part takes into account that a combined impact of a market rate change and a lapse rate change could deviate significantly from the sum of the two impacts.

Operational risk

Operational risks refer to losses resulting from inadequate or failed internal processes, human errors, system failures, and external events, and can stem from a wide variety of sources, including the following:

- "Clients, Products, and Business Practices": potential losses due to a failure to meet the professional obligations or from the design of products. Examples include mis-selling, non-compliance with internal or external requirements related to products, anti-trust behavior, data protection, sanctions and embargoes, etc. These losses tend to be less frequent but, when they occur, can have a high financial (and reputational) impact.
- "Execution, Delivery, and Process Management": potential losses arising from transaction or process management failures. Examples include interest and penalties from non-payment or underpayment of taxes, or losses associated with broker and agent distribution processes. These losses tend to be of a relatively higher frequency but with little financial impact (although single large-loss events can occur).
- Other operational risks including, for example, internal or external fraud, financial misstatement risk, IT risks (such as a cybersecurity incident causing limited availability, loss of confidentiality or integrity, or regulatory fines[1]), IT-related risks (such as improper delivery/design or operational stability), a potential failure at our outsourcing partners causing a disruption to our working environment, etc.

In the last year, the following two operational risks related to IT have gained in importance in particular:

The first operational risk results from fast developments in the area of artificial intelligence (AI) including generative AI. AI can help Allianz to further improve customer services and internal processes but also comes with new operational risks: Public and regulatory concerns about discriminating AI and "Black Box AI" triggered various regulatory initiatives by supervisory authorities and regulators across the globe, especially the upcoming European Union AI Act, which is expected to be finalized in 2024. Allianz addresses these new legal and reputational risks seriously with its AI governance framework, which is already rolled out in various OEs. It basically includes a practical guidance for AI promoting transparency, privacy, fairness, human agency and accountability in the development and deployment of AI solutions. Privacy and ethics impact assessments help to implement these AI principles on a case-by-case basis. These activities are supported by various training and awareness campaigns for Allianz employees, and by a data advisory board preparing decisions for the Board of Management in the area of AI and data ethics. The Allianz AI governance framework will be further adjusted, especially to implement the European Union AI Act in its final version, and structurally rolled out in the operating entities.

The second operational risk is compliance with rising regulatory requirements on the management of IT risks. In the second quarter 2022, BaFin conducted an audit on the implementation of the supervisory requirements for insurance on IT (VAIT) at Allianz SE, with the new version published on 3 March 2022. To address the findings, Allianz SE has set up a program under the lead of the division "Operations, IT and Organization" and approved and submitted to BaFin a corresponding remediation plan. The remediation plan has been accepted by BaFin.

Additional recent examples are the European Commission's Digital Operational Resilience Act (DORA) and similar requirements from local regulators relevant for the Allianz Group. To achieve compliance with the large number of very granular DORA standards, an extensive program coordinated by Group Protection & Resilience was initiated during 2023. The program aims to implement adequate solutions by January 2025, when the requirements set by the act need to be effectively met by Allianz. Group Risk is participating in the project and is actively involved in contributing to the design required by DORA.

In the last year, one operational risk related to IT has reduced in importance. The project risk related to the Allianz Group's IT transformation program, which aimed at accelerating complexity reduction and achieving additional synergy effects and cost savings in IT, was reduced due to formal closure of the program and transfer of remaining activities to a local project in the Asia region. The program was supported with a tailored risk assessment approach, which will now happen in a similar way for the local project. Risks at all levels of the program – at operating entities, business areas and the global program – were independently identified, assessed, and will – where necessary – continue to be managed, and monitored in a harmonized way.

1_For further information on cyber risk, see section "Cybersecurity" in the Non-Financial Statement.

The Allianz Group's operational risk primarily refers to losses in either the insurance or the asset management business, or both.

The Group's operational risk capital is dominated by the risk of potential losses within the categories "Clients, Products, and Business Practices" and "Execution, Delivery, and Process Management". With regard to the largest category "Clients, Products, and Business Practices", key external drivers are changes in laws and regulations. Internal drivers reflect potential failures of internal processes. These drivers are considered in the local scenario analyses.

Operational risk capital is calculated using a scenario-based approach based on expert judgment, as well as internal and external operational loss data. The estimates for frequency and severity of potential loss events for each material operational risk category are assessed and used as a basis for our internal model calibration.

Allianz has developed a consistent operational risk management framework, which is applied across the Group based on proportionality and focuses on the early recognition and proactive management of material operational risks. The framework defines roles and responsibilities as well as management processes and methods: Local risk managers at Allianz SE and at the other operating entities of the Allianz Group, in their capacity as Second Line of Defense, identify and evaluate relevant operational risks and control deficiencies via a dialogue with the First Line of Defense, report operational risk events in a central database, and ensure that the framework is implemented in their respective operating entity.

This framework triggers specific mitigating control programs. For example, compliance risks are addressed with written policies and dedicated compliance programs monitored by compliance functions across the Allianz Group. The risk of financial misstatement is mitigated by a system of internal controls covering financial reporting. Outsourcing risks are covered by our Outsourcing Policy, Service Level Agreements, and Business Continuity and Crisis Management programs to protect critical business functions from these events. Cyber risks are mitigated through investments in cybersecurity, cyber insurance that Allianz buys from third-party insurers, and a variety of ongoing control activities, developed and implemented along the following main themes: slow down hackers, increase threat detection, reduce the damage of attacks, and enhance the skills as well as the organizational structure.

With regards to the last year, in particular IT risk management and information and cybersecurity were further improved via implementation of the following strategic themes, which were derived from both observed and anticipated risks, considering the strategic outlook of information security, the threat landscape, and industry trends: (1) protection of digital identity, (2) security service health, (3) cyber resilience.

Due to the particular importance of operational risks for the Asset Management business, a key task for the local Risk Management functions in the related entities is a regular monitoring of the internal controls attached to material processes. This is also supported by the introduction of the concept on Non-Financial Risk Management (NFRM).

The ICS for operational risk encompasses the management of compliance, financial reporting, and other operational risks. The effectiveness of this internal control system is monitored along two dimensions:

- Monitoring the effective implementation of the Non-Financial Risk Management (NFRM) framework, which is progressively replacing the Integrated Risk and Control System (IRCS) framework. If correctly implemented, these frameworks ensure that risks are identified in time, and controls are appropriately set up and tested frequently to identify potential weaknesses or gaps in the internal control system.
- Monitoring the resolution of identified weaknesses in the internal control system.

NFRM strengthens the internal control system by using a new risk taxonomy consistent across the Group, which helps to aggregate the risks at Group level, and by using an even more rigorous testing approach. It is being rolled out in so-called waves with close monitoring by Group Risk and Group Compliance. Insurance and Asset Management entities of the first two waves – 44 operating entities out of 67 – have already undergone important implementation steps in 2023 to further bolster assurance activities. Operating entities part of the last wave 3 have continued to apply the IRCS framework and will implement NFRM in 2024.

The full implementation of the new framework across the Group is expected to be completed by year-end 2024. Meanwhile, Group Risk and Group Compliance are closely monitoring all waves, seamlessly bridging an effective migration between IRCS and NFRM.

The NFRM is an integral part of the overall ICS, whose fundamentals are described in the section "Risk Governance System and Internal Control System".

The NFRM is the framework by which the Second Line of Defense supports and facilitates the fulfillment of First Line of Defense responsibility to implement an adequate and effective system for managing Non-Financial Risks. The NFRM aims to strengthen the control system by using a harmonized methodology to:

- Achieve a consistent and commonly accepted definition of risks that fall under the category Non-Financial Risk, via establishing a set of non-financial risk vectors.
- Facilitate the implementation of adequate controls via an NFRM control catalog, consisting of control objectives, risk scenarios, and exemplary key controls.
- Ensure a robust testing of these controls, using a systematic risk-based approach.

To achieve these targets, NFRM has connected and evolved already existing pillars and tools of the Allianz Risk Management and Internal Control System framework, e.g., the Top Risk Assessment (TRA) methodology, the Integrated Risk and Control (IRCS) framework, and the use of internal and external operational loss events.

The NFRM framework has the following key features:

- Objective data is used through a consistent methodology to facilitate a baseline assessment of non-financial risks.
- An assessment of top non-financial risks prioritizes risks to better allocate resources.
- A process-level view is used to approach risks and controls from a business view, and to facilitate integrated assurance.
- Standardized key controls are defined to support compliance and risk management by design, and to enforce integrated assurance and testing rigor.

Fundamental to the NFRM is the concept of a holistic approach. While there are several different sources of operational risks, the process towards the management of the risks always follows the same core principle. This is that operational risks must be identified, assessed, and prioritized, and underlying mitigating controls have to be effective. This is the basic premise behind establishing an integrated approach.

At the Allianz Group level, it is important to monitor the quality of the local implementation of this framework as a means of ensuring that internal control system weaknesses are identified prior to the occurrence of operational risk events (ex-ante).

To fulfill this objective, Allianz relies on a methodology known as the OE control environment rating. The OE control environment rating evaluates the effectiveness of the framework at the operating entity level by leveraging several sources of data and KPIs, which are then further enhanced via certain qualitative criteria.

Additionally, an Allianz group-wide Executive Accountability Regime (EAR) is in place to further support the integration of risk management into business processes. It is essential that the Board of Management demonstrates a strong risk culture to support this integration – they lead by example in order to make clear throughout the business that the management of risks is an important factor when it comes to the achievement of business objectives.

For a selection of key executives, the EAR formalizes clear accountability and ownership for risk management through tailored individual accountability statements, which concretely outline role-specific responsibilities to reinforce the Allianz purpose and strategy in thinking and behavior across Allianz, as well as to mitigate key risks. In addition, to reinforce these accountabilities amongst business leaders, compliance with internal and external regulations as well as vigilance in living the Group's risk culture is taken into account when determining performance. In 2023, the EAR has been further enhanced to include a minimum set of clearly defined key indicators to measure OE management's timely responsiveness in the areas of Risk, Compliance, Legal, Data Privacy, Audit, and People & Culture. These quantitative indicators are complemented with a holistic qualitative assessment.

Other material risks not modeled in the internal model

There are risks which, due to their nature, cannot be adequately addressed or mitigated by setting aside dedicated capital. These risks are therefore not considered in the internal model. For the identification, analysis, assessment, monitoring, and management of these risks we also use a systematic approach, with risk assessment generally based on qualitative criteria or scenario analyses. The most important of these other risks are strategic, liquidity, and reputational risk.

Strategic risk

Strategic risk is the risk of a decrease in the company's value arising from adverse management decisions on business strategies and their implementation.

Strategic risks are identified and evaluated as part of the Group's Top Risk Assessment process and discussed in various Board of Management-level committees (for example, GFRC). We also monitor market and competitive conditions, capital market requirements, regulatory conditions, etc., to decide if strategic adjustments are necessary.

The most important strategic risks are related to the value creation levers, which focus on three themes: Growth, Margin Expansion, and Capital Efficiency. Progress on mitigating strategic risks and meeting the value creation levers is monitored and evaluated in the course of the Strategic and Planning Dialogues between the Allianz Group and Allianz SE and the other related undertakings.

Liquidity risk

Liquidity risk is defined as the risk that current or future payment obligations cannot be met or can only be met on the basis of adversely altered conditions. Liquidity risk can arise primarily if there are mismatches in the timing of cash in- and outflows.

The liquidity risk profile of Allianz predominantly originates from the uncertainty about the volume and timing of cash needs from insurances liabilities. This relates especially to:

- Coverage of various types of catastrophes in the Property-Casualty business, with the frequency of such events anticipated to increase going forward as a result of the unfolding climate change effects.
- Mass lapse events or rising lapse rates in the Life/Health insurance business, especially in combination with changes in the relevant capital market environment.

Major risks can also result from derivative transactions used by Allianz to hedge specific market risks.

Allianz is exposed to liquidity risk as well due to large operational risk events, which may potentially result in significant cash outflows.

Another source of liquidity risk for Allianz are potential regulatory actions by local supervisors, which may reduce dividends from subsidiaries to the Group (e.g., due to global events such as those partially observed during the COVID-19 crisis).

Each legal entity of the Allianz Group measures and manages liquidity risk locally, using asset/liability management systems designed to ensure that assets and liabilities are adequately matched. Local investment strategies particularly focus on the quality of the investments and ensure a significant portion of liquid assets (e.g., high-rated government bonds or covered bonds) in the portfolios. In the course of the liquidity planning, liquidity sources (e.g., cash from investments and premiums) and liquidity needs (e.g., payments due to insurance claims and expenses) are reconciled under a best-estimate plan, as well as under adverse idiosyncratic and systemic liquidity scenarios with time horizons of up to 12 months, to allow for a consistent view on liquidity risk across the Group. These analyses are predominantly performed at legal entity level and are monitored by the Group for large- and mid-sized units.

The annual and the high-level three-year cash flow plan for Allianz SE and the Holding and Treasury reportable segment reflect the overall operating, financing, and investing strategy of the Allianz Group. The liquidity stress-testing framework of Allianz SE is identical to that of the other legal entities. Major contingent liquidity requirements arise mainly from market risk scenarios for Allianz SE and its subsidiaries, from the non-availability of external capital markets, and from reinsurance risk scenarios for Allianz SE.

In addition, the cash position of the Group cash pool investment portfolio is monitored and forecast on a daily basis.

In the liquidity risk measurement process, early warning and limit thresholds are applied to regularly measure the local (stressed) liquidity position, inform senior management, and decide on actions if needed.

The management of Allianz's liquidity risk at a local level is facilitated by a dedicated governance and organizational setup. In general, the First Line of Defense is responsible for managing liquidity risk. Monitoring of liquidity risk is the responsibility of the local Risk Management functions, and potential liquidity gaps are reported to the respective local boards of management.

Reputational risk

Allianz's reputation as a well-respected and socially aware provider of financial services is influenced by our behavior in a range of areas such as product quality, corporate governance, financial performance, customer service, employee relations, intellectual capital, and corporate responsibility.

Reputational risk is the risk of an unexpected drop in the value of the Allianz SE share price, the value of the in-force business, or the value of future business caused by a decline in our reputation in the eyes of internal or external stakeholders.

The identification and assessment of reputational risks is part of the annual Top Risk Assessment process, undertaken by the Allianz Group and all operating entities. As part of this process, senior management approves the risk strategy for the most significant risks and their potential reputational impact.

ESG risks

Environmental, social or governance events and conditions (ESG factors), such as climate change, loss of biodiversity or human rights abuses, are increasingly becoming a relevant source of adverse impacts on our balance sheet, profitability or reputation. These ESG-related risks are characterized by their transversal nature, meaning they may materialize within any of Allianz's existing risk categories (e.g., market risk, underwriting risk, operational risk) as either a consequence of societal responses to ESG factors – including regulatory changes, litigation, technological developments and changes in human behavior – or due to events causing physical damage, such as droughts, floods or storms, whereby the magnitude or likelihood is attributable to an ESG factor.

Allianz's strategy for the management of these risks begins with establishing a comprehensive understanding of all the ways ESG factors can trigger adverse events within the investment, underwriting, and operations areas of our business, as well as from a broader reputational perspective. For this purpose, a dedicated ESG risk inventory has been established and a corresponding risk assessment performed, which enables us to take a risk-based view in terms of evaluating the adequacy of mitigation measures in place.

ESG-related mitigation measures may vary substantially, depending on the precise nature of the underlying risk, ranging from establishment of specific controls at the business process level through to adjustments in Allianz's long-term business strategy. Given that all adverse impacts attributable to ESG factors are ultimately realized within one of Allianz's existing risk categories, we aim – to the greatest extent possible – to embed the identification and management of these risks directly within risk management processes already in place.

At the Group level, the GFRC is responsible for overseeing ESG-related risks. In addition, a Group Sustainability Board is in place, which is responsible for Allianz's overall ESG strategy and for steering the integration of ESG aspects into core investment and insurance activities.

For a broader perspective on our key ESG integration processes, please refer to the sections "Sustainability integration approach" and "Transition plan and strategy" in the Non-Financial Statement.

With respect to consideration of ESG risks in the management of third-party assets, our asset managers AllianzGI and PIMCO each have their own global ESG framework, which supports their client-derived objectives of ESG investing, while complying with globally and locally relevant rules and regulations.

Climate change

Within the broad scope of ESG, climate change is currently the ESG factor of primary emphasis, both in terms of regulatory focus and potential to materially influence our risk profile over a short- to mid-term and long-term horizon. Commensurate with this emphasis, an assessment of Allianz's climate change-related risks has been conducted during 2023, including both a qualitative risk assessment following the structure of the ESG risk inventory, as well as quantitative scenario analyses and stress-testing.

For information about the climate change risk management methodology, the outcome of the assessments and next steps, please refer to the section "Climate-related risks" in the Non-Financial Statement.

Internal risk capital framework[1]

We define internal risk capital as the capital required to protect us against unexpected, extreme economic losses, and which forms the basis for determining our Solvency II regulatory capitalization. We calculate and consistently aggregate internal risk capital across all business segments on a quarterly basis. We also regularly project risk capital requirements between reporting periods in times of financial market turbulence.

General approach

For the management of our risk profile and solvency position, we utilize an approach that reflects the Solvency II rules in that it comprises our approved internal model covering Allianz SE and all other major insurance operations. Other entities are reflected based on standard formula results, others under the deduction and aggregation approach as well as on sectoral requirements (e.g., Asset Management) or local requirements for non-insurance operations, in accordance with the Solvency II framework.

Internal model

Our internal model is based on a VaR approach using a Monte Carlo simulation. Following this approach, we determine the maximum loss of portfolio value in scope of the model within a specified timeframe ("holding period", set at one year) and probability of occurrence ("confidence level", set at 99.5 %). We simulate risk events from all risk categories ("sources of risk") modeled and calculate the portfolio value based on the net fair value of assets minus liabilities, including risk-mitigating measures such as reinsurance contracts or derivatives, under each scenario.

The risk capital required is defined as the difference between the current portfolio value and the portfolio value under adverse conditions at the 99.5 % confidence level. As we consider the impact of a negative or positive event on all risk sources and covered businesses at the same time, diversification effects across products and regions are taken into account. The results of our Monte Carlo simulation allow us to analyze our exposure to each source of risk, both separately and in aggregate. We also analyze several pre-defined stress scenarios representing historical events, reverse stress tests, and adverse scenarios relevant for our portfolio. Furthermore, we conduct ad-hoc stress tests on a monthly basis to reflect current political and financial developments, and to analyze specific non-financial risks more closely.

Coverage of the risk capital calculations

The Allianz Group's internal model to calculate our Solvency Capital Requirement (SCR) covers all major insurance operations[2]. This includes both relevant assets (including fixed income, equities, real estate, and derivatives) and liabilities (including the run-off of all current and planned technical provisions as well as deposits, issued debt, and other liabilities). For with-profit products in the Life/Health business segment, the options and guarantees embedded in insurance contracts – including policyholder behavior – are taken into account.

Smaller related undertakings in the European Economic Area which are not covered by the internal model are reflected with their standard formula results. Until the third quarter 2023, the Solvency Capital Requirements for certain smaller insurance undertakings outside the European Economic Area with only immaterial impact on the Group's risk profile were accounted for at the level of Allianz Group by means of book value deduction[3]. Due to regulatory requirements, starting from the fourth quarter 2023, the book value deduction approach is no longer used for these entities. Instead, the contribution of the solvency capital requirement from these entities to the Group is derived through experience values from the standard model, in alignment with the regulator.

1_This section contains specific risk disclosures as required by IFRS 17 and IFRS 7 relating to the notes to the consolidated financial statements.

2_Allianz Life Insurance Company of North America is based on third-country equivalence.

3_Under book value deduction, the book value of the respective entity is deducted from eligible Own Funds of the Group.

Risk capital related to our European banking operations is allocated to the Corporate and Other business segment and calculated based on the approach applied by banks in accordance with the local requirements resulting from the Basel regulation (Basel standards). As the impact on the Group's total Solvency Capital Requirement is minor, risk management for the banking operations is not discussed in greater detail.

For our Asset Management business segment, we assign internal risk capital requirements based on sectoral regulatory capital requirements.

In view of the above, Allianz's risk capital framework covers all material and quantifiable risks. Risks not specifically covered by the internal model include strategic, liquidity, and reputational risks.

Assumptions and limitations

Risk-free rate and volatility adjustment

When calculating the fair values of assets and liabilities, the assumptions regarding the underlying risk-free yield curve are crucial in determining and discounting future cash flows. For liability valuation, we apply the methodology provided by the European Insurance and Occupational Pensions Authority (EIOPA) to extrapolate the risk-free interest rate curves beyond the last liquid tenor.

In addition, we adjust the risk-free yield curves by a volatility adjustment (VA) in most markets where a volatility adjustment is defined by EIOPA and approved by the local regulator. This is done to better reflect the underlying economics of our business, as the cash flows of our insurance liabilities are largely predictable. The advantage of being a long-term investor is the opportunity to invest in bonds yielding spreads over the risk-free return and earning this additional yield component over the duration of the bonds. Being a long-term investor mitigates much of the risk of having to sell debt instruments at a loss prior to maturity.

We take account of this by applying the volatility adjustment to mitigate the credit spread risk, which we consider to be less meaningful for long-term investors than the default risk. Allianz also models the volatility adjustment dynamically within our approved internal model, which differs from the static EIOPA VA concept applied in the standard formula. For risk capital calculations, we assume a dynamic movement of the volatility adjustment broadly consistent with the way the VA would react in practice; however, we base the movement on our own portfolio rather than the EIOPA portfolio. To account for this deviation, Allianz applies a more conservative, reduced application ratio for the dynamic volatility adjustment. Validation is performed regularly to verify the appropriateness and prudency of the approach.

Valuation assumptions: replicating portfolios

We replicate the liabilities of our Life/Health insurance business. This technique enables us to represent all product-related options and guarantees, both contractual and discretionary, by means of standard financial instruments. In the risk calculation, we use the replicating portfolio – together with a Least Square Monte Carlo approach for risks that are not covered by the replication – to determine and revalue these liabilities under all potentially adverse Monte Carlo scenarios.

Diversification and correlation assumptions

As Allianz is an integrated financial services provider offering a variety of products across different business segments and geographic regions, diversification is key to our business model.

Diversification typically occurs when looking at combined risks that are not, or only partly, interdependent. Important diversification factors include regions (e.g., windstorm in Australia vs. windstorm in Germany), risk categories (e.g., market risk vs. underwriting risk), and subcategories within the same risk category (e.g., commercial vs. personal lines of property and casualty risk). Ultimately, diversification is driven by the specific features of the investment or (re)insurance products in question and their respective risk exposures. For example, an operational risk event in Australia can be considered to be highly independent of a change in credit spreads for a French government bond held as investment.

The internal model considers concentration, accumulation, and correlation effects when aggregating results at the Group level, Allianz SE level, or at the level of other Group companies. The resulting diversification reflects the fact that all potential worst-case losses are not likely to materialize at the same time.

Where possible, we derive correlation parameters for each pair of market risks through statistical analysis of historical data, considering observations over more than a decade. In cases where historical data or other portfolio-specific observations are insufficient or unavailable, correlations are set by the Correlation Settings Committee, which combines the expertise of risk and business experts in a well-defined and controlled process. In general, when using expert judgment, we set the correlation parameters to represent the joint movement of risks under adverse conditions. Based on these correlations, we use an industry-standard approach, the Gaussian copula, to determine the dependency structure of quantifiable sources of risk within the applied Monte Carlo simulation.

Actuarial assumptions

Our internal model also includes assumptions on claims trends, liability inflation, mortality, longevity, morbidity, policyholder behavior, expenses, etc. We use our own internal historical data for actuarial assumptions wherever possible, additionally considering recommendations from the insurance industry, supervisory authorities, and actuarial associations. The derivation of our actuarial assumptions is based on generally accepted actuarial methods. Our internal risk capital and financial reporting framework incorporates comprehensive processes and controls to ensure the reliability of these assumptions.

Model limitations

As the internal model is based on a 99.5 % confidence level, there is a low statistical probability of 0.5 % that actual losses could exceed this threshold in the course of one year.

We use model and scenario parameters derived from historical data, where available, to characterize future possible risk events. If future market conditions were to differ substantially from the past, for example, in an unprecedented crisis or as a possible result of severe structural breaks resulting from climate change, our VaR approach might be too conservative or too liberal in ways that are difficult to predict. In order to mitigate reliance on historical data, we complement our VaR analysis with stress testing.

Furthermore, we validate the model and parameters through sensitivity analyses, independent internal peer reviews, and, where appropriate, independent external reviews, focusing on methods for selecting parameters and control processes. To ensure that the model is validated adequately, we have established an Independent Validation Unit (IVU) within Group Risk, responsible for validating our internal model within a comprehensive model validation process. Any limitations identified during the validation process are remedied after consultation with the Group regulator. Overall, we believe that our validation efforts are effective and that the model adequately assesses the risks to which we are exposed.

The construction and application of the replicating portfolios mentioned are subject to the set of replicating instruments that are available and might be too simple or restrictive to capture all factors affecting the change in value of liabilities. As with other model components, the replication framework is subject to independent validation and to suitability assessments as well as to stringent data and process quality controls. Therefore, we believe that our liabilities are adequately represented by the replicating portfolios.

Since the internal model takes into account the change in the economic fair value of our assets and liabilities, it is crucial to estimate the market value of each item accurately. For some assets and liabilities, it may be difficult, if not impossible – notably in distressed financial markets – to either obtain a current market price or to apply a meaningful mark-to-market approach. For such assets we apply a mark-to-model approach. For some of our liabilities, the accuracy of their values also depends on the quality of the actuarial cash flow estimates. Despite these limitations, we believe the estimated fair values are appropriately assessed.

Regulatory and model changes in 2023

In 2023, our internal model was further enhanced based on regulatory developments, model validation results, and the feedback received in the course of our consultations with regulators.

The net impact of regulatory and model changes on the Solvency II risk capital of the Group in 2023 was € 2.9 bn.

The most important changes are:

- Inclusion of capital requirements for certain previously not modeled minor non-EEA insurance entities[1], including currency risk (impact: € 3.0 bn).
- Change in the modeling of contingent capital reinsurance at Allianz Lebensversicherungs-AG (€ 0.2 bn).
- Dynamic inflation extrapolation, which improves the inflation modeling by refining both the coverage of the term structure and the extrapolation to the central bank's long-term inflation target (€ (0.3) bn).

In addition, in an effort to enhance the explanatory power of the risk capital movement analyses, our approach for allocating the risk capital from Group insurance entities which are modeled based on the Solvency II standard formula was improved. In the refined approach, the risk contributions to single risk categories are better aligned to the risk profile of the standard formula entities, and the diversification as well as the loss absorbing capacity of deferred taxes in the standard formula are more appropriately reflected. The change in the allocation approach does not impact the total SCR of the Allianz Group, but it increases all contributions of these standard formula entities to the single risk categories.

In all subsequent sections, the figures including model changes will form the basis for the movement analyses of our risk profile in 2023. As our general capital steering continues to focus on the Solvency II ratio impacts, excluding the application of transitional measures on technical provisions, the figures in the following table exclude transitional measures unless specifically stated.

Allianz Group: Impact of regulatory and model changes – Allocated risk according to the risk profile (total portfolio before non-controlling interests)
€ mn

	Market risk		Credit risk		Underwriting risk[1]		Business risk[2]		Operational risk		Diversification		Total	
As of 31 December	2022[3]	2022[4]	2022[3]	2022[4]	2022[3]	2022[4]	2022[3]	2022[4]	2022[3]	2022[4]	2022[3]	2022[4]	2022[3]	2022[4]
Property-Casualty	7,064	5,805	2,695	2,312	13,344	11,839	593	478	1,872	1,498	(9,167)	(6,738)	16,401	15,194
Life/Health	17,064	15,159	1,531	1,328	1,647	804	5,490	4,072	1,645	1,433	(8,830)	(4,209)	18,548	18,586
Corporate and Other	1,853	1,834	286	287	73	63	-	-	372	380	(547)	(459)	2,038	2,104
Total Group	**25,982**	**22,798**	**4,513**	**3,926**	**15,064**	**12,706**	**6,083**	**4,549**	**3,889**	**3,311**	**(18,544)**	**(11,406)**	**36,987**	**35,884**
Tax relief													(5,339)	(4,355)
Capital add-on													764	937
Minor non-EEA insurers													2,930	-
Third country equivalent													3,520	3,520
Sectoral requirements													2,783	2,783
Total Group													**41,646**	**38,769**

1_Allocation of underwriting risk from standard formula entities according to the subcategories in the internal model.
2_Allocation of business risk from standard formula entities according to the subcategories in the internal model.
3_2022 risk profile figures adjusted based on the impact of the 2023 model changes.
4_2022 risk profile figures as reported previously.

1_Formerly, both capital requirements and Own Funds of those minor non-EEA entities did not enter Solvency II capitalization figures, as Allianz made use of the book value deduction approach.

In 2023, the impact of model changes on our internal model concerned the following risk categories:

Market risk

The higher market risk is mainly due to the change in the approach for allocating risk contributions from standard formula entities, as well as the net impact of several minor model changes at Allianz companies. This is partially offset by the SCR reduction due to the dynamic inflation extrapolation model change.

Overall, these model change result in a € 3.2 bn higher market risk of the Allianz Group at € 26.0 bn (2022: € 22.8 bn).

Credit risk and operational risk

The higher credit risk, and operational risk figures at Allianz Group level are mainly driven by the improved approach for allocating risk capital from major Group standard formula entities to the risk categories.

The minor model changes in 2023 do not have a material impact on credit risk and operational risk.

Underwriting risk and business risk

For underwriting risk and business risk, the higher figures at Allianz Group level are mainly resulting from the improved approach for the allocation of risks from standard formula entities.

The minor model changes in 2023 do not materially impact underwriting risk and business risk.

Diversification benefits and tax relief

The higher diversification benefits and tax relief figures are due to the explicit reflection of diversification benefits and the loss-absorbing capacity of deferred taxes from the standard formula entities.

Capital add-on

The reduction in the capital add-on is mainly due to a decrease in the replicating portfolio add-on due to the dynamic inflation extrapolation model change.

Minor non-EEA insurance entities

Due to regulatory requirements, starting from the fourth quarter 2023, the book value deduction approach will no longer be used for certain minor non-EEA insurance entities. Instead, a value for the contribution of solvency capital requirements from these entities to the Group is derived from an approach based on experience values from the standard formula calculations for the Allianz Group, which has been aligned with the regulator.

Impact of model changes on Eligible Group Own Funds

As a result of regulatory and model changes, we registered a € 7.3 bn increase of Own Funds after tax in 2023, mainly driven by the change for the minor non-EEA insurance entities that were formerly included via book-value-deduction in the amount of € 6.3 bn.

The remaining impacts of central, minor and immaterial model changes are mainly driven by Allianz Lebensversicherungs-AG.

Impacts of transitional measures

The continued application of transitional measures on technical provisions for Allianz Lebensversicherungs-AG and Allianz Private Krankenversicherungs-AG resulted in an increase in the Own Funds of € 10.2 bn at the Group level.

Allianz risk profile and management assessment[1]

Risk profile and market environment

Allianz's core business as a global insurer and asset manager predominantly exposes it to a variety of risks such as underwriting risks, financial market and credit risks, and several other non-financial risks (i.e., operational, reputational, liquidity, and strategic risks). The execution of the strategic objectives may impact the potential severity or likelihood of these existing risks, contribute towards concentrations of certain types of risk, or potentially even give rise to new risks within a given risk category. However, from a broad perspective, the overall risk profile of Allianz has remained and is expected to remain stable. "Stable" in this context means a relatively high exposure to financial risks (i.e., the sum of financial market and credit risks), a moderate exposure to underwriting risks, and a modest exposure to operational, business, and other risks (i.e., measured as a share of the Allianz Group's Solvency II risk capital). Please refer to section "Solvency II Regulatory Capitalization" for further details.

To support the development of a risk appetite and a risk management framework for these core risks, the Allianz Group has elaborated the following risk management philosophy:

- Financial risks: The Allianz Group's ultimate objective is to assure that financial risk taking is in line with risk-bearing capacity at the Group and legal entity level, and that it creates shareholder equity. To manage financial risk effectively and avoid accumulated losses in times of financial crisis, it is essential to clearly identify, measure, monitor, and control the risks inherent in the investment portfolios and in insurance products, including the development of new products.
- Underwriting risks: Exposures to these risks are required to serve customers and generate shareholder value. Quality control mechanisms are applied to ensure adherence to Allianz's underwriting standards and monitor the quality of the portfolio and underwriting process. The underwriting processes must support sustainable and profitable business, secure consistency, align with the risk appetite of the Group and of the operating entities as well as avoid undesired and/or excessive risks and accumulations.
- Other non-financial risks: These risks are inherent to the core business and need to be carefully managed via continuous improvements in risk identification, risk assessment, and control environments. This occurs through elements of the Group Risk management framework such as the Top Risk Assessment (TRA), Non-Financial Risk Management (NFRM), Reputational Risk Management Framework, and Liquidity Risk Management.

Potential risks in the financial market and in our operating environment

Allianz faces a challenging financial market and operating environment. Markets are characterized by the risk of persistently high volatility. Interest rates have further increased, reflecting continued monetary policy tightening by key central banks to counter current inflation rates and long-term inflation expectations being above central banks' long-term inflation targets. Bonds and equity markets are fragile, as inflation and economic growth prospects for Europe and the United States are still impacted by repercussions from the war in Ukraine and supply chain disruptions from the COVID-19 pandemic,

1_This section contains specific risk disclosures as required by IFRS 17 and IFRS 7 relating to the notes to the consolidated financial statements.

and there is the risk of further global political and economic destabilization.

Lasting geopolitical and new regional political crises dominate the political and economic agenda. There is no clear resolution on the horizon for the lasting war in Ukraine. In addition, the Israel-Hamas war in Gaza risks escalating into a regional military conflict with the involvement of Iran and the U.S., encompassing new risks for energy prices and inflation. Furthermore, there is the risk of a deterioration in the United States-China relationship, as well as of a further hardening of China's attitudes towards Taiwan.

In addition to the geopolitical crises, there are several other factors that may lead to a persistent high financial market volatility. Lasting momentum for populist and radical parties in the Americas, in Europe, and around the globe could make international cooperation and coordination more challenging and complex, leading to a lower chance of impactful political action on geopolitical and regional crises, as well as on issues such as climate change, due to conflicting objectives. The risk factors also include further disruptions to global supply chains, which weigh on global trade, with the potential to prompt long-term structural shifts in these chains. Lasting risk factors include the challenges of implementing long-term structural reforms in key eurozone countries.

The increasing reliance on digital technologies, combined with the rising use of artificial intelligence, increases the risk of technology obsolescence, cyberattacks, data breaches, system failures, negative impacts from the use of deepfake tools on political and business processes, as well as the risk of non-compliance with increasing regulation covering IT-related business processes.

Therefore, we continue to closely monitor political, financial and technological developments as well as the global trade situation to manage our overall risk profile to specific event risks.

Regulatory developments

Our approved partial internal model has been applied since the beginning of 2016 when Solvency II came into effect. There is some uncertainty whether the provisional equivalence of the U.S. solvency regime for Solvency II purposes will be extended beyond 2025, as well as about future regulatory requirements resulting from the potential introduction of future global capital requirements and from the current Solvency II review.

The Solvency II concept of "equivalence" allows third country solvency regimes to be recognized and used for Solvency II purposes. Most relevant for Allianz today, it allows the integration of Allianz Life Insurance Company of North America into the Group capital calculation based on U.S. solvency requirements. The current provisional equivalent treatment of the U.S. expires at the end of 2025 and there is some risk that the equivalence will not be extended beyond 2025, with a potential negative impact on the solvency ratio of the Allianz Group.

The framework for potential future capital requirements for Internationally Active Insurance Groups (IAIGs) is yet to be finalized by the International Association of Insurance Supervisors (IAIS) and the Financial Stability Board (FSB).

In addition, in recent years, the European Commission reviewed the Solvency II directive as foreseen in European legislation. The review has been politically agreed by the trilogue parties (European Commission, European Parliament, and European Council) in December 2023, and the final text of the directive is expected to be published in the official journal of the European Union in the second or the third quarter of 2024. The corresponding update of Level 2 legislation (Solvency II regulation) as well as EIOPA guidelines will be performed by the European Commission and EIOPA during 2024 and 2025 and will cover outstanding technical details as delegated by the directive. The application of the new rules will start 24 months after their publication in the official journal of the European Union, i.e., for the second quarter of 2026 at the earliest.

Finally, the potential for a multiplicity of different regulatory regimes, capital standards, and reporting requirements based on a parallel application of a global capital framework (Insurance Capital Standard – ICS) as well as Solvency II could increase operational complexity and costs.

Management assessment

The management feels comfortable with the Group's overall risk profile and capitalization level. This confidence is based on several factors:

- Due to its effective capital management, the Allianz Group is well capitalized and has met its internal, rating agency, and regulatory solvency targets as of 31 December 2023. Allianz remains one of the most highly rated insurance groups in the world, as reflected by our external ratings.
- The Group has a conservative investment profile and disciplined business practices in the Property-Casualty, Life/Health, and Asset Management business segments, leading to sustainable operating earnings with a well-balanced risk-return profile.
- Allianz is well-positioned to deal with potentially adverse future events such as those related to the ongoing war in Ukraine – due to our strong internal limit framework, stress testing, internal model, and risk management practices.
- Furthermore, the Group has the additional advantage of being well-diversified, both geographically and across a broad range of businesses and products.

Based on the information available to us at the moment of report completion, we expect to continue to be sufficiently capitalized and compliant with both the regulatory Solvency Capital Requirement and the Minimum Capital Requirement. However, Allianz is carefully monitoring the development of the war in Ukraine, geopolitical tensions and regional political crises in particular, and manages its portfolios to ensure that the Group, Allianz SE, and the other Group companies have sufficient resources to meet their solvency capital needs.

Solvency II regulatory capitalization

The Own Funds and capital requirements are based on the market value balance sheet approach, which is consistent with the economic principles of Solvency II[1]. Our regulatory capitalization is shown in the following table.

Allianz Group: Solvency II regulatory capitalization[1]

As of 31 December		2023	2022
Own Funds	€ bn	89.6	77.9
Capital requirement	€ bn	43.5	38.8
Capitalization ratio	%	206	201

1_Excluding the application of transitional measures on technical provisions.

In the second quarter of 2020, Allianz had been granted approval for the application of transitionals on technical provisions for the two entities Allianz Lebensversicherungs-AG and Allianz Private Krankenversicherungs-AG. As of 31 December 2023 and including the application of transitional measures on technical provisions, the Own Funds and SCR amounted to € 99.7 bn and € 43.5 bn, leading to a Solvency II ratio of 229 %. Our general capital steering, however, continues to focus on the previous approach, i.e., excluding the application of transitional measures on technical provisions. Consequently, the figures in all subsequent sections exclude transitional measures unless otherwise stated.

The following table summarizes our Solvency II regulatory capitalization ratios disclosed over the course of the year 2023:

Allianz Group: Solvency II regulatory capitalization ratios
%

	31 Dec 2023	30 Sept 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022
Capitalization ratio	206	212	208	206	201

Compared to year-end 2022, our Solvency II capitalization ratio increased by 5 percentage points to 206 % (2022: 201 %) since the increase in the Solvency II Capital Requirement was overcompensated by significantly higher Own Funds.

The development of the Solvency II ratio was positively supported by a solid operating Solvency II capital generation and business evolution (27 percentage points pre-tax) and a favorable impact of regulatory and model changes (4 percentage points), the latter primarily resulting from the dynamic inflation extrapolation model change and other central and local model changes.

This was partially compensated by negative effects. The main impact came from (capital) management actions ((16) percentage points), dominated by dividend accruals and share buy backs. Taxes also contributed to the decrease of the capitalization ratio ((8) percentage points). A small negative contribution ((1) percentage point) resulted from the net impact of capital market developments, whereby strain, especially from lower real estate valuations and interest rates, was largely offset by positive impacts, e.g., from stronger equity markets and lower inflation.

The following table presents the sensitivities of our Solvency II capitalization ratio under certain standard financial market scenarios.

Allianz Group: Solvency II regulatory capitalization ratio sensitivities
%

As of 31 December	2023	2022
Base capitalization ratio	206	201
Interest rates up by 0.5%[1]	208	202
Interest rates down by 0.5%[1]	201	198
Equity prices up by 30%	217	211
Equity prices down by 30%	191	188
Combined scenario: Equity prices down by 30% Interest rate down by 0.5% [1] Credit spreads up by 0.5%	179	179

1_Non-parallel interest rate shifts due to extrapolation of the yield curve beyond the last liquid point in line with Solvency II rules.

The presented sensitivity analyses are based on defined variations of specific parameters and describe the resulting development of our Solvency II capitalization under such idealized scenarios (e.g., decrease in interest rates by 50 basis points). The observed developments will, however, typically materialize in a more complex way (e.g., interest rates are typically not decreasing in a parallel shift manner along the term structure). Therefore, sensitivities are to be interpreted in a way such that they provide valuable information on areas to which our capitalization is particularly sensitive together with an indication of the estimated magnitude. The actual observed developments in the capitalization can, however, be more or less pronounced depending on the specific realized circumstances. Our comprehensive stress testing framework is regularly analyzed in order to identify potential enhancements to support the explanatory power of stress tests conducted in light of our risk profile.

The Allianz Group is a financial conglomerate within the scope of the Financial Conglomerate Directive (FCD). The FCD does not impose a materially different capital requirement on the Allianz Group compared to Solvency II.

Quantifiable risks and opportunities by risk category[2]

This Risk and Opportunity Report outlines the Group's risk figures, reflecting its risk profile based on pre-diversified risk figures and Group diversification effects.

We measure and steer risk based on an approved internal model which quantifies the potential adverse developments of Own Funds. The results provide an overview of how our risk profile is distributed over different risk categories and determine the regulatory capital requirements in accordance with Solvency II.

The pre-diversified risk figures reflect the diversification effect within each modeled risk category (i.e., market, credit, underwriting, business, and operational risk), but do not include the diversification effects across risk categories. Group diversified risk figures also capture the diversification effect across all risk categories.

The Group diversified risk is broken down as follows:

1_Own Funds and capital requirement are calculated under consideration of volatility adjustment and yield curve extension, as described in section "Risk-free rate and volatility adjustment".

2_This section contains specific risk disclosures as required by IFRS 17 and IFRS 7 relating to the Notes to the Consolidated Financial Statements.

Allianz Group: Allocated risk according to the risk profile (total portfolio before non-controlling interests)
€ mn

	Market risk		Credit risk		Underwriting risk		Business risk		Operational risk		Diversification		Total	
As of 31 December	2023	2022[1]	2023	2022[1]	2023	2022[1]	2023	2022[1]	2023	2022[1]	2023	2022[1]	2023	2022[1]
Property-Casualty	6,205	7,064	2,748	2,695	14,693	13,344	722	593	1,957	1,872	(10,039)	(9,167)	16,285	16,401
Life/Health	17,591	17,064	1,657	1,531	2,280	1,647	5,729	5,490	1,854	1,645	(8,858)	(8,830)	20,254	18,548
Corporate and Other	2,053	1,853	286	286	33	73	-	-	441	372	(484)	(547)	2,329	2,038
Total Group	**25,849**	**25,982**	**4,691**	**4,513**	**17,006**	**15,064**	**6,450**	**6,083**	**4,252**	**3,889**	**(19,381)**	**(18,544)**	**38,868**	**36,987**
											Tax relief		(5,506)	(5,339)
											Capital add-on		723	764
											Minor non-EEA insurers		2,930	2,930
											Third country equivalent		3,649	3,520
											Sectoral requirements		2,821	2,783
											Total Group		**43,485**	**41,646**

1_2022 risk profile figures adjusted based on the impact of 2023 model changes.

As of 31 December 2023, the Group-diversified risk capital, which reflects our risk profile before considering non-controlling interests, amounted to € 43.5 bn (2022: € 41.6 bn).

The € 1.8 bn increase in the Solvency II Capital Requirement was driven by the positive business evolution in the Property-Casualty business segment. This was partially compensated by risk capital relief from effects such as model and assumptions updates at Allianz Lebensversicherungs-AG and various other companies of the Group.

The following sections explain the evolution of our risk profile per modeled risk category. All risks are presented on a pre-diversified basis and concentrations of single sources of risk are discussed accordingly.

Market risk

The following table presents our group-wide risk figures related to market risks by business segment and source of risk.

Allianz Group: Risk profile – market risk by business segment and source of risk (total portfolio before tax and non-controlling interests)
pre-diversified, € mn

	Interest rate		Inflation		Credit spread		Equity		Real estate		Currency		Total	
As of 31 December	2023	2022[1]	2023	2022[1]	2023	2022[1]	2023	2022[1]	2023	2022[1]	2023	2022[1]	2023	2022[1]
Property-Casualty	(244)	328	(1,171)	(407)	2,429	2,451	2,908	2,891	1,741	1,585	541	216	6,205	7,064
Life/Health	(27)	3,434	(237)	(58)	4,262	4,242	11,278	7,264	1,719	1,813	596	369	17,591	17,064
Corporate and Other	77	(181)	(103)	(7)	216	310	1,773	1,517	166	168	(76)	46	2,053	1,853
Total Group	**(194)**	**3,581**	**(1,511)**	**(472)**	**6,908**	**7,004**	**15,959**	**11,672**	**3,626**	**3,566**	**1,061**	**631**	**25,849**	**25,982**
									Share of total Group pre-diversified risk				37.8 %	39.7 %

1_2022 risk profile figures adjusted based on the impact of 2023 model changes.

In 2023, the Allianz Group's total pre-diversified market risk barely changed, as a strong increase in equity risk was offset by a decrease in interest rate risk and a higher risk relief from inflation risk.

The rise in the contribution of equity risk to market risk, especially in the Life/Health business segment, primarily resulted from stronger equity markets, together with a higher exposure to alternative equity investments and diversification effects within market risk. A decrease in interest rates, together with a lower duration gap, caused a shift in the contribution of interest rate risk and inflation risk to market risk.

Interest rate risk

As of 31 December 2023, our interest-rate-sensitive investments excluding unit-linked business – amounting to a market value of € 360.7 bn (2022: € 347.1 bn)[1] – would have gained € 32.4 bn (2022: € 32.1 bn) or lost € 27.7 bn (2022: € 27.7 bn)[2] in value in the event of interest rates shifting by -100 and +100 basis points, respectively. However, these impacts would have been partially offset by policyholder participation. In addition, the Solvency II Own Funds effect is much more limited due to our active duration management, reducing the duration mismatch of the Group to 0.2 years (from 0.6 years in 2022), representing Solvency II liabilities of shorter duration than assets.

The impact of a 0.5 % increase in interest rates on the Solvency II ratio is shown in the table "Solvency II regulatory capitalization ratio sensitivities" in the section "Solvency II regulatory capitalization".

Equity risk

As of 31 December 2023, our investments excluding unit-linked business that are sensitive to changing equity markets – amounting to a market value of € 77.4 bn[3] (2022: € 73.6 bn) – would have lost € 19.7 bn[4] (2022: € 18.4 bn) in value assuming equity markets had declined by 30 %. However, this impact would have been partially offset by policyholder participation.

Credit risk

The following table presents our group-wide risk figures for credit risks by business segment.

Allianz Group: Risk profile – allocated credit risk by business segment (total portfolio before tax and non-controlling interests)
pre-diversified

As of 31 December		2023	2022[1]
Property-Casualty	€ mn	2,748	2,695
Life/Health	€ mn	1,657	1,531
Corporate and Other	€ mn	286	286
Total Group	**€ mn**	**4,691**	**4,513**
Share of total Group pre-diversified risk	%	6.86	6.89

1_2022 risk profile figures adjusted based on the impact of 2023 model changes.

Throughout 2023, the Allianz credit portfolio was not affected by significant movements or events with respect to credit migration risk and default risk.

Ultimately, the overall credit risk for the Allianz Group increased by € 0.2 bn to € 4.7 bn (2022: € 4.5 bn).

As of 31 December 2023, the maximum exposure to credit risk[5] from debt investments measured at fair value through other comprehensive income amounted to € 583.8 bn (2022: € 594.1 bn), the theoretical maximum exposure to credit risk from credit insurance amounted to € 1,185.7 bn (2022: € 1,102.0 bn), and the maximum exposure to credit risk from reinsurance amounted to € 28.1 bn (2022: € 28.8 bn).

Credit risk – investments

As of 31 December 2023, the credit risk arising from our investment portfolio accounted for 64.8 % (2022: 64.2 %) of our total Group pre-diversified internal credit risk[6].

Credit risk in the Life/Health business segment is primarily driven by long-term assets covering long-term policyholder liabilities. Typical investments are government bonds, senior corporate bonds, covered bonds, self-originated mortgages and loans, and a modest number of derivatives. In the Property-Casualty business segment, fixed-income securities tend to be short- to mid-term, due to the nature of the business, and are not subject to policyholder participation.

The counterparty credit risk arising from derivatives is low, since derivatives usage is governed by the group-wide internal guideline for collateralization of derivatives, which stipulates master netting and collateral agreements with each counterparty and requires high-quality and liquid collateral. In addition, Allianz closely monitors counterparties' credit ratings and exposure movements.

As of 31 December 2023, the rating distribution of our fixed-income portfolio based on issue (instrument) ratings was as follows:

1_The stated market value includes all assets from internal model entities whose market value is sensitive to interest rate movements (excluding unit-linked business) reflecting the Solvency II framework, and therefore is not based on classifications given by accounting principles.
2_The effects do not consider policyholder participation.
3_The stated market value includes all assets from internal model entities whose market value is sensitive to equity movements (excluding unit-linked business) reflecting the Solvency II framework, and therefore is not based on classifications given by accounting principles.
4_The effect does not consider policyholder participation.
5_The stated investment exposure figures reflect gross carrying amounts. They are based on IFRS requirements and include investments that are not within the scope of the Solvency II framework.
6_Additionally, 10.8 % (2022: 11.7 %) of our total Group pre-diversified internal credit risk is allocated to receivables, potential future exposure for derivatives and reinsurance, and other off-balance sheet exposures.

Rating distribution of Allianz Group's fixed-income portfolio[1]
Book values, € bn

Type of issuer	Government bonds		Covered bonds		Corporate bonds		Banks		ABS/MBS		Short-term investments		Total	
As of 31 December	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
AAA	30.3	38.6	34.5	33.9	5.3	4.6	2.6	2.1	10.0	13.9	-	-	82.7	93
AA	78.7	69.1	9.6	9.8	22.8	21.0	3.9	3.2	10.0	6.3	0.8	0.9	125.8	110.4
A	31.6	28.4	0.3	1.0	74.3	65.6	20.3	18.3	5.2	3.6	0.6	0.8	132.4	117.7
BBB	37.7	35.0	0.1	0.3	99.7	101.5	6.0	7.5	2.2	1.9	0.3	0.2	145.8	146.4
BB	7.2	6.7	-	-	9.1	11.5	0.4	0.4	0.2	0.1	0.0	0.0	16.8	18.7
B	1.6	2.9	-	-	3.2	2.5	0.1	0.1	0.1	0.1	0.2	0.1	5.3	5.7
CCC	0.3	0.4	-	-	0.2	0.2	0.1	-	0.1	0.1	-	-	0.8	0.8
CC	0.2	0.2	-	-	-	-	-	-	0.1	0.1	-	-	0.2	0.2
C	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1
D	-	-	-	-	0.1	-	-	-	-	-	-	-	0.2	0.1
Not rated	0.4	0.2	-	0.1	8.4	5.8	-	0.1	0.3	0.1	0.3	0.1	9.4	6.4
Total	**188.1**	**181.5**	**44.5**	**45.1**	**223.0**	**212.8**	**33.4**	**31.6**	**28.2**	**26.3**	**2.2**	**2.2**	**519.4**	**499.5**

1_In accordance with the Group Management Report, figures stated include investments of Banking and Asset Management. Table excludes private loans. Stated book values include investments not in scope of the Solvency II framework. Figures for both years are based on IFRS 9.

Credit risk – credit insurance

As of 31 December 2023, 20.7 % (2022: 19.6 %) of our total Group pre-diversified internal credit risk was allocated to Allianz Trade credit insurance exposures.

Credit risk – reinsurance

As of 31 December 2023, 3.8 % (2022: 4.5 %) of our total Group pre-diversified internal credit risk was allocated to reinsurance exposures.

Of the Allianz Group's reinsurance recoverables, 92.0 % (2022: 87.8 %) were distributed among reinsurers that had been assigned an investment-grade rating; 7.7 % (2022: 12.0 %) were non-rated reinsurance recoverables, the remaining 0.3 % (2022: 0.2 %) were towards non-investment grade reinsurers. For substantial single-name reinsurance exposures or exposures to non-rated captives, risk-mitigating techniques such as collateral agreements or funds-withheld concepts are in place.

Allianz Group: Reinsurance recoverables by rating class[1]
€ bn

As of 31 December	2023	2022
AAA	0.10	0.01
AA+ to AA-	5.32	5.73
A+ to A-	27.92	29.35
BBB+ to BBB-	12.15	12.38
Non-investment grade	0.14	0.13
Not assigned	3.83	6.48
Total	**49.46**	**54.08**

1_Represents gross exposure for external reinsurance, broken down by rating classes.

Underwriting risk

The following table presents the pre-diversified risk calculated for underwriting risks associated with our insurance business.

Allianz Group: Risk profile – allocated underwriting risk by business segment and source of risk (total portfolio before non-controlling interests)[1]
pre-diversified, € mn

	Premium natural catastrophe		Premium terror		Premium non-catastrophe		Reserve		Biometric		Total	
As of 31 December	2023	2022[2]	2023	2022[2]	2023	2022[2]	2023	2022[2]	2023	2022[2]	2023	2022[2]
Property-Casualty	1,580	1178	29	25	5,970	5,473	7,092	6,620	22	47	14,693	13,344
Life/Health	-	-	-	-	-	-	-	-	2,280	1,647	2,280	1,647
Corporate and Other	-	-	-	-	-	-	-	-	33	73	33	73
Total Group	**1,580**	**1,178**	**29**	**25**	**5,970**	**5,473**	**7,092**	**6,620**	**2,336**	**1,768**	**17,006**	**15,064**
Share of total Group pre-diversified risk											24.87 %	22.99 %

1_As risks are measured in an integrated approach and on an economic basis, internal risk profile takes reinsurance effects into account.
2_2022 risk profile figures adjusted based on the impact of the 2023 model changes.

During 2023, the total Group pre-diversified underwriting risk capital increased by € 1.9 bn.

Property-Casualty

The increase in Property-Casualty underwriting risk was mainly driven by exposure increases affecting all sources of risk. The increase in premium natural catastrophe risk was mainly impacted by a change in Group reinsurance structure.

The loss ratios for the Property-Casualty business segment for the past ten years are presented in the following table:

Property-Casualty loss ratios
%

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Loss ratios IFRS 17[1]										
Loss ratio including reinsurance results	69.3	68.4	-	-	-	-	-	-	-	-
Loss ratio without natural catastrophe including reinsurance results	65.9	65.6	-	-	-	-	-	-	-	-
Loss ratios IFRS 4[2]										
Loss ratio	-	67.4	67.0	69.5	68.0	66.0	66.5	65.6	66.2	66.0
Loss ratio without natural catastrophes	-	64.5	63.9	67.8	66.5	64.0	64.2	64.2	64.6	65.1

1_Represents (discounted) claims and insurance benefits incurred including risk adjustment and reinsurance results, divided by insurance revenue.
2_Represents claims and insurance benefits incurred (net), divided by premiums earned (net).

The top five perils contributing to the natural catastrophe risk as of 31 December 2023 were: windstorms in Europe, tropical cyclones in the USA, floods in Germany, earthquake in Australia, and hail in Germany.

Life/Health

The underwriting risk capital contribution of biometric risk increased by € 0.6 bn compared to the previous year. This is mainly due to changes in the interest rates environment. Materially lower EUR interest rates in particular led to a significant increase in longevity risk. In addition, local model calibration updates had an upward impact on mortality risk.

Contributions from the Property-Casualty and the Corporate and Other business segments are generated by the longevity risk of the internal pension schemes they contain.

Due to effective product design and the diversity of our products, there were no significant concentrations of underwriting risks within our Life/Health business segment.

Business risk

Business risk capital increased by 0.4 bn to € 6.5 bn (2022: € 6.1 bn). The main reason is the impact of the significantly lower EUR interest rates on the cost risk.

Operational risk

Overall, the operational risk capital showed a slightly increased risk profile after the regular annual update of central and local parameters (increase by 0.4 bn from € 3.9 bn in 2022 to € 4.3 bn in 2023), mainly due to regulations and increasing cyber threats in some local markets.

Liquidity risk

Detailed information regarding our liquidity risk exposure, liquidity, and funding – including changes in cash and cash equivalents – is provided in Liquidity and Funding Resources and in notes 7.3.1, 7.3.2 and 7.5 to the consolidated financial statements. As can be inferred from the section on the management of liquidity risks, while these are quantified and monitored through regular stress test reporting as well as properly managed, they are not quantified for risk capital purposes.

CONSOLIDATED FINANCIAL STATEMENTS

D

CONSOLIDATED BALANCE SHEET

Consolidated balance sheet
€ mn

	Note	As of 31 December 2023	As of 31 December 2022	As of 1 January 2022[1]
Assets				
Cash and cash equivalents	4	29,210	22,896	24,247
Investments	7.2	721,802	690,991	837,869
Financial assets for unit-linked contracts	8.6	152,872	141,034	158,359
Insurance contract assets	6.6	172	327	36
Reinsurance contract assets	6.7	24,719	25,605	26,141
Deferred tax assets	8.4	5,992	6,369	4,709
Other assets	8.7	29,757	30,234	27,222
Intangible assets	8.9	18,649	18,442	18,186
Total assets		**983,174**	**935,897**	**1,096,770**
Liabilities and equity				
Financial liabilities	7.3	56,282	51,310	50,877
Insurance contract liabilities	6.6	776,944	740,799	883,250
Reinsurance contract liabilities	6.7	231	257	55
Investment contract liabilities	8.6	49,686	47,827	55,872
Deferred tax liabilities	8.4	2,124	2,158	2,368
Other liabilities	8.8	34,328	34,810	38,956
Total liabilities		919,594	877,163	1,031,378
Shareholders' equity	8.10	58,477	54,415	61,157
Non-controlling interests	8.10	5,103	4,320	4,235
Total equity		63,580	58,735	65,392
Total liabilities and equity		**983,174**	**935,897**	**1,096,770**
Supplementary information for insurance contracts issued				
Contractual service margin (CSM)		53,818	53,382	59,381
Risk adjustment		6,600	7,219	8,875

1_The Annual Report 2022 was released in March 2023 and included a preliminary version of the IFRS 9/17 opening balance sheet for 2022 based on assessments made until mid-February 2023 with the aim of illustrating the possible impacts of IFRS 9/17. After the release of the Annual Report 2022, the Allianz Group continued with the preparation of the IFRS 9/17 opening balance sheet and made some non-material adjustments. As such, the final version of the IFRS 9/17 opening balance sheet for 2022 is slightly different from the preliminary version in the Annual Report 2022.

CONSOLIDATED INCOME STATEMENT

Consolidated income statement
€ mn

	Note	2023	2022
Insurance revenue	6.1	91,251	86,985
Insurance service expenses	6.2	(77,145)	(73,911)
Reinsurance result	6.3	(2,742)	(2,090)
Insurance service result		11,364	10,983
Interest result[1]	7.1	25,386	24,801
Realized gains/losses (net)	7.1	(5,518)	959
Valuation result	7.1	6,509	(36,392)
Investment expenses	7.1	(1,849)	(1,919)
Net investment income		24,528	(12,550)
Finance income (expenses) from insurance contracts (net)	6.4	(22,133)	14,142
Finance income from reinsurance contracts (net)	6.4	556	1,422
Net insurance finance expenses		(21,577)	15,564
Investment result		2,951	3,014
Fee and commission income	8.1	13,651	13,094
Fee and commission expenses	8.2	(5,487)	(4,955)
Net result from investment contracts[2]		(238)	(60)
Acquisition and administrative expenses	8.3	(9,513)	(11,209)
Other income		104	103
Other expenses		(363)	(32)
Amortization of intangible assets		(319)	(323)
Restructuring and integration expenses		(568)	(951)
Income before income taxes		**11,582**	**9,664**
Income taxes	8.4	(2,550)	(2,808)
Net income		**9,032**	**6,856**
Net income attributable to:			
Non-controlling interests		491	435
Shareholders		8,541	6,421
Basic earnings per share (€)	8.5	21.20	15.57
Diluted earnings per share (€)	8.5	21.18	15.48

1_Includes interest expenses from external debt.
2_Excluding investment result and fee income.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income
€ mn

	2023	2022
Net income	**9,032**	**6,856**
Other comprehensive income		
Items that may be reclassified to profit or loss in future periods		
Foreign currency translation adjustments		
Reclassifications to net income	694	(7)
Changes arising during the period	(567)	508
Subtotal	126	501
Debt investments measured at fair value through other comprehensive income		
Reclassifications to net income	3,986	624
Changes arising during the period	17,183	(99,933)
Subtotal	21,169	(99,309)
Cash flow hedges		
Reclassifications to net income	802	(288)
Changes arising during the period	(164)	(1,758)
Subtotal	638	(2,047)
Share of other comprehensive income of associates and joint ventures		
Reclassifications to net income	-	(6)
Changes arising during the period	15	(160)
Subtotal	15	(166)
Insurance liabilities		
Reclassifications to net income	12,875	(3,647)
Changes arising during the period	(31,913)	104,563
Subtotal	(19,037)	100,916
Items that may be reclassified to profit or loss in future periods (continued)		
Reinsurance assets		
Reclassifications to net income	-	-
Changes arising during the period	(50)	(3,023)
Subtotal	(50)	(3,023)
Miscellaneous		
Reclassifications to net income	-	-
Changes arising during the period	(33)	(651)
Subtotal	(33)	(651)
Items that may never be reclassified to profit or loss		
Actuarial gains and losses on defined benefit plans	(378)	1,796
Equity investments measured at fair value through other comprehensive income	1,655	(10,137)
Insurance liabilities	(1,730)	4,192
Miscellaneous	(8)	318
Total other comprehensive income	2,366	(7,610)
Total comprehensive income	**11,398**	**(754)**
Total comprehensive income attributable to:		
Non-controlling interests	510	189
Shareholders	10,888	(943)

For further information on the income taxes associated with different components of other comprehensive income, please see note 8.4.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity
€ mn

	Paid-in capital	Undated subordinated bonds[1]	Retained earnings	Foreign currency translation adjustments	Unrealized gains and losses from insurance contracts (net)	Other unrealized gains and losses (net)	Shareholders' equity	Non-controlling interests	Total equity
Balance as of 31 December 2021 as stated	**28,902**	**4,699**	**32,784**	**(3,223)**	**-**	**16,789**	**79,952**	**4,270**	**84,222**
Adjustments of initial application of IFRS 9 and 17, net of tax	-	-	(5,393)	(251)	(46,554)	33,403	(18,794)	(35)	(18,829)
Restated balance as of 1 January 2022	**28,902**	**4,699**	**27,391**	**(3,474)**	**(46,554)**	**50,192**	**61,157**	**4,235**	**65,392**
Total comprehensive income	-	144	7,757	425	101,408	(110,677)	(943)	189	(754)
thereof net income	-	-	6,421	-	-	-	6,421	435	6,856
Purchase, sale, use and cancellation of treasury shares[2]	-	-	(1,301)	-	-	-	(1,301)	-	(1,301)
Changes in scope of consolidation	-	-	-	-	-	-	-	151	151
Changes in ownership interests in subsidiaries	-	-	(34)	-	-	(5)	(40)	(21)	(60)
Capital increases and decreases	-	-	-	-	-	-	-	291	291
Other changes	-	-	44	-	-	-	44	(40)	4
Dividends paid	-	-	(4,383)	-	-	-	(4,383)	(487)	(4,870)
Other distributions	-	-	(119)	-	-	-	(119)	-	(119)
Balance as of 31 December 2022	**28,902**	**4,843**	**29,354**	**(3,048)**	**54,854**	**(60,490)**	**54,415**	**4,320**	**58,735**
Balance as of 31 December 2022 as stated	**28,902**	**4,843**	**35,350**	**(2,406)**	**-**	**(15,215)**	**51,474**	**3,768**	**55,242**
Adjustments of initial application of IFRS 9 and 17, net of tax	-	-	(5,995)	(642)	54,854	(45,275)	2,941	552	3,493
Restated balance as of 1 January 2023	**28,902**	**4,843**	**29,354**	**(3,048)**	**54,854**	**(60,490)**	**54,415**	**4,320**	**58,735**
Total comprehensive income	-	(79)	8,174	165	(20,647)	23,275	10,888	510	11,398
thereof net income	-	-	8,541	-	-	-	8,541	491	9,032
Purchase, sale, use and cancellation of treasury shares[2]	-	-	(2,202)	-	-	-	(2,202)	-	(2,202)
Changes in scope of consolidation	-	-	46	-	-	-	46	80	126
Changes in ownership interests in subsidiaries	-	-	3	-	-	-	3	(4)	(1)
Capital increases and decreases	-	-	-	-	-	-	-	596	596
Other changes	-	-	9	-	-	-	9	(9)	-
Dividends paid	-	-	(4,541)	-	-	-	(4,541)	(389)	(4,931)
Other distributions	-	-	(142)	-	-	-	(142)	-	(142)
Balance as of 31 December 2023	**28,902**	**4,764**	**30,702**	**(2,883)**	**34,207**	**(37,215)**	**58,477**	**5,103**	**63,580**

1_For further information regarding the undated subordinated bonds, please refer to note 7.3.2.
2_For further information regarding the share buy-backs, please refer to note 8.10.

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows[1]
€ mn

	2023	2022
Summary		
Net cash flow provided by operating activities	24,462	17,952
Net cash flow used in investing activities	(12,007)	(14,992)
Net cash flow used in financing activities	(5,724)	(4,367)
Effect of exchange rate changes on cash and cash equivalents	(468)	268
Change in cash and cash equivalents	6,262	(1,140)
Cash and cash equivalents at beginning of period	22,896	24,247
Cash and cash equivalents reclassified to assets of disposal groups held for sale in 2022	-	(211)
Cash and cash equivalents reclassified to assets of disposal groups held for sale and disposed of in 2023	51	-
Cash and cash equivalents at end of period	**29,210**	**22,896**
Cash flow from operating activities		
Net income	**9,032**	**6,856**
Adjustments to reconcile net income to net cash flow provided by operating activities		
Share of earnings from investments in associates and joint ventures	(168)	(107)
Realized gains/losses (net), impairments of investments (net), valuation result (net)		
Investments measured at fair value through profit or loss/other comprehensive income and at amortized costs, investments in associates and joint ventures, real estate held for investments, non-current assets and disposal groups classified as held for sale	9,280	5,102
Other investments, mainly derivatives	(2,026)	18,680
Depreciation and amortization	2,272	2,179
Other non-cash income/expenses	2,131	(1,732)
Net change in:		
Reinsurance contract assets and liabilities	210	(2,873)
Insurance contract assets and liabilities	16,023	(12,598)
Investment contract liabilities	644	(7,398)
Financial assets for unit-linked contracts	(12,530)	15,651
Deferred tax assets/liabilities	13	418
Other (net)	(420)	(6,227)
Subtotal	15,430	11,096
Net cash flow provided by operating activities	**24,462**	**17,952**
Cash flow from investing activities		
Proceeds from the sale/maturity/repayment of:		
Investments measured at fair value through profit or loss	19,294	26,616
Investments measured at fair value through other comprehensive income	184,757	247,475
Investments measured at amortized cost	875	861
Investments in associates and joint ventures	339	1,376
Non-current assets and disposal groups classified as held for sale	99	362
Real estate held for investment	1,064	602
Fixed assets from alternative investments	-	-
Property and equipment	188	220
Subtotal	206,616	277,511
Payments for the purchase or origination of:		
Investments measured at fair value through profit or loss	(30,064)	(32,661)
Investments measured at fair value through other comprehensive income	(182,211)	(228,168)
Investments measured at amortized cost	(1,844)	(3,457)
Investments in associates and joint ventures	(801)	(2,488)
Non-current assets and disposal groups classified as held for sale	(174)	-
Real estate held for investment	(1,510)	(1,771)
Fixed assets from alternative investments	(587)	(174)
Property and equipment	(1,553)	(1,444)
Subtotal	(218,745)	(270,163)
Business combinations (note 3):		
Proceeds from sale of subsidiaries, net of cash disposed	(290)	-
Acquisitions of subsidiaries, net of cash acquired	(106)	(199)
Net change from derivative assets and liabilities	**670**	**(21,878)**
Other (net)	**(152)**	**(264)**
Net cash flow used in investing activities	**(12,007)**	**(14,992)**
Cash flow from financing activities		
Net change in liabilities to banks and customers and other financial liabilities	1,364	2,975
Proceeds from the issuance of certificated liabilities and subordinated liabilities	5,505	5,848
Repayments of certificated liabilities and subordinated liabilities	(5,619)	(6,455)
Proceeds from the issuance of undated subordinated bonds classified as shareholders' equity	-	-
Net change in lease liabilities	(401)	(450)
Transactions between equity holders	601	198
Dividends paid to shareholders	(4,931)	(4,870)
Net cash from sale or purchase of treasury stock	(2,202)	(1,311)
Other (net)	(41)	(303)
Net cash flow used in financing activities	**(5,724)**	**(4,367)**

1_As of 1 January 2023, some changes have been made to the classification of cash flows from operating, investing and financing activities to reflect the cash flows in the most useful manner for the Allianz Group. These changes have also been reflected in comparative periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

1 _ Nature of operations and basis of presentation

The accompanying consolidated financial statements present the operations of Allianz SE with its registered office in Königinstrasse 28, 80802 Munich, Germany, and its subsidiaries (the Allianz Group). Allianz SE is recorded in the Commercial Register of the municipal court in Munich under the number HRB 164232.

They have been prepared in conformity with International Financial Reporting Standards (IFRSs), as adopted under European Union (E.U.) regulations in accordance with § 315e (1) of the German Commercial Code (HGB). Within these consolidated financial statements, the Allianz Group has applied all standards and interpretations issued by the IASB and endorsed by the E.U. that are compulsory as of 31 December 2023.

In these consolidated financial statements, the Allianz Group has applied IFRS 9 and IFRS 17 for the first time. The related changes in significant accounting policies are described in note 2.

The consolidated financial statements have been prepared as of and for the year ended 31 December 2023. The Allianz Group's presentation currency is the euro (€). Amounts are rounded to the nearest million (€ mn) unless otherwise stated.

The consolidated financial statements were authorized for issue by the Board of Management on 22 February 2024.

The Allianz Group offers property-casualty insurance, life/health insurance, and asset management products and services in almost 70 countries.

2 _ Accounting policies, significant estimates, and new accounting pronouncements

Significant accounting policies and use of estimates and assumptions

The following paragraphs describe important accounting policies and significant estimates and assumptions relevant for the Allianz Group's consolidated financial statements. Estimates and assumptions particularly influence the inclusion method as well as the accounting treatment of financial instruments and insurance contracts, goodwill, litigation provisions, pension liabilities and similar obligations, and deferred taxes. Significant estimates and assumptions are explained in the respective paragraphs.

Reporting and presentation principles

The Allianz Group's consolidated balance sheet is not presented using a current/non-current classification. The following balances are generally considered to be current: cash and cash equivalents, non-current assets and assets of disposal groups classified as held for sale, and liabilities of disposal groups classified as held for sale. The following balances are generally considered to be non-current: investments, deferred tax assets, intangible assets, and deferred tax liabilities.

Insurance contracts are split by contracts issued (insurance) and held (reinsurance). Insurance contract portfolios in asset and liability position are further presented separately on the balance sheet. IFRS 17 is conceptually based on a prospective cash view, therefore all payables and receivables from insurance contracts as well as any deposits are part of the (re)insurance contract assets or liabilities.

The Allianz Group has made an accounting policy choice to apply the year-to-date approach for the accounting for insurance contracts. Therefore, the treatment of accounting estimates made in previous interim financial statements may change under IFRS 17 in subsequent interim financial statements and in the annual reporting period.

Principles of consolidation

Scope of consolidation and consolidation procedures

In accordance with IFRS 10, the Allianz Group's consolidated financial statements include the financial statements of Allianz SE and its subsidiaries. Subsidiaries are generally entities where Allianz SE, directly or indirectly, owns more than half of the voting rights or similar rights with the ability to affect the returns of these entities for its own benefit.

Entities where the Allianz Group does not hold a majority stake are included in the consolidated financial statements if the Allianz Group controls these entities based on either distinctive rights stipulated by shareholder agreements between the Allianz Group and the other shareholders in these companies or voting rights held by the Allianz Group which are sufficient to direct the relevant activities unilaterally.

Entities where the Allianz Group holds a majority stake are not included in the consolidated financial statements if the Allianz Group does not control these entities because it has no majority representation in the governing bodies and/or it requires at least the confirmative vote of another investor to pass any decisions over relevant activities.

For certain entities, voting or similar rights are not the dominant factor of control, such as when voting rights relate to administrative tasks only and returns are directed by means of contractual arrangements, as is the case mainly for investment funds managed by Allianz Group internal asset managers. For investment funds managed by Allianz Group entities on the basis of contractual arrangements, the Allianz Group considers an exposure to variability from the aggregate economic interests (consisting of fees and direct interests in the investment funds) of more than 30% as indicative for control, unless there is evidence to the contrary, for example, if the investment funds' financial and operating policies are largely predetermined or other parties engaged in the investment funds have substantive spin-off rights.

Initial accounting for business combinations and measurement of non-controlling interests

Where newly acquired subsidiaries are subject to business combination accounting, the provisions of IFRS 3 are applied. During the IFRS 3 measurement period, which is for a maximum of one year post the acquisition date, it may be necessary to adjust existing or recognize additional assets and liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are generally measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Associates and joint arrangements

Associates are entities over which the Allianz Group can exercise significant influence. In general, if the Allianz Group holds 20% or more of the voting power in an investee but does not control the investee, it is assumed to have significant influence.

Although the Allianz Group's share in some entities is below 20%, the Allianz Group has significant influence over these entities if it is sufficiently represented in the governing bodies that decide on the relevant activities of these entities.

For certain third party managed investment funds in which the Allianz Group holds a stake of above 20%, the Allianz Group has no significant influence if it is not represented in the governing bodies of these investment funds or their investment activities are largely predetermined.

Pursuant to IFRS 11, investments in joint arrangements have to be classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. The Allianz Group has assessed the nature of its joint arrangements and determined them to be joint ventures in most cases.

Generally, investments in associates and joint ventures are accounted for using the equity method, which may imply a time lag of up to three months. Income from investments in associates and joint arrangements – excluding distributions – is included in the interest result. Accounting policies of associates and joint arrangements are generally adjusted where necessary to ensure consistency with the accounting policies adopted by the Allianz Group.

However, if investments in associates or joint ventures are held as the underlying items for a group of insurance contracts with direct participation features, the Allianz Group elects the exemption from applying the equity method and measures these investments at fair value through profit or loss in accordance with IFRS 9 instead. For the purposes of this election, insurance contracts include investment contracts with discretionary participation features.

For further information, please refer to note 7.2.

Foreign currency translation

Foreign currency translation follows the guidance set forth in IAS 21. Income and expenses from subsidiaries that have a functional currency other than the Allianz Group's presentation currency (euro) are translated to euro at the quarterly average exchange rate, unless the subsidiary's functional currency is that of a hyperinflationary economy, in which case the closing rate is applied in accordance with IAS 21.42.

Foreign currency gains and losses arising from foreign currency transactions are reported in the valuation result in the consolidated income statement, unless they relate to the foreign exchange component of fair value changes that are recognized in other comprehensive income. In the latter case, the foreign exchange component is also recognized in other comprehensive income.

Financial instruments

Recognition and derecognition

Financial assets are generally recognized and derecognized on the trade date, i.e., when the Allianz Group commits to purchase or sell securities.

Classification and measurement of financial assets

Based on the applicable business model and the respective contractual cash flow characteristics, the Allianz Group classifies a financial asset on initial recognition into one of the three measurement categories:

– amortized cost,
– fair value through other comprehensive income, or
– fair value through profit or loss.

At the Allianz Group, financial assets that are backing insurance liabilities are generally considered to be held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets ("hold and sell" business model).

In accordance with IFRS 9, investments in equity financial instruments are measured at fair value. The Allianz Group generally uses the irrevocable election at initial recognition to present subsequent changes in the instrument's fair value in other comprehensive income, provided that the instrument is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies.

Measurement at fair value through profit or loss is only applied in exceptional cases, e.g., to reduce an accounting mismatch that would otherwise arise or if the above-mentioned preconditions for fair value through other comprehensive income measurement are not fulfilled.

Classification and measurement of financial liabilities

In general, financial liabilities are classified as subsequently measured at amortized cost, except for:

– Financial liabilities that are classified as measured at fair value through profit or loss, either because they are held for trading (including derivatives) or irrevocably designated to be measured at fair value through profit or loss upon initial recognition in accordance with IFRS 9.4.2.2.
– Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. These liabilities are measured in accordance with paragraphs 3.2.15 and 3.2.17 of IFRS 9.
– Financial guarantee contracts. Provided that the measurement rules in any of the first two points above do not apply, financial guarantee contracts are measured at the higher of the amount of the loss allowance determined in accordance with IFRS 9 and the amount initially recognized less (where appropriate) the cumulative amount of income recognized in accordance with the principles of IFRS 15.
– Contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies; such contingent consideration shall subsequently be measured at fair value through profit or loss.

Measurement at fair value

The Allianz Group carries certain financial instruments at fair value and discloses the fair value of all financial instruments.

Assets and liabilities measured or disclosed at fair value in the consolidated financial statements are measured and classified in accordance with the fair value hierarchy in IFRS 13, which categorizes the inputs to valuation techniques used to measure fair value into three levels.

Level 1 inputs of financial instruments traded in active markets are based on unadjusted quoted market prices or dealer price quotations for identical assets or liabilities on the last exchange trading day prior to or at the reporting date, if the latter is a trading day.

Level 2 applies if the market for a financial instrument is not active or when the fair value is determined by using valuation techniques based on observable input parameters.

Level 3 applies if not all input parameters that are significant to the entire measurement are observable in the market. Accordingly, the fair value is based on valuation techniques using non-market observable inputs. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which observable market prices exist, and other valuation models. Appropriate adjustments are made, for example, for credit risks.

For fair value measurements categorized as level 2 and level 3, the Allianz Group uses valuation techniques consistent with the three widely used valuation techniques listed in IFRS 13:

- Market approach: Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Cost approach: Amount that would currently be required to replace the service capacity of an asset (current replacement cost).
- Income approach: Conversion of future amounts such as cash flows or income to a single current amount (present value technique).

There is no one-to-one connection between valuation technique and hierarchy level. Depending on whether valuation techniques are based on significant observable or unobservable inputs, financial instruments are classified in the fair value hierarchy.

Estimates and assumptions of fair values and hierarchies are particularly significant when determining the fair value of financial instruments for which at least one significant input is not based on observable market data (classified as level 3 of the fair value hierarchy). The availability of market information is determined by the relative trading levels of identical or similar instruments in the market, with emphasis placed on information that represents actual market activity or binding quotations from brokers or dealers.

The degree of judgment used in measuring the fair value of financial instruments closely correlates with the use of non-market observable inputs. The Allianz Group uses a maximum of observable inputs and a minimum of non-market observable inputs when measuring fair value. Observability of input parameters is influenced by various factors such as type of the financial instrument, whether a market is established for the particular instrument, specific transaction characteristics, liquidity, and general market conditions. If the fair value cannot be measured reliably, amortized cost is used as a proxy for determining fair values.

In discharging its responsibilities in the area of the fair value measurement of illiquid investments (level 3), the Allianz Group has set up an independent Group Valuation Committee (GVC). The GVC is a cross-functional body which includes representation from the Allianz Group's accounting and reporting, risk, and, investment management functions as well as major operating entities. The GVC's objectives are the establishment and maintenance of appropriate market valuation standards as well as checks and balances in order to successfully manage the risks inherent in the internal and external fair valuation of illiquid investments. In this regard, the GVC initiates, approves, and maintains documented valuation best practices by illiquid asset cluster. Furthermore, the GVC is responsible for performing regular independent price verifications, onsite visits of operating entities, and for requiring the implementation of best practices in the area of the illiquid assets valuation. It also has prerogatives to implement measures to resolve any related findings and valuation disputes.

For further information with regards to the measurement at fair value, please refer to note 7.5.

Impairments

The Allianz Group's central risk framework under Solvency II serves as the basis for IFRS 9 impairment calculations. In regard of credit ratings which represent a central parameter of credit risk, the Allianz Group re-uses the Solvency II assessment of the long-term creditworthiness of its debtors. In detail, the Solvency II rating assignment for the investment portfolio of the Allianz Group is based on external agency ratings enhanced by the Group's internal credit assessment. The internal credit assessment is used to add a point-in-time component to long-term ratings in order to capture current market information and to add forward-looking information. The Allianz Group uses hurdle ratings that indicate a significant increase in credit risk and consequently a transfer from Stage 1 to Stage 2 on a notch-by-notch basis. In addition, the rating hurdle is dependent on the expected maturity of the investment. A transfer to Stage 3 is triggered by a D rating or when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. The loss-given default assignment is performed based on the established methods applied for Solvency II purposes. The Allianz Group follows a cash-flow-based approach for the expected credit loss (ECL) calculation. In order to calculate the ECL, the Allianz Group uses transition matrices that take into account the probability of default (PD) as a quantitative measure of the credit quality of a financial instrument or counterparty assigned per rating notch as well as the transition probabilities quantifying the likelihood of rating changes over time.

Modifications of financial assets

In some circumstances, the renegotiation or modification of the contractual cash flows of a financial asset can lead to the derecognition of the existing financial asset in accordance with IFRS 9. The Allianz Group accounting policies prescribe that a substantial modification of the terms of an existing financial asset shall lead to the derecognition of the original financial asset and the recognition of a new financial asset. The determination whether the contractual terms have been modified substantially is based on a qualitative and/or quantitative assessment.

The quantitative assessment is required in case the qualitative assessment is not sufficient to establish that the terms of the modified financial asset are substantially different from those of the original financial asset. For the quantitative assessment, the Allianz Group applies the criteria for the extinguishment of financial liabilities analogically. Accordingly, a modification is deemed to be substantial if the net present value of the cash flows under the modified contractual terms, including any fees paid or received and discounted at the original effective interest rate, is at least 10% different from the gross carrying amount of the financial asset prior to the modification.

Hedge accounting

The Allianz Group has chosen as its accounting policy to apply the IFRS 9 hedge accounting requirements, except for fair value hedges of the interest rate exposure of a portfolio of financial assets or financial liabilities, which continue to be accounted for in accordance with IAS 39.

Derivative financial instruments designated as hedging instruments in hedge accounting relationships are included in the line items investments measured at fair value through profit or loss and financial liabilities measured at fair value through profit or loss. Freestanding derivatives are included in the same line items.

For further information on derivatives, please refer to note 7.4.

Insurance contracts

Insurance and investment contracts

Insurance contracts and investment contracts with discretionary participation features are accounted for under the insurance accounting provisions of IFRS 17. Investment contracts without discretionary participation features are accounted for as financial instruments in accordance with IFRS 9, please see section "Investment contracts liabilities".

Insurance contracts are classified as direct participating contracts or contracts without direct participation features. The classification of insurance contracts forms the basis for the measurement model applied (see section "Measurement"). Direct participating contracts are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Allianz Group expects to pay the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Allianz Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

As IFRS 17 does not provide any threshold for determining whether a share or proportion is substantial, this assessment requires judgment. Allianz has set up a group-wide process for assessing insurance contracts based on qualitative and quantitative criteria in order to appropriately reflect the individual contract specifics. For this assessment, the terms "substantial share" and "substantial proportion" have been applied by using 50% as rebuttable presumption.

Separation of components

IFRS 17 requires the separation of embedded derivatives, investment components, and performance obligations to provide non-insurance goods and services at inception of a contract, if certain conditions are met. The separated components need to be accounted for separately according to IFRS 9 (embedded derivatives, investment components) or IFRS 15 (non-insurance goods and services). The Allianz Group has not identified material performance obligations embedded in insurance contracts to provide non-insurance goods and services.

The Allianz Group applies IFRS 9 to determine whether there is an embedded derivative to be separated and, if so, how to account for that derivative, unless the derivative is itself a contract within the scope of IFRS 17. The majority of embedded derivatives identified in insurance contracts issued by the Allianz Group have been considered closely related or to include significant insurance risk, because there are usually strong interdependencies with other components of the contract such as contractual options, policyholder behavior, contractual surplus sharing, and mortality.

IFRS 17 defines investment components as the amounts that an insurance contract requires the entity to repay to a policyholder in all circumstances, regardless of whether an insured event occurs. The Allianz Group identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring.

An investment component is classified as being distinct or non-distinct. The Allianz Group has not identified material distinct investment components.

Investment components that are non-distinct are not to be separated from the host insurance contract but are excluded from insurance revenue and insurance service expenses. For most common life insurance products, the Allianz Group defines the cash surrender value as the non-distinct investment component. Generally, property-casualty contracts do not have a surrender or maturity value and only have a benefit payment when a claim occurs. Therefore, a standard property-casualty contract without additional guaranteed payment features does not include any investment component. However, it is common with property-casualty contracts to have other explicit guaranteed payments, for example a low or no claim bonus or profit participation, which the Allianz Group defines as non-distinct investment components, if all respective criteria are met.

Level of aggregation

Measurement is not carried out at the level of individual contracts, but based on groups of contracts. To allocate individual insurance contracts to groups of contracts, the Allianz Group first defines portfolios which include contracts with similar risks that are managed together. These portfolios are subdivided into groups of contracts on the basis of profitability and annual cohorts. Both portfolios and groups of insurance contracts are always determined by the individual operating entities, considering their respective circumstances. The requirement to form annual cohorts that prevents contracts issued more than one year apart from being included in the same group (IFRS 17.22) is subject to an optional exemption in the E.U. endorsement of IFRS 17. The E.U. Commission grants E.U. users the right to choose whether or not to apply the requirement in IFRS 17.22 for certain contracts. The Allianz Group does not make use of this exemption.

Contracts in different currencies can fulfill the standard requirements of similar risks that are managed together. At the Allianz Group, there is one calculation currency per group of contract (GoC). In case of a GoC with contracts with different transaction currencies, a leading currency (GoC currency) is determined.

Measurement

IFRS 17 includes three measurement models. Insurance contracts

- with direct participation features are measured in line with the Variable Fee Approach (VFA);
- without direct participation features are measured under the General Measurement Model (GMM, also referred to as Building Block approach) applied; or
- without direct participation features can be measured under the PAA, if selected instead of GMM and eligibility criteria are fulfilled.

The Allianz Group generally applies the same accounting policies to reinsurance contracts held as to insurance contracts issued.

The Allianz Group applies the same accounting policies to the measurement of a group of reinsurance contracts held as to insurance contracts issued without direct participation features, with following adjustments:

The estimates of the present value of future cash flows are measured using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognized in profit or loss.

Liability for remaining coverage under the GMM/VFA

The liability for remaining coverage (LRC) under the GMM consists of the fulfillment cash flows related to future services and the contractual service margin (CSM). The fulfillment cash flows represent the risk-adjusted present value of Allianz's rights and obligations to the policyholders, comprising the building blocks of estimates of expected future cash flows, discounting, and an explicit risk adjustment for non-financial risk. The CSM represents the unearned profit from in-force contracts that an entity will recognize as it provides services over the coverage period. Each building block is measured separately, both on initial recognition and for subsequent measurement.

Estimates of expected cash flows

The estimates of future cash flows comprise all cash flows expected to arise as the insurance contract is fulfilled. In estimating these future cash flows, the Allianz Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. Cash flows within the boundary of a contract relate directly to the fulfillment of the contract, including those for which the Allianz Group has discretion over the amount or timing. These include premiums from policyholders, payments to (or on behalf of) policyholders, insurance acquisition cash flows, and other costs incurred in fulfilling the contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs.

Depending on the type of services provided, other costs that are incurred in fulfilling the contracts include:

- claims handling, maintenance and administration costs;
- recurring commissions payable on instalment premiums receivable within the contract boundary;
- costs that the Allianz Group will incur in providing investment services;
- costs that the Allianz Group will incur in performing investment activities to the extent that the Allianz Group performs them to enhance benefits from insurance coverage for policyholders by generating an investment return from which policyholders will benefit if an insured event occurs; and
- income tax and other costs specifically chargeable to the policyholders under the terms of the contracts.

Discounting

According to IFRS 17, all future cash flows must be discounted. The IFRS 17 requirements for the interest curves used in the discounting are principle-based. An entity should use observable market data based on a risk-free base curve and portfolio-specific adjustments to reflect the illiquidity of insurance obligations in determining the interest curves. The Allianz Group applies a bottom-up approach in which the basic risk-free liquid yield curves are usually derived from swap rates or government yields for the specific currency and adjusted for remaining credit risk. These risk-free liquid yield curves are then adjusted to reflect illiquidity of the underlying insurance liabilities based on reference portfolios. In case of participating business, the reference portfolio reflects own assets and it is a currency-specific portfolio for non-participating business.

The table below sets out the continuously compounded rates used to discount the cash flows of insurance contracts for major currencies:

Discount rates
in %

	As of 31 December 2023					As of 31 December 2022					As of 1 January 2022				
	1 year	5 years	10 years	20 years	30 years	1 year	5 years	10 years	20 years	30 years	1 year	5 years	10 years	20 years	30 years
Unit-linked contracts															
EUR	3.40	2.39	2.46	2.47	2.54	3.20	3.16	3.12	2.80	2.74	(0.49)	0.02	0.31	0.56	1.12
USD	4.65	3.44	3.39	3.41	3.35	4.96	3.88	3.69	3.57	3.30	0.49	1.32	1.53	1.70	1.82
Immediate fixed annuity and property-casualty liability for incurred claims															
EUR	3.60	2.60	2.67	2.68	2.71	3.41	3.36	3.33	3.01	2.91	(0.49)	0.02	0.31	0.56	1.12
USD	5.34	4.13	4.08	4.10	3.95	5.73	4.66	4.47	4.35	4.05	0.79	1.61	1.83	2.00	2.10
Traditional participating and other insurance contracts															
EUR	3.55 - 4.03	2.54 - 3.03	2.61 - 3.10	2.63 - 3.11	2.67 - 3.07	3.35 - 3.84	3.31 - 3.80	3.27 - 3.76	2.95 - 3.45	2.87 - 3.27	(0.32) - 0.19	0.19 - 0.70	0.48 - 0.99	0.73 - 1.24	1.25 - 1.67
USD[1]	5.84 - 6.20	4.64 - 5.00	4.60 - 4.96	4.61 - 4.97	4.39 - 4.70	5.54 - 6.06	4.47 - 4.99	4.28 - 4.80	4.16 - 4.69	3.87 - 4.37	0.99 - 1.07	1.81 - 1.89	2.03 - 2.11	2.19 - 2.28	2.29 - 2.36

1_In 2023, the basis for the disclosed USD rates changed to reflect the most relevant insurance portfolios. The impact of this change on the disclosed range is +67 bps on the lower bound and +45 bps on the upper bound.

Risk adjustment for non-financial risk

The risk adjustment reflects the compensation an entity would require for bearing non-financial risks, i.e., the uncertainty of cash flows that arise from insurance contracts, other than the uncertainty arising from financial risks. Such non-financial risks include insurance risks, lapse and expense risk. IFRS 17 does not prescribe a specific approach for determining the risk adjustment. Allianz applies a Cost of Capital approach with a Cost of Capital rate of currently 6% as under Solvency II. The main differences in disclosure are that IFRS 17 requires a separate presentation of the risk adjustment for non-financial risk for gross and ceded business, and a split for LRC and LIC. The main valuation differences are the reflection of diversification across Group subsidiaries in the risk adjustment of individual entities which is not allowed in the Solvency II risk margin, the exclusion of operational risk in the risk adjustment, differences in discounting, and the smoothing of risk inputs to address cross effects with financial risks not in scope of the risk adjustment.

The risk adjustment for LRC for life/health corresponds to a confidence level of 72% to 77% and is calculated based on distribution assumptions consistent to Solvency II (where applicable). For life/health, an ultimate distribution is estimated based on the Solvency II one-year-view used in the Cost of Capital methodology for calculation of the risk adjustment for the LRC, projected to ultimate horizon per entity and aggregated to diversified group level. The confidence level is derived as the quantile of the Group net of reinsurance risk adjustment in the ultimate distribution of the Group.

Contractual service margin

At initial recognition, the CSM is measured to result in no income or expenses arising from the fulfillment cash flows, any cash flows arising from the contracts in the group at that date, and the derecognition at the date of initial recognition of any asset for insurance acquisition cash flows and any other asset. If the fulfillment cash flows lead to a negative CSM at inception, it will be set to zero and the negative amount will be recorded immediately in the statement of profit or loss. At subsequent measurement, the CSM gets adjusted for changes in cash flows related to future services and for the interest accretion at interest rates locked-in at initial recognition of the group of contracts. A release from the CSM is recognized in profit or loss each period to reflect the services provided in that period based on "coverage units". IFRS 17 only provides principle-based guidance on how to determine these coverage units. Generally, the Allianz Group has defined the account value for the reflection of investment services and the sum at risk for insurance services as the default approach to determine these coverage units. If multiple services are provided in one contract, a weighting is applied, which is determined by the respective operational entity based on the respective features of the contract.

The VFA is a mandatory modification of the GMM regarding the treatment of the CSM to accommodate direct participating contracts. The assessment of whether an insurance contract meets the VFA eligibility criteria is made at the contract's inception and not revised later, except in case of a substantial modification of the contract. For contracts with direct participation features, the CSM is adjusted for changes in the amount of the entity's share of the fair value of the underlying items. No explicit interest accretion is required since the CSM is effectively remeasured when it is adjusted for changes in financial risks.

An additional CSM release is considered to avoid a delayed profit recognition by systematic real-world returns of direct participating business measured with the VFA. This adjustment reflects the expected real-world returns in relation to the risk-neutral returns applied in IFRS 17 measurement for a more appropriate allocation of the services provided in the current period, i.e., the relating income in the P&L is based on real-world assumptions. The adjustment is applied by the life/health entities in Germany, France, Italy, and Switzerland. Expected real-world returns are updated once a year based on a fundamental analysis of long-term expectations.

If certain criteria are met, an entity may apply the so-called risk mitigation option when it uses a derivative, a non-derivative financial instrument measured at fair value through profit or loss, or a reinsurance contract held to mitigate financial risk. The entity may then choose to exclude from the CSM some or all of the changes in the effect of the time value of money and financial risk on the amount of the entity's share of the underlying items, if the entity mitigates the effect of financial risk on that amount using derivatives or reinsurance contracts held; and changes in the effect of the time value of money and financial risks not arising from the underlying items, if the entity mitigates the effect of financial risk on those fulfillment cash flows using derivatives, non-derivative financial instruments measured at fair value through profit or loss, or reinsurance contracts held. The

Allianz Group applies the risk mitigation option only for a limited number of portfolios in the Life/Health segment.

LRC under the PAA

The Allianz Group uses the PAA for measuring contracts with a coverage period of one year or less and for groups of contracts where it is reasonably expected that the measurement of the LRC does not differ materially from the one that would be produced by applying the GMM or the VFA. The PAA eligibility per group of contract is regularly assessed. This assessment takes into account qualitative and quantitative factors which are determined at the Group level. The qualitative factors include but are not limited to the volatility of financial variables, related embedded derivatives, and the average length of the coverage period. For the quantitative test, the Allianz Group provides detailed scenarios including interest rate shocks per selected currency. Overall, the PAA is applied for the vast majority of the Allianz Group's property-casualty business (gross and ceded).

If facts and circumstances (e.g., an expected combined ratio above 100%) indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or subsequently becomes onerous, the Allianz Group increases the carrying amount of the LRC to the amounts of the fulfillment cash flows determined under the GMM with the amount of such an increase recognized in insurance service expenses and a loss component is established for the amount of the loss recognized. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the fulfillment cash flows determined under the GMM relating to the future service and the carrying amount of the LRC without the loss component.

Insurance acquisition cash flow asset

At the Allianz Group, insurance acquisition cash flows are not expensed as incurred, but deferred over the coverage period for all measurement models. IFRS 17 foresees two levels of deferral (pre-coverage DAC and in-coverage DAC, DAC = deferred acquisition costs). Firstly, when insurance acquisition cash flows are incurred before the group of contracts is recognized (pre-coverage), and secondly, when the contracts are recognized following IFRS 17.38 (c) and IFRS 17.B125, where the insurance acquisition cash flows are implicitly deferred over the coverage period of the contracts to which the insurance acquisition cash flows relate. Regarding the pre-coverage DAC, a four-step approach applies to ensure standard compliant measurement:

1. Identify and allocate insurance acquisition cash flows that relate to expected contract renewals and recognize those insurance acquisition cash flows as an asset (pre-coverage DAC).
2. As soon as the expected contract renewals turn into insurance contracts, the pre-coverage DAC has to be transferred into in-coverage DAC and included in the contractual cash flows.
3. Regular assumption review of pre-coverage DAC per reporting period.
4. Perform an assessment regarding the recoverability of the pre-coverage DAC, if facts and circumstances indicate potential impairment.

Liability for incurred claims (LIC)

The LIC is measured at the fulfillment cash flows relating to incurred claims. It comprises the fulfillment cash flows related to past service at the reporting date. It is calculated at a level of aggregation, which is determined at the local level based on relevant factors, e.g., line of business, region, or distribution channel. The LIC consists of the present value of future cash flows relating to incurred claims and the risk adjustment for non-financial risk, applying the same principles for the estimates of future cash flows, the discount rate and the risk adjustment for non-financial risk that apply to the LRC.

For the insurance contracts measured under the PAA, the Allianz Group decided to discount the future cash flows relating to incurred claims, even if those cash flows are expected to be paid or received in one year or less from the date the claims are incurred.

Risk adjustment for non-financial risk under PAA

The risk adjustment for LIC for property-casualty corresponds to a confidence level in the range of 65% to 70% and is calculated based on distribution assumptions consistent to Solvency II (please refer also to risk adjustment for non-financial risk at Liability for remaining coverage under the GMM/VFA).

For property-casualty, this is based on the ultimate distribution underlying the Solvency II one-year-view used in the Cost of Capital methodology for the calculation of the risk adjustment for the LIC, aggregated and diversified at Group level. The confidence level is derived as the quantile of the Group net of reinsurance risk adjustment in the ultimate distribution of the Group.

Reserving process

In the following, the term reserves is meant to include the present value of future cash flows, the risk adjustment and the CSM.

For the business segments Life/Health and Property-Casualty, the central oversight process around reserve estimates includes the setting of group-wide standards and guidelines, regular site visits, as well as regular quantitative and qualitative reserve monitoring.

The oversight and monitoring of the Allianz Group's reserves culminate in quarterly meetings of the Allianz Group Reserve Committee, which is the supervising body that governs all significant reserves. It particularly monitors key developments across the Allianz Group affecting the level of the best estimate reserves.

Life/Health reserves are subject to estimates and assumptions, especially on the life expectancy and health of an insured individual (mortality, longevity, and morbidity risk), on portfolio persistency (surrender and premium increase), and on the development of interest rates and investment returns (including asset-liability mismatch risk). These assumptions also have an impact on the presentation of costs arising from the origination of insurance business (acquisition cash flows). To ensure consistency in the application of actuarial methods and assumptions in the Life/Health reserving process, the Allianz Group has designed a two-stage reserving process:

Stage one: Life/Health reserves are calculated by qualified local staff experienced in the subsidiaries' business. The process follows group-wide standards for applying consistent and reasonable assumptions. The appropriateness of the best-estimate reserves and their compliance with group-wide standards is confirmed by the local chief actuary and local reserve committee.

Stage two: The Allianz Group actuarial function regularly evaluates the local reserving processes as well as reserving results, including the appropriateness and consistency of the assumptions, monitors and approves the validation of the actuarial models, and analyzes the movements of the reserves. Any adjustments to the reserves and other insurance-related reporting items are reported to and analyzed together with the Allianz Group Reserve Committee.

Property-Casualty reserves are set by leveraging the use of actuarial techniques and educated judgment. These include the best estimate of the cash flows (e.g., claims, premiums, and expenses) and the discounting of the claims. A two-stage process exists for the setting of the P&C reserves in the Allianz Group:

Stage one: Property-Casualty reserves are calculated by local reserving actuaries at the Allianz subsidiaries. The reserves are set at a best-estimate level based on a thorough analysis of historical data, enhanced by interactions with other business functions (e.g., Underwriting, Claims and Reinsurance). Actuarial judgment is applied where necessary, especially in cases where data is unreliable, scanty, or unavailable. The judgment of Property-Casualty actuaries is based on past experience of the characteristics of each line of business, the current stage of the underwriting cycle, and the external environment in which the subsidiary operates. The reserves are proposed to a local reserve committee, where the rationale of the selections is discussed and subsequently documented. The appropriateness of the best-estimate reserves and their compliance with group-wide standards is confirmed by the local chief actuary and local reserve committee.

Stage two: The Allianz Group Actuarial function forms an opinion on the best-estimate level of the reserves proposed by the local entities. The Allianz Group Actuarial function challenges the operating entities' selection through their continuous interaction with local teams and quarterly attendance in the local reserve committees. The ability to form a view on the reserve best-estimate level is further enabled by regular reviews of the local reserving practices. Such reviews consist of an evaluation of the reserving process as well as of the appropriateness of models, methods, and assumptions, and an analysis of the movements of the reserves. Significant findings from these reviews are communicated in the Allianz Group Reserve Committee to initiate actions where necessary. The Allianz Group Actuarial function monitors and assesses the documentation of the validation work performed by the Allianz subsidiaries.

Distinction between financial and non-financial risk

In general, the Allianz Group recognizes inflation as a financial risk for claims benefits and other insurance expenses (e.g., claims handling) only when inflation is contractually linked to an index. There are insurance products where the amounts to be paid are legally or contractually linked to an inflation-index such as a consumer price index.

Accounting policies for selected line items of the consolidated balance sheet and income statement

Cash and cash equivalents

Cash and cash equivalents comprise balances with banks payable on demand, balances with central banks, cash on hand, and treasury bills to the extent they are not included in investments measured at fair value through profit or loss. Furthermore, this balance sheet item contains checks and bills of exchange that are eligible for refinancing at central banks, subject to a maximum term of three months from the date of acquisition as well as reverse purchase agreements that are due within three months.

Investments

Investments measured at fair value through profit or loss

Investments measured at fair value through profit or loss comprise debt instruments that are classified as measured at fair value through profit or loss based on the underlying business model or cash flow characteristics as well as financial assets that are irrevocably designated to be measured at fair value through profit or loss at inception. Equity instruments are included in this line item if Allianz deviates from its general approach to designate them as measured at fair value through other comprehensive income or if they do not fulfill the prerequisites for such a designation.

Investments measured at fair value through other comprehensive income

These investments include debt financial assets that are held within a "hold and sell" business model and whose contractual cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI).

In addition, investments in equity instruments that are designated to be measured at fair value through other comprehensive income are presented in this line item. As prescribed by IFRS 9, amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Instead, the Allianz Group accounting policies foresee that the cumulative amounts are transferred directly within equity upon derecognition of an investment in an equity instrument that is measured at fair value through other comprehensive income.

Investments measured at amortized cost

Investments measured at amortized cost relate to debt financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows ("hold to collect" business model) and whose contractual cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI).

Investments in associates and joint ventures

For details on the accounting for investments in associates and joint ventures, please see the section "Principles of consolidation".

Real estate held for investment

Real estate held for investment is initially measured at cost, including directly attributable transaction costs.

For the subsequent measurement, the Allianz Group applies the fair value model in accordance with IAS 40.33 if the property is held as an underlying item for insurance contracts with direct participation features and investment contracts with discretionary participation features.

In all other cases, the Allianz Group applies the cost model pursuant to IAS 40.56 and carries real estate held for investment at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is recognized on a straight-line basis over the property's useful life, with a maximum of 50 years. Furthermore, real estate held for investment is regularly tested for impairment.

Fixed assets from alternative investments

Except for biological assets, these assets are carried at cost less accumulated depreciation and impairments in accordance with IAS 16.

They are depreciated on a straight-line basis over their useful life, with a maximum of 35 years, and regularly tested for impairment.

Biological assets are measured at fair value less costs to sell, with changes therein recognized in profit or loss.

Financial assets for unit-linked contracts

Financial assets for unit-linked contracts are neither held within a "hold to collect" nor within a "hold and sell" business model. Consequently, they are classified as measured at fair value through profit or loss.

(Re-)Insurance contract assets

The balance sheet position differentiation by IFRS 17 into insurance and reinsurance contracts relates to contracts issued ("insurance contracts") or held ("reinsurance contracts"). For details regarding main accounting policies and significant estimates please see separate section Insurance contracts.

Other assets

Other assets primarily consist of leased or owned real estate held for own use, software and equipment, receivables, non-current assets and assets of disposal groups classified as held for sale, and assets for deferred compensation programs.

The Allianz Group has elected the fair value model in accordance with IAS 40 as its accounting policy to measure properties held for own use that are underlying items of (a group of) insurance contracts with direct participation features. For the purpose of this election, insurance contracts include investment contracts with discretionary participation features.

All other items of property, plant and equipment are subsequently measured based on the cost model pursuant to IAS 16.30. When applying the cost model, depreciation is generally computed using the straight-line method over the estimated useful lives of the assets. Software is generally amortized straight-line over its expected useful life. The right-of-use assets related to leased property and equipment are generally depreciated over the lease term.

The table below summarizes estimated useful lives for real estate held for own use, software, and equipment.

Estimated useful lives (in years)

	Years
Real estate held for own use	max. 50
Software	3 - 13
Equipment	2 - 10

Intangible assets and goodwill

Intangible assets with finite useful lives are measured at cost less accumulated amortization and impairments.

The table below summarizes estimated useful lives and the amortization methods for each material class of intangible assets with finite useful lives.

Estimated useful lives (in years) and amortization methods

	Useful lives	Amortization method
Long-term distribution agreements	10 - 20	straight-line considering contractual terms
Customer relationships	4 - 40	straight-line or in relation to customer churn rates

Goodwill arising from business combinations is recognized in the amount of the consideration transferred plus the amount of any non-controlling interest in the acquiree held by the direct parent in excess of the fair values assigned to the identifiable assets acquired and liabilities assumed. Goodwill is generally carried in the acquiree's functional currency. An evaluation of whether the goodwill is deemed recoverable takes place at least once a year.

Further explanations on the impairment test for goodwill and its significant assumptions as well as respective sensitivity analyses are given in note 8.9.

Financial liabilities

Financial liabilities for puttable financial instruments

The Allianz Group records financial liabilities where non-controlling shareholders have the right to put their ownership interests back to the Allianz Group (puttable instruments). If these non-controlling shareholders still have present access to the risks and rewards associated with the underlying ownership interests, the non-controlling interests remain recognized, and profit or loss is allocated between controlling and non-controlling interests. The financial liabilities for puttable instruments are generally required to be recorded at the redemption amount. The Allianz Group recognizes valuation changes in equity where the non-controlling shareholders have present access to risks and rewards of ownership. In all other cases, valuation changes are recognized in the income statement. As an exception, for puttable instruments that are classified as equity instruments in the separate or individual financial statements of the issuer in accordance with IAS 32.16A-16B and are to be presented as liabilities in the consolidated financial statements of the Allianz Group instead of non-controlling interests, valuation changes of these liabilities are always recognized in the income statement. This is the case for puttable instruments issued by mutual funds controlled but not wholly owned by the Allianz Group.

Certificated liabilities and subordinated liabilities

Certificated liabilities and subordinated liabilities are subsequently measured at amortized cost, using the effective interest method to amortize the premium or discount to the redemption value over the life of the liability.

(Re-)Insurance contract liabilities

The balance sheet position differentiation by IFRS 17 into insurance and reinsurance contracts relates to contracts issued ("insurance contracts") or held ("reinsurance contracts") . For details regarding main accounting policies and significant estimates please see separate section Insurance contracts.

Investment contract liabilities

Investment contract liabilities include financial liabilities of investment contracts without discretionary participation features accounted for under IFRS 9. The financial liabilities for those contracts are initially recognized at fair value, or the amount of the deposit by the contract holder, net of the transaction costs, that are directly attributable to the issuance of the contract. Subsequently, the non-unit-linked investment contracts are measured at amortized cost using the effective interest method, while the unit-linked contracts are recorded at fair value with changes in fair value recognized in the income statement.

Other liabilities

Pensions and similar obligations

Pensions and similar obligations are measured at present value and presented net of plan assets by applying the provisions of IAS 19. For a reliable estimate of the obligations owed to employees, the Allianz Group makes separate estimates (actuarial assumptions) about demographic variables (such as employee turnover and mortality) and financial variables (such as discount rates, inflation rates, compensation increases, pension increases, and rates of medical cost trends) for each material pension plan, considering the circumstances in the individual countries.

Further explanations and sensitivity calculations are given in note 8.16.

Share-based compensation plans

The share-based compensation plans of the Allianz Group are classified as either equity-settled or cash-settled plans. Where equity-settled plans involve equity instruments of Allianz SE, a corresponding increase in shareholders' equity is recognized. Where equity-settled plans involve equity instruments of subsidiaries of the Allianz Group, the corresponding increase is recognized in non-controlling interests. Where expected tax deductions differ, in terms of amount and timing, from the cumulative share-based payment expense recognized in profit or loss, deferred taxes are recognized on temporary differences.

Lease liabilities

The Allianz Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Furthermore, the Allianz Group does not recognize right-of-use assets and lease liabilities for car leases. The expenses relating to the short-term leases and leases of low-value assets including car leases are expensed on a straight-line basis over the lease term.

For further information on these expenses, please refer to note 8.15.

Equity

Issued capital represents the mathematical per-share value received at the issuance of shares.

Additional paid-in capital represents the premium exceeding the issued capital received at the issuance of shares.

Undated subordinated bonds comprise Restricted Tier 1 notes that qualify as equity instruments pursuant to IAS 32. The instruments are presented within shareholders' equity and any related interest charges are classified as distributions from shareholders' equity, without affecting profit or loss. The notes are measured at their historical value. In addition, notes denominated in foreign currencies are translated to euro at the quarterly closing exchange rate. The corresponding foreign exchange differences are recognized as foreign currency translation adjustments in equity.

Non-controlling interests represent equity in subsidiaries, not attributable directly or indirectly, to Allianz SE as parent.

Retained earnings comprise the net income of the current year and of prior years not yet distributed, treasury shares, amounts recognized in other comprehensive income, and any amounts directly recognized in equity according to IFRS.

Please refer to the section "Foreign currency translation" above for an explanation of foreign currency changes that are recognized in equity. The effective portion of gains and losses of hedging instruments designated as hedges of a net investment in a foreign operation is recognized in foreign currency translation adjustments.

Other unrealized gains and losses (net) include unrealized gains and losses from investments measured at fair value through other comprehensive income and from derivative financial instruments that either meet the criteria for cash flow hedge accounting or, in the case of a fair value hedging relationship, hedge equity financial instruments that are designated to be measured at fair value through other comprehensive income.

The unrealized gains and losses from insurance contacts (net) are the cumulative amounts between the total insurance finance income or expenses and the amount included in profit or loss.

Insurance revenue

Insurance revenue under the GMM/VFA

The Allianz Group recognizes insurance revenue as it provides services under groups of insurance contracts. For contracts measured under the GMM or VFA, the insurance revenue relating to services provided for each reporting period represents the total of the changes in the LRC that relate to services for which the Allianz Group expects to receive consideration, and comprises the following items:

- A release of the CSM, measured based on coverage units provided.
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year, excluding amounts allocated to a potential loss component, repayments of investment components, insurance acquisition expenses, and amounts that relate to transaction-based taxes collected on behalf of third parties.
- Other amounts, including experience adjustments for premium receipts for current or past services.

Insurance revenue under the PAA

In applying the PAA, insurance revenue for the period is the amount of expected premium receipts (excluding any investment component and adjusted to reflect the time value of money and the effect of financial risk, if applicable) allocated to the period. As such, for contracts measured under the PAA at the Allianz Group, the expected premium receipts are allocated to insurance revenue based on the passage of time, unless the expected pattern of incurring the insurance service expenses differs significantly from the passage of time, in which case the latter should be used.

Insurance service expenses

These expenses consist of claims and other insurance service expenses incurred during the period as well as the amortization of insurance acquisition cash flows, but exclude repayments of investment components. Furthermore, they include the changes in the fulfillment cash flows relating to the LIC, the losses on onerous groups of contracts and reversals of such losses and the impairment loss on the assets for the pre-coverage acquisition cash flows and the reversals of such losses. For the insurance contracts with direct participation features, it also includes an adjustment for experience adjustments of the non-financial underlying items.

Insurance service expenses include only costs that relate directly to the fulfillment of the insurance contracts. The Allianz Group furthermore distinguishes between direct costs and overhead costs.

Reinsurance result
The Allianz Group applies the accounting policy option outlined in IFRS 17.86 to present income and expenses from a group of reinsurance contracts held, other than insurance finance income and expenses, as a single amount.

Interest result
Interest result is recognized on an accrual basis using the effective interest method. This line item also includes dividends from equity securities, income from investments in associates and joint ventures measured using the equity method, as well as lease income. Dividends are recognized in income when the right to receive the dividend is established.

Lease income from operating leases (excluding receipts for services provided such as insurance and maintenance, which are recognized as income under fee and commission income) is recognized on a straight-line basis over the lease term, even if the receipts are not on such a basis, for example upfront payments.

Valuation result
Valuation result contains all investment income and expenses as well as realized and unrealized gains and losses from financial assets and liabilities measured at fair value through profit or loss, except for income and expenses that are recognized in interest result.

In addition, commissions attributable to trading operations and related interest expenses, as well as refinancing and transaction costs are included in this line item. Foreign currency gains and losses on monetary items are also reported within valuation result.

For further details on the composition of this line item, please refer to note 7.1.

Net insurance finance expenses
Net insurance finance expenses consist of finance income or expenses from insurance contracts issued and the finance income or expenses from reinsurance contracts held including the effect of time value of money and the effect of financial risk. It includes the interest accretion of the fulfillment cash flows and the CSM as well as the changes in the fulfillment cash flows due to changes in financial assumptions. For groups of insurance contracts with direct participation features, changes in the value of underlying items excluding additions and withdrawals are included in net insurance finance expenses.

Generally, the Allianz Group chooses to disaggregate the insurance finance income or expenses other than those arising from the risk mitigation option between profit or loss and other comprehensive income (OCI) based on a systematic allocation. Furthermore, the Allianz Group chooses to disaggregate the change in risk adjustment for non-financial risk between a change related to non-financial risk and the effect of the time value of money and changes in the time value of money, which are included in net insurance finance expenses.

For groups of insurance contracts accounted for under the GMM, the systematic allocation for the finance income or expenses is determined using the discount rates by which estimated future cash flows have been discounted on initial recognition, i.e., the “locked-in” interest rate. For Life/Health entities, the Allianz Group applies a cash flow-weighted average of interest curves through the quarters. It means averaging each quarterly interest curve for each maturity over the cash flows with maturity over the quarters. For the indirect participating insurance contracts accounted for under the GMM, for which changes in assumptions that relate to financial risk have a substantial effect on the amounts paid to the policyholder, the systematic allocation for the finance income or expenses arising from the future cash flows is determined by using the effective yield approach or expected crediting rate approach for contracts that use a crediting rate to determine amounts due to the policyholders. An expected crediting rate approach uses an allocation that is based on the amounts credited in the period and expected to be credited in future periods based on the crediting strategy of the operating entities and under the contractual features. For the finance income or expenses arising from the CSM, a systematic allocation is determined using the “locked-in rate”.

For groups of insurance contracts with direct participation features accounted for under the VFA, the Allianz Group generally holds the underlying items. The insurance finance income or expense included in profit or loss is the amount that exactly matches the income or expenses included in profit or loss for the underlying items (i.e., the current period book yield of the underlying items), resulting in the net of the separately presented items being nil.

For groups of insurance contracts accounted for under the PAA, the systematic allocation for the finance income or expenses is determined using the discount rates at the date of the incurred claim, i.e., the “locked-in” interest rate based on accident year. For Property-Casualty entities, the Allianz approach is the simple average of interest curves through the quarters weighted by ¼ each.

Net result from investment contracts
The net result from investment contracts consists of changes to the investment contracts liabilities, benefits paid to the policyholders, acquisition costs, settlement costs and administrative expenses from unit-linked investment contracts and non-unit-linked investment contracts without discretionary participation features as well as investment income and expenses from unit-linked investment contracts.

Fee and commission income
Fee and commission income primarily consists of asset management fees which are recognized when the service is provided. For those fees, the service is considered to be provided periodically. Performance fees from funds are not usually recognized as income until the end of the funds’ term. Before its completion, the payment claim depends on the occurrence of certain events, such as the future development of the fund, which is regularly not reliably estimable. Carried interest is generally recognized as revenue on the date of the formal declaration of distribution by the investee and only earlier if sufficient evidence exists to support that it is highly probable that a significant reversal of carried interest revenue will not occur. The transaction price for asset management services is determined by the fees contractually agreed.

Income taxes
Current income taxes are calculated based on the respective local taxable income and local tax rules for the period. In addition, current income taxes presented for the period include adjustments for uncertain tax payments or tax refunds for periods not yet finally assessed, excluding interest expenses and penalties on the underpayment of taxes. In the event that amounts included in the tax return are considered unlikely to be accepted by the tax authorities (uncertain tax positions), a provision for income taxes is recognized. The amount is based on the best possible assessment of the tax payment expected. Tax refund claims from uncertain tax positions are recognized when it is probable that they can be realized.

Deferred tax assets and liabilities are calculated for temporary differences between the tax bases and the financial statement carrying amounts, including differences from consolidation, unused tax loss carry-forwards, and unused tax credits. The measurement of deferred tax assets has to take into account estimates on the availability of future taxable profits. This includes the character and amounts of taxable future profits, the periods in which those profits are expected to occur, and the availability of tax planning opportunities.

The Allianz Group recognizes a valuation allowance for deferred tax assets when it is unlikely that a corresponding amount of future taxable profit will be available against which the deductible temporary differences, tax loss carryforwards, and tax credits can be utilized.

Further explanations are given in note 8.4.

Recently adopted and issued accounting pronouncements

First application of IFRS 9 and 17

General information

The Allianz Group has initially applied IFRS 17 and IFRS 9, including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance contracts and financial instruments.

IFRS 17 supersedes IFRS 4 and establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurance contracts held, and investment contracts with discretionary participation features. Detailed qualitative and quantitative descriptions of the effects from the initial application of IFRS 17 on the Allianz Group's financial statements have been included in note 2 of the Annual Report 2022. IFRS 17 has to be applied retrospectively unless this is impracticable. Fulfillment cash flows are determined prospectively at every reporting date, including the date of initial application. However, the contractual service margin is rolled forward over time, a split of profits between equity ("earned profits") and contractual service margin ("unearned profits") is required but is often judgmental. If a full retrospective application is impracticable, an entity can choose between a modified retrospective approach or a fair value approach. This accounting policy choice for the transition approach was made on a group of contract level. The decision involved the consideration of multiple criteria, such as availability of reliable and objective information, operational complexity, or the reasonableness of the split between earned and unearned profits. For contracts measured under the variable fee approach, the Allianz Group has generally applied the modified retrospective approach using the fair value of the underlying items as the basis from which to determine the contractual service margin at transition. The most significant portion of insurance contracts measured under the fair value approach is the life business in the U.S.

The Allianz Group applied modifications under the modified retrospective approach only to the extent that it did not have reasonable and supportable information available to apply IFRS 17 retrospectively.

Under the fair value approach, the contractual service margin of a group of contracts at transition is determined as the difference between the fair value of this group at transition determined in accordance with IFRS 13 and the corresponding IFRS 17 fulfillment cash flows measured at transition. Conceptually, the contractual service margin usually reflects the insurer's expected future profits from writing business (entry price concept). Under the fair value approach, however, the contractual service margin reflects the margin an average market participant would require taking over the contracts (exit price concept). Therefore, when determining the fair value of a group of contracts, the Allianz Group replaces entity-specific assumptions with objective assumptions that an average market participant would use for pricing the liability. For this, the Allianz Group has determined the exit price either based on a real-world projection of the present value of future profits of the group of contracts or using an internal rate of return methodology based on distributable earnings. For most groups of contracts for which the internal rate of return methodology was applied, the Allianz Group used an internal rate of return of 13 %.

Besides the determination of the contractual service margin, another crucial key topic at transition is the determination of historic interest rates. The Allianz Group makes use of the introduction of Solvency II, which is the general basis for the interest rates.

IFRS 9, issued by the IASB in July 2014, fully replaces IAS 39 and provides a new approach on how to classify financial instruments based on their cash flow characteristics and the business model under which they are managed. Furthermore, the standard introduces a new forward-looking impairment model for debt instruments and provides new rules for hedge accounting.

Given the strong interrelation between the measurement of direct participating insurance contracts and the underlying assets held, the Allianz Group decided to use the option to defer the full implementation of IFRS 9 until annual reporting periods beginning on or after 1 January 2023 when IFRS 17 came into effect.

Upon transition to IFRS 17 and IFRS 9, the Allianz Group has elected to restate the comparative information of financial assets for IFRS 9. This includes the application of the classification overlay to all financial assets derecognized in the comparative period. In connection with the classification overlay, the Allianz Group also applies the impairment requirements of IFRS 9 to all financial assets in scope.

Transition from IAS 39 to IFRS 9

Transition from IAS 39 to IFRS 9

€ mn

	IAS 39 carrying amount 31 December 2022	Reclassifications	Remeasurements	Accrued interest	IFRS 9 carrying amount 1 January 2023
	(i)	(ii)	(iii)	(iv)	(v) = (i) + (ii) + (iii)+(iv)
Fair value through profit or loss					
From available for sale (IAS 39)		69,193	-	46	69,239
From held to maturity (IAS 39)		4	-	-	4
From fair value through profit or loss (IAS 39)		15,680	-	360	16,040
From loans and advances to banks and customers (IAS 39)		3,256	(1,069)	28	2,215
Total fair value through profit or loss		**88,133**	**(1,069)**	**434**	**87,498**
Fair value through other comprehensive income					
From available for sale (IAS 39)		426,970	-	3,161	430,131
From held to maturity (IAS 39)		1,804	(165)	19	1,658
From fair value through profit or loss (IAS 39)		1,595	-	16	1,611
From loans and advances to banks and customers (IAS 39)		118,289	(8,509)	1,712	111,492
Total fair value through other comprehensive income		**548,659**	**(8,675)**	**4,908**	**544,892**
Amortized cost					
From available for sale (IAS 39)		2,881	22	1	2,904
From held to maturity (IAS 39)		1,059	-	2	1,062
From fair value through profit or loss (IAS 39)		(21)	-	-	(20)
From loans and advances to banks and customers (IAS 39)		4,430	(444)	10	3,996
Total amortized cost		**8,349**	**(421)**	**14**	**7,942**
Other assets					
From receivables (in Other assets) (IAS 39)		586	(167)	(2)	417
To receivables (in Other assets) at fair value through profit or loss		**586**	**(167)**	**(2)**	**417**
Categories according to IAS 39					
Fair value through profit or loss (IAS 39)	17,254				
Available for sale (IAS 39)	499,044				
Held to maturity (IAS 39)	2,867				
Loans and advances to banks and customers (IAS 39)	125,975				
Receivables (in Other assets) (IAS 39)	586				
Total financial assets balances (affected by IFRS 9)	**645,726**	**645,726**	**(10,332)**	**5,353**	**640,748**

Further recently adopted accounting pronouncements

In addition to the new accounting standards IFRS 9 and IFRS 17, the following amendments and revisions to existing standards became effective for the Allianz Group's consolidated financial statements as of 1 January 2023:

- IAS 1, Disclosure of Accounting Policies, and IFRS Practice Statement 2, Making Materiality Judgements,
- IAS 8, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates,
- IAS 12, Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction,
- IAS 12, International Tax Reform – Pillar Two Model Rules.

These changes had no material impact on the Allianz Group's financial results or financial position.

Recently issued accounting pronouncements

The following amendments and revisions to standards and interpretations have been issued by the IASB but are not yet effective for or have not been adopted early by the Allianz Group.

Standard/Interpretation	Effective date
IAS 1, Classification of Liabilities as Current or Non-current	Annual periods beginning on or after 1 January 2024
IAS 1, Non-current Liabilities with Covenants	Annual periods beginning on or after 1 January 2024
IFRS 16, Lease Liability in a Sale and Leaseback	Annual periods beginning on or after 1 January 2024
IAS 7 and IFRS 7, Supplier Finance Arrangements	Annual periods beginning on or after 1 January 2024
IAS 21, Lack of Exchangeability	Annual periods beginning on or after 1 January 2025

These amendments are not expected to have a material impact on the financial position and financial results of the Allianz Group. Early adoption is generally allowed but not intended by the Allianz Group.

3 _ Consolidation and classification as held for sale

Business combinations in 2023

Innovation Group Holdings Ltd., Whiteley

On 12 January 2023, the Allianz Group completed the acquisition of 100% of the shares of Innovation Group Holdings Ltd., Whiteley, a leading global provider of claims and technology solutions to the insurance and automotive sectors.

Innovation Group's capabilities complement the Allianz Group's existing claims management options. For example, Innovation Group operates a proprietary software platform to outsource claims management which enables largely automated claims management through a simple, intuitive user interface and connects all relevant participants, including data providers, in the claims process.

The Allianz Group acquired identifiable assets and liabilities with a fair value of € 259 mn and € 402 mn, respectively. Expected cost synergies and future revenues from operating Innovation Group independently serving all customers are the main factors that make up the goodwill recognized in an amount of € 270 mn.

Incontra Assicurazioni S.p.A., Milan

On 30 November 2023, the Allianz Group completed the acquisition of 50% of the shares of Incontra Assicurazioni S.p.A., Milan, a non-life insurance business to strengthen the bancassurance partnership with UniCredit.

The Allianz Group acquired identifiable assets and liabilities with a preliminary fair value of € 456 mn and € 377 mn, respectively. Expected cost synergies are the main factors that make up the goodwill recognized at a preliminary amount of € 40 mn.

Significant business combinations in 2022

In 2022, the Allianz Group acquired 100% of the shares of European Reliance General Insurance Company S.A., Chalandri, a leading Greek insurer. For more information, please see note 4 to the Annual Report 2022.

Classification as held for sale

Non-current assets and disposal groups classified as held for sale
€ mn

As of 31 December	2023	2022
Assets of disposal groups classified as held for sale		
African business operations[1]	-	2,549
Russian insurance operations	-	484
Allianz Saudi Arabia	463	-
Euler Hermes Re	240	-
Swedish real estate portfolio	202	-
Other disposal groups	33	27
Subtotal	938	3,061
Non-current assets classified as held for sale		
Real estate held for investment	100	-
Real estate held for own use	15	1
Associates and joint ventures	69	-
Subtotal	183	1
Total	**1,121**	**3,062**
Liabilities of disposal groups classified as held for sale		
African business operations[1]	-	1,907
Russian insurance operations	-	775
Allianz Saudi Arabia	252	-
Euler Hermes Re	32	-
Swedish real estate portfolio	9	-
Other disposal groups	38	160
Total	**332**	**2,842**

1_African business of the Global Insurance Lines is not affected.

African business operations

On 4 September 2023, the Allianz Group completed the formation of the partnership with Sanlam Ltd., Cape Town, a non-banking financial service company in Africa, by contributing its African business operations and further assets in consideration for a 41 % shareholding in the partnership.

The assets and liabilities of the affected operations across Africa contributed to the partnership were allocated to the reportable segments Global Insurance Lines & Anglo Markets, Iberia & Latin America, Middle East and Africa (Property-Casualty and Life/Health).

The impact of the disposal, net of cash disposed, on the consolidated statement of cash flows for the year ended 31 December 2023 was as follows:

Impact of the disposal
€ mn

Investments	1,445
Financial assets for unit-linked contracts	410
Reinsurance contract assets	62
Deferred tax assets	20
Other assets	145
Intangible assets	119
Financial liabilities	(2)
Insurance contract liabilities	(1,580)
Deferred tax liabilities	(21)
Other liabilities	(151)
Other comprehensive income	194
Non-controlling interests	(35)
Loss on disposal	(1)
Consideration received	(899)
Proceeds from sale of the subsidiary, net of cash disposed[1]	**(294)**

1_Includes cash and cash equivalents at an amount of € 168 mn which were disposed of with the entity.

On completion, cumulative losses of € 194 mn previously reported in other comprehensive income relating to the business operations contributed to the partnership mainly consisting of foreign currency translation effects were reclassified to profit or loss.

Russian insurance operations

On 17 May 2023, the Allianz Group completed the sale of 50% plus one share in its Russian insurance operations to Interholding LLC, Moscow.

The assets and liabilities of the Russian insurance operations sold were allocated to the reportable segments German Speaking Countries and Central & Eastern Europe (Property-Casualty and Life/Health).

The impact of the disposal, net of cash disposed, on the consolidated statement of cash flows for the year ended 31 December 2023 was as follows:

Impact of the disposal
€ mn

Investments	355
Reinsurance contract assets	16
Deferred tax assets	10
Other assets	20
Insurance contract liabilities	(308)
Deferred tax liabilities	(5)
Other liabilities	(9)
IFRS 5 impairment recognized in 2022	(28)
Release of onerous contract provision	409
Loss on disposal	(435)
Consideration received	(52)
Proceeds from sale of the subsidiary, net of cash disposed[1]	**(27)**

1_Includes cash and cash equivalents at an amount of € 27 mn which were disposed of with the entity.

On completion of the sale in the second quarter of 2023, in particular the required reclassification of the cumulative losses, largely consisting of foreign currency translation effects from the past, from other comprehensive income to profit or loss significantly contributed to the loss on disposal of € 435 mn, which was almost completely anticipated by the recognition of an onerous contract provision in the fourth quarter of 2022.

Allianz Lebanon

On 3 July 2023, the Allianz Group completed the sale of 100% of its Lebanese business operations to GGC SNA Holdings Limited.

The assets and liabilities of the Lebanese business operations sold were allocated to the reportable segments Global Insurance Lines & Anglo Markets, Iberia & Latin America, Middle East and Africa (Property-Casualty and Life/Health).

The impact of the disposal, net of cash disposed, on the consolidated statement of cash flows for the year ended 31 December 2023 was as follows:

Impact of the disposal
€ mn

Investments	137
Financial assets for unit-linked contracts	36
Reinsurance contract assets	5
Other assets	27
Insurance contract liabilities	(148)
Other liabilities	(22)
Other comprehensive income	138
Loss on disposal	(141)
Proceeds from sale of the subsidiary, net of cash disposed[1]	**31**

1_Includes cash and cash equivalents at an amount of € 10 mn which were disposed of with the entity.

On completion, cumulative losses of € 138 mn previously reported in other comprehensive income relating to the business operation sold mainly consisting of foreign currency translation effects of the hyperinflationary economy were reclassified to profit or loss.

Allianz Saudi Arabia

On 27 September 2023, the Allianz Group entered into a binding agreement to sell its 51 % stake in Allianz Saudi Fransi to Abu Dhabi National Insurance Company (ADNIC). Pending receipt of regulatory approvals, the sale is expected to be completed in the first quarter of 2024.

The assets and liabilities of Allianz Saudi Fransi classified as held for sale are allocated to the reportable segments Global Insurance Lines & Anglo Markets, Iberia & Latin America, Middle East and Africa (Property-Casualty).

Reclassified assets and liabilities
€ mn

Cash and cash equivalents	57
Investments	182
Financial assets for unit-linked contracts	116
Reinsurance contracts that are assets	20
Deferred tax assets	1
Other assets	70
Intangible assets	17
Total assets	**463**
Insurance contracts that are liabilities	249
Other liabilities	3
Total liabilities	**252**

As of 31 December 2023, cumulative gains of € 14 mn were reported in other comprehensive income relating to the disposal group classified as held for sale.

Euler Hermes Re S.A., Luxembourg

On 26 January 2024, the Allianz Group entered into a binding agreement to sell its 100% stake in Euler Hermes Re S.A., Luxembourg, to a Luxembourg captive reinsurance company. Pending receipt of regulatory approvals, the sale is expected to be completed in the second quarter of 2024.

The assets and liabilities of Euler Hermes Re S.A. classified as held for sale are allocated to the reportable segment Global Insurance Lines & Anglo Markets, Iberia & Latin America, Middle East and Africa (Property-Casualty).

As of 31 December 2023, cumulative losses of € 8 mn were reported in other comprehensive income relating to the disposal group classified as held for sale.

4 _ Supplementary information on the consolidated statement of cash flows

Supplementary information on the consolidated statement of cash flows
€ mn

	2023	2022
Supplementary information on the consolidated statement of cash flows		
Income taxes paid (from operating activities)	(3,068)	(3,163)
Dividends received (from operating activities)	4,504	5,783
Interest received (from operating activities)	20,037	18,190
Interest paid (from operating activities)	(1,311)	(961)
Significant non-cash transactions		
Transfer of U.S. investment teams and assets to Voya Investment Management, Atlanta[1]		
Investments measured at fair value through other comprehensive income	-	518
Goodwill and other intangible assets	-	(118)
Deferred tax liabilities	-	(109)
Other (net)	-	28
Realized gains/losses (net of taxes)	-	319

1_The transfer to Voya without impacting the cash flows led to adjustments in the following positions.

Cash and cash equivalents
€ mn

As of 31 December	2023	2022
Balances with banks payable on demand	10,769	10,670
Balances with central banks	2,652	2,423
Cash on hand	42	46
Treasury bills, discounted treasury notes, similar treasury securities, bills of exchange and checks	8,109	7,009
Reverse repurchase agreements (due in three months or less)	7,638	2,751
Expected credit losses	(1)	(3)
Total	**29,210**	**22,896**

Changes in liabilities arising from financing activities
€ mn

	Liabilities to banks and customers and other liabilities	Certificated and subordinated liabilities	Lease liabilities	Total
As of 1 January 2022	**17,270**	**21,988**	**2,790**	**42,047**
Net cash flows	2,975	(607)	(450)	1,919
Non-cash changes				
Changes in the consolidated subsidiaries of the Allianz Group	427	-	2	430
Foreign currency translation adjustments	341	13	45	400
Fair value and other changes	88	(179)	352	261
As of 31 December 2022	**21,101**	**21,215**	**2,740**	**45,057**
As of 1 January 2023	**21,101**	**21,215**	**2,740**	**45,057**
Net cash flows	1,364	(114)	(401)	849
Non-cash changes				
Changes in the consolidated subsidiaries of the Allianz Group	236	-	5	241
Foreign currency translation adjustments	(242)	(7)	(28)	(277)
Fair value and other changes	43	51	414	507
As of 31 December 2023	**22,502**	**21,145**	**2,730**	**46,376**

5 _ Segment reporting

Identification of reportable segments

The business activities of the Allianz Group are organized by product and type of service: insurance activities, asset management activities, and corporate and other activities. Due to differences in the nature of products, risks, and capital allocation, insurance activities are further divided into the business segments Property-Casualty and Life/Health. In accordance with the responsibilities of the Board of Management, each of the insurance business segments is grouped into the following reportable segments:

- German Speaking Countries and Central & Eastern Europe,
- Western & Southern Europe, Allianz Direct and Allianz Partners,
- Asia Pacific,
- USA (Life/Health only),
- Global Insurance Lines & Anglo Markets, Iberia & Latin America, Middle East and Africa.

Both asset management as well as corporate and other activities represent separate reportable segments. In total, the Allianz Group has identified 11 reportable segments in accordance with IFRS 8.

The types of products and services from which the reportable segments derive revenues are described below.

Property-Casualty

In the business segment Property-Casualty, reportable segments offer a wide variety of insurance products to both private and corporate customers, including motor liability and own damage, accident, general liability, fire and property, legal expense, credit, and travel insurance.

Life/Health

In the business segment Life/Health, reportable segments offer a comprehensive range of life and health insurance products on both an individual and a group basis, including annuities, endowment and term insurance, unit-linked and investment-oriented products, as well as full private health, supplemental health, and long-term care insurance.

Asset Management

The reportable segment Asset Management operates as a global provider of institutional and retail asset management products and services to third-party investors. It also provides investment management services to the Allianz Group's insurance operations. The products for retail and institutional customers include equity and fixed-income funds as well as multi-assets and alternative products. The United States, Canada, Europe, and the Asia-Pacific region represent the primary asset management markets.

Corporate and Other

The reportable segment Corporate and Other includes the management and support of the Allianz Group's businesses through its strategy, risk, corporate finance, treasury, financial reporting, controlling, communication, legal, human resources, technology, and other functions. Furthermore, it includes the banking activities in France, Italy, and Bulgaria, as well as digital investments.

General segment reporting information

Prices for transactions between reportable segments are set on an arm's length basis in a manner similar to transactions with third parties. Lease transactions are accounted for in accordance with IFRS, except for intra-group lease transactions which are classified as operating leases (i.e., off-balance sheet treatment by lessee) for internal and segment reporting purposes. Transactions between reportable segments are eliminated in the consolidation. Financial information is recorded based on reportable segments; cross-segmental country-specific information is not determined.

Reportable segments measures of profit or loss

The Allianz Group uses operating profit and shareholders' core net income to evaluate the performance of its reportable segments as well as of the Allianz Group as a whole.

Operating profit highlights the portion of income before income taxes that is attributable to the ongoing core operations of the Allianz Group. The Allianz Group considers the presentation of operating profit to be useful and meaningful to investors because it enhances the understanding of the Allianz Group's underlying operating performance and the comparability of its operating performance over time.

To better understand the ongoing operations of the business, the Allianz Group generally excludes the following non-operating effects:

- 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 or loss,
- specific acquisition and administrative expenses, 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.

The following exceptions apply to this general rule:

- In all reportable segments, the valuation result from investments and other assets and financial liabilities measured at fair value through profit or loss is treated as operating profit if it relates to operating business.
- For life/health insurance business and property-casualty insurance products with policyholder participation, all items listed above are included in operating profit if the profit sources are shared with policyholders.

Shareholders' core net income presents the shareholders' portion of income before market movements and amortization of specific intangible assets from business combinations (including any related tax effects). The Allianz Group considers the presentation of shareholders' core net income to be useful and meaningful because it reduces the volatility and impact caused by non-operating items which are not attendant to the Allianz Group's sustainable performance.

When determining shareholders' core net income, the Allianz Group generally excludes the following non-operating items (including any related tax effects):

- Non-operating market movements:
  - valuation result from investments and other assets and financial liabilities measured at fair value through profit or loss, and
  - income from derivatives.
- Non-operating amortization and impairments of intangible assets from business combinations except for insurance, investment or service contracts or agreements for the distribution of such contracts.

Operating profit and shareholders' core net income should be viewed as complementary to, and not as a substitute for, income before income taxes or net income as determined in accordance with IFRS.

Recent organizational changes

Effective 1 January 2023, the Allianz Group reorganized the structure of its insurance activities to reflect the changes in the responsibilities of the Board of Management. The insurance activities in Iberia & Latin America have been included in the reportable segment Global Insurance Lines & Anglo Markets, Iberia & Latin America, Middle East and Africa. Greece was moved into the reportable segment Western & Southern Europe, Allianz Direct and Allianz Partners. Previously reported information has been adjusted to reflect this change in the composition of the Allianz Group's reportable segments.

Additionally, some minor reallocations between the reportable segments have been made.

Business segment information – consolidated balance sheet

Business segment information – consolidated balance sheet
€ mn

	Property-Casualty		Life/Health		Asset Management		Corporate and Other		Consolidation		Group	
As of 31 December	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Assets												
Cash and cash equivalents	5,887	5,342	17,700	12,040	1,183	1,290	4,689	4,515	(249)	(292)	29,210	22,896
Investments	116,447	110,442	573,187	550,968	1,149	1,046	129,335	127,855	(98,315)	(99,319)	721,802	690,991
Financial assets for unit-linked contracts	-	-	152,872	141,034	-	-	-	-	-	-	152,872	141,034
Insurance contract assets	103	285	69	42	-	-	-	-	-	-	172	327
Reinsurance contract assets	10,855	10,173	13,915	15,450	-	-	-	-	(51)	(18)	24,719	25,605
Deferred tax assets	1,554	1,781	4,813	4,914	225	307	1,575	1,859	(2,175)	(2,492)	5,992	6,369
Other assets	23,562	22,211	16,752	17,599	5,890	5,687	10,109	8,422	(26,556)	(23,686)	29,757	30,234
Intangible assets	6,284	6,202	4,596	4,517	7,476	7,615	290	106	3	3	18,649	18,442
Total assets	**164,692**	**156,436**	**783,905**	**746,563**	**15,922**	**15,945**	**145,998**	**142,757**	**(127,343)**	**(125,804)**	**983,174**	**935,897**
Liabilities and equity												
Financial liabilities	2,502	2,004	20,398	16,185	116	135	40,917	39,675	(7,651)	(6,689)	56,282	51,310
Insurance contract liabilities	96,339	91,641	680,654	649,184	-	-	-	-	(49)	(26)	776,944	740,799
Reinsurance contract liabilities	125	19	105	239	-	-	-	-	-	-	231	257
Investment contract liabilities	-	-	49,686	47,827	-	-	-	-	-	-	49,686	47,827
Deferred tax liabilities	1,863	1,661	1,914	2,482	133	125	396	363	(2,182)	(2,472)	2,124	2,158
Other liabilities	16,288	15,806	8,533	10,196	5,419	5,542	30,614	26,870	(26,526)	(23,603)	34,328	34,810
Total liabilities	117,117	111,130	761,290	726,112	5,668	5,802	71,927	66,908	(36,407)	(32,790)	919,594	877,163
Shareholders' equity	46,216	43,848	20,934	18,923	10,131	10,024	72,102	74,408	(90,904)	(92,788)	58,477	54,415
Non-controlling interests	1,359	1,459	1,682	1,528	123	119	1,970	1,441	(31)	(227)	5,103	4,320
Total equity	47,574	45,306	22,615	20,451	10,254	10,143	74,072	75,849	(90,936)	(93,015)	63,580	58,735
Total liabilities and equity	**164,692**	**156,436**	**783,905**	**746,563**	**15,922**	**15,945**	**145,998**	**142,757**	**(127,343)**	**(125,804)**	**983,174**	**935,897**

Business segment information – total business volume and reconciliation of operating profit (loss) to net income (loss) and of income (loss) before income taxes to shareholders' core net income (loss)

Business segment information – total business volume and reconciliation of operating profit (loss) to net income (loss)
€ mn

	Property-Casualty		Life/Health		Asset Management		Corporate and Other		Consolidation		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total business volume[1]	**76,531**	**70,613**	**77,878**	**75,258**	**8,086**	**8,234**	**-**	**-**	**(795)**	**(781)**	**161,700**	**153,324**
Total revenues[2]	**71,291**	**66,353**	**22,580**	**23,114**	**8,086**	**8,234**	**-**	**-**	**(755)**	**(773)**	**101,201**	**96,928**
Operating insurance service result												
Insurance revenue	68,757	63,963	22,580	23,114	-	-	-	-	(86)	(91)	91,251	86,985
Claims and benefits	(45,021)	(42,009)	(13,089)	(13,396)	-	-	-	-	70	60	(58,040)	(55,345)
Acquisition and administrative expenses	(16,893)	(15,934)	(5,649)	(5,696)	-	-	-	-	76	67	(22,466)	(21,563)
Reinsurance result	(2,608)	(1,725)	(151)	(390)	-	-	-	-	17	25	(2,742)	(2,090)
Other insurance service result	7	4	323	175	-	-	-	-	-	-	330	179
Subtotal	4,242	4,298	4,014	3,806	-	-	-	-	77	61	8,332	8,165
Operating investment result												
Operating net investment income, excluding interest expenses from external debt	3,113	2,911	22,411	(15,635)	95	7	467	436	646	730	26,732	(11,551)
Net operating (re)insurance finance income (expenses)	(365)	(480)	(21,521)	15,771	-	-	-	-	(80)	-	(21,967)	15,292
Subtotal	2,748	2,432	890	137	95	7	467	436	566	730	4,765	3,741
Operating result from investment contracts	-	-	181	202	-	-	-	-	56	86	237	288
Operating fee and commission result	(13)	38	195	179	7,960	8,211	349	307	(852)	(894)	7,639	7,840
Operating other result[3]	(68)	59	(88)	(106)	(4,928)	(5,020)	(1,289)	(1,282)	146	129	(6,228)	(6,221)
Operating profit (loss)	**6,909**	**6,827**	**5,191**	**4,218**	**3,126**	**3,198**	**(474)**	**(540)**	**(7)**	**112**	**14,746**	**13,814**
Non-operating investment result												
Non-operating investment income (net)	(544)	(1,267)	(217)	442	14	443	(787)	(111)	10	3	(1,524)	(489)
Interest expenses from external debt	-	-	-	-	-	-	(631)	(561)	-	-	(631)	(561)
Subtotal	(544)	(1,267)	(217)	442	14	443	(1,418)	(672)	10	3	(2,155)	(1,050)
Non-operating other result[4]	(629)	(749)	(225)	(169)	25	(2,063)	(181)	(122)	-	3	(1,010)	(3,100)
Income (loss) before income taxes	5,736	4,811	4,750	4,491	3,165	1,578	(2,073)	(1,334)	3	119	11,582	9,664
Income taxes	(1,462)	(1,454)	(962)	(1,174)	(812)	(644)	688	492	(1)	(29)	(2,550)	(2,808)
Net income (loss)	**4,274**	**3,357**	**3,788**	**3,317**	**2,353**	**935**	**(1,385)**	**(842)**	**2**	**89**	**9,032**	**6,856**
Net income (loss) attributable to:												
Non-controlling interests	120	105	200	157	195	180	(23)	(7)	-	(1)	491	435
Shareholders	4,154	3,251	3,589	3,160	2,158	755	(1,361)	(835)	2	90	8,541	6,421

1_Total business volume comprises gross written premiums and fee and commission income in Property-Casualty, statutory gross premiums in Life/Health, and operating revenues in Asset Management. The definition of total business volume is comparable to the definition of total revenues previously used within the Allianz Group. The revenues from the banking business are, however, not part of the total business volume anymore as the remaining banking activities can be considered immaterial. Moreover, in Property-Casualty and in Life/Health, smaller adjustments to premiums at some entities are applied, following some interpretation/presentation changes.
2_Total revenues comprise insurance revenue and fee and commission income in Property-Casualty, insurance revenue in Life/Health, and operating revenues in Asset Management.
3_Includes acquisition and administrative expenses, other income, and other expenses.
4_Includes, if applicable, acquisition-related expenses, income taxes related incidental benefits/expenses, litigation expenses, one-time effects from significant reinsurance transactions with disposal character, and income and expenses from the application of hyperinflation accounting. Until 2022, the effects from the application of hyperinflation accounting were included in non-operating investment income (net).

Business segment information – reconciliation of income (loss) before income taxes to shareholders' core net income (loss)
€ mn

	Property-Casualty		Life/Health		Asset Management		Corporate and Other		Consolidation		Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Income (loss) before income taxes	**5,736**	**4,811**	**4,750**	**4,491**	**3,165**	**1,578**	**(2,073)**	**(1,334)**	**3**	**119**	**11,582**	**9,664**
Adjustment for non-operating market movements	246	596	(2)	62	(13)	2	553	90	(4)	4	780	753
Adjustment for amortization of intangible assets from business combinations	80	87	11	12	2	4	11	7	-	-	105	110
Core income (loss) before income taxes	6,062	5,493	4,760	4,565	3,154	1,585	(1,508)	(1,237)	(2)	122	12,466	10,528
Income taxes related to core income (loss)	(1,513)	(1,613)	(965)	(1,189)	(809)	(646)	571	464	(1)	(29)	(2,717)	(3,013)
Core net income (loss)	**4,549**	**3,881**	**3,795**	**3,376**	**2,345**	**939**	**(937)**	**(773)**	**(3)**	**93**	**9,749**	**7,515**
thereof: Shareholders' core net income (loss)	**4,421**	**3,750**	**3,595**	**3,205**	**2,150**	**759**	**(1,062)**	**(824)**	**(3)**	**94**	**9,101**	**6,984**

Reconciliation from external to management reporting

For steering purposes, the Allianz Group classifies certain income and expenses differently than required by IFRS as this is considered to provide more meaningful information. The main line items affected are the operating insurance service result, the operating net result from investment contracts, and the operating net investment income.

The Allianz Group uses operating insurance service result as a performance indicator. In contrast to the IFRS 17 definition of insurance service result, the following components not included in the IFRS insurance service result are included in the operating insurance service result:

- non-attributable acquisition, administrative, and claims expenses which before adoption of IFRS 17 were also included in the underwriting result. These expenses are included in the line acquisition and administrative expenses in the consolidated income statement[1];
- adjustments for experience variances at claims and expenses if the technical result is shared with the policyholders. In the consolidated income statement, these experience variances are part of the net insurance finance expenses;
- specific restructuring charges and amortization of intangible assets which are shared with the policyholders.

For a better analysis of the result from investment contracts, all related income and expenses are included in the line operating result from investment contracts. For this, fee and commission income and expenses as well as net investment income are reclassified from the respective line items in the Group income statement.

Fee and commission income and expenses are reclassified to operating net investment income if they are related to insurance contracts.

The following table reconciles the amounts in the consolidated Group income statement to the amounts presented in the reconciliation of operating profit (loss) to net income (loss) (OP reconciliation).

1_For the following reconciliation, non-attributable acquisition, administrative, and claims expenses and restructuring charges and amortization of intangible assets are included in the line Other result.

Reconciliation for special line items between Group income statement and reconciliation of operating profit to net income

€ mn

Consolidated income statement line items	Consolidated income statement		Reclassification of non-attributable expenses		Reclassification of variances and restructuring expenses		Reclassification of income related to investment contracts		Reclassification of fee income related to insurance contracts		OP reconciliation		OP reconciliation line items
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
Insurance revenue	91,251	86,985	-	-	-	-	-	-	-	-	91,251	86,985	Insurance revenue
Insurance service expenses	(77,145)	(73,911)											
thereof incurred claims and other insurance service expenses	(57,934)	(55,307)	(106)	(38)	-	-	-	-	-	-	(58,040)	(55,345)	Claims and benefits
thereof acquisition and administrative expenses	(19,211)	(18,604)	(3,255)	(2,958)	-	-	-	-	-	-	(22,466)	(21,563)	Acquisition and administrative expenses
Reinsurance result	(2,742)	(2,090)	-	-	-	-	-	-	-	-	(2,742)	(2,090)	Reinsurance result
			-	-	330	179	-	-	-	-	330	179	Other insurance service result
Insurance service result	11,364	10,983	(3,361)	(2,996)	330	179	-	-	-	-	8,332	8,165	Operating insurance service result
Net investment income	24,528	(12,550)	-	-	-	-	(322)	(114)	372	64	24,578	(12,600)	Net investment income
											26,732	(11,551)	thereof operating net investment income
											(1,524)	(489)	thereof non-operating net investment income
											(631)	(561)	thereof interest expenses from external debt
Net insurance finance expenses	(21,577)	15,564	-	-	(390)	(273)	-	-	-	-	(21,967)	15,292	Net insurance finance income (expenses)
Fee and commission income and expenses (net)	8,164	8,139	-	-	-	-	(153)	(235)	(372)	(64)	7,639	7,840	Operating fee and commission income and expenses (net)
Net result from investment contracts	(238)	(60)	-	-	-	-	475	349	-	-	237	288	Operating net result from investment contracts
Other result[1]	(10,659)	(12,411)	3,361	2,996	60	94	-	-	-	-	(7,237)	(9,321)	Other result
											(6,228)	(6,221)	thereof operating other result
											(1,010)	(3,100)	thereof non-operating other result
Income before income taxes	**11,582**	**9,664**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,582**	**9,664**	**Income before income taxes**
Income taxes	(2,550)	(2,808)	-	-	-	-	-	-	-	-	(2,550)	(2,808)	Income taxes
Net income	**9,032**	**6,856**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9,032**	**6,856**	**Net income**

1_Includes acquisition and administrative expenses, other income, other expenses, amortization of intangible assets, and restructuring and integration expenses.

Reportable segment information – key indicators

Reportable segment information – key indicators
€ mn

	Total business volume		Operating profit (loss)		Shareholders' core net income (loss)		Net income (loss)	
	2023	2022	2023	2022	2023	2022	2023	2022
German Speaking Countries and Central & Eastern Europe	18,837	17,619	2,013	2,422	1,338	1,217	1,241	999
Western & Southern Europe, Allianz Direct and Allianz Partners	22,847	20,756	1,792	1,578	1,094	875	1,078	794
Asia Pacific	6,332	6,050	376	545	235	356	259	359
Global Insurance Lines & Anglo Markets, Iberia & Latin America, Middle East and Africa	33,028	30,209	2,728	2,281	1,753	1,300	1,694	1,203
Consolidation	(4,512)	(4,021)	-	-	1	1	1	1
Total Property-Casualty	**76,531**	**70,613**	**6,909**	**6,827**	**4,421**	**3,750**	**4,274**	**3,357**
German Speaking Countries and Central & Eastern Europe	29,872	29,847	1,859	1,895	1,379	1,407	1,413	1,404
Western & Southern Europe	21,442	21,065	1,487	1,295	849	805	889	859
Asia Pacific	5,872	6,603	589	436	408	324	481	395
USA	18,310	15,417	1,088	399	919	452	959	432
Global Insurance Lines & Anglo Markets, Iberia & Latin America, Middle East and Africa	2,582	2,561	218	245	97	267	104	276
Consolidation and Other	(200)	(236)	(49)	(51)	(57)	(49)	(57)	(49)
Total Life/Health	**77,878**	**75,258**	**5,191**	**4,218**	**3,595**	**3,205**	**3,788**	**3,317**
Asset Management	**8,086**	**8,234**	**3,126**	**3,198**	**2,150**	**759**	**2,353**	**935**
Corporate and Other	**-**	**-**	**(474)**	**(540)**	**(1,062)**	**(824)**	**(1,385)**	**(842)**
Consolidation	**(795)**	**(781)**	**(7)**	**112**	**(3)**	**94**	**2**	**89**
Group	**161,700**	**153,324**	**14,746**	**13,814**	**9,101**	**6,984**	**9,032**	**6,856**

6 _ NOTES TO INSURANCE OPERATIONS

6.1 _ Insurance revenue

Insurance revenue
€ mn

	Property-Casualty		Life/Health		Consolidation		Group	
	2023	2022	2023	2022	2023	2022	2023	2022
Insurance revenue from contracts measured under the PAA	68,393	63,504	956	998	(24)	(32)	69,326	64,470
Insurance revenue from contracts not measured under the PAA								
Amounts relating to changes in the liability for remaining coverage								
Insurance service expenses incurred	183	289	13,626	13,916	(70)	(64)	13,740	14,141
CSM recognized for services provided	109	107	4,967	5,020	(18)	(34)	5,057	5,093
Change in the risk adjustment	4	9	512	566	-	-	516	574
Other	9	11	(103)	(78)	26	38	(68)	(29)
Recovery of insurance acquisition cash flows	57	44	2,622	2,692	-	-	2,679	2,736
Subtotal	364	459	21,624	22,116	(62)	(60)	21,925	22,515
Total	**68,757**	**63,963**	**22,580**	**23,114**	**(86)**	**(91)**	**91,251**	**86,985**

6.2 _ Insurance service expenses

Insurance service expenses
€ mn

	Property-Casualty		Life/Health		Consolidation		Group	
	2023	2022	2023	2022	2023	2022	2023	2022
Incurred claims	(44,938)	(41,990)	(13,066)	(13,378)	70	60	(57,934)	(55,307)
Acquisition and administrative expenses	(14,702)	(14,045)	(4,604)	(4,648)	96	89	(19,211)	(18,604)
Total	**(59,640)**	**(56,035)**	**(17,671)**	**(18,026)**	**166**	**149**	**(77,145)**	**(73,911)**

6.3 _ Reinsurance result

Reinsurance result
€ mn

	Property-Casualty		Life/Health		Consolidation		Group	
	2023	2022	2023	2022	2023	2022	2023	2022
Allocation of reinsurance premiums	(6,360)	(5,760)	(3,271)	(2,499)	83	94	(9,548)	(8,165)
Amounts recoverable from reinsurers for incurred claims	3,752	4,035	3,120	2,109	(66)	(69)	6,806	6,074
Total	**(2,608)**	**(1,725)**	**(151)**	**(390)**	**17**	**25**	**(2,742)**	**(2,090)**

6.4 _ Total investment result

The following table analyzes the total investment result of the Property-Casualty and Life/Health business segments recognized in profit or loss and other comprehensive income in the period:

Total investment result
€ mn

	2023				2022			
	Property-Casualty	Life/Health	Consolidation	Total	Property-Casualty	Life/Health	Consolidation	Total
Total investment income								
Interest result	4,160	21,152	-	25,312	3,576	21,179	-	24,754
Realized gains/losses (net)	(410)	(5,146)	48	(5,508)	40	305	1	346
Valuation result	(691)	7,920	-	7,229	(1,496)	(34,722)	-	(36,219)
Investment expenses	(490)	(1,848)	6	(2,332)	(475)	(1,902)	5	(2,372)
Amounts recognized in other comprehensive income	4,189	26,931	-	31,120	(12,651)	(131,536)	-	(144,187)
Subtotal	6,758	49,009	54	55,821	(11,007)	(146,677)	6	(157,678)
Net insurance finance result								
Finance income (expenses) from insurance contracts (net)								
Interest accreted	(841)	(6,195)	-	(7,036)	(557)	(5,729)	-	(6,286)
Effect of changes in interest rates and other financial assumptions	(2,042)	(6,902)	(2)	(8,946)	7,303	35,263	(3)	42,562
Change in fair value of underlying items	(390)	(34,255)	(80)	(34,725)	1,849	114,240	-	116,089
Effects of risk mitigation option	-	485	-	485	-	1,830	-	1,830
Foreign currency gains/losses[1]	57	(27)	-	30	(45)	(232)	-	(278)
Subtotal	(3,216)	(46,894)	(82)	(50,192)	8,549	145,371	(3)	153,917
Recognized in profit or loss	(589)	(21,465)	(80)	(22,133)	(691)	14,833	-	14,142
Recognized in other comprehensive income	(2,627)	(25,430)	(2)	(28,059)	9,240	130,539	(3)	139,775
Finance income (expenses) from reinsurance contracts (net)								
Interest accreted	177	403	-	579	150	898	-	1,048
Effect of changes in interest rates and other financial assumptions	351	(337)	(12)	2	(1,089)	(3,027)	10	(4,106)
Foreign currency gains/losses[1]	61	2	-	63	33	-	-	33
Subtotal	588	68	(12)	644	(906)	(2,130)	10	(3,024)
Recognized in profit or loss	231	326	-	556	215	1,207	-	1,422
Recognized in other comprehensive income	358	(258)	(12)	88	(1,120)	(3,336)	10	(4,446)
Total	**4,131**	**2,183**	**(40)**	**6,273**	**(3,364)**	**(3,436)**	**13**	**(6,785)**
Amounts recognized in profit or loss	2,211	940	(26)	3,125	1,168	900	6	2,074
Amounts recognized in other comprehensive income	1,920	1,242	(14)	3,148	(4,531)	(4,333)	7	(8,858)

1_Foreign currency gains/losses are included in the line foreign currency translation adjustments for the analysis of movements in insurance and reinsurance contract balances in notes 6.6 and 6.7. The remaining deviation from the amounts disclosed as finance income (expenses) (net) in notes 6.6 and 6.7 results from different exchange rates used for the translation of profit or loss and balance sheet amounts.

6.5 _ Insurance and reinsurance contract balances

The following tables show the composition of insurance and reinsurance contract balances.

Insurance contracts[1]
€ mn

As of 31 December	2023				2022			
	Property-Casualty	Life/Health	Consolidation	Total	Property-Casualty	Life/Health	Consolidation	Total
Liability for remaining coverage								
Contracts measured under the PAA	21,237	983	(11)	22,209	18,872	1,381	(1)	20,251
Receivables	(13,894)	(314)	8	(14,200)	(12,473)	(4)	(4)	(12,481)
Payables and deposits	2,002	8	(4)	2,006	1,734	11	(6)	1,739
Subtotal	9,345	677	(7)	10,015	8,133	1,387	(11)	9,509
Contracts not measured under the PAA[1]								
Present value of future cash flows2	6,428	613,869	28	620,325	6,940	582,123	32	589,094
thereof receivables	(169)	(2,824)	14	(2,979)	(126)	(2,738)	29	(2,835)
thereof payables and deposits	16	2,151	-	2,167	43	2,163	(1)	2,205
Risk adjustment	77	4,647	(1)	4,724	65	5,194	(5)	5,255
CSM	1,239	52,601	(22)	53,818	1,172	52,227	(16)	53,382
Subtotal	7,744	671,118	5	678,867	8,176	639,544	11	647,731
Subtotal	17,088	671,795	(1)	688,882	16,309	640,931	-	657,240
thereof asset for acquisition cash flows	(1,413)	(40)	-	(1,453)	(1,258)	(36)	-	(1,294)
Liability for incurred claims								
Contracts measured under the PAA								
Present value of future cash flows	77,129	439	(20)	77,547	72,924	427	(8)	73,342
thereof receivables	(161)	-	-	(161)	(212)	-	-	(212)
thereof payables and deposits	975	143	(2)	1,117	1,230	129	(1)	1,358
Risk adjustment	1,782	1	-	1,783	1,862	1	(1)	1,862
Subtotal	78,911	439	(20)	79,330	74,786	428	(9)	75,204
Contracts not measured under the PAA[1]								
Present value of future cash flows	200	8,292	(26)	8,467	204	7,740	(18)	7,926
thereof receivables	-	-	-	-	-	-	-	-
thereof payables and deposits	-	341	10	350	-	251	8	259
Risk adjustment	37	58	(1)	93	58	44	1	102
Subtotal	237	8,350	(27)	8,560	262	7,783	(17)	8,028
Subtotal	79,148	8,789	(47)	87,890	75,048	8,211	(26)	83,232
Total	**96,237**	**680,584**	**(49)**	**776,772**	**91,356**	**649,142**	**(26)**	**740,472**

1_Amounts relevant for the analysis by measurement component in note 6.6.
2_Includes € 106,937 mn future discretionary benefits.

1_Insurance contract liabilities net of insurance contract assets.

Reinsurance contracts[1]
€ mn

As of 31 December	2023				2022			
	Property-Casualty	Life/Health	Consolidation	Total	Property-Casualty	Life/Health	Consolidation	Total
Asset (liability) for remaining coverage								
Contracts measured under the PAA	1,959	688	(7)	2,639	1,953	880	(4)	2,830
Deposits	(152)	-	(4)	(155)	(257)	-	5	(252)
Receivables	(10)	2	(3)	(12)	44	-	(4)	41
Payables	(2,529)	(25)	22	(2,532)	(2,583)	6	9	(2,568)
Subtotal	(732)	664	8	(59)	(843)	887	6	50
Contracts not measured under the PAA[1]								
Present value of future cash flows	(20)	9,576	(15)	9,541	(23)	10,467	18	10,462
thereof deposits	-	(23,081)	9	(23,072)	-	(24,061)	-	(24,061)
thereof receivables	1	52	-	53	-	48	-	49
thereof payables	(5)	(752)	3	(754)	(7)	(534)	24	(518)
Risk adjustment	7	910	1	918	4	1,275	(1)	1,279
CSM	18	1,897	8	1,922	19	1,950	6	1,976
Subtotal	4	12,383	(6)	12,381	1	13,692	23	13,716
Subtotal	(727)	13,047	2	12,322	(841)	14,579	29	13,767
Asset for incurred claims								
Contracts measured under the PAA								
Present value of future cash flows	10,267	230	(38)	10,460	9,797	160	(40)	9,918
thereof deposits	(1,186)	-	5	(1,181)	(1,280)	-	5	(1,275)
thereof receivables	1,023	202	-	1,226	900	118	(12)	1,006
thereof payables	(49)	-	-	(49)	(67)	(1)	3	(65)
Risk adjustment	333	-	-	333	344	-	(1)	342
Subtotal	10,601	230	(38)	10,793	10,141	160	(41)	10,260
Contracts not measured under the PAA[1]								
Present value of future cash flows	840	529	(13)	1,356	826	479	(7)	1,298
thereof deposits	-	(176)	-	(176)	(1)	(175)	-	(175)
thereof receivables	57	325	(7)	375	2	290	(1)	291
thereof payables	(18)	3	-	(15)	(7)	(6)	-	(12)
Risk adjustment	17	3	(1)	18	29	(7)	1	23
Subtotal	857	532	(15)	1,374	855	472	(6)	1,321
Subtotal	11,458	762	(53)	12,167	10,996	632	(47)	11,581
Total	**10,730**	**13,810**	**(51)**	**24,489**	**10,155**	**15,211**	**(18)**	**25,347**

1_Amounts relevant for the analysis by measurement component in note 6.7.

6.6 _ Movements in insurance contract balances

The following tables analyze the movements in the net insurance contract liabilities during the reporting period. The first set of tables analyzes the movements in the liability for remaining coverage and liability for incurred claims for the Allianz Group and the business segments. The second set analyzes the movements of contracts not measured under the PAA by measurement components.

The corresponding analyses for reinsurance contracts are included in note 6.7.

1_Reinsurance contract assets net of reinsurance contract liabilities.

6.6.1 Analysis by remaining coverage and incurred claims – Allianz Group

Analysis by remaining coverage and incurred claims – Allianz Group
€ mn

	2023						2022					
	Liability for remaining coverage		Liability for incurred claims			Total	Liability for remaining coverage		Liability for incurred claims			Total
			Contracts not measured under the PAA	Contracts measured under the PAA					Contracts not measured under the PAA	Contracts measured under the PAA		
	Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment		Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment	
Insurance contract assets as of 1 January	(534)	-	-	207	-	(327)	(50)	-	-	14	-	(36)
Insurance contract liabilities as of 1 January	657,213	560	8,028	73,136	1,862	740,799	795,468	434	8,459	76,616	2,273	883,250
Net insurance contract liabilities as of 1 January	**656,680**	**560**	**8,028**	**73,342**	**1,862**	**740,472**	**795,418**	**434**	**8,459**	**76,630**	**2,273**	**883,214**
Insurance revenue	(91,251)	-	-	-	-	(91,251)	(86,985)	-	-	-	-	(86,985)
Insurance service expenses												
Incurred claims and other incurred insurance service expenses	(2,156)	-	18,759	24,980	-	41,583	5,825	-	10,670	23,327	-	39,821
Amortization of insurance acquisition cash flows	9,259	-	-	-	-	9,259	8,972	-	-	-	-	8,972
Changes in the liability for incurred claims	-	-	3,105	23,493	(165)	26,433	-	-	3,437	21,709	(154)	24,992
Losses on onerous groups of contracts and reversals of such losses	-	(134)	-	-	-	(134)	-	86	-	-	-	86
Impairments of assets for insurance acquisition cash flows	4	-	-	-	-	4	40	-	-	-	-	40
Subtotal	7,107	(134)	21,864	48,473	(165)	77,145	14,837	86	14,107	45,036	(154)	73,911
Investment component	(47,112)	-	46,403	709	-	-	(46,270)	-	45,150	1,120	-	-
Cash flows in the period												
Premiums received	143,287	-	-	-	-	143,287	137,216	-	-	-	-	137,216
Insurance acquisition cash flows	(17,930)	-	-	-	-	(17,930)	(17,275)	-	-	-	-	(17,275)
Incurred claims paid and other insurance service expenses paid	-	-	(68,091)	(47,242)	-	(115,333)	-	-	(59,052)	(43,634)	-	(102,686)
Deposits	15	-	2	(3)	-	14	19	-	(4)	(38)	-	(23)
Receivables and payables (net)	(1,498)	-	109	(174)	-	(1,563)	(875)	-	(187)	49	-	(1,013)
Subtotal	123,874	-	(67,980)	(47,419)	-	8,474	119,085	-	(59,243)	(43,624)	-	16,219
Finance income and expenses from insurance contracts (net)	47,003	-	367	2,749	103	50,222	(147,552)	-	(380)	(6,472)	(201)	(154,605)
Foreign currency translation adjustments	(4,474)	(1)	(32)	(442)	(13)	(4,962)	11,362	9	4	472	11	11,859
Changes in the consolidated subsidiaries of the Allianz Group	(204)	(9)	63	51	2	(97)	-	-	-	63	6	69
Reclassification into assets of disposal groups classified as held for sale	(396)	-	(4)	(129)	(1)	(530)	(1,893)	-	(50)	(444)	(3)	(2,390)
Other changes	(2,709)	(53)	(149)	213	(4)	(2,702)	(1,322)	32	(19)	562	(71)	(818)
Net insurance contract liabilities as of 31 December	**688,518**	**364**	**8,560**	**77,547**	**1,783**	**776,772**	**656,680**	**560**	**8,028**	**73,342**	**1,862**	**740,472**
Insurance contract assets as of 31 December	(194)	-	16	6	-	(172)	(534)	-	-	207	-	(327)
Insurance contract liabilities as of 31 December	688,711	364	8,544	77,541	1,783	776,944	657,213	560	8,028	73,136	1,862	740,799

6.6.2 Analysis by remaining coverage and incurred claims – Property-Casualty

Analysis by remaining coverage and incurred claims – Property-Casualty
€ mn

	2023						2022					
	Liability for remaining coverage		Liability for incurred claims			Total	Liability for remaining coverage		Liability for incurred claims			Total
			Contracts not measured under the PAA	Contracts measured under the PAA					Contracts not measured under the PAA	Contracts measured under the PAA		
	Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment		Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment	
Insurance contract assets as of 1 January	(475)	-	-	190	-	(285)	(5)	-	-	-	-	(5)
Insurance contract liabilities as of 1 January	16,388	395	262	72,734	1,862	91,641	18,402	288	384	76,279	2,275	97,627
Net insurance contract liabilities as of 1 January	**15,914**	**395**	**262**	**72,924**	**1,862**	**91,356**	**18,396**	**288**	**384**	**76,279**	**2,275**	**97,622**
Insurance revenue	(68,757)	-	-	-	-	(68,757)	(63,963)	-	-	-	-	(63,963)
Insurance service expenses												
Incurred claims and other incurred insurance service expenses	4,443	-	371	24,471	-	29,285	4,344	-	294	23,009	-	27,647
Amortization of insurance acquisition cash flows	6,969	-	-	-	-	6,969	6,737	-	-	-	-	6,737
Changes in the liability for incurred claims	-	-	239	23,434	(164)	23,509	-	-	7	21,697	(156)	21,547
Losses on onerous groups of contracts and reversals of such losses	-	(126)	-	-	-	(126)	-	78	-	-	-	78
Impairments of assets for insurance acquisition cash flows	4	-	-	-	-	4	26	-	-	-	-	26
Subtotal	11,415	(126)	610	47,905	(164)	59,640	11,107	78	301	44,705	(156)	56,035
Investment component	(1,621)	-	912	709	-	-	(1,941)	-	929	1,012	-	-
Cash flows in the period												
Premiums received	72,731	-	-	-	-	72,731	68,168	-	-	-	-	68,168
Insurance acquisition cash flows	(11,885)	-	-	-	-	(11,885)	(11,525)	-	-	-	-	(11,525)
Incurred claims paid and other insurance service expenses paid	-	-	(1,485)	(46,722)	-	(48,207)	-	-	(1,434)	(43,199)	-	(44,632)
Deposits	15	-	-	(3)	-	11	(76)	-	-	(38)	-	(114)
Receivables and payables (net)	(1,098)	-	4	(188)	-	(1,282)	(1,036)	-	10	(1)	-	(1,027)
Subtotal	59,763	-	(1,481)	(46,913)	-	11,369	55,530	-	(1,424)	(43,238)	-	10,868
Finance income and expenses from insurance contracts (net)	384	-	40	2,747	101	3,273	(1,865)	-	(26)	(6,469)	(201)	(8,560)
Foreign currency translation adjustments	(9)	-	(2)	(441)	(13)	(465)	(5)	-	11	474	11	491
Changes in the consolidated subsidiaries of the Allianz Group	(32)	-	67	51	2	88	-	-	-	63	6	69
Reclassification into assets of disposal groups classified as held for sale	(252)	-	(3)	(124)	(1)	(380)	(221)	-	(10)	(432)	(2)	(665)
Other changes	35	(21)	(168)	271	(4)	113	(1,125)	29	97	529	(71)	(541)
Net insurance contract liabilities as of 31 December	**16,840**	**248**	**237**	**77,129**	**1,782**	**96,237**	**15,914**	**395**	**262**	**72,924**	**1,862**	**91,356**
Insurance contract assets as of 31 December	(103)	-	-	-	-	(103)	(475)	-	-	190	-	(285)
Insurance contract liabilities as of 31 December	16,943	248	237	77,129	1,782	96,339	16,388	395	262	72,734	1,862	91,641

6.6.3 Analysis by remaining coverage and incurred claims – Life/Health

Analysis by remaining coverage and incurred claims – Life/Health
€ mn

	2023						2022					
	Liability for remaining coverage		Liability for incurred claims			Total	Liability for remaining coverage		Liability for incurred claims			Total
			Contracts not measured under the PAA	Contracts measured under the PAA					Contracts not measured under the PAA	Contracts measured under the PAA		
	Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment		Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment	
Insurance contract assets as of 1 January	(59)	-	-	17	-	(42)	(45)	-	-	13	-	(31)
Insurance contract liabilities as of 1 January	640,813	177	7,783	410	1	649,184	777,046	158	8,108	343	2	785,656
Net insurance contract liabilities as of 1 January	**640,754**	**177**	**7,783**	**427**	**1**	**649,142**	**777,001**	**158**	**8,108**	**356**	**2**	**785,625**
Insurance revenue	(22,580)	-	-	-	-	(22,580)	(23,114)	-	-	-	-	(23,114)
Insurance service expenses												
Incurred claims and other incurred insurance service expenses	(6,599)	-	18,497	516	-	12,414	1,482	-	10,462	345	-	12,290
Amortization of insurance acquisition cash flows	2,291	-	-	-	-	2,291	2,236	-	-	-	-	2,236
Changes in the liability for incurred claims	-	-	2,926	49	-	2,974	-	-	3,458	20	-	3,478
Losses on onerous groups of contracts and reversals of such losses	-	(8)	-	-	-	(8)	-	7	-	-	-	7
Impairments of assets for insurance acquisition cash flows	-	-	-	-	-	-	14	-	-	-	-	14
Subtotal	(4,308)	(8)	21,422	565	-	17,671	3,732	7	13,920	366	-	18,026
Investment component	(45,500)	-	45,500	-	-	-	(44,331)	-	44,223	107	-	-
Cash flows in the period												
Premiums received	70,665	-	-	-	-	70,665	69,131	-	-	-	-	69,131
Insurance acquisition cash flows	(6,045)	-	-	-	-	(6,045)	(5,752)	-	-	-	-	(5,752)
Incurred claims paid and other insurance service expenses paid	-	-	(66,767)	(522)	-	(67,288)	-	-	(57,746)	(466)	-	(58,212)
Deposits	1	-	1	-	-	1	95	-	(3)	-	-	93
Receivables and payables (net)	(399)	-	105	14	-	(280)	167	-	(203)	54	-	19
Subtotal	64,221	-	(66,662)	(507)	-	(2,948)	63,641	-	(57,951)	(411)	-	5,278
Finance income and expenses from insurance contracts (net)	46,538	-	326	3	-	46,867	(145,688)	-	(357)	(3)	-	(146,048)
Foreign currency translation adjustments	(4,466)	(1)	(30)	(1)	-	(4,498)	11,366	9	(7)	(1)	-	11,367
Changes in the consolidated subsidiaries of the Allianz Group	(172)	(9)	(5)	-	-	(185)	-	-	-	-	-	-
Reclassification into assets of disposal groups classified as held for sale	(144)	-	(1)	(5)	-	(150)	(1,674)	-	(40)	(12)	(1)	(1,727)
Other changes	(2,664)	(44)	15	(42)	-	(2,735)	(180)	3	(114)	26	-	(266)
Net insurance contract liabilities as of 31 December	**671,679**	**116**	**8,350**	**439**	**1**	**680,584**	**640,754**	**177**	**7,783**	**427**	**1**	**649,142**
Insurance contract assets as of 31 December	(91)	-	16	5	-	(69)	(59)	-	-	17	-	(42)
Insurance contract liabilities as of 31 December	671,770	116	8,334	433	1	680,654	640,813	177	7,783	410	1	649,184

6.6.4 Analysis by measurement component – contracts not measured under the PAA – Allianz Group

Analysis by measurement component – contracts not measured under the PAA – Allianz Group
€ mn

	2023				2022			
	Present value of future cash flows	Risk adjustment	CSM	Total	Present value of future cash flows	Risk adjustment	CSM	Total
Insurance contract assets as of 1 January	(1)	-	-	(1)	-	-	-	-
Insurance contract liabilities as of 1 January	597,022	5,357	53,382	655,761	727,909	6,602	59,381	793,892
Net insurance contract liabilities as of 1 January	**597,021**	**5,357**	**53,382**	**655,760**	**727,909**	**6,602**	**59,381**	**793,892**
Changes that relate to current service								
CSM recognized for the services provided	-	-	(5,057)	(5,057)	-	-	(5,117)	(5,117)
Change in RA, that does not relate to future or past service	-	(516)	-	(516)	-	(573)	-	(573)
Experience adjustments	359	-	-	359	171	-	-	171
Subtotal	359	(516)	(5,057)	(5,214)	171	(573)	(5,117)	(5,519)
Changes that relate to future service								
Changes in estimates that adjust CSM[1]	(923)	(370)	1,293	-	7,416	(605)	(6,749)	62
Changes in estimates that do not adjust CSM (losses on groups of onerous contracts and reversals of such losses)	(8)	-	-	(8)	12	-	-	12
Effects of contracts initially recognized in the period	(4,935)	346	4,589	-	(5,083)	506	4,577	-
Subtotal	(5,866)	(24)	5,882	(8)	2,345	(99)	(2,172)	75
Changes that relate to past service								
Changes in fulfillment cash flows relating to incurred claims (changes in the liability for incurred claims)	120	(11)	-	109	218	(17)	-	201
Cash flows in the period								
Premiums received for insurance contracts issued	70,125	-	-	70,125	68,436	-	-	68,436
Insurance acquisition cash flows	(5,562)	-	-	(5,562)	(5,214)	-	-	(5,214)
Incurred claims paid and other insurance service expenses paid, including investment component	(68,034)	-	-	(68,034)	(59,011)	-	-	(59,011)
Deposits	3	-	-	3	91	-	-	91
Receivables and payables (net)	(85)	-	-	(85)	(491)	-	-	(491)
Subtotal	(3,553)	-	-	(3,553)	3,811	-	-	3,811
Finance income and expenses from insurance contracts (net)	46,591	67	606	47,263	(147,755)	(721)	544	(147,933)
Foreign currency translation adjustments	(4,042)	(70)	(361)	(4,472)	10,861	261	694	11,816
Changes in the consolidated subsidiaries of the Allianz Group	1	-	4	5	-	-	-	-
Reclassification into assets of disposal groups classified as held for sale	-	-	-	-	(262)	(2)	(17)	(281)
Other changes	(1,792)	13	(638)	(2,417)	(277)	(95)	69	(303)
Net insurance contract liabilities as of 31 December	**628,839**	**4,817**	**53,818**	**687,474**	**597,021**	**5,357**	**53,382**	**655,760**
Insurance contract assets as of 31 December	(47)	-	-	(47)	(1)	-	-	(1)
Insurance contract liabilities as of 31 December	628,886	4,817	53,818	687,521	597,022	5,357	53,382	655,761

1_As of 31 December 2023, the CSM is € 0.8 bn less due to a correction of the present value of non-attributable costs.

6.6.5 Analysis by measurement component – contracts not measured under the PAA – Property-Casualty

Analysis by measurement component – contracts not measured under the PAA – Property-Casualty
€ mn

	2023				2022			
	Present value of future cash flows	Risk adjustment	CSM	Total	Present value of future cash flows	Risk adjustment	CSM	Total
Insurance contract assets as of 1 January	-	-	-	-	-	-	-	-
Insurance contract liabilities as of 1 January	7,144	123	1,172	8,438	9,667	139	1,351	11,157
Net insurance contract liabilities as of 1 January	**7,144**	**123**	**1,172**	**8,438**	**9,667**	**139**	**1,351**	**11,157**
Changes that relate to current service								
CSM recognized for the services provided	-	-	(109)	(109)	-	-	(107)	(107)
Change in RA, that does not relate to future or past service	-	(4)	-	(4)	-	(9)	-	(9)
Experience adjustments	234	-	-	234	246	-	-	246
Subtotal	234	(4)	(109)	120	246	(9)	(107)	130
Changes that relate to future service								
Changes in estimates that adjust CSM	(100)	7	92	-	172	(195)	23	-
Changes in estimates that do not adjust CSM (losses on groups of onerous contracts and reversals of such losses)	-	-	-	-	5	-	-	5
Effects of contracts initially recognized in the period	(88)	8	80	-	(93)	193	(100)	-
Subtotal	(187)	15	172	-	83	(2)	(76)	5
Changes that relate to past service								
Changes in fulfillment cash flows relating to incurred claims (changes in the liability for incurred claims)	(13)	(21)	-	(34)	(101)	(6)	-	(107)
Cash flows in the period								
Premiums received for insurance contracts issued	670	-	-	670	675	-	-	675
Insurance acquisition cash flows	(104)	-	-	(104)	(98)	-	-	(98)
Incurred claims paid and other insurance service expenses paid, including investment component	(1,435)	-	-	(1,435)	(1,421)	-	-	(1,421)
Deposits	-	-	-	-	-	-	-	-
Receivables and payables (net)	(68)	-	-	(68)	(28)	-	-	(28)
Subtotal	(938)	-	-	(938)	(872)	-	-	(872)
Finance income and expenses from insurance contracts (net)	393	4	1	397	(1,884)	(6)	-	(1,891)
Foreign currency translation adjustments	(2)	(1)	-	(3)	11	4	-	14
Changes in the consolidated subsidiaries of the Allianz Group	-	-	-	-	-	-	-	-
Reclassification into assets of disposal groups classified as held for sale	-	-	-	-	-	-	-	-
Other changes	(2)	-	3	1	(6)	3	4	1
Net insurance contract liabilities as of 31 December	**6,628**	**114**	**1,239**	**7,981**	**7,144**	**123**	**1,172**	**8,438**
Insurance contract assets as of 31 December	-	-	-	-	-	-	-	-
Insurance contract liabilities as of 31 December	6,628	114	1,239	7,981	7,144	123	1,172	8,438

6.6.6 Analysis by measurement component – contracts not measured under the PAA – Life/Health

Analysis by measurement component – contracts not measured under the PAA – Life/Health
€ mn

	2023				2022			
	Present value of future cash flows	Risk adjustment	CSM	Total	Present value of future cash flows	Risk adjustment	CSM	Total
Insurance contract assets as of 1 January	(1)	-	-	(1)	-	-	-	-
Insurance contract liabilities as of 1 January	589,864	5,238	52,227	647,329	718,219	6,464	58,052	782,735
Net insurance contract liabilities as of 1 January	**589,863**	**5,238**	**52,227**	**647,328**	**718,219**	**6,464**	**58,052**	**782,735**
Changes that relate to current service								
CSM recognized for the services provided	-	-	(4,967)	(4,967)	-	-	(5,043)	(5,043)
Change in RA, that does not relate to future or past service	-	(512)	-	(512)	-	(564)	-	(564)
Experience adjustments	249	-	-	249	51	-	-	51
Subtotal	249	(512)	(4,967)	(5,229)	51	(564)	(5,043)	(5,557)
Changes that relate to future service								
Changes in estimates that adjust CSM[1]	(839)	(382)	1,220	-	7,232	(409)	(6,760)	62
Changes in estimates that do not adjust CSM (losses on groups of onerous contracts and reversals of such losses)	(8)	-	-	(8)	7	-	-	7
Effects of contracts initially recognized in the period	(4,854)	339	4,515	-	(5,008)	317	4,691	-
Subtotal	(5,701)	(43)	5,735	(8)	2,231	(93)	(2,069)	70
Changes that relate to past service								
Changes in fulfillment cash flows relating to incurred claims (changes in the liability for incurred claims)	142	13	-	155	318	(11)	-	306
Cash flows in the period								
Premiums received for insurance contracts issued	69,539	-	-	69,539	67,812	-	-	67,812
Insurance acquisition cash flows	(5,457)	-	-	(5,457)	(5,116)	-	-	(5,116)
Incurred claims paid and other insurance service expenses paid, including investment component	(66,760)	-	-	(66,760)	(57,738)	-	-	(57,738)
Deposits	1	-	-	1	93	-	-	93
Receivables and payables (net)	(2)	-	-	(2)	(447)	-	-	(447)
Subtotal	(2,678)	-	-	(2,678)	4,603	-	-	4,603
Finance income and expenses from insurance contracts (net)	46,197	63	606	46,865	(145,875)	(715)	545	(146,045)
Foreign currency translation adjustments	(4,038)	(68)	(363)	(4,469)	10,850	257	694	11,801
Changes in the consolidated subsidiaries of the Allianz Group	1	-	4	5	-	-	-	-
Reclassification into assets of disposal groups classified as held for sale	-	-	-	-	(262)	(2)	(17)	(281)
Other changes	(1,827)	14	(641)	(2,454)	(272)	(98)	65	(305)
Net insurance contract liabilities as of 31 December	**622,208**	**4,705**	**52,601**	**679,515**	**589,863**	**5,238**	**52,227**	**647,328**
Insurance contract assets as of 31 December	(47)	-	-	(47)	(1)	-	-	(1)
Insurance contract liabilities as of 31 December	622,255	4,705	52,601	679,562	589,864	5,238	52,227	647,329

1_As of 31 December 2023, the CSM is € 0.8 bn less due to a correction of the present value of non-attributable costs.

6.7 _ Movements in reinsurance contract balances

6.7.1 Analysis by remaining coverage and incurred claims – Allianz Group

Analysis by remaining coverage and incurred claims – Allianz Group
€ mn

	2023						2022					
	Asset for remaining coverage		Asset for incurred claims			Total	Asset for remaining coverage		Asset for incurred claims			Total
			Contracts not measured under the PAA	Contracts measured under the PAA					Contracts not measured under the PAA	Contracts measured under the PAA		
	Excluding loss recovery component	Loss recovery component		Present value of future cash flows	Risk adjustment		Excluding loss recovery component	Loss recovery component		Present value of future cash flows	Risk adjustment	
Reinsurance contract assets as of 1 January	14,053	18	1,273	9,918	342	25,605	14,501	21	1,484	9,625	511	26,141
Reinsurance contract liabilities as of 1 January	(305)	-	48	-	-	(257)	(76)	-	21	-	-	(55)
Net reinsurance contract assets as of 1 January	**13,749**	**18**	**1,321**	**9,918**	**342**	**25,347**	**14,425**	**21**	**1,505**	**9,625**	**511**	**26,086**
Allocation of reinsurance premiums	(9,548)	-	-	-	-	(9,548)	(8,165)	-	-	-	-	(8,165)
Amounts recoverable from reinsurers												
Incurred claims recovered and other expenses recovered	(520)	-	3,255	705	-	3,441	244	-	1,805	596	-	2,645
Changes in the asset for incurred claims	-	-	318	3,061	(13)	3,366	-	-	188	3,432	(178)	3,442
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-	-	-	-	(13)	-	-	-	(13)
Subtotal	(520)	-	3,573	3,766	(13)	6,806	244	(13)	1,993	4,028	(178)	6,074
Investment component	(492)	-	488	4	-	-	(1,012)	-	849	164	-	-
Cash flows in the period												
Premiums paid, including amounts held in deposits	9,837	-	-	-	-	9,837	8,149	-	-	-	-	8,149
Amounts received	(280)	-	(4,085)	(4,033)	-	(8,398)	(360)	-	(2,861)	(3,327)	-	(6,548)
Deposits	422	-	(2)	155	-	576	2,220	-	(8)	141	-	2,354
Receivables and payables (net)	(324)	-	97	236	-	10	580	-	(20)	(438)	-	122
Subtotal	9,656	-	(3,990)	(3,641)	-	2,024	10,589	-	(2,888)	(3,625)	-	4,076
Finance income and expenses from reinsurance contracts (net)	40	-	72	452	17	581	(2,010)	-	(173)	(695)	(20)	(2,898)
thereof effect of changes in the risk of reinsurers' non-performance	-	-	1	(8)	-	(7)	-	-	3	32	-	35
Foreign currency translation adjustments	(500)	-	(32)	(159)	(6)	(697)	813	-	72	(14)	13	884
Changes in the consolidated subsidiaries of the Allianz Group	(20)	-	(1)	47	1	27	(3)	-	-	10	-	8
Reclassification into assets of disposal groups classified as held for sale	37	-	(12)	(47)	-	(21)	77	-	56	107	1	240
Other changes	(98)	-	(46)	120	(7)	(31)	(1,210)	10	(92)	318	16	(958)
Net reinsurance contract assets as of 31 December	**12,304**	**18**	**1,374**	**10,460**	**333**	**24,489**	**13,749**	**18**	**1,321**	**9,918**	**342**	**25,347**
Reinsurance contract assets as of 31 December	12,544	18	1,362	10,462	333	24,719	14,053	18	1,273	9,918	342	25,605
Reinsurance contract liabilities as of 31 December	(240)	-	12	(2)	-	(231)	(305)	-	48	-	-	(257)

6.7.2 Analysis by remaining coverage and incurred claims – Property-Casualty

Analysis by remaining coverage and incurred claims – Property-Casualty
€ mn

	2023						2022					
	Asset for remaining coverage		Asset for incurred claims			Total	Asset for remaining coverage		Asset for incurred claims			Total
			Contracts not measured under the PAA	Contracts measured under the PAA					Contracts not measured under the PAA	Contracts measured under the PAA		
	Excluding loss recovery component	Loss recovery component		Present value of future cash flows	Risk adjustment		Excluding loss recovery component	Loss recovery component		Present value of future cash flows	Risk adjustment	
Reinsurance contract assets as of 1 January	(859)	18	874	9,797	344	10,173	(1,588)	21	1,104	9,533	515	9,585
Reinsurance contract liabilities as of 1 January	-	-	(19)	-	-	(19)	-	-	-	-	-	-
Net reinsurance contract assets as of 1 January	**(859)**	**18**	**855**	**9,797**	**344**	**10,155**	**(1,588)**	**21**	**1,104**	**9,533**	**515**	**9,585**
Allocation of reinsurance premiums	(6,360)	-	-	-	-	(6,360)	(5,760)	-	-	-	-	(5,760)
Amounts recoverable from reinsurers												
Incurred claims recovered and other expenses recovered	90	-	(32)	553	-	611	213	-	(6)	589	-	796
Changes in the asset for incurred claims	-	-	68	3,086	(13)	3,141	-	-	(199)	3,440	12	3,253
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-	-	-	-	(13)	-	-	-	(13)
Subtotal	90	-	36	3,639	(13)	3,752	213	(13)	(205)	4,028	12	4,035
Investment component	(1)	-	-	1	-	-	(161)	-	-	161	-	0
Cash flows in the period												
Premiums paid, including amounts held in deposits	6,445	-	-	-	-	6,445	7,001	-	-	-	-	7,001
Amounts received	(91)	-	(91)	(3,893)	-	(4,074)	(212)	-	1	(3,323)	-	(3,534)
Deposits	105	-	-	155	-	261	(61)	-	-	136	-	75
Receivables and payables (net)	(67)	-	54	142	-	128	556	-	(54)	(464)	-	39
Subtotal	6,393	-	(37)	(3,595)	-	2,760	7,284	-	(53)	(3,651)	-	3,580
Finance income and expenses from reinsurance contracts (net)	(4)	-	64	452	15	527	-	-	(148)	(705)	(20)	(873)
thereof effect of changes in the risk of reinsurers' non-performance	-	-	1	(8)	-	(7)	-	-	3	32	-	35
Foreign currency translation adjustments	-	-	(27)	(161)	(7)	(194)	-	-	74	2	13	88
Changes in the consolidated subsidiaries of the Allianz Group	(18)	-	2	43	1	28	-	-	-	9	-	9
Reclassification into assets of disposal groups classified as held for sale	40	-	(10)	(42)	-	(11)	57	-	45	105	1	207
Other changes	(25)	-	(27)	133	(7)	74	(904)	10	38	315	(177)	(717)
Net reinsurance contract liabilities as of 31 December	**(745)**	**18**	**857**	**10,268**	**333**	**10,730**	**(859)**	**18**	**855**	**9,797**	**344**	**10,155**
Reinsurance contract assets as of 31 December	(640)	18	875	10,270	333	10,855	(859)	18	874	9,797	344	10,173
Reinsurance contract liabilities as of 31 December	(105)	-	(18)	(2)	-	(125)	-	-	(19)	-	-	(19)

6.7.3 Analysis by remaining coverage and incurred claims – Life/Health

Analysis by remaining coverage and incurred claims – Life/Health
€ mn

	2023						2022					
	Asset for remaining coverage		Asset for incurred claims			Total	Asset for remaining coverage		Asset for incurred claims			Total
			Contracts not measured under the PAA	Contracts measured under the PAA					Contracts not measured under the PAA	Contracts measured under the PAA		
	Excluding loss recovery component	Loss recovery component		Present value of future cash flows	Risk adjustment		Excluding loss recovery component	Loss recovery component		Present value of future cash flows	Risk adjustment	
Reinsurance contract assets as of 1 January	14,884	-	406	160	-	15,450	16,052	-	387	149	-	16,588
Reinsurance contract liabilities as of 1 January	(305)	-	66	-	-	(239)	(76)	-	21	-	-	(55)
Net reinsurance contract assets as of 1 January	**14,579**	**-**	**472**	**160**	**-**	**15,211**	**15,976**	**-**	**408**	**149**	**-**	**16,533**
Allocation of reinsurance premiums	(3,271)	-	-	-	-	(3,271)	(2,499)	-	-	-	-	(2,499)
Amounts recoverable from reinsurers												
Incurred claims recovered and other expenses recovered	(610)	-	3,284	179	-	2,852	37	-	1,820	19	-	1,877
Changes in the asset for incurred claims	-	-	264	3	-	268	-	-	210	22	-	232
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	(610)	-	3,548	182	-	3,120	37	-	2,030	41	-	2,109
Investment component	(499)	-	496	3	-	-	(849)	-	847	3	-	-
Cash flows in the period												
Premiums paid, including amounts held in deposits	3,508	-	-	-	-	3,508	1,238	-	-	-	-	1,238
Amounts received	(189)	-	(4,008)	(193)	-	(4,391)	(154)	-	(2,885)	(40)	-	(3,080)
Deposits	315	-	(2)	-	-	314	2,281	-	(8)	-	-	2,274
Receivables and payables (net)	(249)	-	49	85	-	(114)	34	-	32	11	-	77
Subtotal	3,385	-	(3,960)	(108)	-	(683)	3,399	-	(2,861)	(29)	-	509
Finance income and expenses from reinsurance contracts (net)	44	-	22	-	-	66	(2,010)	-	(25)	-	-	(2,036)
thereof effect of changes in the risk of reinsurers' non-performance	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation adjustments	(499)	-	(5)	(1)	-	(504)	813	-	(2)	(1)	-	811
Changes in the consolidated subsidiaries of the Allianz Group	(1)	-	(3)	4	-	-	(3)	-	-	1	-	(2)
Reclassification into assets of disposal groups classified as held for sale	(2)	-	(2)	(5)	-	(10)	20	-	13	2	-	35
Other changes	(78)	-	(36)	(5)	-	(119)	(305)	-	62	(5)	-	(249)
Net reinsurance contract liabilities as of 31 December	**13,047**	**-**	**532**	**230**	**-**	**13,810**	**14,579**	**-**	**472**	**160**	**-**	**15,211**
Reinsurance contract assets as of 31 December	13,182	-	502	230	-	13,915	14,884	-	406	160	-	15,450
Reinsurance contract liabilities as of 31 December	(135)	-	30	-	-	(105)	(305)	-	66	-	-	(239)

6.7.4 Analysis by measurement component – contracts not measured under the PAA – Allianz Group

Analysis by measurement component – contracts not measured under the PAA – Allianz Group
€ mn

	2023				2022			
	Present value of future cash flows	Risk adjustment	CSM	Total	Present value of future cash flows	Risk adjustment	CSM	Total
Reinsurance contract assets as of 1 January	12,274	1,302	1,976	15,551	13,591	1,720	1,561	16,871
Reinsurance contract liabilities as of 1 January	(257)	-	-	(257)	(55)	-	-	(55)
Net reinsurance contract assets as of 1 January	**12,017**	**1,302**	**1,976**	**15,294**	**13,535**	**1,720**	**1,561**	**16,816**
Changes that relate to current service								
CSM recognized for the services provided	-	-	(173)	(173)	-	-	(340)	(340)
Change in risk adjustment	-	(122)	-	(122)	-	(146)	-	(146)
Experience adjustments	2,295	-	-	2,295	19	-	-	19
Subtotal	2,295	(122)	(173)	2,000	19	(146)	(340)	(467)
Changes that relate to future service								
Changes in estimates that adjust CSM	295	(231)	(64)	-	(71)	(125)	206	9
Changes in estimates that do not adjust CSM (loss recovery component)	-	-	-	-	-	-	-	-
Effects of contracts initially recognized in the period	(155)	5	150	-	(430)	26	405	1
Subtotal	139	(226)	87	-	(501)	(99)	610	10
Changes that relate to past service								
Changes in the asset for incurred claims	(37)	(7)	-	(45)	(92)	(12)	-	(104)
Cash flows in the period								
Premiums paid	1,143	-	-	1,143	1,118	-	-	1,118
Amounts received	(4,294)	-	-	(4,294)	(3,003)	-	-	(3,003)
Deposits	323	-	-	323	2,274	-	-	2,274
Receivables and payables (net)	(150)	-	-	(150)	113	-	-	113
Subtotal	(2,978)	-	-	(2,978)	502	-	-	502
Finance income and expenses from reinsurance contracts (net)	24	24	75	123	(1,989)	(263)	70	(2,182)
thereof effect of changes in the risk of reinsurers' non-performance	1	-	-	1	3	-	-	3
Foreign currency translation adjustments	(425)	(32)	(54)	(511)	721	119	10	850
Changes in the consolidated subsidiaries of the Allianz Group	2	-	-	2	(3)	-	-	(3)
Reclassification into assets of disposal groups classified as held for sale	-	-	-	-	1	-	-	1
Other changes	(18)	(2)	12	(8)	(177)	(17)	65	(129)
Net reinsurance contract assets as of 31 December	**11,020**	**936**	**1,922**	**13,878**	**12,017**	**1,302**	**1,976**	**15,294**
Reinsurance contract assets as of 31 December	11,145	936	1,922	14,003	12,274	1,302	1,976	15,551
Reinsurance contract liabilities as of 31 December	(125)	-	-	(125)	(257)	-	-	(257)

6.7.5 Analysis by measurement component – contracts not measured under the PAA – Property-Casualty

Analysis by measurement component – contracts not measured under the PAA – Property-Casualty
€ mn

	2023				2022			
	Present value of future cash flows	Risk adjustment	CSM	Total	Present value of future cash flows	Risk adjustment	CSM	Total
Reinsurance contract assets as of 1 January	840	34	19	893	1,058	41	(2)	1,097
Reinsurance contract liabilities as of 1 January	(19)	-	-	(19)	-	-	-	-
Net reinsurance contract assets as of 1 January	**822**	**34**	**19**	**875**	**1,058**	**41**	**(2)**	**1,097**
Changes that relate to current service								
CSM recognized for the services provided	-	-	-	-	-	-	-	-
Change in risk adjustment	-	(1)	-	(1)	-	(1)	-	(1)
Experience adjustments	123	-	-	123	(8)	-	-	(8)
Subtotal	123	(1)	-	122	(8)	(1)	-	(9)
Changes that relate to future service								
Changes in estimates that adjust CSM	4	-	(4)	-	(2)	(1)	3	-
Changes in estimates that do not adjust CSM (loss recovery component)	-	-	-	-	-	-	-	-
Effects of contracts initially recognized in the period	(5)	2	3	-	(8)	2	5	-
Subtotal	-	2	(1)	-	(10)	2	9	-
Changes that relate to past service								
Changes in the asset for incurred claims	(65)	(14)	-	(79)	(143)	(6)	-	(149)
Cash flows in the period								
Premiums paid	6	-	-	6	7	-	-	7
Amounts received	(124)	-	-	(124)	8	-	-	8
Deposits	-	-	-	-	-	-	-	-
Receivables and payables (net)	47	-	-	47	23	-	-	23
Subtotal	(71)	-	-	(71)	37	-	-	37
Finance income and expenses from reinsurance contracts (net)	52	3	-	56	(142)	(4)	-	(146)
thereof effect of changes in the risk of reinsurers' non-performance	2	-	-	2	2	-	-	2
Foreign currency translation adjustments	(26)	(1)	-	(27)	71	2	-	73
Changes in the consolidated subsidiaries of the Allianz Group	2	-	-	2	-	-	-	-
Reclassification into assets of disposal groups classified as held for sale	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	(41)	-	13	(29)
Net reinsurance contract assets as of 31 December	**838**	**23**	**18**	**879**	**822**	**34**	**19**	**875**
Reinsurance contract assets as of 31 December	857	23	18	899	840	34	19	893
Reinsurance contract liabilities as of 31 December	(20)	-	-	(20)	(19)	-	-	(19)

6.7.6 Analysis by measurement component – contracts not measured under the PAA – Life/Health

Analysis by measurement component – contracts not measured under the PAA – Life/Health
€ mn

	2023				2022			
	Present value of future cash flows	Risk adjustment	CSM	Total	Present value of future cash flows	Risk adjustment	CSM	Total
Reinsurance contract assets as of 1 January	11,423	1,268	1,950	14,641	12,518	1,679	1,569	15,766
Reinsurance contract liabilities as of 1 January	(239)	-	-	(239)	(55)	-	-	(55)
Net reinsurance contract assets as of 1 January	**11,184**	**1,268**	**1,950**	**14,403**	**12,463**	**1,679**	**1,569**	**15,710**
Changes that relate to current service								
CSM recognized for the services provided	-	-	(182)	(182)	-	-	(345)	(345)
Change in risk adjustment	-	(121)	-	(121)	-	(145)	-	(145)
Experience adjustments	2,150	-	-	2,150	36	-	-	36
Subtotal	2,150	(121)	(182)	1,847	36	(145)	(345)	(454)
Changes that relate to future service								
Changes in estimates that adjust CSM	288	(234)	(55)	-	(70)	(124)	203	9
Changes in estimates that do not adjust CSM (loss recovery component)	-	-	-	-	-	-	-	-
Effects of contracts initially recognized in the period	(153)	3	150	-	(415)	25	391	1
Subtotal	135	(230)	95	-	(485)	(99)	594	10
Changes that relate to past service								
Changes in the asset for incurred claims	29	9	-	38	52	(8)	-	44
Cash flows in the period					-	-	-	-
Premiums paid	1,196	-	-	1,196	1,128	-	-	1,128
Amounts received	(4,182)	-	-	(4,182)	(3,034)	-	-	(3,034)
Deposits	313	-	-	313	2,274	-	-	2,274
Receivables and payables (net)	(170)	-	-	(170)	87	-	-	87
Subtotal	(2,842)	-	-	(2,842)	454	-	-	454
Finance income and expenses from reinsurance contracts (net)	(29)	20	75	66	(1,847)	(259)	70	(2,036)
thereof effect of changes in the risk of reinsurers' non-performance	-	-	-	-	-	-	-	-
Foreign currency translation adjustments	(399)	(31)	(53)	(483)	650	117	10	776
Changes in the consolidated subsidiaries of the Allianz Group	-	-	-	-	(3)	-	-	(3)
Reclassification into assets of disposal groups classified as held for sale	-	-	-	-	1	-	-	1
Other changes	(18)	(2)	12	(9)	(136)	(17)	52	(100)
Net reinsurance contract assets as of 31 December	**10,211**	**913**	**1,897**	**13,020**	**11,184**	**1,268**	**1,950**	**14,403**
Reinsurance contract assets as of 31 December	10,316	913	1,897	13,125	11,423	1,268	1,950	14,641
Reinsurance contract liabilities as of 31 December	(105)	-	-	(105)	(239)	-	-	(239)

6.8 _ Assets for insurance acquisition cash flows

Assets for insurance acquisition cash flows
€ mn

	Property-Casualty	Life/Health	Consolidation	Group
Balance as of 1 January 2022	**1,215**	**8**	**-**	**1,222**
Cash flows recognized as an asset during the year	3,713	43	-	3,756
Amounts derecognized on initial recognition of groups of insurance contracts	(3,658)	(1)	-	(3,659)
Impairment losses recognized during the year	(26)	(14)	-	(40)
Foreign currency translation adjustments	9	-	-	9
Changes in the consolidated subsidiaries of the Allianz Group	-	-	-	-
Other changes	6	-	-	6
Balance as of 31 December 2022	**1,258**	**36**	**-**	**1,294**
Balance as of 1 January 2023	**1,258**	**36**	**-**	**1,294**
Cash flows recognized as an asset during the year	3,975	5	-	3,980
Amounts derecognized on initial recognition of groups of insurance contracts	(3,844)	-	-	(3,845)
Impairment losses recognized during the year	(4)	-	-	(4)
Foreign currency translation adjustments	6	(1)	-	5
Changes in the consolidated subsidiaries of the Allianz Group	(3)	-	-	(3)
Other changes	24	-	-	25
Balance as of 31 December 2023	**1,413**	**40**	**-**	**1,453**

The following table sets out when the Allianz Group expects to derecognize assets for insurance acquisition cash flows and include them in the measurement of the group of insurance contracts to which they are allocated:

Derecognition of assets for insurance acquisition cash flows
€ mn

As of 31 December	Up to 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years	Total
2023							
Property-Casualty	272	225	186	178	118	434	1,413
Life/Health	1	8	5	4	3	18	40
Total	**273**	**233**	**191**	**182**	**121**	**452**	**1,453**
2022							
Property-Casualty	236	224	182	149	118	350	1,258
Life/Health	1	7	5	4	3	16	36
Total	**236**	**230**	**187**	**153**	**121**	**366**	**1,294**

6.9 _ Contracts initially recognized in the period

The effects on the measurement components arising from contracts initially recognized in the period which are not measured under the PAA are summarized in the following tables.

No material groups of onerous contracts which are not measured under the PAA were initially recognized in the periods ended 31 December 2023 and 2022, nor were material groups of contracts not measured under the PAA were acquired.

6.9.1 Insurance contracts initially recognized in the period

Insurance contracts initially recognized in the period – Allianz Group
€ mn

	2023	2022
Present value of future cash outflows		
Claims and other insurance expenses payable	52,596	53,552
Insurance acquisition cash flows	4,835	2,670
Subtotal	57,431	56,222
Present value of future cash inflows	(62,366)	(61,305)
Risk adjustment	346	506
CSM	4,589	4,577

6.9.2 Reinsurance contracts initially recognized in the period

Reinsurance contracts initially recognized in the period – Allianz Group
€ mn

	2023	2022
Present value of future cash outflows	875	483
Present value of future cash inflows	(1,030)	(913)
Risk adjustment	5	26
CSM	150	405

6.10 _ CSM release projection

The following table sets out when the Allianz Group expects to recognize the remaining CSM in profit or loss after the reporting date for contracts not measured under the PAA.

The pattern of recognition does not contain unwinding of valuation rates and expected over-return of assets for contracts measured using the VFA and interest accretion of the CSM arising from unwind of locked-in rates for contracts using the building block approach. Furthermore, the future CSM release will also include amounts related to new contracts written in future periods. Consequently, the CSM release projection should not be interpreted as the CSM release expected for future periods.

CSM release projection
€ mn

As of 31 December	Less than 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	5 – 10 years	10 – 20 years	Over 20 years	Total
2023									
Insurance contracts issued	4,206	3,823	3,507	3,228	2,967	11,541	11,986	12,560	53,818
Reinsurance contracts held	(162)	(96)	(92)	(91)	(92)	(344)	(362)	(684)	(1,922)
2022									
Insurance contracts issued	4,051	3,689	3,396	3,134	2,894	11,451	13,238	11,530	53,382
Reinsurance contracts held	(160)	(83)	(79)	(78)	(78)	(300)	(588)	(611)	(1,976)

6.11 _ Insurance revenue and CSM by transition method

The following table sets out insurance revenue and the CSM per transition approach.

6.11.1 Insurance contracts

Insurance revenue and CSM by transition method – Allianz Group
€ mn

	2023				2022			
	Contracts measured under the modified retrospective transition approach	Contracts measured under the fair value transition approach	New contracts and contracts measured under the full retrospective transition approach	Total	Contracts measured under the modified retrospective transition approach	Contracts measured under the fair value transition approach	New contracts and contracts measured under the full retrospective transition approach	Total
Insurance revenue	15,855	3,380	72,016	91,251	16,398	3,736	66,851	86,985
CSM as of 1 January	**32,572**	**14,130**	**6,680**	**53,382**	**41,175**	**14,374**	**3,832**	**59,381**
Changes that relate to current service								
CSM recognized for services provided	(2,649)	(1,319)	(1,089)	(5,057)	(2,823)	(1,386)	(908)	(5,117)
Changes that relate to future service								
Changes in estimates that adjust CSM	796	(9)	505	1,293	(6,427)	(40)	(282)	(6,749)
Effects of contracts initially recognized in the period	-	-	4,589	4,589	-	-	4,577	4,577
Subtotal	796	(9)	5,094	5,882	(6,427)	(40)	4,295	(2,172)
Finance income and expenses from insurance contracts issued (net)	29	455	122	606	26	485	32	544
Foreign currency translation adjustments	97	(350)	(108)	(361)	156	672	(134)	694
Other changes	(32)	(313)	(289)	(634)	464	24	(436)	52
CSM as of 31 December	**30,814**	**12,594**	**10,411**	**53,818**	**32,572**	**14,130**	**6,680**	**53,382**

6.11.2 Reinsurance contracts

CSM by transition method – Allianz Group
€ mn

	2023				2022			
	Contracts measured under the modified retrospective transition approach	Contracts measured under the fair value transition approach	New contracts and contracts measured under the full retrospective transition approach	Total	Contracts measured under the modified retrospective transition approach	Contracts measured under the fair value transition approach	New contracts and contracts measured under the full retrospective transition approach	Total
CSM as of 1 January	**140**	**1,777**	**59**	**1,976**	**75**	**1,430**	**56**	**1,561**
Changes that relate to current service								
CSM recognized for services provided	(21)	(86)	(66)	(173)	(202)	(95)	(43)	(340)
Changes that relate to future service								
Changes in estimates that adjust CSM	71	768	(895)	(56)	118	164	(76)	206
Effects of contracts initially recognized in the period	-	-	150	150	-	-	405	405
Subtotal	71	768	(745)	95	118	164	329	610
Finance income and expenses from reinsurance contracts held (net)	4	76	(4)	75	3	161	(94)	70
Foreign currency translation adjustments	(2)	(53)	1	(54)	(6)	5	11	10
Other changes	(115)	(463)	581	4	152	112	(199)	65
CSM as of 31 December	**77**	**2,019**	**(174)**	**1,922**	**140**	**1,777**	**59**	**1,976**

6.12 _ Reconciliation of amounts included in OCI for financial assets measured at fair value through OCI

On transition to IFRS 17, the Allianz Group determined the cumulative insurance finance income and expenses recognized in OCI using the modified retrospective or the fair value transition approach for certain groups of insurance contracts. Please refer to note 2 for further details.

The movement in the fair value reserve for financial assets measured at fair value through OCI that are related to those groups of contracts is presented below:

Reconciliation for contracts with direct participation features
€ mn

	2023			2022		
	Property-Casualty	Life/Health	Total	Property-Casualty	Life/Health	Total
Balance as of 1 January	(159)	(39,524)	(39,683)	223	34,494	34,717
Gains or losses recognized in other comprehensive income in the period	62	15,728	15,790	(521)	(95,479)	(96,000)
Amounts recognized in profit or loss and reassignment during the period	(0)	7,929	7,929	(21)	(8,033)	(8,054)
Related income tax	(18)	(6,782)	(6,800)	160	29,428	29,588
Foreign currency translation adjustments	-	(9)	(9)	-	66	66
Balance as of 31 December	**(115)**	**(22,658)**	**(22,773)**	**(159)**	**(39,524)**	**(39,683)**

Reconciliation for contracts without direct participation features
€ mn

	2023			2022		
	Property-Casualty	Life/Health	Total	Property-Casualty	Life/Health	Total
Balance as of 1 January	(322)	(541)	(863)	270	1,340	1,609
Gains or losses recognized in other comprehensive income in the period	180	445	625	(702)	(2,357)	(3,059)
Amounts recognized in profit or loss and reassignment during the period	20	(14)	6	(55)	(53)	(109)
Related income tax	(34)	(102)	(136)	161	530	691
Foreign currency translation adjustments	12	(1)	11	5	(1)	4
Balance as of 31 December	**(144)**	**(213)**	**(357)**	**(322)**	**(541)**	**(863)**

6.13 _ Fair values of underlying items

Underlying items determine some of the amounts payable to policyholders. They can comprise any items; for example, a reference portfolio of assets, the net assets of the entity, or a specified subset of the net assets of the entity.

The underlying items are determined from a single entity view, i.e., not from a consolidated Allianz Group view, and are based on the specific contractual terms including applicable rules imposed by law or regulation. This includes underlying items that are not solely financial in nature, e.g., an entity's profit based on local accounting principles.

The composition of underlying items for contracts with direct participation features and their fair values are disclosed in the following table:

Fair values of underlying items
€ mn

As of 31 December	2023			2022		
	Property-Casualty[1]	Life/Health	Total	Property-Casualty[1]	Life/Health	Total
Equities	1,925	108,625	110,551	2,011	112,475	114,486
Debt securities	6,859	283,644	290,502	7,141	269,365	276,506
Investment funds	25	12,466	12,491	21	13,446	13,466
Real estate	139	12,501	12,640	110	10,815	10,926
Fixed assets of alternative investments	-	287	287	-	246	246
Derivatives	-	214	214	-	417	417
Financial assets for unit-linked contracts	-	112,707	112,707	-	102,894	102,894
Other	2	633	634	64	204	267
Total	**8,950**	**531,075**	**540,025**	**9,347**	**509,863**	**519,209**

1_Consists mainly of the underlying items of the accident insurance with premium refunds.

6.14 _ Sensitivity analysis

The following table sets out sensitivities for the Allianz Group's shareholders' equity and shareholders' net income, as well as the CSM of the Life/Health business segment, reflecting relevant scenarios for market risk and insurance risk.

Deriving these sensitivities requires complex and judgmental valuations. Furthermore, market developments or insurance events reflected in the scenarios would usually trigger management reactions to balance the impact, reflecting the overall circumstances and the variety of simultaneous sensitivities including cross effects. The impact taking into account these reactions cannot be reasonably reflected in a single number.

The sensitivities are thus calculating the theoretical impact of an instantaneous shock at the end of the reporting period. They do not fully take into account all management actions and indirect effects, such as changes in the asset allocation.

Consequently, the shareholders' net income sensitivity should not be interpreted as a comprehensive reflection of the respective scenarios.

Sensitivity analysis

As of 31 December		2023		
		Shareholders' equity	Shareholders' net income	CSM[1]
Allianz Group				
Base amount	**€ mn**	**58,477**	**8,541**	**52,601**
Equity markets up by 30 %	%	4	12	5
Equity markets down by 30 %	%	(4)	(14)	(5)
Interest rates up by 0.5 %	%	(0.5) - 0	(0.5) - 0	(1)
Interest rates down by 0.5 %	%	0 - 0.5	(0.5) - 0	0 - 0.5
Credit spread on government bonds up by 0.5 %	%	(1)	(0.5) - 0	(1)
Credit spread on non-government bonds up by 0.5 %	%	(1)	(0.5) - 0	(1)
Property-Casualty				
1 in 10 years natural catastrophe excess loss	%	(1)	(7)	
Life/Health				
Lapse rates up by 10 %	%	(0.5) - 0	(1)	(3)

1_CSM sensitivities are presented for the Life/Health business segment only.

6.15 _ Claims development

The loss triangle is a tabular representation of loss-related data (such as payments, loss reserves, ultimate losses) in two time-related dimensions. One of these is the calendar year, the other is the accident year (year of loss occurrence). Loss triangles – as the basis for measuring loss reserves – express how the loss reserves change over the course of time due to payments made and new estimates of the expected ultimate loss at the respective reporting date.

The ultimate loss of an accident year comprises all payments made for that accident year up to the reporting date, plus the loss reserves at the reporting date. Given complete information regarding all losses incurred up to the reporting date, the ultimate loss for each accident-year period would remain unchanged. In practice, however, the ultimate loss (based on estimates) is exposed to fluctuations that reflect the increase in knowledge regarding the loss cases.

It is important to highlight that the following triangles, which show only figures of the Property-Casualty business segment, follow different accounting standards on the disclosure of the payments, loss reserves, and ultimate losses.

Calendar years 2021 and prior are disclosed according to IFRS 4, meaning that the overall development of loss reserves considers undiscounted non-annuities and discounted annuities.

Calendar years 2022 and onward are disclosed according to IFRS 17, hence loss development by accident year is fully on an undiscounted basis (for both annuities and non-annuities). A full reconciliation of the undiscounted reserves disclosed in below triangles to the net liabilities for incurred claims (LIC) is presented in the second table below. It should be noted, that a simplified approach has been used for the calendar year 2022 loss development. While the first disclosure of calendar year 2022 followed IFRS 4 accounting, the below restated calendar year 2022 loss developments are disclosed according to IFRS 17. The simplified approach adopted relies on the split by accident year of the undiscounted IFRS 4 reserves, applied on the IFRS 17 undiscounted reserves underlying the financial year 2023 opening balance sheet.

The data is only presented on a net basis, as this is considered to be more meaningful in order to represent the retained impact on Group results. The loss triangles are not prepared on a currency-adjusted basis. This means all figures are translated from the respective local currency into the Allianz Group presentation currency (euro), consistently using the exchange rates applicable at the respective reporting date. This ensures that the reserves reconcile with reserves in the consolidated balance sheet.

Loss payments for the individual accident years (per calendar year, net)

Loss payments for the individual accident years (per calendar year, net)
€ mn

	Accident year										
Calendar year	2014 and prior	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
2014	28,702										28,702
2015	13,740	16,291									30,031
2016	7,065	7,929	16,409								31,403
2017	4,006	2,261	7,842	16,669							30,778
2018	3,668	1,119	2,484	7,976	17,084						32,330
2019	2,251	788	1,044	2,753	8,524	18,105					33,465
2020	1,654	584	938	1,278	2,883	8,818	17,104				33,258
2021	1,415	379	639	770	1,329	3,054	7,552	18,587			33,726
Change to IFRS 17											
2022	1,143	373	450	674	1,120	1,423	2,758	8,875	21,431		38,246
2023	1,177	216	362	429	760	988	1,106	2,529	10,856	22,616	41,039

Reserves for loss and loss adjustment expenses for the individual accident years at the respective reporting date (net)

Reserves for loss and loss adjustment expenses for the individual accident years at the respective reporting date (net)
€ mn

	Accident year										
Calendar year	2014 and prior	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
2014	55,619										55,619
2015	41,133	16,358									57,492
2016	32,555	7,991	16,708								57,254
2017	25,880	5,407	8,454	16,573							56,314
2018	21,413	4,114	5,424	8,327	17,081						56,358
2019	18,744	3,413	4,403	6,049	8,751	18,762					60,122
2020	16,649	2,642	3,466	4,387	5,873	9,646	19,294				61,958
2021	15,346	2,246	2,837	3,720	4,942	6,939	10,708	19,081			65,821
Change to IFRS 17											
2022	15,721	2,034	2,518	3,222	3,896	5,680	7,675	9,646	21,106		71,499
2023	14,595	1,709	2,145	2,588	2,983	4,568	5,669	6,544	10,035	24,290	75,126
Effect of discounting											(10,266)
Risk adjustment											1,469
Receivables/Payables/Deposits/Other											1,361
Net liability for incurred claims											67,690
thereof liability for incurred claims											79,148
thereof asset for incurred claims											(11,458)

Ultimate loss for the individual accident years at the respective reporting date (net)

Ultimate loss for the individual accident years at the respective reporting date (net)
€ mn

	Accident year										
Calendar year	2014 and prior	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
2014	84,321										
2015	83,576	32,649									
2016	82,063	32,211	33,116								
2017	79,393	31,888	32,705	33,242							
2018	78,593	31,713	32,158	32,972	34,165						
2019	78,176	31,801	32,182	33,447	34,358	36,867					
2020	77,735	31,613	32,183	33,063	34,363	36,570	36,398				
2021	77,847	31,596	32,193	33,167	34,762	36,917	35,364	37,668			
Change to IFRS 17											
2022	79,366	31,757	32,323	33,342	34,835	37,080	35,090	37,107	42,537		
2023	79,416	31,648	32,313	33,137	34,682	36,956	34,189	36,534	42,323	46,906	408,104

Calendar year insurance revenue and ultimate loss ratios for the individual accident years at the respective reporting date (net)

Calendar year insurance revenue and ultimate loss ratios for the individual accident years at the respective reporting date (net)

	Insurance revenue	Accident year									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	€ mn	%	%	%	%	%	%	%	%	%	%
Change to IFRS 17											
2022	63,963	-	-	-	-	-	-	-	-	66.5	
2023	68,757	-	-	-	-	-	-	-	-	66.2	68.2

The loss ratio presented above deviates from the reported loss ratio because the ultimate loss in the table above is based on the sum of the payments plus the loss reserves, not the incurred loss as stated in the consolidated income statement. This means that effects like changes in consolidated subsidiaries and foreign currency translation are presented differently, while other effects (as e.g. discounting, risk adjustment) are fully excluded from above loss ratio triangle.

6.16 _ Concentration of insurance risk

As of 31 December 2023 and 2022, the Allianz Group's present value of future cash flows and risk adjustment, both excluding incurred claims liabilities, for the business segment Life/Health are summarized per reportable segment as follows:

Concentration of insurance risk in the Life/Health business segment per reportable segment
€ mn

As of 31 December	2023			2022		
	Present value of future cash flows[1,2]	Risk adjustment[1]	Total	Present value of future cash flows[1,2]	Risk adjustment[1]	Total
German Speaking Countries and Central & Eastern Europe	309,689	1,358	311,048	293,349	1,384	294,732
Western & Southern Europe	138,541	946	139,487	130,972	1,041	132,013
Asia Pacific	20,276	678	20,955	19,517	627	20,144
USA	141,300	1,560	142,860	133,077	2,024	135,102
Global Insurance Lines & Anglo Markets, Iberia & Latin America, Middle East and Africa	4,551	118	4,670	6,358	143	6,501
Consolidation and Other	189	(14)	175	236	(25)	212
Total	**614,547**	**4,647**	**619,194**	**583,510**	**5,194**	**588,704**

1_Excluding liability for incurred claims.
2_Including liability for remaining coverage of contracts measured under the PAA, receivables, payables, and deposits.

Further risk disclosure requirements of IFRS 17 in connection with IFRS 7 are reflected in the following sections of the Risk and Opportunity Report within the Group Management Report and are therefore an integrated part of the notes to the consolidated financial statements:

- "Internal risk capital framework",
- "Risk-based steering and risk management",
- Underwriting risk in the section "Quantifiable risks and opportunities by risk category".

6.17 _ Credit risk

The Allianz Group's reinsurance contract assets were mainly distributed among reinsurers that had been assigned an investment-grade rating.

Further credit risk disclosure requirements of IFRS 17 are reflected in the section "Quantifiable risks and opportunities by risk category" of the Risk and Opportunity Report within the Group Management Report and are therefore an integrated part of the notes to the consolidated financial statements.

6.18 _ Liquidity risk

A description of how the Allianz Group manages the liquidity risk arising from contracts within the scope of IFRS 17 is reflected in the section "Risk-based steering and risk management" of the Risk and Opportunity Report within the Group Management Report and is therefore an integrated part of the notes to the consolidated financial statements.

The following table provides a maturity analysis of the Allianz Group's insurance contracts based on the remaining contractual undiscounted net cash flows. Liabilities for remaining coverage for contracts measured under the PAA have been excluded from this analysis.

Analysis of the maturitites of the remaining undiscounted net cash flows of portfolios of insurance contracts issued
€ mn

As of 31 December	Up to 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years	Total
2023							
Property-Casualty	20,568	14,098	8,980	6,064	4,312	23,219	77,242
Life/Health	33,460	36,559	37,139	37,433	37,693	1,035,432	1,217,717
Total	**54,028**	**50,658**	**46,119**	**43,496**	**42,005**	**1,058,652**	**1,294,958**
2022							
Property-Casualty	20,549	13,450	8,567	5,785	4,114	22,152	74,617
Life/Health	26,697	28,737	30,713	30,930	31,499	966,052	1,114,627
Total	**47,246**	**42,187**	**39,280**	**36,715**	**35,612**	**988,203**	**1,189,244**

The amounts from insurance contract liabilities that are payable on demand and the carrying amounts of the related portfolios of contracts are set out below:

Amounts payable on demand
€ mn

As of 31 December	2023		2022	
	Amount payable on demand	Carrying amount	Amount payable on demand	Carrying amount
Direct participating contracts	288,981	326,581	286,279	311,670
Indirect participating contracts	10,159	10,387	9,707	9,525
Investment contracts with DPF	108,027	102,866	109,699	100,200
Other non-participating insurance contracts	130,084	134,406	121,650	122,714
Total	**537,251**	**574,240**	**527,336**	**544,109**

7 _ NOTES TO FINANCIAL OPERATIONS

7.1 _ Net investment income

Net investment income
€ mn

	2023	2022
Interest result	25,386	24,801
Realized gains/losses (net)	(5,518)	959
Valuation result	6,509	(36,392)
Investment expenses	(1,849)	(1,919)
Total	**24,528**	**(12,550)**

Net investment income by measurement categories

€ mn

	Financial instruments			Other investments					
				according to IAS 28	according to IAS 40	according to IAS 16			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Associates and joint ventures	Real estate	Alternative investments[1]	Other	Financial liabilities	Total
2023									
Interest result									
Interest income and similar income	4,223	19,064	375	166	1,241	619	947	-	26,635
Interest expenses	-	-	-	-	-	-	(243)	(1,006)	(1,249)
Subtotal	4,223	19,064	375	166	1,241	619	704	(1,006)	25,386
Realized gains/losses (net)									
Realized gains	-	581	-	131	60	-	35	-	807
Realized losses	-	(6,079)	-	(244)	(1)	-	(1)	-	(6,325)
Subtotal	-	(5,498)	-	(113)	59	-	34	-	(5,518)
Valuation result									
Expected credit loss allowance	-	220	(7)	-	-	-	-	-	213
Impairments (net)									
Impairments	-	-	-	(41)	(75)	(32)	(64)	-	(212)
Reversal of impairment	-	-	-	-	1	56	-	-	57
Subtotal	-	-	-	(41)	(74)	24	(64)	-	(155)
Income from derivatives	2,150	-	-	-	-	-	-	-	2,150
Valuation result on investments measured at fair value through profit or loss	(177)	-	-	(1,317)	(2,471)	-	(6)	(343)	(4,315)
Foreign currency gains/losses	-	-	-	-	-	-	(1,980)	-	(1,980)
Investment result from unit-linked assets (net)	-	-	-	-	-	-	10,594	-	10,594
Subtotal	1,973	220	(7)	(1,358)	(2,546)	24	8,544	(343)	6,509
Investment expenses	-	-	-	-	(419)	(374)	(1,056)	-	(1,849)
Total	**6,196**	**13,786**	**368**	**(1,304)**	**(1,664)**	**268**	**8,226**	**(1,349)**	**24,528**

1_Mainly investments in wind parks.

Net investment income by measurement categories (continued)

€ mn

	Financial instruments			Other investments					
				according to IAS 28	according to IAS 40	according to IAS 16			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Associates and joint ventures	Real estate	Alternative investments[1]	Other	Financial liabilities	Total
2022									
Interest result									
Interest income and similar income	5,103	18,106	119	105	1,243	697	269	-	25,643
Interest expenses	-	-	-	-	-	-	(141)	(700)	(841)
Subtotal	5,103	18,106	119	105	1,243	697	127	(700)	24,801
Realized gains/losses (net)									
Realized gains	-	4,744	1	924	107	-	114	-	5,889
Realized losses	-	(4,616)	(25)	(127)	(9)	-	(153)	-	(4,930)
Subtotal	-	128	(25)	798	98	-	(40)	-	959
Valuation result									
Expected credit loss allowance	-	(490)	(5)	-	-	-	-	-	(495)
Impairments (net)									
Impairments	-	-	-	(27)	(21)	(46)	(446)	-	(539)
Reversal of impairment	-	-	-	-	24	22	11	-	57
Subtotal	-	-	-	(27)	4	(24)	(435)	-	(482)
Income from derivatives	(18,609)	-	-	-	-	-	-	-	(18,609)
Valuation result on investments measured at fair value through profit or loss	(5,126)	-	-	479	(563)	-	(13)	207	(5,015)
Foreign currency gains/losses	-	-	-	-	-	-	3,728	-	3,728
Investment result from unit-linked assets (net)	-	-	-	-	-	-	(15,517)	-	(15,517)
Subtotal	(23,736)	(490)	(5)	452	(559)	(24)	(12,237)	207	(36,392)
Investment expenses	-	-	-	-	(397)	(389)	(1,133)	-	(1,919)
Total	**(18,632)**	**17,743**	**90**	**1,355**	**385**	**284**	**(13,282)**	**(493)**	**(12,550)**

1_Mainly investments in wind parks.

7.2 _ Investments

7.2.1 Overview

Investments
€ mn

As of 31 December	2023	2022
Investments measured at fair value through profit or loss[1]	102,316	87,498
Investments measured at fair value through other comprehensive income[2]	562,693	544,892
Investments measured at amortized cost[3]	8,829	7,870
Investments in associates and joint ventures[4]	21,187	22,437
Real estate held for investment[5]	23,924	25,861
Fixed assets from alternative investments	2,854	2,433
Total	**721,802**	**690,991**

1_Includes derivative financial instruments of € 15,114 mn (2022: € 9,547 mn).
2_As of 31 December 2023, fair value and gross carrying amount with a contractual life of less than one year amounted to € 47,371 mn (2022: € 47,139 mn) and € 44,317 mn (2022: € 47,472 mn), respectively.
3_As of 31 December 2023, fair value and gross carrying amount with a contractual life of less than one year amounted to € 2,803 mn (2022: € 2,763 mn) and € 2,771 (2022: € 2,760 mn), respectively.
4_Includes investments in associates and joint ventures accounted for using the equity method of € 3,014 mn (2022: € 2,100 mn).
5_Consists of real estate held for investment measured at fair value of € 21,208 mn (2022: € 23,314 mn) and measured at amortized cost of € 2,716 mn (2022: € 2,546 mn).

7.2.2 Investments measured at fair value through other comprehensive income

7.2.2.1 Debt investments

Debt investments – Fair value
€ mn

	Gross carrying amount	Unrealized gains	Unrealized losses	Accrued interest	Fair value
31 December 2023					
Government bonds	203,719	4,047	(28,096)	2,204	181,875
Corporate bonds	210,450	2,105	(22,008)	2,429	192,976
Covered bonds	44,338	1,074	(3,141)	579	42,850
ABS/MBS	27,459	104	(1,873)	269	25,959
Loans	81,943	309	(6,206)	208	76,255
Alternative debt	13,534	51	(1,350)	79	12,314
Other	2,319	29	62	43	2,453
Total	**583,763**	**7,719**	**(62,612)**	**5,811**	**534,681**
31 December 2022					
Government bonds	210,925	2,428	(38,048)	1,838	177,143
Corporate bonds	214,270	678	(32,918)	2,427	184,456
Covered bonds	46,859	818	(4,498)	679	43,858
ABS/MBS	27,202	56	(2,504)	243	24,996
Loans	78,498	73	(8,167)	174	70,578
Alternative debt	13,542	25	(1,911)	82	11,738
Other	2,807	9	(6)	62	2,872
Total	**594,101**	**4,087**	**(88,052)**	**5,504**	**515,641**

Reconciliation of gross carrying amount and expected credit loss per stage as of 31 December 2023 and 2022
€ mn

	12-month		Lifetime, but not credit impaired		Credit impaired[1]		Total	
	Gross carrying amount	Expected credit loss	Gross carrying amount	Expected credit loss	Gross carrying amount	Expected credit loss	Gross carrying amount	Expected credit loss
1 January 2023	583,975	420	7,022	220	3,104	796	594,101	1,436
Additions	154,522	75	1,234	3	108	27	155,864	106
Changes in the consolidated subsidiaries of the Allianz Group	(1,282)	(23)	21	(1)	(1)	(2)	(1,262)	(26)
Changes in models and risk parameters and due to modifications	-	1	-	2	-	(3)	-	-
Matured or sold	(154,149)	(80)	(2,146)	(108)	(1,267)	(315)	(157,562)	(503)
Reclassification into non-current assets and assets of disposal groups classified as held for sale	(92)	2	(76)	-	142	(8)	(26)	(5)
Transfer to 12-month	2,809	16	(2,809)	(87)	-	-	-	(71)
Transfer to lifetime, but not credit impaired	(3,184)	(19)	3,184	200	-	-	-	181
Transfer to credit impaired	(266)	(2)	(61)	(5)	326	88	-	81
Write-offs	-	-	-	-	(6)	6	(6)	7
Amortization	297	(51)	163	17	1	(50)	461	(84)
Foreign currency translation adjustments	(4,246)	(25)	(178)	(22)	(103)	(38)	(4,527)	(84)
Other changes	(3,444)	34	55	31	109	23	(3,280)	88
31 December 2023	**574,940**	**349**	**6,409**	**253**	**2,415**	**524**	**583,763**	**1,125**
1 January 2022	567,613	410	24,048	417	157	17	591,818	843
Additions	166,491	118	44,450	7	64	2	211,005	127
Changes in the consolidated subsidiaries of the Allianz Group	(493)	(1)	(12)	-	-	-	(505)	-
Changes in models and risk parameters and due to modifications	5	(1)	-	(1)	-	32	5	30
Matured or sold	(166,791)	(75)	(49,063)	(99)	(682)	(212)	(216,536)	(386)
Reclassification into non-current assets and assets of disposal groups classified as held for sale	(1,987)	(11)	(214)	(5)	163	-	(2,037)	(16)
Transfer to 12-month	16,123	48	(16,083)	(511)	(41)	(5)	-	(468)
Transfer to lifetime, but not credit impaired	(10,801)	(48)	10,844	1,103	(44)	(3)	-	1,053
Transfer to credit impaired	(797)	(20)	(1,841)	(620)	2,638	686	-	46
Write-offs	-	2	-	17	-	25	-	44
Amortization	546	(21)	800	(158)	10	155	1,356	(24)
Foreign currency translation adjustments	11,254	10	259	65	216	5	11,730	80
Other changes	2,812	9	(6,168)	6	623	93	(2,733)	108
31 December 2022	**583,975**	**420**	**7,022**	**220**	**3,104**	**796**	**594,101**	**1,436**

1_Also includes purchased or originated credit-impaired assets.

The following table presents the gross carrying amount per investment grade and stage:

Gross carrying amount per investment grade
€ mn

	12-month	Lifetime, but not credit impaired	Credit impaired	Purchased or originated credit impaired	Total
As of 31 December 2023					
AAA	90,458	-	-	-	90,458
AA	138,786	-	-	-	138,786
A	132,106	-	-	-	132,106
BBB	159,572	-	-	-	159,572
Non-investment grade	21,303	5,017	2,021	192	28,534
Not rated	32,714	1,392	201	-	34,307
Total	**574,940**	**6,409**	**2,223**	**192**	**583,763**
As of 31 December 2022					
AAA	113,956	-	-	-	113,956
AA	144,976	-	-	-	144,976
A	141,735	-	-	-	141,735
BBB	163,849	-	-	-	163,849
Non-investment grade	16,124	6,437	2,083	178	24,822
Not rated	3,336	585	810	34	4,764
Total	**583,975**	**7,022**	**2,892**	**212**	**594,101**

7.2.2.2 Equity investments designated at fair value through OCI

Equity investments designated at fair value through OCI
€ mn

As of 31 December	2023	2022
Listed shares	21,491	21,205
Non-redeemable preferred shares	316	262
Unlisted shares	2,333	2,114
Infrastucture	1,679	1,714
Other	1,085	1,334
Total	**26,904**	**26,628**

For the year ended 31 December 2023, the dividend income for equity investments designated at fair value through OCI without recycling amounted to € 863 mn (2022: € 1,132 mn), thereof € 193 mn (2022: € 514 mn) for derecognized investments. The fair value of these derecognized instruments was € 8,705 mn (2022: € 25,761 mn). The Allianz Group realized a loss of € 229 mn for the year ended 31 December 2023 (2022: a gain of € 6,021 mn).

Disposals of equity investments are driven by overall risk management considerations including sensitivity considerations as well as changed market conditions such as higher interest rate levels. Equity investments are held by insurance-focused Allianz entities to diversify the portfolios and to take advantage of expected long-term returns.

7.2.3 Investments measured at amortized cost

Government bonds and loans measured at amortized cost are held by banking entities, for which IFRS 9 allows the valuation "at amortized costs" due to their business model.

Investments measured at amortized cost – Fair value
€ mn

	Gross carrying amount	Unrealized gains	Unrealized losses	Accrued interest	Fair value
As of 31 December 2023					
Government bonds	4,589	21	-	-	4,610
Corporate bonds	42	-	-	-	42
Covered bonds	-	-	-	-	-
ABS/MBS	-	-	-	-	-
Loans	4,120	-	(2)	33	4,151
Other debt	92	-	-	-	92
Other	13	-	-	-	13
Total	**8,856**	**21**	**(2)**	**33**	**8,908**
As of 31 December 2022					
Government bonds	3,934	-	(20)	2	3,915
Corporate bonds	27	-	(6)	-	21
Covered bonds	-	-	-	-	-
ABS/MBS	-	-	-	-	-
Loans	3,927	-	-	10	3,936
Other debt	27	-	-	-	27
Other	15	-	-	-	15
Total	**7,930**	**-**	**(26)**	**12**	**7,915**

Reconciliation of gross carrying amount and expected credit loss as of 31 December 2023 and 2023
€ mn

	2023		2022	
	Gross carrying amount[1]	Expected credit loss[2]	Gross carrying amount[1]	Expected credit loss[2]
As of 1 January	7,930	72	5,427	77
Additions	2,619	13	3,101	10
Changes in the consolidated subsidiaries of the Allianz Group	(5)	-	-	-
Changes in models and risk parameters and due to modifications	-	-	-	-
Matured or sold	(1,725)	(9)	(476)	(8)
Reclassification into non-current assets and assets of disposal groups classified as held for sale	(6)	-	(61)	-
Write-offs	(2)	-	-	-
Amortization	32	-	-	-
Foreign currency translation adjustments	-	-	(1)	-
Other changes	12	(14)	(60)	(6)
As of 31 December	**8,856**	**61**	**7,930**	**72**

1_Consists mainly of financial instruments in stage "12-month".
2_Consists mainly of financial instruments in stages "12-month" and "credit impaired".

7.2.4 Investments in associates and joint ventures

As of 31 December 2023, loans to associates and joint ventures amounted to € 2,582 mn (2022: € 2,363 mn), with interest received of € 145 mn (2022: € 141 mn).

Associates and joint ventures
€ mn

	2023	2022
Share of earnings	166	105
Share of other comprehensive income	14	(167)
Share of total comprehensive income	**180**	**(61)**

7.2.5 Real estate held for investment

Real estate held for investment
€ mn

	Measured at amortized cost		Measured at fair value	
	2023	2022	2023	2022
Cost as of 1 January	3,674	3,798		
Accumulated depreciation as of 1 January	(1,128)	(1,164)		
Carrying amount as of 1 January	**2,546**	**2,634**	**23,314**	**22,771**
Additions	300	91	1,132	1,802
Changes in the consolidated subsidiaries of the Allianz Group	67	50	-	68
Disposals and reclassifications into non-current assets and assets of disposal groups classified as held for sale	(64)	(167)	(1,210)	(1,219)
Reclassifications	(48)	(62)	67	101
Foreign currency translation adjustments	47	58	177	290
Depreciation	(57)	(60)		
Impairments	(75)	(21)		
Reversals of impairments	1	24		
Changes in fair value			(2,287)	(498)
Other changes			16	-
Carrying amount as of 31 December	**2,716**	**2,546**	**21,208**	**23,314**
Accumulated depreciation as of 31 December	(1,236)	(1,128)		
Cost as of 31 December	3,952	3,674		

7.2.6 Fixed assets from alternative investments

Fixed assets from alternative investments
€ mn

	2023	2022
Cost as of 1 January	4,183	4,036
Accumulated depreciation as of 1 January	(1,750)	(1,563)
Carrying amount as of 1 January	2,433	2,473
Additions	586	175
Changes in the consolidated subsidiaries of the Allianz Group	(3)	-
Disposals	2	(1)
Reclassifications from / into non-current assets and assets of disposal groups classified as held for sale	15	-
Foreign currency translation adjustments	(14)	(8)
Depreciation	(193)	(182)
Impairments	(32)	(46)
Reversals of impairments	59	22
Carrying amount as of 31 December	2,854	2,433
Accumulated depreciation as of 31 December	(1,900)	(1,750)
Cost as of 31 December	4,752	4,183

7.3 _ Financial liabilities

7.3.1 Overview

Financial liabilities

€ mn

As of 31 December	2023	2022
Financial liabilities measured at fair value through profit or loss		
Mandatory at fair value through profit or loss		
Derivatives	10,194	6,586
Puttable instruments	2,441	2,408
Subtotal	12,636	8,994
Designated at fair value through profit or loss	47	-
Subtotal[1]	12,683	8,994
Financial liabilities measured at amortized cost		
Liabilities to banks	8,838	8,283
Liabilities to customers	11,343	10,936
Certificated liabilities	8,407	9,126
Subordinated liabilities	12,738	12,089
Other	2,273	1,882
Subtotal[2]	43,599	42,316
Total	**56,282**	**51,310**

1_Consists of puttable instruments and financial liabilities designated at fair value through profit or loss due within one year of € 1,866 mn (2022: € 1,656 mn), 1-5 years of € 41 mn (2022: € 9 mn), and over 5 years of € 581 mn (2022: € 742 mn). Information on the maturity of the derivatives can be found in note 7.4.

2_Consists of financial liabilities measured at amortized cost due within one year of € 16,934 mn (2022: € 15,846 mn), 1-5 years of € 7,465 mn (2022: € 7,051 mn), and over 5 years of € 19,200 mn (2022: € 19,419 mn).

7.3.2 Certificated and subordinated liabilities

Certificated and subordinated liabilities

€ mn

As of 31 December	Up to 1 year	1 - 5 years	Over 5 years	2023	2022
Senior bonds	303	3,478	3,641	7,423	8,132
Money market securities	1,103	-	-	1,103	1,123
Fair value hedge effects related to certificated liabilities	-	-	(119)	(119)	(130)
Total certificated liabilities[1]	**1,407**	**3,478**	**3,522**	**8,407**	**9,126**
Subordinated bonds	-	-	12,763	12,763	12,145
Subordinated loans[2]	-	-	45	45	45
Fair value hedge effects related to subordinated liabilities	-	(71)	-	(71)	(101)
Total subordinated liabilities[3]	**-**	**(71)**	**12,808**	**12,738**	**12,089**

1_As of 31 December 2023, includes accrued interest of € 80 mn (2022: € 79 mn).

2_Relates to subordinated loans issued by subsidiaries.

3_As of 31 December 2023, includes accrued interest of € 185 mn (2022: € 149 mn).

Outstanding bonds issued or guaranteed by Allianz SE as of 31 December 2023

mn

	ISIN	Year of issue	Currency	Notional amount	Coupon in %	Maturity date
Certificated liabilities						
Allianz Finance II B.V., Amsterdam	DE000A3KY367	2021	EUR	300	3-months Euribor +100 bps	22 November 2024
	DE000A28RSQ8	2020	EUR	500	Non-interest bearing	14 January 2025
	DE000A2RWAX4	2019	EUR	750	0.875	15 January 2026
	DE000A3KY342	2021	EUR	700	Non-interest bearing	22 November 2026
	DE000A19S4V6	2017	EUR	750	0.875	6 December 2027
	DE000A1HG1K6	2013	EUR	750	3.000	13 March 2028
	DE000A2RWAY2	2019	EUR	750	1.500	15 January 2030
	DE000A28RSR6	2020	EUR	750	0.500	14 January 2031
	DE000A180B80	2016	EUR	750	1.375	21 April 2031
	DE000A3KY359	2021	EUR	500	0.500	22 November 2033
	DE000A1HG1L4	2013	GBP	750	4.500	13 March 2043
Subordinated liabilities						
Allianz SE, Munich	DE000A30VTT8	2022	EUR	1,250	4.597	7 September 2038
	DE000A14J9N8	2015	EUR	1,500	2.241	7 July 2045
	DE000A2DAHN6	2017	EUR	1,000	3.099	6 July 2047
	XS1556937891	2017	USD	600	5.100	30 January 2049
	DE000A2YPFA1	2019	EUR	1,000	1.301	25 September 2049
	DE000A254TM8	2020	EUR	1,000	2.121	8 July 2050
	DE000A30VJZ6	2022	EUR	1,250	4.252	5 July 2052
	DE000A351U49	2023	EUR	1,250	5.824	25 July 2053
	US018820AC48/ USX10001AC35	2023	USD	1,000	6.350	6 September 2053
	DE000A13R7Z7	2014	EUR	1,500	3.375	Perpetual
	XS1485742438	2016	USD	1,500	3.875	Perpetual
	DE000A289FK7	2020	EUR	1,250	2.625	Perpetual
	US018820AA81/ USX10001AA78	2020	USD	1,250	3.500	Perpetual
	DE000A3E5TR0	2021	EUR	1,250	2.600	Perpetual
	US018820AB64/ USX10001AB51	2021	USD	1,250	3.200	Perpetual

7.4 _ Derivative financial instruments

Derivatives which form part of hedge accounting relationships or are used as freestanding derivatives are included in the line items investments and financial liabilities, respectively. The following two tables show the fair values and the notional amounts of all freestanding derivatives and all derivatives for which hedge accounting is applied by the Allianz Group, as of 31 December 2023. The notional principal amounts indicated in the tables are cumulative, as they include the absolute value of the notional principal amounts of derivatives with positive and negative fair values. Although these notional principal amounts reflect the degree of the Allianz Group's involvement in derivative transactions, they do not represent amounts exposed to risk. Further information on the use of derivatives to hedge risk can be found in the sections on market and credit risk of the Risk and Opportunity Report, which forms part of the Group Management Report.

Freestanding derivative financial instruments

Freestanding derivative financial instruments per instrument type
€ mn

As of 31 December	2023						2022		
	Maturity by notional amount			Notional principal amounts	Assets	Liabilities	Notional principal amounts	Assets	Liabilities
	Up to 1 year	1 - 5 years	Over 5 years						
Interest rate contracts	24,193	26,001	53,496	103,689	703	(658)	108,655	946	(679)
Equity/index contracts	204,242	26,098	9,008	239,347	12,366	(7,959)	209,800	5,206	(4,061)
Foreign exchange contracts	114,820	53	-	114,872	1,500	(481)	120,417	2,654	(530)
Other	650	28,336	220	29,206	240	(141)	15,311	34	(23)
Total	**343,904**	**80,487**	**62,724**	**487,116**	**14,809**	**(9,239)**	**454,183**	**8,839**	**(5,293)**
thereof OTC[1]	281,292	75,549	62,724	419,565	14,141	(9,074)	403,616	7,834	(5,288)
thereof exchange-traded	62,612	4,938	-	67,551	668	(165)	50,567	1,005	(5)

1_Consists mainly of equity/interest contracts.

Further information on the fair value measurement of these derivatives can be found in note 7.5.

Derivative financial instruments used hedge accounting relationships

Derivative financial instruments held for risk management per instrument type
€ mn

As of 31 December	2023					
	Maturity by notional amount					
	Up to 1 year	1 - 5 years	Over 5 years	Notional principal amounts	Assets	Liabilities
Interest rate contracts	993	954	566	2,513	3	(654)
Equity/index contracts	1,845	-	-	1,845	64	(129)
Foreign exchange contracts	4,651	1,569	2,041	8,261	239	(172)
Total	**7,489**	**2,523**	**2,607**	**12,619**	**306**	**(954)**
thereof fair value hedges[1]	1,594	151	416	2,161	2	130
thereof cash flow hedges[2]	1,546	1,734	2,191	5,471	276	690
thereof net investment hedges[3]	4,349	638	-	4,987	28	135

1_Consists mainly of equity/index contracts.
2_Consists mainly of interest rate contracts and foreign exchange contracts.
3_Consists solely of foreign exchange contracts.

Fair value hedges

The Allianz Group uses fair value hedges to hedge the exposure to changes in the fair value of financial assets and financial liabilities due to movements in interest or exchange rates, and to hedge its equity portfolio against equity market risk. As of 31 December 2023, the derivative financial instruments used for the related fair value hedges of the Allianz Group had a total negative fair value of € 128 mn.

The ineffectiveness that arises from fair value hedges amounted to € (10) mn for the year ended 31 December 2023.

Cash flow hedges

Cash flow hedges were used to hedge the exposure to the variability of cash flows arising from interest rate or exchange rate fluctuations as well as inflation. As of 31 December 2023, the derivative instruments utilized had a total negative fair value of € 414 mn.

The ineffectiveness that arises from cash flow hedges amounted to € (1) mn for the year ended 31 December 2023. The change in the value of the hedging instrument recognized in other comprehensive income was € 948 mn for the year ended 31 December 2023.

Hedges of net investment in foreign operations

As of 31 December 2023, the Allianz Group hedged part of its foreign currency net investments through the issuance of several foreign currency denominated liabilities and the use of forward contracts. The total negative fair value was € 107 mn for the year ended 31 December 2023.

Offsetting

The Allianz Group enters into enforceable master netting arrangements and similar arrangements mainly for derivatives transactions. None of these enforceable master netting arrangements or similar arrangements meet the requirements for offsetting in line with IAS 32.

Credit risk associated with netting arrangements is further mitigated by collateral. For further information on collateral, please refer to note 7.5. The maximum credit risk exposure is represented by the carrying amount of the financial asset.

Interest Rate Benchmark Reform (Phase 2)

Regarding IBOR Reform, the transition to alternative benchmark rates affects two components, the risk-free rates for discounting cash flows in derivative transactions as well as reference rates of variable financial instruments and transactions.

In the meantime, the derivatives of the Allianz Group are fully migrated due to the already implemented transition of the risk-free discount rate in major currency blocks. For cash instruments, the transition of the risk-free discount rate and the transition of the reference rate Euribor used for the euro region, where the majority of the relevant financial instruments are, has already happened. The USD Libor transition happened by mid 2023. Overall the associated or expected effect of this transition is not material for the Allianz Group.

7.5 _ Fair values and carrying amounts of financial instruments

Certain risk disclosure requirements of IFRS 7 are reflected in the following sections of the Risk and Opportunity Report within the Group Management Report and are therefore an integrated part of the notes to the consolidated financial statements:

- Risk-based steering and risk management,
- Internal risk capital framework,
- Allianz risk profile and management assessment,
- Market risk, credit risk, and liquidity risk in the section Quantifiable risks and opportunities by risk category.

Fair values and carrying amounts

The following table compares the carrying amount and fair value of the Allianz Group's financial assets and financial liabilities:

Fair values and carrying amounts of financial instruments
€ mn

As of 31 December	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	29,210	29,210	22,896	22,896
Financial assets measured at fair value through profit or loss	102,316	102,316	87,498	87,498
Financial assets measured at fair value through other comprehensive income	562,693	562,693	544,892	544,892
Financial assets measured at amortized costs	8,829	8,908	7,870	7,915
Investments in associates and joint ventures at equity	3,014	3,385	2,100	2,481
Investments in associates and joint ventures at fair value	18,173	18,173	20,337	20,337
Real estate held for investment measured at fair value	21,208	21,208	23,314	23,314
Real estate held for investment measured at cost	2,716	5,753	2,546	5,812
Financial assets for unit-linked contracts	152,872	152,872	141,034	141,034
Financial liabilities				
Financial liabilities measured at fair value through profit or loss	12,683	12,683	8,994	8,994
Liabilities to banks and customers	20,181	20,080	19,219	19,063
Certificated liabilities	8,407	8,138	9,126	8,490
Subordinated liabilities	12,738	12,258	12,089	10,937
Other (Financial liabilities measured at amortized costs)	2,273	2,273	1,882	1,882
Unit-linked investment contracts measured at fair value	39,489	39,489	37,510	37,510
Non-unit-linked investment contracts measured at amortized cost	10,196	10,189	10,317	10,317

Fair value measurement on a recurring basis

The following financial assets and liabilities are carried at fair value on a recurring basis:

- financial assets measured at fair value through profit or loss,
- financial assets measured at fair value through other comprehensive income,
- investments in associates and joint ventures (under the VFA),
- real estate held for investment,
- financial assets for unit-linked contracts
- financial liabilities measured at fair value through profit or loss,
- unit-linked investment contracts

The following table presents the fair value hierarchy for financial instruments carried at fair value in the consolidated balance sheet:

Fair value hierarchy (items carried at fair value)
€ mn

As of 31 December	2023				2022			
	Level 1[1]	Level 2[2]	Level 3[3]	Total	Level 1[1]	Level 2[2]	Level 3[3]	Total
Financial Assets								
Financial assets measured at fair value through profit or loss								
Debt investments	69	9,535	3,983	13,587	436	9,017	1,852	11,304
Equity investments	2	-	2	4	1	3	12	15
Funds	9,815	2,582	61,214	73,611	9,631	4,313	52,688	66,632
Derivatives[4]	689	13,476	949	15,114	1,479	7,716	352	9,547
Subtotal	10,574	25,594	66,148	102,316	11,547	21,048	54,903	87,498
Financial assets measured at fair value through other comprehensive income								
Corporate bonds	4,527	164,992	23,457	192,976	3,248	160,352	20,856	184,456
Government and government agency bonds	12,298	169,021	555	181,875	11,242	164,340	1,561	177,143
MBS/ABS	119	22,290	3,550	25,959	125	21,858	3,014	24,996
Covered Bonds	4,674	38,167	9	42,850	4,175	39,674	10	43,858
Loans	3,651	4,649	67,955	76,255	3,093	4,541	62,943	70,578
Other	1,750	1,516	12,608	15,874	3,459	1,453	12,322	17,234
Equity investments	21,498	355	5,051	26,904	20,950	393	5,285	26,628
Subtotal	48,518	400,991	113,184	562,693	46,293	392,610	105,989	544,892
Investments in associates and joint ventures	-	114	18,059	18,173	-	181	20,155	20,337
Real estate held for investment	-	-	21,208	21,208	-	-	23,314	23,314
Financial assets for unit-linked contracts	116,281	34,224	2,368	152,872	108,032	30,792	2,210	141,034
Total	**175,372**	**460,923**	**220,967**	**857,262**	**165,871**	**444,632**	**206,572**	**817,075**
Financial Liabilities								
Financial liabilities measured at fair value through profit or loss[4]	2,309	9,165	1,210	12,683	2,715	5,895	384	8,994
Unit-linked investment contracts measured at fair value	28,160	11,324	6	39,489	24,521	12,983	6	37,510
Total	**30,468**	**20,488**	**1,216**	**52,172**	**27,236**	**18,878**	**390**	**46,504**

1_Quoted prices in active markets.
2_Market observable inputs.
3_Non-market observable inputs.
4_Changes in the derivatives level 3 fair values mainly result from a clarification regarding the significant inputs observability of certain contracts. Applied to 2022, the comparative level 3 assets would increase by € 1,084 mn, financial liabilities measured at fair value through profit or loss by € 1,054 mn, with a concurrent decrease of level 1 fair values.

Reconciliation of level 3 financial instruments

The following tables show reconciliations of the financial instruments carried at fair value and classified as level 3:

Reconciliation of level 3 financial assets

€ mn

	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income – Debt securities[1]	Financial assets measured at fair value through other comprehensive income – Equity securities	Investments in associates and joint ventures	Real estate held for investment	Financial assets for unit-linked contracts	Total
Carrying value (fair value) as of 1 January 2023	**54,903**	**100,704**	**5,285**	**20,155**	**23,314**	**2,210**	**206,572**
Additions through purchases and issues	14,798	17,024	439	655	1,132	625	34,673
Net transfers into (out of) level 3	589	(1,429)	5	18	(0)	26	(791)
Disposals through sales and settlements	(3,265)	(8,186)	(260)	(1,400)	(669)	(377)	(14,157)
Reclassifications	-	-	-	-	67	-	67
Net gains (losses) recognized in consolidated income statement	(1,215)	(47)	18	(1,185)	(2,272)	11	(4,691)
Net gains (losses) recognized in other comprehensive income	-	1,916	(276)	-	-	-	1,640
Impairments	-	(11)	-	-	-	-	(11)
Foreign currency translation adjustments	(191)	(1,231)	(25)	(184)	177	1	(1,453)
Changes in the consolidated subsidiaries of the Allianz Group[2]	675	(721)	(135)	-	(542)	(127)	(850)
Change in accrued interest recognized in consolidated income statement	(50)	2,717	-	-	-	-	2,668
Change in accrued interest recognized in other comprehensive income - cash settlement	(96)	(2,634)	-	-	-	(0)	(2,730)
Carrying value (fair value) as of 31 December 2023	**66,148**	**108,103**	**5,051**	**18,059**	**21,208**	**2,368**	**220,937**
Net gains (losses) recognized in consolidated income statement held at the reporting date	(1,007)	(60)	27	(1,182)	(2,309)	11	(4,521)

1_Primarily include loans.
2_Include for real estate held for investment reclassifications into non-current assets and assets of disposal groups classified as held for sale of € (542) mn.

Reconciliation of level 3 financial liabilities
€ mn

	Financial liabilities measured at fair value through profit or loss
Carrying value (fair value) as of 1 January 2023	**384**
Additions through purchases and issues	129
Net transfers into (out of) level 3	688
Disposals through sales and settlements	(75)
Net losses (gains) recognized in consolidated income statement	76
Foreign currency translation adjustments	(1)
Changes in the consolidated subsidiaries of the Allianz Group	2
Change in accrued interest recognized in consolidated income statement	(10)
Change in accrued interest recognized in other comprehensive income - cash settlement	18
Carrying value (fair value) as of 31 December 2023	**1,210**
Net losses (gains) recognized in consolidated income statement held at the reporting date	1

Fair value measurement on a non-recurring basis

Certain financial assets are measured at fair value on a non-recurring basis when events or changes in circumstances indicate that the carrying amount may not be recoverable.

If financial assets are measured at fair value on a non-recurring basis at the time of impairment, or if fair value less cost to sell is used as the measurement basis under IFRS 5, corresponding disclosures can be found in note 7.1.

Fair value information about financial assets and liabilities not carried at fair value

Fair value hierarchy (items not carried at fair value)
€ mn

As of 31 December	2023				2022			
	Level 1[1]	Level 2[2]	Level 3[3]	Total	Level 1[1]	Level 2[2]	Level 3[3]	Total
Financial Assets								
Financial assets measured at amortized costs[4]	4,721	1,278	2,909	8,908	3,915	63	3,936	7,915
Investments in associates and joint ventures at equity	-	320	3,065	3,385	-	398	2,083	2,481
Real estate held for investment	-	-	5,753	5,753	-	-	5,812	5,812
Total	**4,721**	**1,598**	**11,727**	**18,046**	**3,915**	**462**	**11,831**	**16,208**
Financial Liabilities								
Financial liabilities measured at amortized costs								
Liabilities to banks and customers	10,653	4,682	4,745	20,080	10,333	4,249	4,481	19,063
Certificated liabilities	-	7,939	199	8,138	-	8,287	203	8,490
Subordinated liabilities	-	12,258	-	12,258	-	10,937	-	10,937
Other (Financial liabilities measured at amortized costs)	-	-	2,273	2,273	-	-	1,882	1,882
Non-unit-linked investment contracts[5]	713	9,413	63	10,189	-	2,771	7,546	10,317
Total	**11,367**	**34,292**	**7,279**	**52,937**	**10,333**	**26,244**	**14,112**	**50,689**

1_Quoted prices in active markets.
2_Market observable inputs.
3_Non-market observable inputs.
4_The increase within Level 2 compared to 31 December 2022 is mainly driven by the reassessment and the underlying reclassification by Allianz Bulgaria.
5_The increase in Level 2 fair values is mainly driven by an improved valuation for a German investment product.

Valuation methodologies of financial instruments

Financial assets

Debt investments in fair value through profit or loss and in fair value through other comprehensive income

Debt investments are part of financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income which include corporate and government and government agency bonds, MBS/ABS, covered bonds, and other debt investments.

The valuation techniques for these debt investments are similar. The fair value is determined using the market and the income approach. Primary inputs for the market approach are quoted prices for identical or comparable assets in active markets, where comparability between the security and the benchmark defines the fair value level. The income approach in most cases means that a present value technique is applied where either the cash flows or the discount curve are adjusted to reflect credit risk and/or liquidity risk. Depending on the observability of these risk parameters in the market, the security is classified as level 2 or level 3.

Level 3 investments are mainly priced based on the income approach. The primary non-market observable input used in the discounted cash flow method is an option-adjusted spread taken from a set of benchmark securities with similar characteristics. A significant yield increase of the benchmark securities in isolation could result in a decreased fair value, while a significant yield decrease could result in an increased fair value. However, a 10% stress of the main non-market observable inputs has only immaterial impact on fair value.

Equity investments in fair value through other comprehensive income and funds

For level 2, the fair value is mainly determined using the market approach or net asset value techniques for funds.

Level 3 mainly comprises private equity fund investments as well as alternative investments of the Allianz Group, and in most cases these are delivered as net asset values by the fund managers. These net asset values are calculated using material, non-public information about the respective private equity companies. The Allianz Group has only limited insight into the specific inputs used by the fund managers, hence a sensitivity analysis is not applicable. The fund's asset manager generally prices the underlying single portfolio companies in line with the International Private Equity and Venture Capital Valuation (IPEV) guidelines, using discounted cash flow (income approach) or multiple methods (market approach). For certain investments, the capital invested is considered to be a reasonable proxy for the fair value. In these cases, sensitivity analyses are also not applicable.

Derivatives

The fair value of these derivatives is mostly determined based on the income approach, using present value techniques and the Black-Scholes-Merton model. Primary inputs for the valuation include volatilities, interest rates, yield curves and foreign exchange rates observable at commonly quoted intervals. In some cases, the fair value is determined based on the market approach.

Loans measured at fair value through other comprehensive income
For loans measured at fair value through other comprehensive income, quoted market prices are rarely available. Level 1 mainly consists of highly liquid advances, e.g., short-term investments. The fair value for assets in level 2 and level 3 is mainly derived based on the income approach using deterministic discounted cash flow models.

Financial assets measured at amortized cost
Financial assets measured at amortized costs only include debt investments. For the valuation measurement please refer to the passage debt investments.

Associates and joint ventures
For level 2 and level 3, fair values are mainly based on the income approach, using a discounted cash flow method or net asset values as provided by third-party vendors.

Real estate held for investment
Fair values are mostly determined using the market or the income approach. Valuation techniques applied for the market approach include market prices of comparable assets in markets that are not active. The fair values are either calculated internally and validated by external experts or derived from expert appraisals with internal controls in place to monitor these valuations.

Financial assets for unit-linked contracts
For level 2, the fair value is determined using the market or the income approach. Valuation techniques applied for the income approach mainly include discounted cash flow models as well as the Black-Scholes-Merton model.

Financial liabilities

Financial liabilities measured at fair value through profit or loss
This position mainly includes derivative financial instruments.

For level 2, the fair value is determined using the income or the market approach. Valuation techniques applied for the income approach mainly include discounted cash flow models as well as the Black-Scholes-Merton model. Main observable input parameters include volatilities, yield curves observable at commonly quoted intervals, and credit spreads observable in the market.

For level 3, the fair value is determined using the income or the market approach. Valuation techniques applied for the income approach mainly include discounted cash flow models. A significant proportion of level 3 liabilities represent derivatives embedded in certain life insurance and annuity contracts. Significant non-market observable input parameters include mortality rates and surrender rates. A significant decrease (increase) in surrender rates, in mortality rates, or in the utilization of annuitization benefits could result in a higher (lower) fair value. For products with a high death benefit, surrender rates may show an opposite effect.

Liabilities to banks and customers
Level 1 mainly consists of highly liquid liabilities, e.g., payables on demand. The fair value for liabilities in level 2 and level 3 is mainly derived based on the income approach, using future cash flows discounted with risk-specific interest rates. Main non-market observable inputs include credit spreads. In some cases, the carrying amount (amortized cost) is considered to be a reasonable estimate of the fair value.

Certificated and subordinated liabilities
For level 2, the fair value is mainly determined based on the market approach, using quoted market prices, and based on the income approach, using present value techniques. For level 3, fair values are mainly derived based on the income approach, using deterministic cash flows with credit spreads as primary non-market observable inputs. In some cases, the carrying amount (amortized cost) is considered to be a reasonable estimate for the fair value.

Unit-linked investment contracts at fair value
Financial liabilities for unit-linked investment contracts are valued based on their corresponding financial assets for unit-linked investment contracts.

Non-unit-linked investment contracts at cost
The fair value for non-unit-linked investment contracts in level 2 is mainly derived based on the income approach, using future cash flows discounted with risk-specific interest rates. Main non-market observable inputs include credit spreads. In some cases, the carrying amount (amortized cost) is considered to be a reasonable estimate of the fair value.

Significant transfers of financial instruments carried at fair value

In general, financial assets and liabilities are transferred from level 1 to level 2 when their liquidity, trade frequency, and activity are no longer indicative of an active market. The same policy applies conversely for transfers from level 2 to level 1.

Transfers into/out of level 3 may occur due to a reassessment of input parameters.

Transfers of financial assets carried at fair value

As of 31 December 2023, the Allianz Group substantially retained all the risks and rewards from the ownership of transferred assets. There have not been any transfers of financial assets that were derecognized in full or partly in which Allianz continues to control the transferred assets. Transfers of financial assets mainly relate to securities lending and repurchase agreement transactions. Financial assets transferred in the context of repurchase agreement and securities lending transactions are mainly debt and equity securities held at fair value through other comprehensive income for which substantially all of the risks and rewards are retained. As of 31 December 2023, the carrying amount of the assets transferred for securities lending transactions amounted to € 6,329 mn (2022: € 8,008 mn). For repurchase agreements, the carrying amount of the assets transferred amounted to € 183 mn (2022: € 217 mn), and the carrying amount of the associated liabilities amounted to € 183 mn (2022: € 217 mn).

Assets pledged as collateral

The carrying amounts of the assets pledged as collateral are displayed in the following table:

Assets pledged as collateral
€ mn

As of 31 December	2023	2022
Collaterals without right to resell or repledge		
Investments carried at fair value through other comprehensive income	922	683
Investments carried at fair value through profit or loss	10,276	10,215
Investments carried at amortized cost	161	133
Subtotal	11,360	11,031
Collaterals with right to resell or repledge		
Investments carried at fair value through other comprehensive income	1,768	3,031
Subtotal	1,768	3,031
Total	**13,128**	**14,063**

Financial assets are pledged as collateral as part of sales and repurchases, securities borrowing, and transactions with derivatives, under terms that are usual and customary for such activities.

In addition, as part of these transactions, the Allianz Group has received collateral that it is permitted to sell or repledge in the absence of default. As of 31 December 2023, the Allianz Group received collateral consisting of fixed income and equity securities with a fair value of € 9,644 mn (2022: € 9,351 mn), which the Allianz Group has the right to sell or repledge. For the years ended 31 December 2023 and 2022, no previously received collateral was sold or repledged by the Allianz Group.

8 _ OTHER INFORMATION

8.1 _ Fee and commission income

Fee and commission income
€ mn

	2023	2022
Property-Casualty		
Fees from credit and assistance business	1,807	1,687
Service agreements	665	704
Investment advisory	61	1
Subtotal	2,534	2,392
Life/Health		
Investment advisory	1,161	747
Service agreements	200	217
Subtotal	1,362	964
Asset Management		
Management and advisory fees	8,821	9,461
Performance fees	817	474
Loading and exit fees	327	343
Other	63	49
Subtotal	10,028	10,327
Corporate and Other		
Service agreements	4,027	3,040
Investment advisory and banking activities	643	650
Subtotal	4,671	3,691
Consolidation	(4,944)	(4,280)
Total	**13,651**	**13,094**

8.2 _ Fee and commission expenses

Fee and commission expenses
€ mn

	2023	2022
Property-Casualty		
Fees from credit and assistance business	(1,868)	(1,718)
Service agreements	(644)	(635)
Other	(35)	-
Subtotal	(2,547)	(2,353)
Life/Health		
Investment advisory	(428)	(342)
Service agreements	(203)	(229)
Subtotal	(631)	(571)
Asset Management		
Commissions	(2,057)	(2,103)
Other	(12)	(14)
Subtotal	(2,068)	(2,116)
Corporate and Other		
Service agreements	(3,906)	(2,965)
Investment advisory and banking activities	(416)	(419)
Subtotal	(4,322)	(3,384)
Consolidation	4,082	3,469
Total	**(5,487)**	**(4,955)**

8.3 _ Acquisition and administrative expenses

The acquisition and administrative expenses disclosed in the following table are the administrative expenses of the Allianz Group's non-insurance entities and the acquisition and administrative expenses, as well as settlement costs of the Allianz Group's insurance entities that are not directly attributable to fulfilling insurance contracts. Expenses which are directly attributable to fulfilling insurance contracts are included in insurance service expenses.

Acquisition and administrative expenses
€ mn

	2023	2022
Property-Casualty		
Non-attributable acquisition costs	(1,090)	(955)
Non-attributable and non-insurance administrative expenses	(1,093)	(959)
Non-attributable settlement costs	(83)	(20)
Subtotal	(2,266)	(1,934)
Life/Health		
Non-attributable acquisition costs	(509)	(495)
Non-attributable and non-insurance administrative expenses	(657)	(666)
Non-attributable settlement costs	(23)	(18)
Subtotal	(1,189)	(1,180)
Asset Management		
Personnel expenses	(3,061)	(3,108)
Non-personnel expenses[1,2]	(1,832)	(3,784)
Subtotal	(4,893)	(6,893)
Corporate and Other		
Administrative expenses	(1,292)	(1,313)
Subtotal	(1,292)	(1,313)
Consolidation	127	110
Total	**(9,513)**	**(11,209)**

1_Includes € 202 mn (2022: € (168) mn) changes in assets and € (202) mn (2022: € 168 mn) changes in liabilities related to certain deferred compensation programs, entirely offsetting each other.
2_For 2022, includes € (1,857) mn for a litigation provision for Structured Alpha. For further information, please see note 38 to the Annual Report 2022.

8.4 _ Income taxes

Income taxes
€ mn

	2023	2022
Current income taxes	(2,751)	(2,382)
Deferred income taxes	201	(427)
Total	**(2,550)**	**(2,808)**

During the year ended 31 December 2023, current income taxes included expenses of € 136 mn (2022: € 344 mn) related to prior years, and deferred income taxes included income of € 129 mn (2022: € 191 mn) related to prior years.

Of the deferred income taxes for the year ended 31 December 2023, income of € 89 mn (2022: expenses of € 1,227 mn) is attributable to the recognition of deferred taxes on temporary differences, and income of € 112 mn (2022: € 798 mn) is attributable to tax losses carried forward. Changes to applicable tax rates due to changes in tax law led to deferred tax income of € 0 mn (2022: € 2 mn).

For the years ended 31 December 2023 and 2022, the income taxes relating to components of other comprehensive income consist of the following:

Income taxes relating to components of other comprehensive income
€ mn

	2023	2022
Items that may be reclassified to profit or loss in future periods		
Foreign currency translation adjustments	(76)	327
Debt investments measured at fair value through other comprehensive income	(7,652)	37,140
Cash flow hedges	(305)	862
Share of other comprehensive income of associates and joint ventures	1	1
Insurance liabilities	7,476	(38,721)
Reinsurance assets	(162)	1,477
Miscellaneous	145	(179)
Items that may never be reclassified to profit or loss		
Actuarial gains and losses on defined benefit plans	197	(831)
Equity investments measured at fair value through other comprehensive income	(657)	3,520
Insurance liabilities	758	(1,443)
Miscellaneous	(1)	(56)
Total	**(276)**	**2,096**

The recognized income taxes for the year ended 31 December 2023 are € 129 mn below (2022: € 443 mn above) the expected income taxes, which are determined by multiplying the respective income before income taxes with the applicable country-specific tax rates. The following table shows the reconciliation from the expected income taxes to the effectively recognized income taxes for the Allianz Group. The Allianz Group's reconciliation is a summary of the individual company-related reconciliations, which are based on the respective country-specific tax rates, taking into consideration consolidation effects with an impact on the Group result. The applicable tax rate used in the reconciliation for domestic Allianz Group companies includes corporate tax, trade tax, and the solidarity surcharge, and amounted to 31.0 % (2022: 31.0 %).

The effective tax rate is determined on the basis of the effective income tax expenses on income before income taxes.

Effective tax rate
€ mn

	2023	2022
Income before income taxes	11,582	9,664
Applied weighted income tax rate	23.1%	24.5%
Expected income taxes	**2,679**	**2,365**
Trade tax and similar taxes	243	204
Net tax-exempt income	(304)	(142)
Effects of tax losses	(104)	56
Other effects	36	325
Effective income taxes	**2,550**	**2,808**
Effective tax rate	**22.0%**	**29.1%**

For the year ended 31 December 2023, the write-down of deferred taxes on tax losses carried forward increased the tax expenses by € 33 mn (2022: € 108 mn). The reversal of write-down of deferred tax assets on tax losses carried forward resulted in deferred tax income of € 122 mn (2022: € 24 mn). Due to the use of tax losses carried forward, for which deferred tax assets had previously been written off, the current income tax expenses decreased by € 0 mn (2022: € 0 mn). Deferred tax income increased by € 16 mn (2022: € 29 mn) due to the use of tax losses carried forward, for which deferred tax assets had previously been written off. The aforementioned effects are shown in the reconciliation statement as "effects of tax losses".

The reconciling item "other effects" includes expenses of € 18 mn (2022: € 29 mn) related to the write-down of deferred tax assets on temporary differences and tax credits. Deferred tax income increased by € 0 mn (2022: € 0 mn) due to the reversal of write-down of deferred tax assets on temporary differences and tax credits.

The tax rates used in the calculation of the Allianz Group's deferred taxes are the applicable national rates, which in 2023 ranged from 10.0% to 40.0%, with changes to tax rates that had already been adopted in the Czech Republic and Türkiye by 31 December 2023 taken into account.

Deferred tax assets on losses carried forward are recognized to the extent to which it is more likely than not that sufficient future taxable profits will be available for realization. Entities which suffered a tax loss in either the current or the preceding period recognized deferred tax assets in excess of deferred tax liabilities amounting to € 4,271 mn (2022: € 3,644 mn), as there was convincing other evidence that sufficient future taxable profit will be available, including recovery of assets for more than their carrying amount.

Deferred tax assets and liabilities

Deferred tax assets and liabilities
€ mn

As of 31 December	2023	2022
Deferred tax assets		
Investments	28,643	35,054
Insurance contract assets/liabilities	20,457	17,984
Other assets	2,025	2,385
Intangible assets	150	148
Tax losses carried forward	2,541	2,379
Pensions and similar obligations	2,066	1,957
Other liabilities	4,152	3,248
Total deferred tax assets	60,034	63,155
Non-recognition or valuation allowance for deferred tax assets on tax losses carried forward	(704)	(684)
Effect of netting	(53,338)	(56,103)
Net deferred tax assets	**5,992**	**6,369**
Deferred tax liabilities		
Investments	20,266	21,629
Insurance contract assets/liabilities	27,536	28,541
Other assets	2,564	1,729
Intangible assets	1,459	1,463
Pensions and similar obligations	628	714
Other liabilities	3,009	4,183
Total deferred tax liabilities	55,462	58,261
Effect of netting	(53,338)	(56,103)
Net deferred tax liabilities	**2,124**	**2,158**
Net deferred tax assets (liabilities)	**3,868**	**4,210**

As Allianz is able to control the timing of the reversal of taxable temporary differences arising from investments in Allianz Group companies, deferred tax liabilities are only recognized to the extent these differences will reverse in the foreseeable future. For an amount of € 4,589 mn (2022: € 4,664 mn) no deferred tax liabilities are recognized, because they will not reverse in the foreseeable future. For deductible temporary differences arising from investments in Allianz Group companies in the amount of € 355 mn (2022: € 437 mn) no deferred tax assets are recognized because it is not probable that these differences will reverse in the foreseeable future.

Tax losses carried forward

Tax losses carried forward at 31 December 2023 of € 9,653 mn (2022: € 9,307 mn) resulted in the recognition of deferred tax assets to the extent that there is sufficient certainty that the unused tax losses will be utilized. At the reporting date, this prerequisite was considered not fulfilled for a partial amount of € 2,839 mn (2022: € 2,752 mn). According to tax legislation as of 31 December 2023, an amount of € 2,599 mn (2022: € 2,519 mn) of these tax losses may be carried forward indefinitely, whereas an amount of € 240 mn (2022: € 233 mn) of these tax losses carried forward will expire over the next 20 years if not utilized.

Tax losses carried forward are scheduled according to their expiry periods as follows:

Tax losses carried forward
€ mn

	2023
2024	15
2025-2026	44
2027-2028	746
2029-2033	239
>10 years	2,060
Unlimited	6,550
Total	**9,653**

OECD Pillar Two regulations

Under the Pillar Two legislation, a multinational Group is liable to pay a top-up tax for the difference between its Pillar Two effective tax rate per jurisdiction and the 15 % minimum rate. The Allianz Group is within the scope of the OECD Pillar Two rules. The Pillar Two legislation was enacted in Germany, the jurisdiction in which Allianz SE as the ultimate parent entity of the Allianz Group is incorporated, and is applicable starting from 1 January 2024. As of the reporting date, local Pillar Two legislations were not applicable in any of the jurisdictions in which Allianz Group entities are domiciled.

Therefore, the Allianz Group has no related current tax exposure. The Allianz Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

The Allianz Group is not expecting any material impacts from the OECD Pillar Two rules. Impacts are expected in jurisdictions Allianz is situated that have an overall enacted income tax rate of below 15 %, like Bulgaria, Ireland, and Liechtenstein, or in countries with a potential Pillar Two effective tax rate of below 15 %, like China, Luxembourg, and Switzerland.

8.5 _ Earnings per share

Earnings per share are generally calculated by dividing net income attributable to shareholders by the weighted-average number of shares outstanding. According to IFRS, the net income attributable to shareholders was adjusted for net financial charges related to undated subordinated bonds classified as shareholders' equity.

The Allianz Group recognized net financial charges of € (142) mn for 2023 (2022: € (119) mn).

For the calculation of diluted earnings per share, the nominator and denominator are adjusted for the effects of potentially dilutive shares. These effects arise from various share-based compensation plans of the Allianz Group.

Earnings per share
€ mn

	2023	2022
Net income attributable to shareholders – basic	8,399	6,302
Effect of potentially dilutive shares	(6)	(13)
Net income attributable to shareholders – diluted	**8,393**	**6,289**
Weighted-average number of shares outstanding – basic	396,190,104	404,793,132
Potentially dilutive shares	125,880	1,467,572
Weighted-average number of shares outstanding – diluted	**396,315,983**	**406,260,704**
Basic earnings per share (€)	**21.20**	**15.57**
Diluted earnings per share (€)	**21.18**	**15.48**

The Allianz Group also uses core earnings per share as a measure for profitability per share. In the determination of core earnings per share, the net income attributable to shareholders is replaced by the shareholders' core net income. For further information on the shareholders' core net income, please refer to note 5.

For 2023, the core basic earnings per share and the core diluted earnings per share amounted to € 22.61 (2022: € 16.96) and € 22.59 (2022: € 16.87), respectively.

8.6 _ Financial assets for unit-linked contracts and investment contract liabilities

Financial assets for unit-linked contracts
€ mn

As of 31 December	2023	2022
Financial assets for unit-linked insurance contracts	113,383	103,524
Financial assets for unit-linked investment contracts	39,489	37,510
Total	**152,872**	**141,034**

Investment contract liabilities
€ mn

As of 31 December	2023	2022
Unit-linked investment contracts	39,489	37,510
Non-unit-linked investment contracts	10,196	10,317
Total	**49,686**	**47,827**

8.7 _ Other assets

Other assets
€ mn

As of 31 December	2023	2022
Property and equipment		
Real estate held for own use[1]	3,434	3,520
Software	3,493	3,457
Equipment	1,074	1,108
Right-of-use assets	2,214	2,269
Subtotal	10,216	10,354
Receivables		
Gross receivables	8,045	7,189
Expected credit loss	(102)	(91)
Subtotal	7,943	7,098
Tax receivables		
Income taxes	2,914	2,345
Other taxes	2,500	2,525
Subtotal	5,414	4,870
Prepaid expenses	788	921
Non-current assets and assets of disposal groups classified as held for sale	1,121	3,062
Other assets[2]	4,275	3,930
Total[3]	**29,757**	**30,234**

1_Consists of real estate held for own use measured at fair value of € 1,747 mn (2022: € 1,762 mn) and of real estate held for own use measured at amortized cost of € 1,688 mn (2022: € 1,757 mn).
2_Includes € 1,548 mn (2022: € 1,295 mn) assets for deferred compensation programs which are mainly level 2 for fair value measurement.
3_Includes other assets due within one year of € 20,419 mn (2022: € 25,204 mn).

Reconciliation of gross carrying amount for trade and lease receivables as of 31 December 2023 and 2022
€ mn

	2023	2022
1 January	6,039	6,860
Additions	640	1,105
Changes in the consolidated subsidiaries of the Allianz Group	(195)	34
Changes in models and risk parameters and due to modifications	22	(23)
Matured or sold	(819)	(692)
Reclassification into non-current assets and assets of disposal groups classified as held for sale	409	(1,959)
Write-offs	-	-
Amortization	-	-
Foreign currency translation adjustments	80	161
Other changes	1,033	552
31 December	**7,209**	**6,039**

As of 31 December 2023, the corresponding expected credit loss amounted to € 102 mn (31 December 2022: € 91 mn).

Property and equipment

Property and equipment

€ mn

	2023					2022				
	Real estate held for own use measured at amortized cost[1]	Real estate held for own use measured at fair value	Software[2]	Equipment	Right-of-use assets[3]	Real estate held for own use measured at amortized cost	Real estate held for own use measured at fair value	Software	Equipment	Right-of-use assets
Cost as of 1 January	2,508		10,716	3,893	3,665	2,812		10,031	3,882	3,507
Accumulated depreciation/amortization as of 1 January	(750)		(7,259)	(2,785)	(1,396)	(675)		(6,654)	(2,703)	(1,168)
Carrying amount as of 1 January	**1,757**	**1,762**	**3,457**	**1,108**	**2,269**	**2,138**	**1,415**	**3,377**	**1,179**	**2,339**
Additions	65	181	1,033	283	207	52	126	956	273	453
Changes in the consolidated subsidiaries of the Allianz Group	-	-	34	5	5	27	-	20	6	1
Disposals and reclassifications into non-current assets and assets of disposal groups classified as held for sale	(50)	(28)	(39)	(24)	180	(69)	-	(96)	(60)	(113)
Reclassifications	(14)	9	(6)	(12)	(35)	(342)	306	(1)	6	(13)
Foreign currency translation adjustments	(6)	9	(4)	(2)	(13)	17	7	2	3	27
Depreciation/Amortization	(53)		(822)	(279)	(385)	(57)		(766)	(301)	(416)
Impairments	(11)		(160)	(5)	(16)	(8)		(36)	-	(10)
Reversals of impairments	-		-	-	-	-		2	-	-
Changes in fair value		(186)					(92)			
Carrying amount as of 31 December	**1,688**	**1,747**	**3,493**	**1,074**	**2,214**	**1,757**	**1,762**	**3,457**	**1,108**	**2,269**
Accumulated depreciation/amortization as of 31 December	(747)		(7,793)	(2,925)	(1,552)	(750)		(7,259)	(2,785)	(1,396)
Cost as of 31 December	2,435		11,286	3,999	3,766	2,508		10,716	3,893	3,665

1_As of 31 December 2023, assets pledged as security and other restrictions on title were € 89 mn (2022: € 96 mn).
2_Carrying amount as of 31 December 2023, includes € 2,996 mn (2022: € 2,911 mn) for self-developed software and € 497 mn (2022: € 546 mn) for software purchased from third parties.
3_Consists mainly of real estate.

8.8 _ Other liabilities

Other liabilities
€ mn

As of 31 December	2023	2022
Tax payables		
Income taxes	1,980	1,743
Other taxes, interest, and penalties	2,361	2,115
Subtotal	4,341	3,858
Payables for social security and other payables	873	804
Unearned income	672	610
Provisions		
Pensions and similar obligations	8,669	7,994
Employee related	3,124	3,092
Share-based compensation plans	495	369
Restructuring plans	151	309
Other provisions	2,649	2,654
Subtotal	15,088	14,418
Liabilities of disposal groups held for sale	332	2,842
Other liabilities	13,022	12,278
Total[1]	**34,328**	**34,810**

1_Includes other liabilities due within one year of € 19,756 mn (2022: € 23,350 mn).

8.9 _ Intangible assets

Intangible assets
€ mn

As of 31 December	2023	2022
Goodwill	16,621	16,255
Distribution agreements[1]	1,052	1,176
Customer relationships[2]	656	691
Other[2]	320	320
Total	**18,649**	**18,442**

1_Primarily includes the long-term distribution agreements with Banco Bilbao Vizcaya Argentaria, S.A., and Santander Aviva Life.
2_Primarily results from business combinations.

Goodwill

Goodwill
€ mn

	2023	2022
Cost as of 1 January	16,547	16,237
Accumulated impairments as of 1 January	(292)	(292)
Carrying amount as of 1 January	**16,255**	**15,945**
Additions	360	235
Disposals	-	(241)
Foreign currency translation adjustments	23	431
Impairments	-	-
Reclassifications	(17)	(115)
Carrying amount as of 31 December	**16,621**	**16,255**
Accumulated impairments as of 31 December[1]	(152)	(292)
Cost as of 31 December	16,773	16,547

1_Decrease due to the disposal of the Russian insurance operations.

2023

Additions are mainly related to goodwill arising from the acquisitions of Innovation Group Holdings Limited, Whiteley, and Incontra Assicurazioni S.p.A., Milan.

For further information, please see note 3.

2022

Additions are mainly related to goodwill arising from the acquisitions of simplesurance GmbH, Berlin, European Reliance General Insurance Company S.A., Chalandri, and Aqua Holdings (Thailand) Company Limited, Bangkok. Disposals are mainly related to the sale of Mercato Leadmanagement Investments Holdings GmbH, Berlin, and from the transfer of business from Allianz Global Investors U.S. LLC, Dover (Delaware) to Voya Investment Management LLC, Atlanta.

For further information, please see note 4 to the Annual Report 2022.

Impairment test for goodwill

Allocation principles

For the purpose of impairment testing, the Allianz Group has allocated goodwill to CGUs[1]. These CGUs represent the lowest level at which goodwill is monitored for internal management purposes.

CGUs in the Property-Casualty business segment are:

- Insurance German Speaking Countries, including Germany and Switzerland,
- Insurance Western & Southern Europe, including Belgium, France, Greece, Italy, Luxembourg, the Netherlands, and Türkiye,
- Insurance Asia Pacific, including Australia, Indonesia, Malaysia, Sri Lanka, and Thailand,
- Insurance Iberia & Latin America, including Mexico, Portugal, South America, and Spain,
- Insurance Central & Eastern Europe, including Austria, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, and Slovakia,
- Global Insurance Lines & Anglo Markets, Middle East and Africa, including Ireland, the United Kingdom, Middle East and Africa,
- Specialty Lines I, including Allianz Commercial, Allianz Re, and Allianz Trade, and
- Specialty Lines II, including Allianz Direct and Allianz Partners.

CGUs in the Life/Health business segment are:

- Insurance German Speaking Countries, including Germany and Switzerland,
- Insurance Western & Southern Europe, including Belgium, France, Greece, Italy, Luxembourg, the Netherlands, and Türkiye,
- Insurance Central & Eastern Europe, including Austria, Bulgaria, Croatia, Czech Republic, Hungary, Lithuania, Poland, Romania, and Slovakia,
- Global Insurance Lines & Anglo Markets, Middle East and Africa, including Ireland, the United Kingdom, Middle East and Africa, and
- US Life Insurance.

The business segment Asset Management is represented by the CGU Asset Management, mainly including Allianz Global Investors and PIMCO.

The business segment Corporate and Other mainly includes Digital Investments.

The carrying amounts of goodwill are allocated to the Allianz Group's CGUs as of 31 December 2023 and 2022 as follows:

1_The following paragraphs only include the CGUs that contain goodwill.

Allocation of carrying amounts of goodwill to CGUs
€ mn

As of 31 December	2023	2022
Property-Casualty		
Insurance German Speaking Countries	732	593
Insurance Western & Southern Europe	1,442	1,345
Insurance Asia Pacific	717	235
Insurance Iberia & Latin America	416	398
Insurance Central & Eastern Europe	494	480
Global Insurance Lines & Anglo Markets, Middle East and Africa	737	1,290
Specialty Lines I	39	39
Specialty Lines II	411	411
Subtotal	4,988	4,791
Life/Health		
Insurance German Speaking Countries	995	979
Insurance Western & Southern Europe	712	672
Insurance Asia Pacific	-	10
Insurance Central & Eastern Europe	1,812	1,684
Global Insurance Lines & Anglo Markets, Middle East and Africa	9	13
US Life Insurance	465	479
Subtotal	3,993	3,837
Asset Management	7,419	7,543
Corporate and Other	221	84
Total	**16,621**	**16,255**

Valuation techniques

The recoverable amounts for all CGUs are determined on the basis of value in use calculations. The Allianz Group applies generally acknowledged valuation principles to determine the value in use.

For all CGUs in the Property-Casualty business segment and for the CGU Asset Management, the Allianz Group mainly uses the discounted earnings method to derive the value in use. Generally, the basis for the determination of the discounted earnings value is the business plan ("detailed planning period") as well as the estimate of the sustainable returns and eternal growth rates, which can be assumed to be realistic on a long-term basis ("terminal value") for the operating entities included in the CGU. The discounted earnings value is calculated by discounting the future earnings using an appropriate discount rate. The business plans applied in the value in use calculations are the results of the structured management dialogues between the Board of Management of Allianz SE and the operating entities in connection with a reporting process integrated into these dialogues. Generally, the business plans comprise a planning horizon of three years and are based on the current market environment.

The terminal values are largely based on the expected profits of the final year of the detailed planning period. Where necessary, the planned profits are adjusted to reflect long-term sustainable earnings. The financing of the assumed eternal growth in the terminal values is accounted for by appropriate profit retention.

In the prior years, the value in use for all CGUs in the Life/Health business segment was mainly based on an Appraisal Value method which was derived from the Market Consistent Embedded Value and a multiple of the New Business Value (VNB) calculation.

In 2023 for all CGUs in the Life/Health business segment, the value in use is mainly derived from the IFRS net asset value (NAV), a New Business Value calculation (VNB), and a multiple of the value of New Business. For valuation purposes, the Allianz Group defines the NAV as the sum of the IFRS total equity without goodwill plus the CSM net of tax, net of reinsurance and net of the present value of non-attributable costs. This NAV reflects the in-force value including expected profits in the form of CSM. As it is based on the IFRS balance sheet, the NAV reflects a market consistent valuation in line with core steering measures applied at the Allianz Group, in particular (net) CSM and VNB.

The implementation of IFRS 9 and 17 standards is a fundamental new development in the financial reporting process for insurance entities. Considering the key advantages of these standards for insurance entities, the Allianz Group changed the input basis for the value in use calculation to the IFRS balance sheet for year-end 2023. The change in the input assumption from embedded value or appraisal value to an IFRS balance sheet basis is recognized as an IAS 8 change of estimate.

In the Corporate and Other business segment, the value in use in the Digital Investments is derived by using the discounted cash flow and multiple method. Discounted cash flows are calculated based on the companies' business plan as well as an estimate of sustainable returns and eternal growth rates (terminal value). The discounted earnings value is calculated by discounting the future earnings using an appropriate discount rate. For the multiple method, transactions and revenues of comparable companies are used.

Significant assumptions

In determining the business plans, certain key assumptions were made in order to project future earnings.

For entities included in the CGUs of the Property-Casualty business segment, the business plans are mainly based on key assumptions including expense ratio, loss ratio, investment income, risk capital, market share, premium rate changes, and taxes. The bases for determining the values assigned to the key assumptions are current market trends and earnings projections.

The discount rate is based on the capital asset pricing model (CAPM) and appropriate eternal growth rates. The assumptions, including the risk-free interest rate, market risk premium, segment beta, and leverage ratio used to calculate the discount rates, are generally consistent with the parameters used in the Allianz Group's planning and controlling process. The discount rates and eternal growth rates for the CGUs in the Property-Casualty business segment are as follows:

Discount rates and eternal growth rates for the CGUs in the Property-Casualty business segment[1]
%

	2023		2022	
	Discount rate	Eternal growth rate	Discount rate	Eternal growth rate
Insurance German Speaking Countries	8.1	0.5	7.6	0.4
Insurance Western & Southern Europe	10.1	1.7	7.9	0.5
Insurance Asia Pacific	9.6	1.5	9.7	2.0
Insurance Iberia & Latin America	15.1	3.6	11.1	2.7
Insurance Central & Eastern Europe	9.8	1.8	9.4	1.5
Global Insurance Lines & Anglo Markets, Middle East and Africa	9.2	1.4	9.0	1.0
Specialty Lines I	9.0	1.2	8.3	0.7
Specialty Lines II	9.2	1.1	8.4	0.5

1_The table provides an overview of weighted key parameters on the CGU level of the country-specific discount rates and eternal growth rates used.

For entities included in the CGUs of the Life/Health business segment, the valuation is based on the NAV that reflects the in-force value including the expected profits in the form of the CSM. The CSM is part of the insurance contract liabilities in the IFRS balance sheet consisting of the present value of future cash flows, a risk adjustment, and the value of unearned profits. These unearned profits are also included from a shareholder's perspective for the company value, i.e., after tax and reinsurance.

The present value of future cash flows corresponds to the probability-weighted average of future cash flows considering the time value of money, using the relevant risk-free interest rate term structure. The calculation of the best estimate is based on assumptions made for demographic factors (e.g., mortality, morbidity, lapse/surrender rates), expense allowances, taxation, assumptions on market conditions for market consistent projections (e.g., reference rates, volatilities) as well as investment strategy and asset allocation of the entity. The risk adjustment reflects an additional provision to account for the uncertainty in future cash flows with respect to non-financial risk. For further information regarding the different components, please refer to the section "Insurance contracts" in note 2.

The VNB calculation is based on a best estimate of one year of VNB, multiplied by a factor (multiple) to capture expected future new business. The best estimate of new business is generally derived from the achieved value of new business. The new business multiple accounts for the risk and the growth associated with future new business analogous to the discount rate and the growth rate in a discounted earnings method. For all CGUs in the Life/Health business segment, a multiple of not more than ten times the VNB is applied.

For entities included in the CGU of the Asset Management business segment, key assumptions include assets under management growth, cost-income ratio, and risk capital. The key assumptions are based on the current market environment. The discount rate for the CGU Asset Management is 12.0 % (2022: 10.8 %) and the eternal growth rate is 2.6% (2022: 1.3%).

For the Digital Investments included in the Corporate and Other business segment, the bases for determining the values assigned to the key assumptions are current market trends and earnings projections. The discount rate is based on the capital asset pricing model (CAPM) and appropriate eternal growth rates. The discount rate and the eternal growth rates are calculated in line with market practice and are subject to company-specific factors, its development status, and the markets in which the company operates.

Sensitivity analyses

Sensitivity analyses were performed with regard to discount rates and key value drivers of the business plans.

For the CGUs in the Property-Casualty business segment and for the CGU Asset Management, sensitivity analyses were performed with respect to the long-term sustainable combined ratios/cost-income ratios and the discount rate. For all CGUs discounted earnings, value sensitivities still exceeded their respective carrying amounts.

In the Life/Health business segment, sensitivity analyses were performed mainly based on NAV and VNB sensitivity testing on the reference rate. The analyses have shown that in case of a change in reference rates by 50 basis points, the value in use of each CGU still exceeds its carrying amount.

In the Corporate and Other business segment, a sensitivity analysis was performed with respect to earnings and interest rates for the Digital Investments. The analysis has shown that in case of an increase in the interest rates by 50 basis points and under consideration of a holding period usual for the asset class, the recoverable amount approximates its carrying value.

8.10 _ Equity

Equity
€ mn

As of 31 December	2023	2022
Shareholders' equity		
Issued capital	1,170	1,170
Additional paid-in capital	27,732	27,732
Undated subordinated bonds	4,764	4,843
Retained earnings[1]	30,702	29,354
Foreign currency translation adjustments	(2,883)	(3,048)
Unrealized gains and losses from insurance contracts (net)	34,207	54,854
Other unrealized gains and losses (net)[2,3]	(37,215)	(60,490)
Subtotal	58,477	54,415
Non-controlling interests	5,103	4,320
Total	**63,580**	**58,735**

1_As of 31 December 2023, includes € (38) mn (2022: € (333) mn) related to treasury shares.
2_As of 31 December 2023, includes € 844 mn (2022: € 1,059 mn) related to expected credit losses.
3_As of 31 December 2023, includes € (818) mn (2022: € (1,460) mn) related to cash flow hedges.

Issued capital

Issued capital as of 31 December 2023 amounted to € 1,170 mn, divided into 391,718,983 fully paid registered shares. The shares have no-par value but a mathematical per-share value as a proportion of the issued capital.[1]

Authorized capital

As of 31 December 2023, Allianz SE had authorized capital with a notional amount of € 468 mn for the issuance of new shares until 3 May 2027 (Authorized Capital 2022/I). The shareholders' subscription rights can be excluded for capital increases against contribution in kind. For a capital increase against contributions in cash, the subscription rights can be excluded: (i) for fractional amounts, (ii) to the extent necessary to grant a subscription right for new shares to the holders of bonds that carry conversion or option rights or provide for mandatory conversion, and (iii) if the issue price is not significantly below the market price and the shares issued under exclusion of the subscription rights pursuant to § 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz) do not exceed 10% of the share capital, neither on the date on which this authorization takes effect nor on the date of exercise of this authorization. The sale of treasury shares shall be counted towards

1_Mathematical per-share value € 2.99 (rounded).

this limitation, provided that the sale occurs during the term of this authorization, subject to the exclusion of subscription rights in the corresponding application of § 186 (3) sentence 4 AktG. Furthermore, such shares shall count towards this limitation that are to be issued to service bonds (including participation rights) with conversion or option rights and/or conversion obligations, provided that these bonds (including participation rights) were issued during the term of this authorization, subject to exclusion of subscription rights in the corresponding application of § 186 (3) sentence 4 AktG. The subscription rights for new shares from the Authorized Capital 2022/I and the Conditional Capital 2022 may only be excluded for the proportionate amount of the share capital of up to € 117 mn (corresponding to 10 % of the share capital at year-end 2023).

In addition, Allianz SE has authorized capital (Authorized Capital 2022/II) for the issuance of new shares against contributions in cash until 3 May 2027. The shareholders' subscription rights are excluded. The new shares may only be offered to employees of Allianz SE and its Group companies. As of 31 December 2023, the Authorized Capital 2022/II amounted to € 15 mn.

Conditional capital

As of 31 December 2023, Allianz SE had conditional capital totaling € 117 mn (Conditional Capital 2022). This conditional capital increase shall be carried out only if conversion or option rights attached to bonds (including participation rights) which Allianz SE or its Group companies have issued against cash payments according to the resolutions of the Annual General Meeting (AGM) on 4 May 2022 are exercised, or the conversion obligations under such bonds are fulfilled, and only to the extent that the conversion or option rights or conversion obligations are not serviced through treasury shares or through shares from authorized capital.

Changes in the number of issued shares outstanding

Number of issued shares outstanding

	2023	2022
Number of issued shares outstanding as of 1 January	401,589,162	408,219,153
Changes in number of treasury shares	1,464,440	(1,486,114)
Cancellation of issued shares	(11,595,013)	(5,143,877)
Number of issued shares outstanding as of 31 December	391,458,589	401,589,162
Treasury shares[1]	260,394	1,724,834
Total number of issued shares	**391,718,983**	**403,313,996**

1_Thereof 260,394 (2022: 1,724,834) own shares held by Allianz SE.

Proposal for appropriation of net earnings

The Board of Management and the Supervisory Board propose that the net earnings ("Bilanzgewinn") of Allianz SE of € 5,939,145,880.15 for the 2023 fiscal year shall be appropriated as follows:

- Distribution of a dividend of € 13.80 per no-par share entitled to a dividend: € 5,402,128,528.20
- Unappropriated earnings carried forward: € 537,017,351.95.

The proposal for appropriation of net earnings reflects the 260,394 treasury shares held directly and indirectly by the company as of 31 December 2023. Such treasury shares are not entitled to the dividend pursuant to §71b of the German Stock Corporation Act (AktG). Should there be any change in the number of shares entitled to the dividend by the date of the Annual General Meeting, the above proposal will be amended accordingly and presented for resolution on the appropriation of net earnings at the Annual General Meeting, with an unchanged dividend of € 13.80 per each share entitled to dividend.

Treasury shares

As of 31 December 2023, Allianz SE held 260,394 (2022: 1,724,834) treasury shares. Of these, 60,394 (2022: 54,482) were held for covering future subscriptions by employees in Germany and abroad in the context of Employee Stock Purchase Plans. 200,000 (2022: 200,000) were held as a hedge for obligations from the Allianz Equity Incentive Program.

In 2023, 818,526 (2022: 964,487) treasury shares were transferred to employees of Allianz SE and its subsidiaries in Germany and abroad. This includes 104,383 (2022: 87,172) shares granted as part of the so-called "free share program" ("Gratisaktienprogramm"). The 54,482 (2022: 38,720) treasury shares earmarked for the purposes of Employee Stock Purchase Plans from the previous year were fully consumed and, in addition, 824,435 (2022: 980,249) treasury shares were acquired from the market for this purpose. In addition, 10,240 (2022: 0) shares were acquired from the market and transferred free of charge to tied agents in Germany.

As in the previous years, no capital increase for the purpose of Employee Stock Purchase Plans was carried out in 2023. Employees of the Allianz Group purchased approximately 75 % of the shares of the purchase plan at a reference price of € 224.11 (2022: € 164.61) per share and were allocated one additional share per three shares purchased, which is equivalent to a discount of approximately 25 %. The shares were sold to employees at an average price of € 168.08 (2022: € 123.46).

In the year ending 31 December 2023, the total number of treasury shares of Allianz SE decreased by 1,464,440, which corresponds to a decrease by € 4 mn or by 0.37 % of issued capital.

The treasury shares of Allianz SE and its subsidiaries represented € 0.8 mn (2022: € 5.0 mn) or 0.07 % (2022: 0.43 %) of the issued capital.

Dividends

In the second quarter of 2023, a total dividend of € 4,541 mn (2022: € 4,383 mn), or € 11.40 (2022: € 10.80) per qualifying share, was paid to the shareholders.

Share Buy-Back Programs 2022/II and 2023

In its meeting on 9 November 2022, the Board of Management of Allianz SE resolved to carry out a share buy-back program in an amount of up to € 1 bn within a period between mid-November 2022 and 31 December 2023 (Share Buy-Back Program 2022/II), based on the authorization granted by the Annual General Meeting on 4 May 2022. In the period between 21 November 2022 and 17 March 2023, a total of 4,682,857 treasury shares with a market value of € 999,999,983.29 were acquired for an average price of € 213.54.

In its meeting on 10 May 2023, the Board of Management of Allianz SE resolved to carry out an additional share buy-back program in an amount of up to € 1.5 bn within a period between end of May 2023 and 31 December 2023 (Share Buy-Back Program 2023), based on the authorization granted by the Annual General Meeting on 4 May 2022. In the period between 29 May 2023 and 24 November 2023, a total of 6,912,156 treasury shares with a market value of € 1,499,999,820.26 were acquired for an average price of € 217.01.

All of the treasury shares acquired within the Share Buy-Back Programs 2022/II and 2023 have been redeemed according to the simplified procedure without reduction of the share capital.

Non-controlling interests

Non-controlling interests
€ mn

As of 31 December	2023	2022
Unrealized gains and losses (net)	(180)	(236)
Share of earnings	491	435
Other equity components	4,792	4,121
Total	**5,103**	**4,320**

Capital requirements

The Allianz Group's capital requirements primarily depend on the type of business that it underwrites, the industry and geographic locations in which it operates, and the allocation of the Allianz Group's investments. During the Allianz Group's annual planning and strategic dialogues with its related undertakings, internal capital requirements are determined through business plans regarding the levels and timing of capital expenditures and investments. These plans also form the basis for the Allianz Group's capital management. Resilience under stress conditions is also considered when determining the internal capital requirements of the Group. The regulators impose minimum capital requirements on the Group and its related undertakings. For further details on how Allianz Group manages its capital, please refer to the section "Target and strategy of risk management" of the Risk and Opportunity Report.

With Solvency II being the regulatory regime relevant for the Group as of 1 January 2016, the risk profile is measured and steered based on the approved Solvency II internal model[1]. The Allianz Group has introduced a target Solvency ratio range in accordance with Solvency II, based on pre-defined stress scenarios for both the Group and related undertakings, supplemented by ad-hoc scenarios, historical and reverse stress tests, and sensitivity analyses.

The Allianz Group's Own Funds are composed of the eligible Own Funds relating to the Group of internal model and standard formula entities, the sectoral Own Funds of entities from other financial sectors, as well as the equivalent Own Funds of entities included via the deduction and aggregation (D&A) method. The eligible Own Funds relating to the Group of internal model and standard formula entities essentially consist of the MVBS excess of assets over liabilities plus qualifying subordinated liabilities, less deductions for foreseeable dividends as well as further deductions relating, for example, to transferability restrictions.

Based on the information available to the Allianz Group as of the end of 31 December 2023 and with a Solvency II capitalization of 206 % (2022: 201 %)[2], it is expected that the Group continues to be sufficiently capitalized and compliant with both the regulatory Solvency Capital Requirement and the minimum consolidated Group Solvency Capital Requirement. For further information on Solvency II capitalization, please refer to the section "Solvency II regulatory capitalization" of the Risk and Opportunity Report.

The Allianz Group is a financial conglomerate within the scope of the Financial Conglomerates Directive (FCD). The FCD does not impose a materially different capital requirement on Allianz Group compared to Solvency II.

The Allianz Group's insurance subsidiaries (including Allianz SE) prepare individual financial statements based on local laws and regulations. The local regulations establish additional restrictions on the minimum level of capital and the amount of dividends that may be paid to shareholders. The respective local minimum capital requirements are based on various criteria including, but not limited to, the volume of premiums written or claims paid, amount of insurance reserves, investment risks, credit risks, and underwriting risks.

As of 31 December 2023, the Allianz Group believes that there are no outstanding regulatory capital or compliance matters that would have material adverse effects on the financial position or the results of operations of the Allianz Group. For further information on the Structured Alpha matter please refer to note 8.13.

Some insurance subsidiaries of the Allianz Group are subject to regulatory restrictions on the amount of dividends that can be remitted to Allianz SE without prior approval by the appropriate regulatory body. These restrictions require that a company may only pay dividends up to an amount in excess of certain regulatory capital levels, or based on the levels of undistributed earned surplus or current year income or a percentage thereof. The Allianz Group's Board of Management believes that these restrictions will not affect the ability of Allianz SE to pay dividends to its shareholders in the future.

8.11 _ Interests in unconsolidated structured entities

Nature, purpose, and role of the Allianz Group in structured entities

Under IFRS 12, a structured entity is defined as an entity that has been designed so that voting rights or similar rights held by an investor are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The Allianz Group engages in some business activities that involve the use of entities that meet the above-mentioned definition of structured entities. Primarily, the Allianz Group is involved with such entities due to its investment activities associated with its insurance business and due to its asset management activities. Furthermore, structured entities are used by the Allianz Group to source out certain risks to investors as part of its reinsurance business. Generally, the classification of an entity as a structured entity may require significant judgment.

In the following sections, the business activities involving unconsolidated structured entities are described.

1_From a formalistic perspective, the German Supervisory Authority deems the model to be "partial" because not all of the related entities are using the internal model. Some of the smaller entities report under the standard formula and others under the deduction and aggregation approach. Without loss of generality, the term internal model might be used in the following chapters, e.g., in case descriptions also referring to entities that use the internal model, or descriptions focusing on processes with respect to the internal model components.

2_Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio amounts to 229 % as of 31.12.2023 (2022: 230 %).

Investments in asset-backed securities (ABS) and mortgage-backed securities (MBS) issued by securitization vehicles

The Allianz Group acts as an investor in ABS- or MBS-issuing securitization vehicles that purchase pools of assets, including commercial mortgage loans (CMBS), auto loans, credit card receivables, and others. These securitization vehicles refinance the purchase of assets by issuing tranches of ABS or MBS whose repayment is linked to the performance of the assets held by the vehicles.

Securitization vehicles invested in by the Allianz Group have generally been set up by third parties. Furthermore, the Allianz Group has neither transferred any assets to these vehicles nor has it provided any further credit enhancements to them.

Income derived from investments in securitization vehicles mainly includes interest income generated from ABS and MBS, as well as realized gains and losses from disposals of these securities.

Within the asset management business, the Allianz Group acts as asset manager for some securitization vehicles. The assets under management of these vehicles amounted to € 3,884 mn as of 31 December 2023 (2022: € 3,051 mn). Some of the affected vehicles have been set up by the Allianz Group, others by third parties. In this context, the role of the Allianz Group is limited to asset management.

Income derived from the management of securitization vehicles comprises asset management fees.

Investments in investment funds

Considering the broad variety of investment funds across different jurisdictions, the classification of investment funds as structured entities based on the definition in IFRS 12 is judgmental. As a general rule, the management of relevant activities of an investment fund is delegated to the fund manager via asset management agreements. In contrast, influence from investors on the relevant activities of investment funds is usually either precluded by legal or regulatory provisions or not deemed substantial.

Investment funds are generally subject to stringent regulatory requirements from financial authorities in all jurisdictions across the world. Comprehensive regulation of funds protects fund investors and also helps to limit investment risk. These mechanisms result in a legal set-up of funds that the Allianz Group has to accept as investor and which may lead to a classification as structured entities under IFRS 12.

With regard to investment activities, income mainly includes distributions from the funds as well as realized gains and losses from disposals.

Asset management activities

Within the asset management business, investment funds are established and managed to accommodate retail and institutional clients' requirements to hold investments in specific asset classes, market segments, or regions. Within the insurance business, policyholder money is partly invested in investment funds managed by Allianz's group-internal asset managers. Investment funds managed by the Allianz Group may include mutual funds, special funds, and other funds.

Income derived from the management of investment funds mainly includes asset management fees and performance-based fees.

Investment funds launched by group-internal asset managers can be considered to be sponsored by the Allianz Group. As a sponsor, the Allianz Group is involved in the legal set-up and marketing of internally managed investment funds through its asset management subsidiaries. This may include providing seed capital to the funds and providing administrative services to ensure the investment funds' operation. Investment funds managed by group-internal asset managers can be reasonably associated with the Allianz Group. The use of the Allianz name for investment funds is another indicator that the Allianz Group has acted as a sponsor for the respective funds. Information on the management fees generated in the asset management business is disclosed in note 8.1.

Nature of risks associated with unconsolidated structured entities

Interests in asset-backed securities (ABS) and mortgage-backed securities (MBS) issued by securitization vehicles

Carrying amounts of ABS and MBS investments by type of category
€ mn

As of 31 December	2023	2022
CMBS	8,383	9,783
CMO/CDO	7,652	6,897
U.S. agency	2,818	2,730
Auto	737	558
Other	8,514	6,435
Total[1,2]	**28,104**	**26,402**

1_Comprises mainly investments.
2_Thereof rated AAA or AA € 19,947 mn (2022: € 20,229 mn).

The carrying amounts in the tables listed above correspond to an aggregated amortized cost amount of € 29,791 mn (2022: € 28,902 mn). In a very extreme scenario, this amortized cost amount represents the maximum exposure to loss for the Allianz Group from these investments. In the reporting period, the Allianz Group has not provided any financial or other support to these entities, nor does it intend to provide such support in the future.

Investments in investment funds

Investments in investment funds by asset class
€ mn

As of 31 December	2023	2022
Equity funds	26,754	26,003
Debt funds	22,275	17,890
Property funds	13,227	14,074
Other funds	8,984	7,260
Total[1]	**71,240**	**65,226**

1_Comprises mainly investments.

Of this investment fund exposure of the Allianz Group, investments of € 7.9 bn (2022: € 8.7 bn) relate to listed investment funds, whereas investments of € 63.3 bn (2022: € 56.5 bn) relate to unlisted investment funds.

As of the reporting date, the Allianz Group has receivables from unconsolidated investment funds, which are mainly due in return for asset management services, amounting to € 1,107 mn (2022: € 1,085 mn). Furthermore, the Allianz Group has entered commitments to invest in private equity funds and further financial instruments of up to € 35,346 mn as of 31 December 2023 (2022: € 36,605 mn).

The carrying amounts in the tables listed above correspond to an aggregated amortized cost amount of € 63,231 mn (2022: € 56,538 mn). In a very extreme scenario, this amortized cost amount represents the maximum exposure to loss for the Allianz Group from these investments. In the reporting period, the Allianz Group has not provided any financial or other support to these entities, nor does it have the intention to provide such support in the future.

Besides the investments in investment funds described above, the Allianz Group also holds investment funds to fund unit-linked insurance contracts. However, these holdings are held on behalf and for the benefit of unit-linked policyholders only. For that reason, these holdings are not included in the table above. As of 31 December 2023, the volume of unit-linked assets amounted to € 152,872 mn (2022: € 141,034 mn). Any exposure to loss on these investments is solely borne by the unit-linked policyholder.

8.12 _ Related party transactions

Remuneration of the Board of Management and Supervisory Board

Detailed information on the remuneration of the Board of Management and Supervisory Board according to the German Stock Corporation Act (AktG) and the recommendations of the German Corporate Governance Code are disclosed in the Remuneration Report. The following descriptions are made in accordance with IAS 24.17 and IAS 24.18.

The remuneration of the Board of Management consists of a fixed remuneration component and a performance-based remuneration component:

- The fixed remuneration component comprises the base salary, perquisites (e.g., contributions to accident and liability insurances, tax consultant fees, and a company car) and pension contributions. The pension contributions of the company to the current defined contribution pension plan "My Allianz Pension" are generally 15% of the target remuneration of the Board members.
- The performance-based variable remuneration includes the short-term annual bonus and long-term share-based remuneration. The long-term, share-based compensation (Long-Term Incentive – LTI) is based on the performance in absolute and relative terms (i.e., versus competitors) of the Allianz share. Furthermore, the long-term development of key performance indicators is reflected in the deferred sustainability assessment following the four-year contractual vesting period.

The following table shows the remuneration of the Board of Management:

Remuneration of the Board of Management (expenses of the year)
€ mn

As of 31 December	2023	2022
Short-term employee benefits[1]	21	23
Post-employment benefits	5	6
Share-based payment	28	17
Total	**54**	**46**

1_Includes base salary, perquisites as well as short-term annual bonus.

Existing provisions are mainly related to post-employment benefits and share-based payment. As of 31 December 2023, reserves for pensions and similar benefits for active members of the Board of Management amounted to € 35 mn (2022: € 35 mn). Provisions for share-based payment amounted to € 47 mn (2022: € 40 mn).

The remuneration for the Supervisory Board of Allianz SE consists of a fixed remuneration, committee-related remuneration, as well as attendance fees and reimbursement of expenses. These are considered as short-term employee benefits. For the year ended 31 December 2023, the remuneration of the members of the Supervisory Board was € 4 mn (2022: € 3 mn).

Other related party transactions

Transactions between Allianz SE and its subsidiaries that are to be deemed related parties have been eliminated in the consolidation and are not disclosed in the notes.

Business relations with joint ventures and associates are set on an arm's length basis and are mainly related to loans (please refer to note 7.2.4) and reinsurance agreements.

For information on the formation of the partnership with Sanlam Ltd., please see note 3.

8.13 _ Litigation, guarantees, commitments, and other contingencies

Litigation

Allianz Group companies are involved in legal, regulatory, and arbitration proceedings in Germany and a number of foreign jurisdictions, including the United States. Such proceedings arise in the ordinary course of business, including, amongst others, their activities as insurance, banking and asset management companies, employers, investors and taxpayers. While it is not feasible to predict or determine the ultimate outcome of such proceedings, they may result in substantial damages or other payments or penalties, or result in adverse publicity and damage to the Allianz Group's reputation. As a result, such proceedings could have an adverse effect on the Allianz Group's business, financial condition and results of operations. Apart from the proceedings discussed below, Allianz SE is not aware of any threatened or pending legal, regulatory or arbitration proceedings which may have, or have had in the recent past, significant effects on its and/or the Allianz Group's financial position or profitability. Material proceedings in which Allianz Group companies are involved include in particular the following:

In January 2023 a putative class action complaint has been filed against Allianz SE and, in its amended version, against AllianzGI U.S. in the United States District Court for the Central District of California. The complaint alleges violation of Federal U.S. Securities Laws by making false or misleading statements in public disclosures such as the annual reports of Allianz in the period between March 2018 and May 2022 regarding the AllianzGI U.S. Structured Alpha matter and internal controls. Allianz SE considers the action to be unfounded.

Guarantees and commitments

Guarantees
€ mn

As of 31 December	2023	2022
Financial guarantees	803	54
Non-financial guarantees	790	929
Total	**1,593**	**983**

Commitments
€ mn

As of 31 December	2023	2022
Commitments to acquire interests in joint ventures, associates and equity investments	35,346	36,605
Commitments to purchase debt investments	7,383	8,072
Other commitments	3,465	4,164
Total	**46,194**	**48,841**

Reconciliation of gross carrying amount for financial guarantees and commitments to purchase debt investments as of 31 December 2023 and 2022
€ mn

	2023	2022
As of 1 January	8,126	6,283
Additions	3,104	2,713
Changes in the consolidated subsidiaries of the Allianz Group	-	-
Changes in models and risk parameters and due to modifications	-	-
Matured or sold	(942)	(1,590)
Reclassifications between stages	-	(34)
Write-offs	-	-
Amortization	-	-
Foreign currency translation adjustments	(91)	51
Other changes	(2,011)	703
As of 31 December	**8,186**	**8,126**

As of 31 December 2023, the corresponding expected credit loss amounted to € 28 mn (2022: € 28 mn).

Other contingencies

Any material contingent liabilities resulting from litigation matters are captured in the litigation section above.

Pursuant to §§221 et seq. of the German Insurance Supervision Act ("Versicherungsaufsichtsgesetz – VAG"), mandatory insurance guarantee schemes ("Sicherungsfonds") for life insurers as well as for health insurers are implemented in Germany, which are financed through their member undertakings.

The insurance guarantee scheme for life insurers levies annual contributions and, under certain circumstances, special contributions. As of 31 December 2023, the future liabilities of Allianz Lebensversicherungs-AG and further subsidiaries of Allianz SE to the insurance guarantee scheme pursuant to the SichLVFinV amount to annual contributions of € 32.1 mn (2022: € 4.8 mn) and potential special contributions of, in principle, € 357 mn (2022: € 303 mn) per year. In addition, Allianz Lebensversicherungs-AG and further subsidiaries have assumed a contractual obligation to provide, if required, further funds to Protektor Lebensversicherungs-AG ("Protektor"), a life insurance company that has assumed the task of the mandatory insurance guarantee scheme for life insurers. Such obligation is, in principle, based on a maximum of 1% of the sum of the net underwriting reserves with deduction of payments already provided to the insurance guarantee scheme. As of 31 December 2023, and under inclusion of the contributions to the mandatory insurance scheme mentioned above for a limited period of time, and assuming that no other life insurer is exempted from payments, the aggregate outstanding commitment of Allianz Lebensversicherungs-AG and further subsidiaries to the insurance guarantee scheme and to Protektor is € 3,243 mn (2022: € 2,734 mn).

8.14 _ Hyperinflationary economies

Subsidiaries of the Allianz Group that operate in Türkiye and Argentina have to apply hyperinflation accounting in accordance with IAS 29.

In applying IAS 29, the Allianz Group has adopted the accounting policy to present the combined effect of the restatement in accordance with IAS 29 and the translation according to IAS 21 as a net change for the year in other comprehensive income.

The identities and levels of the price indices applied by the operating entities concerned are as follows:

Hyperinflationary economies

	Index	As of 31 December 2023	As of 31 December 2022
Türkiye	Consumer Price Index published by the Turkish Statistical Institute (TURKSTAT)	1,859.38	1,128.45
Argentina	Consumer Price Index published by the Argentinian Statistical Institute	3,533.19	1,134.59

Overall, for the year ended 31 December 2023, the application of hyperinflation accounting according to IAS 29 had a negative impact on net income of € (264) mn (2022: € (282) mn). This also includes an impact from the Lebanese business operations which were sold on 3 July 2023.

8.15 _ Lease arrangements

The Allianz Group occupies property in many locations under various long-term leases and has entered into various leases covering the long-term use of data processing equipment and other office equipment.

As a lessee

As of 31 December 2023, the maturities for lease liabilities were as follows:

Maturities for lease liabilities
€ mn

As of 31 December	2023			2022		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	512	51	461	421	48	373
Between one and five years	1,303	145	1,159	1,285	143	1,142
More than five years	1,244	133	1,111	1,356	131	1,225
Total	**3,059**	**329**	**2,730**	**3,063**	**322**	**2,740**

For the year ended 31 December 2023, the total cash outflow for leases amounted to € 516 mn (2022: € 635 mn).

As a lessor

For the year ended 31 December 2023, the lease income for operating leases amounted to € 1,270 mn (2022: € 1,271 mn).

The Allianz Group leases out its investment properties (see note 7.2.1) under operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Investment property comprises a number of commercial properties that are leased to third parties.

As of 31 December 2023, the maturities for the future minimum lease payments of operating leases were as follows:

Operating leases – maturities for the future minimum lease payments
€ mn

As of 31 December	2023	2022
One year and less	1,110	916
Between 1 and up to 2 years	948	778
Between 2 and up to 3 years	855	702
Between 3 and up to 4 years	765	599
Between 4 and up to 5 years	502	496
More than 5 years	1,730	1,690
Total	**5,909**	**5,181**

8.16 _ Pensions and similar obligations

Overview

Retirement benefits in the Allianz Group, which are granted to employees and in Germany also to agents, are either in the form of defined benefit or defined contribution plans. For defined benefit plans, the beneficiary is granted a defined benefit by the employer or via an external entity. In contrast to defined contribution arrangements, the future cost to the employer of a defined benefit plan is not known with certainty in advance.

The Allianz Group provides competitive and cost-effective retirement and disability benefits using risk-appropriate vehicles. The plans may vary from country to country due to the different legal, fiscal, and economic environments.

Risks typically associated with defined benefit plans are biometric risks such as longevity, disability, and death, as well as economic risks such as interest rates, inflation, and compensation increases. New plans are primarily based on contributions and may include, in some cases, guarantees such as the preservation of contributions or minimum interest rates.

Each of the pension plans in Germany, the U.K. and Switzerland contributes more than 5% to the Allianz Group's defined benefit obligation or its plan assets. As the Allianz Retirement and Death Benefits Fund in the U.K. closed from 1 July 2015 to future accrual and the plans in Switzerland are nearly negligible from a risk perspective, except a minor liquidity risk due to the "Freizügigkeitsleistung", only the defined benefit plans in Germany are described in more detail regarding key risks and regulatory environment.

Most active German employees participate in contribution-based plans using different vehicles to cover the base salary both below and above the German social security ceiling (GSSC). Since 1 January 2015, the Allianz Group contributes for new entrants and for the majority of contribution-based pension plan beneficiaries to the low-risk pension plan "My Allianz Pension", where only contributions are preserved. For salaries above the GSSC, the Allianz Group decides each year whether and to which extent a budget for the contribution-based pension plans is provided. Independently of this decision, an additional risk premium is paid to cover death and disability. Generally the accruals of the contribution-based pension plans are wholly funded, whereas the grandfathered plans are funded to a minor extent. On retirement, the accumulated capital is paid as a lump sum or converted to a lifetime annuity.

Employees who joined Allianz before 1 January 2015 participate in the Allianz Versorgungskasse VVaG (AVK), financed through employee contributions, and the Allianz Pensionsverein e.V. (APV), which is financed by the employer. Both pension funds provide pension benefits for the base salary up to the GSSC, are wholly funded along local regulatory requirements, and were closed to new entrants, effective 31 December 2014. AVK and APV are legally separate administered pension funds with trustee boards being responsible for the investment of the assets and the risk management. AVK is subject to German insurance regulation. The assets of the contribution-based pension plans are allocated to a trust (Methusalem Trust e.V.) and managed by a board of trustees. For the AVK, the annual minimum interest rate guaranteed is 1.75% – 3.50%, depending on the date of joining the Allianz Group, and for the closed part of the contribution-based pension plan it is 2.75%.

There is also a partly funded defined benefit pension plan for agents ("VertreterVersorgungsWerk, VVW"), which has been closed for new entrants since 31 December 2011. A part of the pension plan serves as a replacement for the compensatory claim of agents according to German Commercial Code (§89b). VVW is similar to a final salary benefit plan.

Pension increases apart from AVK and APV are guaranteed at 1% p.a. at a minimum. Depending on legal requirements, some pension increases are linked to inflation. In AVK, the complete surplus share of the retirees is used to increase their pension.

The period in which a retirement benefit can be drawn is usually between the ages of 60 and 67. Disability benefits are granted until retirement pension is paid. In the case of death under the previous plans, surviving dependents normally receive 60% (widow/widower) and 20% (per child) of the original employee's pension, in total not to exceed 100%. Under the "My Allianz Pension" plan, the surviving dependents receive the capital accrued.

Additionally, the Allianz Group offers a deferred compensation program, "Pensionszusage durch Entgeltumwandlung (PZE)", for active employees. Within some boundaries they convert at their discretion parts of their gross income and, in exchange, receive a pension commitment of equal value. PZE is qualified as a defined benefit plan with small risk exposure.

Defined benefit plans

The following table sets out the changes in the defined benefit obligation, in the fair value of plan assets, in the effect of the asset ceiling as well as in the net defined benefit balance for the various Allianz Group defined benefit plans:

Reconciliation of defined benefit obligation, fair value of plan assets, effect of asset ceiling, and net defined benefit balance
€ mn

	Defined benefit obligation		Fair value of plan assets		Effect of asset ceiling[1]		Net defined benefit balance	
	I		II		III		(I-II+III)	
	2023	2022	2023	2022	2023	2022	2023	2022
Balance as of 1 January	**21,274**	**27,095**	**13,749**	**16,471**	**110**	**67**	**7,635**	**10,691**
Current service costs	350	456	-	-	-	-	350	456
Interest expenses	745	322	-	-	2	-	747	322
Interest income	-	-	479	199	-	-	(479)	(199)
Other	19	33	-	-	-	-	19	33
Expenses recognized in the consolidated income statement	**1,114**	**811**	**479**	**199**	**2**	**-**	**638**	**612**
Actuarial (gains)/losses due to								
Changes in demographic assumptions	(82)	(40)	-	-	-	-	(82)	(40)
Changes in financial assumptions	805	(5,935)	-	-	-	-	805	(5,935)
Experience adjustments	46	363	-	-	-	-	46	363
Return on plan assets greater/(less) than interest income on plan assets	-	-	195	(2,965)	-	-	(195)	2,965
Change in effect of asset ceiling in excess of interest	-	-	-	-	(8)	39	(8)	39
Remeasurements recognized in the consolidated statement of comprehensive income (before deferred taxes)	**769**	**(5,612)**	**195**	**(2,965)**	**(8)**	**39**	**565**	**(2,607)**
Employer contributions	-	-	369	691	-	-	(369)	(691)
Plan participants' contributions	113	118	113	118	-	-	-	-
Benefits paid	(855)	(839)	(621)	(496)	-	-	(233)	(342)
Acquisitions and divestitures	1	3	-	-	-	-	1	3
Settlement payments/assets distributed on settlement	(1)	(329)	(1)	(321)	-	-	-	(8)
Foreign currency translation adjustments	115	27	140	33	6	4	(19)	(2)
Changes in the consolidated subsidiaries of the Allianz Group	46	-	24	19	-	-	23	(19)
Balance as of 31 December[2]	**22,576**	**21,274**	**14,445**	**13,749**	**110**	**110**	**8,242**	**7,635**
thereof assets	-	-	-	-	-	-	(427)	(358)
thereof liabilities	-	-	-	-	-	-	8,669	7,994
Thereof allotted to:								
Germany	18,617	17,513	10,468	9,998	-	-	8,150	7,515
United Kingdom	1,129	1,055	1,210	1,214	-	-	(81)	(159)
Switzerland	1,640	1,511	1,930	1,718	109	109	(181)	(97)

1_The asset ceiling is determined by taking into account the reduction of future contributions.
2_As of 31 December 2023, € 5,335 mn (2022: € 4,934 mn) of the defined benefit obligation is wholly unfunded, while € 17,241 mn (2022: € 16,339 mn) is wholly or partly funded.

As of 31 December 2023 and 2022, post-retirement health benefits were immaterial.

Assumptions

The assumptions for the actuarial computation of the defined benefit obligation and the recognized expenses depend on the circumstances in the country where the plan has been established.

The calculations are based on current actuarially calculated mortality tables, projected turnover depending on age and length of service, and internal Allianz Group retirement projections. Although this represents the best estimate as of today, considering a further increase in life expectancy could be reasonable. The weighted average life expectancy of a currently 65-year-old female plan participant is about 89.3 (2022: 89.6) years, and of a currently 65-year-old male plan participant about 87.4 (2022: 86.9) years. An increase in life expectancy by one year would lead to an increase of the defined benefit obligation by € 519 mn (2022: € 493 mn).

The weighted average values of the assumptions for the Allianz Group's defined benefit plans used to determine the defined benefit obligation and the recognized expenses are as follows:

Assumptions for defined benefit plans
%

As of 31 December	2023	2022
Discount rate	**3.2**	**3.6**
This includes the following country rates:		
Germany		
long duration	3.2	3.7
short duration	3.2	3.7
United Kingdom	4.5	4.8
Switzerland	1.5	1.8
Rate of compensation increase	**1.9**	**1.8**
Rate of pension increase	**2.2**	**2.2**
Rate of medical cost trend	**5.6**	**9.4**

The recognized expenses are recorded based on the assumptions of the corresponding previous year.

The discount rate assumption is the most significant risk for the defined benefit obligation. It reflects market yields at the balance sheet date of high-quality fixed-income investments corresponding to the currency and duration of the liabilities. In the eurozone, the decision for the discount rate is based on AA-rated financial and corporate bonds, and a standardized cash flow profile for a mixed population.

The range for the sensitivity calculations was derived by analyzing the average volatility over a five-year period.

An increase in the discount rate by 50 basis points would lead to a decrease of € 1.0 bn (2022: € 1.0 bn) in the defined benefit obligation, whereas a decrease in the discount rate by 50 basis points would lead to an increase of € 1.2 bn (2022: 1.1 bn).

An increase of pre-retirement benefit assumptions (e.g., a salary increase) of 25 basis points would have an effect of € 42 mn (2022: € 39 mn) on the defined benefit obligation. However, the increase of post-retirement assumptions (e.g., inflation-linked increases of pension payments) of 25 basis points would increase the defined benefit obligation by € 359 mn (2022: € 343 mn).

Plan assets/Asset liability management (ALM)

Based on the estimated future cash flows of € 1,058 mn for 2024, € 989 mn for 2025, € 1,035 mn for 2026, € 1,087 mn for 2027, € 1,109 mn for 2028, and € 5,585 mn for 2029 – 2033, the weighted duration of the defined benefit obligation is 13.9 (2022: 14.0) years. Based on the liability profiles of the defined benefit obligation and on the regulatory funding requirements, the Allianz Group uses stochastic asset liability models to optimize the asset allocation from a risk-return perspective.

Due to a well-diversified portfolio of approximately 132,000 (2022: 129,000) plan participants, no reasonable uncertainty is expected with regard to future cash flows that could affect the liquidity of the Allianz Group. The following chart shows the asset allocation:

Asset allocation of plan assets
€ mn

As of 31 December	2023	2022
Equity securities		
Quoted	1,444	1,268
Non-quoted	43	31
Debt securities		
Quoted	3,233	3,174
Non-quoted	2,197	1,837
Real estate[1]	**910**	**948**
Annuity contracts[1,2]	**5,208**	**4,845**
Life insurance investment products[1]	**1,440**	**1,329**
Other[3]	**(30)**	**315**
Total	**14,445**	**13,749**

1_Real estate, annuity contracts, and life insurance investment products are generally non-quoted.
2_Includes as of 31 December 2023 € 608 mn (2022: € 467 mn) in the United Kingdom due to buy-ins.
3_Includes as of 31 December 2023 € (305) mn in the U.K. due to gilt repurchase agreements within the Fund's gilt portfolios. The loan leg of this structure, which is used to hedge the interest rate and inflation risk of the Fund's liabilities efficiently, is treated as a negative cash balance.

The bulk of the plan assets are held by Allianz Versorgungskasse VVaG, Munich, which is not part of the Allianz Group. Plan assets do not include any real estate used by the Allianz Group, and include only € 4.7 mn (2022: € 4.0 mn) of its own transferable financial instruments.

In addition to the plan assets of € 14.4 bn (2022: € 13.7 bn), the Allianz Group has dedicated assets at Group level amounting to € 8.7 bn as of 31 December 2023 (2022: € 7.1 bn), which are likewise managed according to Allianz ALM standards.

Contributions

For the year ending 31 December 2024, the Allianz Group expects to contribute € 235 mn to its defined benefit plans (2022: € 229 mn for the year ending 31 December 2023), and to pay € 486 mn directly to participants in its defined benefit plans (2022: € 431 mn for the year ending 31 December 2023).

Defined contribution plans

Defined contribution plans are funded through independent pension funds or similar organizations. Contributions fixed in advance (e.g., based on salary) are paid to these institutions and the beneficiary's right to benefits exists against the pension fund. The employer has no obligation beyond payment of the contributions.

During the year ended 31 December 2023, the Allianz Group recognized expenses for defined contribution plans of € 319 mn (2022: € 345 mn). Additionally, the Allianz Group paid contributions for state pension schemes of € 402 mn (2022: € 342 mn).

8.17 _ Share-based compensation plans

Allianz equity incentive plan (AEI plan)

The AEI plan is granted in the form of restricted stock units (RSUs) and is part of the variable compensation component for the plan beneficiaries.

The RSU granted to a plan participant obligates the Allianz Group to pay in cash the ten-day average Xetra closing price of the Allianz SE share on the vesting day, or to convert one RSU into one Allianz SE share. The Allianz Group can choose the settlement method for each unit. The payout is capped at a 200 % share price growth above the grant price.

The RSUs are subject to a contractual vesting period of four years and the payout per RSU is fixed on the last day of the contractual vesting period, which ends on the tenth trading day following the annual financial media conference in the year the respective AEI plan expires.

In addition, upon the death of a plan participant, a change of control or notice for operational reasons, the RSUs vest immediately and are exercised by the company.

The RSUs are virtual stocks without dividend payments and with a capped payout. The fair value is calculated by subtracting the net present value of expected future dividend payments until maturity, as well as the fair value of the cap from the prevailing share price as of the valuation date. The cap is valued as a European short call option, using prevailing market data as of the valuation date.

The following table shows the assumptions used in calculating the fair value of the RSUs at grant date:

Assumptions of AEI plans

Year of issue[1]		2024[2]	2023	2022
Share price	€	247.32	219.06	200.99
Average dividend yield of Allianz SE share	%	5.1	5.3	5.8
Average interest rate	%	3.0	3.3	(0.3)
Expected volatility of the Allianz SE share price	%	18.0	20.2	21.2

1_The AEI RSUs are granted as part of the remuneration of the respective prior year.
2_The assumptions for RSU grants delivered in March 2024 are based on best estimate.

The RSUs are accounted for as cash-settled plans because the Allianz Group intends to settle in cash. Therefore, the Allianz Group accrues the fair value of the RSUs as compensation expenses over the IFRS vesting period. During the year ended 31 December 2023, the Allianz Group recognized compensation expenses related to the AEI plans of € 219 mn (2022: € 113 mn).

As of 31 December 2023, the Allianz Group recorded provisions of € 415 mn (2022: € 326 mn) for these RSUs in other liabilities.

Long-term incentive plan (LTI plan)

Under the LTI plan, awards are granted in the form of index-linked restricted stock units (RSUs) which are part of the remuneration policy[1] for the members of Allianz SE's Board of Management.

RSUs granted to the members of the Board of Management obligate Allianz SE to pay per RSU a cash amount equal to the ten-day average Xetra closing price of the Allianz SE share on the last day of the contractual vesting period, multiplied by a performance factor which reflects the total performance of the Allianz stock, relative to the total performance of the STOXX Europe 600 Insurance Index during the four-year contractual vesting period.

The contractual vesting period ends on the tenth trading day following the annual financial media conference in the year the respective RSU award expires. The payout per RSU is subject to a 200% share price cap relative to the share price at the grant date and a 200% cap applied to the performance factor. In addition, there is a cap applicable to the total compensation including the LTI payout and various other compensation components.

The fair value of the index-linked RSUs is calculated as the present value of the expected future payout, taking into account the link between share price performance and relative performance compared to the index, as well as the relevant caps and thresholds as defined in the payout formula. The expected future payout is determined on the basis of observable market data as of the valuation date and market standard simulation techniques.

The following table shows the assumptions used in calculating the fair value of the index-linked RSUs at grant date:

Assumptions of LTI plans

Year of issue[1]		2024[2]	2023	2022
Share price	€	247.32	219.06	200.99
Average dividend yield of Allianz SE share	%	5.1	5.3	5.8
Average interest rate	%	2.3	3.2	0.0
Expected volatility of the Allianz SE share price	%	19.3	20.3	21.9
Expected volatility of the index	%	17.1	16.4	18.4
Expected correlation of the Allianz SE share price and index	%	88.4	86.8	92.3

1_The LTI RSUs are granted as part of the remuneration of the respective prior year.
2_The assumptions for RSU grants delivered in March 2024 are based on best estimate.

The index-linked RSUs are accounted for as cash-settled plans because the Allianz Group settles in cash. Therefore, the Allianz Group accrues the fair value of the RSUs as compensation expenses over the IFRS vesting period. During the year ended 31 December 2023, the Allianz Group recognized compensation expenses related to the LTI plans of € 38 mn (2022: € 16 mn).

As of 31 December 2023, the Allianz Group recorded provisions of € 79 mn (2022: € 41 mn) for these index-linked RSUs in other liabilities.

1_For detailed information regarding the LTI plans and the remuneration policy for the members of the Allianz SE's Board of Management, please see the Remuneration Report.

PIMCO LLC Class M-unit plan

In 2008, AllianzGI L.P. launched a management share-based payment incentive plan for certain senior-level executives and affiliates of PIMCO LLC. Participants in the plan are granted options to acquire an own class of equity instruments (M-units), which vest in one-third increments on approximately the third, fourth, and fifth anniversary of the option grant date. Upon vesting, options will automatically be exercised in a cashless transaction, provided they are in the money. Participants may elect to defer the receipt of M-units through the M-unit Deferral Plan until termination of their service at the latest. With the M-unit Plan, participants can directly participate in PIMCO's performance. Class M-units are non-voting common equity with limited information rights. They bear quarterly distributions equal to a pro-rata share of PIMCO's net distributable income. Deferred M-units have a right to receive a quarterly cash compensation equal to and in lieu of quarterly dividend payments.

A maximum of 250,000 M-units are authorized for issuance under the M-unit Plan.

According to an amendment of the PIMCO LLC Class M-unit Plan, no new M-unit options will be issued after 14 March 2020. Already issued and outstanding M-unit options remain valid and continue as is.

The fair value of the underlying M-unit options was measured using the Black-Scholes option pricing model. Volatility was derived in part by considering the average historical and implied volatility of a selected group of peers. The expected life of one granted option was calculated based on treating the three vesting tranches (one third in years 3, 4, and 5) as three separate awards.

The number and weighted-average exercise price of the M-unit options outstanding and exercisable are as follows:

Reconciliation of outstanding M-unit options

	2023		2022	
	Number of options	Weighted-average exercise price	Number of options	Weighted-average exercise price
		€		€
Outstanding as of 1 January	**59,004**	**14,364.26**	**102,231**	**13,480.70**
Granted	-	-	-	-
Exercised	(31,613)	14,299.41	(38,379)	13,080.42
Forfeited	(2,666)	15,112.58	(4,848)	15,165.61
Outstanding as of 31 December	**24,725**	**14,979.42**	**59,004**	**14,364.26**
Exercisable as of 31 December	-	-	-	-

As of 31 December 2023, the aggregate intrinsic value of share options outstanding was € 121 mn (2022: € 173 mn).

As of 31 December 2023, the M-unit options outstanding have an exercise price between € 13,140.81 and € 16,119.13, and a weighted-average remaining contractual life of 0.87 years.

The share options settled by delivery of PIMCO LLC shares are accounted for as equity-settled plans. Therefore, PIMCO LLC measures the total compensation expense to be recognized for the equity-settled shares based on their fair value as of the grant date. The total compensation expense is recognized over the vesting period.

During the year ended 31 December 2023, the Allianz Group recorded compensation expenses of € 2 mn (2022: € 7 mn) related to these share options.

Employee stock purchase plan

The Allianz Group offers Allianz SE shares in 43 countries to entitled employees at favorable conditions. The shares have a minimum holding period of three to five years. During the year ended 31 December 2023, the number of shares sold to employees under these plans was 714,143 (2022: 877,315). From 2018 onwards, the employees receive one bonus share for three shares bought. For the year ended 31 December 2023, these bonus shares had an equivalent value of € 41 mn (2022: € 35 mn). During the year ended 31 December 2023, employees were additionally granted 104,383 (2022: 87,172) free shares.

Other share option and shareholding plans

The Allianz Group has other local share-based compensation plans, including share option and employee share purchase plans, none of which, individually or in the aggregate, are material to the consolidated financial statements.

8.18 _ Other information

Number of employees

As of 31 December 2023, the Allianz Group employed 157,883 (2022: 159,253) people[1], thereof 39,287 (2022: 39,198) in Germany. The average total number of employees for the year ended 31 December 2023 was 158,568 (2022: 157,332).

Personnel expenses

Personnel expenses
€ mn

	2023	2022
Salaries and wages	11,656	11,090
Social security contributions and employee assistance	1,730	1,595
Expenses for pensions and other post-retirement benefits	1,359	1,280
Total	**14,744**	**13,965**

1_Thereof, 154,862 (2022: 154,023) people in Allianz Group companies are fully covered under the global People and Culture reporting standard (which includes all companies in and related to the insurance, asset management and banking business).

Issuance of the Declaration of Conformity with the German Corporate Governance Code according to § 161 AktG

On 14 December 2023, the Board of Management and the Supervisory Board of Allianz SE issued the Declaration of Conformity with the German Corporate Governance Code required by § 161 AktG and made it permanently available on the company's website.

Remuneration for the Board of Management and the Supervisory Board according to § 314 (1) No. 6 HGB

As of 31 December 2023, the Board of Management is comprised of nine members (2022: eleven members). The following values reflect the expenses for the full Board of Management active in the respective year.

The sum of the total remuneration of the Allianz SE Board of Management for 2023, excluding pension service cost, amounts to € 36 mn (2022: € 42 mn).

The equity-related remuneration in 2023 is comprised of 83,654[1] (2022: 119,434[2]) Restricted Stock Units (RSUs).

RSUs with a total fair value of € 14.9 mn (2022: € 18.7 mn) were granted to the Board of Management for the year ended 31 December 2023.

In 2023, former members of the Board of Management and their dependents received remunerations and other benefits totaling € 12 mn (2022: € 8 mn), while reserves for current pension obligations and accrued pension rights totaled € 176 mn (2022: € 171 mn).

The total remuneration for all Supervisory Board members, including attendance fees, amounted to € 3.5 mn (2022: € 2.9 mn).

As of 31 December 2023, advances granted, loans and contingent liabilities entered into by Allianz SE or its subsidiaries for members of the Board of Management of Allianz SE amounted to € 300 thou (2022: € 2.0 mn). The interest rates as well as the collateralization of the loans to members of the Board of Management are at arm's length. For the members of the Supervisory Board of Allianz SE, there were no outstanding advances or loans granted or contingent liabilities entered as of 31 December 2023 (2022: € 13.6 thou).

Board of Management and Supervisory Board compensation by individual is included in the Remuneration Report.

Fees to the Auditor

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC GmbH) is the external auditing firm for the Allianz Group.

In the financial year, the following fees were recognized for services rendered by PwC GmbH and the worldwide member firms of PricewaterhouseCoopers International Limited (PwCIL):

PwC fees
€ mn

	PwCIL		thereof: PwC GmbH	
	2023	2022	2023	2022
Audit services	79.3	79.0	21.0	22.9
Other attestation services	6.8	6.0	2.0	1.6
Tax services	1.5	1.5	-	-
Other services	5.4	6.3	1.8	0.9
Total	**93.0**	**92.8**	**24.8**	**25.4**

Audit services primarily relate to services rendered for the audit of the Allianz Group's consolidated financial statements, the audit of the statutory financial statements of Allianz SE and its subsidiaries, the audit of the Allianz Group's Solvency II market value balance sheet as well as those of Allianz SE and its subsidiaries. In addition, a review of the Allianz Group's consolidated interim financial statements was performed. The 2023 and 2022 fees for audit services include fees for the implementation audit of IFRS 9 and IFRS 17.

Tax services primarily refer to tax compliance services, other services mainly refer to consulting services.

8.19 _ Subsequent events

Placement and partial buy-back of subordinated bonds

In January 2024, Allianz SE has placed a subordinated bond in the amount of € 1.0 bn. The bond has a scheduled maturity in July 2054 and is callable at the option of the issuer from January 2034. The coupon is fixed at 4.851 % per annum until July 2034. Thereafter, bondholders will receive a floating rate coupon.

Allianz SE bought back an amount of € 874.3 mn of its € 1.5 bn 3.375 % subordinated bond via a tender offer. € 625.7 mn remain outstanding. This bond has no scheduled maturity and has ordinary call rights of the issuer from September 2024.

Share buy-back program 2024

In February 2024, Allianz SE has resolved a new share buy-back program with a volume of up to € 1.0 bn, starting in March 2024. Allianz SE will cancel all repurchased shares.

1_The relevant share price used to determine the final number of RSUs granted is only available after the sign-off of the Annual Report by the external auditors, thus numbers are based on a best estimate.

2_The disclosure in the Annual Report 2022 was based on a best estimate of the RSU grants. The figures shown here for 2022 now include the actual fair value as of the grant date (3 March 2023). The value therefore differs from the amount disclosed last year.

8.20 _ List of participations of the Allianz Group as of 31 December 2023 according to § 313 (2) HGB

	% owned[1]
Germany	
Consolidated affiliates	
ACP GmbH & Co. Beteiligungen KG II, Munich	0.0 [2]
ACP Vermögensverwaltung GmbH & Co. KG Nr. 4, Munich	100.0
ACP Vermögensverwaltung GmbH & Co. KG Nr. 4 a, Munich	100.0
ACP Vermögensverwaltung GmbH & Co. KG Nr. 4 d, Munich	100.0
ADAC Autoversicherung AG, Munich	51.0
ADEUS Aktienregister-Service-GmbH, Munich	79.6
ADVANIA GmbH, Hamburg	60.0
AfricaGrow GP GmbH, Munich	100.0
AGCS Infrastrukturfonds GmbH, Munich	100.0
AGCS-Argos 76 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AGCS-Argos 86 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
ALIDA Grundstücksgesellschaft mbH & Co. KG, Hamburg	94.8
Allianz AADB Fonds, Frankfurt am Main	100.0 [3]
Allianz ADAC AV Fonds, Frankfurt am Main	100.0 [3]
Allianz Agrar AG, Munich	100.0 [4]
Allianz AKR Fonds, Frankfurt am Main	100.0 [3]
Allianz ALD Fonds, Frankfurt am Main	100.0 [3]
Allianz APAV Fonds, Frankfurt am Main	100.0 [3]
Allianz Asset Management GmbH, Munich	100.0
Allianz AZL Vermögensverwaltung GmbH & Co. KG, Munich	100.0
Allianz AZSE Master Funds, Frankfurt am Main	100.0 [3]
Allianz Beratungs- und Vertriebs-AG, Munich	100.0
Allianz Capital Partners GmbH, Munich	100.0
Allianz Capital Partners Verwaltungs GmbH, Munich	100.0
Allianz Deutschland AG, Munich	100.0
Allianz Digital Health GmbH, Munich	100.0
Allianz Direct Fonds, Frankfurt am Main	100.0 [3]
Allianz Direct Versicherungs-AG, Munich	100.0
Allianz DLVR Fonds, Frankfurt am Main	100.0 [3]
Allianz EEE Fonds, Frankfurt am Main	100.0 [3]
Allianz EP GmbH, Munich	100.0
Allianz Esa EuroShip GmbH, Bad Friedrichshall	51.0
Allianz Esa GmbH, Bad Friedrichshall	100.0
Allianz FAD Fonds, Frankfurt am Main	100.0 [3]
Allianz Finanzbeteiligungs GmbH, Munich	100.0
Allianz Focus Teleport Beteiligungs-GmbH & Co. KG, Stuttgart	100.0
Allianz Global Corporate & Specialty SE, Munich	100.0
Allianz Global Investors GmbH, Frankfurt am Main	100.0
Allianz Global Investors Holdings GmbH, Frankfurt am Main	100.0
Allianz GLR Fonds, Frankfurt am Main	100.0 [3]
Allianz GLRS Fonds, Frankfurt am Main	100.0 [3]
Allianz GRGB Fonds, Frankfurt am Main	100.0 [3]
Allianz Hanau Logistics GmbH & Co. KG, Stuttgart	100.0
Allianz Hirschgarten GmbH & Co. KG, Stuttgart	100.0
Allianz Investment Management SE, Munich	100.0 [4]
Allianz Kunde und Markt GmbH, Munich	100.0
Allianz LAD Fonds, Frankfurt am Main	100.0 [3]
Allianz Leben Direkt Infrastruktur GmbH, Munich	100.0
Allianz Leben Infrastrukturfonds GmbH, Munich	100.0
Allianz Leben Private Equity Fonds 2001 GmbH, Munich	100.0
Allianz Leben Private Equity Fonds Plus GmbH, Munich	100.0
Allianz Lebensversicherungs-Aktiengesellschaft, Stuttgart	100.0
Allianz L-PD Fonds, Frankfurt am Main	100.0 [3]
Allianz NM 28 GmbH & Co. KG, Stuttgart	93.3
Allianz of Asia-Pacific and Africa GmbH, Munich	100.0
Allianz ONE - Business Solutions GmbH, Munich	100.0
Allianz Partners Deutschland GmbH, Aschheim	100.0
Allianz Pension Direkt Infrastruktur GmbH, Munich	100.0
Allianz Pension Partners GmbH, Munich	100.0
Allianz Pension Service GmbH, Munich	100.0
Allianz Pensionsfonds Aktiengesellschaft, Stuttgart	100.0
Allianz Pensionskasse Aktiengesellschaft, Stuttgart	100.0
Allianz PK-PD Fonds, Frankfurt am Main	100.0 [3]
Allianz PKV-PD Fonds, Frankfurt am Main	100.0 [3]
Allianz Polch Logistics GmbH & Co. KG, Stuttgart	88.0
Allianz Private Equity GmbH, Munich	100.0
Allianz Private Equity Partners Verwaltungs GmbH, Munich	100.0
Allianz Private Krankenversicherungs-Aktiengesellschaft, Munich	100.0
Allianz ProzessFinanz GmbH, Munich	100.0
Allianz PV-RD Fonds, Frankfurt am Main	92.4 [3]
Allianz PV-WS Fonds, Frankfurt am Main	92.4 [3]
Allianz Re Asia Fonds, Frankfurt am Main	100.0 [3]
Allianz Rechtsschutz-Service GmbH, Munich	100.0
Allianz Renewable Energy Management GmbH, Sehestedt	100.0
Allianz Renewable Energy Subholding GmbH & Co. KG, Sehestedt	100.0
Allianz RFG Fonds, Frankfurt am Main	100.0 [3]
Allianz Risk Consulting GmbH, Munich	100.0
Allianz SDR Fonds, Frankfurt am Main	100.0 [3]
Allianz SE Ashmore Emerging Markets Corporates Fund, Frankfurt am Main	100.0 [3]
Allianz SE-PD Fonds, Frankfurt am Main	100.0 [3]
Allianz Service Center GmbH, Unterföhring	100.0
Allianz SOA Fonds, Frankfurt am Main	100.0 [3]
Allianz Stromversorgungs-GmbH, Munich	100.0
Allianz Taunusanlage GbR, Stuttgart	99.5
Allianz Technology SE, Munich	100.0
Allianz Treuhand GmbH, Stuttgart	100.0
Allianz UGD 1 Fonds, Frankfurt am Main	100.0 [3]
Allianz VAE Fonds, Frankfurt am Main	100.0 [3]
Allianz Versicherungs-Aktiengesellschaft, Munich	100.0
Allianz VGI 1 Fonds, Frankfurt am Main	100.0 [3]
Allianz VGL Fonds, Frankfurt am Main	100.0 [3]
Allianz VK RentenDirekt Fonds, Frankfurt am Main	100.0 [3]
Allianz VKA Fonds, Frankfurt am Main	100.0 [3]
Allianz V-PD Fonds, Frankfurt am Main	100.0 [3]
Allianz VSR Fonds, Frankfurt am Main	100.0 [3]
Allianz Warranty GmbH, Unterföhring	100.0
Allianz X GmbH, Munich	100.0
Allianz ZWK Nürnberg GmbH & Co. KG, Stuttgart	100.0
Allvest GmbH, Munich	100.0
AP Solutions GmbH, Munich	100.0
APK Infrastrukturfonds GmbH, Munich	100.0
APK-Argos 65 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
APK-Argos 75 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
APK-Argos 85 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
APK-Argos 95 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
APKV Direkt Infrastruktur GmbH, Munich	100.0
APKV Infrastrukturfonds GmbH, Munich	100.0
APKV Private Equity Fonds GmbH, Munich	100.0
APKV-Argos 74 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
APKV-Argos 84 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
ARE Funds APK GmbH, Munich	100.0
ARE Funds APKV GmbH, Munich	100.0
ARE Funds AZL GmbH, Munich	100.0
ARE Funds AZV GmbH, Munich	100.0
AREF III GER 1 GmbH, Frankfurt am Main	100.0
AREF III GER 2 GmbH, Frankfurt am Main	100.0
AREF III GER GmbH & Co. KG, Frankfurt am Main	100.0
Ashmore Emerging Market Corporates, Frankfurt am Main	100.0 [3]
atpacvc Fund GmbH & Co. KG, Munich	100.0
atpacvc GmbH, Munich	100.0
atpacvc GP GmbH, Munich	100.0
Atropos Vermögensverwaltungsgesellschaft mbH, Munich	100.0
Auros II GmbH, Munich	100.0
AV8 Ventures II GmbH & Co. KG, Munich	100.0
AVS Automotive VersicherungsService GmbH, Rüsselsheim	100.0
AZ ATLAS GmbH & Co. KG, Stuttgart	94.9

	% owned[1]
AZ ATLAS Immo GmbH, Stuttgart	100.0
AZ ATLAS Verwaltungs-GmbH, Stuttgart	100.0
AZ Northside GmbH & Co. KG, Stuttgart	94.0
AZ-Arges Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZ-Argos 56 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZ-Argos 71 Vermögensverwaltungsgesellschaft mbH & Co. KG, Munich	100.0
AZ-Argos 88 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZL FOUR T1 GmbH, Frankfurt am Main	100.0
AZL PE Nr. 1 GmbH, Munich	100.0
AZL-Argos 43 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZL-Argos 53 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZL-Argos 63 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZL-Argos 73 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZL-Argos 83 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZL-Argos 89 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZL-Argos 93 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZL-Private Finance GmbH, Stuttgart	100.0
AZRE AZD P&C Master Fund, Frankfurt am Main	100.0 [3]
AZ-SGD Classic Infrastrukturfonds GmbH, Munich	100.0
AZ-SGD Direkt Infrastruktur GmbH, Munich	100.0
AZ-SGD Infrastrukturfonds GmbH, Munich	100.0
AZ-SGD Private Equity Fonds 2 GmbH, Munich	100.0
AZ-SGD Private Equity Fonds GmbH, Munich	100.0
AZT Automotive GmbH, Ismaning	100.0
AZV-Argos 72 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZV-Argos 77 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZV-Argos 82 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
AZV-Argos 87 Vermögensverwaltungsgesellschaft mbH, Munich	100.0
Blitz 23-354 GmbH, Munich	100.0
Blue Incite GmbH, Munich	52.0
BrahmsQ Objekt GmbH & Co. KG, Stuttgart	94.8
ControlExpert GmbH, Langenfeld	100.0
ControlExpert Holding GmbH, Langenfeld	100.0
Deutsche Lebensversicherungs-Aktiengesellschaft, Berlin	100.0
DONATOR Beratungs GmbH, Munich	100.0
DONATOR Beteiligungsverwaltung GmbH, Munich	100.0
Driven By GmbH, Munich	100.0
EASTSIDE Joint Venture GmbH & Co. KG, Frankfurt am Main	50.0 [2]
EASTSIDE TAMARA GmbH, Frankfurt am Main	50.0 [2]
Euler Hermes Aktiengesellschaft, Hamburg	100.0
Euler Hermes Collections GmbH, Potsdam	100.0
GA Global Automotive Versicherungsservice GmbH, Halle (Saale)	100.0
Gateway Digital Services GmbH, Stuttgart	100.0
IconicFinance GmbH, Munich	100.0

	% owned[1]
IDS GmbH - Analysis and Reporting Services, Munich	100.0
Innovation Group AG, Stuttgart	100.0
Innovation Group Fleet & Mobility GmbH, Stuttgart	100.0
Innovation Group Germany GmbH, Stuttgart	100.0
Innovation Group Parts GmbH, Lauchhammer	100.0
Innovation Group Property GmbH, Cologne	100.0
Innovation Group Services GmbH, Leipzig	100.0
Kaiser X Labs GmbH, Munich	100.0
KVM ServicePlus - Kunden- und Vertriebsmanagement GmbH, Halle (Saale)	100.0
MAWISTA GmbH, Plochingen	100.0
META Finanz-Informationssysteme GmbH, Munich	100.0
Mondial Kundenservice GmbH, Nuremberg	100.0
myHealth X GmbH, Munich	100.0
PIMCO EM Corporates, Frankfurt am Main	100.0 [3]
PIMCO Europe GmbH, Munich	100.0
PIMCO Prime Real Estate GmbH, Munich	100.0 [4]
Projekt Hirschgarten MK8 GmbH & Co. KG, Stuttgart	94.9
REC Frankfurt Objekt GmbH & Co. KG, Hamburg	80.0
REC Frankfurt zweite Objektverwaltungsgesellschaft mbH, Hamburg	60.0
RehaCare GmbH Gesellschaft der medizinischen und beruflichen Rehabilitation, Munich	100.0
Roland Holding GmbH, Munich	75.6
Seine GmbH, Munich	100.0
Seine II GmbH, Munich	100.0
simplesurance GmbH, Berlin	100.0
Solvd GmbH, Munich	100.0
Spherion Beteiligungs GmbH & Co. KG, Stuttgart	100.0
Spherion Objekt GmbH & Co. KG, Stuttgart	89.9
Spherion Verwaltungs GmbH, Stuttgart	100.0
Syncier GmbH, Munich	100.0
UfS Beteiligungs-GmbH, Munich	100.0
VCIS Germany GmbH, Cologne	50.0 [2]
Vivy GmbH, Berlin	100.0
VLS Versicherungslogistik GmbH, Berlin	100.0
Volkswagen Autoversicherung AG, Braunschweig	100.0
Volkswagen Autoversicherung Holding GmbH, Braunschweig	49.0 [2]
VW AV, Frankfurt am Main	100.0 [3]
Windpark Aller-Leine-Tal GmbH & Co. KG, Sehestedt	100.0
Windpark Berge-Kleeste GmbH & Co. KG, Sehestedt	100.0
Windpark Büttel GmbH & Co. KG, Sehestedt	100.0
Windpark Calau GmbH & Co. KG, Sehestedt	100.0
Windpark Cottbuser See GmbH & Co. KG, Sehestedt	100.0
Windpark Cottbuser See Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Dahme GmbH & Co. KG, Sehestedt	100.0

	% owned[1]
Windpark Dahme Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Eckolstädt GmbH & Co. KG, Sehestedt	100.0
Windpark Emmendorf GmbH & Co. KG, Sehestedt	100.0
Windpark Emmendorf Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Freyenstein-Halenbeck GmbH & Co. KG, Sehestedt	100.0
Windpark Freyenstein-Halenbeck Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Kesfeld Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Kesfeld-Heckhuscheid GmbH & Co. KG, Sehestedt	100.0
Windpark Kirf GmbH & Co. KG, Sehestedt	100.0
Windpark Kirf Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Kittlitz GmbH & Co. KG, Sehestedt	100.0
Windpark Kittlitz Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Kleeste Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Pröttlin GmbH & Co. KG, Sehestedt	100.0
Windpark Pröttlin Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Quitzow GmbH & Co. KG, Sehestedt	100.0
Windpark Quitzow Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Redekin-Genthin GmbH & Co. KG, Sehestedt	100.0
Windpark Redekin-Genthin Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Schönwalde GmbH & Co. KG, Sehestedt	100.0
Windpark Schönwalde Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Waltersdorf GmbH & Co. KG Renditefonds, Sehestedt	100.0
Windpark Waltersdorf Repowering GmbH & Co. KG, Sehestedt	100.0
Windpark Werder Zinndorf GmbH & Co. KG, Sehestedt	100.0
Windpark Werder Zinndorf Repowering GmbH & Co. KG, Sehestedt	100.0
Wintec Autoglas GmbH, Limburg an der Lahn	100.0
Non-consolidated affiliates	
AERS Consortio Aktiengesellschaft, Stuttgart	55.3
Allianz Global Benefits GmbH, Stuttgart	100.0
Allianz Objektbeteiligungs-GmbH, Stuttgart	100.0
Allianz Pension Consult GmbH, Stuttgart	100.0
Allianz zweite Objektbeteiligungs-GmbH, Stuttgart	100.0
AZ Beteiligungs-Management GmbH, Munich	100.0
Infrastruktur Putlitz Ost GmbH & Co. KG, Husum	70.8
manroland AG, Offenbach am Main	100.0 [5,6]
manroland Vertrieb und Service GmbH, Mühlheim am Main	100.0 [6]
Stiftung Allianz für Kinder gemeinnützige GmbH, Munich	100.0
Joint ventures	
AQ Focus Teleport GmbH & Co. KG, Hamburg	50.0
AQ Focus Teleport Verwaltungs GmbH, Hamburg	50.0
AQ Überseehaus GmbH & Co. KG, Hamburg	39.9 [7]
AQ Überseehaus Verwaltungs GmbH, Hamburg	50.0

	% owned[1]
AVAG Versicherungsvermittlungs-Gesellschaft mbH, Augsburg	50.0
Dealis Fund Operations GmbH, Frankfurt am Main	50.0
Die BrückenKöpfe X BKX GmbH & Co. Invest KG, Berlin	50.0 [3]
EDGE Wriezener Karree Berlin GmbH & Co. KG, Frankfurt am Main	47.5 [7]
He Dreiht Investor GmbH, Karlsruhe	33.3 [7]
K&S Partnersysteme GmbH, Berlin	50.0
PNE WIND Infrastruktur Calau II GmbH, Cuxhaven	50.0
PNE WIND Park III GmbH & Co. KG, Cuxhaven	50.0
Rhino Management GmbH, Frankfurt am Main	50.0
Seagull Portfolio GmbH & Co. KG, Frankfurt am Main	56.3 [7]
SPN Service Partner Netzwerk GmbH, Munich	30.0 [7]
UGG TopCo GmbH & Co. KG, Ismaning	41.8 [7]
UGG TopCo/HoldCo General Partner GmbH, Ismaning	41.8 [7]
VGP Park München GmbH, Vaterstetten-Baldham	48.9 [7]
Associates	
Autobahn Tank & Rast Gruppe GmbH & Co. KG, Bonn	25.0
Autobahn Tank & Rast Management GmbH, Bonn	25.0
AV Packaging GmbH, Munich	100.0 [8]
Caldera Service GmbH, Hamburg	25.1
Clark Holding SE, Frankfurt am Main	24.0
DCSO Deutsche Cyber-Sicherheitsorganisation GmbH, Berlin	25.0
esa EuroShip GmbH & Co. KG Underwriting for Shipping, Bad Friedrichshall	40.0
ESG Book GmbH, Frankfurt am Main	11.1 [8]
InnoSolutas GmbH, Bad Friedrichshall	25.0
KomfortDynamik Sondervermögen, Frankfurt am Main	0.6 [3,8]
Norsea Gas GmbH, Friedeburg-Etzel	28.0
Seagull Deutschland GP GmbH, Frankfurt am Main	49.9
T&R MLP GmbH, Bonn	25.0
T&R Real Estate GmbH, Bonn	25.0
Umspannwerk Putlitz GmbH & Co. KG, Oldenburg	25.4
Verimi GmbH, Berlin	8.2 [8]
Windkraft Kirf Infrastruktur GmbH, Neumagen-Dhron	50.0 [8]
Foreign entities	
Consolidated affiliates	
1739908 Ontario Ltd., Toronto, ON	100.0
1800 M Owner GP LLC, Wilmington, DE	100.0
1800 M REIT GP LLC, Wilmington, DE	100.0
1800 M Street Owner LP, Wilmington, DE	100.0
1800 M Street REIT LP, Wilmington, DE	100.0
1800 M Street TRS LP, Wilmington, DE	100.0
1800 M Street Venture LP, Wilmington, DE	45.0 [2]
1Insurer Australia Pty Limited, Melbourne	100.0

	% owned[1]
1Insurer Holdings Limited, Fareham	100.0
1Insurer Inc., Schaumburg, IL	100.0
1Insurer Limited, Fareham	100.0
35° East SAS, Paris la Défense	100.0
490 Fulton JV LP, Wilmington, DE	96.5
490 Fulton REIT LP, Wilmington, DE	100.0
490 Lower Unit GP LLC, Wilmington, DE	100.0
490 Lower Unit LP, Wilmington, DE	100.0
ACRE Ginko Pte. Ltd., Singapore	100.0
ACRE Hinoki Pte. Ltd., Singapore	100.0
ACRE Sugi Pte. Ltd., Singapore	100.0
ACRE Yuzu Pte. Ltd., Singapore	100.0
AEIF II S.A. SICAV-RAIF, Senningerberg	100.0 [3]
AEL EM PIMCO, Vienna	100.0 [3]
AEM Energy Systems Ltd., Chalandri	100.0
Aero-Fonte S.r.l., Misterbianco	100.0
AEV Allianz Invest Spezial 4, Vienna	100.0 [3]
AEV EM PIMCO, Vienna	100.0 [3]
AEV Health Allianz Invest Spezial 14, Vienna	100.0 [3]
Affordable Housing CIV LLC, Wilmington, DE	100.0
AFI2 Real Estate Fund (Compartment), Luxembourg	100.0
AGA Service Company Corp., Richmond, VA	100.0
AGCS International Holding B.V., Amsterdam	100.0
AGCS Marine Insurance Company Corp., Chicago, IL	100.0
AGF Inversiones S.A., Buenos Aires	100.0
AIM Equity Europe Cantons, Paris	100.0 [3]
AIM Equity US, Paris	100.0 [3]
AIM Underwriting Limited, Toronto, ON	100.0
Allianz - Slovenská DSS a.s., Bratislava	100.0
Allianz - Slovenská poist'ovňa a.s., Bratislava	99.6
Allianz (UK) Limited, Guildford	100.0
Allianz 001 S.r.l., Velletri	51.0
Allianz 002 S.r.l., Rome	51.0
Allianz 003 S.r.l., Rome	51.0
Allianz 004 S.r.l., Rome	51.0
Allianz 071 S.r.l., Sassari	51.0
Allianz 1 Liverpool Street Holding S.à r.l., Luxembourg	100.0
Allianz 101 Moorgate Holding S.à r.l., Luxembourg	100.0
Allianz 101 S.r.l., Turin	51.0
Allianz 111 S.r.l., Saint-Christophe	51.0
Allianz 231 S.r.l., Merate	51.0
Allianz 261 S.r.l., Crema	51.0
Allianz 311 S.r.l., Milan	51.0
Allianz 312 S.r.l., Castelfranco Veneto	51.0
Allianz 351 S.r.l., Este	51.0

	% owned[1]
Allianz 371 S.r.l., Verona	51.0
Allianz 391 S.r.l., Bolzano	51.0
Allianz 421 S.r.l., Reggio Emilia	51.0
Allianz 441 S.r.l., Ferrara	51.0
Allianz 481 S.r.l., Faenza	51.0
Allianz 501 S.r.l., Florence	51.0
Allianz 671 S.r.l., L'Aquila	51.0
Allianz 701 S.r.l., Corato	51.0
Allianz 841 S.r.l., Salerno	51.0
Allianz 871 S.r.l., Cosenza	51.0
Allianz 901 S.r.l., Palermo	51.0
Allianz Actions Aéquitas, Paris	63.1 [3]
Allianz Actions Emergentes, Paris	91.2 [3]
Allianz Actions Euro, Paris	37.9 [2,3]
Allianz Actions Euro Convictions, Paris	41.7 [2,3]
Allianz Actions France, Paris	75.2 [3]
Allianz Advisory Pte. Ltd., Singapore	100.0
Allianz Africa Services SA, Abidjan	100.0
Allianz Air France IFC, Paris	100.0 [3]
Allianz Alapkezelő Zrt., Budapest	100.0
Allianz Alpha Sector Rotation, Jakarta	36.6 [2,3]
Allianz Argentina Compañía de Seguros S.A., Buenos Aires	100.0
Allianz Asia Holding Pte. Ltd., Singapore	100.0
Allianz Asia Pacific Private Credit Debt Holdings S.à r.l., Senningerberg	0.0 [2]
Allianz Asia Pacific Private Credit Debt SecCo S.à r.l., Luxembourg	0.0 [2]
Allianz Asia Private Credit Funds S.A. SICAV-RAIF, Senningerberg	100.0 [3]
Allianz Asia Private Credit Funds S.A. SICAV-RAIF (Compartment III), Senningerberg	0.0 [2,3]
Allianz Asset Management of America Holdings Inc., Dover, DE	100.0
Allianz Asset Management of America LLC, Dover, DE	100.0
Allianz Asset Management U.S. Holding II LLC, Dover, DE	100.0
Allianz Australia Claim Services Pty Limited, Sydney	100.0
Allianz Australia Employee Share Plan Pty Limited, Sydney	100.0
Allianz Australia General Insurance Pty Ltd., Sydney	100.0
Allianz Australia Insurance Limited, Sydney	100.0
Allianz Australia Life Insurance Holdings Limited, Sydney	100.0
Allianz Australia Life Insurance Limited, Sydney	100.0
Allianz Australia Life Policy Services Pty Limited, Sydney	100.0
Allianz Australia Limited, Sydney	100.0
Allianz Australia Services Pty Limited, Sydney	100.0
Allianz Australia Workers' Compensation (NSW) Limited, Sydney	100.0
Allianz Australia Workers' Compensation (Victoria) Limited, Sydney	100.0
Allianz Australian Real Estate Trust, Sydney	99.9 [3]
Allianz Aviation Managers LLC, Wilmington, DE	100.0

	% owned[1]
Allianz Ayudhya Assurance Public Company Limited, Bangkok	82.8
Allianz Ayudhya Capital Public Company Limited, Bangkok	49.0 [2]
Allianz Ayudhya General Insurance Public Company Limited, Bangkok	100.0
Allianz Bank Bulgaria AD, Sofia	99.9
Allianz Bank Financial Advisors S.p.A., Milan	100.0
Allianz Banque S.A., Paris la Défense	100.0
Allianz Benelux S.A., Brussels	100.0
Allianz Bonds Euro High Yield, Paris	100.0 [3]
Allianz Bulgaria Holding AD, Sofia	66.2
Allianz Business Services Limited, Guildford	100.0
Allianz Capital Partners of America LLC, Dover, DE	100.0
Allianz Carbon Investments B.V., Amsterdam	100.0
Allianz Cash SAS, Paris la Défense	100.0
Allianz Chicago Private Reit LP, Wilmington, DE	100.0
Allianz China Future Technologies, Senningerberg	72.4 [3]
Allianz China Healthy Living, Senningerberg	97.2 [3]
Allianz China Insurance Holding Limited, Shanghai	100.0
Allianz China Life Insurance Co. Ltd., Shanghai	100.0
Allianz Climate Transition, Senningerberg	42.7 [2,3]
Allianz Colombia S.A., Bogotá D.C.	100.0
Allianz Compañía de Seguros y Reaseguros S.A., Madrid	99.9
Allianz Core Private Markets, Senningerberg	100.0 [3]
Allianz Creactions 1, Paris	100.0 [3]
Allianz Creactions II, Paris	100.0 [3]
Allianz Crowdfunding Fund I FPCI, Paris	100.0 [3]
Allianz Crowdlending, Paris	100.0 [3]
Allianz CV Investor GP LLC, Wilmington, DE	100.0
Allianz CV Management LLC, Wilmington, DE	100.0
Allianz Debt Fund FPS, Paris	100.0 [3]
Allianz Debt Fund S.à r.l., Luxembourg	100.0
Allianz Debt Fund SCSp SICAV-SIF, Luxembourg	89.3 [3]
Allianz Debt Investments PCREL S.à r.l., Luxembourg	100.0 [3]
Allianz Debt Investments S.à r.l., Luxembourg	100.0
Allianz Debt Investments SCSp SICAV-SIF, Luxembourg	100.0 [3]
Allianz Digital Services Pte. Ltd., Singapore	100.0
Allianz Direct S.p.A., Milan	100.0
Allianz do Brasil Participações Ltda., São Paulo	100.0
Allianz Eiffel Square Kft., Budapest	100.0
Allianz Elementar Lebensversicherungs-Aktiengesellschaft, Vienna	100.0
Allianz Elementar Versicherungs-Aktiengesellschaft, Vienna	100.0
Allianz Emerging Markets Sovereign Bond, Senningerberg	46.2 [2,3]
Allianz Engineering Inspection Services Limited, Guildford	100.0
Allianz Equity Emerging Markets 1, Paris	100.0 [3]
Allianz Equity Investments Ltd., Guildford	100.0
Allianz Euro Core Infrastructure Debt GP S.à r.l., Senningerberg	100.0
Allianz Europe B.V., Amsterdam	100.0
Allianz Europe Small and Micro Cap Equity, Senningerberg	100.0 [3]
Allianz European Infrastructure II GP S.à r.l., Senningerberg	100.0
Allianz European Private Credit Debt Fund, Senningerberg	0.0 [2,3]
Allianz European Reliance Single Member Insurance S.A., Athens	100.0
Allianz Finance Corporation, Wilmington, DE	100.0
Allianz Finance II B.V., Amsterdam	100.0
Allianz Finance II Luxembourg S.à r.l., Luxembourg	100.0
Allianz Finance III B.V., Amsterdam	100.0
Allianz Finance IV Luxembourg S.à r.l., Luxembourg	100.0
Allianz Finance IX Luxembourg S.A., Luxembourg	100.0
Allianz Finance VII Luxembourg S.A., Luxembourg	100.0
Allianz Finance VIII Luxembourg S.A., Luxembourg	100.0
Allianz Finance X Luxembourg S.A., Luxembourg	93.2
Allianz Fire and Marine Insurance Japan Ltd., Tokyo	100.0
Allianz FMO SDG Loan Fund S.C.A. SICAV-SIF, Senningerberg	100.0 [3]
Allianz Foglalkoztatói Nyugdíjszolgáltató Zrt., Budapest	100.0
Allianz France Avenir, Paris	56.4 [3]
Allianz France Favart I, Paris	100.0 [3]
Allianz France Immobilier Expansion - AFIX, Paris la Défense	100.0
Allianz France Real Estate Invest SPPICAV, Paris la Défense	100.0
Allianz France Real Estate S.à r.l., Luxembourg	100.0
Allianz France Relance, Senningerberg	77.4 [3]
Allianz France Richelieu 1 S.A.S., Paris la Défense	100.0
Allianz France S.A., Paris la Défense	100.0
Allianz France US REIT GP LLC, Wilmington, DE	100.0
Allianz France US REIT LP, Wilmington, DE	100.0
Allianz Fund Investments 2 S.A. (Compartment), Luxembourg	100.0
Allianz Fund Investments Inc., Wilmington, DE	100.0
Allianz Fund Investments S.A., Luxembourg	100.0
Allianz General Insurance Company (Malaysia) Berhad, Kuala Lumpur	100.0
Allianz Global Corporate & Specialty do Brasil Participações Ltda., Rio de Janeiro	100.0
Allianz Global Corporate & Specialty of Africa (Proprietary) Ltd., Johannesburg	100.0
Allianz Global Corporate & Specialty Resseguros Brasil S.A., São Paulo	100.0
Allianz Global Corporate & Specialty South Africa Ltd., Johannesburg	100.0
Allianz Global Diversified Dividend, Senningerberg	99.3 [3]
Allianz Global Diversified Infrastructure Equity GP S.à r.l., Senningerberg	100.0
Allianz Global Diversified Infrastructure Equity II GP S.à r.l., Senningerberg	100.0
Allianz Global Diversified Private Debt Fund GP S.à r.l., Senningerberg	100.0
Allianz Global Diversified Private Debt Fund II GP S.à r.l., Senningerberg	100.0
Allianz Global Infrastructure and Energy Transition Debt Fund GP S.à r.l., Senningerberg	100.0
Allianz Global Infrastructure and Energy Transition Debt Fund SCSp SICAV-RAIF, Senningerberg	100.0 [3]
Allianz Global Investors (Schweiz) AG, Zurich	100.0
Allianz Global Investors Asia Pacific Ltd., Hong Kong	100.0
Allianz Global Investors Fund Management Co. Ltd., Shanghai	100.0
Allianz Global Investors Holdings Ltd., London	100.0
Allianz Global Investors Ireland Ltd., Dublin	100.0
Allianz Global Investors Japan Co. Ltd., Tokyo	100.0
Allianz Global Investors Management Consulting (Shanghai) Limited, Shanghai	100.0
Allianz Global Investors Nominee Services Ltd., George Town	100.0
Allianz Global Investors Overseas Asset Management (Shanghai) Limited, Shanghai	100.0
Allianz Global Investors Singapore Ltd., Singapore	100.0
Allianz Global Investors Taiwan Ltd., Taipei	100.0
Allianz Global Investors U.S. Holdings LLC, Dover, DE	100.0
Allianz Global Investors U.S. LLC, Dover, DE	100.0
Allianz Global Investors UK Limited, London	100.0
Allianz Global Life dac, Dublin	100.0
Allianz Global Private Debt Opportunities Feeder Fund SA SICAV-RAIF, Senningerberg	100.0 [3]
Allianz Global Private Debt Opportunities Fund GP S.à r.l., Senningerberg	100.0
Allianz Global Real Assets and Private Markets Fund S.A. SICAV-RAIF, Senningerberg	100.0 [3]
Allianz Global Real Estate Debt Opportunities Fund GP S.à r.l., Senningerberg	100.0
Allianz Global Risks US Insurance Company Corp., Chicago, IL	100.0
Allianz Hayat ve Emeklilik A.S., Istanbul	89.0
Allianz Hedeland Logistics ApS, Copenhagen	100.0
Allianz Hold Co Real Estate S.à r.l., Luxembourg	100.0
Allianz Holding eins GmbH, Vienna	100.0
Allianz Holding France SAS, Paris la Défense	100.0
Allianz Holdings p.l.c., Dublin	100.0
Allianz Holdings plc, Guildford	100.0
Allianz Home Equity Income GP 1 Limited, London	100.0
Allianz Hospitaliers Valeurs Durables, Paris	100.0 [3]
Allianz Hrvatska d.d., Zagreb	100.0
Allianz Hungária Biztosító Zrt., Budapest	100.0
Allianz HY Investor GP LLC, Wilmington, DE	100.0
Allianz HY Investor LP, Wilmington, DE	100.0
Allianz I.A.R.D. S.A., Paris la Défense	100.0

	% owned[1]
Allianz IARD EM Debt, Paris	100.0 [3]
Allianz IARD Multi-Assets, Paris	100.0 [3]
Allianz IARD Vintage FCPR, Paris	100.0 [3]
Allianz Immovalor S.A., Paris la Défense	100.0
Allianz Impact Credit Solutions GP S.à r.l., Senningerberg	100.0
Allianz Impact Green Bond, Paris	100.0 [3]
Allianz Infrastructure Holding I Pte. Ltd., Singapore	100.0
Allianz Infrastructure Luxembourg Holdco I S.A., Luxembourg	100.0
Allianz Infrastructure Luxembourg Holdco II S.A., Luxembourg	100.0
Allianz Infrastructure Luxembourg Holdco III S.A., Luxembourg	100.0
Allianz Infrastructure Luxembourg Holdco IV S.A., Luxembourg	100.0
Allianz Infrastructure Luxembourg I S.à r.l., Luxembourg	100.0
Allianz Infrastructure Luxembourg II S.à r.l., Luxembourg	100.0
Allianz Infrastructure Luxembourg III S.A., Luxembourg	100.0
Allianz Infrastructure Norway Holdco I S.à r.l., Luxembourg	100.0
Allianz Infrastructure Spain Holdco I S.à r.l., Luxembourg	100.0
Allianz Infrastructure Spain Holdco II S.à r.l., Luxembourg	100.0
Allianz Insurance Agents - Insurance Agents' Coordinators Single-member Ltd., Athens	100.0
Allianz Insurance Asset Management Co. Ltd., Beijing	100.0
Allianz Insurance Lanka Limited, Colombo	100.0
Allianz Insurance Laos Co. Ltd., Vientiane	51.0
Allianz Insurance plc, Guildford	100.0
Allianz Insurance Singapore Pte. Ltd., Singapore	100.0
Allianz Inversiones S.A., Bogotá D.C.	100.0
Allianz Invest 10, Vienna	100.0 [3]
Allianz Invest 11, Vienna	100.0 [3]
Allianz Invest 12, Vienna	100.0 [3]
Allianz Invest d.o.o., Zagreb	100.0
Allianz Invest Kapitalanlagegesellschaft mbH, Vienna	100.0
Allianz Invest Osteuropa Rentenfonds, Vienna	92.0 [3]
Allianz Invest Spezial 13, Vienna	100.0 [3]
Allianz Invest Spezial 3, Vienna	100.0 [3]
Allianz Investment Management LLC, St. Paul, MN	100.0
Allianz Investment Management Singapore Pte. Ltd., Singapore	100.0
Allianz Investment Management U.S. LLC, St. Paul, MN	100.0
Allianz Investments HoldCo S.à r.l., Luxembourg	100.0
Allianz Investments I Luxembourg S.à r.l., Luxembourg	100.0
Allianz Investments III Luxembourg S.A., Luxembourg	100.0
Allianz Jewel Fund ICAV, Dublin	100.0 [3]
Allianz Jingdong General Insurance Company Ltd., Guangzhou	53.3
Allianz kontakt s.r.o., Prague	100.0
Allianz Leasing Bulgaria AD, Sofia	100.0
Allianz Leben Real Estate Holding I S.à r.l., Luxembourg	100.0
Allianz Leben Real Estate Holding II S.à r.l., Luxembourg	100.0
Allianz Lietuva gyvybės draudimas UAB, Vilnius	100.0
Allianz Life Financial Services LLC, Minneapolis, MN	100.0
Allianz Life Insurance Company of Missouri Corp., Clayton, MO	100.0
Allianz Life Insurance Company of New York Corp., New York, NY	100.0
Allianz Life Insurance Company of North America Corp., Minneapolis, MN	100.0
Allianz Life Insurance Lanka Ltd., Colombo	100.0
Allianz Life Insurance Malaysia Berhad, Kuala Lumpur	100.0
Allianz Life Luxembourg S.A., Luxembourg	100.0
Allianz Malaysia Berhad, Kuala Lumpur	75.0
Allianz Management Services Limited, Guildford	100.0
Allianz Marine & Transit Underwriting Agency Pty Ltd., Sydney	100.0
Allianz Marine (UK) Ltd., London	100.0
Allianz MENA Holding (Bermuda) Limited, Hamilton	100.0
Allianz Meridiam Infra Avenir SCSp, Luxembourg	100.0 [3]
Allianz Metaverse, Senningerberg	94.8 [3]
Allianz México S.A. Compañía de Seguros, Mexico City	100.0
Allianz Mid Cap Loans FCT, Paris	100.0 [3]
Allianz Multi Croissance, Paris	100.0 [3]
Allianz Multi Dynamisme, Paris	94.2 [3]
Allianz Multi Equilibre, Paris	98.1 [3]
Allianz Multi Harmonie, Paris	99.2 [3]
Allianz Multi Horizon 2027-2029, Paris	41.7 [2,3]
Allianz Multi Horizon 2030-2032, Paris	37.5 [2,3]
Allianz Multi Horizon 2033-2035, Paris	65.6 [3]
Allianz Multi Horizon 2036-2038, Paris	100.0 [3]
Allianz Multi Horizon 2039-2041, Paris	99.5 [3]
Allianz Multi Horizon Court Terme, Paris	57.7 [3]
Allianz Multi Horizon Long Terme, Paris	38.8 [2,3]
Allianz Multi Opportunités, Paris	99.6 [3]
Allianz Multi Rendement Réel, Paris	79.8 [3]
Allianz Multi Tempéré ISR, Paris	99.8 [3]
Allianz Mutual Funds Management Company S.A., Athens	100.0
Allianz Nederland Groep N.V., Rotterdam	100.0
Allianz Neo ISR 2022, Senningerberg	100.0 [3]
Allianz New Zealand Limited, Auckland	100.0
Allianz Nikko Pte. Ltd., Singapore	100.0
Allianz Nikko1 Pte. Ltd., Singapore	100.0
Allianz Nikko2 Pte. Ltd., Singapore	100.0
Allianz Nikko3 Pte. Ltd., Singapore	100.0
Allianz Obligations Internationales, Paris	82.3 [3]
Allianz of America Inc., Wilmington, DE	100.0
Allianz Opéra, Paris	100.0 [3]
Allianz p.l.c., Dublin	100.0
Allianz Partners SAS, Saint-Ouen	100.0
Allianz Patrimoine Immobilier SAS, Paris la Défense	100.0
Allianz PCREL US Debt S.A., Luxembourg	100.0
Allianz Pension Fund Trustees Ltd., Guildford	100.0
Allianz Pensionskasse Aktiengesellschaft, Vienna	100.0
Allianz penzijní spolecnost a.s., Prague	100.0
Allianz Perfekta 71 S.A., Luxembourg	94.9
Allianz PNB Life Insurance Inc., Makati City	51.0
Allianz pojistovna a.s., Prague	100.0
Allianz Polska Services Sp. z o.o., Warsaw	100.0
Allianz Premie Pensioen Instelling B.V., Rotterdam	100.0
Allianz Premium Champions, Senningerberg	97.3 [3]
Allianz Presse Infra GP S.à r.l., Luxembourg	92.4
Allianz Presse Infra S.C.S., Luxembourg	92.4
Allianz Presse US REIT GP LLC, Wilmington, DE	92.4
Allianz Presse US REIT LP, Wilmington, DE	92.4
Allianz Private Credit Fund S.A. SICAV-RAIF, Senningerberg	100.0 [3]
Allianz Private Debt Secondary Feeder Fund I SA SICAV-RAIF, Senningerberg	100.0
Allianz Private Debt Secondary Fund I GP S.à r.l., Senningerberg	100.0
Allianz Private Equity Co-Investment Fund SCSp, Senningerberg	100.0
Allianz Private Equity Fund SCSp, Senningerberg	98.1 [3]
Allianz Private Equity GP S.à r.l., Senningerberg	100.0
Allianz Private Equity Partners Europa III, Milan	99.6 [3]
Allianz Private Equity Partners IV, Milan	100.0 [3]
Allianz Private Equity Partners V, Milan	100.0 [3]
Allianz Private Markets GP S.à r.l., Senningerberg	100.0
Allianz Private Markets Solutions Fund S.A. SICAV-RAIF, Senningerberg	100.0 [3]
Allianz Properties Limited, Guildford	100.0
Allianz Protect 85, Luxembourg	100.0 [3]
Allianz Quantitative Analytics Sp. z o.o., Warsaw	100.0
Allianz Re Argentina S.A., Buenos Aires	100.0
Allianz Re Dublin dac, Dublin	100.0
Allianz Real Estate Investment S.A., Luxembourg	100.0
Allianz Real Estate Trust II (1), Sydney	99.2 [3]
Allianz Real Estate Trust II (2), Sydney	99.2 [3]
Allianz Real Estate Trust III (1), Sydney	97.9 [3]
Allianz Real Estate Trust III (1) Sub-trust (1), Sydney	100.0 [3]
Allianz Real Estate Trust III (2), Sydney	97.9 [3]
Allianz Real Estate Trust IV, Sydney	95.5 [3]
Allianz Reinsurance America Inc., Glendale, CA	100.0
Allianz Reinsurance Management Services Inc., Wilmington, DE	100.0
Allianz Renewable Energy Fund III GP SCSp, Senningerberg	100.0
Allianz Renewable Energy Fund III Lux GP S.à r.l., Senningerberg	100.0
Allianz Renewable Energy Fund Management 1 Ltd., London	100.0

	% owned[1]
Allianz Renewable Energy Management AT II GmbH, Pottenbrunn	100.0
Allianz Renewable Energy Partners I LP, London	100.0
Allianz Renewable Energy Partners II Limited, London	100.0
Allianz Renewable Energy Partners III LP, London	99.3
Allianz Renewable Energy Partners IV Limited, London	99.3
Allianz Renewable Energy Partners IX Limited, London	99.2
Allianz Renewable Energy Partners Luxembourg Holdco II S.à r.l., Luxembourg	100.0
Allianz Renewable Energy Partners Luxembourg Holdco IV S.A., Luxembourg	98.7
Allianz Renewable Energy Partners Luxembourg Holdco VI S.A., Luxembourg	100.0
Allianz Renewable Energy Partners Luxembourg II S.A., Luxembourg	100.0
Allianz Renewable Energy Partners Luxembourg IV S.A., Luxembourg	100.0
Allianz Renewable Energy Partners Luxembourg V S.A., Luxembourg	100.0
Allianz Renewable Energy Partners Luxembourg VI S.A., Luxembourg	100.0
Allianz Renewable Energy Partners Luxembourg VIII S.A., Luxembourg	100.0
Allianz Renewable Energy Partners of America 2 LLC, Wilmington, DE	100.0
Allianz Renewable Energy Partners of America LLC, Wilmington, DE	100.0
Allianz Renewable Energy Partners V Limited, London	100.0
Allianz Renewable Energy Partners VI Limited, London	100.0
Allianz Renewable Energy Partners VII LP, London	100.0
Allianz Renewable Energy Partners VIII Limited, London	100.0
Allianz Residential Mortgage Company S.A., Luxembourg	100.0
Allianz Resilient Credit Euro Fund GP S.à r.l., Senningerberg	100.0
Allianz Resilient Opportunistic Credit Fund GP S.à r.l., Senningerberg	100.0
Allianz Resilient Opportunistic Credit Fund SCSp SICAV-RAIF, Senningerberg	90.9 [3]
Allianz Retraite S.A., Paris la Défense	100.0
Allianz Risk Consulting LLC, Glendale, CA	100.0
Allianz Risk Transfer (Bermuda) Ltd., Hamilton	100.0
Allianz Risk Transfer AG, Schaan	100.0
Allianz Risk Transfer Inc., New York, NY	100.0
Allianz Rupiah Liquid Fund, Jakarta	77.7 [3]
Allianz S.A. de C.V., Mexico City	100.0
Allianz S.p.A., Milan	100.0
Allianz Saint-Marc CL, Paris	100.0 [3]
Allianz Sakura Multifamily 1 Pte. Ltd., Singapore	100.0
Allianz Sakura Multifamily 2 Pte. Ltd., Singapore	100.0
Allianz Sakura Multifamily Lux GP S.à r.l., Luxembourg	100.0
Allianz Sakura Multifamily Lux SCSp, Luxembourg	100.0

	% owned[1]
Allianz SAS S.A.S., Bogotá D.C.	100.0
Allianz Saúde S.A., São Paulo	100.0
Allianz Saudi Fransi Cooperative Insurance Company, Riyadh	51.0
Allianz Sécurité, Paris	89.4 [3]
Allianz Sécurité PEA, Paris	32.7 [2,3]
Allianz Seguros de Vida S.A., Bogotá D.C.	100.0
Allianz Seguros S.A., São Paulo	100.0
Allianz Seguros S.A., Bogotá D.C.	100.0
Allianz Selection Alternative, Senningerberg	100.0 [3]
Allianz Selection Fixed Income, Senningerberg	100.0 [3]
Allianz Selection Small and Midcap Equity, Senningerberg	100.0 [3]
Allianz Senior European Infrastructure Debt Fund GP S.à r.l., Senningerberg	100.0
Allianz Services (UK) Limited, London	100.0
Allianz Services Mauritius LLC, Ebene	100.0
Allianz Services Private Ltd., Thiruvananthapuram	100.0
Allianz Sigorta A.S., Istanbul	96.2
Allianz Social Conviction Equity, Senningerberg	75.0 [3]
Allianz Société Financière S.à r.l., Luxembourg	100.0
Allianz Soluciones de Inversión AV S.A., Madrid	100.0
Allianz South America Holding B.V., Amsterdam	100.0
Allianz Sp. z o.o., Warsaw	100.0
Allianz Special Opportunities Alternative Fund, Milan	100.0 [3]
Allianz Sport et Bien-être, Paris	76.5 [3]
Allianz Strategic Investments LLC, St. Paul, MN	100.0
Allianz Strategic Investments S.à r.l., Luxembourg	100.0
Allianz Strategy Select 50, Senningerberg	50.0 [2,3]
Allianz Suisse Immobilien AG, Wallisellen	100.0
Allianz Suisse Lebensversicherungs-Gesellschaft AG, Wallisellen	100.0
Allianz Suisse Versicherungs-Gesellschaft AG, Wallisellen	100.0
Allianz Sustainable Health Evolution, Senningerberg	73.5 [3]
Allianz Taiwan Life Insurance Co. Ltd., Taipei	99.7
Allianz Team, Paris	85.4 [3]
Allianz Team Formule 1, Paris	96.6 [3]
Allianz Technology (Slovakia) s.r.o., Bratislava	100.0
Allianz Technology (Thailand) Co. Ltd., Bangkok	100.0
Allianz Technology AG, Wallisellen	100.0
Allianz Technology GmbH, Vienna	100.0
Allianz Technology International B.V., Amsterdam	100.0
Allianz Technology Ltda., São Bernardo do Campo	100.0
Allianz Technology of America Inc., Wilmington, DE	100.0
Allianz Technology S.L., Barcelona	100.0
Allianz Technology S.p.A., Milan	100.0
Allianz Technology s.r.o., Prague	100.0
Allianz Technology SAS, Paris la Défense	100.0

	% owned[1]
Allianz Technology Sdn. Bhd., Kuala Lumpur	100.0
Allianz Tiriac Pensii Private Societate de administrare a fondurilor de pensii private S.A., Bucharest	100.0
Allianz Tulip GP S.à r.l., Senningerberg	100.0
Allianz U.S. Investment GP LLC, Wilmington, DE	100.0
Allianz U.S. Investment LP, Wilmington, DE	100.0
Allianz U.S. Private REIT GP LLC, Wilmington, DE	100.0
Allianz U.S. Private REIT LP, Wilmington, DE	100.0
Allianz UK Infrastructure Debt GP 2 Limited, London	100.0
Allianz UK Infrastructure Debt GP Limited, London	100.0
Allianz Ukraine LLC, Kyiv	100.0
Allianz Underwriters Insurance Company Corp., Chicago, IL	100.0
Allianz US Debt Holding S.A., Luxembourg	100.0
Allianz US Income Growth Advisory Master Fundo de Investimento Multimercado Investimento no Exterior, São Paulo	96.4 [3]
Allianz US Large CAP Value, Senningerberg	77.6 [3]
Allianz US Private Credit Solutions GP LLC, Wilmington, DE	100.0
Allianz Valeurs Durables, Paris	38.5 [2,3]
Allianz Value S.r.l., Milan	100.0
Allianz Vermogen B.V., Rotterdam	100.0
Allianz Vie EM Debt, Paris	100.0 [3]
Allianz VIE Multi-Assets, Paris	100.0 [3]
Allianz Vie S.A., Paris la Défense	100.0
Allianz Viva S.p.A., Milan	100.0
Allianz Vorsorgekasse AG, Vienna	100.0
Allianz Working Capital Investment Grade Fund, Senningerberg	80.0 [3]
Allianz Worldwide Partners (Hong Kong) Ltd., Hong Kong	100.0
Allianz X Euler Hermes Co-Investments S.à r.l., Luxembourg	100.0
Allianz X North America LLC, Wilmington, DE	100.0
Allianz Yasam ve Emeklilik A.S., Istanbul	80.0
Allianz Yield Plus Fund, Hong Kong	100.0 [3]
Allianz ZB d.o.o. Mandatory and Voluntary Pension Funds Management Company, Zagreb	51.0
AllianzGI USD Infrastructure Debt Fund GP LLC, Wilmington, DE	100.0
AllianzIM U.S. Large Cap Buffer10 Mar ETF, Wilmington, DE	66.7 [3]
Allianz-Tiriac Asigurari SA, Bucharest	52.2
Allianz-Tiriac Unit Asigurari S.A., Bucharest	100.0
Allvest Active Invest, Luxembourg	86.0 [3]
Allvest Passive Invest, Luxembourg	92.0 [3]
Altair - Fondo di Investimento Alternativo Immobiliare di Tipo Chiuso, Rome	100.0 [3]
Alter Ego S.A., Chalandri	97.3
American Automobile Insurance Company Corp., Clayton, MO	100.0
APECO GP S.à r.l., Luxembourg	100.0
APEF Feeder FCP-RAIF, Luxembourg	46.4 [2,3]
APEH Europe VI, Paris	99.6 [3]

	% owned[1]
APEH Europe VII, Paris	100.0 [3]
APK US Investment GP LLC, Wilmington, DE	100.0
APK US Investment LP, Wilmington, DE	100.0
APKV US Private REIT GP LLC, Wilmington, DE	100.0
APKV US Private REIT LP, Wilmington, DE	100.0
APP Broker S.r.l., Trieste	100.0
Appia Investments S.r.l., Milan	57.6
APTO DC Limited, London	100.0
Aqua Holdings (Thailand) Company Limited, Bangkok	100.0
ARAGO, Paris	100.0 [3]
Arcturus MF GK, Tokyo	100.0
Arges Investments I N.V., Amsterdam	100.0
Arges Investments II N.V., Amsterdam	100.0
Argos US Forest Invest L.P., Wilmington, DE	100.0
Argos US Forest Invest REIT GP Inc., Wilmington, DE	100.0
Argos US Forest Invest REIT L.P., Wilmington, DE	100.0
Argos US Forest Invest REIT TRS Inc., Wilmington, DE	100.0
Asit Services S.R.L., Bucharest	100.0
Assistance, Courtage d'Assurance et de Réassurance S.A., Paris la Défense	100.0
Assurances Médicales SA, Metz	100.0
Atlas Fund, Milan	100.0 [3]
atpacvc LLC, Wilmington, DE	100.0
AVS Automotive Versicherungsvermittlung GmbH, Vienna	100.0
AWP Argentina S.A., Buenos Aires	100.0
AWP Assistance (India) Private Limited, Gurgaon	100.0
AWP Assistance Ireland Limited, Dublin	100.0
AWP Assistance Service España S.A., Madrid	100.0
AWP Assistance UK Ltd., London	100.0
AWP Australia Holdings Pty Ltd., Brisbane	100.0
AWP Australia Pty Ltd., Brisbane	100.0
AWP Austria GmbH, Vienna	100.0
AWP Brokers & Services Hellas S.A., Athens	100.0
AWP Business Services (Beijing) Co. Ltd., Beijing	100.0
AWP Colombia SAS, Bogotá D.C.	100.0
AWP Contact Center Italia S.r.l., Milan	100.0
AWP France SAS, Saint-Ouen	95.0
AWP Health & Life S.A., Saint-Ouen	100.0
AWP Health & Life Services Limited, Dublin	100.0
AWP Japan Co. Ltd., Tokyo	100.0
AWP MEA Holdings Co. W.L.L., Manama	100.0
AWP Mexico S.A. de C.V., Mexico City	100.0
AWP P&C S.A., Saint-Ouen	100.0
AWP Polska Sp. z o.o., Warsaw	100.0
AWP Réunion SAS, Sainte-Marie	100.0

	% owned[1]
AWP RUS LLC, Moscow	100.0
AWP Service Brasil Ltda., São Bernardo do Campo	100.0
AWP Services (India) Private Limited, Gurgaon	100.0
AWP Services (Thailand) Co. Ltd., Bangkok	100.0
AWP Services Belgium S.A., Brussels	100.0
AWP Services New Zealand Limited, Auckland	100.0
AWP Services NL B.V., Amsterdam	100.0
AWP Services Sdn. Bhd., Kuala Lumpur	100.0
AWP Services Singapore Pte. Ltd., Singapore	100.0
AWP Servicios Mexico S.A. de C.V., Mexico City	100.0
AWP Servis Hizmetleri A.S., Istanbul	97.0
AWP Solutions CR a SR s.r.o., Prague	100.0
AWP Ticket Guard Small Amount & Short Term Insurance Co. Ltd., Tokyo	100.0
AWP USA Inc., Richmond, VA	100.0
Axios Bidco Limited, Whiteley	100.0
AZ Euro Investments II S.à r.l., Luxembourg	100.0
AZ Euro Investments S.A., Luxembourg	100.0
AZ Jupiter 10 B.V., Amsterdam	100.0
AZ Jupiter 11 B.V., Amsterdam	97.8
AZ Jupiter 8 B.V., Amsterdam	100.0
AZ Jupiter 9 B.V., Amsterdam	100.0
AZ Real Estate GP LLC, Wilmington, DE	100.0
AZ Servisni centar d.o.o., Zagreb	100.0
AZ Vers US Private REIT GP LLC, Wilmington, DE	100.0
AZ Vers US Private REIT LP, Wilmington, DE	100.0
AZ-CR Seed Investor LP, Wilmington, DE	100.0
AZGA Insurance Agency Canada Ltd., Kitchener, ON	100.0
AZGA Service Canada Inc., Kitchener, ON	55.0
AZL PF Investments Inc., Minneapolis, MN	100.0
AZOA Services Corporation, New York, NY	100.0
AZP Malaysia Agency Sdn. Bhd., Kuala Lumpur	100.0
AZWP Services Portugal Lda., Lisbon	100.0
B & G Group S.r.l., Rome	51.0
Barcelona Sea Offices S.A., Barcelona	100.0
BBVA Allianz Seguros y Reaseguros S.A., Madrid	50.0 [2]
BCP-AZ Investment L.P., Wilmington, DE	98.0
Beleggingsmaatschappij Willemsbruggen B.V., Rotterdam	100.0
Berkley Investments S.A., Warsaw	100.0
Beykoz Gayrimenkul Yatirim Insaat Turizm Sanayi ve Ticaret A.S., Ankara	100.0
Bilans Service S.N.C., Courbevoie	50.0 [2]
BN Infrastruktur GmbH, St. Pölten	74.9
Borgo San Felice S.r.l., Castelnuovo Berardenga	100.0
BPS Brindisi 211 S.r.l., Lecce	100.0

	% owned[1]
BPS Brindisi 213 S.r.l., Lecce	100.0
BPS Brindisi 222 S.r.l., Lecce	100.0
BPS Mesagne 214 S.r.l., Lecce	100.0
BPS Mesagne 215 S.r.l., Lecce	100.0
BPS Mesagne 216 S.r.l., Lecce	100.0
BPS Mesagne 223 S.r.l., Lecce	100.0
BPS Mesagne 224 S.r.l., Lecce	100.0
Brasil de Imóveis e Participações Ltda., São Paulo	100.0
BRAVO II CIV LLC, Wilmington, DE	100.0
BRAVO III CIV LLC, Wilmington, DE	100.0
BRAVO IV CIV LLC, Wilmington, DE	100.0
BRAVO IV Holding Fund CIV I LP, George Town	100.0 [3]
Brobacken Nät AB, Stockholm	100.0
Brunswick S.à r.l., Luxembourg	100.0
BSMC (Thailand) Company Limited, Bangkok	100.0
Buddies Enterprises Limited, Guildford	100.0
Business Process Innovation Botswana Pty Limited, Gaborone	100.0
C.E.P.E. de Bajouve S.à r.l., Versailles	100.0
C.E.P.E. de Haut Chemin S.à r.l., Versailles	100.0
C.E.P.E. de la Baume S.à r.l., Versailles	100.0
C.E.P.E. de la Forterre S.à r.l., Versailles	100.0
C.E.P.E. de Vieille Carrière S.à r.l., Versailles	100.0
C.E.P.E. du Blaiseron S.à r.l., Versailles	100.0
C.E.P.E. du Bois de la Serre S.à r.l., Versailles	100.0
Calobra Investments Sp. z o.o., Warsaw	100.0
CAP, Rechtsschutz-Versicherungsgesellschaft AG, Wallisellen	100.0
Caroline Berlin S.C.S., Luxembourg	93.2
Castle Field Limited, Hong Kong	100.0
CCAF GP I LLC, Wilmington, DE	100.0
CELUHO S.à r.l., Luxembourg	100.0
Central Shopping Center a.s., Bratislava	100.0
Centrale Photovoltaique de Saint Marcel sur Aude SAS, Versailles	100.0
Centrale Photovoltaique de Valensole SAS, Versailles	100.0
CEPE de Langres Sud S.à r.l., Versailles	100.0
CEPE de Mont Gimont S.à r.l., Versailles	100.0
CEPE de Sambres S.à r.l., Versailles	100.0
CEPE des Portes de la Côte d'Or S.à r.l., Versailles	100.0
Ceres Holding I S.à r.l., Luxembourg	100.0
Ceres Warsaw Gorzow Sp. z o.o., Warsaw	100.0
Ceres Weert B.V., Amsterdam	100.0
Chicago Insurance Company Corp., Chicago, IL	100.0
CIC Allianz Insurance Limited, Sydney	100.0
CIMU 92, Saint-Denis	53.5 [3]
Citizen Capital Impact Initiative, Paris	72.0 [3]
Climmolux Holding SA, Luxembourg	100.0

	% owned[1]
Club Marine Limited, Sydney	100.0
COF II CIV LLC, Wilmington, DE	100.0
COF III CIV LLC, Wilmington, DE	100.0
COF III Holding Fund CIV I LP, George Town	100.0 [3]
COF IV CIV LLC, Wilmington, DE	100.0
COF IV Holding Fund CIV I LP, George Town	100.0 [3]
Columbia REIT - 221 Main Street LP, Wilmington, DE	100.0
Columbia REIT - 333 Market Street LP, Wilmington, DE	45.0 [2]
Columbia REIT - University Circle LP, Wilmington, DE	100.0
Companhia de Seguros Allianz Portugal S.A., Lisbon	64.8
Compañía Colombiana de Servicio Automotriz S.A., Bogotá D.C.	100.0
Consultatio Renta Mixta F.C.I., Buenos Aires	100.0 [3]
Control Expert Gestao Comercio e Desenvolvimento Ltda., Jundiaí	100.0
Control Expert Italia S.r.l., Venice	100.0
Control Expert Mexico S. de R.L. de C.V., Mexico City	95.0
Control Expert Systems Technologies S.L., Madrid	100.0
ControlExpert Argentina SRL, Buenos Aires	100.0
ControlExpert Australia Pty Ltd., Sydney	100.0
ControlExpert Chile Spa, Las Condes	100.0
ControlExpert Colombia SAS, Bogotá D.C.	100.0
ControlExpert Holding B.V., Amsterdam	100.0
ControlExpert Hong Kong Corp. Limited, Hong Kong	100.0
ControlExpert Inc., Wilmington, DE	100.0
ControlExpert Japan KK, Tokyo	100.0
ControlExpert Polska Sp. z o.o., Warsaw	100.0
ControlExpert Schweiz GmbH, Cham	100.0
ControlExpert Sdn. Bhd., Kuala Lumpur	100.0
ControlExpert UK Limited, Farnborough	100.0
Corn Investment Ltd., London	100.0
Corsetec Assessoria e Corretagem de Seguros Ltda., São Paulo	100.0
COSEC-Companhia de Seguro de Créditos S.A., Lisbon	100.0
Cova Beijing Zpark Investment Pte. Ltd., Singapore	98.0
CPRN Thailand Ltd., Bangkok	100.0
Cross Point Wakefield Management Company Limited, London	100.0
Curatio DMCC LLC, Dubai	100.0
D23E GP LLC, Wilmington, DE	100.0
Darta Saving Life Assurance dac, Dublin	100.0
DCCF GP I Series 1 LLC, Wilmington, DE	100.0
Deeside Investments Inc., Wilmington, DE	50.1
Delphine Fund, Milan	100.0 [3]
Delta Technical Services Ltd., London	100.0
Diamond Point a.s., Prague	100.0
Dimo Computing Ltd., Whiteley	100.0
Dresdner Kleinwort Pfandbriefe Investments II Inc., Wilmington, DE	100.0
EDCO Berkeley S.à r.l., Luxembourg	100.0
EDCO CIV LLC, Wilmington, DE	100.0
EDCO Holdco S.à r.l., Luxembourg	100.0
EDCO Nevern S.à r.l., Luxembourg	100.0
EDCO Pembroke S.à r.l., Luxembourg	100.0
EDCO UK CIV LLC, Wilmington, DE	100.0
EF Solutions LLC, Wilmington, DE	100.0
EH 39 Ouest, Paris la Défense	100.0 [3]
Eiger Institutional Fund - Obligationen Welt, Basel	100.0 [3]
Elite Prize Limited, Hong Kong	100.0
Elix Vintage Residencial SOCIMI S.A., Madrid	100.0
ELVIA e-invest AG, Wallisellen	100.0
EMac Limited, Whiteley	100.0
Emerging Market Climate Action Fund GP S.à r.l., Senningerberg	100.0
Energie Eolienne Lusanger S.à r.l., Versailles	100.0
Enertrag-Dunowo Sp. z o.o., Szczecin	100.0
Eolica Erchie S.r.l., Lecce	100.0
EP Tactical GP LLC, Wilmington, DE	100.0
Euler Hermes Acmar SA, Casablanca	55.0
Euler Hermes Acmar Services SARL, Casablanca	100.0
Euler Hermes Asset Management France S.A., Paris la Défense	100.0
Euler Hermes Australia Pty Limited, Sydney	100.0
Euler Hermes Canada Services Inc., Montreal, QC	100.0
Euler Hermes Collections North America Company, Owings Mills, MD	100.0
Euler Hermes Collections Sp. z o.o., Warsaw	100.0
Euler Hermes Consulting (Shanghai) Co. Ltd., Shanghai	100.0
Euler Hermes Crédit France S.A.S., Paris la Défense	100.0
Euler Hermes Digital Ventures, Paris	100.0 [3]
Euler Hermes Excess North America LLC, Owings Mills, MD	100.0
Euler Hermes Group SAS, Paris la Défense	100.0
Euler Hermes Hellas Services Ltd., Athens	100.0
Euler Hermes Hong Kong Services Limited, Hong Kong	100.0
Euler Hermes Intermediary Agency S.r.l., Milan	100.0
Euler Hermes Japan Services Ltd., Tokyo	100.0
Euler Hermes Korea Non-life Broker Company Limited, Seoul	100.0
Euler Hermes Luxembourg Holding S.à r.l., Luxembourg	100.0
Euler Hermes New Zealand Limited, Auckland	100.0
Euler Hermes North America Holding Inc., Wilmington, DE	100.0
Euler Hermes North America Insurance Company Inc., Lutherville, MD	100.0
Euler Hermes Patrimonia SA, Brussels	100.0
Euler Hermes Ré SA, Luxembourg	100.0
Euler Hermes Real Estate SPPICAV, Paris la Défense	60.0
Euler Hermes Recouvrement France S.A.S., Paris la Défense	100.0
Euler Hermes Reinsurance AG, Wallisellen	100.0
Euler Hermes Risk Yönetimi A.S., Istanbul	100.0
Euler Hermes S.A., Brussels	100.0
Euler Hermes Seguros S.A., São Paulo	100.0
Euler Hermes Service AB, Stockholm	100.0
Euler Hermes Services B.V., 's-Hertogenbosch	100.0
Euler Hermes Services Belgium S.A., Brussels	100.0
Euler Hermes Services Bulgaria EOOD, Sofia	100.0
Euler Hermes Services Ceská republika s.r.o., Prague	100.0
Euler Hermes Services India Private Limited, Mumbai	100.0
Euler Hermes Services Ireland Limited, Dublin	100.0
Euler Hermes Services Italia S.r.l., Rome	100.0
Euler Hermes Services North America LLC, Owings Mills, MD	100.0
Euler Hermes Services Romania S.R.L., Bucharest	100.0
Euler Hermes Services S.A.S., Paris la Défense	100.0
Euler Hermes Services Schweiz AG, Wallisellen	100.0
Euler Hermes Services South Africa (Pty) Ltd., Johannesburg	100.0
Euler Hermes Services Tunisia S.à r.l., Tunis	100.0
Euler Hermes Services UK Limited, London	100.0
Euler Hermes Serviços de Gestão de Riscos Ltda., São Paulo	100.0
Euler Hermes Sigorta A.S., Istanbul	100.0
Euler Hermes Singapore Services Pte. Ltd., Singapore	100.0
Euler Hermes South Express S.A., Ixelles	100.0
Euler Hermes Taiwan Services Limited, Taipei	100.0
Euler Hermes, Okurowska-Minkiewicz, Maliszewski - Kancelaria Prawna Sp.k, Warsaw	100.0
Eurl 20-22 Rue Le Peletier, Paris la Défense	100.0
Eurosol Invest S.r.l., Udine	100.0
Expander Advisors Sp. z o.o., Warsaw	100.0
Fairmead Insurance Limited, Guildford	100.0
FCP Helliot, Paris	99.9 [3]
Ferme Eolienne de Villemur-sur-Tarn S.à r.l., Versailles	100.0
Ferme Eolienne des Jaladeaux S.à r.l., Versailles	100.0
Financière Callisto SAS, Paris la Défense	100.0
FinOS Technology Holding Pte. Ltd., Singapore	100.0
Fireman's Fund Financial Services LLC, Wilmington, DE	100.0
Fireman's Fund Indemnity Corporation, Trenton, NJ	100.0
Fireman's Fund Insurance Company Corp., Chicago, IL	100.0
First Notice Systems Inc., Wilmington, DE	100.0
Flexible Real Estate Income GP LLC, Wilmington, DE	100.0
Flying Desire Limited, Hong Kong	100.0
Fondo Chiuso Allianz Infrastructure Partners I, Milan	100.0 [3]
Foshan Geluo Storage Services Co. Ltd., Foshan	100.0
FPCI InnovAllianz, Paris	99.6 [3]
Fragonard Assurances S.A., Saint-Ouen	100.0
Franklin S.C.S., Luxembourg	94.5
Friederike MLP S.à r.l., Luxembourg	100.0

	% owned[1]
Fu An Management Consulting Co. Ltd., Beijing	1.0 [2]
Galore Expert Limited, Hong Kong	100.0
Generation Vie S.A., Paris la Défense	52.5
Gestion de Téléassistance et de Services S.A., Châtillon	100.0
GIE Euler Hermes Facturation France, Paris la Défense	100.0
GIE Euler Hermes SFAC Services, Paris la Défense	100.0
Glärnisch Institutional Fund - Obligationen Welt, Basel	100.0 [3]
Global Azawaki S.L., Madrid	100.0
Global Besande S.L., Madrid	100.0
Global Carena S.L., Madrid	100.0
Global Manzana S.L., Madrid	100.0
Global Transport & Automotive Insurance Solutions Pty Limited, Sydney	100.0
Great Lake Funding I LP, Wilmington, DE	100.0 [3]
Grupo Multiasistencia S.A., Madrid	100.0
Grus MF GK, Tokyo	100.0
GT Motive Einsa Unipessoal Lda., Lisbon	100.0
GT Motive GmbH, Freienbach	100.0
GT Motive Limited, London	100.0
GT Motive S.L., San Sebastian de los Reyes	86.0
GT Motive SASU, Montrouge	100.0
Händelö Logistics AB, Stockholm	100.0
Händelö Logistics Holding AB, Stockholm	100.0
Harro Development Praha s.r.o., Prague	100.0
Health Care Management Company Limited, Bangkok	100.0
Highway Insurance Company Limited, Guildford	100.0
Highway Insurance Group Limited, Guildford	100.0
Home & Legacy Insurance Services Limited, Guildford	100.0
Humble Bright Limited, Hong Kong	100.0
Hunter Premium Funding Limited, Sydney	100.0
Hwang Affin Income Fund 5, Kuala Lumpur	100.0 [3]
ICON Immobilien GmbH & Co. KG, Vienna	100.0
ICON Inter GmbH & Co. KG, Vienna	100.0
IEELV GP S.à r.l., Luxembourg	100.0
Incontra Assicurazioni S.p.A., Milan	50.0 [2]
InFront Insurance PCC Limited, St. Peter Port	100.0
InnovAllianz 2, Paris	100.0 [3]
Innovation Auto Inc., Schaumburg, IL	100.0
Innovation Fleet Services Limited, Whiteley	100.0
Innovation FSP (Pty) Ltd., Johannesburg	100.0
Innovation Group (Australia) Pty Limited, Melbourne	100.0
Innovation Group (Claims Services) Pty Ltd., Melbourne	100.0
Innovation Group (Fleet) Pty Ltd., Melbourne	100.0
Innovation Group (Japan) Pty Limited, Melbourne	100.0
Innovation Group (Motorconsult) Pty Ltd., Melbourne	100.0

	% owned[1]
Innovation Group (Pty) Ltd., Johannesburg	75.0
Innovation Group Business Services Limited, Whiteley	100.0
Innovation Group Distribution (Pty) Ltd., Johannesburg	100.0
Innovation Group Fund Management (Pty) Ltd., Johannesburg	100.0
Innovation Group Holdings Limited, Whiteley	100.0
Innovation Group Namibia (Pty) Ltd., Windhoek	100.0
Innovation Group Poland Sp. z o.o., Warsaw	100.0
Innovation Group Services (Pty) Ltd., Johannesburg	100.0
Innovation Holdings (South Africa) (Pty) Ltd., Johannesburg	100.0
Innovation IP (Pty) Ltd., Johannesburg	100.0
Innovation Property (UK) Limited, Whiteley	100.0
Innovation ROA Limited, Grand Baie	100.0
Intermediass S.r.l., Milan	100.0
Interstate Fire & Casualty Company Corp., Chicago, IL	100.0
Investitori Logistic Fund, Milan	100.0 [3]
Investitori Real Estate Fund, Milan	100.0 [3]
Investitori SGR S.p.A., Milan	100.0
Järvsö Sörby Vindkraft AB, Danderyd	100.0
JCR Intertrad Co. Ltd., Bangkok	40.0 [2]
Jefferson Insurance Company Corp., New York, NY	100.0
Joukhaisselän Tuulipuisto Oy, Oulu	100.0
Jouttikallio Wind Oy, Helsinki	100.0
KAIGO Hi-Tech Development (Beijing) Co. Ltd., Beijing	100.0
KaiLong Greater China Real Estate Fund II S.C.Sp., Luxembourg	100.0
Kensington Fund, Milan	100.0 [3]
Keyeast Pte. Ltd., Singapore	100.0
Kiinteistö Oy Rahtiraitti 6, Vantaa	100.0
Kiinteistöosakeyhtiö Eteläesplanadi 2 Oy, Helsinki	100.0
KLGCREF II Holdco Pte. Ltd., Singapore	100.0
Kohlenberg & Ruppert Premium Properties S.à r.l., Luxembourg	100.0
Kroknet S.à r.l., Paris	100.0
Kromgatan 4-6 Logistics AB, Gothenburg	100.0
Kuolavaara-Keulakkopään Tuulipuisto Oy, Oulu	100.0
La Rurale SA, Paris la Défense	100.0
Life Plus Sp. z o.o., Warsaw	100.0
Lincoln Infrastructure USA Inc., Wilmington, DE	100.0
Liverpool Victoria General Insurance Group Limited, Guildford	100.0
Liverpool Victoria Insurance Company Limited, Guildford	100.0
LLC "Euler Hermes Credit Management", Moscow	100.0
LLC "IC Euler Hermes Ru", Moscow	100.0
LV Assistance Services Limited, Guildford	100.0
LV Insurance Management Limited, Guildford	100.0
LV Repair Services Limited, Guildford	100.0
Maevaara Vind 2 AB, Stockholm	100.0
Maevaara Vind AB, Stockholm	100.0

	% owned[1]
Magni Holding JV S.à r.l., Luxembourg	57.7
MCF Immocap Value, Paris	100.0 [3]
Medi24 AG, Bern	100.0
Medicount (Private) Limited, Islamabad	100.0
MediCount Global Ltd., Ebene	71.6
Medicount Healthcare Private Limited, Bangalore	100.0
Michael Ostlund Property S.A., Brussels	100.0
Mindseg Corretora de Seguros Ltda., São Bernardo do Campo	100.0
Mombyasen Wind Farm AB, Halmstad	100.0
Morningchapter S.A., Ourique	100.0
Motorcare Services Limited, Whiteley	100.0
Multiasistencia S.A., Madrid	100.0
Multiassistance S.A., Saint-Ouen	100.0
My Health Services (Thailand) Company Limited, Bangkok	100.0
National Surety Corporation, Chicago, IL	100.0
Neoasistencia Manoteras S.L., Madrid	100.0
Nextcare Bahrain Ancillary Services Company B.S.C., Manama	100.0
NEXtCARE Claims Management LLC, Dubai	100.0
NEXtCARE Claims Management LLC, Qurum	70.0
NEXtCARE Egypt LLC, New Cairo	100.0
NEXtCARE Lebanon SAL, Beirut	100.0
NEXtCARE Tunisie LLC, Tunis	100.0
Niederösterreichische Glasfaserinfrastrukturgesellschaft mbH, St. Pölten	100.0
Nobilas Iberica S.L., Barcelona	100.0
nöGIG Phase Drei GmbH, St. Pölten	74.9
nöGIG Phase Zwei GmbH, St. Pölten	100.0
Northstar Mezzanine Partners VI U.S. Feeder II L.P., Wilmington, DE	100.0 [3]
OANS Open Access Network Süd GmbH, Klagenfurt am Wörthersee	50.0 [2]
öGIG Fiber GmbH, St. Pölten	100.0
öGIG GmbH, St. Pölten	80.0
öGIG Netzbetrieb GmbH, St. Pölten	100.0
OPCI Allianz France Angel, Paris la Défense	100.0
Orione PV S.r.l., Lecce	100.0
Orsa Maggiore PV S.r.l., Lecce	100.0
Orsa Minore PV S.r.l., Lecce	100.0
Pacific Investment Management Company LLC, Dover, DE	91.0
PAF GP S.à r.l., Luxembourg	100.0
PAF Lux SCA SICAV-RAIF (Compartment), Luxembourg	100.0 [3]
Parc Eolien de Bonneuil S.à r.l., Versailles	100.0
Parc Eolien de Bruyère Grande SAS, Versailles	100.0
Parc Eolien de Chaourse SAS, Versailles	100.0
Parc Eolien de Chateau Garnier SAS, Versailles	100.0
Parc Eolien de Croquettes SAS, Versailles	100.0

	% owned[1]
Parc Eolien de Derval SAS, Versailles	100.0
Parc Eolien de Dyé SAS, Versailles	100.0
Parc Eolien de Fontfroide SAS, Versailles	100.0
Parc Eolien de Forge SAS, Versailles	100.0
Parc Eolien de la Sole du Bois SAS, Versailles	100.0
Parc Eolien de Longchamps SAS, Versailles	100.0
Parc Eolien de Ly-Fontaine SAS, Versailles	100.0
Parc Eolien de Pliboux SAS, Versailles	100.0
Parc Eolien de Remigny SAS, Versailles	100.0
Parc Eolien des Barbes d´Or SAS, Versailles	100.0
Parc Eolien des Joyeuses SAS, Versailles	100.0
Parc Eolien des Mistandines SAS, Versailles	100.0
Parc Eolien des Quatre Buissons SAS, Versailles	100.0
Parc Eolien du Bois Guillaume SAS, Versailles	100.0
Parc Eolien Les Treize SAS, Versailles	100.0
Partner Hotel S.A., Chalandri	50.0 [2]
PCRED CIV LLC, Wilmington, DE	100.0
PCRED II CIV LLC, Wilmington, DE	100.0
Pericialcar S.L., Cordoba	100.0
Pet Plan Ltd., Guildford	100.0
PFP Holdings LLC, Wilmington, DE	100.0
PGA Global Services LLC, Dover, DE	100.0
PIMCO (Schweiz) GmbH, Zurich	100.0
PIMCO Asia Ltd., Hong Kong	100.0
PIMCO Asia Pte. Ltd., Singapore	100.0
PIMCO Aurora LLC, Dover, DE	100.0
PIMCO Australia Management Limited, Sydney	100.0
PIMCO Australia Pty Limited, Sydney	100.0
PIMCO BRAVO III Offshore GP L.P., George Town	100.0
PIMCO BRAVO III Offshore GP Ltd., George Town	100.0
PIMCO BRAVO IV Offshore GP Ltd., George Town	100.0
PIMCO California Flexible Municipal Income Fund, Boston, MA	31.0 [2,3]
PIMCO Canada Corp., Halifax, NS	100.0
PIMCO COF II LLC, Wilmington, DE	100.0
PIMCO COF III Offshore GP Ltd., George Town	100.0
PIMCO COF IV Offshore GP LP, George Town	100.0
PIMCO COF IV Offshore GP Ltd., George Town	100.0
PIMCO Commercial Real Estate Debt Fund II L.P., Wilmington, DE	25.7 [2,3]
PIMCO CRE Opportunities Offshore GP Ltd., George Town	100.0
PIMCO Europe Ltd., London	100.0
PIMCO European Data Centre Opportunity Fund Feeder SCSp, Luxembourg	60.6 [3]
PIMCO European Data Centre Opportunity Fund SCSp, Luxembourg	100.0 [3]
PIMCO Flexible Emerging Markets Income Fund, Boston, MA	86.3 [3]
PIMCO Flexible Real Estate Income Fund, Wilmington, DE	58.8 [3]
PIMCO Formations LLC, Wilmington, DE	100.0
PIMCO Global Advisors (Ireland) Ltd., Dublin	100.0
PIMCO Global Advisors (Luxembourg) S.A., Luxembourg	100.0
PIMCO Global Advisors (Resources) LLC, Dover, DE	100.0
PIMCO Global Advisors LLC, Dover, DE	100.0
PIMCO Global Holdings LLC, Dover, DE	100.0
PIMCO GP I Canada Corporation, Toronto, ON	100.0
PIMCO GP I LLC, Wilmington, DE	100.0
PIMCO GP II S.à r.l., Luxembourg	100.0
PIMCO GP IV S.à r.l., Luxembourg	100.0
PIMCO GP IX LLC, Wilmington, DE	100.0
PIMCO GP IX S.à r.l., Luxembourg	100.0
PIMCO GP L LLC, Wilmington, DE	100.0
PIMCO GP LI LLC, Wilmington, DE	100.0
PIMCO GP LII LLC, Wilmington, DE	100.0
PIMCO GP LIII LLC, Wilmington, DE	100.0
PIMCO GP LIV - Series I LLC, Wilmington, DE	100.0
PIMCO GP LIV LLC, Wilmington, DE	100.0
PIMCO GP LIX LLC, Wilmington, DE	100.0
PIMCO GP LV LLC, Wilmington, DE	100.0
PIMCO GP LVI LLC, Wilmington, DE	100.0
PIMCO GP LVII LLC, Wilmington, DE	100.0
PIMCO GP LX LLC, Wilmington, DE	100.0
PIMCO GP LXII LLC, Wilmington, DE	100.0
PIMCO GP LXIII LLC, Wilmington, DE	100.0
PIMCO GP LXIV LLC, Wilmington, DE	100.0
PIMCO GP LXV LLC, Wilmington, DE	100.0
PIMCO GP LXVI LLC, Wilmington, DE	100.0
PIMCO GP S.à r.l., Luxembourg	100.0
PIMCO GP V LLC, Wilmington, DE	100.0
PIMCO GP V S.à r.l., Luxembourg	100.0
PIMCO GP VI S.à r.l., Luxembourg	100.0
PIMCO GP VII S.à r.l., Luxembourg	100.0
PIMCO GP VIII S.à r.l., Luxembourg	100.0
PIMCO GP X LLC, Wilmington, DE	100.0
PIMCO GP XI LLC, Wilmington, DE	100.0
PIMCO GP XII LLC, Wilmington, DE	100.0
PIMCO GP XIII LLC, Wilmington, DE	100.0
PIMCO GP XIV LLC, Wilmington, DE	100.0
PIMCO GP XIX LLC, Wilmington, DE	100.0
PIMCO GP XL LLC, Wilmington, DE	100.0
PIMCO GP XLI LLC, Wilmington, DE	100.0
PIMCO GP XLIV LLC, Wilmington, DE	100.0
PIMCO GP XLIX LLC, Wilmington, DE	100.0
PIMCO GP XLV LLC, Wilmington, DE	100.0
PIMCO GP XLVI LLC, Wilmington, DE	100.0
PIMCO GP XLVII LLC, Wilmington, DE	100.0
PIMCO GP XLVIII LLC, Wilmington, DE	100.0
PIMCO GP XV LLC, Wilmington, DE	100.0
PIMCO GP XVI LLC, Wilmington, DE	100.0
PIMCO GP XVII LLC, Wilmington, DE	100.0
PIMCO GP XVIII LLC, Wilmington, DE	100.0
PIMCO GP XX LLC, Wilmington, DE	100.0
PIMCO GP XXI-C LLC, Wilmington, DE	100.0
PIMCO GP XXII LLC, Wilmington, DE	100.0
PIMCO GP XXIII Ltd., George Town	100.0
PIMCO GP XXIV LLC, Wilmington, DE	100.0
PIMCO GP XXIX LLC, Wilmington, DE	100.0
PIMCO GP XXV LLC, Wilmington, DE	100.0
PIMCO GP XXVI LLC, Wilmington, DE	100.0
PIMCO GP XXVII LLC, Wilmington, DE	100.0
PIMCO GP XXVIII LLC, Wilmington, DE	100.0
PIMCO GP XXX LLC, Wilmington, DE	100.0
PIMCO GP XXXI LLC, Wilmington, DE	100.0
PIMCO GP XXXII LLC, Wilmington, DE	100.0
PIMCO GP XXXIII LLC, Wilmington, DE	100.0
PIMCO GP XXXIV LLC, Wilmington, DE	100.0
PIMCO GP XXXIX LLC, Wilmington, DE	100.0
PIMCO GP XXXV LLC, Wilmington, DE	100.0
PIMCO GP XXXVI LLC, Wilmington, DE	100.0
PIMCO GP XXXVII LLC, Wilmington, DE	100.0
PIMCO GP XXXVIII LLC, Wilmington, DE	100.0
PIMCO Investment Management (Shanghai) Limited, Shanghai	100.0
PIMCO Investments LLC, Dover, DE	100.0
PIMCO Japan Ltd., Road Town	100.0
PIMCO Latin America Administradora de Carteiras Ltda., Rio de Janeiro	100.0
PIMCO Prime Real Estate (Shanghai) Co. Ltd., Shanghai	100.0
PIMCO Prime Real Estate Asia Pacific Pte. Ltd., Singapore	100.0
PIMCO Prime Real Estate Japan GK, Tokyo	100.0
PIMCO Prime Real Estate LLC, Wilmington, DE	100.0
PIMCO REALPATH Blend 2065 Fund, Wilmington, DE	33.5 [2,3]
PIMCO REIT Management LLC, Wilmington, DE	100.0
PIMCO StocksPLUS AR Fund, Dublin	70.8 [3]
PIMCO Taiwan Ltd., Taipei	100.0
POD Allianz Bulgaria AD, Sofia	65.9
Porowneo.pl Sp. z o.o., Warsaw	100.0
Primacy Underwriting Management Pty Ltd., Melbourne	100.0
Promultitravaux SAS, Saint-Ouen	100.0

	% owned[1]
Protexia France S.A., Paris la Défense	100.0
PT Allianz Global Investors Asset Management Indonesia, Jakarta	100.0
PT Asuransi Allianz Life Indonesia, Jakarta	99.8
PT Asuransi Allianz Life Syariah Indonesia, Jakarta	100.0
PT Asuransi Allianz Utama Indonesia, Jakarta	97.8
PT Blue Dot Services, Jakarta	100.0
PTE Allianz Polska S.A., Warsaw	100.0
Q 207 GP S.à r.l., Luxembourg	100.0
Q207 S.C.S., Luxembourg	94.0
Quality1 AG, Bubikon	100.0
Questar Agency Inc., Minneapolis, MN	100.0
Questar Capital Corporation, Minneapolis, MN	100.0
Raloriz S.L., Madrid	100.0
RB Fiduciaria S.p.A., Milan	100.0
Real Estate Opportunities CIV LLC, Wilmington, DE	100.0
Real Faubourg Haussmann SAS, Paris la Défense	100.0
Real FR Haussmann SAS, Paris la Défense	100.0
Redoma 2 S.A., Luxembourg	100.0
Redoma S.à r.l., Luxembourg	100.0
Reksa Dana Allianz USD Fixed Income Fund, Jakarta	100.0 [3]
Reksa Dana Syariah Allianz High Dividend Global Sharia Equity Dollar, Jakarta	81.8 [3]
Reliance Single-Member Insurance Agents S.A., Chalandri	100.0
Rivage Richelieu 1 FCP, Paris	100.0 [3]
Rokko Development Praha s.r.o., Prague	100.0
SA Carène Assurance, Paris	100.0
SA Vignobles de Larose, Saint-Laurent-Médoc	100.0
Saarenkylä Tuulipuisto Oy, Oulu	100.0
Santander Allianz TU na Zycie S.A., Warsaw	51.0
Santander Allianz TU S.A., Warsaw	51.0
Säntis Umbrella Fund - Tödi, Zurich	100.0 [3]
SAS Allianz Etoile, Paris la Défense	100.0
SAS Allianz Forum Seine, Paris la Défense	100.0
SAS Allianz Logistique, Paris la Défense	100.0
SAS Allianz PH, Paris la Défense	100.0
SAS Allianz Platine, Paris la Défense	100.0
SAS Allianz Prony, Paris la Défense	100.0
SAS Allianz Rivoli, Paris la Défense	100.0
SAS Allianz Serbie, Paris la Défense	100.0
SAS Angel Shopping Centre, Paris la Défense	100.0
SAS Chaponnay Mérieux Logistics, Paris la Défense	100.0
SAS Passage des princes, Paris la Défense	100.0
SAS Pershing Hall, Paris la Défense	100.0
SAS Société d'Exploitation du Parc Eolien d'Aussac Vadalle, Versailles	100.0
SAS Société d'Exploitation du Parc Eolien de Nélausa, Versailles	100.0

	% owned[1]
Sättravallen Wind Power AB, Strömstad	100.0
Saudi NEXtCARE LLC, Al Khobar	68.0
SC Tour Michelet, Paris la Défense	100.0
SCI 46 Desmoulins, Paris la Défense	100.0
SCI Allianz 13-15 Lamennais, Paris la Défense	100.0
SCI Allianz 38 Opéra, Paris la Défense	100.0
SCI Allianz 67 Courcelles, Paris la Défense	100.0
SCI Allianz 7 Drouot, Paris la Défense	100.0
SCI Allianz Arc de Seine, Paris la Défense	100.0
SCI Allianz Citylights, Paris la Défense	100.0
SCI Allianz Immobilier Durable, Paris La Défense	100.0
SCI Allianz Immobilier Durable 18, Paris la Défense	100.0
SCI Allianz Invest Pierre, Paris la Défense	100.0
SCI Allianz Laennec Retail, Paris la Défense	100.0
SCI Allianz Messine, Paris la Défense	100.0
SCI Allianz Valence, Paris la Défense	100.0
SCI Allianz Value Pierre, Paris la Défense	100.0
SCI Allianz Work'In Park, Paris la Défense	100.0
SCI ESQ, Paris la Défense	100.0
SCI Onnaing Escaut Logistics, Paris la Défense	100.0
SCI Pont D'Ain Septembre Logistics, Paris la Défense	100.0
SCI Réau Papin Logistics, Paris la Défense	100.0
SCI Stratus, Paris la Défense	100.0
SCI Via Pierre 1, Paris la Défense	100.0
Seagull Holding SCS, Luxembourg	100.0
Servicios Compartidos Multiasistencia S.L., Madrid	100.0
Sigma Reparaciones S.L., Madrid	100.0
Silex Gas Norway AS, Oslo	100.0
Sirius S.A., Luxembourg	94.8
Societa' Agricola San Felice S.p.A., Milan	100.0
Societé de la Rocade L2 de Marseille S.A., Marseille	53.5 [3]
Société de Production d'Electricité d'Haucourt Moulaine SAS, Versailles	100.0
Société d'Energie Eolienne de Cambon SAS, Versailles	100.0
Société Européenne de Protection et de Services d'Assistance à Domicile S.A., Saint-Ouen	56.0
Société Foncière Européenne B.V., Amsterdam	100.0
SOFE One Co. Ltd., Bangkok	100.0
SOFE Two Co. Ltd., Bangkok	100.0
Sofiholding S.A., Brussels	100.0
South City Office Broodthaers SA, Brussels	100.0
SpaceCo S.A., Paris la Défense	100.0
SpecFin CIV LLC, Wilmington, DE	100.0
Stam Fem Gångaren 11 AB, Stockholm	100.0
StocksPLUS Management Inc., Dover, DE	100.0

	% owned[1]
SurePlan USA Inc., Schaumburg, IL	100.0
Syncier Consulting GmbH, Vienna	100.0
Taone SAS, Paris la Défense	100.0
Téléservices et Sécurité S.à r.l., Châtillon	99.9
Tempo Multiasistencia Gestão de Rede Ltda., Barueri	100.0
TFI Allianz Polska S.A., Warsaw	100.0
The Innovation Group (EMEA) Limited, Whiteley	100.0
The Innovation Group Limited, Whiteley	100.0
The Warwick Partnership Limited, Whiteley	100.0
Thor Spain City Link HoldCo S.L., Madrid	95.0
Thor Spain City Link PropCo 1 S.L., Madrid	100.0
Thor Spain City Link PropCo 2 S.L., Madrid	100.0
TIG Acquisition Co., Wilmington, DE	100.0
TIG Acquisition Holdings Limited, Fareham	100.0
Top Versicherungsservice GmbH, Vienna	100.0
TopImmo A GmbH & Co. KG, Vienna	100.0
TopImmo Besitzgesellschaft B GmbH & Co. KG, Vienna	100.0
Trafalgar Insurance Limited, Guildford	100.0
Triton Lux SCS, Luxembourg	100.0
TU Allianz Zycie Polska S.A., Warsaw	100.0
TU Euler Hermes S.A., Warsaw	100.0
TUiR Allianz Polska S.A., Warsaw	100.0
UK Logistics GP S.à r.l., Luxembourg	100.0
UK Logistics PropCo I S.à r.l., Luxembourg	100.0
UK Logistics PropCo II S.à r.l., Luxembourg	100.0
UK Logistics PropCo III S.à r.l., Luxembourg	100.0
UK Logistics PropCo IV S.à r.l., Luxembourg	100.0
UK Logistics PropCo V S.à r.l., Luxembourg	100.0
UK Logistics S.C.Sp., Luxembourg	100.0
Unicredit Allianz Assicurazioni S.p.A., Milan	50.0 [2]
Unicredit Allianz Vita S.p.A., Milan	50.0 [2]
UP 36 SA, Brussels	100.0
VAAM US Private Credit Solutions GP II LLC, Wilmington, DE	100.0
Vailog Hong Kong DC17 Limited, Hong Kong	100.0
Vailog Hong Kong DC19 Limited, Hong Kong	100.0
Valderrama S.A., Luxembourg	100.0
Vanilla Capital Markets S.A., Luxembourg	100.0 [3]
Vet Envoy Limited, Guildford	100.0
Vintage Rents S.L., Madrid	100.0
Viveole SAS, Versailles	100.0
Vordere Zollamtsstraße 13 GmbH, Vienna	100.0
Warwick Consulting Loss Adjusters Limited, Birmingham	100.0
Weihong (Shanghai) Storage Services Co. Ltd., Shanghai	100.0
Weilong (Hubei) Storage Services Co. Ltd., Ezhou	100.0
Weilong (Jiaxing) Storage Services Co. Ltd., Jiaxing	100.0

	% owned[1]
Weiyi (Shenyang) Storage Services Co. Ltd., Shenyang	100.0
Windpark AO GmbH, Pottenbrunn	100.0
Windpark EDM GmbH, Pottenbrunn	100.0
Windpark EDM GmbH & Co. KG, Pottenbrunn	100.0
Windpark GHW GmbH, Pottenbrunn	100.0
Windpark Ladendorf GmbH, Pottenbrunn	100.0
Windpark Les Cent Jalois SAS, Versailles	100.0
Windpark LOI GmbH, Pottenbrunn	100.0
Windpark PDV GmbH, Pottenbrunn	100.0
Windpark PL GmbH, Pottenbrunn	100.0
Windpark Scharndorf GmbH, Pottenbrunn	100.0
Windpark Zistersdorf GmbH, Pottenbrunn	100.0
Windpower Ujscie Sp. z o.o., Poznan	100.0
YAO NEWREP Investments S.A., Luxembourg	94.0
Yorktown Financial Companies Inc., Minneapolis, MN	100.0
ZAD Allianz Bulgaria AD, Sofia	87.4
ZAD Allianz Bulgaria Life AD, Sofia	99.0
ZAD Energy AD, Sofia	51.0
Non-consolidated affiliates	
Allianz 121 S.r.l., Saluzzo	51.0
Allianz 341 S.r.l., Trieste	51.0
Allianz CV Investor LP, Wilmington, DE	100.0
Allianz Northern Ireland Limited, Belfast	100.0
Allianz Pension Services AG, Wallisellen	100.0
Cogar S.à r.l., Paris	100.0
Top Versicherungs-Vermittler Service GmbH, Vienna	100.0
Joint ventures	
1 Liverpool Street GP Limited, Whiteley	50.0
1 Liverpool Street LP, Whiteley	70.0 [7]
101 Moorgate GP Limited, Whiteley	50.0
101 Moorgate LP, Whiteley	70.0 [7]
114 Venture LP, Wilmington, DE	49.5 [7]
1515 Broadway Realty LP, Wilmington, DE	43.0 [7]
30 HY WM REIT Owner LP, Wilmington, DE	49.0 [7]
53 State JV L.P., Wilmington, DE	49.0 [7]
55-15 Grand Avenue Investor JV L.P., Wilmington, DE	44.9 [7]
A&A Centri Commerciali S.r.l., Bolzano	50.0
AA Ronsin Investment Holding Limited, Hong Kong	62.0 [7]
ACRE Acacia Investment Trust I, Sydney	50.0
ACRE Acacia Management I Pty Ltd., Sydney	50.0
ACRE Karri Investment Trust, Sydney	50.0 [3]
Allee-Center Kft., Budapest	50.0
Altair MF TMK, Tokyo	49.9 [7]

	% owned[1]
AMLI-Allianz Investment LP, Wilmington, DE	75.0 [7]
Arcturus MF TMK, Tokyo	51.0 [7]
AREAP Core I LP, Singapore	50.0
AREAP JMF 1 LP, Singapore	33.3 [7]
AS Gasinfrastruktur Beteiligung GmbH, Vienna	55.6 [7]
Austin West Campus Student Housing LP, Wilmington, DE	45.0 [7]
AZ/JH Co-Investment Venture (DC) LP, Wilmington, DE	80.0 [7]
AZ/JH Co-Investment Venture (IL) LP, Wilmington, DE	80.0 [7]
Bajaj Allianz Financial Distributors Limited, Pune	50.0
Bazalgette Equity Ltd., London	34.3 [7]
BCal Houston JV L.P., Wilmington, DE	39.2 [7]
BL West End Offices Limited, London	75.0 [7]
Canis MF TMK, Tokyo	49.9 [7]
Chapter Master Limited Partnership, New York, NY	45.5 [7]
CHP-AZ Seeded Industrial L.P., Wilmington, DE	49.0 [7]
Corvus MF TMK, Tokyo	25.4 [7]
CPIC Fund Management Co. Ltd., Shanghai	49.0 [7]
CPPIC Euler Hermes Insurance Sales Co. Ltd., Shanghai	49.0 [7]
Daiwater Investment Limited, Hatfield	36.6 [7]
Dundrum Car Park GP Limited, Dublin	50.0
Dundrum Car Park Limited Partnership, Dublin	50.0
Dundrum Retail GP Designated Activity Company, Dublin	50.0
Dundrum Retail Limited Partnership, Dublin	50.0
Elton Investments S.à r.l., Luxembourg	32.5 [7]
ESR India Logistics Fund Pte. Ltd., Singapore	50.0
EUROMARKT Center d.o.o., Ljubljana	50.0
Evadata LLC, Dover, DE	14.6 [7]
Fiumaranuova S.r.l., Milan	50.0
Floene Energias S.A., Lisbon	45.5 [7]
GBTC I LP, Singapore	50.0
GBTC II LP, Singapore	50.0
Grus MF TMK, Tokyo	51.0 [7]
Heimstaden Eagle AB, Malmö	56.3 [7]
Helios SCC Sp. z o.o., Katowice	45.0 [7]
HKZ Investor Holding B.V., Arnhem	51.0 [7]
Hudson One Ferry JV L.P., Wilmington, DE	45.0 [7]
Italian Shopping Centre Investment S.r.l., Milan	50.0
LBA IV-PPI Venture LLC, Wilmington, DE	45.0 [7]
LBA IV-PPII-Office Venture LLC, Wilmington, DE	45.0 [7]
LBA IV-PPII-Retail Venture LLC, Wilmington, DE	45.0 [7]
LPC Logistics Venture One LP, Wilmington, DE	31.7 [7]
Muralis MF TMK, Tokyo	49.9 [7]
NeuConnect Holdings B.V., Amsterdam	25.0 [7]
NRF (Finland) AB, Stockholm	50.0
NRP Nordic Logistics Fund AS, Oslo	49.5 [7]

	% owned[1]
Ophir-Rochor Commercial Pte. Ltd., Singapore	60.0 [7]
Orion MF TMK, Tokyo	49.9 [7]
Piaf Bidco B.V., Amsterdam	23.9 [7]
Podium Fund HY REIT Owner LP, Wilmington, DE	44.3 [7]
Porterbrook Holdings I Limited, Derby	30.0 [7]
Previndustria - Fiduciaria Previdenza Imprenditori S.p.A., Milan	50.0
Queenspoint S.L., Madrid	50.0
RMPA Holdings Limited, Colchester	56.0 [7]
SCI Docks V2, Paris la Défense	50.0
SCI Docks V3, Paris la Défense	50.0
SES Shopping Center AT 1 GmbH, Salzburg	50.0
SES Shopping Center FP 1 GmbH, Salzburg	50.0
Sirius MF TMK, Tokyo	49.9 [7]
Solunion Seguros Compañía Internacional de Seguros y Reaseguros SA, Madrid	50.0
Spanish Gas Distribution Investments S.à r.l., Senningerberg	40.0 [7]
SPREF II Pte. Ltd., Singapore	50.0
Stonecutter JV Limited, London	50.0
Terminal Venture LP, Wilmington, DE	31.2 [7]
The FIZZ Student Housing Fund S.C.S., Luxembourg	49.0 [3,7]
The Israeli Credit Insurance Company Ltd., Ramat Gan	50.0
The State-Whitehall Company LP, Wilmington, DE	49.9 [7]
Tokio Marine Rogge Asset Management Ltd., London	50.0
Top Vorsorge-Management GmbH, Vienna	50.0
TopTorony Ingatlanhasznosító Zrt., Budapest	50.0
Triskelion Property Holding Designated Activity Company, Dublin	50.0
Valley (III) Pte. Ltd., Singapore	41.5 [7]
VGP European Logistics 2 S.à r.l., Senningerberg	50.0
VGP European Logistics S.à r.l., Senningerberg	50.0
VISION (III) Pte. Ltd., Singapore	30.0 [7]
Wallcon Operating L.P., Wilmington, DE	49.0 [7]
Waterford Blue Lagoon LP, Wilmington, DE	49.0 [7]
Associates	
ABT SAS, Paris	25.0
Allianz Europe Small Cap Equity, Senningerberg	14.7 [3,8]
Allianz France Investissement IV, Paris	73.3 [3,8]
Allianz Impact Investment Fund S.A. SICAV-RAIF, Senningerberg	28.0 [3]
Allianz Invest Mündelrenten, Vienna	29.4 [3]
Allianz Life Insurance Co. Ltd., Tokyo	40.0
Alpha Asia Macro Trends Fund III Private Limited, Singapore	27.7 [3]
Archstone Multifamily Partners AC LP, Wilmington, DE	28.6 [3]
Areim Fastigheter 2 AB, Stockholm	23.3
Areim Fastigheter 3 AB, Stockholm	31.6
Assurcard S.A., Louvain	20.0

	% owned[1]
Assurpath S.A., Buenos Aires	40.0
Autoelektro tehnicki pregledi d.o.o., Vojnić	49.0
AWP Insurance Brokerage (Beijing) Co. Ltd., Beijing	100.0 [8]
Bajaj Allianz General Insurance Company Ltd., Pune	26.0
Bajaj Allianz Life Insurance Company Ltd., Pune	26.0
Beacon Platform Incorporated, Wilmington, DE	26.9
Berkshire Hathaway Services India Private Limited, New Delhi	20.0
Berkshire India Private Limited, New Delhi	20.0
Best Regain Limited, Hong Kong	16.4 [8]
Blue Vista Student Housing Select Strategies Fund L.P., Wilmington, DE	24.9
Broker on-line de Productores de Seguros S.A., Buenos Aires	30.0
Carlyle China Realty L.P., George Town	50.0 [3,8]
Carlyle China Rome Logistics L.P., George Town	38.2 [3]
CBRE Dutch Office Fund, Schiphol	26.0 [3]
Chicago Parking Meters LLC, Wilmington, DE	49.9
Cronos Vita S.p.A., Milan	10.0 [8]
Delgaz Grid S.A., Târgu Mures	30.0
Delong Limited, Hong Kong	16.4 [8]
Douglas Emmett Partnership X LP, Wilmington, DE	28.1 [3]
ERES APAC II (GP) S.à r.l., Luxembourg	29.5 [3]
European Outlet Mall Fund, Luxembourg	26.0 [3]
Fóndika S.A. de C.V. Distribuidora de Acciones de Fondos de Inversión, Mexico City	26.8
Four Oaks Place LP, Wilmington, DE	49.0
France Investissement Relance 2020, Paris	74.4 [3,8]
Fuella AS, Sandsli	35.0
Global Stream Limited, Hong Kong	16.4 [8]
Glory Basic Limited, Hong Kong	16.4 [8]
HPS A-Life Direct Lending Fund L.P., Wilmington, DE	100.0 [8]
HUB Platform Technology Partners Ltd., London	28.6
Jumble Succeed Limited, Hong Kong	16.4 [8]
Lennar Multifamily Venture LP, Wilmington, DE	11.3 [3,8]
Link (LRM) Limited, Hong Kong	16.4 [8]
Long Coast Limited, Hong Kong	16.4 [8]
Luxury Gain Limited, Hong Kong	16.4 [8]
Medgulf Takaful B.S.C.(c), Sanabis	25.0
MFM Holding Ltd., London	30.1
Modern Diamond Limited, Hong Kong	16.4 [8]
MSP Equity Fund LP, Wilmington, DE	21.0
MTech Capital Fund (EU) SCSp, Luxembourg	27.3
National Insurance Company Berhad Ltd., Bandar Seri Begawan	25.0
New Try Limited, Hong Kong	16.4 [8]
Nordic Ren-Gas Oy, Espoo	30.0
Ocean Properties LLP, Singapore	20.0

	% owned[1]
OeKB EH Beteiligungs- und Management AG, Vienna	49.0
Osiris Exchange Inc., Wilmington, DE	35.6
PIMCO BRAVO Fund IV Lux Feeder SCSp, Luxembourg	13.9 [3,8]
PIMCO Corporate Opportunities Fund III Lux Feeder SCSp, Luxembourg	38.0 [3]
PIMCO Corporate Opportunities Fund III Onshore Feeder L.P., Wilmington, DE	0.8 [3,8]
PIMCO Corporate Opportunities Fund IV CE L.P., Wilmington, DE	17.9 [8]
PIMCO ILS Fund SP I, George Town	19.4 [3,8]
PIMCO ILS Fund SP II, George Town	19.9 [3,8]
PIMCO Income Fundo De Investimento Multimercado Investimento No Exterior, Rio de Janeiro	4.5 [3,8]
Pool-ul de Asigurare Impotriva Dezastrelor Naturale SA, Bucharest	15.0 [8]
Praise Creator Limited, Hong Kong	16.4 [8]
Prime Space Limited, Hong Kong	16.4 [8]
Professional Agencies Reinsurance Limited, Hamilton	17.5 [8]
Quadgas Holdings Topco Limited, Saint Helier	13.0 [8]
Redwood Japan Logistics Fund II LP, Singapore	32.2 [3]
Residenze CYL S.p.A., Milan	33.3
Saint-Barth Assurances S.à r.l., Saint Barthelemy	33.0
Sanlam Allianz Africa (Pty) Ltd., Cape Town	41.0
Santéclair S.A., Nantes	46.6
SAS Alta Gramont, Paris	49.0
Scape Australia (Vulture) Trust, Sydney	27.6 [3]
Scape Australia Holding Trust, Sydney	27.6 [3]
Scape Australia Investment Trust No. 2, Sydney	50.0 [3,8]
Scape Australia Management Pty Ltd., Sydney	8.6 [8]
Scape Core Fund Operator Pty Ltd., Sydney	27.6 [3]
Scape Core Fund Trust, Sydney	27.6 [3]
Scape Holding Operator 2 Pty Ltd., Sydney	50.0 [3,8]
SCI Bercy Village, Paris	49.0
Sierra European Retail Real Estate Assets Holdings B.V., Amsterdam	25.0
Sino Phil Limited, Hong Kong	16.4 [8]
Smart Citylife S.r.l., Milan	29.0
SNC Alta CRP Gennevilliers, Paris	49.0
SNC Alta CRP La Valette, Paris	49.0
SNC Société d'aménagement de la Gare de l'Est, Paris	49.0
Summer Blaze Limited, Hong Kong	16.4 [8]
Supreme Cosmo Limited, Hong Kong	16.4 [8]
Sure Rainbow Limited, Hong Kong	16.4 [8]
Tikehau Real Estate III SPPICAV, Paris	12.2 [8]
UK Outlet Mall Partnership LP, Edinburgh	19.5 [8]
ULLIS Investments S.A. SICAV-RAIF, Luxembourg	27.9 [3]
Upward America Venture LP, Wilmington, DE	24.0 [3]
Vanbreda Nederland B.V., Gouda	25.0
Wildlife Works Carbon LLC, Wilmington, DE	9.6 [8]

	% owned[1]

1_Percentage includes equity participations held by dependent entities in full, even if the Allianz Group's share in the dependent entity is below 100 %.
2_Classified as affiliate according to IFRS 10.
3_Investment fund.
4_Releasing impact according to § 264 (3) HGB through the Allianz Group's consolidated financial statements.
5_Group share through indirect holder Roland Holding GmbH, Munich: 75.6 %.
6_Insolvent.
7_Classified as joint venture according to IFRS 11.
8_Classified as associate according to IAS 28.

The Allianz Group refrains from disclosure of participations which are not included in one of the above categories, as they are of minor importance for giving a true and fair view of the assets, liabilities, financial position, and profit or loss of the Allianz Group.

FURTHER INFORMATION

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RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Munich, 22 February 2024

Allianz SE
The Board of Management

Oliver Bäte	Sirma Boshnakova	Claire-Marie Coste-Lepoutre
Dr. Barbara Karuth-Zelle	Dr. Klaus-Peter Röhler	Dr. Günther Thallinger
Christopher Townsend	Renate Wagner	Dr. Andreas Wimmer

INDEPENDENT AUDITOR'S REPORT

To Allianz SE, Munich

Report on the audit of the consolidated financial statements and of the group management report

Audit opinions

We have audited the consolidated financial statements of Allianz SE, Munich, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2023, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Allianz SE including the non-financial group statement to comply with §§ [Articles] 315b to 315c HGB [Handelsgesetzbuch: German Commercial Code] included in section "Non-Financial Statement" for the financial year from 1 January to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. [paragraph] 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2023, and of its financial performance for the financial year from 1 January to 31 December 2023,
- the accompanying group management report (excluding the non-financial group statement) as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development; we do not express an audit opinion on those parts of the group management report listed in the "Other Information" section of our auditor's report and
- the non-financial group statement included in section "Non-Financial Statement" of the group management report is prepared, in all material respects, in accordance with the applicable German legal and European requirements as well as with the specifying criteria disclosed by the Group's executive directors.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements, on the group management report and on the non-financial group statement included in the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ Measurement of certain liabilities from insurance contracts issued in life and health insurance
❷ Measurement of certain liabilities from insurance contracts issued in property-casualty insurance
❸ Measurement of financial instruments using parameters not observable on the market and forward-looking information

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue
② Audit approach and findings
③ Reference to further information

Hereinafter we present the key audit matters:

❶ Measurement of certain liabilities from insurance contracts issued in life and health insurance

① In the consolidated financial statements of the Company, liabilities amounting to € 776,944 million (79.0 % of the consolidated total assets) are reported under the "Insurance contracts liabilities" balance sheet item, which are accounted for in accordance with

IFRS 17 beginning 1 January 2023. Of this amount, liabilities of € 680,654 million (69.2 % of the consolidated total assets) are relating to the life and health business segment. Within the life and health business segment, € 671,886 million of this is attributable to the liability, which is measured using the variable fee approach (VFA) or the general measurement model (GMM, also known as the building block approach).

To the extent that the above-mentioned liabilities are measured using the two measurement models, the measurement is based on complex actuarial methods (hereinafter referred to as the "measurement methods") on the basis of comprehensive processes for determining assumptions about future developments of the insurance portfolios to be valued. Within the measurement of the liabilities, the present values of the estimated future cash flows in particular are affected by possible material uncertainties. This uncertainty stems in particular from the methods used and the actuarial assumptions determined in connection with interest rates, investment income, mortality, disability, longevity, costs and policyholder behaviour.

Against this background and due to the material significance of the amounts for the group's assets, liabilities and financial performance as well as the complexity of determining the underlying assumptions and estimates made by the executive directors, the measurement of these liabilities was of particular significance in the context of our audit.

② As part of our audit, we assessed the appropriateness of selected controls of the Group for selecting the valuation methods applied as well as for determining assumptions and making estimates for the measurement of certain liabilities from insurance contracts issued.

With the involvement of our internal valuation specialists, we have compared the valuation methods and key assumptions with generally recognised actuarial methods and industry standards and examined to what extent these are suitable for measuring the liabilities. One focus was the assessment of the cash flows used by the IT systems used as well as the appropriate derivation and use of assumptions for the measurement of selected liabilities.

Based on our audit procedures, we were able to satisfy ourselves that the methods and assumptions used by the executive directors are appropriate overall for measuring certain technical liabilities.

③ The company's disclosures on the measurement of certain liabilities from insurance contracts issued in life and health insurance are contained in sections “Accounting policies” and “Insurance operations” of the notes to the consolidated financial statements.

❷ Measurement of certain liabilities from insurance contracts issued in property-casualty insurance

① In the consolidated financial statements of the Company, liabilities amounting to € 776,944 million (79.0 % of the consolidated total assets) are reported under the balance sheet item "Insurance contract liabilities" which are accounted for in accordance with IFRS 17 beginning 1 January 2023. Of this amount, liabilities € 96,339 million (9.8 % of the consolidated total assets) is attributable to the Property and Casualty Insurance business segment.

Within the insurance contracts liabilities, € 79,148 million is attributable to "Liability for incurred claims" in the property and casualty insurance segment, which recognises the expectations regarding insurance claims that have been incurred but not yet settled. These represent the company's expectation of future payments for known and unknown claims as well as the associated expenses. The company uses various methods to estimate these obligations. In addition, the measurement of this liability requires a significant degree of judgement by the executive directors of the Company regarding assumptions to be made, such as the impact of changing inflation rates, loss developments and regulatory changes. In addition, there is a significant judgement of the executive directors regarding the determination of the discount rate for calculating the liability. In particular, product lines with a low claims frequency, high individual claims or long claims settlement periods are usually subject to increased estimation uncertainties.

Due to the material significance of the amount of this liability for the Group's assets, liabilities, and financial performance as well as the considerable scope for judgement of the executive directors and the associated uncertainties in the estimations made, the measurement of certain liabilities from insurance contracts issued in property and casualty insurance was of particular significance in the context of our audit.

② As part of our audit, we assessed the appropriateness of selected controls of the Group for selecting actuarial methods as well as for determining assumptions and making estimates for the measurement of certain liabilities from insurance contracts issued in the property and casualty insurance.

With the involvement of our internal valuation specialists, we have compared the respective actuarial methods and key assumptions with generally recognised actuarial methods and industry standards and examined to what extent these are suitable for measuring the liabilities. Our audit also included an evaluation of the appropriateness and integrity of the data and assumptions, including the assessment of the executive directors regarding the impact of changing inflation rates, used in the valuation and a reconstruction of the claims settlement process. Furthermore, we recalculated the amount of the liability for selected lines of product, in particular lines of product with large liability amounts or increased estimation uncertainties. For these lines of product, we compared the amounts calculated by us with the values determined by the Company for the liabilities and evaluated any differences. We also examined whether any adjustments to estimates in the loss reserves were adequately documented and substantiated.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions used by the executive directors are appropriate overall for measuring the technical liabilities in property and casualty insurance.

③ The company's disclosures on the measurement of liabilities for outstanding claims in property and casualty insurance are contained in sections “Accounting policies” and on “Insurance operations” of the notes to the consolidated financial statements.

❸ Measurement of financial instruments using parameters not observable on the market and forward-looking information

① Financial instruments of € 721,802 million (73.4 % of the consolidated total assets) are reported in the consolidated financial statements of the Company.

Of these financial instruments, financial assets totalling € 704,390 million are measured at fair value, of which in turn the fair values of € 220.967 million are calculated using valuation models or based on third-party value indicators. These financial instruments in particular relate to unlisted securities, other loans, derivatives and investments in infrastructure, private equity and real estate.

Of the financial instruments reported in the consolidated financial statements, financial assets in the amount of € 8,829 million are measured at amortised cost and € 562,693million at fair value through other comprehensive income. Of this amount, € 543,510 million is attributable to debt instruments for which a risk provision totalling € 1,125 million was recognised as at the reporting date to take account of impairments for expected credit losses in accordance with the requirements of IFRS 9 (Expected Credit Loss), as applicable since 1 January 2023.

The measurement of financial instruments whose fair value must be determined using valuation models or value indicators from third parties is subject to uncertainty, as input parameters that are not observable in an active market are used for the measurement or comparative values are not always available and therefore estimated values are also used. Forward-looking macroeconomic forecasts are also included in the model valuation to take account of impairments for expected credit losses.

Model-measured financial instruments are subject to an increased measurement risk due to the reduced objectivity and the underlying judgements, estimates and assumptions made by the executive directors. As the estimates and assumptions used, in particular those relating to interest rates and cash flows, and the valuation methods applied may have a material impact on the valuation of these financial instruments and on the Group's assets, liabilities and financial performance, and extensive disclosures on valuation methods and judgements are also required in the notes, this matter was of particular significance in the context of our audit.

② As part of our audit, we assessed the appropriateness and effectiveness of the controls for the valuation of model-measured financial instruments and financial instruments measured on the basis of third-party indicators. In addition, we assessed, among other things, the integrity of the underlying data and the process for determining the assumptions, estimates and forward-looking information used in the valuation.

With the support of our internal valuation specialists, we also assessed the appropriateness of the methods applied by the executive directors to determine the fair values and the parameters used. We compared the methods and assumptions used to calculate valuation adjustments in the financial year with recognised practices and industry standards and examined the extent to which they are suitable for proper accounting. To assess the inclusion of forward-looking information in the model-based calculation of impairment for expected credit losses, we involved internal specialists with particular expertise in the field of credit risk modelling. We also evaluated the disclosures on valuation methods and judgements contained in the notes to the consolidated financial statements.

On the basis of the audit procedures performed, we were able to satisfy ourselves that the methods and assumptions used by the executive directors to measure certain financial instruments (modelled and measured based on third-party indicators) and the consideration of forward-looking information in determining the impairment for expected credit losses are appropriate overall and that the explanations and disclosures presented in the notes to the consolidated financial statements are appropriate.

③ The company's disclosures on the measurement of financial instruments are contained in sections “Accounting policies” and “Investments” of the notes to the consolidated financial statements.

Other information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the group statement on corporate governance pursuant to § 315d HGB included in section “Corporate Governance Statement” of the group management report
- the disclosures marked as unaudited in the group management report

The other information comprises further

- the remuneration report pursuant to § 162 AktG [Aktiengesetz: German Stock Corporation Act], for which the supervisory board is also responsible
- all remaining parts of the group annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor’s report

Our audit opinions on the consolidated financial statements, on the group management report and on the non-financial group statement included in the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the executive directors and the supervisory board for the consolidated financial statements and the group management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group’s position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The executive directors are also responsible for the preparation of the non-financial group statement included in the group management report in accordance with the applicable German legal and European requirements as well as with the specifying criteria disclosed by the Group's executive directors. Furthermore, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a non-financial group statement that is free from material misstatement, whether due to fraud (i.e., fraudulent reporting in the non-financial group statement) or error.

The applicable requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which authoritative comprehensive interpretations have not yet been published. Accordingly, the executive directors have disclosed their interpretations of such wording and terms in section "EU Taxonomy Regulation" of the non-financial group statement. The executive directors are responsible for the defensibility of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of these interpretations is uncertain.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements, of the group management report as well as of the non-financial group statement included in the group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, and whether the non-financial group statement has been prepared, in all material respects, in accordance with the applicable German legal and European requirements and with the specifying criteria disclosed by the Company's executive directors, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements, on the group management report and on the non-financial group statement.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report and of the non-financial group statement included in the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.
- Evaluate the suitability of the criteria presented by the executive directors in the non-financial group statement as a whole. As

explained in the description of the responsibilities of the executive directors, the executive directors have interpreted the wording and terms contained in the relevant regulations; the legal conformity of these interpretations is subject to inherent uncertainties mentioned in this description. Those inherent uncertainties in the interpretation apply to our audit accordingly.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the consolidated financial statements and the group management report prepared for publication purposes in accordance with § 317 Abs. 3a HGB

Assurance opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file Allianz SE_KA+KLB_ESEF-2023-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the assurance opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the executive directors and the supervisory board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 4 May 2023. We were engaged by the supervisory board on 11 May 2023. We have been the group auditor of the Allianz SE, Munich, without interruption since the financial year 2018.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to another matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Florian Möller.

Munich, 26 February 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Florian Möller	Clemens Koch
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

AUDITOR'S REPORT

Auditor's report

To Allianz SE, Munich

We have audited the remuneration report of Allianz SE, Munich, for the financial year from 1. January to 31. December 2023 including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of the executive directors and the supervisory board

The executive directors and the supervisory board of Allianz SE are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of the remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit opinion

In our opinion, based on the findings of our audit, the remuneration report for the financial year from 1. January to 31. December 2023, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

Reference to another matter – formal audit of the remuneration report according to § 162 AktG

The audit of the content of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

Restriction on use

We issue this auditor's report on the basis of the engagement agreed with Allianz SE. The audit has been performed only for purposes of the company and the auditor's report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor's report is only towards the company in accordance with this engagement. The auditor's report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. § 334 BGB [Bürgerliches Gesetzbuch: German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.

Munich, 26 February 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Florian Möller	Dennis Schnittger
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Further Allianz publications

Allianz Sustainability Report 2023

The Allianz Group Sustainability Report "Courage to move forward" covers our contribution to the environment, society and economy. It provides full details of our sustainability strategy, approach and progress in 2023 as well as an outlook for 2024.
Date of publication: 7 March 2024 **www.allianz.com/sustainability**

Allianz People Fact Book 2023

The People Fact Book is the official and most comprehensive report on our workforce facts and figures, highlighting major HR achievements over the past year and revealing the outlook for 2024.
Date of publication: 7 March 2024 **www.allianz.com/hrfactbook**

Guideline on Alternative Performance Measures

Further information on the definition of our Alternative Performance Measures and their components, as well as the basis of the calculation adopted **www.allianz.com/results**

Allianz at a glance

You can find informative overviews of the past years on our website:
Allianz share key indicators: **www.allianz.com/key-indicators-share**
Allianz Group key indicators: **www.allianz.com/key-indicators-group**

Financial calendar

Important dates[1]

Annual General Meeting	8 May 2024
Financial Results 1Q	15 May 2024
Financial Results 2Q/Interim Report 6M	8 August 2024
Financial Results 3Q	13 November 2024
Financial Results 2024	28 February 2025
Annual Report 2024	14 March 2025
Annual General Meeting	7 May 2025

1_The German Securities Trading Act ("Wertpapierhandelsgesetz") obliges issuers to announce immediately any information which may have a substantial price impact, irrespective of the communicated schedules. Therefore we cannot exclude that we have to announce key figures related to quarterly and fiscal year results ahead of the dates mentioned above. As we can never rule out changes to these dates, we recommend checking them online on the **Allianz company website.**

Imprint

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Annual Report online: www.allianz.com/annualreport

Date of publication: 7 March 2024

This is a translation of the German Annual Report of the Allianz Group.
In case of any divergences, the German original is legally binding.