

Munich, November 10, 2023

## EARNINGS RELEASE: 3Q AND 9M 2023

# ALLIANZ INCREASES REVENUES BY 4.5 % TO 36.5 BILLION EUROS

## GROUP AFFIRMS FULL-YEAR OUTLOOK

### 3Q 2023:

- Total business volume increases 4.5 percent to 36.5 billion euros
- Operating profit softens by 14.6 percent to 3.5 billion euros; driven by the Property-Casualty business segment affected by a 7.3 percentage point impact by natural catastrophes on the combined ratio, the highest in a decade
- Shareholders' core net income 2.1 billion euros, down by 29.3 percent

### 9M 2023:

- Total business volume rises 4.7 percent to 122.1 billion euros
- Operating profit increases 3.6 percent to 11.0 billion euros: primarily driven by the Life/Health business segment
- Shareholders' core net income 6.8 billion euros, up by 25.5 percent
- Further improved Solvency II capitalization ratio of 212 percent, compared with 201 percent at the end of 4Q 2022<sup>1</sup>

### Outlook:

- 2023 operating profit target confirmed at 14.2 billion euros, plus or minus 1 billion euros<sup>2</sup>

### Other:

- Share buy-back of up to 1.5 billion euros close to completion

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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 January 1, 2023. Comparative periods have been adjusted to reflect the application of these new accounting standards.

<sup>1</sup> Excluding the application of transitional measures for technical provisions.

<sup>2</sup> 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.

“In the first nine months of this year, we have seen robust growth in our business volume, operating profit as well as core net income. We have also further strengthened our solvency position at 212%. Our focus on execution and operational efficiency is enabling our profitable growth with healthy margins, and this places Allianz on an excellent trajectory to achieve our targets. We confirm with confidence our operating profit target of 14.2 billion euros, plus or minus 1 billion euros.

Our resiliency as a company reflects the distinctive advantages of our global scale, diversified business mix, and the industry-leading levels of trust and engagement that we have earned with our stakeholders.”

- Oliver Bäte, Chief Executive Officer of Allianz SE

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## FINANCIAL HIGHLIGHTS

### Total business volume

**3Q 2023:** Total business volume rose by 4.5 percent to 36.5 billion euros, driven by the Property-Casualty business segment which benefitted from higher prices and volumes while the growth of the Life/Health business segment was primarily linked to strong single-premium volumes in the United States. This growth was partially offset by softer AuM-driven revenues in our Asset Management business segment.

Internal growth, which adjusts for foreign currency translation and consolidation effects, was 9.3 percent, driven by the Property-Casualty and Life/Health business segments.

**9M 2023:** Total business volume rose by 4.7 percent to 122.1 billion euros, driven by the Property-Casualty business segment, supported by the Life/Health business segment, and partially offset by the development in our Asset Management business segment.

Internal growth was at 7.0 percent, driven by the Property-Casualty business segment.

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### Earnings

**3Q 2023:** Operating profit was 3.5 (3Q 2022: 4.1) billion euros, down by 14.6 percent. This was mainly due to a lower operating insurance service result in the Property-Casualty business segment driven by an exceptional high level of claims from natural catastrophes.

Shareholders' core net income declined to 2.1 (3Q 2022: 2.9) billion euros due to a lower operating profit and non-operating result. The prior year non-operating result benefitted from the Voya transaction.

Net income attributable to shareholders was 2.0 (3Q 2022: 2.9) billion euros.

Core earnings per share (core EPS)<sup>3</sup> was 16.62 (9M 2022: 12.97) euros.

The annualized core return on equity (RoE)<sup>3</sup> was 15.8 percent (full year 2022: 12.7 percent).

**9M 2023:** Operating profit increased 3.6 percent to 11.0 (9M 2022: 10.6) billion euros. This was mainly due to a higher operating investment result in our Life/Health business segment, supported by our Property-Casualty business segment. Operating profit from our Asset Management business segment developed in line with lower AuM-driven revenues, partially compensated by higher performance fees and lower expenses.

Shareholders' core net income was 6.8 (9M 2022: 5.4) billion euros due to a lower non-operating profit in the prior period related to the AllianzGI US Structured Alpha provision, and an improved operating profit in the current period.

Net income attributable to shareholders was 6.4 (9M 2022: 5.3) billion euros.

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3 Core EPS and core RoE calculation based on shareholders' core net income.

## Solvency II capitalization ratio

The Solvency II capitalization ratio was 212 percent at the end of 3Q 2023 compared with 208 percent at the end of 2Q 2023. Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio was 238 percent at the end of the third quarter of 2023 compared with 235 percent at the end of the second quarter of 2023.

# SEGMENTAL HIGHLIGHTS

"The results of this quarter, characterized by high inflation and geopolitical tensions, demonstrate again the strength and the resilience of our diversified business model.

- Our **Property-Casualty** business showed healthy internal growth which was well balanced between rate increases and higher volumes. We supported our customers impacted by an unusually high level of natural catastrophes which also affected our results.
- Strong growth in the PVNBP in our **Life/Health** segment is evidence of the attractive value proposition for our clients in a competitive environment. Together with healthy new business margins, this bodes well for future operating profitability.
- In an environment characterized by inflation and capital market volatility our **Asset Management** had another quarter with positive net inflows. The operating result was well supported by our resilient asset base.

Our ability to grow and generate attractive returns for our stakeholders is well supported by an excellent capital position with a solvency ratio of 212 percent."

- Giulio Terzariol, Chief Financial Officer of Allianz SE

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## Property-Casualty insurance: Strong business growth

**3Q 2023:** Total business volume increased by 6.1 percent to 17.2 (16.2) billion euros. Adjusted for foreign currency translation and consolidation effects, internal growth was strong at 10.8 percent due to a price effect of 5.3 percent, a volume effect of 4.9 percent as well as a service effect of 0.6 percent. The primary contributors were Türkiye and Allianz Partners, among many entities.

**Operating profit** softened 25.0 percent to 1.4 (1.9) billion euros, due to a lower operating insurance service result driven by an exceptionally high level of natural catastrophes, that was partly offset by a higher operating investment result.

The **combined ratio** rose by 3.7 percentage points to 96.2 percent (92.5 percent). The loss ratio went up 3.0 percentage points to 71.0 percent, reflecting exceptionally higher claims from natural catastrophes. The expense ratio increased by 0.7 percentage points to 25.1 percent (24.4 percent) mainly because of a higher administrative expense ratio.

**9M 2023:** **Total business volume** increased by 8.7 percent to 58.9 (54.2) billion euros. Adjusted for foreign currency translation and consolidation effects, **internal growth** was very strong at 11.2 percent, supported by a price effect of 6.1 percent, a volume effect of 4.9 percent and a service effect of 0.2 percent. Allianz Partners and Türkiye were the main contributors among many entities.

**Operating profit** rose by 1.1 percent to 5.3 (5.2) billion euros, driven by a higher operating investment result.

The **combined ratio** increased by 0.5 percentage points to 93.5 percent (92.9 percent). The loss ratio went up 0.4 percentage points to 68.5 percent mainly due to a less favorable run-off result. That was partially offset by lower large losses and a favorable impact from discounting. The expense ratio was stable at 24.9 percent (24.8 percent).

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## Life/Health insurance: Healthy earnings power

**3Q 2023:** **PVNB**, the present value of new business premiums, increased to 14.4 (13.5) billion euros, driven by higher volumes in Italy and the United States, partially offset by foreign currency translation effects in the United States, Asia Pacific, and Türkiye, as well as unfavorable economic impacts primarily from discounting in Germany, France, and Italy.

**Operating profit** softened slightly to 1.3 (1.4) billion euros primarily driven by foreign currency translation effects and transitional impacts linked to the adoption of IFRS 17 in the United States in the prior year. The release of the Contractual Service Margin (CSM) remained stable at 1.3 (1.3) billion euros.

**Contractual service margin (CSM)** decreased to 52.1 (52.9) billion euros due to unfavorable economic developments with higher interest rates and lower equity markets, and from a cost correction at Germany. New business and expected in-force return were lower than previous quarter, which led to normalized growth of 0.7 percent in the third quarter.

The **new business margin (NBM)** was 6.2 percent (6.5 percent). The **value of new business (VNB)** remained stable at 0.9 (0.9) billion euros, with increased volume in Italy, and an improved business mix in Asia Pacific.

**9M 2023:** **PVNB** decreased to 50.6 (51.1) billion euros, including unfavorable economic impacts primarily from discounting in Germany, France, and Italy, offset by increases in volume in the United States.

**Operating profit** increased to 3.8 (3.2) billion euros as last year was affected mainly by transitional impacts linked to adoption of IFRS 17 in the United States. The release of the Contractual Service Margin (CSM) was stable at 3.7 (3.7) billion euros.

**Contractual service margin (CSM)** was stable at 52.1 (52.2) billion euros, with a slight decrease triggered by the third quarter. The normalized growth was 3.3 percent.

The **new business margin** increased to 5.9 percent (5.7 percent), driven by overall favorable economics across entities. The **value of new business** remained stable at 3.0 (2.9) billion euros, with slight increase due to higher volumes and favorable economic impacts.

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## Asset Management: Positive net inflows

**3Q 2023:** Operating revenues were 2.0 billion euros, down 2.7 percent, as higher performance fees were more than offset by lower AuM-driven revenues. Adjusted for foreign currency translation effects operating revenues were up 3.3 percent.

Operating profit was stable compared to the prior-year period with 788 (787) million euros. Adjusted for foreign currency translation effects, operating profit increased by 6.5 percent. The cost-income ratio (CIR) improved to 60.5 percent (61.6 percent).

Third-party assets under management were 1.670 trillion euros as of September 30, 2023, up by 8 billion euros from the end of the second quarter 2023. Favorable foreign currency translation effects of 34.4 billion euros and net inflows of 10.5 billion euros were largely offset by market effects of 37.1 billion euros.

Total assets under management were 2.162 trillion euros at the end of the third quarter of 2023, down 1 billion euros from the end of the second quarter 2023, and in line with stable results for the third-party assets under management, including net inflows of 9.9 billion euros.

**9M 2023:** Operating revenues decreased by 5.9 percent to 5.8 billion euros mainly as a result of lower AuM-driven revenues. Operating profit was 2.2 (2.4) billion euros, down 7.4 percent from the prior-year period. Adjusted for foreign currency translation effects, operating profit was down 5.8 percent. The cost-income ratio (CIR) rose to 61.7 percent (61.0 percent). Third-party assets under management were 1.670 trillion euros as of September 30, 2023, up by 35 billion euros from the end of 2022.

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# 3Q & 9M 2023 RESULTS TABLE

## Allianz Group - key figures 3rd quarter and first nine months 2023

		3Q 2023	3Q 2022	Delta	9M 2023	9M 2022	Delta
<b>Total business volume</b>	€ bn	<b>36.5</b>	<b>34.9</b>	<b>4.5%</b>	<b>122.1</b>	<b>116.6</b>	<b>4.7%</b>
- Property-Casualty	€ bn	17.2	16.2	6.1%	58.9	54.2	8.7%
- Life/Health	€ bn	17.5	16.9	3.7%	57.9	56.8	2.0%
- Asset Management	€ bn	2.0	2.1	-2.7%	5.8	6.1	-5.9%
- Consolidation	€ bn	-0.2	-0.2	-13.0%	-0.5	-0.5	-7.0%
<b>Operating profit / loss</b>	€ mn	<b>3,468</b>	<b>4,062</b>	<b>-14.6%</b>	<b>10,981</b>	<b>10,598</b>	<b>3.6%</b>
- Property-Casualty	€ mn	1,446	1,928	-25.0%	5,301	5,243	1.1%
- Life/Health	€ mn	1,308	1,375	-4.9%	3,830	3,162	21.1%
- Asset Management	€ mn	788	787	0.1%	2,214	2,392	-7.4%
- Corporate and Other	€ mn	-71	-59	21.8%	-358	-324	10.6%
- Consolidation	€ mn	-4	30	n.m.	-6	124	n.m.
<b>Net income</b>	€ mn	<b>2,130</b>	<b>3,001</b>	<b>-29.0%</b>	<b>6,776</b>	<b>5,676</b>	<b>19.4%</b>
- attributable to non-controlling interests	€ mn	108	136	-20.1%	386	359	7.7%
- attributable to shareholders	€ mn	2,021	2,866	-29.5%	6,390	5,317	20.2%
<b>Shareholders' core net income<sup>1</sup></b>	€ mn	<b>2,060</b>	<b>2,912</b>	<b>-29.3%</b>	<b>6,750</b>	<b>5,378</b>	<b>25.5%</b>
<b>Core earnings per share<sup>2</sup></b>	€	<b>5.22</b>	<b>7.23</b>	<b>-27.8%</b>	<b>16.62</b>	<b>12.97</b>	<b>28.2%</b>
<b>Additional KPIs</b>							
- Group	Core return on equity <sup>3</sup>	%	-	-	15.8%	12.7%	3.1% -p
- Property-Casualty	Combined ratio	%	96.2%	92.5%	3.7% -p	93.5%	0.5% -p
- Life/Health	New business margin	%	6.2%	6.5%	-0.3% -p	5.9%	0.2% -p
- Asset Management	Cost-income ratio	%	60.5%	61.6%	-1.1% -p	61.7%	0.6% -p
					09/30/2023	12/31/2022	Delta
<b>Shareholders' equity<sup>4</sup></b>	€ bn				<b>56.1</b>	<b>54.4</b>	<b>3.1%</b>
<b>Contractual service margin (net)</b>	€ bn				<b>32.6</b>	<b>31.7</b>	<b>2.9%</b>
<b>Solvency II capitalization ratio<sup>5</sup></b>	%				<b>212%</b>	<b>201%</b>	<b>11% -p</b>
<b>Third-party assets under management</b>	€ bn				<b>1,670</b>	<b>1,635</b>	<b>2.2%</b>

**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 intangible assets from business combinations (including any related income 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 9M 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 238% as of 30 September 2023.

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## RELATED LINKS

### Media Conference

November 10, 2023, 11:00 AM CET: YouTube [English line](#)

### Analyst Conference

November 10, 2023, 2:30 PM CET: 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 4Q & FY 2023

February 23, 2024

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 706 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 September 30, 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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