

Munich, May 12, 2023

EARNINGS RELEASE: 1Q 2023

ALLIANZ INCREASES OPERATING PROFIT BY ALMOST A QUARTER TO 3.7 BILLION EUROS

GROUP CONFIRMS FULL-YEAR OUTLOOK

1Q 2023:

- Total business volume rises 3.9 percent to 46.0 billion euros
- Operating profit increases 24.2 percent to 3.7 billion euros; strong performance particularly in Life/Health and Property-Casualty business segments
- Shareholders' core net income strong at 2.2 billion euros
- Strong Solvency II capitalization ratio of 206 percent, compared with 201 percent at the end of 4Q 2022¹

Outlook:

- 2023 operating profit target confirmed at 14.2 billion euros, plus or minus 1 billion euros²

Other:

- New share buy-back program of up to 1.5 billion euros announced

Note: 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.

¹ Excluding the application of transitional measures for technical provisions.

² As always, natural catastrophes and adverse developments in the capital markets, as well as factors stated in our cautionary note regarding forward-looking statements may severely affect the operating profit and/or net income of our operations and the results of the Allianz Group.

"We can be proud of our operating profit and bottom line, a reflection of our strength, our skills, and consistent execution of our strategy. We once again benefited from our diversified business mix and delivered particularly strong performance in the Property-Casualty segment, driven by robust pricing, continued underwriting discipline and focus on further productivity gains. Our strong profitability and capitalization underscore our aspiration to remain the trusted partner for our clients to secure their futures as they continue to navigate a time of hesitation and uncertainty."

- Oliver Bäte, Chief Executive Officer of Allianz SE

FINANCIAL HIGHLIGHTS

Total business volume

1Q 2023: Total business volumes rose by 3.9 percent to 46.0 billion euros, driven by the Property-Casualty business segment which benefited from higher prices and volumes. This result was partly offset by lower business volumes in the Life/Health business segment, primarily due to softer single-premium volumes, and a decrease in AuM-driven revenues in our Asset Management business segment.

Internal growth, which adjusts for foreign currency translation and consolidation effects, was strong at 3.5 percent, driven by the Property-Casualty business segment.

Earnings

1Q 2023: Operating profit jumped 24.2 percent to 3.7 (1Q 2022: 3.0) billion euros. This is due to a higher result of our US operations in the Life/Health business segment, and a stronger insurance service result in the Property-Casualty business segment. This was partly offset by the Asset Management business segment due to reduced AuM-driven revenues and a higher cost-income ratio.

Shareholders' core net income was strong at 2.2 (1Q 2022: 0.4) billion euros due to both a higher operating profit and an improved non-operating result. Non-operating result in the prior year was impacted by a provision related to the AllianzGI US Structured Alpha matter.

Net income attributable to shareholders was 2.0 (1Q 2022: 0.5) billion euros, up substantially in part due to the aforementioned provision.

Core Earnings per Share (EPS)³ was 5.43 (1Q 2022: 1.02) euros.

The annualized Core Return on Equity (RoE)³ was 15.6 percent (full year 2022: 12.7 percent).

On May 10, 2023, Allianz has announced a new share buy-back program of up to 1.5 billion euros. The program shall start end-May 2023 and be finalized by December 31, 2023, at the latest.

³ EPS and RoE calculation based on shareholder's core net income

Solvency II Capitalization Ratio

The **Solvency II capitalization ratio** was 206 percent at the end of 1Q 2023 compared with 201 percent at the end of 4Q 2022. Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio was 232 percent at the end of the first quarter of 2023 compared with 230 percent at the end of 2022.

SEGMENTAL HIGHLIGHTS

"Allianz's first quarter results demonstrated strong performance and proven resilience across all segments. With the first-time application of IFRS 9 and 17, we delivered our results with even more clarity and transparency and proved our ability to create value.

- Our **Property-Casualty** business showed excellent internal growth, driven by healthy pricing that contributed to offset the impact of inflation. The significant increase in operating profit is due to our strict underwriting discipline and focus on productivity gains.
- Value creation in our **Life/Health** business is strong. Our profitability is well supported by the solidity of our in-force business as well as the robustness of new business value.
- Our active **Asset Management** recorded 14.9 billion euros net inflows and our third-party assets under management reached 1.7 trillion euros. This bodes well for a solid profitability development.

We confirm our full-year outlook of operating profit of 14.2 billion euros, plus or minus 1 billion euros."

- Giulio Terzariol, Chief Financial Officer of Allianz SE

Property-Casualty insurance: Dynamic growth

1Q 2023: Total business volume rose by 11.2 percent to 24.1 (21.7) billion euros. Adjusted for foreign currency translation and consolidation effects, **internal growth** was strong at 11.1 percent due to a volume effect of 5.0 percent, a price effect of 5.6 percent as well as a service effect of 0.5 percent. The main contributors to the increase were AGCS, Türkiye, Allianz Partners and Germany.

Operating profit surged by 22.7 percent to 1.9 (1.5) billion euros, due to a higher operating insurance service result that was partly offset by a slightly lower operating investment result.

The **combined ratio** improved by 1.9 percentage points to 91.9 percent (93.8 percent). The loss ratio benefited from a higher discounting effect and lower claims from natural catastrophes. This was partly offset by a lower run-off result. The expense ratio improved by 0.5 percentage points to 24.9 percent (25.4 percent).

Life/Health insurance: Excellent new business margin

1Q 2023: PVNBP, the present value of new business premiums amounted to 18.5 (21.1) billion euros, driven primarily by lower single premium volumes in Germany and Italy, slightly offset by increased volumes in the United States as a result of a fixed index annuities sales promotion. Further decreases in Germany were driven by economic impacts, primarily higher discounting on recurring premiums.

Operating profit increased to 1.3 (0.8) billion euros and benefited in particular from a higher result in the United States. The release of the Contractual Service Margin (CSM) was stable and in line with expectations.

Contractual Service Margin (CSM) at 52.4 billion euros, up by 0.2 billion euros from the end of 2022. Healthy value of new business and the expected in-force return resulted in solid normalized growth of 1.1 percent in the first quarter.

The **new business margin (NBM)** increased to 5.5 percent (4.9 percent), driven by an improved business mix and higher interest rates. The **value of new business (VNB)** was stable at 1.0 (1.0) billion euros.

Asset Management: Positive net inflows

1Q 2023: **Operating revenues** were 1.9 billion euros, down by 8.1 percent. Higher performance fees were more than offset by lower AuM-driven revenues.

Operating profit was 723 (832) million euros, down 13.2 percent from the prior-year period. Adjusted for foreign currency translation effects, operating profit decreased by 16.0 percent. **The cost-income ratio (CIR)** rose to 62.0 percent (59.7 percent).

Third-party assets under management were 1.668 trillion euros as of March 31, 2023, up by 33 billion euros from the end of 2022. Positive net inflows of 14.9 billion euros and favorable market impacts of 42.2 billion euros were partially offset by negative foreign currency translation effects of 23.4 billion euros.

Total assets under management were 2.174 trillion euros at the end of the first quarter of 2023, reflecting the trend in the third-party assets under management.

1Q 2023 RESULTS TABLE

Allianz Group - key figures 1st quarter 2023

		1Q 2023	1Q 2022	Delta	
Total business volume	€ bn	46.0	44.3	3.9%	
- Property-Casualty	€ bn	24.1	21.7	11.2%	
- Life/Health	€ bn	20.1	20.6	-2.6%	
- Asset Management	€ bn	1.9	2.1	-8.1%	
- Consolidation	€ bn	-0.2	-0.1	4.6%	
Operating profit / loss	€ mn	3,731	3,004	24.2%	
- Property-Casualty	€ mn	1,872	1,526	22.7%	
- Life/Health	€ mn	1,320	806	63.8%	
- Asset Management	€ mn	723	832	-13.2%	
- Corporate and Other	€ mn	-176	-201	-12.3%	
- Consolidation	€ mn	-7	42	n.m.	
Net income	€ mn	2,160	585	269%	
- attributable to non-controlling interests	€ mn	128	111	15.3%	
- attributable to shareholders	€ mn	2,032	474	329%	
Shareholders' core net income¹	€ mn	2,173	417	421%	
Core earnings per share²	€	5.43	1.02	431%	
Additional KPIs					
- Group	Core return on equity ³	%	15.6%	12.7%	2.9%
- Property-Casualty	Combined ratio	%	91.9%	93.8%	-1.9% -p
- Life/Health	New business margin	%	5.5%	4.9%	0.6% -p
- Asset Management	Cost-income ratio	%	62.0%	59.7%	2.2% -p
		03/31/2023	12/31/2022	Delta	
Shareholders' equity⁴	€ bn	56.8	54.4	4.3%	
Contractual service margin (net)	€ bn	32.1	31.7	1.2%	
Solvency II capitalization ratio⁵	%	206%	201%	5% -p	
Third-party assets under management	€ bn	1,668	1,635	2.0%	

Please note: The figures are presented in millions of Euros, 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.

- 1_ Presents the portion of shareholders' net income before non-operating market movements and before amortization of specific/certain acquisition-related intangible assets (including any related tax effects).
- 2_ 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).
- 3_ Represents the annualized ratio of shareholders' core net income to the average shareholders' equity at the beginning and at the end of the period. Shareholders' core net income is adjusted for net financial charges related to undated subordinated bonds classified as shareholders' equity. From the average shareholders' equity undated subordinated bonds classified as shareholders' equity and net OCI are excluded. Annualized figures are not a forecast for full year numbers. For 1Q 2022, the core return on equity for the respective full year is shown.
- 4_ Excluding non-controlling interests.
- 5_ Risk capital figures are group diversified at 99.5% confidence level. Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio is 232% as of 31 March 2023.

Glossary

Total business volume: Total business volume presents a measure for the overall amount of business generated during a specific reporting period. 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.

The definition of total business volume is comparable to the definition of total revenues previously used in Allianz Group. The revenues from our banking business, however, are no longer part of the total business volume anymore as the remaining banking activities can be considered immaterial.

Shareholders' core net income: Presents the portion of shareholders' net income before non-operating market movements and before amortization of specific/certain acquisition-related intangible assets (including any related tax effects).

Operating insurance service result: Presents in profit or loss insurance revenue, insurance service expenses including incurred claims and other incurred insurance service expenses as well as the reinsurance service result. The following components are also included by Allianz: 1) Non-attributable acquisition, administrative and claims expenses of our operating entities which under IFRS 4 were also included in the underwriting result; 2) Adjustments for claims and expense variances where our operating entities share the technical results with the policyholders (only for insurance contracts under the variable fee approach); 3) Restructuring expenses that are shared with the policyholder.

Annualized Core Return on Equity (RoE): Represents the annualized ratio of shareholders' core net income to the average shareholders' equity at the beginning and at the end of the period. Shareholders' core net income is adjusted for net financial charges related to undated subordinated bonds classified as shareholders' equity. From the average shareholders' equity undated subordinated bonds classified as shareholders' equity and net OCI ("Other comprehensive income") are excluded.

Combined ratio: Represents the total of acquisition and administrative expenses, claims and insurance benefits incurred, and the reinsurance result divided by insurance revenue.

Contractual Service Margin (CSM): Balance sheet liability, containing deferred discounted future profits of in-force long duration business.

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RELATED LINKS

Media Conference

May 12, 2023, 11:00 AM CEST: YouTube [English line](#)

Analyst Conference

May 12, 2023, 1:30 PM CEST: YouTube [English line](#)

Results

The results and related documents can be found in the [download center](#).

IFRS 9/17

More details about the new accounting standards IFRS 9 and 17 can be found [here](#).

UPCOMING EVENTS

Financial Results 2Q 2023
August 10, 2023

More information can be found in the [financial calendar](#).

About Allianz

The Allianz Group is one of the world's leading insurers and asset managers with more than 122 million* private and corporate customers in more than 70 countries. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing around 717 billion euros** on behalf of its insurance customers. Furthermore, our asset managers PIMCO and Allianz Global Investors manage about 1.7 trillion euros** of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we are among the leaders in the insurance industry in the Dow Jones Sustainability Index. In 2022, over 159,000 employees achieved total revenues of 152.7 billion euros and an operating profit of 14.2 billion euros for the group***.

*Including non-consolidated entities with Allianz customers.

**As of March 31, 2023.

*** As reported – not adjusted to reflect the application of IFRS 9 and IFRS 17.

These assessments are, as always, subject to the disclaimer provided below.

Cautionary note regarding forward-looking statements

This document includes forward-looking statements, such as prospects or expectations, that are based on management's current views and assumptions and subject to known and unknown risks and uncertainties. Actual results, performance figures, or events may differ significantly from those expressed or implied in such forward-looking statements.

Deviations may arise due to changes in factors including, but not limited to, the following: (i) the general economic and competitive situation in the Allianz's core business and core markets, (ii) the performance of financial markets (in particular market volatility, liquidity, and credit events), (iii) adverse publicity, regulatory actions or litigation with respect to the Allianz Group, other well-known companies and the financial services industry generally, (iv) the frequency and severity of insured loss events, including those resulting from natural catastrophes, and the development of loss expenses, (v) mortality and morbidity levels and trends, (vi) persistency levels, (vii) the extent of credit defaults, (viii) interest rate levels, (ix) currency exchange rates, most notably the EUR/USD exchange rate, (x) changes in laws and regulations, including tax regulations, (xi) the impact of acquisitions including and related integration issues and reorganization measures, and (xii) the general competitive conditions that, in each individual case, apply at a local, regional, national, and/or global level. Many of these changes can be exacerbated by terrorist activities.

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.

Other

The figures regarding the net assets, financial position and results of operations have been prepared in conformity with International Financial Reporting Standards. This Quarterly Earnings Release is not an Interim Financial Report within the meaning of International Accounting Standard (IAS) 34.

This is a translation of the German Quarterly Earnings Release of the Allianz Group. In case of any divergences, the German original is binding.

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