Allianz

Allianz Group Annual Report 2021

Building confidence in tomorrow

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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.

TO OUR INVESTORS

A

OLIVER BÄTE
Chief Executive Officer

Dear Investors –

2021 was the second year in which the world had to deal with the ongoing COVID-19 pandemic and its profound economic implications, such as low, even negative "risk-free" interest rates, exuberant equity markets, and record levels of new public debt – to name just a few. 2021 was also another year in which we witnessed the rising impact of climate change. In Germany alone, we recorded the biggest flooding losses for the insurance industry in 100 years!

Against this background, your company doubled down on its efforts to grow sustainable value for our customers, our employees and you, our shareholders. And hence, most of our financial performance indicators improved strongly.

Our revenues grew by almost 6 % to € 149 bn and our operating profit increased by 25 % to € 13.4 bn. These results were driven by a strong performance across all our businesses. In our Property-Casualty business, we generated solid revenues of € 62.3 bn and an operating profit of € 5.7 bn. Moreover, the combined ratio in the business improved by 2.5 percentage points to 93.8 %, despite the significant natural catastrophe losses.

In Life/Health, we grew our operating profit by 15 % to € 5 bn. The value of new business surged by a strong 45 % to € 2.5 bn, showing that we excel at generating returns for customers and shareholders at the same time. We have thus been able to free ourselves from the negative effects of the ultra-low interest rate policy in the eurozone.

In Asset Management, we generated an operating profit of € 3.5 bn and our cost-income ratio improved by 2.7 percentage points to 58.4 %. Moreover, total assets under management reached an all-time high of € 2.6 tn by the end of 2021. Third-party inflows at both PIMCO and Allianz Global Investors were very strong at € 110.1 bn, and were driven by all regions and all asset classes.

But it wasn't just operating performance that grew strongly, the health of our institution also once again improved.

The loyalty of our customers is reflected in Allianz's Net Promoter Score (NPS™), which measures the likelihood of customers recommending Allianz to others. This score has significantly and steadily improved over the last five years. The share of segments outperforming their local market in NPS™ jumped to 84 % – an all-time high. We were once again named the No. 1 global insurance brand by Interbrand. This year, Brand Finance also ranked us as the top globally operating insurance brand and the 30th most valuable brand in the world, giving us a brand strength rating of "extremely strong".

Going forward, our focus must now be to achieve Loyalty Leadership across our franchise and to harness the corresponding economic benefits systematically. Market-leading customer satisfaction is at the heart of sustainable business success and hence our top-most priority.

The strong commitment towards our employees is also paying off. The results of our latest Allianz employee survey show that we have been able to maintain the trust and commitment of our workforce. Our Inclusive Meritocracy Index remained at an all-time high of 78 %, indicating, that at Allianz, we are fostering a culture in which performance and people play an equally important role. Allianz's results also defy the market trend in 2021 of a strong decline in employee engagement scores.

Our compelling people scores also reflect our strong engagement in diversity and inclusion, a key to unlocking organizational performance. Women represent almost a third of our Board of Management, and about 30 % of our total operating profit is led by female CEOs. In 2021, Allianz was featured in the Bloomberg Gender Equality Index for the sixth year in a row. Moreover, we ranked fifth in the respected Refinitiv Diversity & Inclusion Index in 2021, so we are the only German company in the top 20 and the only insurer in the top 100.

Beyond the strong trajectory in employee motivation, diversity and inclusion, a strong leadership position on other critical ESG topics, especially climate change, has been a top priority for us. Allianz plays a central role in key alliances and public-private partnerships, such as the United Nations-led Net-Zero Asset Owner Alliance and the World Economic Forum's Partnership for New Work Standards. Notably, we reinforced our leadership in sustainability, for example by achieving the highest score in our industry in the Dow Jones Sustainability Index for 2021. Furthermore, we have created a dedicated Group Center for ESG, which is responsible for embedding this priority into our core businesses to maximize real-world impact.

Unfortunately, all these successes are not properly reflected in our share price performance in 2021, which yielded a total shareholder return of 8.1 %.

Our 2021 results were impacted by the various proceedings related to the Structured Alpha funds in the United States, which had to be closed following losses suffered in the wake of market disruptions in early 2020 at the start of the COVID-19 pandemic. Allianz decided to book a provision in the financial statements 2021 in anticipation of settlements with major investors in the Structured Alpha Funds, and in light of current discussions with U.S. governmental authorities. This provision reduces the 2021 Group net income by € 2.8 bn. The settlements address a substantial majority of our Structured Alpha civil litigation exposure and offer fair compensation to investors for their losses.

We look forward to fully resolving this matter for the benefit of all parties, and we are determined to learn all that we can from this incident to be smarter, stronger and better as a company. The effort that we have invested over the past several years in streamlining our products, in strengthening our risk awareness culture and in verticalizing our processes will continue with vigor and consequence – not just at Allianz Global Investors U.S., but also across the entire Allianz Group.

Nevertheless, Allianz' solidity and value creation power remains strong and keeps growing, as evidenced in our comfortable Solvency II capitalization and our strong Standard & Poor's AA rating. We have therefore further raised our capital management ambitions through an improved dividend policy, and we are proposing to raise our dividend for 2021 to € 10.80 per share, an increase of 12.5 %.

For 2022 and beyond, we have delineated a clear strategy at our Capital Markets Day on 3 December 2021. At the core, we believe that we can and will leverage the unique scale of Allianz into even higher value creation for our stakeholders, especially you, our shareholders.

In a world that looks increasingly fragile and challenged to deal with existential threats to our health, environmental, social and economic future, we at Allianz believe that living up to our purpose "We secure your future" is the only way to reinforce the trust that we need to succeed in a sustainable manner.

On behalf of our leadership team and all Allianz employees, we thank you for your trust and ongoing support.

Sincerely yours,

Oliver Bäte

SUPERVISORY BOARD REPORT

Ladies and Gentlemen,

During the financial year 2021, the Supervisory Board fulfilled all its duties and obligations as laid out in the company statutes and applicable law. It monitored the activities of the company's Board of Management, dealt with the succession planning for the Board of Management and advised it on business management issues. It also continued to regularly address the situation and impact of the ongoing COVID-19 pandemic in the financial year 2021.

Overview

In the financial year 2021, the Supervisory Board held six regular meetings as well as three extraordinary meetings. The regular meetings took place in February, March, May, June, September, and December, and the extraordinary meetings took place in August, September and December. The Supervisory Board also adopted a written resolution in October.

In all of the regular meetings in the financial year, the Board of Management reported on Group revenues and results as well as business developments in the individual business segments. The Board of Management informed the Supervisory Board on the course of business as well as on the development of Allianz SE and the Allianz Group, including deviations in actual business developments from the planning. In this context, the adequacy of capitalization, the solvency ratio, and the respective risk and stress scenarios were discussed. The annual Allianz SE and the Group's consolidated financial statements – including the respective auditor's reports, the half-yearly as well as the quarterly reports – were reviewed in detail by the Supervisory Board after preparation by the Audit Committee.

Other focal points of reporting, in addition to the situation and impact of the COVID-19 pandemic on overall economic conditions as well as on the insurance industry and Allianz employees, were strategic topics including risk strategy and the Board of Management's planning for both the fiscal year 2022 and the three-year period from 2022 to 2024. Another focus was the ongoing discussion of the civil and administrative proceedings in connection with the AllianzGI U.S. Structured Alpha Funds, especially in the second half of 2021. Cyber risk security and the impact of rising inflation rates on the insurance business were also regularly discussed. Furthermore, the Supervisory Board dealt in depth with personnel matters relating to the Board of Management, as well as succession planning for the Board of Management and Supervisory Board, especially in the context of the upcoming elections to the Supervisory Board in 2022. The Supervisory Board and various committees also discussed appropriate consideration of non-financial targets in the target-setting process 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 verbal reports at the meetings were accompanied by written documents, which were sent to each member of the Supervisory Board in time for the relevant meeting. The Board of Management also informed the Supervisory Board in writing about important events that occurred between meetings. The chairmen of the Supervisory and Management Boards had regular discussions about major developments and decisions. The Chairman of the Supervisory Board also had individual discussions with each member of the Board of Management about their respective half-year as well as full-year performance.

Also in the financial year 2021, individual and group training sessions were held on the basis of an agreed development plan for continued training of the members of the Supervisory Board, for example on significant developments in information technology, especially cloud services, artificial intelligence and data analytics, as well as on Solvency II and the required reporting obligations relating to non-financial information with regard to environmental, social responsibility and corporate governance (ESG) issues.

Issues discussed in the Supervisory Board Plenary Sessions

In the meeting of 18 February 2021, the Supervisory Board dealt comprehensively with the provisional financial figures for the financial year 2020 and the Board of Management's dividend proposal. The appointed audit firm, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Munich, reported in detail on the preliminary results of their audit. In the further course of the meeting, the Supervisory Board also discussed the target achievement of each individual member of the Board of Management and, on this basis, set their variable remuneration for the financial year 2020, subject to the approval of the annual financial statements. As part of this performance assessment, the fitness and propriety of the members of the Board of Management were confirmed. The Supervisory Board also set additional, individual sustainability targets to be achieved by the members of the Board of Management. Next, the Supervisory Board reviewed the remuneration system for the Board of Management and Supervisory Board to be submitted to the Annual General Meeting for approval, and received reports on data protection issues.

In the meeting of 4 March 2021, the Supervisory Board discussed and approved the audited annual Allianz SE and consolidated Group financial statements, including market value balance sheets, as well as the Board of Management's recommendation for the appropriation of earnings for the financial year 2020. The auditors confirmed that there were no discrepancies compared to their February report and issued an auditor's report without any reservations for the individual and consolidated financial statements. The Supervisory Board also reviewed and approved the non-financial report for both Allianz SE and the Allianz Group, taking into account the report of the external auditor. In addition, the Board of Management submitted its report on risk developments in the financial year 2020. The annual reports from Compliance and Internal Audit were also presented at the meeting. Next, the Supervisory Board reviewed the agenda and proposals for resolution for Allianz SE's 2021 Annual General Meeting (AGM) and approved the stipulation of the Board of Management for the AGM to be held virtually. Furthermore, at the recommendation of the Audit Committee, the Supervisory Board appointed PwC as auditor for the 2021 individual and consolidated financial statements, the auditor's review of the 2021 half-yearly financial report, and the audit of the non-financial report. The Supervisory Board further received reports on the sales intensification (push-to-pull) program and on the situation in the industrial insurance business. Finally, the succession planning for the Board of Management was discussed.

On 5 May 2021, just before the AGM, the Board of Management briefed the Supervisory Board on business performance in the first quarter of 2021 as well as on the current situation of both the Allianz Group and Allianz SE, in particular with regard to the wider impact of the COVID-19 pandemic and the acquisition of the insurance and asset management business from Aviva in Poland and Lithuania. The Supervisory Board also dealt with the objectives for its composition and matters relating to the Board of Management.

At the meeting on 24 June 2021, the Board of Management first reported in detail on the course of business in the financial year 2021 to date and provided an outlook on the expected results for the second quarter and the half-year results. In addition, the Board of Management reported on legal conditions for dividend distributions and the Board's actions to protect employees in the COVID-19 pandemic, in particular Allianz's efforts with regard to vaccinations for employees and family members. The Supervisory Board also dealt comprehensively with Allianz Direct as an insurer with uniform market presence, product range and processes, and a common platform. Other topics covered in the report were an overview of Allianz France's business activities, a status report on cyber risks and cybersecurity at Allianz and a comparative report on key competitors. The Board of Management then reported on the implementation of its 2018 strategy and presented the first part of the strategy presentation for Strategy 2022+ (trends and implications) for discussion. The Supervisory Board also reviewed the objectives for its composition and added the topics of cybersecurity and sustainability to the skills profile. The Supervisory Board further discussed in detail the preparation for the Supervisory Board elections in 2022 and the general succession planning for the Supervisory Board.

At an extraordinary meeting on 1 August 2021, the Board of Management informed the Supervisory Board in detail about new developments with respect to administrative investigations in the USA and the ongoing civil proceedings in connection with the Structured Alpha Funds of AllianzGI U.S. LLC.

At a further extraordinary meeting on 29 September 2021, the Supervisory Board discussed in detail the decisions on Board of Management personnel scheduled for the next ordinary meeting and heard a report from Ms. Boshnakova on the status of the transformation at Allianz Partners.

At the meeting on 30 September 2021, the Board of Management first reported on the course of business in the financial year 2021 to date and the impact of the COVID-19 pandemic on employees. The meeting focused on the continuation of the presentation on the strategic direction of the Allianz Group and Allianz SE (solo) and on the preparation for Capital Markets Day scheduled for December 2021. In particular, the objectives for the period 2022 – 2024 were discussed in detail. Another focus was the handling of the AllianzGI U.S. Structured Alpha matter, in respect of which the Board of Management gave a detailed progress report on the civil and administrative proceedings and the Supervisory Board had the Board of Management report in detail on the measures it was taking, and the appropriateness of such measures. The Supervisory Board also discussed the IT strategy as well as the self-evaluation of the Supervisory Board required by supervisory law and the development plan drawn up on this basis, as well as the adjustment of its rules of procedure and the objectives for its composition to reflect changed requirements due to the Financial Market Integrity Strengthening Act (FISG). Based on the discussion at the extraordinary meeting on 29 September 2021, the Supervisory Board appointed Dr. Andreas Wimmer to the Board of Management of Allianz SE with effect from 1 October 2021 as the successor for Ms. Jacqueline Hunt, who resigned from office as of 30 September 2021. The Supervisory Board further appointed Ms. Sirma Boshnakova as an additional member of the Board of Management of Allianz SE with effect from 1 January 2022. The Supervisory Board then met without the Board of Management and discussed the succession planning for the Supervisory Board, the strategy presentation given by the Board of Management at the meeting and the AllianzGI Structured Alpha matter.

By way of a written resolution on 26 October 2021, for the purposes of clarification, the Supervisory Board assigned the Audit Committee the task of dealing with – and regularly discussing with the Board of Management – the progress of the civil and administrative proceedings concerning the AllianzGI Structured Alpha Funds as well as the measures taken by the Board of Management. It also established a working group of the Audit Committee to advise the Audit Committee and the Supervisory Board on this matter, and engaged an external law firm to advise the Supervisory Board on matters in connection with AllianzGI Structured Alpha.

At an extraordinary meeting on 2 December 2021, the Supervisory Board discussed in detail its deliberations on the adjustment of the dividend policy and was told about a potentially imminent reinsurance transaction of the life insurance company in the USA.

At the meeting of 16 December 2021, the Board of Management first provided information about the third-quarter results, the further course of business, and the situation of the Allianz Group. Furthermore, the Supervisory Board discussed the planning for the financial year 2022 and the three-year plan for 2022 to 2024, including the strategy for the China business, and also addressed the link between the risk strategy and the business strategy. Also at that meeting, the Supervisory Board discussed in detail the progress of the different proceedings in connection with the AllianzGI Structured Alpha matter. In addition, the Board of Management gave its regular status report on the issue of cyber risk security. The Supervisory Board further addressed the Declaration of Conformity with the German Corporate Governance Code as well as the separate audit of the Remuneration Report, which is to be submitted to the Annual General Meeting for approval for the first time in the financial year 2022. The Supervisory Board also talked to the Board of Management about the possible impact of the current pandemic situation on the preparation and arrangements for the Annual General Meeting in 2022. The Supervisory Board discussed in depth the Board of Management remuneration system and the appropriateness of the Board of Management remuneration. The system of the Supervisory Board remuneration was also reviewed for appropriateness on the basis of an external benchmark analysis. Furthermore, the Supervisory Board set targets for the variable remuneration of the members of the Board of Management for 2022 and debated succession planning for the Board of Management and the allocation of responsibilities within the Board of Management. Finally, the meeting addressed the results of the self-evaluation of the Supervisory Board's activities (so-called efficiency review), which was conducted in 2021 with the help of an external consultant. The Supervisory Board then met again without the Board of Management and discussed the AllianzGI Structured Alpha matter, the efficiency review and the planning of the Supervisory Board's work in the financial year 2022 as well as the succession planning for the Board of Management and the Supervisory Board.

Declaration of Conformity with the German Corporate Governance Code

On 16 December 2021, the Board of Management and the Supervisory Board issued the Declaration of Conformity in accordance with § 161 of the German Stock Corporation Act ("Aktiengesetz"). The Declaration was posted on the company website, where it is available to shareholders at all times. Since the submission of the last Declaration of Conformity on 10 December 2020, Allianz SE has complied with all recommendations set out by the German Corporate Governance Code in the version of 16 December 2019, and will continue to comply with them in the future. Further explanations on corporate governance in the Allianz Group can be found in the Statement on Corporate Management. More details on corporate governance are also provided on the Allianz website at **https://www.allianz.com/en/about-us/corporate-management/corporate-governance.html**.

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 Statement on Corporate Management.

The Standing Committee held six meetings in 2021 and adopted two written resolutions. This committee dealt with corporate governance issues as well as preparations for the establishment of a Sustainability Committee of the Supervisory Board, remuneration of the members of the Supervisory Board, the preparations for the AGM, the Supervisory Board self-evaluation as required by supervisory law and the associated development plan, and the efficiency review of the Supervisory Board, which was conducted in 2021 with the assistance of the external consultant Spencer Stuart. Collective and, if necessary, individual training sessions are continuously carried out as part of the implementation of the development plan. In addition, the Standing Committee has passed resolutions approving the granting of loans to senior executives. At an extraordinary meeting in March, the committee addressed in detail the planned acquisition of business activities from Aviva in Poland and Lithuania, which required the approval of the Standing Committee due to the transaction value. In May and August, the Standing Committee also gave its approval by written resolution to the exclusion of subscription rights in connection with the issue of certain financial instruments (Perpetual Fixed Rate Resettable Restricted Tier 1 bonds). The Board of Management only made use of the approval granted in August.

The Personnel Committee held five meetings in 2021 and adopted five written resolutions. At the meetings, the committee discussed in detail the succession planning in the Board of Management, mainly with regard to board appointments due to expire at the end of the financial year 2022. The committee also addressed the departure of Ms. Hunt from the Board of Management and preparations for Dr. Wimmer to be appointed as her successor, as well as the appointment of Ms. Boshnakova as an additional board member with effect from 1 January 2022. Other key topics included the preparatory review of the Board of Management remuneration system for presentation at the AGM, the annual review of the appropriateness of the Board of Management remuneration, target achievement of the Board of Management members for the financial year 2020 and the definition of the targets for the 2022 variable remuneration. The committee also looked at various mandate matters of individual board members and at further succession planning for the Board of Management.

The Audit Committee held five meetings in 2021. In the presence of the auditors, the committee discussed both Allianz SE's annual financial statements and the Allianz Group's consolidated financial statements, the management reports, the respective solvency statements and the auditor's reports, as well as the half-yearly financial report. These reviews 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. One focus of the Audit Committee's activities was the regular review of the ongoing impact of the COVID-19 pandemic and the effect of natural disasters and weather events, which occurred on a large scale in the last financial year. Furthermore, the committee prepared the engagement of the external auditor and defined key audit areas for the financial year 2021, and conducted an assessment of the quality of the audit. The committee also discussed the awarding of non-audit services to the auditor and approved an updated positive list of pre-approved audit and non-audit services. In two written resolutions, the Audit Committee approved the engagement of the auditor for non-audit services, each of which exceeds a value limit set by the Committee.

In addition, the committee dealt extensively with the compliance system and the internal auditing system, as well as the accounting process and internal financial reporting control mechanisms. At several meetings, the Audit Committee discussed with the Board of Management the effects of the changeover to the new accounting standards IFRS 9 & 17 with its respective effects on Allianz's accounting from financial year 2023 onwards and the status of the implementation measures for a proper transition to the new standards. At all regular meetings, reports on legal and compliance issues in the Group, operational risks and the work of the Internal Audit department were presented and discussed in detail. Furthermore, the head of the actuarial function (Group Actuarial, Planning & Controlling) presented his annual report. In addition, the Audit Committee discussed the adjustments resulting from the Financial Market Integrity Strengthening Act (FISG), and the internal audit plan for 2022. The Audit Committee held in-depth discussions with the Board of Management on the progress of the civil as well as the administrative proceedings of the U.S. Securities and Exchange Commission (SEC) and the U.S. Department of Justice in the matter of the Structured Alpha Funds of AllianzGI U.S. A separate working group of the Audit Committee was additionally set up for this purpose; this group held four meetings in the reporting year, which were also attended by the lawyers engaged by the Supervisory Board.

The Risk Committee held two meetings in 2021. At both meetings, the committee discussed the current risk situation of the Allianz Group and Allianz SE with the Board of Management. In the March meeting, the risk report and other risk-related statements in the annual Allianz SE and consolidated financial statements as well as management and group management reports were reviewed with the auditor and approved. The appropriateness of the early risk recognition system at Allianz SE and Allianz Group and the result of further risk assessments by the auditor were also discussed. The Audit Committee was recommended to include the Risk Report, as presented and discussed, in the Annual Report. At both meetings, the Risk Committee examined the risk strategy in detail, including risk appetite, capital management and the external rating as well as the effectiveness of the risk management system for the Allianz Group and Allianz SE. The committee further looked in detail at the report on Allianz's own risk and solvency assessment and the changes to the internal Solvency II model, and held discussions with the Board of Management, in particular about transactions with portfolios in the life insurance sector to improve the return on equity and the solvency position. The Risk Committee also focused on the topic of inflation risk and, in this context, Allianz's exposure in the event of rising inflation rates and the consideration of inflation trends in pricing, as well as on the developments relating to "silent cyber", i.e., the unintended, implied coverage of cyber risks, especially in the area of commercial insurance. In addition, the consequences of the COVID-19 pandemic were again addressed with regard to the business development and risk situation, the management of reputational risks and accumulation risks as well as the management of non-financial risks. The Risk Committee also dealt extensively with the impact of the AllianzGI Structured Alpha matter on the risk situation at Allianz. In addition, special regulatory topics, such as the EIOPA review of Solvency II, as well as business policy topics were also on the agenda.

The Technology Committee held two meetings in the financial year 2021, at which it discussed in detail the reorganization of information technology in the Allianz Group, the IT strategy and, in particular, the strategic IT partners in cloud and IT applications, and in the comprehensive IT transformation. The focus was again on the implementation of the Business Master Platform (BMP) in the context of the Allianz Customer Model (ACM). Another focus of the committee's activities was dealing with the ever-growing cyber risks and the resulting increase in IT security requirements, as well as Allianz's use of disruptive technology innovations, e.g., the Internet of Things and Digital Twins.

The Nomination Committee held one meeting in 2021, at which it reviewed the objectives for the composition of the Supervisory Board and proposed changes to the Supervisory Board in order to adapt to new legal requirements and to expand the skills profile. In particular, it was proposed to amend adequate expertise with respect to technology to explicitly include adequate expertise in cybersecurity as well as to add adequate knowledge in the area of sustainability. The Supervisory Board implemented these proposals in its meeting on 24 June 2021. The committee also reviewed the actual composition of the Supervisory Board. Furthermore, detailed preparations were made for the Supervisory Board elections at the AGM 2022, taking into account the objectives for the composition. The Nomination Committee discussed the general succession planning for the Supervisory Board and proposed the formation of a so-called "Staggered Board", which has been strongly requested by investors. Beginning with the Annual General Meeting in 2022, the candidates standing for election as shareholder representatives will no longer be elected on the principle of block election with identical terms of office. In the case of new elections for retiring Supervisory Board members, new members shall then each be elected for the term of office stipulated in the Articles of Association, in order to also establish the Staggered Board for the following years. Furthermore, the Nomination Committee has intensively discussed potential candidates to succeed the members of the Supervisory Board who will retire in the coming years. For each retiring member of the Supervisory Board, outstandingly suitable candidates could be identified, each of whom has already declared their willingness to stand for election to the Supervisory Board at the Annual General Meetings in 2024 and 2025. Together with the Board of Management, the Nomination Committee has also agreed concrete measures to prepare the candidates at an early stage for the duties of a member of the Supervisory Board of Allianz SE as well as for the complex business of a globally operating and regulated financial services company. These measures include, for example, the preparation of candidates in the context of a mandate as a member of the supervisory board of a European subsidiary of Allianz SE or other appropriate measures, as well as the early identification of training measures based on the skill profile of the Supervisory Board. In addition, the Nomination Committee addressed the appointment of a further substitute candidate in the event that a Supervisory Board member had to be replaced at short notice.

The Sustainability Committee, which was newly established by the Supervisory Board in February 2021, held two meetings in the 2021 financial year. At its constitutive meeting, the committee first dealt with structuring its area of responsibility, which covers the topics of environment, social responsibility and corporate governance, as well as data ethics, the committee's mode of operation and its interfaces to other committees of the Supervisory Board, in particular the Personnel Committee and the Risk Committee. Key topics in the two meetings included sustainability reporting and the assessment of the Allianz Group by external providers of sustainability indices as well as the discussion of measures to improve the assessment, sustainability ambitions for the future and the implications arising from sustainability regulation. In addition, the committee dealt in detail with the strategy in the area of social responsibility and prepared the setting of sustainability targets for the Board of Management remuneration as well as the corresponding target achievement assessment for the financial year 2021 by the Personnel Committee and the Supervisory Board.

The Supervisory Board was informed regularly and comprehensively of the committees' work.

Overview of the member participation in Supervisory Board and committee meetings for the fiscal year 2021

Publication of details of members' participation in meetings

	Presence	%
PLENARY SESSIONS OF THE SUPERVISORY BOARD		
Michael Diekmann (Chairman)	9/9	100
Gabriele Burkhardt-Berg (Vice Chairwoman)	9/9	100
Jim Hagemann Snabe (Vice Chairman)	9/9	100
Sophie Boissard	9/9	100
Christine Bosse	9/9	100
Dr. Friedrich Eichiner	9/9	100
Jean-Claude Le Goaër	9/9	100
Martina Grundler	9/9	100
Herbert Hainer	9/9	100
Godfrey Hayward	9/9	100
Frank Kirsch	9/9	100
Jürgen Lawrenz	9/9	100
STANDING COMMITTEE		
Michael Diekmann (Chairman)	6/6	100
Jean-Claude Le Goaër	6/6	100
Herbert Hainer	6/6	100
Jürgen Lawrenz	6/6	100
Jim Hagemann Snabe	6/6	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

	Presence	%
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
Godfrey Hayward	2/2	100
Frank Kirsch	2/2	100
TECHNOLOGY COMMITTEE		
Jim Hagemann Snabe (Chairman)	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)	1/1	100
Christine Bosse	1/1	100
Jim Hagemann Snabe	1/1	100
SUSTAINABILITY COMMITTEE		
Christine Bosse (Chairwoman)	2/2	100
Sophie Boissard	2/2	100
Gabriele Burkhardt-Berg	2/2	100
Michael Diekmann	2/2	100
Frank Kirsch	2/2	100

Audit of annual accounts and consolidated financial statements

Due to a special legal provision that is still applicable to insurance companies for the financial year 2021, the statutory auditor and the auditor for the review of the half-yearly financial report were appointed by the Supervisory Board of Allianz SE and not by the AGM. The Supervisory Board appointed PwC as statutory auditor for the annual Allianz SE and consolidated financial statements as well as for the review of the half-yearly financial report for the financial year 2021. PwC audited the financial statements of Allianz SE and the Allianz Group as well as the respective management reports. They issued an auditor's report without any reservations. The management reports also each contain the respective non-financial statement. The consolidated financial statements were prepared on the basis of the International Financial Reporting Standards (IFRS) as adopted 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-yearly financial report. In addition, PwC was also mandated to perform an audit of the market value balance sheet according to Solvency II as of 31 December 2021 for Allianz SE and the Allianz Group. Furthermore, PwC was commissioned to conduct a review with respect to the content of the non-financial statement.

All Supervisory Board members received the documentation relating to the annual financial statements and the auditor's reports from PwC on schedule. The preliminary financial statements and PwC's preliminary audit results were discussed in the Audit Committee on 16 February 2022, as well as in the Supervisory Board's plenary session on 17 February 2022. The finalized financial statements and PwC's audit reports (dated 21 February 2022) were reviewed by the Audit Committee on 2 March 2022, and in the Supervisory Board plenary session on 3 March 2022. The auditors participated in the discussions and presented key results from their audit. Particular emphasis was placed on the key audit matters described in the auditor's report and on the audit procedures performed as well as the treatment of the AllianzGI U.S. Structured Alpha matter. 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 market value balance sheets dated 31 December 2021 for both Allianz SE and the Allianz Group as well as the respective PwC reports were reviewed by the Audit Committee and the Supervisory Board.

On the basis of its own reviews of the annual Allianz SE and consolidated financial statements, the management and group management reports, and the recommendation for the appropriation of earnings, the Supervisory Board has raised no objections and agreed with the results of the PwC audit. It has also approved the Allianz SE 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 fiscal year under the continuing difficult conditions caused by the pandemic.

Members of the Supervisory Board and Board of Management

There were no changes in the composition of the Supervisory Board in the fiscal year 2021.

Dr. Barbara Karuth-Zelle and Mr. Christopher Townsend were appointed as new members of the Board of Management of Allianz SE with effect from 1 January 2021. They succeeded Dr. Christof Mascher and Mr. Niran Peiris, who left the Board of Management on 31 December 2020. Furthermore, Dr. Andreas Wimmer was appointed to the Board of Management of Allianz with effect from 1 October 2021. He succeeded Ms. Jacqueline Hunt, who resigned from office with effect from 30 September 2021. Ms. Sirma Boshnakova was also appointed as a new member of the Board of Management with effect from 1 January 2022.

Munich, 3 March 2022

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
Siemens AG

Jim Hagemann Snabe

Vice Chairman
Member of various Supervisory Boards
Membership in other statutory supervisory boards and SE administrative boards in Germany
Siemens AG (Chairman)
Membership in comparable[1] supervisory bodies
A.P. Møller-Mærsk A/S (Chairman)
C3.ai, Inc.
since 1 March 2021

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
since 2 December 2021

Sophie Boissard

Chairwoman of the Board of Management of Korian S.A.
Membership in other statutory supervisory boards and SE administrative boards in Germany
Korian Deutschland AG (Chairwoman)
Korian Management AG (Chairwoman)
Membership in comparable[1] supervisory bodies
Korian Belgium (formerly Senior Living Group NV)
Over SpA
Segesta SpA (Korian Group company)

Christine Bosse

Member of various Supervisory Boards
Membership in comparable[1] supervisory bodies
Coop Amba
Tusass A/S (formerly TELE Greenland) (Chairwoman)

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 Informatique G.I.E.
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
since 24 November 2021

Herbert Hainer

Member of various Supervisory Boards
Membership in other statutory supervisory boards and SE administrative boards in Germany
FC Bayern München AG (Chairman)
Membership in comparable[1] supervisory bodies
Accenture Plc
until 19 June 2021

Godfrey Robert Hayward

Employee of Allianz Insurance plc

Frank Kirsch

Employee of Allianz Beratungs- und Vertriebs-AG
Membership in other statutory supervisory boards and SE administrative boards in Germany
Allianz Versorgungskasse VVaG

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
Allianz Versorgungskasse VVaG

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 other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Deutschland AG
(Chairman)

Sergio Balbinot

Insurance Western & Southern Europe
until 31 December 2021
Asia Pacific
Membership in comparable[1] supervisory bodies
UniCredit S.p.A.
until 15 April 2021
Bajaj Allianz General Insurance Company Ltd.
Bajaj Allianz Life Insurance Company Ltd.
Membership in Group bodies
Allianz (China) Insurance Holding Company Ltd.
(Chairman)
Allianz France S.A.
Allianz Sigorta A.S.
Allianz Yasam ve Emeklilik A.S.

Sirma Boshnakova

since 1 January 2022
Insurance Western & Southern Europe, Allianz Direct, Allianz Partners
Membership in comparable[1] supervisory bodies
Membership in Group bodies
AWP P&C S.A. (Chairwoman)
AWP Health & Life S.A. (Chairwoman)

Jacqueline Hunt

until 30 September 2021
Asset Management, US Life Insurance
Membership in comparable[1] supervisory bodies
Membership in Group bodies
Allianz Life Insurance Company of North America
(Chairwoman)

Dr. Barbara Karuth-Zelle

Operations and IT
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Technology SE (Chairwoman)
Euler Hermes AG
Membership in comparable[1] supervisory bodies
Membership in Group bodies
Allianz Partners S.A.S.

Dr. Klaus-Peter Röhler

Insurance German Speaking Countries and Central & Eastern Europe
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

Ivan de la Sota

Business Transformation, Insurance Iberia & Latin America,
Allianz Partners
until 31 December 2021
Membership in other statutory supervisory boards and SE administrative boards in Germany
Volkswagen Autoversicherung AG
Membership in Group bodies
Allianz Deutschland AG
Membership in comparable[1] supervisory bodies
Membership in Group bodies
Allianz Compañía de Seguros y Reaseguros S.A., Spain
Allianz Partners S.A.S. (Chairman)
Allianz Seguros S.A., Brazil (Chairman)
until 19 February 2021
Companhia de Seguros Allianz Portugal S.A.

Giulio Terzariol

Finance, Controlling, Risk
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Deutschland AG

Dr. Günther Thallinger

Investment Management
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Deutschland AG
Allianz Investment Management SE (Chairman)
Allianz Lebensversicherungs-AG
Allianz Private Krankenversicherungs-AG
Allianz Versicherungs-AG

Christopher Townsend

Global Insurance Lines & Anglo Markets, Reinsurance, Middle East, 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
Membership in Group bodies
Allianz Australia Ltd.
since 1 January 2022
Allianz Plc
Euler Hermes Group S.A. (Chairman)
since 1 July 2021

Renate Wagner

Human Resources, Legal, Compliance, Mergers & Acquisitions
Membership in other statutory supervisory boards and SE administrative boards in Germany
Membership in Group bodies
Allianz Lebensversicherungs-AG
since 24 November 2021
Membership in comparable[1] supervisory bodies
UniCredit S.p.A.
since 15 April 2021

Dr. Andreas Wimmer

since 1 October 2021
Asset Management, US Life Insurance
Membership in other statutory supervisory boards and SE administrative boards in Germany
Pensions-Sicherungs-Verein VVaG
Membership in Group bodies
Allianz Pensionskasse AG
Membership in comparable[1] supervisory bodies
Membership in Group bodies
Allianz Life Insurance Company of North America (Chairman)
since 1 January 2022

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.

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CORPORATE GOVERNANCE

B

STATEMENT ON CORPORATE MANAGEMENT

The Statements on Corporate Management 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"), in addition to the German SE Employee Involvement Act ("SE-Beteiligungsgesetz"). Notwithstanding, the main 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 our website at **www.allianz.com/statutes**.

Regulatory requirements

The regulatory requirements for corporate governance (system of governance) applicable for insurance companies, insurance groups, and financial conglomerates apply. Specifically, 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 a sound 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 market value balance sheet. 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 our website at **www.allianz.com/sfcr**.

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 referred to as the "Code"). On 16 December 2021, 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 by the Management Board and the Supervisory Board of Allianz SE with the recommendations of the German Corporate Governance Code Commission in accordance with § 161 of the German Stock Corporation Act (AktG)

Since the last Declaration of Conformity as of December 10, 2020, Allianz SE has complied with all recommendations of the German Corporate Governance Code in the version of December 16, 2019 and will comply with them in the future.

Munich, December 16, 2021
Allianz SE

For the Management Board:
Signed Oliver Bäte | Signed Renate Wagner

For the Supervisory Board:
Signed Michael Diekmann

In addition, Allianz SE follows all the suggestions of the Code in its 16 December 2019 version.

The Declaration of Conformity and further information on corporate governance at Allianz can be found on our website at **www.allianz.com/corporate-governance**.

Function of the Board of Management and the composition and functions of committees

Since 1 January 2022, the Board of Management of Allianz SE has eleven members. Its members may not, in general, be older than 62 years of age.

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 efficient risk management system. The Board of Management also prepares the annual financial statements of Allianz SE, the Allianz Group's consolidated financial statements, the market value balance sheet, and the interim report.

The members of the Board of Management are jointly responsible for management and for complying with legal requirements. Notwithstanding this overall responsibility, the individual members independently head the departments they have been assigned to. There are divisional responsibilities for business segments as well as functional responsibilities. The latter include the Finance, Risk Management and Controlling Functions, Investments, Operations and IT, Human Resources, Legal, Compliance, Internal Audit, or Mergers & Acquisitions. Business division responsibilities focus on geographical regions or Global Lines. Rules of procedure specify the structure and departmental responsibilities of the Board of Management in more detail.

Board of Management meetings are led by the Chairperson. Each member of the Board may request a meeting, providing notification of the proposed subject. The Board makes decisions by a simple majority of participating members. In the event of a tie, the Chairperson casts the deciding vote. The Chairperson can also veto decisions, but he/she cannot impose any decisions against the majority vote.

Board of Management and Group committees

In the financial year 2021, 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.	Preparing the capital and liquidity planning for the Group and Allianz SE, implementing and overseeing the principles of group-wide capital and liquidity management as well as risk standards and preparing risk strategy. This includes, in particular, significant individual financing transactions and guidelines for derivatives, Group financing and internal Group capital management as well as establishing and overseeing a group-wide risk management and monitoring system including stress tests.
GROUP IT COMMITTEE Dr. Barbara Karuth-Zelle (Chairwoman), Dr. Klaus-Peter Röhler, Ivan de la Sota, 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, Sergio Balbinot, Giulio Terzariol.	Managing and overseeing Group M&A transactions, including approval of individual transactions within certain thresholds.

As of 31 December 2021

In addition to Board committees, there are also Group committees. They are responsible for preparing decisions for the Board of Management of Allianz SE, submitting proposals for resolutions, and ensuring a smooth flow of information within the Group.

In the financial year 2021, 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 units, particularly in relation to alternative assets, monitoring of performance across all asset classes and ensuring consistent organization of the Investment Management function and Investment Governance across the Group.

As of 31 December 2021

The Allianz Group runs its operating entities and business segments via an integrated management and control process. First, the Holding and the operating entities define the business strategies and goals. On this basis, joint plans are then prepared for the Supervisory Board's consideration when setting targets for the performance-based remuneration of the members of the Board of Management. For details, please refer to the Remuneration Report.

The Board of Management reports regularly and comprehensively to the Supervisory Board on business development, the company's 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. These requirements are stipulated by law, by the Statutes, or in individual cases by decisions of the Annual General Meeting (AGM). Supervisory Board approval is required, for example, for certain capital transactions, 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 threshold levels. 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 employment and social welfare.

The composition of the Board of Management is described in Mandates of the Members of the Board of Management or on our website at **www.allianz.com/management-board**. A general description of the function of the Board of Management can also be found there.

Diversity concept for the Board of Management and succession planning

In accordance with the legislation on the implementation of the European guidelines as regards the disclosure of non-financial and diversity information (CSR Directive), the diversity concept for the Board of Management, its objectives, implementation, and results achieved are to be reported.

The Supervisory Board 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: at least 30% by 31 December 2021;
- adequate share of members with an international background (e.g., based on origin or extensive professional experience abroad), ideally with a 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 in 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 female candidates as well as of candidates with international experience. The Personnel Committee takes this into consideration especially in succession planning. The list of candidates includes internal and external candidates who generally meet 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 and 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.

As a result of the increase in the size of the Board of Management to 11 members as of 1 January 2022, the three female members of the Board of Management account for 27.27% of the total, which is slightly below the target value of 30%. Since this shortfall is expected to be of a temporary nature only, the Supervisory Board considers it acceptable. Five members of the Management Board have international backgrounds. There is an adequate degree of variety as regards educational and professional backgrounds. The Board of Management of Allianz SE is thus, with the exception of the temporary shortfall of the adequate proportion of women on the Management Board, composed in accordance with the diversity concept.

Corporate governance practices

Internal control system

The Allianz Group has an effective internal risk and control system for verifying 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 franchise value of the company, but also to maintain the confidence of the capital market, our customers, and the public. An assessment of the adequacy 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. For further information on our risk organization and risk principles, please refer to the section "Risk governance system" in the Risk and Opportunity Report. For further information on our Integrated Risk and Control System for Financial Reporting, please refer to the respective chapter.

In addition, the quality of our internal control system is assessed by the Allianz Group's Internal Audit function. This function conducts independent, objective assurance activities, analyzing the structure and efficiency of the internal control system as a whole. In addition, it also examines the potential for additional value and improvement of our organization's operations. Fully compliant with all international auditing principles and standards, Internal Audit contributes to the evaluation and improvement of the effectiveness of the risk management, control, and governance processes. Therefore, internal audit activities are geared towards helping the company to mitigate risks, and further assist in strengthening its governance processes and structures.

Compliance management system

Integrity is at the core of our compliance programs and the basis for 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 by:

- advising the Board of Management, managers, and employees on business conduct that is lawful and ethical;
- identifying and assessing material compliance risks and overseeing the implementation of adequate and effective internal controls to mitigate them;
- providing a speak-up facility that employees and third parties can use to confidentially report possible illegal or inappropriate behavior;
- communicating transparently and trustfully with supervisory authorities.

The global compliance programs coordinated by Allianz SE's central Group Compliance function support our employees, managers, and executive board members to act responsibly and with integrity in all situations.

Moreover, Allianz SE's central Group Compliance function is responsible – in close cooperation with local compliance functions – for ensuring the effective implementation and monitoring of the compliance programs within the Allianz Group as well as for investigating potential compliance infringements. Furthermore, as a key function, the Compliance function carries out the advisory, risk identification and assessment, monitoring, and early warning tasks required under the Solvency II regime.

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 build the basis for our compliance programs. The Code of Conduct is available on our website at **www.allianz.com/compliance**.

Speak up

A major component of the Allianz Group's compliance management system is a speak-up facility that allows employees and third parties to notify the relevant compliance department confidentially about potential illegal or inappropriate conduct. No employee voicing concerns about irregularities in good faith needs to fear retribution, even if the concerns later turn out to be unfounded. Third parties can contact the compliance department via an electronic mailbox on our website **www.allianz.com/complaint-system**.

Compliance programs

Allianz SE's central Group Compliance function has set up internal guidelines for the following identified compliance risk areas: financial crime, market integrity, customer protection, and compliance with legal requirements. For further information on the compliance risk areas, please refer to the Sustainability Report on our website at **www.allianz.com/sustainability**.

Compliance training

In order to convey the principles of the Code of Conduct and the compliance programs based on these principles, Allianz has implemented interactive training programs around the world. These provide practical guidance that enables employees to make their own decisions based on internal and external requirements as well as ethical principles. Training programs comprise in-person and e-learning training and are delivered in several languages.

Training courses to prevent corruption and money laundering are mandatory for all Allianz employees worldwide. The same is true for the antitrust training to exposed employees. Further training exist for the other compliance programs.

Function of the Supervisory Board and the composition and functions of committees

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 AGM. The six employee representatives are appointed by the SE works council. The specific procedure for their appointment is laid down in the SE Agreement. This agreement 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 and one each from France and the United Kingdom. According to § 17 (2) of the German SE Implementation Act ("SE-Ausführungsgesetz"), the Supervisory Board of Allianz SE shall be composed of at least 30% women and at least 30% men. For the future, the AGM on 5 May 2021 resolved to shorten the regular term of appointment for the Supervisory Board of Allianz SE to four years.

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 2021, including an individualized disclosure of the meeting participation, are described in the <u>Supervisory Board Report</u>.

The Supervisory Board takes all decisions based on 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 the Chairperson is not present in the event of a tie, the casting vote lies with the vice chairperson from the shareholder side. A second vice chairperson is elected at the employee representatives' proposal.

The Supervisory Board regularly reviews the efficiency of its activities. The review is carried out either on the basis of a self-evaluation using a questionnaire or by consulting an external consultant. The entire Supervisory Board 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.

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 regulated by the Supervisory Board's Rules of Procedure, which can be found on our website at **www.allianz.com/supervisory-board**.

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, Jim Hagemann Snabe) – 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 "Aktiengesetz" (German Stock Corporation Act) and checks on corporate governance – Preparation of the efficiency review 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 Allianz SE and consolidated financial statements, management reports (including Risk Report) and the dividend proposal, review of half-yearly reports or, where applicable, quarterly financial reports or statements – Monitoring of the financial reporting process, the effectiveness of the internal control and audit system and legal and compliance issues – Monitoring of the audit procedures, including the independence of the auditor and the services additionally rendered, awarding of the audit contract and determining the focal points of the audit
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 (Godfrey Hayward, 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 management reports of Allianz SE and the Allianz Group, 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 the overall compensation of Board of Management members – Conclusion, amendment, and termination of service contracts of 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, Jim Hagemann Snabe)	– 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 (Jim Hagemann Snabe) – Three shareholder representatives (in addition to Jim Hagemann Snabe: 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 monitoring 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 Management Board's sustainability strategy – Support of the Supervisory Board in the oversight of the execution of the sustainability strategy – Support of the Personnel Committee of the Supervisory Board in the preparation of the ESG-related target setting as well as the review of the set targets' fulfillment for the Management Board's remuneration

As of 31 December 2021

Objectives of the Supervisory Board regarding its composition; diversity concept

The objectives for the composition of the Supervisory Board in the version of September 2021, as specified to implement legal requirements and a recommendation by the Code, are set out below. In addition to the skills profile for the overall Supervisory Board, the diversity concept in accordance with the legislation on the implementation of the European guideline as regards the disclosure of non-financial and diversity information (CSR Directive) is also included. The objectives for the composition of the Supervisory Board can be found on our website at **www.allianz.com/supervisory-board**.

Objectives of Allianz SE's Supervisory Board regarding its composition

"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 and 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 fulfilment 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;
- attendance at 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 Committees;
- 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 member with comprehensive expertise in the field of auditing;
- 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 EU 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, there is only limited potential influence to the selection of employee representatives. The Supervisory Board of Allianz SE is currently composed in accordance with these objectives, including the diversity concept. According to the assessment by the Supervisory Board, all shareholder representatives, i.e., Ms. Boissard, Ms. Bosse as well as Mr. Diekmann, Dr. Eichiner, Mr. Hainer and Mr. Snabe, are independent within the meaning of the objectives (see No. I.3). With four female and eight male Supervisory Board members, the current legislation for equal participation of women and men in leadership positions (statutory gender quota of 30%) is being met. In addition, the Supervisory Board has five members with international backgrounds. The skills profile is also met by all current members of the Supervisory Board. Based on the objectives regarding its composition, the Supervisory Board of Allianz SE has developed the following skill matrix.

Supervisory Board of Allianz SE: skill matrix

		Diekmann	Snabe	Boissard	Bosse	Eichiner	Hainer	Burkhardt-Berg	Le Goaër	Grundler	Hayward	Kirsch	Lawrenz
Tenure	Joined Board in	2017	2014	2017	2012	2016	2017	2012	2018	2016	2017	2018	2015
Personal appro-priate-ness	Regulatory requirement (Fit & Proper)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Independence[1]	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	No Overboarding[1]	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Diversity	Gender	male	male	female	female	male	male	female	male	female	male	male	male
	Nationality	German	Danish	French	Danish	German	German	German	French	German	British	German	German
Expertise	Accounting	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Insurance Actuarial Practice	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Investment Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Technology	✓	✓	✓	✓	✓	-	✓	✓	✓	-	✓	✓
	Digital Transformation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Employee Engagement	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Sustainability	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓
Regional Expertise	North America	✓	✓	-	-	✓	✓	-	-	-	-	-	-
	Growth Markets	✓	✓	-	-	✓	✓	-	-	-	-	-	-
	Europe (EU)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

✓ Criteria met. Expertise criteria based on yearly self-assessment. 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 measures regularly attended by all members of the Supervisory Board. On a scale from A-E this requires at least grade B.

1_According to German Corporate Governance Code.

The current composition of the Supervisory Board can be found in the Supervisory Board Report. In addition, the composition of the Supervisory Board as well as a general description of the functions of the Supervisory Board and its committees can be found on our website at **www.allianz.com/supervisory-board**. There you will also find the CVs of the members of the Supervisory Board.

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 Directive to disclose to both Allianz SE and the German Federal Financial Supervisory Authority any transactions involving shares or debt securities of Allianz SE or financial derivatives or other instruments based on them, as soon as the value of the securities acquired or divested by the member amounts to twenty thousand euro or more within a calendar year. These disclosures are published on our website at **www.allianz.com/directorsdealings**.

Annual General Meeting

Shareholders exercise their rights at the AGM. When adopting resolutions, each share carries one vote. Shareholders can follow the AGM's proceedings on the internet and be represented by proxies. These proxies exercise voting rights exclusively on the basis of instructions given by the shareholder. Shareholders are also able to cast their votes via the internet in the form of online voting. Allianz SE regularly promotes the use of online services.

The AGM elects the shareholder representatives of the Supervisory Board and approves the actions taken by the Board of Management and the Supervisory Board. It decides on the appropriation of net earnings, capital transactions, the approval of intercompany agreements, also on the approval of the remuneration system presented by the Supervisory Board for the members of the Board of Management and the remuneration of the Supervisory Board, as well as changes to the company's Statutes. Resolutions of the AGM shall be passed, unless mandatory legal provisions require otherwise, by a simple majority of the valid votes cast. In accordance with European regulations and the Statutes, changes to the Statutes require a two-thirds majority of votes cast, which at the same time represents the majority of the capital stock represented at the time of the resolution, in case less than half of the share capital is represented in the AGM. Each year, an ordinary AGM takes place at which the Board of Management and the Supervisory Board give an account of the preceding financial year. For special decisions, the German Stock Corporation Act provides for the convening of an extraordinary AGM.

Accounting and auditing

The Allianz Group prepares its accounts according to §315e of the German Commercial Code ("Handelsgesetzbuch – HGB") on the basis of the International Financial Reporting Standards (IFRS) adopted by the European Union. The annual financial statements of Allianz SE are prepared in accordance with German law and accounting rules.

In compliance with the special legal provisions that applied to insurance companies until fiscal year 2021, the auditor of the annual financial statements and of the half-yearly financial report have been appointed by the Supervisory Board, not the AGM. In the future, such appointment will be the responsibility of the AGM. The audit of the financial statements covers the individual financial statements of Allianz SE and the consolidated financial statements of the Allianz Group.

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 Allianz Group's consolidated financial statements, and the respective management reports are 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 AGM, at telephone conferences for analysts and journalists, and on the Allianz Group's website. Our website also provides a financial calendar listing the dates of major publications and events, such as annual reports, half-yearly financial reports, and quarterly statements, AGMs, and analyst conference calls as well as financial press conferences.

You can find the 2022 financial calendar on our website at **www.allianz.com/financialcalendar**.

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

This section 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.

Article 17 (2) of the German SE Implementation Act stipulates that as of 1 January 2016, the share of women and men among the members of the Supervisory Board of Allianz SE must each total up to at least 30%. The Supervisory Board currently in office fulfills this requirement as it includes four women (33%) and eight men (67%).

In August 2017, the Supervisory Board set a target for the percentage of women on Allianz SE's Board of Management at 30% to be achieved by 31 December 2021. As of 31 December 2021, the percentage of women on Allianz SE's Board of Management decreased to 20% due to the resignation of Ms. Hunt from the Management Board. In light of the appointment of Ms. Boshnakova as member of the Board of Management as of 1 January 2022, and the resulting increase in the size of the Board of Management to 11 members, the percentage of women on the Board of Management increased to 27.27%.

As regards the proportion of women on the first and second management levels below the Board of Management, the Board of Management of Allianz SE has set a target of 20% and 30%, respectively, to be met by 31 December 2021. As of 31 December 2021, this target was met for the first management level, with a percentage of women of 29%, but could not be met on the second level with a percentage of 26%. The first two management levels below the Board of Management comprise a very small comparative group of executives. No suitable female candidates could be identified for the very few positions that became vacant in the period considered.

In the longer term, Allianz aims to place women in at least 30% of the positions at these two management levels throughout the Group.

With regard to the Supervisory Boards of the subsidiaries concerned, the target quotas for eight out of nine subsidiaries concerned were set at 30% and the target quota for the remaining subsidiary concerned was set at 33% for 31 December 2021. Seven of the nine subsidiaries reached this target as of 31 December 2021. The target quotas for the respective Board of Management of the subsidiaries concerned were between 20% and 30% (24% on average) for 31 December 2021 and were met by seven of the nine companies as of 31 December 2021. For the two management levels below the Board of Management, the respective Boards of Management of the subsidiaries concerned had set target quotas between 17% and 33% (23% on average) for 31 December 2021 for the first management level and target quotas between 20% and 33% (26% on average) for 31 December 2021 for the second management level below the Board of Management. As of 31 December 2021, the targets were met by seven of the nine subsidiaries concerned at the first management level, while six of the nine companies met the targets set for the second management level. Despite increased efforts to promote women in the Allianz Group and also at the individual subsidiaries, it was not possible to achieve the targets in these 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 2021, the share capital of Allianz SE was € 1,169,920,000. It was divided into 408,457,873 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 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 of 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 he or she is 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 8 May 2023, 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 € 334,960,000 (Authorized Capital 2018/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 2018/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 € 250,000,000 (Conditional Capital 2010/2018). 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 5 May 2010 or 9 May 2018, 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 9 May 2018, the Board of Management may, until 8 May 2023, 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.

Domestic or foreign banks that are majority-owned by Allianz SE may buy and sell Allianz shares for trading purposes (§ 71 (1) No. 7 and (2) AktG) under an authorization of the General Meeting valid until 8 May 2023. The total number of shares acquired thereunder, together with treasury shares held by Allianz SE or attributable to it under §§ 71a et seq. AktG, shall at no time exceed 10 % of the share capital of Allianz SE.

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.
- Bilateral credit agreements in some cases 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.
- 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 financial year 2021, 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 created jointly by the Board of Management and the Supervisory Board, and takes 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 above and beyond the legal requirements of § 162(3) AktG.

Review of the financial year

2021 Annual General Meeting

The Supervisory Board had resolved minor adjustments to the remuneration system for members of the Board of Management with effect from 1 January 2021. These comprise primarily the introduction of requirements or recommendations of the German Stock Corporation Act and the German Corporate Governance Code. The details of these adjustments are described in the section "Other Remuneration Principles", "Deviation From The Remuneration System" and "Remuneration Adjustments".

The Supervisory Board also resolved to adjust the target remuneration and the maximum remuneration of the Chairperson of the Board of Management, to ensure the appropriateness of the remuneration.

The remuneration system adjusted on this basis was presented to the Annual General Meeting under agenda item 5 for approval on 5 May 2021. The Annual General Meeting approved the system for the remuneration of the members of the Board of Management with a majority of 87.14 %. The remuneration system applies to all members of the Board of Management who were active in the financial year 2021.

Changes to the composition of the Board of Management

Barbara Karuth-Zelle and Christopher Townsend have been members of the Board of Management since 1 January 2021. They assumed departmental responsibility from Dr. Christof Mascher and Niran Peiris, both of whom retired from the Board of Management as of 31 December 2020.

Effective 1 October 2021, Andreas Wimmer was appointed to the Board of Management. He assumed responsibility for the Asset Management division and Allianz Life in the U.S. from Jacqueline Hunt, who is acting as strategic advisor to the Chairperson of the Board of Management as of this date. Remuneration for the new members of the Board of Management was set at the same level as the other ordinary members of the Board of Management.

Key remuneration issues in the financial year

In addition to the situation and impact of the global COVID-19 pandemic on overall economic conditions, as well as on the insurance industry and Allianz employees, other key issues included the risk strategy and the Board of Management's planning for both the financial year 2022 and the three-year period from 2022 to 2024. Cyber risk security and the impact of rising inflation rates on the insurance business were also regularly discussed. Furthermore, the Supervisory Board dealt in depth with personnel matters relating to the Board of Management as well as succession planning for the Board of Management and Supervisory Board, especially in the context of the upcoming elections to the Supervisory Board in 2022. The Supervisory Board and various committees also discussed appropriate consideration of non-financial targets in the target-setting process for the Board of Management remuneration.

The Personnel Committee of the Supervisory Board has closely followed the business development from the viewpoint of potential target achievement at Group level and individual remuneration targets for the first half of the year and at year-end. Another focal point was the ongoing discussion of the lawsuit and official proceedings in connection with the AllianzGI U.S. Structured Alpha Funds, particularly in the second half of 2021 and with regards to the target achievement for the financial year. Besides the quantitative targets for the financial year 2022, the non-financial targets and appropriateness of the remuneration of the Board of Management were discussed. Changes in the Board of Management were also prepared and implemented.

Remuneration of the Allianz SE Board of Management

Key principles of the board remuneration

Remuneration is designed to be appropriate compared to peers, 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 board members' remuneration 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.

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 the 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 German Stock Corporation Act (AktG) in its currently valid version as well as with regulatory requirements and the recommendations of the German Corporate Governance Code, while ensuring clarity and comprehensibility. Feedback from investors is also considered.

Determination of and adequacy of the 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, as well as the Allianz Group's long-term performance, relative size, complexity, and internationality.

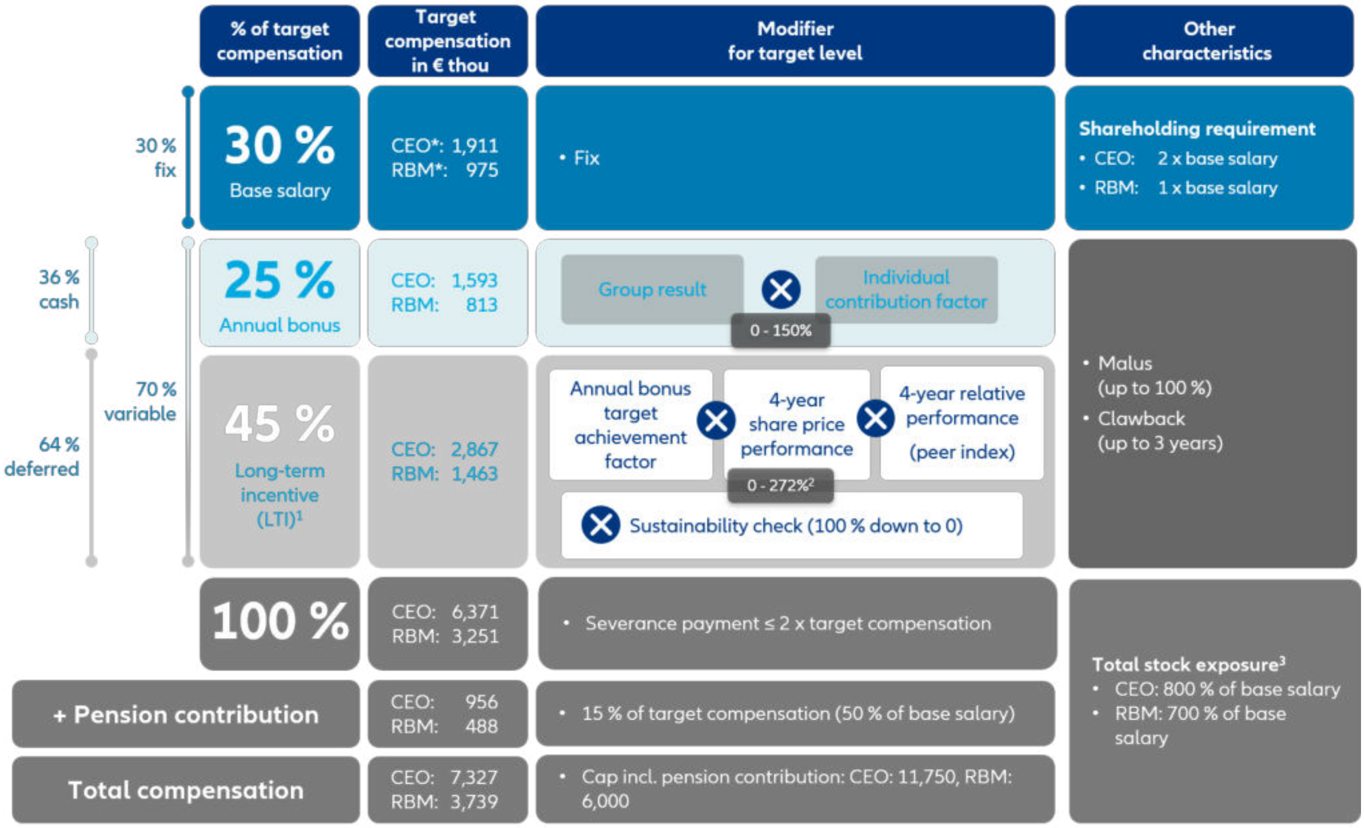
The benchmarking against the DAX companies in December already took into account the extension of the peer group from 30 to 40 companies. The outcome of the horizontal comparison is that Allianz SE is well above 75th percentile relative to size (revenue, number of employees, and market capitalization) compared to the DAX companies. Accordingly, the total remuneration of the members of the Board of Management is orientated on the upper quartile of the remuneration of the peer companies.

Vertical appropriateness

This comparison is based on the total direct compensation of a member of the Board of Management and the average direct compensation 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 financial year 2020, the factor for the Chairperson of Board of Management to employee was "66", and the factor for a regular board member to employee was "36". For the financial year 2021, the respective factor for the Chairperson of Board of Management to employee is "70" and the factor regular board member to employee is "41".

Overview of the remuneration system of Allianz SE

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 financial year 2021.



* CEO = Chief Executive Officer, RBM = regular board member.
1_For simplicity reasons, the LTI percentage as well as the LTI target amount are based on target allocation values.
2_The overall compensation cap of € 11,750 thou | € 6,000 thou including pension contributions limits the effective payout of the LTI to a maximum of 272 %
3_Shareholding requirement plus LTI at full run-rate.

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. They serve to provide a competitive remuneration to attract and retain Board of Management members, whose experience and skills 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 management of the company 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 compensation 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. The composition aims to balance short-term performance, longer-term success and sustained value creation. The Supervisory Board ensures that the targets for the variable remuneration are challenging, sustainable and ambitious.

Annual bonus

The annual bonus provides incentives for profitable growth and further developing 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 derived by multiplying the target achievement factor by the target amount for the annual bonus, and 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 compensation 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, whose achievement 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., € 3,822 thou,
- Regular Board of Management member: one time base salary, i.e., € 975 thou.

Holding is required for the entire term of service on the Board of Management. Shares will be acquired through mandatory pay component conversion. In case of a base salary increase, the shareholding obligation increases accordingly. The holding 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 the Allianz stock: It amounts to approx. 800 % of base salary for the Chairperson and approx. 700 % of base salary for a regular board member.

Malus/clawback

Variable remuneration components may not be paid, or payment may be restricted, in the case 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 occur if the supervisory authority (BaFin) requires this 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 € 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 financial year 2019. Given that the actual amount of the paid out long-term variable remuneration 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 financial year 2024.

Deviation from the remuneration system

The Supervisory Board can deviate temporarily 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.

The components of the remuneration system from which deviations may be made in exceptional cases include in particular the base salary, the annual bonus and the long-term incentive (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, e.g., with crisis management expertise, with a remuneration structure that temporarily deviates from the remuneration structure.

In the financial year 2021, 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 the 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 comparison of the Board of Management remuneration horizontally and vertically. 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.

It does not constitute an automatic adjustment, but requires a justified decision by the Supervisory Board in each case. 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. The remuneration report is prepared in accordance with ARUG II and submitted to the Annual General Meeting for approval.

In the financial year 2021, the Supervisory Board did not make use of the option to adjust the remuneration.

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 pro-rated 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 case 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, such 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.

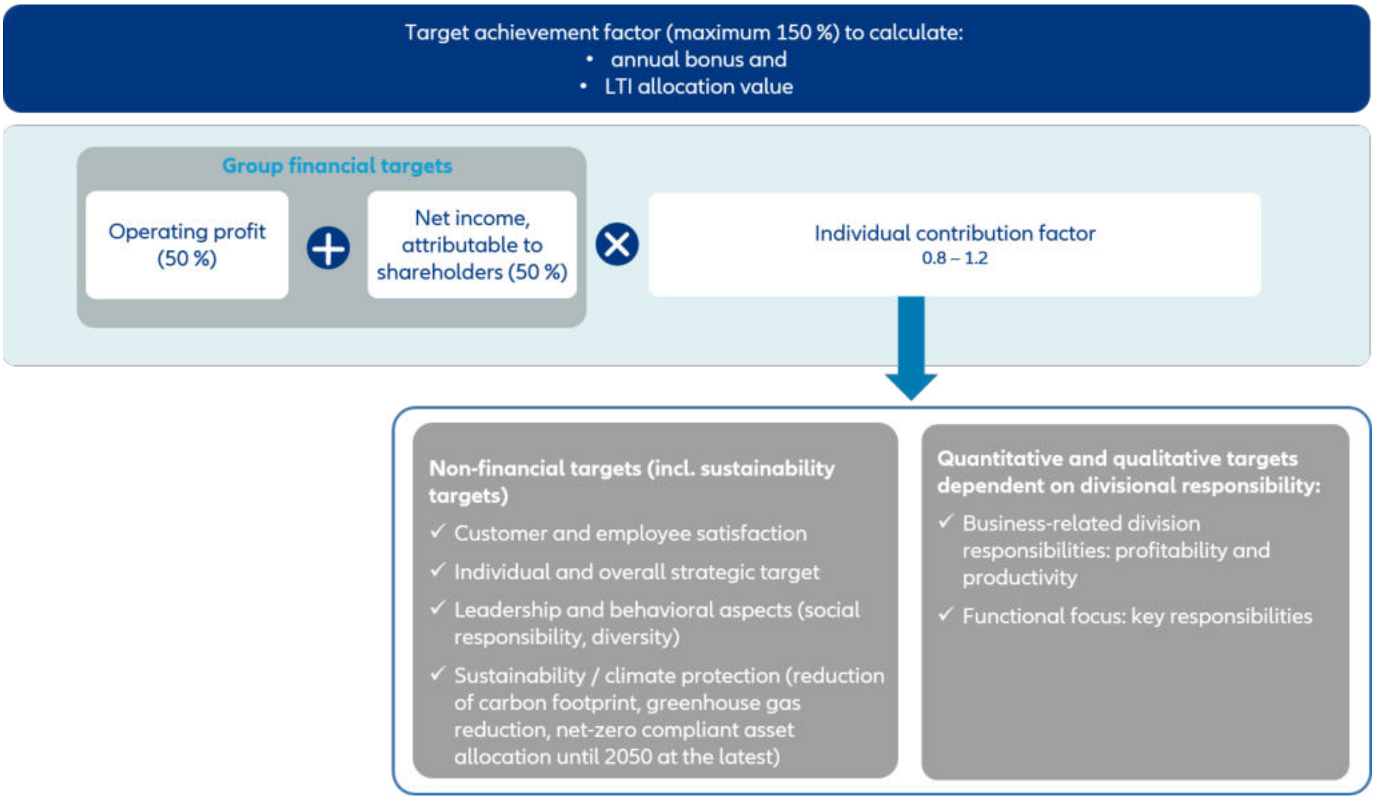
In recognition of related benefits to the organization, and subject to prior approval by the Supervisory Board of Allianz SE, board members are also allowed to accept a limited number of non-executive supervisory roles at appropriate external organizations. In these cases, 50% of the remuneration received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

The respective board member will retain the full remuneration for that position only 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; its level 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 Management Board.

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 and for the return on equity calculation. 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 are documented for the respective next financial year and published ex-post in the remuneration report.

Individual performance indicators

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

– Business division targets: For board members with business-related division responsibilities, the contribution to the financial performance considers 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 qualitatively assessed.

– Non-financial targets (incl. sustainability targets): Customer satisfaction (for example, Net Promoter Score (NPS)) and employee satisfaction (for example, Allianz Engagement Survey) are taken into account in the non-financial targets. The management qualities, including strategic properties, are also assessed. The review of the individual management qualities assesses behavioral aspects, such as customer orientation, personnel management, corporate behavior, and credibility (for example, social responsibility, integrity, diversity). The following elements were taken into account in 2021 with regard to sustainability/climate protection:

  – Decarbonizing the Allianz Group's business operations and increasing the share of renewable energy in order to reduce carbon emissions by 30 % by 2025, against a 2019 baseline.
  – Decarbonizing the investment portfolio in line with the Asset Owner Alliance (AOA) with the interim target of reducing emissions in listed equities and corporate bonds asset classes by 25 % by year-end 2024 (baseline year 2019).
  – Securing the strong sustainability position in three leading sustainability indices.

Additional information can be found in the Non-Financial Statement for the Allianz Group and Allianz SE.

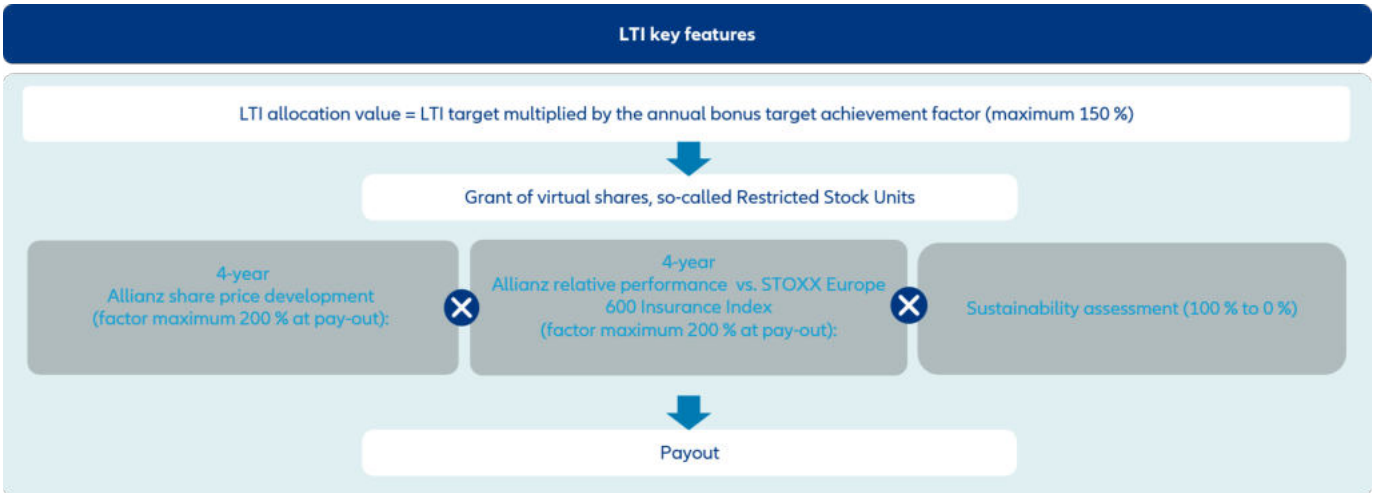
Determining the individual contribution factor (ICF)

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.

The individual indicators are not weighted on a 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. Since the 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, so-called 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:

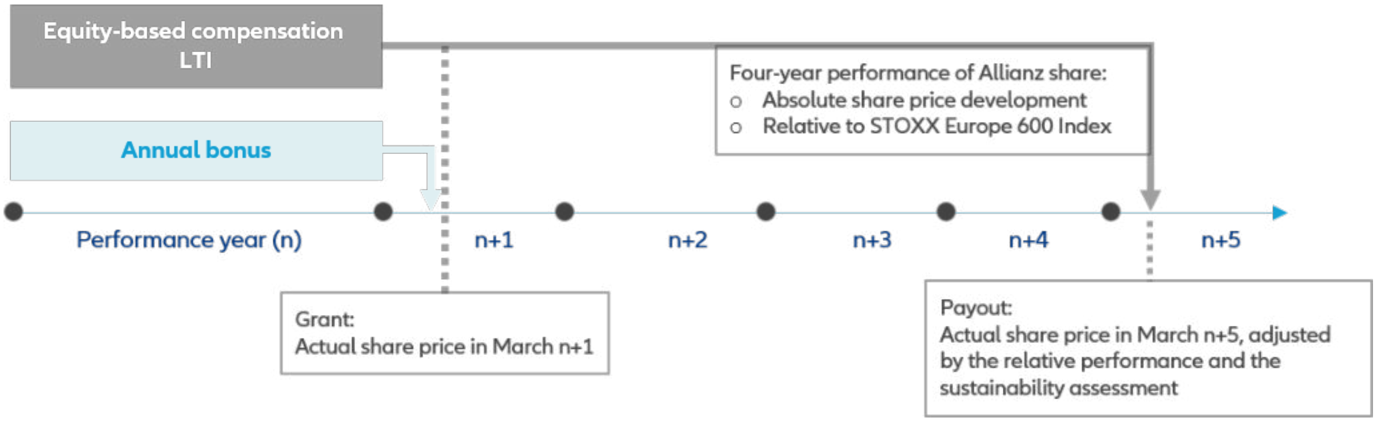
  – The LTI allocation amount is derived by multiplying the LTI target amount by the annual bonus achievement factor, and capped at maximum 150% of the target level.
  – The RSU allocation value is based on the ten-day-average Xetra closing price of the Allianz stock following the annual financial media 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.

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.

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 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": As the comparison with competitors and the market is of outstanding importance, the outperformance/underperformance is weighted twofold.
  - 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 Supervisory Board determines, following a preliminary assessment by the Personnel Committee and the external auditor, whether there are any sustainability-related concerns regarding a full payout. If so, payment of the tranche may be canceled in full or in part.

Subject of the sustainability assessment are:

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

  The assessment is made 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 RBM	%	Number RSUs	€ thou
Initial grant based on:			
•LTI target			1,463
•LTI allocation amount: annual bonus achievement factor applied to LTI target	110		1,609
•RSU grant (listed share price: € 240, share price relevant to the calculation of the allocation: € 190 (= reduced by the net present value of estimated future dividends of € 50))		8,470	
LTI payout at vesting based on:			
•RSUs x share price at vesting (€ 298)			2,524
•TSR relative performance factor: 2 x (TSR Allianz: 45 % – TSR Stoxx Europe 600 Insurance: 40 %) + 100 %	110		
Payout			**2,776**

LTI payout: performance remains below expectation (scenario 2)

Illustrative example for RBM	%	Number RSUs	€ thou
Initial grant based on:			
•LTI target			1,463
•LTI allocation amount: annual bonus achievement factor applied to LTI target	90		1,317
•RSU grant (listed share price: € 240, share price relevant to the calculation of the allocation: € 190 (= reduced by the net present value of estimated future dividends of € 50))		6,930	
LTI payout at vesting based on:			
•RSUs x share price at vesting (€ 226)			1,566
•TSR relative performance factor: 2 x (TSR Allianz: 15 % – TSR Stoxx Europe 600 Insurance: 40 %) + 100 %	50		
Payout			**783**

Application of the remuneration system in the financial year

Variable remuneration for the financial year

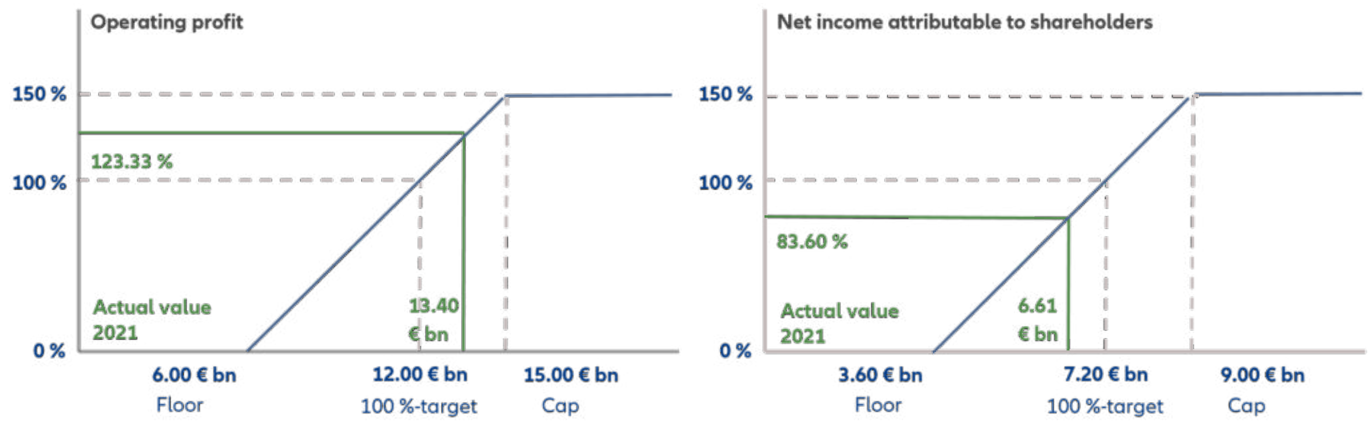
Financial Group targets and target achievement

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 for the year attributable to shareholders. At € 13.4 bn, the operating profit target of € 12.0 bn was exceeded as all business units achieved strong growth, resulting in a target achievement of 123.33 % for operating profit.

The provision recorded in Q4 2021 for proceedings relating to the Structured Alpha Funds significantly reduced net income attributable to shareholders and thus also the target achievement of the net income attributable to shareholders. With net income attributable to shareholders of € 6.61 bn, the target of € 7.20 bn was not reached, resulting in a target achievement of 83.60 %. Without the very strong operating performance and the positive effect from the Allianz Life reinsurance agreement in the USA, the target achievement for net income attributable to shareholders would have been even lower.

Overall, this results in an achievement rate for the Group's financial targets of 103.47 %. The Supervisory Board did not exercise any discretion in determining the Group's financial target achievement.

Group financial target achievement level 2021



Group financial target achievement 2019-2021

Group financial target achievement	Operating profit			Net income			Achievement level combined in %		
Financial year	2019	2020	2021	2019	2020	2021	2019	2020	2021
Bonus curve									
0 % - Floor in € bn	5.80	6.00	6.00	3.80	4.00	3.60			
100 % - Target in € bn	11.50	12.00	12.00	7.50	7.90	7.20			
150 % - Max in € bn	14.35	15.00	15.00	9.35	9.85	9.00			
Target achievement							108.72	75.58	103.47
Achievement level in € bn	11.86	10.75	13.40	7.91	6.81	6.61			
Achievement level in %	106.24	79.19	123.33	111.19	71.97	83.60			
Weight in %	50.00	50.00	50.00	50.00	50.00	50.00			

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), which is determined for each board member by the Supervisory Board in line with the target achievement of the individual agreement on the financial and non-financial targets.

The financial performance of the Board of Management, based on the operating business, has to be rated as very strong for the financial year 2021. The solvency stabilized at a good level. Almost all business divisions made a positive contribution and some have significantly exceeded the target level.

The Iberia & Latin America region and the non-operating business of the Asset Management are the exception. Consequently, the Group's target achievement level is negatively impacted almost exclusively by these divisions.

The strong performance overall was achieved on a sustainable basis. As in the financial year 2020, both customers and employees once again awarded the Board of Management a very good rating in the financial year 2021, as revealed by the indicators such as Net Promoter Score, Inclusive Meritocracy Index, and Work Well Index Plus. The environmental target set for reducing CO_2 emissions was also clearly exceeded. As a result, the overall determination of the individual contribution factor (ICF) for the Board of Management was 1. Compared to the previous year, this includes a flat-rate discount of around 10 percentage points, which was agreed with each individual member of the Board of Management as a result of the Structured Alpha proceedings.

As CFO, Giulio Terzariol was responsible for a considerable share of the strong operating profit of over € 13 bn. He worked consistently on the Allianz Group's S&P rating, the solvency ratio, and liquidity, which he reinforced through very good capital management, such as successful transactions with closed life insurance policies. Mr. Terzariol was also convincing in his communication of the new financial targets on the Capital Markets Day and of the preparations for the introduction of IFRS 9/17.

The Supervisory Board expects further progress to be made in 2022 on accumulation control, the management of potential reputational risks, and in monitoring and managing the transformation and IT activities.

Dr. Günther Thallinger achieved a performance that exceeded expectations in investment management, for which he was responsible. Capital efficiency was significantly increased in the Life/Health business segment through a series of capital measures. In 2021 the return on equity in this segment was 13.0 %. Dr. Thallinger also played a significant role in further structuring and implementing the Allianz Group's sustainability ambitions with regard to environmental, social and governance (ESG) issues, whereby it achieved the leading position among the insurance companies in the Dow Jones Sustainability Index Ranking 2021. The Group Center for sustainability was set up successfully and pro-actively supported the work of the newly-established Sustainability Committee of the Supervisory Board.

The Supervisory Board expects to make further efforts in consistently realizing potential in the area of health insurance, especially through new cross-border digital initiatives as well as strengthening the competitive position as an investor in global capital markets, especially in non-listed assets.

Dr. Barbara Karuth-Zelle has very quickly lived up to her new role as member of the Board of Management, already making a positive and important contribution in her first year. Under her leadership, the Allianz Group has made considerable progress in further harmonizing and centralizing its IT operations. Productivity, for example, once again increased. Despite the numerous group-wide transformation initiatives, IT costs remained in line with expectations. The IT stability was maintained at a high level and the IT security of the Allianz Group was improved further. The very positive development of employee satisfaction in her area of responsibility is also worth mentioning.

The Supervisory Board expects further progress, especially in synchronizing the global and local measures taken to implement the Business Master Platform, and the consistent alignment of personnel development to the new requirements. The topic of cybersecurity must always be at the forefront in a dynamic environment.

With a strong contribution to earnings by the operating entities in Western Europe, Sergio Balbinot once again made a material contribution to the Group's very good operating result. Thanks to the acquisition of the Italian property-casualty insurance entity from the Aviva Group, he further reinforced Allianz's strong position in Italy. In addition to Allianz's leadership among the Asian insurance units, the authorization it was granted to establish an insurance asset management company is another very positive issue. Allianz is therefore the first company in China to be able to establish a fully foreign-owned insurance asset management enterprise on the Chinese market. From a Group perspective, the approval from the China Banking and Insurance Regulatory Commission (CBIRC) to acquire the shareholdings in Allianz China Life Insurance from joint venture Partner Citic Trust is of great importance. Allianz is now the sole owner of this company.

For the financial year 2022, the Supervisory Board expects internal and external growth potential, where appropriate, to be realized in the Asia region, as well as further optimization of the business operations.

Renate Wagner made a positive contribution to earnings with the functional units she leads – Human Resources, Legal, Compliance, Privacy & Data Protection, and M&A. It is particularly worth mentioning the second-highest result in the history of the group-wide employee survey "Allianz Engagement Survey", which reflects the high level of employee satisfaction with the management of the still persistent pandemic in 2021. Contrary to the market trend, employee satisfaction remained at a high level in 2021. Another positive factor is the implementation of acquisitions despite adverse conditions, for example in Italy and Poland, and groundbreaking transactions with various closed life insurance portfolios as well as the good collaboration with the U.S. authorities in resolving the events surrounding the AllianzGI U.S. Structured Alpha Funds.

The Supervisory Board expects that, aside from economies of scale, M&A transactions will also contribute to the new technological challenges. The HR division has to focus strongly on developing and supporting talent within the Group, with regard to the changing requirements.

Dr. Klaus-Peter Röhler successfully steered the Allianz Deutschland AG companies through a challenging year with a steady hand. The implementation of the reorganization of Allianz in Germany, together with the very good results of the employee survey at the same time, is positive. Despite the severe natural disasters of summer 2021, Allianz Deutschland AG achieved very solid results. In addition to the strong contributions to earnings from Switzerland and the region Central and Eastern Europe, the acquisition of Aviva's life and property-casualty business, as well as Aviva Poland's pension and asset management businesses, further expanded the strong position of the Allianz companies in the region. Dr. Röhler had a material impact on the group-wide improvement in the Group's property insurance performance indicators in the retail business.

The Supervisory Board continues to expect strong growth above the market trend in the region Central and Eastern Europe. It also expects consistent development of the digitalization process in the German companies in particular as well as timely improvements in customer satisfaction in property insurance, in order to become the market leader here too.

Dr. Andreas Wimmer quickly familiarized himself with the business division he assumed on 1 October 2021, while also continuing to successfully manage Allianz Lebensversicherungs-AG. In addition to his commitment to processing the Structured Alpha proceedings and his contribution to the life insurance portfolio transaction in the United States, his convincing presentation of Allianz's future life insurance strategy at the Capital Markets Day in December was a positive factor.

Besides processing the potential measures arising from the Structured Alpha proceedings, the Supervisory Board expects Dr. Wimmer to take further steps in implementing the life insurance strategy and continuing the strategy in asset management.

Chris Townsend has integrated into the management team and the broader Allianz community fast and with positive impact. Under his leadership and via Global Commercial, the Group's Commercial business, incl. AGCS, benefited from reduced volatility. Global Commercial installed a segment-focus steering approach across the Group to address the significant market potential in Mid-Corp. The AGCS turnaround shows substantial progress, delivering an underwriting profit, and Euler Hermes successfully exited the State Support Schemes and was able to increase profits in 2021. Australia delivered on the re-platforming of the new Business Master Platform with positive results. The strong indices of the annual employee engagement survey within the units under Chris Townsend's responsibility were encouraging.

The Supervisory Board expects further improvement in the Mid-Corp business, and tangible progress in the transformation of the companies in the UK and Australia.

The quantitative performance of the companies in the Iberia & Latin America region led by Iván de la Sota fell short of expectations. The Supervisory Board expects a visible improvement here, in terms of profitability and technical excellence. It is worth mentioning the promising start of the joint venture with Banco Bilbao Vizcaya Argentaria (BBVA) in Spain, the integration of the SulAmérica business in Brazil, and the successful transactions of the Allianz X unit in promising FinTech companies. The Supervisory Board assesses as very positive the further successful steps taken towards developing and implementing a uniform, cross-border product and IT platform strategy as well as in the claims processing of Allianz Group.

Allianz Life Insurance Company of North America (Allianz Life) as well as AllianzGI and PIMCO showed a strong operating performance during the time Jacqueline Hunt was responsible until 30 September 2021. Also positive was the successful completion of the reinsurance agreement for a $ 35 billion fixed index annuity portfolio by AZ Life, which significantly improved the Allianz Group's return on equity and strengthened the Allianz Group's regulatory capital position. In the case of AllianzGI and PIMCO, in particular, the record inflows of assets under management had a positive impact.

The non-financial targets also showed a good performance of Mrs. Hunt and her contribution went beyond her divisional responsibilities.

Mrs. Hunt has been an excellent member of the Board of Management and there is no evidence of any wrongdoing by her in connection with Structured Alpha. However, the net income impact of the provision for Structured Alpha has been reflected in her ICF of 0.8.

Overall, Oliver Bäte acted prudently and with confidence, providing his Board of Management team with the right impetus in what was once again a difficult environment, so that the Allianz Group could consistently meet its operating targets beyond expectations. Mr. Bäte presented the Allianz Group's new strategy and ambition for 2022 – 2024 with great conviction at the Capital Markets Day and the Supervisory Board now expects consistent implementation of this strategy. Mr. Bäte convinced analysts and investors alike with the new dividend strategy and the announcement of AZ Life's groundbreaking transactions in the United States. He was once again a great role model to the entire Allianz management in 2021.

Potential impact of the legal disputes in the USA on Board of Management remuneration

The legal disputes in the USA will, in addition to the negative impact on net income attributable to shareholders of the Asset Management division and the Group as a whole, because of failure of this element to meet the financial targets for the 2021 financial year, and through the agreement to a 10 percentage point discount on the individual contribution factor of all board members, also have negative implications for the bonus of the entire Board of Management. The distribution of the LTI in 2022 will be reduced, as well as the bonus payment.

Furthermore, the legal disputes in the USA could also potentially have a clearly negative effect on the Board of Management's long-term incentive. The long-term incentive is based on Allianz SE's share price performance in absolute and relative terms. Following publication of the ad hoc announcement on 1 August 2021, the Allianz share fell by 8 % and at year-end 2021 traded only +3.5 % higher than at the start of the year. In the relative development (including dividends), the STOXX Europe 600 Insurance rose by +21 % compared to the +8 % performance of the Allianz share in 2021. The 12 % points underperformance is reflected with a factor of 2 in the Board of Management's long-term incentive and could potentially reduce the payout by up to -25 %.

Each long-term incentive plan has a four-year term. The relative performance achieved before 1 January 2021 or the future relative performance until the payment date are not taken into account in this exemplary analysis as at the reporting date of 31 December 2021. The relative performance in the reporting year impacts the long-term incentive from the 2020 and 2021 plans.[1]

The Supervisory Board and the Board of Management have initiated reviews in conjunction with the Structured Alpha subject as well as commissioning independent advisors to conduct external investigations. The various examinations were not yet concluded at the time of preparing this Remuneration Report. There are no findings so far of possible breaches of duty by the Board of Management.

According to the remuneration system for members of the Board of Management, the Supervisory Board may wholly or partially reduce the annual bonus and/or LTI allocation amount or payout (malus) in the case of a significant breach of the Allianz Code of Conduct or other compliance provisions.

If a breach of compliance is committed and/or infringed prior to payment of the annual bonus or the long-term incentive but is not identified until after payout, the Supervisory Board may wholly or partially reclaim the annual bonus or long-term incentive paid out (clawback).

The Supervisory Board makes its decision on the basis of its professional judgment. In particular, the severity and impact of the breach, degree of culpability and any financial loss or reputational damage to the company that has occurred or is impending must be taken into account.

1_The relative performance is only reflected since the system conversion in performance year 2019.

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

Board member		Target achievement			Annual bonus				LTI allocation[1]			
		Group financial performance	ICF	Target achievement factor	Target	Min	Max	Payout	Target	Min	Max	Allocation
Active board members in 2021		%	0.8-1.2	%	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou	€ thou
Oliver Bäte	2021	103.47	1.06	109.68	1,593	-	2,390	1,748	2,867	-	4,301	3,145
Appointed: 01/2008; CEO since 05/2015	2020	75.58	1.17	88.43	1,422	-	2,133	1,257	2,559	-	3,839	2,263
	2019	108.72	1.13	122.85	1,422	-	2,133	1,747	2,559	-	3,839	3,144
Sergio Balbinot	2021	103.47	1.06	109.68	813	-	1,220	892	1,463	-	2,195	1,605
Appointed: 01/2015	2020	75.58	1.16	87.67	813	-	1,220	713	1,463	-	2,195	1,283
	2019	108.72	1.11	120.68	813	-	1,220	981	1,463	-	2,195	1,766
Jacqueline Hunt	2021	103.47	0.80	82.78	813	-	1,220	673	1,463	-	2,195	1,211
07/2016 until 09/2021	2020	75.58	1.14	86.16	813	-	1,220	700	1,463	-	2,195	1,261
	2019	108.72	1.10	119.59	813	-	1,220	972	1,463	-	2,195	1,750
Dr. Barbara Karuth-Zelle	2021	103.47	1.04	107.61	813	-	1,220	875	1,463	-	2,195	1,574
Appointed: 01/2021	2020	-	-	-	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-	-	-	-	-
Dr. Klaus-Peter Röhler	2021	103.47	1.05	108.64	813	-	1,220	883	1,463	-	2,195	1,589
Appointed: 04/2020	2020	75.58	1.15	86.92	611	-	917	531	1,100	-	1,650	956
	2019	-	-	-	-	-	-	-	-	-	-	-
Ivan de la Sota	2021	103.47	0.98	101.40	813	-	1,220	824	1,463	-	2,195	1,483
Appointed: 04/2018	2020	75.58	1.11	83.89	813	-	1,220	682	1,463	-	2,195	1,227
	2019	108.72	0.95	103.28	813	-	1,220	840	1,463	-	2,195	1,511
Giulio Terzariol	2021	103.47	1.04	107.61	813	-	1,220	875	1,463	-	2,195	1,574
Appointed: 01/2018	2020	75.58	1.14	86.16	813	-	1,220	700	1,463	-	2,195	1,261
	2019	108.72	1.07	116.33	813	-	1,220	946	1,463	-	2,195	1,702
Dr. Günther Thallinger	2021	103.47	1.04	107.61	813	-	1,220	875	1,463	-	2,195	1,574
Appointed: 01/2017	2020	75.58	1.14	86.16	813	-	1,220	700	1,463	-	2,195	1,261
	2019	108.72	1.07	116.33	813	-	1,220	946	1,463	-	2,195	1,702
Christopher Townsend	2021	103.47	1.04	107.61	813	-	1,220	875	1,463	-	2,195	1,574
Appointed: 01/2021	2020	-	-	-	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-	-	-	-	-
Renate Wagner	2021	103.47	1.05	108.64	813	-	1,220	883	1,463	-	2,195	1,589
Appointed: 01/2020	2020	75.58	1.14	86.16	813	-	1,220	700	1,463	-	2,195	1,261
	2019	-	-	-	-	-	-	-	-	-	-	-
Dr. Andreas Wimmer[2]	2021	103.47	1.00	103.47	205	-	308	226	369	-	554	407
Appointed: 10/2021	2020	-	-	-	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-	-	-	-	-

1_Derived by multiplying the LTI target amount by the total target achievement factor.
2_Annual bonus and LTI allocation pro rata for three months. Payout determined using the weighted average of the target achievement of Allianz Lebensversicherungs-AG (126.5 %: 110 % company target achievement and 1.15 ICF) with a weighting of 30 % and the Allianz SE target achievement with a weighting of 70 %.

Share-based remuneration

The following table shows the development of the RSU portfolios of the members of the Board of Management in the financial year. The number of RSUs granted under the former Allianz Equity Incentive (AEI – until and including the allocation for financial year 2018) and under the current Long Term Incentive (LTI – from financial year 2019) are displayed separately.

The reported RSU portfolios can 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 € 203.13.

RSU portfolio development in financial year

			Development in financial year			
Board member	RSU plan	Number of RSUs on 1.1.2021	Number of RSUs allocated in March 2021	Number of RSUs settled in March 2021	Number of RSUs forfeited in 2021	Number of RSUs on 31.12.2021
Oliver Bäte	LTI/ RSU	19,588	13,972	-	-	33,560
	AEI/RSU	30,347	-	11,038	-	19,309
Sergio Balbinot	LTI/ RSU	11,001	7,919	-	-	18,920
	AEI/RSU	19,360	-	7,359	-	12,001
Jacqueline Hunt (until 09/2021)	LTI/ RSU	10,902	7,783	-	-	18,685
	AEI/RSU	15,175	-	3,417	-	11,758
Dr. Barbara Karuth-Zelle	LTI/ RSU	-	-	-	-	-
	AEI/RSU	8,018	2,945	2,278	-	8,685
Dr. Klaus-Peter Röhler	LTI/ RSU	-	5,900	-	-	5,900
	AEI/RSU	18,394	1,809	4,017	-	16,186
Ivan de la Sota	LTI/ RSU	9,415	7,578	-	-	16,993
	AEI/RSU	12,177	-	3,200	-	8,977
Giulio Terzariol	LTI/ RSU	10,604	7,783	-	-	18,387
	AEI/RSU	10,445	-	2,599	-	7,846
Dr. Günther Thallinger	LTI/ RSU	10,604	7,783	-	-	18,387
	AEI/RSU	14,163	-	2,826	-	11,337
Christopher Townsend	LTI/ RSU	-	-	-	-	-
	AEI/RSU	-	-	-	-	-
Renate Wagner	LTI/ RSU	-	7,783	-	-	7,783
	AEI/RSU	5,159	-	1,341	-	3,818
Dr. Andreas Wimmer (since 10/2021)	LTI/ RSU	-	-	-	-	-
	AEI/RSU	4,808	4,250	1,452	-	7,606

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 2021

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	3,802	9,734	13,536	708
Sergio Balbinot	1,086	5,760	6,846	702
Jacqueline Hunt	-	5,671	5,671	582
Dr. Barbara Karuth-Zelle	-	1,644	1,644	169
Dr. Klaus-Peter Röhler	314	4,131	4,445	456
Ivan de la Sota	1,086	4,799	5,885	604
Giulio Terzariol	1,086	4,806	5,892	604
Dr. Günther Thallinger	1,806	5,530	6,616	679
Christopher Townsend	-	-	-	-
Renate Wagner	471	2,073	2,544	261
Dr. Andreas Wimmer	-	1,400	1,400	144

1_Based on the XETRA closing price of the Allianz share as of 30 December 2021. Shareholdings as of 31 December 2021: Oliver Bäte: 18,309 shares; Sergio Balbinot, Ivan de la Sota, Giulio Terzariol and Dr. Günther Thallinger: 5,230 shares each. Renate Wagner: 2,270 shares, Dr. Klaus-Peter Röhler: 1,513 shares. As part of the share ownership guideline, the first acquisition for Dr. Barbara Karuth-Zelle and Christopher Townsend will take place in 2022, and for Dr. Andreas Wimmer in 2023.

2_Based on fair value of RSU portfolio as of 31 December 2021 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.

Pensions

Company contributions to the current pension plan "My Allianz Pension" are generally 15 % of total target direct compensation, reduced by an amount covering the death and occupational or general disability risk. They 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 2021, the Allianz Group paid € 5 mn (2020: € 6 mn) to increase reserves for pensions and similar benefits for active members of the Board of Management. As of 31 December 2021, reserves for pensions and similar benefits for active members of the Board of Management amounted to € 33 mn (2020: € 35 mn).

Reserves for current pension obligations and accrued pension rights for former members of the Board of Management totaled € 201 mn (2020: € 171 mn).

Individual pensions: 2021 and 2020
€ 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	2021	878	4,830	172	5,494	1,050	10,324
	2020	812	3,765	229	5,638	1,041	9,403
Sergio Balbinot	2021	465	2,885	2	45	467	2,930
	2020	464	2,354	8	46	472	2,400
Jacqueline Hunt[4]	2021	344	-	-	-	344	-
	2020	458	1,720	-	-	458	1,720
Dr. Barbara Karuth-Zelle	2021	353	1,115	45	1,091	398	2,206
	2020	-	-	-	-	-	-
Dr. Klaus-Peter Röhler	2021	461	1,826	79	2,466	540	4,292
	2020	346	1,302	44	2,519	390	3,821
Ivan de la Sota	2021	462	1,708	73	635	535	2,343
	2020	462	1,197	98	617	560	1,814
Giulio Terzariol	2021	461	1,950	104	1,481	565	3,431
	2020	462	1,427	94	1,464	556	2,891
Dr. Günther Thallinger	2021	465	2,484	83	1,779	548	4,263
	2020	464	1,927	71	1,933	535	3,860
Christopher Townsend	2021	412	417	-	-	412	417
	2020	-	-	-	-	-	-
Renate Wagner	2021	464	1,182	63	247	527	1,429
	2020	464	683	13	265	477	948
Dr. Andreas Wimmer	2021	42	836	9	289	51	1,125
	2020	-	-	-	-	-	-

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.
4_As Jacqueline Hunt`s service as a member of the Board of Management ended on 30 September 2021, her employer-financed DBO of € 2,215 thou as of 31 December 2021 is taken into account under the former board members.

Remuneration of the members of the Board of Management

The following tables show the individual remuneration of the members of the Board of Management who were active in the reporting year, for the 2021 and 2020 financial years.

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 in case the applicable performance criteria are fulfilled and conditions subsequent and suspensive have been met or have ceased to exist. For the financial year 2021, this is the annual bonus that refers to the 2021 performance period and is paid out in March 2022. For the share-based renumeration, the payout of the RSU allocation of the Allianz Equity Incentive (AEI) for the financial year 2016, which vested in the financial year 2021, is reported.

This interpretation of the awarding concept corresponds to the definition of the payout in the remuneration reports of previous years. The information in the table "Remuneration In The Financial Year" is therefore consistent with the details in the column "Payout" in previous remuneration reports.

The additional table "Renumeration 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.

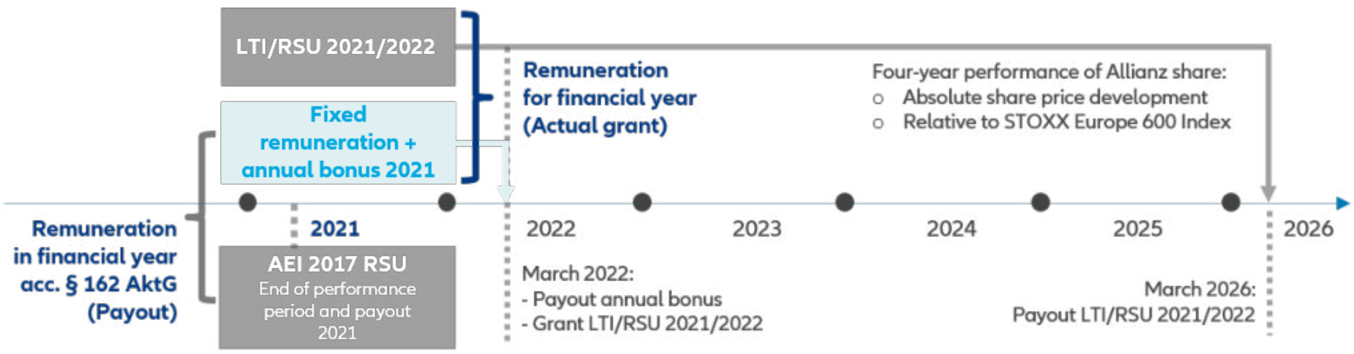
These compensation components correspond with the components in the column "Actual Grant" in previous remuneration reports.

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 2026 and 2025 of the LTI tranches allocated for the financial year 2021 and 2020, 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 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.

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 for the sake of clarity.

The following diagram presents the allocation of the remuneration components in the two tables, using the financial year 2021 as an example:



Remuneration in the financial year

The following table shows the remuneration awarded and due in accordance with § 162 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: 2021 and 2020

€ 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	2021	1,911	32	11	-	1,748	30	2,242	38	-	-	5,912	1,050	6,961
Appointed: 01/2008; CEO since 05/2015	2020	1,706	32	11	-	1,257	23	2,375	44	-	-	5,350	1,041	6,391
Sergio Balbinot	2021	975	28	91	3	892	26	1,495	43	-	-	3,453	467	3,920
Appointed: 01/2015	2020	975	27	74	2	713	20	1,883	52	-	-	3,644	472	4,116
Jacqueline Hunt[1]	2021	975	41	14	1	673	29	694	29	-	-	2,357	344	2,700
Appointed: 07/2016; end of service 09/2021	2020	975	57	23	1	700	41	-	-	-	-	1,699	458	2,156
Dr. Barbara Karuth-Zelle	2021	975	52	11	1	875	47	-	-	-	-	1,861	398	2,258
Appointed: 01/2021	2020	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Klaus-Peter Röhler	2021	975	52	30	2	883	47	-	-	-	-	1,888	540	2,428
Appointed: 04/2020	2020	731	57	23	2	531	41	-	-	-	-	1,285	390	1,675
Ivan de la Sota	2021	975	54	15	1	824	45	-	-	-	-	1,814	535	2,349
Appointed: 04/2018	2020	975	57	60	3	682	40	-	-	-	-	1,717	560	2,277
Giulio Terzariol	2021	975	52	20	1	875	47	-	-	-	-	1,870	565	2,435
Appointed: 01/2018	2020	975	58	18	1	700	41	-	-	-	-	1,694	556	2,250
Dr. Günther Thallinger	2021	975	53	2	-	875	47	-	-	-	-	1,852	548	2,400
Appointed: 01/2017	2020	975	58	2	-	700	42	-	-	-	-	1,678	535	2,212
Christopher Townsend	2021	975	51	53	3	875	46	-	-	-	-	1,903	412	2,315
Appointed: 01/2021	2020	-	-	-	-	-	-	-	-	-	-	-	-	-
Renate Wagner	2021	975	52	25	1	883	47	-	-	-	-	1,883	527	2,410
Appointed: 01/2020	2020	975	57	32	2	700	41	-	-	-	-	1,708	477	2,185
Dr. Andreas Wimmer	2021	244	52	2	-	226	48	-	-	-	-	472	51	522
Appointed: 10/2021	2020	-	-	-	-	-	-	-	-	-	-	-	-	-

1_For reasons of clarity, Jacqueline Hunt`s complete remuneration in the financial year is reported here. Her pro-rated base salary for the period from 1 January to 30 September 2021 is € 731 thou. The pro-rated annual bonus amount for this time period is € 503 thou.

Compliance with the maximum remuneration principles on payouts for share-based remuneration in the financial year 2021

In the financial year 2021, the RSU tranches for the financial year 2016, allocated in March 2017, were paid out to Oliver Bäte, Sergio Balbinot and Jacqueline Hunt. According to the remuneration system applicable at the time of the allocation, the RSU payout is capped at 200 % above the grant price. During the term of the AEI/RSU 2017 tranche, the decisive price of the Allianz share rose from € 165.55 to € 203.13. 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 payout amount of the annual bonus and the allocation amount of the LTI grant for the financial year.

Individual remuneration: 2021 and 2020

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

Board members		Fixed compensation				Variable short-term		Variable long-term						
		Base salary		Perquisites		Annual bonus		Share-based compensation		Other compensation		Total compen-sation	Pension service cost	Total
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	2021	1,911	28	11	-	1,748	26	3,145	46	-	-	6,815	1,050	7,864
Appointed: 01/2008; CEO since 05/2015	2020	1,706	32	11	-	1,257	24	2,348	44	-	-	5,323	1,041	6,364
Sergio Balbinot	2021	975	27	91	3	892	25	1,605	45	-	-	3,563	467	4,030
Appointed: 01/2015	2020	975	31	74	2	713	23	1,345	43	-	-	3,107	472	3,578
Jacqueline Hunt	2021	975	34	14	1	673	23	1,211	42	-	-	2,874	344	3,217
Appointed: 07/2016; end of service 09/2021	2020	975	32	23	1	700	23	1,324	44	-	-	3,023	458	3,481
Dr. Barbara Karuth-Zelle	2021	975	28	11	-	875	25	1,574	46	-	-	3,435	398	3,833
Appointed: 01/2021	2020	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Klaus-Peter Röhler	2021	975	28	30	1	883	25	1,589	46	-	-	3,478	540	4,018
Appointed: 04/2020	2020	731	32	23	1	531	23	1,017	44	-	-	2,302	390	2,692
Ivan de la Sota	2021	975	30	15	-	824	25	1,483	45	-	-	3,298	535	3,832
Appointed: 04/2018	2020	975	32	60	2	682	23	1,290	43	-	-	3,007	560	3,567
Giulio Terzariol	2021	975	28	20	1	875	25	1,574	46	-	-	3,444	565	4,009
Appointed: 01/2018	2020	975	32	18	1	700	23	1,322	44	-	-	3,016	556	3,572
Dr. Günther Thallinger	2021	975	28	2	-	875	26	1,574	46	-	-	3,426	548	3,974
Appointed: 01/2017	2020	975	33	2	-	700	23	1,322	44	-	-	3,000	535	3,535
Christopher Townsend	2021	975	28	53	2	875	25	1,574	45	-	-	3,477	412	3,889
Appointed: 01/2021	2020	-	-	-	-	-	-	-	-	-	-	-	-	-
Renate Wagner	2021	975	28	25	1	883	25	1,589	46	-	-	3,472	527	4,000
Appointed: 01/2020	2020	975	32	32	1	700	23	1,324	44	-	-	3,032	477	3,508
Dr. Andreas Wimmer	2021	244	28	2	-	226	26	407	46	-	-	879	51	929
Appointed: 10/2021	2020	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Jacqueline Hunt resigned from her office as member of the Board of Management with effect from 1 October 2021. The remuneration principles of the employment contract remain unchanged until the end of the employment contract as at 31 December 2022. For the sake of clarity, the amounts are therefore reported for the full financial year 2021 in the tables above.

Remuneration awarded and due in the financial year 2021 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 accordance with § 162 AktG in the financial year 2021, and their relative share of total remuneration. According to § 162 (5) AktG, the reporting is 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 were awarded in the financial year 2021 to 13 members of the Board of Management that had left before this period.

Individual remuneration: 2021
€ thou (total might not sum up due to rounding)

	Share-based compensation		Pensions		Other compensation		Total
Former members of the Board of Management	€ thou	in % of total	€ thou	in % of total	€ thou	in % of total	€ thou
Dr. Christof Mascher (until 12/2020)	1,324	91	128	9	-	-	1,452
Dr. Axel Theis (until 03/2020)	1,481	84	292	16	-	-	1,773
Dr. Helga Jung (until 12/2019)	1,352	100	-	-	2	-	1,354
Dr. Dieter Wemmer (until 12/2017)	1,452	94	92	6	-	-	1,544
Dr. Werner Zedelius (until 12/2017)	1,452	76	467	24	-	-	1,919
Dr. Maximilian Zimmerer (until 12/2016)	1,495	64	858	36	-	-	2,353
Manuel Bauer (08/2015)	-	-	132	100	-	-	132
Michael Diekmann (04/2015)	-	-	658	100	-	-	658
Clement Booth (12/2014)	-	-	147	100	-	-	147
Dr. Paul Achleitner (05/2012)	-	-	337	100	-	-	337

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, 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.

It must be noted with regard to the Board of Management remuneration from 2017 to 2018 that the payout for the mid-term bonus (MTB) for 2016 - 2018 is reported in the financial year 2018.

The year-on-year change in Sergio Balbinot's remuneration in 2020 is largely attributable to the fact that he received a payout from the share-based compensation for the first time in this year.

Jacqueline Hunt received the share-based compensation for the first time in the financial year 2021. 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.

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	2017	Change 2017 to 2018 in %	2018	Change 2018 to 2019 in %	2019	Change 2019 to 2020 in %	2020	Change 2020 to 2021 in %	2021
Board of management compensation in € thou									
Board members active in financial year									
Oliver Bäte	4,361	121	9,634	(47)	5,058	6	5,350	11	5,912
Sergio Balbinot	1,704	181	4,793	(58)	2,030	80	3,644	(5)	3,453
Jacqueline Hunt (end of service 09/2021)	1,691	145	4,135	(52)	1,967	(14)	1,699	39	2,357
Dr. Barbara Karuth-Zelle	-	-	-	-	-	-	-	-	1,861
Dr. Klaus-Peter Röhler	-	-	-	-	-	-	1,285	47	1,888
Ivan de la Sota	-	-	1,967	(7)	1,833	(6)	1,717	6	1,814
Giulio Terzariol	-	-	2,622	(26)	1,946	(13)	1,694	10	1,870
Dr. Günther Thallinger	1,609	122	3,568	(46)	1,926	(13)	1,678	10	1,852
Christopher Townsend	-	-	-	-	-	-	-	-	1,903
Renate Wagner	-	-	-	-	-	-	1,708	10	1,883
Dr. Andreas Wimmer (appointed: 10/2021)	-	-	-	-	-	-	-	-	472
Former members									
Dr. Christof Mascher (end of service 12/2020)	3,854	55	5,989	(44)	3,356	(2)	3,285	(56)	1,452
Niran Peiris (end of service 12/2020)	-	-	2,662	(35)	1,730	(13)	1,507	-	-
Dr. Axel Theis (end of service 03/2020)	1,662	185	4,729	(58)	1,988	21	2,405	(26)	1,773
Dr. Helga Jung (end of service 12/2019)	3,279	93	6,313	(50)	3,135	(54)	1,428	(5)	1,354
Dr. Dieter Wemmer (end of service 12/2017)	3,505	6	3,724	(56)	1,655	15	1,902	(19)	1,544
Dr. Werner Zedelius (end of service 12/2017)	3,337	22	4,083	(35)	2,640	(14)	2,268	(15)	1,919
Profit development in € bn									
Operating profit	11.10	4	11.51	3	11.86	(9)	10.75	25	13.40
Net income attributable to shareholders	6.80	10	7.46	6	7.91	(14)	6.81	(3)	6.61
Net income acc. Allianz SE financial statement	3.67	46	5.36	(14)	4.60	-	4.61	16	5.35
Average employee compensation in € thou									
Average compensation based on full-time equivalent	85	(2)	83	4	86	(6)	81	4	84

Outlook for 2022

New board members

Effective 1 January 2022, Sirma Boshnakova was appointed to the Board of Management. Her remuneration has been set at the same level as the other regular members of the Board of Management.

Individual contribution factor (ICF) structure

In determining the targets for 2022, even greater account was taken of the increased importance of sustainability issues. In addition to group-wide sustainability targets, individual environmental, social and governance targets were set for each member of the Board of Management for their respective areas of responsibility.

In order to take better account of this when assessing the target achievement, the individual contribution factor was also restructured with effect from 1 January 2022.

In the future, the ICF will comprise three categories, namely the Group's financial targets, the strategic priorities, and the sustainability targets, which are described in detail. The new structure of the individual contribution factor will be explained in detail in the remuneration report for the financial year 2022.

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 (AktG). 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 reflects the scale and scope of the duties of the members of the Board of Management, and is appropriate to the company's activities, and business and financial situation. The contribution to the long-term development of the company by the monitoring activity of the Supervisory Board is also reflected.
– The remuneration structure takes into account the individual functions and responsibilities of Supervisory Board members, such as chair, vice chair, or committee mandates.
– The remuneration structure allows proper oversight of business as well as independent decisions on executive personnel and remuneration.
– In view of the size, complexity and the Allianz Group's long-term performance, the level of the remuneration for the Supervisory Board is based on the upper quartile of the Supervisory Board remuneration of the companies reported 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 5 May 2021 for approval. The inclusion of remuneration for members of the Nomination Committee was also proposed. The remuneration is set at € 25 thou for the Chairperson and € 12.5 thou for a regular member, which is half of the usual committee remuneration. This remuneration takes into account the increased tasks in the selection of suitable candidates for the election of shareholder representatives on the Supervisory Board as well as the increased selection frequency due to the proposed shortening of the term of office of shareholder representatives on the Supervisory Board from five to four years.

In the financial year 2021, the Supervisory Board also set up a Sustainability Committee, to closely monitor the sustainability strategy of the Board of Management, in particular. The remuneration was proposed at the usual committee remuneration level of € 50 thou for the Chairperson and € 25 thou for a regular member.

The Annual General Meeting approved these proposals with a majority of 97.56 %.

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 business year for services rendered over that period. In 2021, each regular Supervisory Board member received a fixed compensation amounting to € 125 thou per year. The Chairperson received € 250 thou, each Vice Chairperson received € 187.5 thou.

Committee-related remuneration

The Chairperson and members of the Supervisory Board committees receive additional committee-related remuneration. The committee-related remuneration is as follows:

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. Should several meetings be held on the same or consecutive days, the attendance fee will only be paid once. In addition, the Supervisory Board members are reimbursed for their out-of-pocket expenses and the VAT payable on their Supervisory Board service. The company provides insurance coverage and technical support to the Supervisory Board members to an extent reasonable for carrying out their Supervisory Board duties.

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 their relative share of the total remuneration.

Individual remuneration: 2021 and 2020
€ thou (total might not sum up due to rounding)

Members of the Supervisory Board		Fixed remuneration		Committee remuneration		Attendance fees		Total remu-neration	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	2021	250.0	47	272.9	51	8.0	2	530.9	M	C	C	C	C	M	M
(Chairperson)	2020	250.0	51	225.0	46	11.0	2	486.0	M	C	C	C	C	M	
Jim Hagemann Snabe	2021	187.5	68	87.5	32	1.0	-	276.0		M			M	C	
(Vice Chairperson)	2020	187.5	70	75.0	28	4.0	2	266.5		M			M	C	
Gabriele Burkhardt-Berg	2021	187.5	72	72.9	28	1.0	-	261.4			M			M	M
(Vice Chairperson)	2020	187.5	78	50.0	21	3.0	1	240.5			M			M	
Sophie Boissard	2021	125.0	62	72.9	36	3.0	1	200.9	M						M
	2020	125.0	70	50.0	28	3.0	2	178.0	M						
Christine Bosse	2021	125.0	60	83.3	40	1.0	-	209.3		M		M			C
	2020	125.0	82	25.0	16	3.0	2	153.0		M		M			
Dr. Friedrich Eichiner	2021	125.0	45	150.0	54	3.0	1	278.0	C			M		M	
	2020	125.0	44	150.0	53	6.0	2	281.0	C			M		M	
Jean-Claude Le Goaër	2021	125.0	62	75.0	37	3.0	1	203.0	M				M		
	2020	125.0	62	75.0	37	3.0	1	203.0	M				M		
Martina Grundler	2021	125.0	71	50.0	28	1.0	1	176.0	M						
	2020	125.0	70	50.0	28	4.0	2	179.0	M						
Herbert Hainer	2021	125.0	71	50.0	28	1.0	1	176.0			M		M		
	2020	125.0	69	50.0	28	5.0	3	180.0			M		M		
Godfrey Robert Hayward	2021	125.0	83	25.0	17	-	-	150.0				M			
	2020	125.0	82	25.0	16	2.0	1	152.0				M			
Frank Kirsch	2021	125.0	72	47.9	28	1.0	1	173.9				M			M
	2020	125.0	81	25.0	16	4.0	3	154.0				M			
Jürgen Lawrenz	2021	125.0	71	50.0	28	1.0	1	176.0					M	M	
	2020	125.0	70	50.0	28	4.0	2	179.0					M	M	
Total	**2021**	**1,750.0**	**62**	**1,037.5**	**37**	**24.0**	**1**	**2,811.5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2020	**1,750.0**	**66**	**850.0**	**32**	**52.0**	**2**	**2,652.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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 the 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.

The earnings development is shown using the two key performance indicators for the Group's financial target achievement – operating profit and net income 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

	Development of Supervisory Board compensation, profit and average compensation of employees								
Financial year	2017	Change 2017 to 2018 in %	2018	Change 2018 to 2019 in %	2019	Change 2019 to 2020 in %	2020	Change 2020 to 2021 in %	2021
Supervisory Board compensation in € thou									
Active members in financial year									
Michael Diekmann	257.0	88	484.0	-	484.0	-	486.0	9	530.9
Jim Hagemann Snabe	194.5	38	268.5	-	268.5	(1)	266.5	4	276.0
Gabriele Burkhardt-Berg	137.1	48	202.8	20	243.5	(1)	240.5	9	261.4
Sophie Boissard	97.1	88	183.0	1	184.0	(3)	178.0	13	200.9
Christine Bosse	132.8	17	156.0	-	156.0	(2)	153.0	37	209.3
Dr. Friedrich Eichiner	192.7	47	283.0	-	284.0	(1)	281.0	(1)	278.0
Jean-Claude Le Goaër	-	-	83.5	150	209.0	(3)	203.0	-	203.0
Martina Grundler	145.3	26	183.0	(1)	182.0	(2)	179.0	(2)	176.0
Herbert Hainer	96.4	89	182.0	(1)	181.0	(1)	180.0	(2)	176.0
Godfrey Robert Hayward	83.0	88	156.0	-	156.0	(3)	152.0	(1)	150.0
Frank Kirsch	-	-	52.0	200	156.0	(1)	154.0	13	173.9
Jürgen Lawrenz	137.8	31	181.0	-	181.0	(1)	179.0	(2)	176.0
Former members									
Rolf Zimmermann (end of service 08/2018)	196.2	(17)	162.3	-	-	-	-	-	-
Jean-Jacques Cette (end of service 07/2018)	145.3	(28)	105.1	-	-	-	-	-	-
Dante Barban (end of service 05/2017)	53.0	-	-	-	-	-	-	-	-
Dr. Wulf Bernotat (end of service 05/2017)	106.4	-	-	-	-	-	-	-	-
Prof. Dr. Renate Köcher (end of service 05/2017)	52.2	-	-	-	-	-	-	-	-
Dr. Helmut Perlet (end of service 05/2017)	152.2	-	-	-	-	-	-	-	-
Profit development in € bn									
Operating profit	11.10	4	11.51	3	11.86	(9)	10.75	25	13.40
Net income attributable to shareholders	6.80	10	7.46	6	7.91	(14)	6.81	(3)	6.61
Net income acc. Allianz SE financial statement	3.67	46	5.36	(14)	4.60	-	4.61	16	5.35
Average employee compensation in € thou									
Average compensation based on full-time equivalent	85	(2)	83	4	86	(6)	81	4	84

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 over 70 countries, with the largest of our operations located in Europe. The Allianz Group serves 126 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 2021, 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 and Asia Pacific – Iberia & Latin America, Allianz Partners, and Allianz Direct – Global Insurance Lines & Anglo Markets, Middle East, and Africa	– German Speaking Countries and Central & Eastern Europe – Western & Southern Europe and Asia Pacific – Iberia & Latin America – USA – Global Insurance Lines & Anglo Markets, 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 Euler Hermes – 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 largest asset managers in the world 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 Executive Summary of 2021 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 for ourselves a group of comparable peers with 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			
Germany	■	■	
Switzerland	■	■	
Central & Eastern Europe			
Austria	■	■	
Bulgaria	■	■	■
Croatia	■	■	
Czech Republic	■	■	
Hungary	■	■	
Lithuania		■	
Poland	■	■	
Romania	■	■	
Slovakia	■	■	
Russia	■	■	
Ukraine	■		
Insurance Western & Southern Europe, and Asia Pacific			
Europe			
Italy	■	■	■
Greece	■	■	
Turkey	■	■	
France	■	■	■
Belgium	■	■	
The Netherlands	■	■	
Luxembourg	■	■	
Asia Pacific			
China	■	■	
Hong Kong[2]	■		
Indonesia	■	■	
Japan[2]	■	■	
Laos	■		
Malaysia	■	■	
Pakistan		■	
Philippines		■	
Singapore	■		
Sri Lanka	■	■	
Taiwan		■	
Thailand	■	■	
India	■	■	
Insurance Iberia & Latin America, Allianz Partners, and Allianz Direct			
Iberia			
Spain	■	■	
Portugal	■	■	
Latin America			
Argentina	■		
Brazil	■	■	
Colombia	■	■	
Mexico	■	■	
Allianz Partners			
Allianz Partners	■	■	
Allianz Direct			
Allianz Direct	■		
U.S. life insurance			
United States		■	
Global Insurance Lines & Anglo Markets, Insurance Middle East, and Africa			
Global Insurance Lines & Anglo Markets			
United Kingdom	■		
Australia	■	■	
Ireland	■		
Allianz Global Corporate & Specialty	■		
Euler Hermes	■		
Reinsurance	■	■	
Middle East			
Egypt	■	■	
Lebanon	■	■	
Saudi Arabia	■	■	
Africa			
Cameroon	■	■	
Ghana	■	■	
Ivory Coast	■	■	
Kenya	■		
Madagascar	■	■	
Morocco	■	■	
Nigeria	■	■	
Senegal	■	■	

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

■ Property-Casualty ■ Life/Health ■ Banking ■ Retail Asset Management ■ Institutional Asset Management

1_This overview is based on our organizational structure as of 31 December 2021.
2_Property-Casualty business belongs to Allianz Global Corporate & Specialty.

Our steering

Board of Management and organizational structure

Allianz SE has a divisional board structure based on functional and business responsibilities. Business-related divisions reflect our business segments Property-Casualty, Life/Health, Asset Management, and Corporate and Other. In 2021, they were overseen by five board members. The following divisions focus on Group functions and come with business-related responsibilities: Chairperson of the Board of Management; Finance, Controlling and Risk; Investment Management; Operations and Allianz Services; Human Resources, Legal, Compliance and M&A; and Business Transformation[1].

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. The Supervisory Board approves the plan and 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 (which no longer forms part of the Management 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 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, return on equity[2] and new business margins for Life/Health, and the cost-income ratio for Asset Management. For a comprehensive view 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) are used to assess the organizational health of Allianz and are reflected in the annual bonus of the Board of Management. In line with our strategy "simplicity at scale", customer centricity and employee engagement are reflected in the Net Promoter Score (NPS[3]) and the Inclusive Meritocracy Index. 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_This member of the Board of Management also oversees Insurance Iberia & Latin America and Allianz Partners.
2_Excluding unrealized gains/losses on bonds net of shadow accounting.
3_NPS is a measurement of customers' willingness to recommend Allianz. Top-down NPS is measured regularly according to global cross-industry standards and allows benchmarking against competitors in the respective markets.

NON-FINANCIAL STATEMENT

About the report

This section has been compiled in accordance with the Corporate Social Responsibility (CSR) Directive Implementation Act (E.U. Directive 2014/95/EU). It focuses on the concepts and key performance indicators (KPIs) that reflect our most material sustainability issues. The KPIs included are: Net Promoter Score (NPS); Inclusive Meritocracy Index (IMIX); environmental indicators – greenhouse gas (GHG) emissions per employee and percentage of renewable electricity; the carbon footprint of our proprietary investment portfolio for listed equities and corporate bonds; and the E.U. taxonomy eligibility indicators for our underwriting, proprietary investments and third-party assets. Emerging consumers is no longer considered to be one of the material topics and is not covered in this report.

The concepts contained in this report are in line with the content of our Group Sustainability Report 2021, which is compiled in accordance with the standards set out by the Global Reporting Initiative (GRI) and will be published on 29 April 2022.

This non-financial section of our 2021 Annual Report covers the entire Allianz Group and also includes the relevant non-financial information for Allianz SE. All measures, activities and key figures refer to the 2021 financial year (1 January 2021 to 31 December 2021). Where appropriate, we compare our targets set in the previous year with the achievements from this year and define our targets for next year. Unless otherwise stated, we use the control principle defined by the International Financial Reporting Standards when determining the scope of our reporting for the Allianz Group.

This non-financial statement is an integral part of the management report and, as such, is subject to the statutory audit of 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).

Company description

We provide property-casualty and life/health insurance as well as asset management products and services to our customers around the world. In our activities as a financial services provider, we take sustainability-related risks such as climate change into consideration and pursue opportunities from sustainability trends. We describe our management approach to these matters in this section.

For further information on our business model, see our Business Operations chapter, and our Group Sustainability Report 2021, section 01.2 **https://www.allianz.com/en/sustainability.html**.

Corporate sustainability governance and strategy

We create sustainable economic value by pursuing a long-term approach to environmental stewardship, social responsibility and corporate governance. This is critical to our business success as we deliver on our promises to our stakeholders – in particular our customers, employees, investors and communities. We continually adapt our business strategy and sustainability approach to address evolving and emerging issues to deliver on our purpose "We secure your future".

Governance

As the Group's parent company, the ultimate responsibility for all matters relating to sustainability resides with the Board of Management of Allianz SE. To support the Board of Management in its respective decision-making process, Allianz SE has established a dedicated Group Sustainability Board (known until January 2022 as the Group ESG Board) as an advisor on all matters around sustainability. It is composed of members of the Board of Management of Allianz SE and Group Center heads, and meets at least quarterly. The core responsibilities of the Group Sustainability Board are: Preparing the overall framework for sustainability for the Allianz Group, aligning sustainability (ESG) integration into the Allianz Group's business processes with Allianz as an organization (operations and organization) and Allianz as a financial institution (investment, insurance, asset management) as well as related internal and external communication. Furthermore, it assumes responsibility for the oversight and steering of overarching sustainability matters, such as topics concerning the climate, society and governance.

The work of the Group Sustainability Board is also supported by corporate functions and operating entities, which implement sustainability matters in their activities.

As a further measure to strengthen sustainability matters within the Allianz Group, in 2021, the Supervisory Board of Allianz SE established its Sustainability Committee to oversee ESG issues, to advise the Board of Management on ethical standards concerning the usage of data (Data Ethics), and to monitor the Board of Management's sustainability strategy. It supports with sustainability-related target setting and performance reviews for Board of Management remuneration.

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 and related risk management, including sustainability-related matters.
- The Group Investment Committee focuses on fundamental investment-related topics, including sustainability-related matters

In 2021, the variable component of the board members´ remuneration (individual contribution factor) considered a range of sustainability-related targets:

– Decarbonization of Allianz operations: 14 percent reduction of greenhouse gas (GHG) emissions per employee by 2021 from a 2019 baseline.
– 70 percent of all electricity consumed in 2021 to be renewable.
– Develop operative implementation plan to reach minus 25 percent CO_2 emissions (Scope 1 & 2 of investee companies according to GHG Protocol), absolute reduction on public equity and listed corporate debt by year-end 2024 from a 2019 baseline.
– Strong sustainability positioning in three major sustainability ratings: DJSI/S&P Global, MSCI, Sustainalytics.

Targets and achievements: sustainability ratings

Rating	Targets 2021	Achievements 2021	Targets 2022
DJSI/S&P Global	Top 5	Top rank (2020: 98th percentile)	Top 5
MSCI[1]	AA - AAA	AAA (2020: AAA)	AA - AAA
Sustainalytics[2]	Top 5 diversified insurance sub-industry	#7 diversified insurance sub-industry (2020: #2 diversified sub-insurance industry)	Top 5 diversified insurance sub-industry

– On top of these specific sustainability-related targets, other non-financial factors, such as customer satisfaction (NPS) and employee engagement (IMIX), also contribute to board members´ remuneration.

For further details about the targets and achievements, please refer to the respective chapters. These KPIs are also used for steering local entities. For further details about the remuneration system of the Allianz Group, please refer to the "Variable Remuneration System" in the Remuneration Report of the Group Annual Report 2021.

In January 2021, responsibility for the sustainability agenda was assigned by the Board of Management of Allianz SE to the new Global Sustainability function. Global Sustainability leads, coordinates, supports, and/or orchestrates the Allianz's Group Centers and operating entities to effectively integrate the Group's strategic sustainability approach and policies into their business processes.

As of the reporting cycle 2021, responsibility for sustainability reporting shifted from Global Sustainability to Group Accounting and Reporting, which collaborates closely with Global Sustainability to produce this report. In June 2021, a Sustainable Operations function was established within Group Operations and IT. The new department will strengthen the sustainability approach of operating entities with a primary focus on IT infrastructure and applications, facility management, procurement, and business travel.

Materiality

To make a positive impact on society, we must understand and respond to the changing context in which we operate. Our materiality assessment enables us to stay on top of trends, and to align our approach, reporting and strategy with the sustainability issues that are most important to our stakeholders and our businesses. We have recognized six relevant stakeholder groups: customers, employees, NGOs, media, rating agencies, and some of our peers performing the best in terms of their materiality assessments, according to one leading sustainability rating.

We consider the outcomes of the materiality assessment in our sustainability approach, strategy and reporting. This drives us to focus on the risks, opportunities, issues and impacts that matter most to our key stakeholders and which we have the ability to influence.

Our most recent assessment was carried out in 2021 in line with the GRI standard. Our improved approach used an increasing number of data sources as well as data points within these sources.

We identified 19 material issues which were prioritized as having either high or medium importance. Topics are ranked and presented in a materiality matrix according to German Commercial Code ("Handelsgesetzbuch – HGB") requirements and based on stakeholder views on their importance to society and to our business. The highest rated topics for all stakeholders were:

– climate change,
– ethics and responsible business,
– cybersecurity.

For additional details on how the materiality analysis process was performed as well as how the most relevant topics are covered throughout our business activities, please refer to our Group Sustainability Report 2021, section 05.3 **Group Sustainability Report**[3].

Sustainability approach

Our 2025 ambition is to move Allianz from a leading company to a sustainability shaper of the financial services sector and beyond. Our sustainability strategy drives how we run our business with our employees, how we manage our portfolios, and how we target our activities to have a positive influence on our industry to create real world economic, social and environmental impact.

We deliver our ambition by fully integrating three main themes in our sustainability approach:

– Environmental (E) – low-carbon economy, climate change and decarbonization
– Social (S) – social impact
– Governance (G) – sustainability business integration

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3_Group Sustainability Report will be available as of 29 April 2022 on www.allianz.com/sustainability.

We continued to make sustainability a priority in many dimensions of our business in 2021. Our new sustainability structure and governance also emphasizes our sustainability strategy and goals in our compensation structures and incentive systems for managers. sections 01.3 and 05.5 **Group Sustainability Report**.

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 information on climate-related risks and opportunities, please refer to the Risk and Opportunity Report. Our concepts for all other matters for which reporting is required will be addressed in subsequent chapters. The ESG approach provides part of the foundation for these concepts and is managed by Global Sustainability.

ESG integration approach

The types of ESG risks Allianz considers to be material in its insurance and investment activities are summarized in the Allianz ESG Integration Framework. We published the fourth version of the Framework in 2021.

ESG risks can turn into legal risks, reputational risks, supply chain and business disruption risks, quality, operational, human-rights, financial, and/or investment risks for Allianz, its customers, and/or its invested companies. ESG topics are integrated in our insurance, investment, and asset management businesses through multiple instruments. They include internal standards, guidelines, and processes, such as the Allianz Standard for Reputational Risk and Issue Management (AS RRIM), the Allianz Standards for P&C Underwriting (ASU), and the Allianz ESG Functional Rule for Investments (EFRI).

An overview of the Group's key ESG integration processes is described below:

- ESG risks are managed through the ESG-sensitive business guidelines outlined in the AS RRIM, in underwriting, proprietary investments in non-listed asset classes and operations.
- For investments in listed asset classes, the Allianz ESG scoring approach (defined in EFRI) is applied to manage related risks.
- For proprietary investments, Allianz has excluded investments in companies involved in controversial weapons since 2011. Additionally, we do not provide insurance cover for activities related to such weapons.
- We have restricted proprietary investments in coal-based business models and related property-casualty insurance business. Our criteria for the exclusion of coal-based business models were further expanded in May 2021. Furthermore, we have also excluded oil sands-based business models since May 2021.[1]
- ESG integration in property-casualty insurance is carried out through the application of ESG guidelines and processes.
- Further ESG-related measures include our systematic engagement with investee companies as well as ESG considerations in our selection and management of asset managers.

In 2021, we continued our project to further strengthen ESG risk management by improving the way we identify ESG-related risks in transactions (Property-Casualty insurance, proprietary investments, procurement).

The data related to our ESG integration approach is included in our Group Sustainability Report 2021. An in-depth overview of our approach and processes to integrating ESG is published in the Allianz ESG Integration Framework at **www.allianz.com/esg-framework**.

In our Asset Management business segment, AllianzGI and PIMCO have developed and implemented entity-specific processes to manage risks and capture opportunities from ESG issues. For proprietary assets that AllianzGI and PIMCO manage on behalf of other Allianz Group entities, group-level requirements are observed in combination with the asset management entities' specific approaches. sections 02.3 **Group Sustainability Report**.

Environmental matters

This section describes the impact of environmental matters on our business activities and relationships as well as the impact of the Allianz's activities and relationships on the environment. Furthermore, we describe our concepts for managing these impacts and related achievements.

Concepts

Within our global sustainability approach, the pillar "Low carbon economy, climate change and decarbonization" addresses climate change and environmental issues. Both were identified as top risks in our materiality analysis. As a company dealing with risk, managing impact on environmental matters – and their impact on us – is a key element of our business approach.

Not only is climate change a major risk for societies and economies, it also directly affects our business, from our insurance products to our proprietary and third-party investments, and to our company's operations. We are tackling climate change challenges by promoting the transition to a low carbon economy through our investments and insurance solutions. In addition, we actively manage emissions from our operations in line with the Target-Setting Protocol of the UN-convened Net-Zero Asset Owner Alliance (AOA).

1_Please refer to the target and achievement table in the Environmental Matters section.

Climate Change Strategy

The Allianz Group Climate Change Strategy encourages solutions for tomorrow's climate. Besides caring for our customers through our insurance products, we leverage our position as one of the world's largest insurers and institutional investors to help drive the transition to a low-carbon economy. We do this with our own activities, and we contribute to various public/private partnerships.

Climate protection is an integral part of our core business. By committing to net-zero GHG emissions by 2050, we have set long-term climate targets in line with the 1.5°C ambition of the Paris Climate Agreement for our proprietary investments, our insurance, and operations. The Allianz SE Board of Management's remuneration is tied to the attainment of climate-related targets, among other things, which include the successful execution of our Climate Change Strategy.

Climate targets for proprietary investments

As a member of the AOA, we are committed to reducing the GHG emissions of our proprietary investments to net-zero by 2050. As an intermediary target, we aim to reduce our emissions in our listed equities and tradeable corporate bonds by 25 percent by year-end 2024 compared to 2019. For this purpose, we systematically measure the carbon footprint of our listed equity (2021: 2.26[1] mn t CO_2e; 2020: unaudited 2.19[2] mn t CO_2e) and tradeable corporate bonds (2021: 16.43[1] mn t CO_2e; 2020: unaudited 19.95[2] mn t CO_2e) portfolio, and disclose the absolute and relative (2021: unaudited -24.9[1]%; 2020: unaudited -15.4%)[3] portfolio carbon footprint values. Furthermore, our real estate portfolio's emissions will be aligned with science-based 1.5°C pathways by 2025. We have also set emissions reduction and engagement targets in line with 1.5-degree pathways for our infrastructure portfolio.

For further details on our targets and our carbon footprint, please refer to our Group Sustainability Report 2021, section 05.7.

To complement our portfolio climate targets for investments, we have set targets for two of the highest-emitting industries as well, namely utilities, and oil and gas.

Utilities

Complementing our coal phase-out commitment by gradually increasing our investments in renewables and following at least the necessary annual growth rate of 5.85% as proposed by the International Renewable Energy Agency (IRENA) as a minimum.

Oil and gas

Supporting the commitment set out by the industry-led Oil & Gas Climate Initiative (OGCI) to limit the emission intensity for Scope 1 and 2 emissions of oil and gas companies in their exploration and production business ("upstream") to less than 20kg CO_2e per barrel of oil, and aligning our oil and gas exposure on average-listed equity and corporate bonds portfolio to this intensity level.

We are engaging with oil and gas companies to encourage them to set net-zero emissions by 2050 targets for Scope 1 and 2 emissions. By 2025, we aim for at least 50 percent of our assets under management in the oil and gas sector to have set these targets.

Anticipating climate risks

Our Climate Change Strategy aims to anticipate the risks of a changing climate. We systematically consider climate and sustainability criteria in our insurance and investment business. In 2021, we reviewed our approach to identifying and managing climate change risks and opportunities. Using internal models and external tools, we perform sensitivity and scenario analyses with time horizons extending to 2050, and with global warming scenarios ranging from 1.5°C to 4°C.

For more details on climate scenario analyses, see section 04.4 **www.allianz.com/sustainability**.

In pursuing our investment business, we consider climate-related criteria such as carbon emissions, energy efficiency, vulnerability to climate change, and opportunities in clean tech as part of our ESG integration approach for listed and non-listed assets. We also systematically engage with investee companies exposed to high ESG risks, offering advice and encouraging them to define and pursue their own climate strategies in line with the latest scientific findings.

For further insights into the Allianz Group´s ESG engagement approach, please refer to our Group Sustainability Report 2021, section 02.2.1 **www.allianz.com/sustainability**.

As part of our decarbonization strategy, we commit to fully withdrawing from coal-based business models across our proprietary investment and Property-Casualty portfolios by 2040 at the latest.

For further information on our coal policy, please refer to our "Statement on Coal-Based Business Models" **https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/responsibility/documents/Allianz-Statement-coal-based-business-models.pdf**

For more information on our current state of progress, please see section 02.2.1 of our Group Sustainability Report 2021 **www.allianz.com/sustainability**.

Caring for the climate-vulnerable

We support our customers to reduce climate-related risks and minimize damage, compensating those who have suffered losses and insuring low-carbon developments. We prioritize collaboration with our peers, governments and civil society to manage climate risks and to "close the protection gap" in the most vulnerable parts of society.

We are piloting new approaches that combine insurance offerings with resilience-strengthening measures. For instance, approaches to incentivizing risk reduction include dedicated training and advice as well as risk-differentiated premium structures. Key initiatives include the InsuResilience Global Partnership, Insurance Development Forum (IDF), the Munich Climate Insurance Initiative (MCII) and the Geneva Association Global Partnership. Since 2018, we

1_2021 carbon footprint figures impacted by COVID-19 and strong equity market performance; normalization expected in 2022.
2_Figures have been restated due to a change in methodology.
3_Figures have been restated due to a change in methodology, resulting in a lower baseline.

have implemented disaster risk management and transfer projects through our strategic alliance with the German Development Agency (GIZ).

Enabling the net-zero economy

Promoting the transition to a low-carbon economy and playing our part in limiting global warming to 1.5°C are among our key concerns, while at the same time offering business opportunities as an investor but also as an insurer. We provide insurance solutions for renewable energy and energy-efficiency solutions. We also invest in low-carbon technologies such as renewables and energy efficiency.

We work with policymakers and regulators to support sustainable financing and achieve the goals laid down in the Paris Climate Agreement. We also promote transparency through climate-related disclosures by aligning our strategy and reporting with the recommendations of the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), and expecting the same from our investee companies and commercial clients.

For more details on the TCFD, please refer to our Group Sustainability Report 2021 section 04 **www.allianz.com/sustainability**.

Targets and achievements: Climate Change Strategy

Topic	Targets 2021	Achievements 2021	Targets 2022 and beyond
Decarbonizing our investments	Set long-term and intermediary climate targets (by year-end 2024) for proprietary investments in line with 1.5°C, based on AOA framework for target setting.	We have set long-term and intermediary climate targets (see also Targets 2022 and beyond). We are working towards our first intermediate year-end 2024 target as part of our "net-zero by 2050" commitment for our proprietary investment portfolio. Unaudited 24.9 %[1] emission reduction (baseline 2019)	As an intermediary target, we aim to reduce our emissions in listed equities and tradeable corporate bonds by 25 % by year-end 2024, compared to the 2019 baseline. The fully owned real estate portfolio will be in line with scientifically based 1.5-degree pathways by 2025. We also set emission reduction and engagement targets for our infrastructure portfolio in line with 1.5-degree pathways.
Phase out of coal-based business models	– Fully phase out coal-based business models across our proprietary investments and P&C portfolios by 2040 at the latest, in line with the 1.5°C pathway. – Engage with companies in proprietary investment as well as P&C portfolios to move away from coal.	In 2021, we tightened our coal approach in both proprietary investments and Property-Casualty underwriting by also restricting companies that plan new thermal coal assets or still have a major coal business in place (5 gigawatts of installed coal capacity or 10 million tons mined annually). For further insights into our divestments, please refer to our Group Sustainability Report 2021, section 04.	– Fully phase out coal-based business models across our proprietary investments and Property-Casualty portfolios by 2040 at the latest. – Reduce threshold for coal-based business models for P&C insurance as well as investment portfolios from current 30 % to 25 % as of 31 December 2022.
Net-Zero Asset Owner Alliance	– Further increase the number of members and assets under management. – Develop inaugural Target-Setting Protocol. – Engage with policy-makers, regulators, sectors and companies.	Together with our partners at the AOA, we achieved the following: – Grew to 65 members across three continents with > USD 10 tn AUM. – Developed 2nd version of the Target-Setting Protocol. – Conducted engagements with policy-makers, regulators, energy agencies, sectors and companies. – Published a number of position papers and statements. – Published first AOA progress report.	– Work across all dimensions of the Alliance commitment and Target-Setting Protocol – By 2023: Disclosure of quantitative joint AOA report.
Net-Zero Insurance Alliance	We will actively contribute to the establishment of the UN-convened Net-Zero Underwriting Alliance alongside other insurance firms around the world.	Allianz co-founded the UN-convened Net-Zero Underwriting Alliance alongside other insurance firms around the world.	– Transitioning all operational and attributable GHG emissions from its insurance and reinsurance underwriting portfolios to net-zero GHG emissions by 2050, consistent with a maximum temperature rise of 1.5°C above pre-industrial levels. – Launch of the NZIA Target-Setting Protocol is expected at the latest in January 2023. First individual intermediate targets for 2030 are expected to be released by mid-2023 at the latest.

1_2021 carbon footprint figures impacted by COVID-19 and strong equity market performance; normalization expected in 2022. Figures have been restated due to a change in methodology, resulting in a lower baseline.

Environmental management of our operations

We manage the most significant environmental impacts of our operations and aim to continuously improve our environmental performance. Allianz strives to be a role model in the insurance industry in delivering its own targets on environmental protection and climate change. For our operations, this means specifically:

- Reduce the amount and carbon intensity of the energy consumed by our operations, in particular through energy-efficient planning, construction and operation of buildings, sourcing green electricity, and using carbon-efficient vehicles,
- Reduce the environmental impact of our business travel,
- Use resources – in particular paper and water – efficiently,
- Minimize the environmental impact of waste by avoiding, reducing, re-using, and recycling it as appropriate.

Further, we include environmental factors in our sourcing and procurement processes, seeking to raise suppliers' and contractors' awareness and action on climate change and the environment. In 2021, we made Energy Sourcing a strategic priority and established central governance and expertise within the Sustainable Operations office.

Our group-wide environmental management system (EMS) provides standards and controls, supports environmental data collection, and promotes transparent reporting on environmental impacts across our operations. It guides us in monitoring and managing our use of resources.

Targets and achievements: environmental management of our operations

Topic	Targets 2021	Achievements 2021	Targets 2022 and beyond
GHG emissions per employee	Reduce carbon emissions by 30 % per employee by 2025, against a 2019 baseline.	– Our carbon footprint per employee was 0.9 tons (2020: 1.4). This represents a 60 % reduction (2020: 42 %), against a 2019 baseline. – This reduction was mainly the result of increasing the share of renewable power in our energy mix, delivering a structured approach to energy management, and reduced business travel resulting from COVID-19. We expect to include GHG emissions from remote and hybrid working within the scope of our reporting to reflect upcoming infrastructure changes.	Reduce carbon emissions by 30 % per employee by 2025, against a 2019 baseline.
Renewable electricity	Source 100 % renewable electricity for our operations by 2023.	The share of renewable electricity in total electricity used was 77 % (2020: 57 %). This was mainly achieved through a combination of strategic discussions with suppliers on "green tariffs", expanding the use of on-site renewable technologies and first-time use of "unbundled"[1] renewable Energy Attribute Certificates.	Source 100 % renewable electricity for our operations by 2023.

The scope of our environmental reporting includes all entities that, at the time of writing the reports, have been part of Allianz for at least a full reporting year. In 2021, we collected environmental data for entities corresponding to 96 % of our total employee base.[2]

This permits performance monitoring as well as the comparison and benchmarking of entities based on comparable system boundaries. GHG values reported refer to the sum of Scopes 1, 2, and 3 as defined in the Greenhouse Gas (GHG) Protocol. GHG emissions considered under Scope 3 include business travel, paper use, and energy-related emissions such as transmission and distribution losses. Scope 2 emissions are calculated applying market-based factors.

1_In locations where no direct renewable energy solution is available, we partly purchase Energy Attribute Certificates (EACs) issued to renewable electricity generators operating within the same market boundary as the claimant.

2_The data is based on meter readings or invoice amounts (where available), and entities' own estimations. Wherever the necessary data cannot be determined in this way and with reasonable effort, it is extrapolated – either for entire entities or for part(s) of them – based on the relevant headcount.

Social matters

This 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

We believe business can only thrive as part of an equitable society. With our global footprint, Allianz has an opportunity to create positive impact using its expertise as an investor and insurer around the world. 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 at the heart of our business model, and we have a keen interest in supporting stable communities. This also includes taxes, which are a meaningful contribution to the economic and social development of the countries in which we operate. We have a role to play in ensuring next generations can overcome the economic and social impacts of the pandemic and other systematic social risks.

Information on our Tax Strategy and our approach to taxes is provided to stakeholders through section 03.5 of the Group Sustainability Report 2021, and the Tax Transparency Report 2021.

For further insights into our concepts, see section 01.4 of our Group Sustainability Report 2021 **www.allianz.com/sustainability**.

Social impact

Our Social Impact Strategy aligns with our company purpose "We Secure Your Future", and we continued to evolve our Next Generation Strategy throughout 2021. We decided to prioritize United Nations Sustainable Development Goal 8 (Decent work and economic growth) for our group-wide corporate citizenship activities.

We are committed to strengthening our efforts for our two main beneficiary groups – next generations (children and youth) and people with disabilities, in alignment with the Allianz Group´s global diversity and inclusion strategy.

In the first half of 2022, we aim to publish our renewed Social Impact Strategy and will set targets for 2022 and beyond. We are also in the process of developing detailed guidance and financial support for local entities to embed our global to local approach.

For more information on our Social Impact, please see section 03.1 of our Group Sustainability Report 2021 **www.allianz.com/sustainability**.

Targets and achievements: societal impact

Topic	Targets 2021	Achievements 2021	Targets 2022
Social Impact Strategy	Continue with the implementation of the new strategy.	In 2021, we continued to evolve our Social Impact Strategy and approach. We published our Guidance on Corporate Citizenship Activities and Guidance on Social Impact Measurement for Corporate Citizenship Activities.	Continue with the implementation of the new strategy and roll out of the impact measurement framework.
Corporate citizenship activities	Continue to contribute to society through corporate giving and employee volunteering in alignment with our strategy.	In 2021, the Allianz Group contributed through Corporate Giving and employee volunteering as well as activities through its 12 corporate foundations. We had corporate citizenship activities benefiting communities worldwide. We launched the Allianz Social Impact Fund to foster OEs to carry out local activities in line with our strategy.	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.
Long-term global partnerships	Increase the resilience and equal opportunities of children and young people in 2021 by focusing specifically on Emergency Preparedness & Response and Youth Employability programs.	In 2021, our partnership with SOS CVI with a focus on Emergency Preparedness & Response and Youth Employability programs (e.g., YouthCan!) continued. As planned, the partnership came to an end after six years at the end of 2021.	Continued review of our global partnership and development of a partnership framework for local Corporate Citizenship activities.

Responsible consumer / sales

Our strong reputation is built on customers', shareholders', employees' and the general public's trust in our integrity. This trust hinges on the quality of our products, the information and advice we provide to our customers, and 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 chances to earn customers' long-standing trust. 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 is our consolidated customer protection framework. In addition to providing ground rules for compliant and ethical sales practices across the Allianz Group, it lays down a set of key principles to ensure fairness, transparent information and value to customers – including distributors' remuneration, product oversight and governance activities – and outlines the specific sales compliance risks our business segments face.

Since 2006, we have used the Net Promoter Score (NPS) as our key metric for measuring customer loyalty through customer willingness to recommend Allianz. As of 2022, we will switch to digital NPS tracking to measure customer loyalty continuously, eliminating seasonality and deepening our understanding of customers' sentiment. Additionally, this new measurement will set higher standards (e.g., broader set of competitors), therefore we have adjusted our digital NPS targets accordingly. Our Group ambition is to reach 50 percent of loyalty leaders by 2024.

Our Voice of the Customer program applies a holistic and standardized methodology to monitor and improve the customer journey by collecting real-time qualitative and quantitative feedback. After each point of contact a customer has with Allianz, they are invited to state their satisfaction on a five-star scale at predefined touchpoints along five customer journeys. We use insights from Voice of the Customer, NPS, and other customer feedback to improve our products, services and processes, both globally and locally. We analyze data to prioritize and implement structural improvements. As most complaints across customer journeys and markets are related to the speed of our processes, we are continuously working to improve this globally through the Allianz Customer Model (ACM).

The ACM is our end-to-end global business model, putting the customer at the center of our business and enabling Allianz to be simple, digital and scalable. Simplifying and harmonizing our business globally means transforming the whole value chain: products, sales, claims and operations. ACM was initially designed for Retail Property and Casualty lines, and then extended to Health, Life, B2B2C, Mid Corp, Large Corporate and Reinsurance. We are scaling ACM via the Business Master Platform (BMP) to digitalize the business requirements. ACM aims to give our customers, agents and partners the same experience when interacting with Allianz, wherever they are in the world.

For more information on our approach to customer responsibility and compliance, please see section 02.5 of our Group Sustainability Report 2021 **www.allianz.com/sustainability**.

Targets and achievements: responsible consumer / sales

Topic	Targets 2021	Achievements 2021	Targets 2022-2024
Global NPS performance	For over 75 % of Allianz Group business segments to outperform their local market (meaning either above market or Loyalty Leader position).	- 48 out of 57 measured segments have been either above local market or Loyalty Leaders, resulting in a share of 84 % (2020: 79 %). - 33 out of 57 measured segments have been Loyalty Leaders, resulting in a share of 58 % (2020: 60 %).	- Digital NPS tracking. - Our Group ambition is to reach 50 % loyalty leaders by 2024[1] .

1_Digital NPS tracking allows us to measure customer loyalty continuously and against a broader set of competitors. This new measurement will set higher standards therefore we have adjusted our digital NPS targets accordingly.

Cybersecurity

This section describes 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 as a whole. 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 assessed and tracked as one of the top risks faced by Allianz, and is closely managed along eight key risk indicators across the Allianz Group. Performance against these indicators is reported quarterly to the Board of Management and Supervisory Board.

The Allianz Information Security governance framework is robust and comprises multiple layers of corporate rules and processes. An overall policy establishes core principles, roles and responsibilities as well as the organizational framework for information security within the Allianz Group. Measures to prevent cyber incidents are prioritized along the threat landscape. They are implemented at a global level and supplemented locally where required, together with the local Information Security Officers (ISOs) that exist in all Allianz operating entities. Specific measures to improve security controls are continuously evaluated and developed with priorities assigned on a global, regulatory and risk-based basis.

Measures focus on five key risk areas: reducing the likelihood of incidents; increasing detection likelihood; reducing damage from incidents; streamlining compliance; and training/educating the organization to further improve security awareness. All employees are required to participate in at least quarterly cyber-awareness training. Allianz also participates in governmental, industry and global/regional initiatives to support the security of the overall digital ecosystem.

Data privacy

Protecting our customers' data and maintaining trust in our processes are top 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 protecting customer privacy and we cooperate closely with other stakeholders involved in the update and modernization of European privacy legislation, including industry associations, members of parliament and authorities. 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 Framework (APS) is our global standard for data privacy. It defines rules and principles for collecting and processing personal data, and includes a global standard for data privacy, a privacy impact assessment and risk management process, integration with information security standards and practices, and dedicated training programs for employees. Digital privacy guidelines provide guidance on privacy-related topics that affect digital projects, both for privacy by design as part of new-product and service design processes, and for privacy by default - this means that wherever individuals are given choices on the use and sharing of their personal data, default settings restrict the disclosure.

As part of our Privacy Risk Management, we consider the identification and management of privacy risks as an integral part of our operational processes. Privacy risks are also included in our Integrated Risk and Control System (IRCS). For so-called high-exposure processes that use personal data, we carry out Privacy Impact Assessments (PIAs) to allow early identification of high-risk areas and ensure they are appropriately managed over the project lifecycle. Privacy champions have been appointed across Allianz Group companies and are now dedicating a portion of their time to deal with privacy related topics. In 2021, we developed a global privacy risk and controls "blueprint" to support local compliance efforts with the APS across the entire Allianz Group. The blueprint provides a tool for identifying data privacy risks in local business processes and addressing those risks by mapping them to standard controls.

We monitor privacy governance activities and processes across our operating entities through a robust process, which includes site visits, reviews of program documents, interviews and expert challenge calls. During the pandemic, site visits were replaced with virtual meetings without any loss in efficacy.

For more information on our commitment to data privacy, please see section 03.2.1 of our Group Sustainability Report 2021 **www.allianz.com/sustainability**.

Data ethics

Allianz values data as a key asset and strives to position itself as a leading player in leveraging data in the most compliant and ethical way, both as an insurer and an investor. We set up the Allianz Data Ethics Project in response to the increasing regulatory initiatives and public debate on data ethics and AI worldwide, to strengthen the internal governance framework for AI, and to position Allianz in the regulatory field.

In 2021, we established a Data Advisory Board (DAB) which covers data ethics and selected data-related topics on a more permanent basis. The DAB consists of representatives from operating entities and functions, including Data Analytics, Data Architecture, Privacy and Regulatory Affairs. Its objectives include elevating data ethics-related topics in governance and decision-making processes, and positioning Allianz as a leading insurer and investor in the Ethical and Effective usage of Data and Artificial Intelligence/Analytics.

In addition, newly developed Allianz Practical Guidance for AI was rolled out in various operating entities, accompanied by a dedicated communication and training program for relevant employees.

Privacy & Ethics Impact Assessments were introduced to identify and address AI-specific risks. They were updated in 2021 and have been applied since 2022. With these measures, data scientists, business and control functions dealing with AI solutions are supported to embed "Ethics by Design" in our organization, and oversee challenges and risks in the area of AI.

Targets and achievements: cybersecurity

Topic	Targets 2021	Achievements 2021	Targets 2022
Information security executive accountability	Define and include information security targets for all responsible board members, including local Operating Entities (OEs) to ensure appropriate focus on securing Allianz.	Target objectives for all OEs 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.	Further upgrade targets and risk indicator monitoring, linking them to quantified risk exposure and roll-out of global cyber-risk management strategy.
Data privacy & data ethics	Privacy Champions will be appointed in all business units that process personal data across Allianz Group companies. Privacy Champions are employees who dedicate a portion of their time to dealing with privacy-related topics, including PIAs, records of processing activities, data incidents, and data access requests.	Privacy Champions were appointed across Allianz Group companies and are now dedicating a portion of their time to deal with privacy-related topics. We developed a global privacy risk and controls "blueprint" to support local compliance efforts with the APS across the entire Allianz Group. The blueprint provides a tool for identifying data privacy risks in local business processes and addressing those risks by mapping them to standard controls.	Deploying new data privacy controls for supplier management concerning the pre-selection, contracting, ongoing monitoring, and off-boarding of data processors. Deploying a rigorous new training program for privacy professionals and privacy champions. Rollout of the AI Practical Guidance to all EU Renewal Agenda Committee (RACO) Operating Entities.

Human rights matters

Respect for human rights is a minimum standard for responsible business within and beyond our direct operations. This is an expectation that is reflected by expanding legislation and applied across our global operations. This section describes the impact of human rights issues on our business activities and relationships, and the impact of the Allianz Group´s activities and relationships on human rights issues. We also describe the concepts and achievements related to the management of those impacts. As we are a financial services provider, these concepts mainly relate to insurance transactions, proprietary investments, and our supply chain, and are managed by Global Sustainability.

Concepts

We aim to identify, prevent and mitigate adverse human rights impacts linked to our business activities and operations including our supply chain. The United Nations Universal Declaration of Human Rights (UDHR) and the United Nations Guiding Principles on Business and Human Rights (UNGP) provide a framework for responsible business operations and activities. We are committed to respecting these standards and have been participating in the U.N. Global Compact (UNGC) since 2002, which, through its ten principles, covers human rights, labor standards, environmental protection and anti-corruption. We annually communicate our progress against these principles. Internally, Global Sustainability is the responsible function for overseeing human rights matters. However, implementation of certain processes and actions is taken up by various group functions, including procurement, risk management, HR and compliance, among others. See our latest U.N. Global Compact annual communication.

To manage our human rights impacts, we must look across each of our roles as an insurer and investor, as an employer, as a company, including our supply chain, and as a corporate citizen. For each of these roles, we have embedded different processes to manage human rights risks and act on opportunities to drive positive change.

In 2021, we strengthened our approach by publishing a Human Rights Policy embedded in the Allianz Group ESG Integration Framework. We continue to apply ESG and Human Rights Guidelines across all business lines and core processes dealing with insurance, investment and procurement decisions. As a corporate insurer and investor, our human rights due diligence process forms part of our overall ESG approach, which is integrated into our broader risk management system. Please refer to our ESG approach for further details on the concepts.

We require all our vendors to meet fair labor requirements and practices to prevent modern slavery and ensure compliance with UDHR and the Allianz Group Vendor Code of Conduct. Vendors with a spend volume greater than € 250,000 undergo a vendor integrity screening that is based on the requirements laid down in the Allianz Global Standard for Procurement. In 2021, we revised the screening questionnaire with additional human rights questions. Screening data and information in compliance with the Code of Conduct forms part of our procurement KPI reporting.

Further details can be found in the Allianz Group Vendor Code of Conduct.

We take an active stance against modern slavery and human trafficking, and pursue a risk-based approach across our business and supply chain. The Allianz Group Modern Slavery Statement, last published in June 2021, confirms that no incident of modern slavery, human trafficking, or child labor has been found involving any of the Allianz Group entities over the past year.

For further details on the Allianz Group's referral process and our Human Rights Guideline, see the Allianz ESG Integration Framework **https://www.allianz.com/esg-framework**.

Targets and achievements: human rights matters

Topic	Targets 2021	Achievements 2021	Targets 2022
Modern Slavery Act	Continue to report on human rights issues as defined in the Modern Slavery Act.	– No issues were raised in regard to human rights issues in accordance with the Modern Slavery Act in 2021. – Allianz Group Modern Slavery Statement was updated in mid-2021.	Continue to report on human rights issues as defined in the (UK) Modern Slavery Act.

Employee matters

This section describes our employees' impact on our business activities and relationships, and vice versa. We describe the concepts, actions and achievements in managing these impacts. All employee matters are managed by the Group HR function.

Concepts

Delivering our purpose "We secure your future" starts with 155,411[1] employees who are part of our diverse and global workforce. Our purpose anchors our Group strategy, employee value proposition, brand promise and customer experience principles, and it drives our decisions and actions. We held our second global Purpose & Strategy Day in autumn 2021 to engage our employees on our purpose.

A diverse workforce enables us to understand and fulfill the needs of our equally diverse customer base. Allianz fosters a culture and working environment where people and performance matter, and where everyone has a voice. We take a strong stance regarding employee engagement, diversity and inclusion, and gender equality. We focus on managing talent, rewarding personal achievements and promoting employee rights. The health, safety, and well-being as well as the training and development of our employees is of utmost importance.

Our response to the COVID-19 pandemic

We continue to closely monitor the impact of COVID-19 on our global workforce. The pandemic cast a spotlight on the importance of health and mental well-being, and we introduced various measures to support employees and meet our business needs during the crisis. These have included help/advisory lines for physical and mental health issues, preventative health measures, and special support for working parents, such as additional leave to enable parents to take care of unexpected childcare needs.

Convinced that vaccination will help the return to more normality soon, Allianz has conducted vaccination campaigns in 2021. In addition, Allianz booster shot campaigns have started.

New ways of working

In 2021, we have introduced more flexible, collaborative and agile ways of working that empower our employees, customers and organization. These new Ways of Working (WOW) aim to enhance employee engagement, productivity and innovation, resulting in simpler and prompter service offerings for our customers, resilience to protect us from future crises, and a faster and flatter organization and culture. COVID-19 required us to respond rapidly to unexpected situations and new priorities. The challenges increased the pace of change with respect to how we work together and engage with each other and our stakeholders.

The focus areas for our WOW standards are centered across five categories: 1. Flexible work & Reduced travel, 2. Digital tools, 3. Health & Well-being, 4. Learning, 5. Organization & Culture. For instance, employees across the globe have the opportunity to spend a minimum of 40 percent of their working hours working from home (depending on the position, e.g., mobile worker, office worker, etc.) and the opportunity to work up to 25 days a year abroad in accordance with local regulations. We have also significantly reduced business travel compared to 2019.

Business as usual

Allianz Engagement Survey

The annual Allianz Engagement Survey (AES) is our formal employee platform for gathering employee feedback and promoting a high-performance culture. The results of the AES are directly linked to the performance targets for the Group's Board of Management. This year we achieved our second-best result in the Allianz Group´s history.

One part of the AES is the Inclusive Meritocracy Index (IMIX). It measures our progress in building a culture where both people and performance matter, as we seek to enable employees to unlock their full potential. The IMIX score comprises 10 AES questions covering the areas of leadership, performance and corporate culture.

Targets and achievements: employee matters

Topic	Targets 2021	Achievements 2021	Targets 2022-2024
IMIX	73 % plus	78 % (2020: 78 %)	75 % plus

Diversity & Inclusion

In 2021, we rolled out two new policies that underpin the Allianz Code of Conduct: the Allianz Diversity and Inclusion Policy describes our rationale for diversity and inclusion (D&I) and how we foster diversity in all its forms, and the Allianz Anti-Harassment Policy outlines our global zero tolerance standard against sexual and other harassment and discrimination.

More than 20 CEOs and board members from Allianz entities around the globe are part of the Global Inclusion Council, which has been in place since 2007. It oversees the implementation of our D&I strategy built around three pillars: Employees, Customers, and Brand and Reputation.

We take a strong stance to increase the diversity of our leadership and management, and set new targets and ambitions for December 2024 that extend beyond gender representation and cover the dimensions of generations, nationality and ethnicity, LGBTQ+ and disability. For more information, please see section 02.4.1 of our Group Sustainability Report 2021 and our D&I website **https://www.allianz.com/en/about-us/strategy-values/diversity.html**

We promote employee networks to raise awareness, support employees, advocate for change and help shape the D&I agenda. At the global level, three new global networks were established in 2021 bringing the total to five, each focused on a key priority for D&I:

- Allianz NEO – gender inclusion,
- Allianz Pride – LGBTQ+ inclusion,
- Allianz Engage – generations inclusion,
- Allianz GRACE – ethnicity and cultural inclusion,
- Allianz Beyond – disability inclusion.

1_Total employees (core and non-core business).

Strategic workforce planning

The purpose behind the strategic workforce planning initiative is to understand what the transition to a digital future means for Allianz and its people, and how we can equip our workforce with the skills they need for the future. Our strategic workforce planning approach compares workforce supply by job profile against projected workforce demand over the next five years to prepare our people for the future. As of 2021, strategic workforce planning is now a structured annual process integrated within the annual planning process. As a result, major upskilling and reskilling initiatives are rolled-out to prepare our workforce for the future.

Learning & development

Learning and development is a key differentiator in the financial services industry. We focus on promoting lifelong learning through our global #learn initiative, and offer our employees one hour each week dedicated to learning. We employ a wide range of learning and development approaches, including on-the-job learning, mentoring and coaching, classroom training, peer circles, and digital/mobile learning. We have targeted programs in place in key areas, including property and casualty, life and health, IT, strategy, finance, communications, market management and operations. In 2021, we continued #lead: a leadership development initiative for all Allianz people leaders around the globe. The program aims to set a minimum standard for all people leaders with an equal focus on hard and soft skills, in order to ensure the balance between the IQ (intelligence quotient) and EQ (emotional quotient) of our leaders.

Employee health and well-being

Our goal is to maintain and improve employee health and well-being by providing a global framework with minimum requirements for all Allianz entities to support our new Ways of Working. Based on a pulse survey, we merged the Work Well Program into four Minimum Health Requirements to drive action. The Minimum Health Requirements for all operating entities are:

1. Access to professional psychological support for all employees worldwide,
2. Training people leaders to maintain health and well-being in their teams,
3. Touch points to collect employee feedback on their health and well-being,
4. Meeting Free Calendar Days @Allianz.

Health and well-being managers at each operating entity are responsible for driving activities to implement the Minimum Health Requirements. We also rolled out the Allianz health app – Well Together. The aim of this app is to combine the topics of health and sustainability under one holistic platform to motivate our employees to exercise more, live more healthily and – at the same time – protect the environment.

Compliance/anti-corruption and bribery matters

This section describes the impact of ethics, responsible business and compliance matters on the Allianz Group´s activities, and relationships and 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 the Group Compliance team.

Concept and programs

Our Compliance Management System (CMS) helps ensure compliance with internationally recognized laws, rules 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 German Institute for Compliance and the Global Insurance Chief Compliance Officers Forum (CCO Forum) to enhance our understanding of compliance issues and to share best practices.

Compliance risk is part of the operational risk category, as laid down in the Allianz Integrated Risk and Control System (IRCS). OEs in scope of IRCS are defined by Group Risk. They are required to conduct an annual compliance risk assessment based on Group-defined risk scenarios. Together with the Compliance Assurance of Risks and Effectiveness (CARE), they form the annual cycle of our integrated compliance risk scoping and assessment activities.

In 2021, the Compliance Function underwent a transformation in the way it assesses Group and local compliance departments. Review procedures have been expanded to confirm adequate compliance scope and skills, to confirm compliance with global programs and local specificities, and to reinforce a compliance-by-default and by-design mindset. This holistic approach was rolled out in the second half of 2021 through the CARE program, a self-assessment exercise reinforced with compliance reviews; completed and coordinated by Group Compliance.

Compliance Reviews are supplemented by Targeted Reviews which assess the implementation status and effectiveness of programs such as Antitrust, Customer Protection, etc. The benefit of this multi-faceted review and confirmation strategy is that operating entities are monitored more frequently and are engaged in more holistic assurance activities.

An online tool for compliance issues management provides an overview of issues detected in the course of the above activities. It requires reporting on mitigating activities as well as on follow-up procedures, including a review of actions undertaken and documented in the tool.

The information gathered through the issue management tool provides the primary basis of reports to the Group Board and the Allianz SE Supervisory Board’s Audit Committee. An Integrity Committee, chaired by Group Compliance, reviews all activities and issues related to misconduct and/or violations of internal/external rules and regulations, and Code of Conduct infractions, including reports of actions to follow up on whistleblowing cases.

In 2021, the following key areas of compliance risk were identified and aligned with the Group's top-risk assessment procedures, coordinated by the Group's Risk Management function:

- regulatory change monitoring,
- customer protection,
- financial crime (money laundering and economic sanctions).

As part of our global compliance program, we follow international standards and applicable laws related 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 obligations laid down in our various compliance programs have been derived from the Allianz Group Code of Conduct and detailed in various Allianz standards – specifically, the Economics Sanctions, Anti-Money Laundering, Antitrust, Data Privacy, Capital Markets Compliance and Anti-Corruption Standards.

Allianz takes a zero-tolerance approach to fraud and corruption. We are committed to complying fully with local and international anticorruption and anti-bribery laws. Our aim is to go beyond complying with the minimum standards of the law, such as the Allianz Anti-Corruption Program which sets high standards for a comprehensive and consistent group-wide approach in every jurisdiction. The program requires that employees and certain third parties with whom Allianz does business are prohibited from offering, accepting, paying or authorizing any bribe or any other form of corruption, be it with the private sector or with government officials.

Anti-corruption training is compulsory for all employees, with online and classroom training delivered in multiple languages.

As a matter of course, the development in the ongoing proceedings in connection with the Allianz GI U.S. LLC Structured Alpha funds would also be monitored by the compliance function and considered as part of the regular reassessment of compliance risks. Any findings will also be reflected in the continuous improvement of our Compliance Management System and compliance processes.

Targets and achievements: compliance/anti-corruption and bribery matters

Topic	Target 2021	Achievements 2021	Targets 2022
Compliance	Complete the cycle of the integrated compliance risk scoping and assessment activities as part of the company's IRCS process. Continue to enhance the effectiveness of local compliance organizations by enriching our compliance reviews, to bolster further the governance and processes of underlying compliance organizations across our OEs.	– Roll-out of CARE program. – Completed the 2021 integrated compliance risk scoping and assessment activities as part of the company's IRCS.	– Complete the cycle of the integrated compliance risk scoping and assessment activities as part of the company's IRCS process in 2022. – Continue to enhance the effectiveness of local compliance organizations by enriching our compliance reviews, to bolster further the governance and processes of underlying compliance organizations across our OEs.

E.U. Taxonomy Regulation

The E.U. Taxonomy Regulation (2020/852) is a "green" classification system that translates the E.U.'s climate and environmental objectives into criteria for specific economic activities for investment purposes. The regulation came into effect this year and Allianz is reporting against it for the first time.

Regulatory background

E.U. Taxonomy recognizes as "green", or "environmentally sustainable", economic activities that make a substantial contribution to at least one of the E.U.'s climate and environmental objectives, while at the same time not significantly harming any of these objectives and meeting minimum social safeguards. It is a transparency tool that will introduce mandatory disclosure obligations on some undertakings (namely, the ones in scope of the Non-Financial Reporting Directive (NFRD) and Corporate Sustainability Reporting Directive (CSRD) prospectively) and financial market participants. The disclosure of the proportion of taxonomy-aligned activities will allow for the comparison of companies and investment portfolios. In addition, it can guide market participants in their investment decisions. Nevertheless, the E.U. Taxonomy is not a mandatory list of economic activities for investors to invest in. Nor does it set mandatory requirements on environmental performance for companies or for financial products. Investors are free to choose what to invest in.

Economic activities that are not recognized by the E.U. Taxonomy Delegated Acts as substantially contributing to one of the E.U.'s climate and environmental objectives are not necessarily environmentally harmful or unsustainable. And not all activities that could generally make a substantial contribution to the environmental objectives are already part of the E.U. Taxonomy Delegated Acts. Rather, the first Delegated Act (namely, the Climate Delegated Act) under the E.U. taxonomy sets criteria for economic activities in the sectors that are most relevant for achieving climate neutrality and delivering on climate change objectives. This includes sectors such as energy, forestry, manufacturing, transport and buildings.

At this stage, the regulation has only established "Technical Screening Criteria" for (a) climate change mitigation and (b) climate change adaptation, which are laid out in the Climate Delegated Act. Criteria for the four remaining environmental objectives will follow in a future Delegated Act, in line with the mandates outlined in the Taxonomy Regulation.

In addition, extensions of the Taxonomy Regulation with view to (a) economic activities that do not have a significant impact on environmental sustainability and economic activities that significantly harm environmental sustainability, as well as (b) regarding other sustainability objectives, such as social objectives, may follow at a later stage.

Furthermore, the Disclosures Delegated Act requires the E.U. Commission to review the application of this regulation by 30 June 2024, and to assess in particular the need for any further amendments with regard to the inclusion of (a) exposures to central governments and central banks in the numerator and denominator of key performance indicators of financial undertakings, and (b) exposures to undertakings that do not publish a non-financial statement pursuant to Articles 19a or 29a of Directive 2013/34/EU in the numerator of key performance indicators of financial undertakings.

Overall, this means that the Taxonomy Regulation will evolve further over the next years, translating into an extension of the expected screening and reporting scope alongside various dimensions.

Taxonomy eligibility vs. taxonomy alignment

For a transitional period of two years, a simplified approach applies for the financial sector. In this context, only eligibility has to be reported. This means that we only report on (investments into) economic activities which are in scope of the Taxonomy Regulation, i.e., described in the Climate Delegated Act; irrespective of whether that economic activity meets any or all of the technical screening criteria laid down therein.

Thus, taxonomy eligibility of an economic activity implies that respective Technical Screening Criteria are available and the activity could generally make a substantial contribution to one of the environmental objectives of the taxonomy. Whether an activity is taxonomy-eligible, or not, provides no indication about how green or environmentally sustainable that activity is. This will only be possible with the future alignment KPI.

Taxonomy alignment of an activity goes beyond taxonomy eligibility. It implies that an activity complies with the requirements defined specifically for this particular activity in the Technical Screening Criteria of the taxonomy. For example, to be "taxonomy-aligned" under the current taxonomy, an activity has to fulfill the specific criteria that determine when an economic activity makes a substantial contribution to the climate objectives as outlined in the Climate Delegated Act. Going forward, an activity has to fulfill the Technical Screening Criteria, the "do no significant harm" criteria, and the minimum social safeguards linked to this activity to be taxonomy-aligned. Taxonomy alignment has to be reported by financial undertakings from the financial year 2023 onwards.

Concept

The Disclosures Delegated Act specifies the disclosure obligations under Art. 8 of the Taxonomy Regulation.

In order to ensure comparability of the Taxonomy information with the Group's financial disclosure, we report for each of our material financial activities. Consequently, Allianz Group will report on the following activities:

- non-life insurance,
- proprietary investments, and
- third-party investments.

Non-life insurance

Non-life insurance (and thereof eight Solvency II Lines of Business (LoBs)) is one economic activity in scope of the Taxonomy Regulation ("taxonomy-eligible"), as it is generally deemed as able to have a positive enabling function with a view to climate change adaptation.

In the non-life insurance business, the Allianz Group is active in all the eight LoBs that can generally be considered as eligible under the Taxonomy Regulation; the same applies for the Allianz Group's reinsurance business accepted from external counterparties. Namely reinsurance business of eligible insurance activities can be considered as Taxonomy-eligible. The extent to which individual contracts include protection against climate-related perils (e.g., flood events or hail storms) depends on the individual demand and the requirements of the customer's typical situation or unique risk exposure. Risk analysis and product advice is an integral part of our sales process and we are pursuing the objective to close insurance coverage gaps as far as possible.

We integrate climate protection into our core business. We embed the management of risks and opportunities resulting from climate change in our overall business strategy. Measures include developing and adjusting financial products and services, updating policies and processes, setting targets and limits, managing our operational climate footprint, and engaging with internal and external stakeholders. As a treaty reinsurer of external clients, we consider the climate-related strategies of these insurance companies as part of our underwriting process in order to determine our reinsurance business strategy.

The information about taxonomy eligibility in our underwriting portfolio is an indication of the scope of our activities that can generally be assessed against the specific technical screening criteria for taxonomy-alignment applying to (re-)insurers, and therefore have the potential to provide a substantial contribution to the environmental objective of climate change adaptation. An LoB must contain at least one policy with terms related to the treatment of climate perils to be considered as taxonomy-eligible. On the one hand, the Allianz Group offers policies in the LoBs of "other motor insurance", "marine, aviation and transport insurance" and "fire and damage to property insurance", where protection against climate perils is explicitly included. On the other hand, the Allianz Group offers policies that are based on a general protection approach, thus covering all risks, including (yet, not explicitly referring to) climate perils in the five remaining LoBs "medical expense insurance", "income protection insurance", "workers' compensation insurance", "motor vehicle liability insurance" and "assistance". Allianz generally considers both types of LoBs as eligible under the Taxonomy Regulation, as they all comprise policies that cover against climate perils. The most material eligible LoBs are "fire and other damage to property insurance", "motor vehicle liability insurance" and "other motor insurance".

Based on this assessment, in our non-life insurance and reinsurance business, 79 % of the P&C gross written premiums are taxonomy-eligible and 21 % of the P&C gross written premiums are taxonomy non-eligible for the financial year 2021.[1] Taxonomy eligibility does not give an indication of the degree to which the Allianz Group's non-life insurance activities can be considered as taxonomy-aligned, but reflects the structure of the Allianz Group's underlying business and future screening scope with respect to a substantial contribution to climate change adaptation at a broad level.

Proprietary investments & third-party assets

For investments, the Taxonomy Regulation currently limits the scope of which investments could generally 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, the Allianz Group can only consider economic activities of investees in scope of the NFRD that are, thus, obliged to disclose under Art. 8 of the Taxonomy Regulation. This includes activities of controlled subsidiaries, for which we can perform our own assessment of the underlying economic activities, given that the Allianz Group itself is in scope of the NFRD. On the other hand, several asset classes, which are material for Allianz Group, cannot be considered taxonomy-eligible as of now, such as sovereign bonds or non-E.U. investments. This applies for both proprietary and third-party assets.

For investments, a look-through approach applies. However investors' reporting for the financial year 2021 could only be based on estimates due to the fact that investees have not yet disclosed taxonomy eligibility. According to the latest implementation guidance by the European Commission, such estimated values may only be reported on a voluntary basis and must not form part of the mandatory disclosures. Considering the limited reliability of estimated taxonomy eligibility information at this stage, the Allianz Group will not report voluntary data for the financial year 2021.

Taxonomy eligibility can at this stage only relate to climate change mitigation and climate change adaptation (or both).

As a result, the taxonomy eligibility share for the Allianz Group's proprietary investments is only based on controlled listed or unlisted assets and debt instruments in scope, that are held by our (internal) asset managers, or other subsidiaries (e.g., real estate investments or mortgages. Due to the limited information value of the Taxonomy information at this stage, we disclose additional information on the sustainability of our proprietary investments portfolio at Group-level based on the definition of "Sustainable Investments" as per the Sustainable Finance Disclosure Regulation (SFDR). For more information, please refer to our Group Sustainability Report 2021, section 02.2.

As to third-party assets, as the Allianz Group would in all cases need data from investees, no screening for and reporting on taxonomy eligibility is possible at this stage except with regard to our exposure to mortgages. However, the table below provides insights into the respective asset classes, where the exposure to undertakings, which are obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU, represents the part for which a screening for taxonomy eligibility based on data reported by investees can take place going forward.

Limitations of reported numbers

Taxonomy eligibility does not assess alignment of the Allianz Group's underwriting or investment activities, i.e., it does not serve as a proxy of how sustainable our activities are. Numbers reported in the table below and in the section "Underwriting" above describe the structure of the Allianz Group's non-life insurance and investment portfolio and define the scope of future Taxonomy alignment assessment applying Taxonomy Regulation as of the balance sheet date. Due to the limited number of economic activities in scope of the Taxonomy so far, and the focus on a subset of investees and asset classes, the eligibility figures for investment activities are rather small compared to the whole investment portfolio. The foreseen enrichment of the Technical Screening Criteria for further environmental objectives, potential extensions of the Taxonomy Regulation, and implementation of guidance might have a significant impact on Taxonomy eligibility classification in the future.

1_Based on unconsolidated LoB information.

Eligibility for proprietary investments & third-party assets for financial year 2021

Allianz Group reporting under the Taxonomy Regulation	Taxonomy KPIs for insurance undertakings		Taxonomy KPIs for asset managers	
	Allianz Group proprietary investments		Allianz Group third-party investments	
€ bn	Ratios (relative to total B/S assets)	Monetary amounts (voluntary reporting)	Ratios (relative to total AuM)	Monetary amounts (voluntary reporting)
Total B/S Assets / Total AuM	n/a	1,139.4	n/a	1,966.4
Exposures to central governments, central banks and supranational issuers	18.1 %	206.1	26.3 %	517.6
Other B/S assets not covered by the KPI (reinsurance assets, DAC, deferred taxes, other assets, intangible assets)	13.2 %	149.9	n/a	n/a
Total assets covered by the KPI (coverage ratio)	**68.8 %**	**783.5**	**73.7 %**	**1,448.7**
Non-eligible exposures (relative to coverage ratio)				
1) Exposures not covered by the Taxonomy Regulation (screening for taxonomy eligibility not (yet) possible)				
Derivatives	1.5 %	11.5	0.3 %	3.9
Exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU[4]	45.7 %	358.1	62.8 %	909.9
Other exposures (e.g., cash, externally managed funds[1])[5]	31.0 %	243.0	4.4 %	63.4
2) Exposures covered by the Taxonomy Regulation (screening for taxonomy eligibility possible from financial year 2022)				
Exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU[1]	12.0 %	94.0	15.5 %	224.9
Total non-eligible	**90.2 %**	**706.6**	**83.0 %**	**1,202.1**
Eligible exposures (relative to coverage ratio)				
AZ Group own assets that are funding economic activities that are taxonomy-eligible (based on turnover)[2]	1.6 %	12.3	n/a[3]	n/a[3]
Other exposures (mortgages)[2]	8.2 %	64.6	17.0 %	246.7
Total eligible	**9.8 %**	**76.9**	**17.0 %**	**246.7**

1_A part of these exposures is taxonomy-eligible, but no reported data on the amount is available at this stage; as from financial year 2022, this part will be assessed for taxonomy-eligibility based on reported data.
2_As the screening for taxonomy eligibility can only be based on reported data, for financial year 2021, only investments where Allianz Group has direct control (e.g., real estate investments) could be assessed.
3_As to third-party assets, as the Allianz Group would in all cases need data from investees, no screening for and reporting on Taxonomy eligibility is possible at this stage.
4_Thereof not subject to NFRD for proprietary investments: € 258.0 bn and for third-party investments € 381.9 bn. Thereof investments where no data was available for proprietary investments: € 100.0 bn and for third-party investments € 528.0 bn.
5_Not subject to NFRD or no final assessment possible. Thereof cash for proprietary investments: € 24.2 bn. Cash for third-party investments € 25.4 bn.

BUSINESS ENVIRONMENT

Economic environment 2021[1]

The second year of the COVID-19 pandemic differed from the previous year in one key aspect: Effective vaccines against the virus became available, marking the start of an unprecedented global vaccination campaign. By year-end 2021, a total of over 9 billion vaccine doses had been administered. While this did not end the pandemic – viral mutations and rising case rates continued to keep the world on tenterhooks – it helped mitigate its economic impact: Containment measures became less stringent; both people and companies increasingly learned to live with the virus.

This was reflected in global growth figures: After the sharp slump in 2020 (-3.4 %), the world’s GDP increased by 5.3 % in 2021, the strongest growth in almost 50 years. All regions benefited from this strong recovery; however, while growth rates in North America, Europe, and Asia averaged more than 5 %, GDP growth in Africa was only 3 % – not least due to the sluggish progress of vaccination.

The downside of the recovery was a rise in prices. Fueled by generous fiscal packages and record-high savings, a boom in consumer durables set in – a consequence of ongoing restrictions for contact-intensive services. In many cases, the surging demand overstretched the supply side, leading to bottlenecks and parts shortages, which – together with rising energy prices – caused a sharp increase in inflation. Towards the end of 2021, this forced many central banks to start withdrawing their extremely expansive monetary policy or at least to announce corresponding steps. The U.S. Federal Reserve Bank reduced its bond purchases; the European Central Bank held out the prospect of doing so in 2022.

The markets remained largely unimpressed by the emerging turn in interest rates. Supported by strong corporate earnings and capital inflows, the stock markets rushed from record to record. The U.S. market, as measured by the market-wide S&P 500 index, set the pace with a 27 % gain; European stocks (Euro STOXX 50) were close behind at 21 %. This strong performance was also due to the subdued reaction of rates to the strong pick-up in growth and inflation. Yields on 10-year benchmark bonds remained at a very low level by historical standards, rising just slightly to 1.5 % in the United States and -0.2 % in Europe by year-end 2021. As a result, financing conditions for governments and companies remained extremely favorable.

Business environment 2021 for the insurance industry

For insurance companies, 2021 was a mixed year. On the one hand, the strong economic upswing, increased risk awareness of both households and companies, and rising prices (especially in commercial lines) all created a tailwind for premium income. On the other hand, several factors weighed on profitability. First and foremost, the insured losses of natural catastrophes: Globally, 2021 was one of the most expensive years ever; for German insurers, it was the most costly due to the flood disaster in the summer. At the same time, the COVID-19 pandemic caused further losses – in particular, excess mortality in many countries – as well as burdens from rising inflation. In some sectors, prices for commodities, materials and parts increased significantly, making claims settlement more expensive, for example in motor and property. Last but not least, virtually unchanged low interest rates continued to be a very challenging environment for investments.

Sustainability finally became the guiding business maxim in 2021. This no longer relates solely to environmental issues, although these continue to dominate. But at the same time, customers, employees and the general public, for example, expect companies to be committed to diversity and to combating inequality as well.

Looking at the premiums development in 2021, in the property-casualty sector we observed increased premium growth, reflecting the normalization of business in the wake of the economic upturn. Commercial lines in particular continued to benefit from rising prices. That said, profitability remained under pressure: In addition to the factors reported for previous years – on the one hand, declining investment income due to persistently low yields; on the other hand, rising claims due to the climate-induced increase in natural catastrophes – 2021 brought on another negative factor: The rapid rise in inflation significantly increased costs in some lines of business, especially property and motor.

In the life sector, premium income recovered strongly in 2021, due to the growing demand for risk products: Many households were keen to close their insurance gap with regard to mortality risks; at the same time, savings products benefited from both the favorable development of the markets and the high level of household savings. In terms of profitability, the interest rate environment remained the biggest challenge in 2021, further compounded by significantly increased mortality in some markets.

1_At the date of the publication of this report, not all general market data for the year 2021 used in the chapter Business Environment was final. Also, please note that the information provided in this chapter is based on our estimates.

Business environment 2021 for the asset management industry

The asset management industry continued to deliver high returns in 2021, as the global economy further recovered from the COVID-19 pandemic. Constructive investor sentiment was supported by stimulus from monetary and fiscal authorities despite rising inflation rates. Equities performed particularly well, with the MSCI World Index rising by 21.8 % in 2021, reaching another record level.

For bonds, the interest rate volatility made for a challenging environment, with asset selection being the key to achieving higher returns. Although active investments still accounted for the greatest share of assets under management globally, growth in both passive and alternative investments continued. Similarly, the societal focus on carbon emissions and the need to transition to a low-carbon economy led to continued growth in ESG-compliant offerings (ESG = Environment, Social, Governance).

During 2021, asset managers continued to invest in digitalization as an additional enabler for client interaction as well as for operational efficiency. Technology has become even more important to drive customer engagement, alpha generation, and regulatory as well as tax reporting.

EXECUTIVE SUMMARY OF 2021 RESULTS

Key figures

Key figures Allianz Group[1]

		2021	2020	Delta
Total revenues[2]	€ mn	148,511	140,455	8,056
Operating profit[3]	€ mn	13,400	10,751	2,649
Net income[3]	€ mn	7,105	7,133	(28)
thereof: attributable to shareholders	€ mn	6,610	6,807	(197)
Solvency II capitalization ratio[4]	%	209	207	1 %-p
Return on equity[5]	%	10.6	11.4	(0.7) %-p
Earnings per share	€	15.96	16.48	(0.52)
Diluted earnings per share	€	15.83	16.32	(0.48)

Earnings summary

Management's assessment of 2021 results

In 2021, the Allianz Group's total revenues increased by 6.1% on an internal basis[6] compared to the previous year. All our business segments contributed to this growth. Our Life/Health business segment strongly increased its sales in the United States and Italy, and our Property-Casualty business segment owed its revenue increase to both higher prices and volume growth. Our Asset Management business segment recorded higher assets under management (AuM) driven revenues as well as an increase in performance fees.

Our operating profit increased significantly by 24.6% compared to 2020, which was negatively impacted by COVID-19. All our business segments registered strong operating profit growth. In Asset Management, it was due to higher average AuM and continued cost control. Our Property-Casualty business segment saw a higher underwriting result despite the increase in claims from natural catastrophes. In our Life/Health business segment, the increase in operating profit was due to higher reserve loadings and an improved investment and technical margin. In our Corporate and Other business segment, the operating result improved, largely due to higher investment income.

Our operating investment result increased by € 1,450 mn to € 25,084 mn, mostly as a result of significantly lower impairments.

Our non-operating result decreased by € 2,733 mn, increasing its loss to € 3,880 mn, due to a provision for litigation expenses of € 3,687 mn in the Asset Management business segment for Structured Alpha[7]. We recorded a higher non-operating investment result, which had been noticeably affected by COVID-19-related market impacts in the previous year. In addition, in 2020 we recorded realized gains from the disposal of Allianz Popular S.L. in Spain, while in 2021 the impact from a reinsurance transaction in the United States positively impacted the non-operating result[8] by € 0.4 bn.

Income taxes decreased by € 55 mn to € 2,415 mn, as a consequence of lower profit before tax. The effective tax rate decreased to 25.4% (2020: 25.7%), mostly due to lower local taxes.

While operating profit increased, the decrease in our non-operating result led to a slight reduction in our net income.

Shareholders' equity[9] decreased by € 0.9 bn to € 80.0 bn. Key drivers included a net income attributable to shareholders of € 6.6 bn, the issuance of undated subordinated bonds of € 2.4 bn, and higher foreign currency translation adjustments of € 1.2 bn. These effects were offset by a € 4.0 bn dividend payout, € 750 mn for the purchase of 3.8 million own shares[10] as well as lower unrealized gains and losses (net) of € 5.9 bn.

Our Solvency II capitalization ratio was strong at 209%[11].

For a more detailed description of the results generated by each individual business segment (Property-Casualty, Life/Health, Asset Management, and Corporate and Other), please consult the respective chapters on the following pages.

Other information

Recent organizational changes

In the course of the year, there were only some minor reallocations between reportable segments.

Other parts of the Group Management Report

The Group Management Report also includes the following sections:

- Statement on Corporate Management, and
- Takeover-Related Statements and Explanations.

1_For further information on Allianz Group figures, please refer to note 4 to the Consolidated Financial Statements.
2_Total revenues comprise Property-Casualty total revenues (gross premiums written, and fee and commission income), Life/Health statutory gross premiums written, operating revenues in Asset Management, and total revenues in Corporate and Other (Banking).
3_The Allianz Group uses operating profit and net income as key financial indicators to assess the performance of its business segments and of the Group as a whole.
4_Figures as of 31 December. Figures exclude the application of transitional measures for technical provisions. Increase is only 1%-p due to rounding.
5_Represents the ratio of net income attributable to shareholders to the average shareholders' equity at the beginning of the period and at the end of the period. The net income attributable to shareholders 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 unrealized gains/losses on bonds net of shadow accounting are excluded.
6_Internal total revenue growth excludes the effects of foreign currency translation as well as acquisitions and disposals. For a reconciliation of nominal total revenue growth to internal total revenue growth for each of our business segments and the Allianz Group as a whole, please refer to the chapter Reconciliations.
7_For further information on Structured Alpha, please refer to note 37 to the Consolidated Financial Statements.
8_For further information on the reinsurance transaction, please refer to note 8 to the Consolidated Financial Statements.
9_For further information on shareholders' equity, please refer to the Balance Sheet Review.
10_For further information on the share buy-back program, please refer to note 19 to the Consolidated Financial Statements.
11_Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio amounted to 239% as of 31 December 2021. For further information, please refer to the Risk and Opportunity Report.

PROPERTY-CASUALTY INSURANCE OPERATIONS

Key figures

Key figures Property-Casualty[1]

		2021	2020	Delta
Total revenues[2]	€ mn	62,272	59,412	2,859
Operating profit	€ mn	5,710	4,371	1,339
Net income	€ mn	4,113	2,605	1,508
Loss ratio[3]	%	67.0	69.5	(2.5) %-p
Expense ratio[4]	%	26.7	26.8	(0.1) %-p
Combined ratio[5]	%	93.8	96.3	(2.5) %-p

Total revenues[6]

On a nominal basis, we recorded a strong increase in total revenues of 4.8 % compared to the previous year.

This included unfavorable foreign currency translation effects to the amount of € 481 mn[7], and positive (de)consolidation effects of € 904 mn. On an internal basis, our revenues rose by 4.1 %, driven by a positive price effect of 2.2 %, a positive volume effect of 1.4 % and a positive service effect of 0.6 %.

The following operations contributed positively to internal growth:

Allianz Partners: Total revenues were € 6,168 mn, an internal growth of 17.2 %: this was largely owed to positive volume effects in our U.S. travel business and higher service fees in our assistance business.

AGCS: Total revenues went up 4.2 % on an internal basis, totaling € 9,510 mn. Key drivers were price increases in our fronting business, property, and financial lines.

Australia: Total revenues amounted to € 3,659 mn, an internal growth of 8.2%, driven by price and volume increases.

The following operations weighed on internal growth:

United Kingdom: Total revenues went down 3.2 % on an internal basis, totaling € 4,530 mn. Main reasons were shrinking volumes in our SMC (small and medium companies) insurance business, due to the COVID-19 pandemic, as well as strong competitive dynamics in our motor insurance business.

France: Total revenues amounted to € 4,477 mn, an internal decrease of 1.8 %. Much of it was due to a volume decline in our commercial property and liability insurance business.

Spain: Total revenues fell to € 2,517 mn, a 3.5 % decrease on an internal basis. Market conditions were difficult overall and, together with a strong profitability focus, led to negative volume effects across all lines of business.

Operating profit

Operating profit
€ mn

	2021	2020	Delta
Underwriting result	3,026	1,639	1,386
Operating investment income (net)	2,642	2,556	86
Other result[1]	42	175	(133)
Operating profit	**5,710**	**4,371**	**1,339**

1_Consists of fee and commission income/expenses and other income/expenses.

We registered a strong increase in our operating profit. While most of it was driven by the underwriting result, our operating investment income also contributed positively.

The increase in underwriting result was due to a recovery from the negative COVID-19 effects that had weighed on our 2020 results, combined with a higher contribution from run-off – only partly offset by higher claims from natural catastrophes – as well as some improvements on the expenses side. Overall, our combined ratio improved by 2.5 percentage points to 93.8 %.

Underwriting result
€ mn

	2021	2020	Delta
Premiums earned (net)	53,054	51,631	1,423
Accident year claims	(36,938)	(36,314)	(624)
Previous year claims (run-off)	1,374	431	942
Claims and insurance benefits incurred (net)	(35,565)	(35,883)	318
Acquisition and administrative expenses (net)	(14,186)	(13,846)	(340)
Change in reserves for insurance and investment contracts (net) (without expenses for premium refunds)[1]	(278)	(263)	(15)
Underwriting result	**3,026**	**1,639**	**1,386**

1_Consists of the underwriting-related part (aggregate policy reserves and other insurance reserves) of "change in reserves for insurance and investment contracts (net)". For further information, please refer to note 26 to the Consolidated Financial Statements.

Our accident year loss ratio[8] stood at 69.6 %, an improvement of 0.7 percentage points compared to the previous year. Losses from natural catastrophes were € 1,637 mn, compared to € 880 mn in 2020. This translates into a negative effect of 1.4 percentage points on our

1_For further information on Property-Casualty figures, please refer to note 4 to the Consolidated Financial Statements.
2_Total revenues in Property-Casualty also include fee and commission income.
3_Represents claims and insurance benefits incurred (net), divided by premiums earned (net).
4_Represents acquisition and administrative expenses (net), divided by premiums earned (net).
5_Represents the total of claims and insurance benefits incurred (net) plus acquisition and administrative expenses (net), divided by premiums earned (net).
6_We comment on the development of our total revenues on an internal basis, which means figures have been adjusted for foreign currency translation and (de-)consolidation effects to provide more comparable information.
7_Based on the average exchange rates in 2021 compared to 2020.
8_Represents claims and insurance benefits incurred (net) less previous year claims (run-off), divided by premiums earned (net).

combined ratio, as the impact from natural catastrophes increased from 1.7 percentage points in 2020 to 3.1 percentage points in 2021.

Without the losses from natural catastrophes, our accident year loss ratio would have improved by 2.1 percentage points to 66.5 %.

The following operations contributed positively to the development of our accident year loss ratio:

AGCS: 1.4 percentage points, due to the absence of negative COVID-19 impacts in 2021 and strict portfolio actions.

Reinsurance: 0.5 percentage points, due to the absence of negative COVID-19 impacts in 2021.

The following operations weighed on the development of our accident year loss ratio:

Germany: 0.5 percentage points. The increase resulted from the severe impact of natural catastrophes in 2021.

Brazil: 0.3 percentage points, driven by a deteriorating situation in the motor market.

Italy: 0.2 percentage points. This increase was due to motor market competitiveness, and the absence of motor frequency benefits induced by the COVID-19 pandemic in 2021.

Our positive run-off result was € 1,374 mn – after € 431 mn in 2020 – translating into a run-off ratio of 2.6 %. Reserve releases mainly stemmed from our operations in Credit, Reinsurance, Australia as well as Central and Eastern Europe.

Acquisition and administrative expenses amounted to € 14,186 mn in 2021, after totaling € 13,846 mn in the previous year. Our expense ratio improved by 0.1 percentage points to 26.7 %, due to continued improvements across several operations, partially compensated by changes in business mix and a positive prior year one-off from our operations in the United Kingdom.

Operating investment income (net)
€ mn

	2021	2020	Delta
Interest and similar income (net of interest expenses)	3,151	3,061	90
Operating income from financial assets and liabilities carried at fair value through income (net)	(55)	(28)	(27)
Operating realized gains (net)	215	131	84
Operating impairments of investments (net)	(25)	(141)	116
Investment expenses	(493)	(421)	(73)
Expenses for premiums refunds (net)[1]	(150)	(45)	(105)
Operating investment income (net)[2]	**2,642**	**2,556**	**86**

1_Refers to policyholder participation, mainly from APR business (accident insurance with premium refunds), reported within "change in reserves for insurance and investment contracts (net)". For further information, please refer to note 26 to the Consolidated Financial Statements.
2_The operating investment income (net) of our Property-Casualty business segment consists of the operating investment result – as shown in note 4 to the Consolidated Financial Statements – and expenses for premium refunds (net) (policyholder participation).

Our operating investment income (net) increased slightly, mainly driven by higher interest and similar income (net of interest expenses).

Other result
€ mn

	2021	2020	Delta
Fee and commission income	1,998	1,640	358
Other income	11	152	(140)
Fee and commission expenses	(1,955)	(1,617)	(338)
Other expenses	(13)	(1)	(12)
Other result	**42**	**175**	**(133)**

Our other result worsened, mostly because the previous year's result had benefited from the sale of an owner-occupied property in Germany.

Net income

Our net income increased by a significant € 1,508 mn, as both our operating and our non-operating results improved. The € 321 mn rise in non-operating profit was largely due to the higher non-operating investment result.

LIFE/HEALTH INSURANCE OPERATIONS

Key figures

Key figures Life/Health[1]

		2021	2020	Delta
Statutory premiums[2]	€ mn	78,348	74,044	4,304
Operating profit	€ mn	5,011	4,359	652
Net income	€ mn	4,170	3,766	404
Return on equity[3]	%	13.0	12.8	0.2 %-p

Statutory premiums[4]

On a nominal basis, our statutory premiums went up by 5.8 %. This includes both unfavorable foreign currency translation effects (€ 766 mn) and positive (de-)consolidation effects (€ 48 mn). On an internal basis, statutory premiums grew by 6.8 % – or € 5,022 mn – to € 79,021 mn.

Statutory premiums in the German life business totaled € 23,868 mn, a 9.0% decrease on an internal basis that was largely driven by lower single premium sales in our business with capital-efficient products. In the German health business, statutory premiums went up to € 3,895 mn – a 4.1% increase on an internal basis – which was due to strong new business premiums in the comprehensive healthcare coverage as well as premium adjustments.

In the United States, statutory premiums rose to € 13,214 mn, a 37.9% increase on an internal basis. Most of it was attributable to higher sales of fixed index annuity products as well as of non-traditional variable-annuity products.

In Italy, statutory premiums grew to € 14,021 mn, or 12.3 % on an internal basis. This was predominantly due to stronger sales for unit-linked without guarantee products.

In France, statutory premiums increased to € 7,783 mn, a 5.1% rise on an internal basis. It was largely attributable to higher sales of hybrid products.

In the Asia-Pacific region, statutory premiums went up to € 6,972 mn. Most of this rise – 15.7% increase on an internal basis – was due to sales increases for unit-linked products in Indonesia, Taiwan and the Philippines.

Present value of new business premiums (PVNBP)[5]

Our PVNBP grew by € 17,117 mn, totaling € 82,565 mn. Most of the increase was due to higher sales volumes for fixed index annuities in the United States, and back-book management in Italy and France. Other factors included increased volumes from unit-linked products in Italy, and a large reinsurance treaty at Allianz Reinsurance. Positive effects were partly offset by lower sales volumes for capital-efficient products in the German life business.

Present value of new business premiums (PVNBP) by lines of business
%

	2021	2020	Delta
Guaranteed savings & annuities	12.2	13.6	(1.4)
Protection & health	20.8	17.4	3.3
Unit-linked without guarantee	25.2	24.4	0.8
Capital-efficient products	41.9	44.6	(2.7)
Total	**100.0**	**100.0**	**-**

Operating profit

Operating profit by profit sources[6]

Operating profit by profit sources
€ mn

	2021	2020	Delta
Loadings and fees	6,888	6,605	284
Investment margin	4,440	4,194	246
Expenses	(7,999)	(7,365)	(635)
Technical margin	1,305	1,132	173
Impact of changes in DAC	377	(206)	583
Operating profit	**5,011**	**4,359**	**652**

Our operating profit increased strongly. Key drivers were higher sales for non-traditional variable-annuity products with higher reserve loadings, an improved investment margin, and the previous year's loss recognition in the United States. Other factors included increased unit-linked management fees in Italy, an improved investment margin in France, and a better technical margin for the German life and health business. The positive development was partly offset by a write-off for an administrative system in Benelux. Furthermore, higher acquisition costs were largely compensated by the capitalization of deferred acquisition costs.

1_For further information on Allianz Life/Health figures, please refer to note 4 to the Consolidated Financial Statements.
2_Statutory premiums are gross premiums written from sales of life and health insurance policies as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.
3_Represents the ratio of net income to the average total equity, excluding unrealized gains/losses on bonds, net of shadow accounting, at the beginning of the period and at the end of the period.
4_In this section, our comments in the following section on the development of statutory gross premiums written refer to values determined "on an internal basis", i.e., adjusted for foreign currency translation and (de-) consolidation effects, in order to provide more comparable information.
5_PVNBP before non-controlling interests.
6_The purpose of the analysis of Life/Health operating profit sources is to explain movements in IFRS results by analyzing underlying drivers of performance, consolidated for the Life/Health business segment.

Loadings and fees[1]

Loadings and fees
€ mn

	2021	2020	Delta
Loadings from premiums	4,182	4,229	(47)
Loadings from reserves	1,826	1,655	171
Unit-linked management fees	880	721	159
Loadings and fees[1]	**6,888**	**6,605**	**284**
Loadings from premiums as % of statutory premiums	5.3	5.7	(0.4)
Loadings from reserves as % of average reserves[1,2]	0.3	0.3	0.0
Unit-linked management fees as % of average unit-linked reserves[2,3]	0.5	0.5	0.1

1_Aggregate policy reserves and unit-linked reserves.
2_Yields are pro rata.
3_Unit-linked management fees, excluding asset management fees, divided by unit-linked reserves.

Loadings from premiums decreased, due to increased policyholder participation on the expense result – which has improved, as shown in this line item – in our German life business. Stronger sales of protection & health products in the United States and Italy partly offset this development. **Loadings from reserves** went up, mostly due to an increased reserves base for both capital-efficient products and protection & health products in the United States as well as higher reserve volumes in our German life business. In relation to reserves, loadings remained stable. **Unit-linked management fees** also grew, due to an increase in assets under management as well as higher performance fees mainly in Italy.

Investment margin[2]

Investment margin
€ mn

	2021	2020	Delta
Interest and similar income	19,569	18,022	1,546
Operating income from financial assets and liabilities carried at fair value through income (net)	(2,088)	33	(2,121)
Operating realized gains/losses (net)	7,461	8,687	(1,227)
Interest expenses	(417)	(117)	(300)
Operating impairments of investments (net)	(986)	(4,466)	3,480
Investment expenses	(1,993)	(1,681)	(311)
Other[1]	(1,507)	(185)	(1,321)
Technical interest	(8,992)	(9,081)	89
Policyholder participation	(6,607)	(7,019)	411
Investment margin	**4,440**	**4,194**	**246**
Investment margin in basis points[2,3]	87	86	1

1_"Other" comprises the delta of out-of-scope entities, on the one hand, which are added here with their respective operating profit and different line item definitions compared to the financial statements, such as interest paid on deposits for reinsurance, fee and commission income, and expenses excluding unit-linked management fees on the other hand.
2_Investment margin divided by the average of current end-of-period and previous end-of-period aggregate policy reserves.
3_Yields are pro rata.

Our **investment margin** went up in 2021. In the United States, positive developments included an improved spread margin, higher volumes and realized gains in our non-traditional variable-annuity products. This was partly offset by our fixed index annuity businesses. In France, we benefited from lower impairments, higher gains for currency translation and higher interest income. Asia-Pacific contributed positively due to an investment disposal and higher realizations.

1_Loadings and fees include premium and reserve-based fees, unit-linked management fees, and policyholder participation in expenses.

2_The investment margin is defined as IFRS investment income net of expenses, less interest credited to IFRS reserves and policyholder participation (including policyholder participation beyond contractual and regulatory requirements mainly for the German life business).

Expenses[1]

Expenses
€ mn

	2021	2020	Delta
Acquisition expenses and commissions	(5,864)	(5,458)	(407)
Administrative and other expenses	(2,135)	(1,907)	(228)
Expenses	**(7,999)**	**(7,365)**	**(635)**
Acquisition expenses and commissions as % of PVNBP[1]	(7.1)	(8.3)	1.2
Administrative and other expenses as % of average reserves[2,3]	(0.3)	(0.3)	0.0

1_PVNBP before non-controlling interests.
2_Aggregate policy reserves and unit-linked reserves.
3_Yields are pro rata.

Acquisition expenses and commissions went up as sales volumes increased, particularly in our U.S. non-traditional variable-annuity products and our fixed index annuity products. In addition, product transfers and specific distribution channels in France drove up costs there. The increase was partly offset by lower sales from capital-efficient products in our German life business. Administrative and other expenses went up due to a write-off for an administrative system in Benelux, and in Germany as a result of a reallocation between acquisition and administrative expenses as well as higher restructuring and IT expenses.

Technical margin[2]

Our technical margin increased, particularly because of a positive lapse and reinsurance margin in the United States. The release of pandemic-related claim reserves in Germany also contributed to the margin increase. Higher claims in Asia-Pacific, particularly in Indonesia, partly offset the positive development.

Impact of change in deferred acquisition costs (DAC)[3]

Impact of change in DAC
€ mn

	2021	2020	Delta
Capitalization of DAC	2,139	1,745	394
Amortization, unlocking, and true-up of DAC	(1,762)	(1,951)	189
Impact of change in DAC	**377**	**(206)**	**583**

The impact of change in DAC turned positive with a high result, largely due to our business in the United States. Higher capitalization in line with higher sales in our business with fixed indexed and non-traditional variable-annuity products had caused a favorable effect for this year. Additional drivers included stronger unit-linked product sales in Taiwan and Indonesia and higher deferrable costs in France. Amortization decreased, dominated by a prior year loss recognition in the long-term care business, and positive true-ups in both our fixed index and our variable-annuity businesses in the United States.

Operating profit by lines of business

Operating profit by lines of business
€ mn

	2021	2020	Delta
Guaranteed savings & annuities	2,071	2,003	68
Protection & health	910	781	129
Unit-linked without guarantee	578	488	90
Capital-efficient products	1,452	1,087	364
Operating profit	**5,011**	**4,359**	**652**

The operating profit in our guaranteed savings & annuities line of business increased, largely attributable to France, where higher investment income drove up the investment margin. Another key factor was the disposal of our participation in Thailand. The positive trend was partly offset by a write-off for an administrative system in Benelux. The operating profit in the protection & health line of business increased. Key drivers included a prior year loss recognition in our U.S. long-term care business as well as a reserve release and a higher investment margin in our German health business. A lower technical margin in Indonesia had a partially offsetting effect. Our operating profit in the unit-linked without guarantee line of business went up. Most of the growth resulted from increased unit-linked management fees in Italy. Finally, the higher operating profit in our capital-efficient products line of business was primarily due to our non-traditional variable-annuities business in the United States, where the technical and investment margin as well as the reserve loadings all improved. The growth in our German life business was another contributing factor.

Net income

Our net income increased by € 404 mn. This was attributable to the higher operating profit in 2021. The non-operating result decreased, mainly due to reduced realized gains compared to last year, where the disposal of Allianz Popular S.L. in Spain and debt investments in France led to a high result. On the other hand, the non-operating impact of € 0.4 bn from a reinsurance transaction in our fixed index annuity portfolio in the United States, as well as hyperinflation impacts in Lebanon, positively impacted the non-operating result.

Return on equity

Our return on equity went up slightly by 0.2 percentage points to 13.0 %.

1_Expenses include acquisition expenses and commissions (excluding commission clawbacks, which are allocated to the technical margin) as well as administrative and other expenses.
2_The technical margin comprises the risk result (risk premiums less benefits in excess of reserves less policyholder participation), the lapse result (surrender charges and commission clawbacks) and the reinsurance result.
3_The impact of change in DAC includes effects of the change in DAC, unearned revenue reserves (URR), and the value of business acquired (VOBA). It represents the net impact of deferral and amortization of acquisition costs and front-end loadings on operating profit, and therefore deviates from the IFRS financial statements.

ASSET MANAGEMENT

Key figures

Key figures Asset Management[1]

		2021	2020	Delta
Operating revenues	€ mn	8,396	7,347	1,049
Operating profit	€ mn	3,489	2,853	636
Cost-income ratio[2]	%	58.4	61.2	(2.7) %-p
Net income (loss)	€ mn	(191)	1,973	(2,164)
Total assets under management as of 31 December	€ bn	2,609	2,389	220
thereof: Third-party assets under management as of 31 December	€ bn	1,966	1,712	255

Assets under management

Composition of total assets under management
€ bn

Type of asset class	As of 31 December 2021	As of 31 December 2020	Delta
Fixed income	1,929	1,848	81
Equities	229	181	48
Multi-assets[1]	220	178	42
Alternatives	230	182	49
Total	**2,609**	**2,389**	**220**

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 2021, net inflows[3] of total assets under management (AuM) amounted to € 108.3 bn (2020: € 41.4 bn) – and third-party net inflows were € 110.1 bn (2020: € 32.8 bn). The full year's net inflows were attributable to both PIMCO (€ 57.7 bn total and € 64.6 bn third-party) and AllianzGI (€ 50.6 bn total and € 45.5 bn third-party).

Overall, positive effects from market and dividends[4] totaled € 19.2 bn. Of these, positive effects of € 40.4 bn came from AllianzGI and were mainly related to equity, while € 21.2 bn negative effects were attributable to PIMCO and due exclusively to fixed-income assets, while all other asset classes developed positively.

Negative effects from consolidation, deconsolidation, and other adjustments reduced total AuM by € 11.0 bn. This amount is predominantly made up of € 6.5 bn of third-party AuM, transferred from AllianzGI to the new strategic partner Virtus Investment Advisers in the first quarter of 2021.

Favorable foreign currency translation effects totaled € 103.4 bn. For the most part, they stemmed from PIMCO's AuM.

Third-party assets under management

		As of 31 December 2021	As of 31 December 2020	Delta
Third-party assets under management	**€ bn**	**1,966**	**1,712**	**14.9%**
Business units' share				
PIMCO	%	76.8	78.1	(1.3) %-p
AllianzGI	%	23.2	21.9	1.3 %-p
Asset classes split				
Fixed income	%	75.4	78.3	(3.0) %-p
Equities	%	10.4	9.5	0.9 %-p
Multi-assets	%	10.5	9.4	1.1 %-p
Alternatives	%	3.7	2.7	1.0 %-p
Investment vehicle split[1]				
Mutual funds	%	58.5	57.9	0.5 %-p
Separate accounts	%	41.5	42.1	(0.5) %-p
Regional allocation[2]				
America	%	55.5	54.8	0.8 %-p
Europe	%	32.4	32.8	(0.4) %-p
Asia Pacific	%	12.1	12.4	(0.4) %-p
Overall three-year rolling investment outperformance[3]	%	91	79	12 %-p

1_Mutual funds are investment vehicles (in the United States, investment companies subject to the U.S. code; in Germany, vehicles subject to the "Standard-Anlagerichtlinien des Fonds" Investmentgesetz) where the money of several individual investors is pooled into one account to be managed by the asset manager, e.g. open-end funds, closed-end funds. Separate accounts are investment vehicles where the money of a single investor is directly managed by the asset manager in a separate dedicated account (e.g. public or private institutions, high net worth individuals, and corporates).
2_Based on the location of the asset management company.
3_Three-year rolling investment outperformance reflects the mandate-based and volume-weighted three-year investment success of all third-party assets that are managed by Allianz Asset Management's portfolio-management units. 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, based on various metrics. 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).

The overall three-year rolling investment outperformance improved significantly after the substantial market dislocations driven by COVID-19, and is now at a very high level.

1_For further information on our Asset Management figures, please refer to note 4 to the Consolidated Financial Statements.
2_Represents operating expenses divided by operating revenues.
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 increased by 14.3 % on a nominal basis. This development was driven by higher average third-party AuM – at both PIMCO and AllianzGI – due to strong net inflows, favorable foreign currency translation effects as well as overall positive market effects. On an internal basis[1], operating revenues grew by 15.9 %.

After a challenging performance environment in 2020, we recorded higher performance fees – mainly at PIMCO.

Other net fee and commission income rose, driven by increased average third-party AuM.

Operating profit

Our operating profit increased by 22.3 % on a nominal basis, as growth in operating revenues far exceeded an increase in operating expenses. On an internal basis[1], our operating profit went up by 24.5 %, which was predominantly due to higher average third-party AuM.

The nominal increase in administrative expenses was driven by PIMCO, where a positive business development led to higher personnel expenses. AllianzGI also contributed to the increase to a minor extent due to investments in business growth.

Our cost-income ratio went down as a consequence of stronger growth in operating revenues and a lower increase in operating expenses, compared to the previous year.

Asset Management business segment information
€ mn

	2021	2020	Delta
Performance fees	633	402	232
Other net fee and commission income	7,770	6,956	814
Other operating revenues	(7)	(11)	3
Operating revenues	8,396	7,347	1,049
Administrative expenses (net), excluding acquisition-related expenses	(4,906)	(4,494)	(413)
Operating expenses	(4,906)	(4,494)	(413)
Operating profit	**3,489**	**2,853**	**636**

Net income

The decrease in our net income to a loss of € 191 mn was driven by a provision for litigation expenses for Structured Alpha[2].

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 37 to the Consolidated Financial Statements.

CORPORATE AND OTHER

Key figures

Key figures Corporate and Other[1]
€ mn

	2021	2020	Delta
Operating revenues	3,341	2,969	372
Operating expenses	(4,113)	(3,800)	(313)
Operating result	(772)	(831)	59
Net loss	(964)	(1,216)	252

Earnings summary

Our operating result improved in 2021, as the operating investment result went up compared to the previous year. Administrative expenses remained almost stable.

A substantial decrease in our net loss was largely due to both a significantly higher non-operating investment result as well as an improvement in our operating result. However, a lower income tax result had a partly offsetting effect.

1_For further information on Corporate and Other figures, please refer to note 4 to the Consolidated Financial Statements.

OUTLOOK 2022

Overview: 2021 results versus previous year's outlook[1]

2021 results versus previous year's outlook for 2021

	Outlook 2021 – as per Annual Report 2020	Results 2021
Allianz Group	Operating profit of € 12.0 bn, plus or minus € 1 bn.	Operating profit was € 13.4 bn, exceeding the upper end of our target range.
	Protect shareholder value while continuing to provide attractive returns and dividends.	Return on equity (RoE)[1] amounted to 10.6 % (2020: 11.4 %) including a negative 4.2 %-pt impact from a litigation provision for Structured Alpha. Dividend proposal is € 10.80 (2020: € 9.60) per share and is an increase of 12.5 % compared to 2020. As part of our policy to return capital to shareholders on a flexible basis, Allianz SE ran a share buy-back program of € 750 mn in 2021.
	Selective profitable growth.	Total revenues increased by 6.1 % on an internal basis, compared to 2020. The increase was supported by all segments.
Property-Casualty	Revenue growth of approximately 6 % of which 1 % come from our acquisitions in Spain.	Total revenues increased by 5 %. Internal growth of 4.1 % was mainly driven by Allianz Partners due to recovery from the COVID-19 pandemic.
	Operating profit of € 5.6 bn, plus or minus 10 %.	Operating profit of € 5.7 bn was well within our target range, despite above-normal natural catastrophe impacts weighing on our underwriting result.
	Combined ratio of approximately 93 %.	Combined ratio was at 93.8 %, missing our target. Our accident year loss was strongly impacted by natural catastrophes, which was compensated by a higher run-off level as well as an ongoing strong and even slightly improved expense ratio.
	Pressure on operating investment income (net) to continue, due to reinvestments in a consistently low interest rate environment.	Operating investment income (net) slightly increased, driven mainly by higher interest and similar income.
Life/Health	Continue to focus on profitable growth; keep developing capital-efficient products; expand to new markets. Revenues expected to be in the range of € 67.0 bn to € 73.0 bn.	Revenues of € 78.3 bn were above the forecast range. Stronger sales in the United States and favorable momentum for unit-linked products in Italy were only partly offset by slower growth of capital-efficient products in Germany.
	Operating profit of € 4.4 bn, plus or minus 10 %.	At € 5.0 bn, our operating profit was above range, driven by positive contributions from the United States and a strong performance on unit-linked products in Italy.
	RoE[2] between 10.0% and 13.0%.	13.0 % RoE[2] is at the upper end of the outlook range.
	Pressure on investment income due to low interest rates and continued capital market volatility.	Operating investment result was € 21.5 bn. Lower impairments and higher interest and similar income were partly offset by lower trading and realized gains.
Asset Management	Moderate increase in AuM driven by slight positive market return combined with third-party net inflows at PIMCO and AGI.	Total AuM recorded 9.2 % growth, supported by very strong third-party net inflows of € 110 bn, positive currency effects of € 103 bn, and moderate market growth of € 19 bn.
	Operating profit € 2.8 bn, plus or minus 10 %.	Operating profit amounted to € 3.5 bn, driven by higher AuM-driven fees reflecting strong AuM growth.
	Cost-income ratio approximately 62%.	At 58.4 %, the cost-income ratio is clearly below 62 %.

1_Represents the ratio of net income attributable to shareholders to the average shareholders' equity at the beginning of the period and at the end of the period. The net income attributable to shareholders 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 unrealized gains/losses on bonds net of shadow accounting are excluded.
2_Represents the ratio of net income to the average total equity, excluding unrealized gains/losses on bonds, net of shadow accounting, at the beginning of the period and at the end of the period.

Economic outlook[2]

The global economic recovery following the COVID-19 crisis is continuing in 2022. However, it is going to lose momentum overall and will also be distributed quite unevenly, not least due to differences in the pace of vaccination which cause the gap between industrialized and emerging countries to widen further. Overall, we expect the global economy to grow by 4.1 % in 2022. While the United States and the eurozone are expected to achieve 3.9 % and 4.1 % respectively, growth in China will cool to 5.2 %, the lowest rate in over 30 years (apart from the slump in the COVID-19 year 2020).

Supply bottlenecks and parts shortages are likely to continue to weigh on production and prices, with no improvement expected before the second half of 2022. In view of persistent inflation, central banks will probably withdraw more of their expansionary monetary policy measures; first interest rate hikes are expected in the United States, albeit not in the eurozone. Even if financing conditions remain generous overall, volatility in the stock markets is expected to increase in 2022. The same goes for the bond markets, where a slight rise in interest rates and a slight widening of spreads is to be expected. In addition, the different approaches of central banks are expected to influence international capital flows and exchange rates.

1_For more detailed information on the previous year's outlook for 2021, please see the Annual Report 2020 from page 73 onwards.

2_The information presented in the sections "Economic Outlook", "Insurance Industry Outlook", and "Asset Management Industry Outlook" is based on our own estimates.

In this outlook, the downside risks predominate. First and foremost, the COVID-19 pandemic itself is by no means "defeated" yet: The lack of herd immunity, especially in poorer countries, may allow new variants to emerge at any time, leading to more waves of contagion. At the same time, economic policy faces the difficult challenge of managing the transition to a "post-pandemic" world – that is, the normalization of monetary policy and the scaling back of fiscal crisis support – smoothly, without causing any major market distortions. Add to this the fact that, after two years of the COVID-19 pandemic, its burdens are unevenly distributed among population groups, social peace appears increasingly fragile in many countries and, last but not least, geopolitical tensions have further increased across the board.

Insurance industry outlook

The global insurance market is expected to develop positively overall in 2022. Essentially, the same drivers are still at work as in 2021: the continued economic recovery (especially in the industrialized countries), increased risk awareness among households and companies, and rising prices, especially in commercial lines. At the same time, the investment environment remains very challenging due to stronger market movements; although the expected slight rise in interest rates could be a first step out of the low-interest-rate trough and lead to an improvement in investment returns.

2022 will also be marked by accelerated digitization, with the aim of simplifying and scaling up processes, and offering customers simple, fast, easy-to-grasp solutions. In the context of sustainability, social aspects will play an increasingly important role, not least against the backdrop of growing inequality due to the COVID-19 crisis. This offers the insurance industry opportunities to position itself as a partner for strengthening social resilience. At the same time, it is important to pay more attention to the potential reputational risks arising from growing social, political, and cultural demands on companies in general and on insurance companies in particular.

In the non-life sector, premium growth will probably continue slightly below the previous year's level. Commercial lines should continue to benefit from rising prices, albeit to a lesser extent; investment income could increase slightly, although financial market risks should not be underestimated. Also, the gradual return to normality will allow claims volumes to return to pre-crisis levels, especially in the motor business.

In the life sector, the recovery in premium income is also expected to continue in 2022, although it is unlikely that the previous year's growth levels will be reached again. As before, a key driver of this outlook is a greater awareness of the need for risk protection and increased savings in the wake of the COVID-19 crisis. The expected slight rise in interest rates could also stimulate the demand for savings products. Profitability should improve as well, considering the expected slight improvement in investment income as well as the decline in excess mortality that will follow the successful vaccination campaign.

Asset management industry outlook

Ongoing supply chain disruptions and higher inflation around the globe have led investors to become more cautious. As described, 2022 is likely to be another year of great volatility, and the asset management industry will have to navigate a complex environment.

Adding to this, profitability in the asset management industry continues to be affected by ongoing flows into passive products as well as margin pressure in traditional active investments. The strengthening of regulatory oversight and reporting will be an additional burden on profitability across the sector. In view of these developments, we expect the trend towards industry consolidation to persist, accompanied by growing cost awareness. On the other hand, we see ample opportunities in the area of active asset management, particularly in alternative and ESG (Environment, Social, Governance) investment strategies. Digital channels, such as robo-advisory platforms, will also continue to gain traction. All told, we expect further nominal growth in the asset management sector, along with a continued focus on efficient operations and strong investment performance.

Overview: outlook and assumptions 2022 for the Allianz Group

Outlook 2022	
ALLIANZ GROUP	Operating profit of € 13.4 bn, plus or minus € 1 bn.
	Protect shareholder value while continuing to provide attractive returns and dividends.
	Selective profitable growth.
PROPERTY-CASUALTY	Revenue growth of 3 % to 5 %, of which 1 % will come from our acquisition of Aviva in Italy and Poland.
	Operating profit of € 6.0 bn, plus or minus 10 %.
	Combined ratio of approximately 93 %.
	Pressure on operating investment income (net) to continue, due to reinvestments in a consistently low interest rate environment.
LIFE/HEALTH	Continue to focus on profitable growth; keep developing capital-efficient products; expand to new markets. Revenues expected to be in the range of € 70.0 bn to € 80.0 bn.
	Operating profit of € 4.8 bn, plus or minus 10 %.
	RoE between 10.0 % and 13.0 %.
	Pressure on investment income due to low interest rates and continued capital market volatility.
ASSET MANAGEMENT	Moderate increase in AuM driven by slight positive market return combined with third-party net inflows at PIMCO and AllianzGI.
	Operating profit € 3.4 bn, plus or minus 10 %.
	Cost-income ratio around 60 %

Assumptions

Our outlook assumes no significant deviations from our underlying assumptions – specifically:

- continuation of global economic recovery,
- interest rates to remain at the current level,
  - The impact of a 100 basis point increase (decrease) in interest rates would be largely neutral on the expected operating profit in the first year that follows the rate change.
- no major disruptions 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 1.19.
  - A 10% weakening (strengthening) of the U.S. dollar, compared to the assumed exchange rate of 1.19 to the euro, would have a negative (positive) effect on operating profits of approximately € 0.5 bn.

For further information on our ambitions for the period 2022 - 2024, please see section "Our business aspirations" in the Risk and Opportunity Report.

Management's assessment of expected revenues and earnings for 2022

In 2021, our total revenues were € 148.5 bn, a 5.7 % increase on a nominal and a 6.1 % increase on an internal basis[1], compared to 2020. For 2022, we envisage overall moderate growth, resulting from growth in Property-Casualty, moderate growth in Asset Management, combined with rather stable revenues in Life/Health, owing to our selective focus on profitable growth.

Our operating profit was € 13.4 bn in 2021. For 2022, we envisage strong performance in all business segments and an overall operating profit of € 13.4 bn, plus or minus € 1.0 bn.

Our net income attributable to shareholders was € 6.6 bn in 2021. Consistent with our disclosure practice in the past, and given the susceptibility of our non-operating results to capital market developments, we refrain from providing a precise outlook for net income. However, seeing as our outlook presumes no major disruptions in our capital markets, we anticipate a higher net income for 2022 that supports our dividend policy. With regard to the current uncertainties pertaining to the ongoing proceedings in connection with the Structured Alpha funds please refer to note 37 to the Consolidated Financial Statements.

Property-Casualty insurance

In this business segment, we expect revenues to increase by 3 to 5 % in 2022 (2021: 5 %), of which 1 % will be contributed by our acquisition of Aviva in Italy and Poland. Organic growth will be supported by favorable price and volume effects.

At Allianz Partners, where we have pooled our B2B2C activities, we expect revenue growth to pick up (subject to the further development of the COVID-19 pandemic). Further growth is likely to happen in Germany and Brazil, as well as in Asian markets such as China.

We believe that the rise in prices we saw in a number of markets in 2021 will continue in 2022. That said, we will continue to focus on achieving strong underwriting results by adhering to our strict underwriting discipline, as we have in previous years, and we will be prepared to accept a lower top line if we fail to achieve target margins.

Our combined ratio was 93.8 % in 2021, below target. This was due to the fact that impacts from natural catastrophes were above normalized levels. In 2022, we envisage a combined ratio of approximately 93 %. The underlying assumption is that the aggregate effect of improvements in pricing, claims management, and productivity will compensate for any inflation in underlying claims. As for impacts from natural catastrophes, despite the highly volatile nature of such catastrophes in recent years, we assume claims to continue at comparable levels going forward.

As the low-interest-rate environment is likely to persist, investment income will remain under pressure due to the rather short investment spans in our Property-Casualty business segment. Going forward, we will continue to actively adapt our investment strategy to changing market conditions.

Overall, we expect our 2022 operating profit to be € 6.0 bn, plus or minus 10 % (2021: € 5.7 bn).

Life/Health insurance

At € 5.0 bn, the operating profit of our Life/Health business segment was above target range in 2021. For 2022, we expect an operating profit of around € 4.8 bn, plus or minus 10 %.

One of the key performance indicators used in the financial steering of Life/Health is RoE. In 2022, we expect it to be between 10.0 % and 13.0 % (2021: 13.0 %).

Allianz continuously works to make the Life/Health business model more resilient to market volatility, for instance, by adjusting our products to market needs while keeping them in line with our strategy. Going forward, we will continue to pursue profitable growth and to improve our capital-efficient products – always with a strong customer focus – while exploring new market opportunities and building on our strong track record of product innovation. In addition, we will continue to actively manage both our new and our in-force business through continuous price reviews, expense management, asset/liability management, crediting strategies, and reinsurance solutions. As in past years, this should allow us to mitigate the impacts of difficult market conditions, in particular negative interest rates, and achieve our profitability targets.

Asset Management

For 2022, we envisage overall moderate third-party net inflows and market returns at both PIMCO and AllianzGI, following this past year of very high inflows. Margins and performance fees should remain relatively stable, resulting in modest operating revenue growth. We further assume the U.S. dollar will remain relatively stable, compared to 2021. All things considered, we expect our 2022 operating profit to be € 3.4 bn, plus or minus 10 % (2021: € 3.5 bn).

Our cost-income ratio should be around 60 % in 2022 (2021: 58.4 %) as we continue to invest in business growth. Over the mid-term, we expect to grow further, also depending on the market development.

Corporate and Other (including consolidation)

In this business segment, we recorded an operating loss of € 0.8 bn in 2021. For 2022, we envisage an operating loss at a similar level: 0.8 bn plus or minus 10 %.

1_Operating revenues adjusted for foreign currency translation and (de)consolidation effects.

Non-financial key performance indicators

As outlined in the "Our Steering" section in our Business Operations chapter we have set ourselves non-financial targets as well. 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, allowing us to maintain high performance despite the fact that the COVID-19 pandemic brought challenges for our industrial 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 low 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 have shareholders participate in the economic development of the Allianz Group through dividend payments. Through prudent capital management, the Allianz Group aims to maintain a healthy balance between achieving attractive yields and investing in profitable growth. Of the Group's net income attributable to shareholders, we will continue to pay out 50 % as a regular dividend, however, adjusted for extraordinary and volatile items. Furthermore, Allianz Group's objective is to pay a dividend per share of at least 5 % above the amount of the previous year. For 2021, the Allianz SE Board of Management and the Supervisory Board propose a dividend of € 10.80 per share.

In addition, as part of our policy to return capital to shareholders on a flexible basis, Allianz SE executed six share buy-back programs with an aggregate volume of € 9 bn in the period from 2017 to 2021.

All of the above is subject to our sustainable Solvency II capitalization ratio above 150 % – which is considerably below our year-end 2021 level of 209 %[2], and which is 30 percentage points below our minimum ambition of 180 % for the Solvency II capitalization ratio.

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 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 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 239 % as of 31 December 2021.

BALANCE SHEET REVIEW

Shareholders' equity[1]

Shareholders' equity
€ mn

	As of 31 December 2021	As of 31 December 2020	Delta
Shareholders' equity			
Paid-in capital	28,902	28,928	(26)
Undated subordinated bonds	4,699	2,259	2,440
Retained earnings	32,784	31,371	1,414
Foreign currency translation adjustment	(3,223)	(4,384)	1,161
Unrealized gains and losses (net)	16,789	22,648	(5,859)
Total	**79,952**	**80,821**	**(870)**

Shareholders' equity increased due to the issuance of undated subordinated bonds of € 2.4 bn, higher foreign currency translation adjustments (€ 1.2 bn), and net income attributable to shareholders of € 6.6 bn. The dividend payout in May 2021 (€ 4.0 bn), the share buy-back program[2] with an amount of € 750 mn, and the lower unrealized gains and losses (net) of € 5.9 bn offset this increase and led in total to a decrease of the shareholders' equity of € 0.9 bn.

Total assets and total liabilities

As of 31 December 2021, total assets amounted to € 1,139.4 bn and total liabilities were € 1,055.2 bn. Compared to year-end 2020, total assets and total liabilities increased by € 79.4 bn and € 79.8 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.

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 2021	As of 31 December 2020	Delta	As of 31 December 2021	As of 31 December 2020	Delta
Type of investment	€ bn	€ bn	€ bn	%	%	%-p
Debt instruments, thereof:	**672.3**	**682.4**	**(10.1)**	**83.1%**	**86.3%**	**(3.2)**
Government bonds	240.5	258.5	(17.9)	35.8%	37.9%	(2.1)
Covered bonds	55.6	66.7	(11.1)	8.3%	9.8%	(1.5)
Corporate bonds	259.6	249.5	10.1	38.6%	36.6%	2.1
Banks	36.0	35.9	0.1	5.3%	5.3%	0.1
Other	80.6	71.8	8.8	12.0%	10.5%	1.5
Equities	**95.2**	**73.1**	**22.1**	**11.8%**	**9.3%**	**2.5**
Real estate	**16.9**	**14.3**	**2.6**	**2.1%**	**1.8%**	**0.3**
Cash/other	**24.1**	**20.5**	**3.6**	**3.0%**	**2.6%**	**0.4**
Total	**808.5**	**790.3**	**18.3**	**100.0%**	**100.0%**	**-**

Compared to year-end 2020, our overall asset portfolio increased by € 18.3 bn, mainly in our equities.

Our well-diversified exposure to debt instruments decreased compared to year-end 2020, mainly due to market movements. About 91 % of the debt portfolio was invested in investment-grade bonds and loans.[3] Our government bonds portfolio contained bonds from France, Germany, the United States, and Italy, representing 16.0 %, 12.9 %, 8.0 % and 7.7 % of our portfolio shares. Our corporate bonds portfolio contained bonds from the United States, the eurozone, and Europe excl. the eurozone. They represented 41.6 %, 29.6 % and 11.7 % of our portfolio shares.

Our exposure to equities increased due to market movements and purchases.

1_This does not include non-controlling interests of € 4,270 mn and € 3,773 mn as of 31 December 2021 and 31 December 2020, respectively. For further information, please refer to note 19 to the Consolidated Financial Statements.
2_For further information, please refer to note 19 to the Consolidated Financial Statements.
3_Excluding self-originated German private retail mortgage loans. For 3 %, no ratings were available.

Liabilities

Property-Casualty liabilities

As of 31 December 2021, the business segment's gross reserves for loss and loss adjustment expenses as well as discounted loss reserves amounted to € 78.2 bn, compared to € 72.8 bn at year-end 2020. On a net basis, our reserves, including discounted loss reserves, increased from € 62.0 bn to € 65.8 bn.[1]

Life/Health liabilities

Life/Health reserves for insurance and investment contracts increased by € 21.0 bn to € 617.1 bn. A € 21.2 bn increase (before foreign currency translation effects) in aggregate policy reserves was driven by our operations in Germany (€ 11.8 bn) and the United States (€ 11.0 bn before foreign currency translation effects). Reserves for premium refunds decreased by € 9.8 bn (before foreign currency translation effects), due to lower unrealized gains to be shared with policyholders. Foreign currency translation effects increased the balance sheet value by € 9.6 bn, mainly due to the stronger U.S. dollar (€ 8.3 bn).

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 37 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 35 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_For further information about changes in the reserves for loss and loss adjustment expenses for the Property-Casualty business segment, please refer to note 14 to the Consolidated Financial Statements.

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

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 significant impacts.

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 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. We therefore comment on the liquidity and funding resources of Allianz SE in the following sections. 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 for Allianz SE are dividends received from 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 2021, the issued share capital as registered at the Commercial Register was € 1,169,920,000. This was divided into 408,457,873 no-par value shares. As of 31 December 2021, the Allianz Group held 238,720 (2020: 247,489) own shares.

Allianz SE has the option to increase its share capital according to authorizations provided by the AGM. The following table outlines Allianz SE's capital authorizations as of 31 December 2021:

Capital authorizations of Allianz SE

Capital authorization	Nominal amount	Expiry date of the authorization
Authorized Capital 2018/I[1]	€ 334,960,000	8 May 2023
Authorized Capital 2018/II[2]	€ 15,000,000	8 May 2023
Conditional Capital 2010/2018[3]	€ 250,000,000	8 May 2023

1_For issuance of shares against contribution in cash and/or in kind, with the authorization to exclude shareholders' subscription rights.
2_For issuance of shares to employees, with the exclusion of shareholders' subscription rights.
3_To cover convertible bonds, bonds with warrants, convertible participation rights, participation rights, and subordinated financial instruments, each with the authorization to exclude shareholders' subscription rights.

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 2021, 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

	Contractual maturity date			
As of 31 December	Up to 1 year	1 – 5 years	Over 5 years	Total
2021				
Senior bonds	1,500	2,999[2]	5,091[3]	9,589
Subordinated bonds (debt)	-	-	10,864[4]	10,864
Total bonds (debt)	**1,500**	**2,999**	**15,955**	**20,453**
Subordinated bonds (equity)	-	-	4,699[5]	4,699
Total bonds (equity)	**-**	**-**	**4,699**	**4,699**
2020				
Senior bonds	-	2,745	5,291	8,036
Subordinated bonds (debt)	-	-	13,974	13,974
Total bonds (debt)	**-**	**2,745**	**19,265**	**22,010**
Subordinated bonds (equity)	-	-	2,272	2,272
Total bonds (equity)	**-**	**-**	**2,272**	**2,272**

1_Based on carrying value.
2_Senior bonds of € 0.7 bn and € 0.3 bn were issued in the fourth quarter of 2021.
3_A senior bond of € 0.5 bn was issued in the fourth quarter of 2021.
4_Subordinated bonds of € 1.1 bn, USD 1.0 bn, € 0.8 bn and € 0.5 bn were redeemed in 2021.
5_Includes the issuance of a dual tranche RT1 bond (€ 1.25 bn and USD 1.25 bn) in the third quarter of 2021.

Interest expenses on senior bonds increased, mainly due to higher funding costs on average in 2021. For subordinated bonds, the decrease of interest expenses was driven by lower funding costs on average in 2021.

Senior and subordinated bonds issued or guaranteed by Allianz SE[1]

As of 31 December	Nominal value	Carrying value	Interest expenses	Weighted-average interest rate[2]
	€ mn	€ mn	€ mn	%
2021				
Senior bonds	9,643	9,589	165	2.0
Subordinated bonds (debt)	10,847	10,864	453	3.8
Total bonds (debt)	**20,490**	**20,453**	**617**	**3.0**
Subordinated bonds (equity)	4,698	4,699	69[3]	3.0
Total bonds (equity)	**4,698**	**4,699**	**69**	**3.0**
2020				
Senior bonds	8,088	8,036	158	1.8
Subordinated bonds (debt)	13,929	13,974	565	4.2
Total bonds (debt)	**22,017**	**22,010**	**723**	**3.3**
Subordinated bonds (equity)	2,272	2,272	-	3.0
Total bonds (equity)	**2,272**	**2,272**	**-**	**3.0**

1_For further information on Allianz SE debt (issued or guaranteed) as of 31 December 2021, please refer to note 18 to the Consolidated Financial Statements.
2_Based on nominal value.
3_Interest 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 2021 and 2020:

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
2021			
Senior bonds	1,500	-	1,500
Subordinated bonds (debt)	-	3,235	(3,235)
Subordinated bonds (equity)	2,303	-	2,303
2020			
Senior bonds	1,250	1,250	-
Subordinated bonds (debt)	1,000	-	1,000
Subordinated bonds (equity)	2,272	-	2,272

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 2021, approximately 19.6% (2020: 18.1%) 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
2021			
Senior and subordinated bonds (debt and equity)	20,250	4,938	25,188
2020			
Senior and subordinated bonds (debt and equity)	19,896	4,393	24,289

1_Based on nominal value.

Short-term debt funding

Available short-term funding sources are the Medium-Term Note Program and the Commercial Paper Program. Money market securities slightly increased in the use of commercial paper, compared to the previous year-end. Interest expenses on money market securities decreased, mainly due to lower funding costs on average in 2021.

Money market securities of Allianz SE

	Carrying value	Interest expense	Average interest rate
As of 31 December	€ mn	€ mn	%
2021			
Money market securities	1,198	(3)	(0.3)
2020			
Money market securities	1,170	5	0.5

The 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 for each tranche below Euribor, and under the U.S. Dollar Commercial Paper Program at an average rate for each tranche below U.S. Libor.

Further potential sources of short-term funding that allow the Allianz Group to fine-tune its capital structure are letter of credit facilities and bank credit lines.

Allianz Group consolidated cash flows

Annual changes in cash and cash equivalents
€ mn

	2021	2020	Delta
Net cash flow provided by operating activities	25,124	32,049	(6,925)
Net cash flow used in investing activities	(19,783)	(28,870)	9,086
Net cash flow provided by/used in financing activities	(3,786)	(1,390)	(2,395)
Change in cash and cash equivalents[1]	1,771	1,031	741

1_Includes effects of exchange rate changes on cash and cash equivalents of € 216 mn and € (758) mn in 2021 and 2020, respectively.

Net cash flow provided by operating activities decreased in 2021 by € 6.9 bn to € 25.1 bn. 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 increased by € 1.8 bn to € 12.8 bn in 2021. Operating cash flows from net changes in operating assets and liabilities dropped to € 12.3 bn. This was mainly driven by net cash outflows from assets and liabilities held for trading (after net cash inflows in 2020), particularly from our Life/Health business operation in Germany.

Net cash outflow used in investing activities decreased by € 9.1 bn to € 19.8 bn. The main driver was lower net cash outflows from available-for-sale investments, particularly in our Life/Health business operations in Germany and France and at Allianz SE. Moreover, we recorded lower net cash outflows from loans and advances to banks and customers. This was partly compensated by the acquisitions of Westpac's general insurance business, Aviva Italy and the business operations of Aviva Group Poland resulting in a total cash outflow (net of cash acquired) of € 3.2 bn.

Net cash outflow provided by/used in financing activities increased by € 2.4 bn in 2021 and amounted to € 3.8 bn. The increase was largely driven by net cash outflows from our refinancing activities (after net cash inflows in 2020) mainly due to the redemption of subordinated bonds in 2021. Higher net cash inflows from liabilities to banks and customers partly offset this effect.

Cash and cash equivalents increased by € 1.8 bn, mainly stemming from our Life/Health business segment in 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 operating profit 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 4 to the Consolidated Financial Statements.

Composition of total revenues

Total revenues comprise gross premiums written, and fee and commission income in Property-Casualty; statutory premiums in Life/Health; operating revenues in Asset Management; and total revenues in Corporate and Other (Banking).

Composition of total revenues
€ mn

	2021	2020
PROPERTY-CASUALTY		
Total revenues	**62,272**	**59,412**
consisting of:		
Gross premiums written	60,273	57,772
Fee and commission income	1,998	1,640
LIFE/HEALTH		
Statutory premiums	**78,348**	**74,044**
ASSET MANAGEMENT		
Operating revenues	**8,396**	**7,347**
consisting of:		
Net fee and commission income	8,403	7,358
Net interest and similar income	(12)	(15)
Income from financial assets and liabilities carried at fair value through income (net)	2	3
Other income	3	2
CORPORATE AND OTHER		
thereof: Total revenues (Banking)	**289**	**245**
consisting of:		
Interest and similar income	60	63
Income from financial assets and liabilities carried at fair value through income (net)[1]	2	2
Fee and commission income	666	561
Interest expenses, excluding interest expenses from external debt	(23)	(22)
Fee and commission expenses	(423)	(359)
Consolidation effects within Corporate and Other	6	-
CONSOLIDATION	(794)	(593)
Allianz Group total revenues	**148,511**	**140,455**

1_Includes trading income.

Composition of total revenue growth

We believe that an understanding of our total revenue 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 revenue growth, we also present internal growth, which excludes these effects.

Reconciliation of nominal total revenue growth to internal total revenue growth
%

	Internal growth	Changes in scope of consolidation	Foreign currency translation	Nominal growth
2021				
Property-Casualty	4.1	1.5	(0.8)	4.8
Life/Health	6.8	0.1	(1.0)	5.8
Asset Management	15.9	1.5	(3.1)	14.3
Corporate and Other	18.0	-	-	18.0
Allianz Group	**6.1**	**0.7**	**(1.1)**	**5.7**
2020				
Property-Casualty	(1.5)	3.7	(1.8)	0.4
Life/Health	(2.6)	0.2	(0.7)	(3.1)
Asset Management	3.6	0.6	(1.6)	2.6
Corporate and Other	2.5	-	-	2.5
Allianz Group	**(1.8)**	**1.6**	**(1.2)**	**(1.3)**

Life/Health insurance operations

Operating profit

The reconciling item scope comprises the effects from out-of-scope entities in the profit sources reporting compilation. Operating profit from operating entities that are out of scope is included in the investment margin. Currently, 23 entities – comprising the vast majority of Life/Health total statutory premiums – are in scope.

Expenses

Expenses include acquisition expenses and commissions as well as administrative and other expenses.

The delta shown as definitions in acquisition expenses and commissions represents commission clawbacks, which are allocated to the technical margin. The delta shown as definitions in administrative and other expenses mainly represents restructuring charges, which are stated in a separate line item in the Group income statement.

Acquisition, administrative, capitalization, and amortization of DAC
€ mn

	2021	2020
Acquisition expenses and commissions[1]	(5,864)	(5,458)
Definitions	15	12
Scope	(142)	(129)
Acquisition costs incurred	(5,992)	(5,575)
Capitalization of DAC[1]	2,139	1,745
Definition: URR capitalized	702	642
Definition: policyholder participation[2]	1,039	1,078
Scope	54	30
Capitalization of DAC	3,934	3,494
Operating amortization, unlocking, and true-up of DAC[1]	(1,762)	(1,951)
Non-Operating amortization, unlocking, and true-up of DAC	(228)	-
Definition: URR amortized	(254)	(79)
Definition: policyholder participation[2]	(1,093)	(1,127)
Scope	(7)	(36)
Amortization, unlocking, and true-up of DAC	(3,345)	(3,194)
Commissions and profit received on reinsurance business ceded	195	131
Acquisition costs[3]	**(5,208)**	**(5,144)**
Operating administrative and other expenses[1]	(2,135)	(1,907)
Non-Operating administrative and other expenses	(36)	-
Definitions	194	166
Scope	(133)	(166)
Administrative expenses on reinsurance business ceded	11	9
Administrative expenses[3]	**(2,100)**	**(1,898)**

1_As per Group Management Report.
2_For German Speaking Countries, policyholder participation on revaluation of DAC/URR capitalization/amortization.
3_As per notes to the Consolidated Financial Statements.

Impact of change in Deferred Acquisition Costs (DAC)

"Impact of change in DAC" includes the effects of changes in DAC, unearned revenue reserves (URR), and value of business acquired (VOBA). As such, it is the net impact of the deferral and amortization of acquisition costs and front-end loadings on operating profit.

URR capitalized: capitalization amount of unearned revenue reserves (URR) and deferred profit liabilities (DPL) for FAS 97 LP.

URR amortized: total amount of URR amortized includes scheduled URR amortization, true-up, and unlocking.

Both capitalization and amortization are included in the line item premiums earned (net) in the Group income statement.

Policyholder participation is included in "Change in our reserves for insurance and investment contracts (net)" in the Group income statement.

Reconciliation to Notes to the Consolidated Financial Statements
€ mn

	2021	2020
Acquisition expenses and commissions[1]	(5,864)	(5,458)
Operating administrative and other expenses[1]	(2,135)	(1,907)
Non-Operating administrative and other expenses	(36)	-
Capitalization of DAC[2]	2,139	1,745
Operating amortization, unlocking, and true-up of DAC[1]	(1,762)	(1,951)
Non-Operating amortization, unlocking, and true-up of DAC	(228)	-
Acquisition and administrative expenses	**(7,887)**	**(7,571)**
Definitions	602	691
Scope	(228)	(302)
Commissions and profit received on reinsurance business ceded	195	131
Administrative expenses on reinsurance business ceded	11	9
Acquisition and administrative expenses (net)[2]	**(7,307)**	**(7,042)**

1_As per Group Management Report.
2_As per notes to the Consolidated Financial Statements.

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 all related undertakings at least meet 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 of the Allianz Group.

We closely monitor the capital position and risk concentrations of the Group and its 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

Risk management framework

As a provider of financial services, we consider risk management 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 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 adequate 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 taken risks 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 throughout the entire Group.

Our strategy

Our business aspirations

The Board of Management of Allianz SE has defined the following objectives for Allianz Group's medium-term strategy, building on the success of the efforts to simplify the company, with the motto "Simplicity at Scale":

- Outperform: We seek to move ahead of our competitors, both traditional businesses and disruptors, to drive profitable growth.
- Transform: We seek to become simpler and deeply digital, and to put – in addition to the customer – scalability at the heart of our actions.
- Rebalance: We seek to build leading positions in large, profitable, and fast-growing geographies as well as in new areas of business. An increased focus will be placed on an organic rebalancing of the business mix.

These objectives have been translated into clear ambitions for the period 2022 to 2024. With regard to financial performance, we strive for a return on equity (excluding unrealized gains/losses on bonds) of more than 13%, while growing our earnings per share from € 21 (expected baseline full year 2021, as communicated in the Allianz

Capital Markets Day 2021) to approximately € 25[1] 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). 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, we continue to drive initiatives addressing the five dimensions of our Renewal Agenda: Customer Centricity, Digital by Default, Technical Excellence, Growth Engines and Inclusive Meritocracy. To realize our growth ambition and 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, both leveraging our strengths in Asset Management.
- 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, and 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.
- Building on a strong customer base, we have a close customer understanding upon which we are building global loyalty leadership.
- In fast-growing regions, including Asia-Pacific, we are well positioned to capture growth opportunities from increasing customer demand for Health & Protection and Asset Management products and services.
- Building on our strong footprint in Europe, we aim to profit from ongoing consolidations.

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. For further details on opportunities envisaged by the Allianz Group in the various segments, please refer to Outlook 2022.

Risk governance structure

Supervisory Board and Board of Management

Allianz Group's approach to risk governance permits 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 Board of Management of Allianz SE have both Allianz SE and group-wide responsibilities. The Board of Management formulates business objectives and a corresponding risk strategy; the core elements of the risk framework are set out in the Allianz Group Risk Policy and approved by the Board of Management. 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

The Group Finance and Risk Committee (GFRC) 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,

1_Mid-point of our EPS target range.

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 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 and a disciplined approach towards decision-making and execution at both the global and local levels.

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 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.

Group Risk management function

Group Risk is managed by the Group Chief Risk Officer and supports Allianz SE's Board of Management, including its committees, by performing various analyses, communicating risk management related information, 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 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.

A risk function, headed by a Chief Risk Officer which is independent from business line management, is established by the related undertakings. A local Risk Committee supports both the Board of Management and the Chief Risk Officer by acting as the primary risk 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 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.

Other functions and bodies

In addition to Group Risk and the local risk 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 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 our related undertakings and employees from regulatory risks.

Group Actuarial, Planning and Controlling contributes towards assessing and managing risks 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.

Risk-based steering and risk management[1]

The Allianz Group is exposed to a variety of risks through its core insurance and asset management activities, including market, credit, underwriting, business, operational, strategic, liquidity, and reputational risks.

As an integrated financial services provider, we consider diversification across different business segments 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.

1_This section contains specific risk disclosures as required by IFRS 4 and IFRS 7 relating to the Notes to the Consolidated Financial Statements.

With Solvency II being the regulatory regime relevant for the Group as of 1 January 2016, our risk profile is measured and steered based on our approved Solvency II internal model[1]. 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.

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 portfolio taking a comprehensive view at 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, and there is a comprehensive analysis of the return on risk capital[2] (RoRC). The RoRC is an indicator for new business that allows us to identify profitable lines of business and products on a sustainable basis, reflecting the capital commitment over the lifetime of the products, and is a key criterion for capital allocation decisions.

As a consequence, the internal model is fully integrated in business steering, and its application satisfies the so-called "use test" requirement, under Solvency II.

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 portfolios.

To measure these market risks, real-world stochastic models[3] 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 financial VaR, stand-alone interest rate and equity sensitivity limits, and foreign exchange exposure limits, are defined for the Group, Allianz SE, and 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 divesting discontinued products and businesses partly or entirely, structural levers, such as adjusting the product mix, and operational levers, such as partnering with specialists for managing these books of legacy products, also called life back books.

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.

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, as this may result in returns from reinvestments being higher than the guaranteed rates. 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

As an insurance company, 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 product development and pricing, 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.

1_From a formalistic perspective, the German Supervisory Authority deems our model to be "partial" because not all of our entities use the internal model. Some of our smaller entities report under the standard formula and others under the deduction and aggregation approach. 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.

2_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.

3_Internal pensions are evaluated and modeled based on deterministic models, following IAS 19 principles.

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 ownership of non-euro entities: 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 and Allianz SE capitalization. Based on Allianz Group's foreign exchange management limit framework, currency risk is monitored and managed at the levels of 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 Euler Hermes to its policyholders. Euler Hermes 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, Euler Hermes 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, 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. 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 Euler Hermes, based on a proprietary model component which is a local adaptation of the central internal credit risk model. Euler Hermes' 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 and 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) takes into account the Allianz Group's portfolio size and structure as well as our overall risk strategy.

Underwriting risk

Apart from risks from internal pensions, underwriting risk consists of premium and reserve risks in the Property-Casualty[2] business segment as well as biometric risks in the Life/Health[3] business segment, and underwriting risks are not relevant for the Asset Management business segment and our banking operations.

Property-Casualty

Our Property-Casualty insurance businesses are 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 and man-made catastrophes, including losses from cyber incidents and industrial concentrations.

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 reserve gain or loss dependent on the assumptions applied for the estimate.

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 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.

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 historical loss information and assumptions on inflation, mortality, or morbidity – realized parameters may differ from the ones used for underwriting. For example, higher-than-expected inflation may lead to higher medical claims in the future. However, beneficial deviations are also possible; for example, a lower morbidity rate than expected will most likely result in lower claims in income protection products.

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.

1_Credit Risk Platform
2_Property-Casualty is also referred to as Non-Life.
3_Life/Health is also referred to as Life.

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 business. Cost risks are associated with the risk that expenses incurred in administering policies 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.

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 misselling, 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 high financial 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, a cybersecurity incident causing business disruption or fines, a potential failure at our outsourcing partners causing a disruption to our working environment, etc.

The Group's operational risk capital is dominated (by more than 80 %) 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.

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 that will arise 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 directly addressed through Allianz's Renewal Agenda, which focuses on five themes: True Customer Centricity, Digital by Default, Technical Excellence, Growth Engines, and Inclusive Meritocracy. Progress on mitigating strategic risks and meeting the Renewal Agenda objectives is monitored and evaluated in the course of the Strategic and Planning Dialogues between the Allianz Group and the 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.

Each legal entity of the Allianz Group 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 (for example, high-rated government bonds or covered bonds) in the portfolios. In the course of liquidity planning, liquidity sources (for example, cash from investments and premiums) and liquidity needs (for example, payments due to insurance claims and expenses) are reconciled under a best-estimate plan, as well as under adverse idiosyncratic and systemic liquidity scenarios, to allow for a group-wide consistent view on liquidity risk. These analyses are performed at legal entity level and are monitored by the Group.

An identical liquidity stress-testing framework is applied at Allianz SE. 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 and is subject to an absolute minimum liquidity threshold and an absolute target liquidity threshold. Both thresholds are defined for the Allianz SE cash pool in order to be protected against short-term liquidity crises.

The liquidity planning process addresses future potential liquidity needs and aims to manage available liquidity sources in an efficient and effective manner. The annual and high-level three-year cash flow plan for Allianz SE and the Holding and Treasury reportable segment of Allianz SE reflects the overall operating, financing, and investing strategy of the Allianz Group. The annual liquidity plan for Allianz SE and for the Holding and Treasury reportable segment is subject to the approval of the Board of Management. Liquidity planning is constantly monitored and regularly reported to the Board of Management via the GFRC.

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 internal or external stakeholders' judgment.

The identification and assessment of reputational risks is part of the annual Top Risk Assessment process. As part of this process, senior management approves the risk management strategy for the most significant risks facing the company, including those with a potentially severe reputational impact.

Environmental, Social and Governance (ESG) issues may emerge in all risk categories. The management of the reputational risk aspects is supported by a dedicated Group ESG Board and Global Sustainability Office[1], which help steer the integration of ESG aspects into core investment and insurance activities. Significant ESG and other reputational risks identified in the course of business are escalated to experts from Group Communications and Reputation, Group Risk, and Global Sustainability for assessment and decision-making, with the GFRC acting as the ultimate escalation/decision-making body.

For further details on our key ESG integration processes, please refer to the sections "ESG Integration Approach" and "Climate Change Strategy" in the Non-Financial Statement.

Climate change

Climate change has the potential to materially affect the global economy and our business, especially in the long run. Risks arising from climate change can already be seen today and their relevance will increase over the mid- and long-term.

The most significant risks that have a material impact on our business, or we expect will have in the future, are:

– Physical risks: These can for instance be acute and chronic, such as rising temperatures, extreme weather events, rising sea levels, intensifying heatwaves and droughts, or a change in vector-borne diseases, with impacts on property, life or health.
– Transitional risks: These risks result from the cross-sectoral structural change stemming from the transition towards a low-carbon economy. Transitional risks include changes in climate policy, technology, or market sentiment, and the impact of this on the market value of financial assets as well as the impact from climate change litigation.

These risks impact Allianz's business in two key ways:

– As an insurer providing insurance policies, e.g., covering fatality and health impacts, property damage or litigation claims, and through changes in the sectors and business models it underwrites.
– As a large-scale institutional investor with significant stakes in various economies, companies, infrastructure, and real estate that might be affected by the physical impact of climate change and by the transition to a low-carbon economy. This can directly influence the ability of assets to generate long-term value.

We address immediate risks from climate change factors following the management approach for the primary underlying risks (i.e., financial risks, premium or reserve risks, reputational risks, etc.), e.g., building on our long-term expertise in the modeling of extreme weather events or analyzing emission profiles of our proprietary investments. For example, the carbon footprint of our investee companies reported in our climate disclosure serves as a starting point for an analysis of the exposure to emissions pricing. Our commitment to align our proprietary investment portfolio to 1.5°C climate scenarios is an effective means to address our transition risk exposure over the years. As another example, as part of our reputational risk management we

1_The Allianz Group Environmental, Social, Governance (ESG) Board and the Global Sustainability Office are constituted as advisors to the Board of Management of Allianz SE and will further elevate environmental, social, and governance aspects in corporate governance and decision-making processes at the Allianz Group. In 2022, the Group ESG Board was renamed as the Group Sustainability Board.

review and evaluate social and environmental effects, including climate change issues, arising from our business activities and business relations through the ESG business integration approach described above.

On a forward-looking basis, we consider risks from climate change factors under emerging risks, where we closely monitor the development of the risk landscape supported by selective analyses on our portfolios. In this regard we are developing different approaches towards scenario analysis to further educate our understanding of how climate change risks may unfold in the future.

Climate change also creates opportunities – be it in connection with financing a low-carbon and climate-resilient future, e.g., by investing in renewable energy, energy efficiency in real estate, and electric vehicle infrastructure, or by providing insurance solutions to protect against physical climate impacts and to support low-carbon business models.

For more information on the impact of Allianz's activities on the climate, please refer to the section "Environmental Matters" 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. On a quarterly basis, we calculate and consistently aggregate internal risk capital across all business segments. We also project risk capital requirements regularly 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 all major insurance operations. Other entities are reflected based on standard formula results, others under the deduction and aggregation approach as well as on sectoral 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 in 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 impacts 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. At the Group level, the Solvency Capital Requirements for smaller insurance undertakings outside the European Economic Area with only immaterial impact on the Group's risk profile are accounted for by means of book value deduction[3].

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. The Asset Management business is affected mainly by operational risks. However, since most of our Asset Management business is not located in the eurozone, at Group level its participation value bears a foreign exchange rate risk. Our Asset Management operations are covered by local risk functions which are running risk-controlling processes, including qualitative risk assessments, set up by the respective entities. In addition, Allianz Asset Management GmbH provides oversight over the local activities through its control functions and ensures that the reporting and assurance requirements as defined by Allianz Group are met. 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, which is part of the Integrated Risk and Control System. Additional examples for these qualitative assessments include Top Risk Assessments, as well as challenged self-assessments of the maturity of

1_This section contains specific risk disclosures as required by IFRS 4 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.

the local risk management systems, and the adherence to the risk policy framework. Key results of the qualitative risk assessments are reported to the Group on a regular basis. Unlike the insurance business, which is balance sheet sensitive, our Asset Management is mainly a cash flow business. Therefore, the solvency position 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, which are regularly monitored and benchmarked to risk limits as far as possible and reasonable.

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) as part of its technical documentation (EIOPA-BoS-20/109) to extrapolate the risk-free interest rate curves beyond the last liquid tenor.[1]

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

Our internal model considers concentration, accumulation, and correlation effects when aggregating results at the Group level. The resulting diversification reflects the fact that all potential worst-case losses are not likely to materialize at the same time. As we are 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 (for example, windstorm in Australia vs. windstorm in Germany), risk categories (for example, market risk vs. underwriting risk), and subcategories within the same risk category (for example, commercial vs. personal lines of property and casualty risk). Ultimately, diversification is driven by the specific features of the investment or insurance products in question and their respective risk exposures. For example, an operational risk event at an Australian entity can be considered to be highly independent of a change in credit spreads for a French government bond held by a German entity.

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. Within our internal risk capital and financial reporting framework, comprehensive processes and controls exist for ensuring 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 at the Group level 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.

1_Due to late availability of EIOPA's publication, the risk-free interest rate term structure used may differ slightly from the one published by EIOPA.

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 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 2021

In 2021, 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 2021 was € (0.4) bn. This reduction in SCR is mainly driven by the introduction of several major model changes affecting Allianz Group companies in the Life/Health segment, together with a reduction of the ultimate forward rate (UFR) by 15 basis points and a regulatory model change impacting the third country equivalent capital requirements.

In all subsequent sections, the figures including model changes will form the basis for the movement analyses of our risk profile in 2021. As our general capital steering continues to focus on the Solvency II ratio impacts excluding the application of transitional measures for 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		Business risk		Operational risk		Diversification		Total	
As of 31 December	2020[1]	2020[2]	2020[1]	2020[2]	2020[1]	2020[2]	2020[1]	2020[2]	2020[1]	2020[2]	2020[1]	2020[2]	2020[1]	2020[2]
Property-Casualty	4,414	4,439	2,334	2,334	11,299	11,300	754	749	1,530	1,530	(6,922)	(6,843)	13,409	13,508
Life/Health	20,760	21,264	3,234	3,241	652	652	2,294	2,255	1,446	1,442	(4,510)	(4,534)	23,875	24,321
Corporate and Other	1,604	1,609	527	526	214	207	-	-	363	363	(583)	(651)	2,125	2,054
Total Group	**26,778**	**27,313**	**6,095**	**6,101**	**12,165**	**12,159**	**3,048**	**3,004**	**3,339**	**3,335**	**(12,015)**	**(12,028)**	**39,409**	**39,883**
												Tax	(5,816)	(5,879)
												Capital add-on	798	970
												Third country equivalent	3,529	3,326
												Sectoral requirement	2,650	2,650
												Total Group	**40,570**	**40,950**

1_2020 risk profile figures adjusted based on the 2021 model changes impact.
2_2020 risk profile figures as reported previously.

In 2021, the impact of model changes to our internal model concerned the following risk categories:

Market risk

The overall decrease in market risk is almost exclusively driven by the net impact of several major model changes at the German Life/Health companies Allianz Lebensversicherungs-Aktiengesellschaft and Allianz Private Krankenversicherungs-Aktiengesellschaft, together with the reduction of the UFR. These resulted in a decrease in the market risk of Allianz Group by € 0.5 bn to € 26.8 bn (2020: € 27.3 bn).

Credit risk, underwriting risk and operational risk

Model changes in 2021 did not have material impacts on net credit risk, underwriting risk and operational risk.

Business risk

The small increase in the business risk of Allianz Group was mainly driven by a major model change at the German health company Allianz Private Krankenversicherungs-Aktiengesellschaft.

Capital add-ons

The reduction in the risk capital add-on for Allianz Group by € 0.2 bn to € 0.8 bn (2020: € 1.0 bn) is mainly driven by a decrease in the replication add-on reflecting a replication portfolio model change, together with a lower add-on for cross effects primarily resulting from model changes at Allianz Lebensversicherungs-Aktiengesellschaft.

Third country equivalence

The capital requirements for Allianz Group companies under third country equivalent regimes increased by € 0.2 bn to € 3.5 bn (2020:

€ 3.3 bn). This is caused by a regulatory change in the risk based capital (RBC) factors for Allianz Life of North America.

Impact of model changes on eligible Group own funds

The regulatory and model changes in 2021 resulted in a € 0.2 bn increase of Own Funds which was mainly driven by the adjustment of the UFR, an economic scenario generator model change, and several major model changes at the German Life/Health companies Allianz Lebensversicherungs-Aktiengesellschaft and Allianz Private Krankenversicherungs-Aktiengesellschaft. Transferability deduction of surplus funds at Allianz Lebensversicherungs-Aktiengesellschaft and Allianz Private Krankenversicherungs-Aktiengesellschaft in the amount of € (0.4) bn from model-related SCR changes are further offsetting the model changes.

Impacts of transitional measures

The continued application of transitional measures on technical provisions for Allianz Lebensversicherungs-Aktiengesellschaft and Allianz Private Krankenversicherungs-Aktiengesellschaft resulted in an increase in the Own Funds of € 12.4 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 Renewal Agenda 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 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: 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. The full economic consequences of a pandemic event such as COVID-19 are uninsurable. The required capital for an effective protection against such an accumulation of risks would require premium rates that are unattractive for the customers, if not unaffordable. In addition, a pandemic affects multiple factors such as business interruption, impact on global capital markets, increase in medical costs, and mortality.
- Other non-financial risks: These risks are inherent to the Group's 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), Integrated Risk and Control System (IRCS), Reputational Risk Management Framework, and Liquidity Risk Management.

Potential risks in the financial market and in our operating environment

Financial markets are characterized by historically low interest rates and risk premiums, causing some investors to look for higher-yielding – and potentially higher-risk – investments. In addition to sustained low interest rates, there are several other factors that may lead to increasing market volatility. These include the challenges of implementing long-term structural reforms in key eurozone countries; tensions in the relationship between the United Kingdom and the European Union following the exit of the United Kingdom from the union; the uncertainty about future monetary and fiscal policies; rising populism; amplified geopolitical tensions and economic nationalism amid the pandemic, including a worsening of the Russia-Ukraine situation or a deterioration of the U.S.-China relationship; and disruptions in global supply chains, which weigh on global trade with the potential of prompting long-term structural shifts in global supply chains.

Another potential source of higher market volatility is the uncertainty around whether the currently observed higher rates of inflation are transitory, and the associated timing and extent of corresponding central bank policy measures.

The increasing reliance on digital technologies which has been greatly accelerated by the COVID-19 pandemic – to ensure business continuity and enhance efficiency and competitiveness – increases the risk of technology obsolescence, cyberattacks, data breaches, system failures as well as the risk of non-compliance with increasing regulation covering IT-related business processes.

The ongoing uncertainty around the evolution of the COVID-19 pandemic remains a significant risk. Full economic recovery is not expected to occur until the health concerns are forcefully and credibly removed, i.e., highly effective medication is available or herd immunity is achieved. The timing and progress remain uncertain, and residual risks will remain such as further virus mutations, emerging side effects, length of the immunity from vaccination, and a lasting refusal to take vaccines by too large a part of the population, as most authorities do

1_This section contains specific risk disclosures as required by IFRS 4 and IFRS 7 relating to the Notes to the Consolidated Financial Statements.

not intend to make vaccination compulsory. Renewed or modified containment (lockdown) measures risk delaying economic recovery, with significant credit implications in some industries. The pace and timing of recovery, the overall economic cost, and credit implications will depend on an effective transition to post-COVID policies, as less supportive fiscal packages could hurt employment and the solvency of small or more exposed businesses.

Therefore, we continue to closely monitor political and financial developments as well as the global trade situation to manage our overall risk profile to specific event risks.

Regulatory developments

Our approved internal model has been applied since the beginning of 2016 when Solvency II became effective. There is some uncertainty about future regulatory requirements resulting from the potential introduction of future global capital requirements and from the current Solvency II review.

The frameworks for potential future capital requirements for Internationally Active Insurance Groups (IAIGs) and Global Systemically Important Insurers (G-SIIs) are yet to be finalized by the International Association of Insurance Supervisors (IAIS) and the Financial Stability Board (FSB).In addition, the European Commission is conducting a review of the Solvency II directive as foreseen in European legislation. The review covers an extensive list of topics from a wide variety of areas, from capital requirements to reporting, to proportionality and to insurance recovery and resolution, for which EIOPA provided technical advice to the European Commission in December 2020, suggesting amendments in each area. Based on this and further input from stakeholders, the European Commission published its legislative proposal in September 2021. While following the EIOPA advice in general, the European commission introduced some changes. In particular, the proposal includes a phase-in until year 2032 for the new interest rates extrapolation, and a less conservative approach for calculating the risk margin of the technical provisions. The legislative proposal is subject to trilogue negotiations at the European level before changes to the directive become effective. A further transposition into national law will be required, so that final implementation is expected for 2025. In this context, the Allianz Group is actively participating in discussions with the European Commission, EIOPA, local regulators, Insurance Europe, and the GDV.

Therefore, future Solvency II capital requirements are expected to change as result of the review of the Solvency II framework. Concrete effects of the Solvency II review for the Group, however, can only be assessed after final results have been made available.

Finally, the potential for a multiplicity of different regulatory regimes, capital standards, and reporting requirements will increase operational complexity and costs.

Management assessment

The management feels comfortable with the Group's overall risk profile, and confident that the effectiveness of its risk management framework meets both the challenges of a rapidly changing environment and day-to-day business needs. 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 2021. 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 the ongoing COVID-19 pandemic – due to our strong internal limit framework, stress testing, internal model, and risk management practices.
- Finally, the Group has the additional advantage of being well-diversified, both geographically and across a broad range of businesses and products.
- As a matter of course, the pending AllianzGI U.S. Structured Alpha matter will be constantly monitored and will be covered by our regular risk reassessments. Any learnings from this matter will also be reflected in the continuous improvement of our risk management processes.

Based on the information available to us at the moment of report completion, we expect the Group to continue to be sufficiently capitalized and compliant with both the regulatory Solvency Capital Requirement and minimum consolidated Group Solvency Capital Requirement. However, we are carefully monitoring the further development of the COVID-19 pandemic and managing our portfolios to ensure that the Group and its entities have sufficient resources to meet their solvency capital needs.

Solvency II regulatory capitalization

The Allianz Group's 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		2021	2020
Own Funds	€ bn	86.0	84.9
Capital requirement	€ bn	41.2	40.9
Capitalization ratio	%	209	207

1_Excluding the application of transitional measures for technical provisions

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".

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-Aktiengesellschaft and Allianz Private Krankenversicherungs-Aktiengesellschaft. Including the application of transitional measures for technical provisions, the Own Funds and SCR as of 31 December 2021 amounted to € 98.4 bn and € 41.2 bn leading to a Solvency II ratio of 239 %. Our general capital steering, however, continues to focus on the previous approach, i.e., excluding the application of transitional measures for 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 2021:

Allianz Group: Solvency II regulatory capitalization ratios
%

	31 Dec 2021	30 Sept 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020
Capitalization ratio	209	207	206	210	207

Compared to year-end 2020, our Solvency II capitalization ratio increased by 1 percentage point to 209 % (2020: 207 %)[1] since the slight increase in the Solvency II Capital Requirement was overcompensated by the increase of the Own Funds. The increase in the Solvency II ratio was mainly driven by the operating Solvency II capital generation and business evolution (29 percentage points), positive market developments such as the rise in interest rates (8 percentage points), as well as regulatory and model changes (3 percentage points). Taxes and other changes contributed negatively ((24) percentage points), of which (9) percentage points result from the recognition of a provision for the pending AllianzGI U.S. Structured Alpha matter. An additional net partial offset came from (capital) management actions ((14) percentage points). Dividend accrual, new equity investments, as well as M&A transactions – such as the acquisitions of AVIVA Poland, AVIVA S.p.A. and the Westpac General Insurance portfolio – contributed to the negative offset, whereas life back book reinsurance transactions, for example by Allianz Life of North America and Allianz Suisse, supported a higher Solvency II ratio.

1_Increase is only 1%-pt due to rounding (2020: 207.4%; 2021: 208.6%)

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	2021	2020
Base capitalization ratio	209	207
Interest rates up by 0.5 %[1]	213	214
Interest rates down by 0.5 %[1]	204	198
Equity prices up by 30 %	222	222
Equity prices down by 30 %	194	193
Combined scenario: Equity prices down by 30 % Interest rate down by 0.5 %[1] Credit spreads up by 0.5 %	171	161

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 Allianz Group compared to Solvency II.

Quantifiable risks and opportunities by risk category[1]

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.

At the Allianz Group, 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.

With the exception of the Asset Management business segment, all business segments are exposed to the full range of risk categories. As mentioned earlier, the Asset Management business segment is predominantly exposed to operational risks. In addition, there is some exposure to market risks and to a lesser extent to credit risks. The risk capital for the Asset Management business segment is allocated to sectoral requirement.

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.

1_This section contains specific risk disclosures as required by IFRS 4 and IFRS 7 relating to the Notes to the Consolidated Financial Statements.

The Group diversified risk is broken down as follows:

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	2021	2020[1]	2021	2020[1]	2021	2020[1]	2021	2020[1]	2021	2020[1]	2021	2020[1]	2021	2020[1]
Property-Casualty	5,357	4,414	2,388	2,334	12,083	11,299	503	754	1,442	1,530	(6,291)	(6,922)	15,482	13,409
Life/Health	18,578	20,760	2,727	3,234	619	652	3,370	2,294	1,424	1,446	(5,199)	(4,510)	21,518	23,875
Corporate and Other	1,962	1,604	477	527	184	214	-	-	438	363	(865)	(583)	2,196	2,125
Total Group	**25,896**	**26,778**	**5,592**	**6,095**	**12,887**	**12,165**	**3,872**	**3,048**	**3,304**	**3,339**	**(12,356)**	**(12,015)**	**39,195**	**39,409**
												Tax	(4,877)	(5,816)
												Capital add-on	914	798
												Third country equivalent	3,212	3,529
												Sectoral requirement	2,761	2,650
												Total Group	**41,205**	**40,570**

1_2020 risk profile figures adjusted based on the 2021 model changes impact.

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.

As of 31 December 2021, the Group-diversified risk capital, which reflects our risk profile before considering non-controlling interests, amounted to € 41.2 bn (2020: € 40.6 bn). This represents a slight increase in the diversification benefit – before tax – of 0.8 % to 24.0 %. The € 0.6 bn increase in the Solvency II Capital Requirement was partially due to the net effect of management actions. In this context, the acquisition of new business in Poland (Aviva Poland), Australia (the general insurance business of Westpac), Italy (Aviva Italy S.p.A.), and new equity investments led to higher capital requirements. These were partially compensated by risk mitigating measures such as life back book reinsurance transactions of Allianz Group companies in the U.S., Switzerland and France. Business evolution also contributed to a higher risk capital, driven by the net earned premiums in the Property-Casualty business segment and new business in the Life/Health segment. Other effects such as model and assumptions updates and a lower tax relief further contributed to the increment. This was partially compensated by risk capital relief from market developments, especially the rise in interest rates.

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	2021	2020[1]	2021	2020[1]	2021	2020[1]	2021	2020[1]	2021	2020[1]	2021	2020[1]	2021	2020[1]
Property-Casualty	(474)	(469)	(2,077)	(2,518)	3,302	3,563	2,873	2,346	1,384	1,341	348	151	5,357	4,414
Life/Health	586	1,013	(706)	(428)	7,767	10,678	9,330	7,950	1,759	1,601	(159)	(53)	18,578	20,760
Corporate and Other	160	238	(371)	(425)	306	424	1,572	1,127	126	121	170	119	1,962	1,604
Total Group	**272**	**782**	**(3,154)**	**(3,372)**	**11,375**	**14,665**	**13,775**	**11,423**	**3,270**	**3,063**	**359**	**218**	**25,896**	**26,778**
												Share of total Group pre-diversified risk	44.3 %	45.9 %

1_2020 risk profile figures adjusted based on the 2021 model changes impact.

The Group's total pre-diversified market risk decreased by € 0.9 bn, which was mainly driven by lower credit spread risk in the Life/Health business segment due to exposure reductions from back book transactions, rising interest rates and higher policyholder participations. The decrease in market risk was further supported by lower interest rate risk, mainly reflecting the relief from higher interest rates for the Life/Health business. These two relief effects for market risk were partially compensated by a rise in equity risk, together with a lower relief from inflation risk, and higher real estate and currency risks. The increase in equity and real estate risks mainly affected the Life/Health segment and was driven by stronger markets and additional equity investments. The changes in inflation risk are driven by diversification effects.

Interest rate risk

As of 31 December 2021, our interest-rate-sensitive investments excluding unit-linked business – amounting to a market value of € 451.2 bn (2020: € 486.5 bn)[1] – would have gained € 54.2 bn (2020: € 58.6 bn) or lost € 46.1 bn (2020: € 49.8 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, limiting the duration mismatch of the Group to 0.2 years, representing Solvency II liabilities of shorter duration than assets.

Equity risk

As of 31 December 2021, our investments excluding unit-linked business that are sensitive to changing equity markets – amounting to a market value of € 89.2 bn[3] (2020: € 66.6 bn) – would have lost € 23.1 bn[4] (2020: € 17.9 bn) in value assuming equity markets had declined by 30%. However, this impact would have been partially offset by policyholder participation.

Real estate risk

As of 31 December 2021, about 5.6% (2020: 5.4%) of the total pre-diversified risk was related to real estate exposures.

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		2021	2020[1]
Property-Casualty	€ mn	2,388	2,334
Life/Health	€ mn	2,727	3,234
Corporate and Other	€ mn	477	527
Total Group	**€ mn**	**5,592**	**6,095**
Share of total Group pre-diversified risk	%	9.6	10.4

1_2020 risk profile figures adjusted based on the 2021 model changes impact.

Throughout 2021, there were no material events with regard to credit migration risk and default risk.

The overall credit risk for the Allianz Group decreased by € 0.5 bn to € 5.6 bn (2020: € 6.1 bn). This was mainly driven by the higher interest rate environment compared to the previous year, which generally decreased credit risk exposures, thereby reducing credit risk. This also contributed to an increase in the loss-absorbing capacity of technical provisions in the traditional life business, which also decreased the credit risk after considering policyholder participation.

Credit risk – investments

As of 31 December 2021, the credit risk arising from our investment portfolio accounted for 79.1 % (2020: 81.5%) of our total Group pre-diversified internal credit risk[5].

Credit risk in the Life/Health business segment is primarily driven by long-term assets covering long-term liabilities. Typical investments are government bonds, senior corporate bonds, covered bonds, self-originated mortgages and loans, and a modest amount 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, which explains the lower credit risk in this segment.

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.

1_The stated market value includes all assets 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 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_Additionally, 8.5 % (2020: 8.7 %) 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.

As of 31 December 2021, the rating distribution of our fixed-income portfolio based on issue (instrument) ratings was as follows:

Rating distribution of Allianz Group's fixed-income portfolio[1] – fair value
€ bn

Type of issuer	Government / agency		Covered bond		Corporate		Banks		ABS / MBS		Short-term loan		Other		Total	
As of 31 December	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
AAA	45.5	49.5	42.6	47.7	3.3	3.2	2.7	3.0	17.5	19.1	0.1	0.0	-	-	111.7	122.5
AA	99.8	111.5	12.4	18.2	27.6	24.3	3.5	4.3	6.7	6.2	0.6	0.6	0.1	0.1	150.8	165.3
A	40.2	43.4	0.3	0.4	73.5	71.1	19.4	19.0	2.3	0.9	0.5	0.5	0.9	0.0	137.1	135.3
BBB	41.6	41.9	0.3	0.4	126.7	124.8	9.5	8.2	1.6	1.2	0.4	0.4	0.9	1.7	181.1	178.7
BB	7.5	6.7	-	-	13.1	10.5	0.5	1.0	0.1	0.1	0.0	0.0	0.0	0.0	21.2	18.4
B	4.3	3.6	-	-	6.0	4.0	0.2	0.2	0.2	0.1	0.1	0.0	0.2	0.0	11.0	8.0
CCC	0.4	0.3	-	-	0.1	0.2	0.0	0.0	0.1	0.1	-	0.0	-	-	0.6	0.6
CC	0.0	0.0	-	-	-	0.0	0.0	0.0	0.1	0.1	-	-	-	-	0.1	0.1
C	0.0	0.0	-	-	0.1	-	-	-	0.0	0.0	-	-	-	-	0.1	0.0
D	0.0	0.0	-	-	0.0	0.1	-	-	0.0	0.0	-	-	-	-	0.1	0.1
Not rated	1.3	1.5	0.1	0.1	9.2	11.2	0.1	0.2	0.1	0.1	0.3	0.2	10.4	7.2	21.5	20.4
Total	**240.5**	**258.5**	**55.6**	**66.7**	**259.6**	**249.5**	**36.0**	**35.9**	**28.8**	**28.1**	**2.2**	**1.8**	**12.5**	**9.1**	**635.2**	**649.5**

1_In accordance with practice adhered to in our Group Management Report, figures stated include investments of Banking and Asset Management. Table excludes private loans. Stated market values include investments not in scope of the Solvency II framework.

Credit risk – credit insurance

As of 31 December 2021, 10.5 % (2020: 8.6 %) of our total Group pre-diversified internal credit risk was allocated to Euler Hermes credit insurance exposures.

Credit risk – reinsurance

As of 31 December 2021, 1.9 % (2020: 1.2 %) of our total Group pre-diversified internal credit risk was allocated to reinsurance exposures.

Of the Allianz Group's reinsurance recoverables, 90.2 % (2020: 75.5 %) were distributed among reinsurers that had been assigned an investment-grade rating; 9.5 % (2020: 24.4 %) were non-rated reinsurance recoverables, the remaining 0.3 % (2020: 0.1 %) were towards non-investment grade reinsurers. The movements in the reinsurance exposure are mainly due to an expanded reinsurance program. 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. In particular, in 2021, Allianz Life of North America and Allianz Suisse Lebensversicherungs-Aktiengesellschaft executed life back book transactions and entered reinsurance relationships ceding a total of € 35.1. bn of gross life and annuity reserves. The business partners include Resolution Re Ltd, a Bermuda-based reinsurance company with an "A3" Moody's rating (equivalent to an "A-" S&P rating), and Talcott Resolution Life Insurance Company, a U.S. life insurer with a "BBB" S&P rating. The economic reinsurance exposure to General Electric was further reduced in 2021 by increasing the amount of trust assets and obtaining credit protection.

Reinsurance recoverables by rating class[1]
€ bn

As of 31 December	2021	2020
AAA	0.06	0.02
AA+ to AA-	6.11	5.67
A+ to A-	30.99	3.24
BBB+ to BBB-	15.07	8.03
Non-investment grade	0.16	0.01
Not assigned	5.51	5.49
Total	**57.90**	**22.46**

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	2021	2020[2]	2021	2020[2]	2021	2020[2]	2021	2020[2]	2021	2020[2]	2021	2020[2]
Property-Casualty	985	805	12	17	4,527	4,194	6,441	6,116	118	167	12,083	11,299
Life/Health	-	-	-	-	-	-	-	-	619	652	619	652
Corporate and Other	-	-	-	-	-	-	-	-	184	214	184	214
Total Group	**985**	**805**	**12**	**17**	**4,527**	**4,194**	**6,441**	**6,116**	**921**	**1,033**	**12,887**	**12,165**
									Share of total Group pre-diversified risk		22.05 %	20.83 %

1_As risks are measured in an integrated approach and on an economic basis, internal risk profile takes reinsurance effects into account.
2_2020 risk profile figures adjusted based on the impact of the 2021 model changes.

During 2021, the total Group pre-diversified underwriting risk capital increased by € 0.7 bn.

Property-Casualty

The increase in Property-Casualty underwriting risk was mainly driven by exposure and model updates in premium non-catastrophe and reserve risk.

Overall, the underwriting risk profile for the Allianz Group is not expected to change much, as we do not plan to significantly change our underwriting standards (Allianz Standard for P&C Underwriting) or our risk appetite with regards to natural catastrophe, man-made, or terror risks and our corresponding retrocession reinsurance strategy.

The loss ratios for the Property-Casualty business segment are presented in the following table:

Property-Casualty loss ratios[1] for the past ten years
%

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Loss ratio	67.0	69.5	68.0	66.0	66.5	65.6	66.2	66.0	65.9	68.3
Loss ratio excluding natural catastrophes	63.9	67.8	66.5	64.0	64.2	64.2	64.6	65.1	63.0	66.6

1_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 2021 were: windstorms in Europe, tropical cyclones in the USA, floods in Germany, tropical cyclones and earthquakes in Australia.

Life/Health

The underwriting risk capital contribution of biometric risk decreased by € 0.1 bn compared to the previous year. This is mainly due to in-force optimization strategies reducing the overall longevity exposure while being marginally offset by an increase in mortality risk from new business.

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

The risk capital contribution of business risk increased by € 0.8 bn compared to the previous year. This is mainly driven by the impact of the improved market environment on the lapse mass risk for the German life insurance portfolio.

Operational risk

Overall, the operational risk capital showed a stable risk profile. The slight decrease in risk capital was driven by the regular annual update of local parameters. The decrease is largely due to a regulatory triggered carve-out of a French Group company from the internal model.

Third country equivalence

The risk capital reflecting requirements for Allianz Group companies under third country equivalent regimes decreased by € 0.3 bn to € 3.2 bn (2020: € 3.5 bn). The main reason for this is that Allianz Life of North America reinsured $ 35 bn of liabilities of its fixed index annuity book.

Liquidity risk

Detailed information regarding the Allianz Group's liquidity risk exposure, liquidity, and funding – including changes in cash and cash equivalents – is provided in Liquidity and Funding Resources and in notes 12, 18 and 33 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.

INTEGRATED RISK AND CONTROL SYSTEM FOR FINANCIAL REPORTING

The following information is provided pursuant to § 289 (4) and § 315 (4) of the German Commercial Code ("Handelsgesetzbuch – HGB").

In line with both our prudent approach to risk governance and compliance with regulatory requirements, we have created a framework and processes to identify and mitigate the risk of material errors in our Consolidated Financial Statements (this also includes our market value balance sheet and risk capital calculation risks). The Integrated Risk and Control System (IRCS) is regularly reviewed and updated. It covers three buckets of risks: financial reporting risks, compliance risks, and other operational risks (including IT risks). The IT controls are based on COBIT 5 and include, for example, controls for access right management, project and change management. In addition, our Entity Level Control Assessment (ELCA) framework contains controls to monitor the effectiveness of our system of governance.

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 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. Internal controls are embedded in the accounting and consolidation processes to safeguard the accuracy, completeness, and consistency of the information provided in our financial statements.

Internal risk and control system approach

Our approach can be summarized as follows:

- We use a centrally developed risk catalog which 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. The methodology is described in our IRCS Guideline. 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 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.
- Last but not least, we focus on ensuring that controls are appropriately designed and effectively executed to mitigate risks. We have set consistent process and documentation requirements across the Allianz Group for elements such as the design of key controls and evidence of their execution as well as related control design and effectiveness testing procedures. We conduct an annual assessment of our internal control system to maintain and continuously enhance its effectiveness. Group Audit and local internal audit functions ensure that the overall quality of our control system is 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

The 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.

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 as well as in the Solvency II qualitative reports[1]. In 2021, 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 qualitative 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 sign-offs 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 reported to the Holding.

1_Solvency and Financial Condition Report and Regular Supervisory Report.

CONSOLIDATED FINANCIAL STATEMENTS

D

CONSOLIDATED BALANCE SHEET

Consolidated balance sheet
€ mn

As of 31 December	Note	2021	2020
ASSETS			
Cash and cash equivalents		24,214	22,443
Financial assets carried at fair value through income	5	19,604	21,191
Investments	6	663,649	656,522
Loans and advances to banks and customers	7	124,079	116,576
Financial assets for unit-linked contracts		158,346	137,307
Reinsurance assets	8	56,731	20,170
Deferred acquisition costs	9	23,756	21,830
Deferred tax assets	32	1,910	1,006
Other assets	10	48,264	45,573
Non-current assets and assets of disposal groups classified as held for sale	3	145	1,790
Intangible assets	11	18,732	15,604
Total assets		**1,139,429**	**1,060,012**
LIABILITIES AND EQUITY			
Financial liabilities carried at fair value through income[1]		20,891	24,079
Liabilities to banks and customers	12	15,468	14,722
Unearned premiums	13	27,501	25,341
Reserves for loss and loss adjustment expenses	14	86,974	80,897
Reserves for insurance and investment contracts	15	632,061	611,096
Financial liabilities for unit-linked contracts	16	158,346	137,307
Deferred tax liabilities	32	5,626	8,595
Other liabilities	17	86,596	49,005
Liabilities of disposal groups classified as held for sale	3	-	1,134
Certificated liabilities	18	10,788	9,206
Subordinated liabilities	18	10,956	14,034
Total liabilities		1,055,207	975,417
Shareholders' equity		79,952	80,821
Non-controlling interests		4,270	3,773
Total equity	19	84,222	84,594
Total liabilities and equity		**1,139,429**	**1,060,012**

1_Include mainly derivative financial instruments.

CONSOLIDATED INCOME STATEMENT

Consolidated income statement
€ mn

	Note	2021	2020
Gross premiums written		86,063	82,986
Ceded premiums written		(7,567)	(6,752)
Change in unearned premiums (net)		(840)	(520)
Premiums earned (net)	20	77,656	75,714
Interest and similar income	21	23,137	21,395
Income from financial assets and liabilities carried at fair value through income (net)	22	(2,008)	(69)
Realized gains/losses (net)	23	9,423	10,256
Fee and commission income	24	13,998	12,049
Other income		24	163
Total income		122,230	119,508
Claims and insurance benefits incurred (gross)		(62,926)	(61,818)
Claims and insurance benefits incurred (ceded)		5,804	4,728
Claims and insurance benefits incurred (net)	25	(57,121)	(57,091)
Change in reserves for insurance and investment contracts (net)	26	(13,716)	(12,976)
Interest expenses	27	(1,159)	(999)
Loan loss provisions		(11)	(15)
Impairments of investments (net)	28	(1,331)	(5,467)
Investment expenses	29	(1,962)	(1,640)
Acquisition and administrative expenses (net)	30	(31,422)	(26,644)
Fee and commission expenses	31	(5,000)	(4,024)
Amortization of intangible assets		(307)	(260)
Restructuring and integration expenses		(666)	(788)
Other expenses		(15)	-
Total expenses		(112,710)	(109,905)
Income before income taxes		**9,520**	**9,604**
Income taxes	32	(2,415)	(2,471)
Net income		**7,105**	**7,133**
Net income attributable to:			
Non-controlling interests		495	326
Shareholders		6,610	6,807
Basic earnings per share (€)	41	15.96	16.48
Diluted earnings per share (€)	41	15.83	16.32

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income
€ mn

	2021	2020
Net income	**7,105**	**7,133**
Other comprehensive income		
Items that may be reclassified to profit or loss in future periods		
Foreign currency translation adjustments		
Reclassifications to net income	-	(38)
Changes arising during the year	1,280	(2,221)
Subtotal	1,280	(2,259)
Available-for-sale investments		
Reclassifications to net income	(1,772)	(241)
Changes arising during the year	(4,149)	5,117
Subtotal	(5,921)	4,877
Cash flow hedges		
Reclassifications to net income	(61)	(47)
Changes arising during the year	(96)	122
Subtotal	(157)	75
Share of other comprehensive income of associates and joint ventures		
Reclassifications to net income	-	-
Changes arising during the year	181	(111)
Subtotal	182	(110)
Miscellaneous		
Changes arising during the year	111	(27)
Subtotal	111	(27)
Items that may never be reclassified to profit or loss		
Changes in actuarial gains and losses on defined benefit plans	(393)	(165)
Total other comprehensive income	(4,897)	2,391
Total comprehensive income	**2,207**	**9,524**
Total comprehensive income attributable to:		
Non-controlling interests	337	285
Shareholders	1,871	9,238

For further information on the income taxes associated with different components of other comprehensive income, please see note 32.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity
€ mn

	Paid-in capital	Undated subordinated bonds	Retained earnings	Foreign currency translation adjustments	Unrealized gains and losses (net)	Share-holders' equity	Non-controlling interests	Total equity
Balance as of 1 January 2020	**28,928**	**-**	**29,577**	**(2,195)**	**17,691**	**74,002**	**3,363**	**77,364**
Total comprehensive income[1]	-	-	6,471	(2,189)	4,956	9,238	285	9,524
Paid-in capital	-	-	-	-	-	-	-	-
Treasury shares	-	-	25	-	-	25	-	25
Transactions between equity holders	-	2,259	(750)	-	-	1,509	319	1,827
Dividends paid[2]	-	-	(3,952)	-	-	(3,952)	(194)	(4,146)
Balance as of 31 December 2020	**28,928**	**2,259**	**31,371**	**(4,384)**	**22,648**	**80,821**	**3,773**	**84,594**
Total comprehensive income[1]	-	-	6,444	1,285	(5,859)	1,871	337	2,207
Paid-in capital	-	-	-	-	-	-	-	-
Treasury shares	-	-	(2)	-	-	(2)	-	(2)
Transactions between equity holders[3]	(26)	-	(1,045)	-	-	(1,071)	474	(597)
Undated subordinated bonds[4]	-	2,440	(28)	(124)	-	2,288	-	2,288
Dividends paid[2]	-	-	(3,956)	-	-	(3,956)	(314)	(4,270)
Balance as of 31 December 2021	**28,902**	**4,699**	**32,784**	**(3,223)**	**16,789**	**79,952**	**4,270**	**84,222**

1_Total comprehensive income in shareholders' equity for the year ended 31 December 2021 comprises net income attributable to shareholders of € 6,610 mn (2020: € 6,807 mn).
2_In the second quarter of 2021, a dividend of € 9.60 (2020: € 9.60) per qualifying share was paid to the shareholders.
3_For further information regarding the share buy-back program 2021, please refer to note 19.
4_For further information regarding the undated subordinated bonds, please refer to note 18.

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows
€ mn

	2021	2020
SUMMARY		
Net cash flow provided by operating activities	25,124	32,049
Net cash flow used in investing activities	(19,783)	(28,870)
Net cash flow used in financing activities	(3,786)	(1,390)
Effect of exchange rate changes on cash and cash equivalents	216	(758)
Change in cash and cash equivalents	1,771	1,031
Cash and cash equivalents at beginning of period	22,443	21,075
Cash and cash equivalents reclassified to assets of disposal groups held for sale and disposed of in 2020	-	337
Cash and cash equivalents at end of period	**24,214**	**22,443**
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	**7,105**	**7,133**
Adjustments to reconcile net income to net cash flow provided by operating activities		
Share of earnings from investments in associates and joint ventures	(305)	(112)
Realized gains/losses (net) and impairments of investments (net) of:		
Available-for-sale and held-to-maturity investments, investments in associates and joint ventures, real estate held for investment, loans and advances to banks and customers, non-current assets and disposal groups classified as held for sale	(8,092)	(4,930)
Other investments, mainly financial assets held for trading and designated at fair value through income	6,915	(4,765)
Depreciation and amortization	2,525	2,244
Loan loss provisions	11	15
Interest credited to policyholder accounts	7,084	5,580
Other non-cash income/expenses	(2,440)	5,854
Net change in:		
Financial assets and liabilities held for trading	(5,678)	4,190
Reverse repurchase agreements and collateral paid for securities borrowing transactions	(1,980)	(689)
Repurchase agreements and collateral received from securities lending transactions	(917)	792
Reinsurance assets	(1,385)	(2,318)
Deferred acquisition costs	2,754	(201)
Unearned premiums	1,261	381
Reserves for loss and loss adjustment expenses	4,346	4,869
Reserves for insurance and investment contracts	13,676	14,702
Deferred tax assets/liabilities	(358)	341
Other (net)	604	(1,035)
Subtotal	18,019	24,916
Net cash flow provided by operating activities	**25,124**	**32,049**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from the sale, maturity or repayment of:		
Financial assets designated at fair value through income	4,751	3,689
Available-for-sale investments	178,723	160,053
Held-to-maturity investments	118	262
Investments in associates and joint ventures	942	869
Non-current assets and disposal groups classified as held for sale	301	349
Real estate held for investment	1,045	806
Loans and advances to banks and customers (purchased loans)	5,922	3,980
Property and equipment	131	125
Subtotal	191,932	170,134

CONSOLIDATED STATEMENT OF CASH FLOWS – CONTINUED

Consolidated statement of cash flows
€ mn

	2021	2020
Payments for the purchase or origination of:		
Financial assets designated at fair value through income	(5,594)	(3,807)
Available-for-sale investments	(188,456)	(179,986)
Held-to-maturity investments	(225)	(279)
Investments in associates and joint ventures	(1,525)	(2,005)
Non-current assets and disposal groups classified as held for sale	(37)	(72)
Real estate held for investment	(1,563)	(2,043)
Fixed assets from alternative investments	(48)	(19)
Loans and advances to banks and customers (purchased loans)	(1,745)	(2,380)
Property and equipment	(1,363)	(1,429)
Subtotal	(200,557)	(192,022)
Business combinations (note 3):		
Proceeds from sale of subsidiaries, net of cash disposed	-	721
Acquisitions of subsidiaries, net of cash acquired	(3,172)	(857)
Change in other loans and advances to banks and customers (originated loans)	**(7,817)**	**(6,844)**
Other (net)	**(170)**	**(2)**
Net cash flow used in investing activities	**(19,783)**	**(28,870)**
CASH FLOW FROM FINANCING ACTIVITIES		
Net change in liabilities to banks and customers	1,454	659
Proceeds from the issuance of certificated liabilities and subordinated liabilities	4,593	5,719
Repayments of certificated liabilities and subordinated liabilities	(6,299)	(4,615)
Proceeds from the issuance of undated subordinated bonds classified as shareholders' equity	2,303	2,272
Net change in lease liabilities	(396)	(409)
Transactions between equity holders	(1,034)	(644)
Dividends paid to shareholders	(4,270)	(4,146)
Net cash from sale or purchase of treasury shares	2	(67)
Other (net)	(138)	(159)
Net cash flow used in financing activities	**(3,786)**	**(1,390)**
SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS		
Income taxes paid (from operating activities)	(3,018)	(2,691)
Dividends received (from operating activities)	3,653	2,285
Interest received (from operating activities)	17,871	17,829
Interest paid (from operating activities)	(1,090)	(1,074)
SIGNIFICANT NON-CASH TRANSACTIONS		
U.S. reinsurance transaction[1]		
Reinsurance assets	31,309	-
Unearned premiums	1,480	-
Deferred tax assets/liabilities	393	-
Other non-cash income/expenses	(946)	-
Other (net)	(24,824)	-
Available-for-sale investments	(7,404)	-
Loans and advances to banks and customers	(8)	-

1_A reinsurance transaction in the United States without impacting the cashflows led to adjustments in the following positions. For further information, please refer to note 8.

Cash and cash equivalents
€ mn

As of 31 December	2021	2020
Balances with banks payable on demand	10,102	10,188
Balances with central banks	3,807	3,658
Cash on hand	72	64
Treasury bills, discounted treasury notes, similar treasury securities, bills of exchange and checks	6,863	5,847
Reverse repurchase agreements (due in three months or less)	3,370	2,685
Total	**24,214**	**22,443**

Changes in liabilities arising from financing activities
€ mn

	Liabilities to banks and customers	Certificated and subordinated liabilities	Lease liabilities	Total
As of 1 January 2020	**8,894**	**22,448**	**2,791**	**34,132**
Net cash flows	659	1,104	(409)	1,354
Non-cash transactions				
Changes in the consolidated subsidiaries of the Allianz Group	42	-	(83)	(42)
Foreign currency translation adjustments	(28)	(22)	(88)	(138)
Fair value and other changes	(8)	(289)	514	217
As of 31 December 2020	**9,559**	**23,241**	**2,725**	**35,525**
Net cash flows	1,454	(1,706)	(396)	(649)
Non-cash transactions				
Changes in the consolidated subsidiaries of the Allianz Group	(16)	-	13	(3)
Foreign currency translation adjustments	22	12	67	101
Fair value and other changes	15	197	383	594
As of 31 December 2021	**11,034**	**21,744**	**2,790**	**35,568**

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 (IFRS), 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 2021.

In accordance with the provisions of IFRS 4, insurance contracts are recognized and measured on the basis of accounting principles generally accepted in the United States of America (US GAAP) as at first-time adoption of IFRS 4 on 1 January 2005.

The consolidated financial statements have been prepared as of and for the year ended 31 December 2021. 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 21 February 2022.

The Allianz Group offers property-casualty insurance, life/health insurance, and asset management products and services in over 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 as well as significant estimates and assumptions that are 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.

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, deferred acquisition costs on property & casualty contracts, 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.

All other balances are mixed in nature (including both current and non-current portions).

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 usually 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.

For some subsidiaries where the Allianz Group does not hold a majority stake, management has assessed that the Allianz Group controls these entities. 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.

There are some entities where the Allianz Group holds a majority stake but where management has assessed that 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 investments 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.

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. 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. Investments in associates are generally accounted for using the equity method.

Although the Allianz Group’s share in some entities is below 20%, management has assessed that the Allianz Group has significant influence over these entities because it is sufficiently represented in the governing bodies that decide on the relevant activities of these entities.

For certain investment funds in which the Allianz Group holds a stake of above 20%, management has assessed that the Allianz Group has no significant influence because 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 all its joint arrangements and determined them to be joint ventures in most cases. Those are generally accounted for using the equity method.

The Allianz Group accounts for investments in associates and joint arrangements with a time lag of no more than three months. Income from investments in associates and joint arrangements – excluding distributions – is included in interest and similar income. Accounting policies of associates and joint arrangements are generally adjusted where necessary to ensure consistency with the accounting policies adopted by the Allianz Group.

For further information, please refer to note 44.

Foreign currency translation

Foreign currency translation generally follows the guidance set forth in IAS 21. Income and expenses from subsidiaries that have a functional currency other than Allianz Group’s presentation currency (Euro) are translated to Euro at the quarterly average exchange rate. Foreign currency gains and losses arising from foreign currency transactions are reported in income from financial assets and liabilities carried at fair value through income (net), except when the gain or loss on a non-monetary item measured at fair value is recognized in other comprehensive income. In this case, any foreign exchange component of that gain or loss 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.

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 cashflow 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 (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.

For further information, please refer to note 34.

Impairments

An available-for-sale equity security is considered to be impaired if there is objective evidence that the cost may not be recovered. Such evidence is deemed to exist if there is a significant or prolonged decline in the fair value of the security. The Allianz Group's policy considers a decline to be significant if the fair value is below the weighted average cost by more than 20%. A decline is considered to be prolonged if the fair value is below the weighted average cost for a period of more than nine consecutive months. If an available-for-sale equity security is impaired, any further declines in the fair value at subsequent reporting dates are recognized as impairments.

Hedge accounting

Derivative financial instruments designated as hedging instruments in hedge accounting relationships are included in the line items Other assets and Other liabilities. Freestanding derivatives are included in the line items Financial assets held for trading or Financial liabilities held for trading.

For further information on derivatives, please refer to note 33.

Cash and cash equivalents

Cash and cash equivalents include balances with banks payable on demand, balances with central banks, cash on hand, treasury bills to the extent they are not included in financial assets held for trading, and 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.

Financial assets and liabilities carried at fair value through income

Financial assets and liabilities carried at fair value through income include financial assets and liabilities held for trading as well as financial assets and liabilities designated at fair value through income. While the former category includes trading instruments and financial derivatives, the latter category is mainly designated at fair value to avoid accounting mismatches.

Investments

Available-for-sale investments

Available-for-sale investments comprise debt and equity instruments that are designated as available-for-sale or do not fall into the other measurement categories. Realized gains and losses on those instruments are generally determined by applying the average cost method at the subsidiary or the portfolio level.

Funds held by others under reinsurance contracts assumed

Funds held by others under reinsurance contracts assumed relate to cash deposits to which the Allianz Group is entitled, but which the ceding insurer retains as collateral for future obligations of the Allianz Group. The cash deposits are recorded at the amount due on repayment, less any impairment for balances that are deemed not to be recoverable.

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 carried at cost less accumulated depreciation and impairments. Real estate held for investment is depreciated on a straight-line basis over its useful life, with a maximum of 50 years, and regularly tested for impairment.

Fixed assets from alternative investments

These assets are carried at cost less accumulated depreciation and impairments. They are depreciated on a straight-line basis over their useful life, with a maximum of 35 years, and regularly tested for impairment.

Financial assets and liabilities for unit-linked contracts

Financial assets for unit-linked contracts are recorded at fair value, with changes in fair value recognized in the income statement together with the offsetting changes in fair value of the corresponding financial liabilities for unit-linked contracts. They are included in the line item Income from financial assets and liabilities carried at fair value through income (net).

Reinsurances assets

Assets and liabilities related to reinsurance are reported on a gross basis. Reinsurance assets include balances expected to be recovered from reinsurance companies. The amount of reserves ceded to reinsurers is estimated in a manner consistent with the claim liability associated with the reinsured risks. To the extent that the assuming reinsurers are unable to meet their obligations, the respective ceding insurers of the Allianz Group remain liable to their policyholders for the portion reinsured. Consequently, allowances are made for receivables on reinsurance contracts which are deemed uncollectible.

Deferred acquisition costs

Deferred acquisition costs (DAC)

Costs that vary with and are directly related to the acquisition and renewal of insurance contracts and investment contracts with discretionary participation features are deferred by recognizing a DAC asset. At inception, DAC is tested to ensure that it is recoverable over the life of the contracts. Subsequently, loss recognition tests at the end of each reporting period ensure that the DAC is covered by future profits.

For short-duration, traditional long-duration, and limited-payment insurance contracts, DAC is amortized in proportion to premium revenue recognized. For universal life-type and participating life insurance contracts as well as investment contracts with discretionary participation features, DAC is generally amortized over the life of a book of contracts based on estimated gross profits (EGP) or estimated gross margins (EGM), respectively.

Acquisition costs for unit-linked investment contracts are deferred in accordance with IFRS 15, if the costs are incremental. For non-unit-linked investment contracts accounted for under IAS 39 at amortized cost, acquisition costs that meet the definition of transaction costs under IAS 39 are considered in the aggregate policy reserves.

Present value of future profits (PVFP)

The value of an insurance business or an insurance portfolio acquired is measured by the PVFP, which is the present value of net cash flows anticipated in the future from insurance contracts in force at the date of acquisition. It is amortized over the life of the relevant contracts.

Deferred sales inducements

Sales inducements on non-traditional insurance contracts are deferred and amortized using the same methodology and assumptions as for deferred acquisition costs.

Shadow accounting

For insurance contracts and investment contracts with discretionary participation features, shadow accounting is applied to DAC, PVFP, and deferred sales inducements, in order to include the effect of unrealized gains or losses in the measurement of these assets in the same way as it is done for realized gains or losses. Accordingly, the assets are adjusted with corresponding charges or credits recognized directly in other comprehensive income as a component of the related unrealized gain or loss. When the gains or losses are realized, they are recognized in the income statement through recycling, and prior adjustments due to shadow accounting are reversed.

Other assets

Other assets primarily consist of receivables, accrued dividends, interest, rent and deferred compensation amounts as well as leased or own used real estate, software and equipment. Depreciation is generally computed using the straight-line method over the estimated useful lives of the assets. The right-of-use assets related to leased property and equipment are depreciated generally 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	2-13
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 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
Acquired business portfolios	1 – 31	in proportion to the consumption of future economic benefit
Customer relationships	4 – 40	straight-line or in relation to customer churn rates

For business combinations, goodwill 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 accounted for at the acquiree in the acquiree's functional currency. There is an at least annual evaluation whether it is deemed recoverable.

Further explanations on the impairment test for goodwill and its significant assumptions as well as respective sensitivity analyses are given in note 11.

Insurance, investment and reinsurance contracts

Insurance and investment contracts

Insurance and investment contracts with discretionary participation features are accounted for under the insurance accounting provisions of US GAAP, as have been applied at first-time adoption of IFRS 4 on 1 January 2005, wherever IFRS 4 does not provide specific guidance. Investment contracts without discretionary participation features are accounted for as financial instruments in accordance with IAS 39.

Reinsurance contracts

The Allianz Group's consolidated financial statements reflect the effects of assumed and ceded reinsurance contracts. Assumed reinsurance premiums, commissions, and claim settlements, as well as the reinsurance element of technical provisions, are accounted for in accordance with the conditions of the reinsurance contracts, and in consideration of the original contracts for which the reinsurance was concluded. When the reinsurance contracts do not transfer significant insurance risk, deposit accounting is applied as required under the related reinsurance accounting provisions of US GAAP or under IAS 39.

Liability adequacy tests

Liability adequacy tests are performed for each insurance portfolio, based on estimates of future claims, costs, premiums earned, and proportionate expected investment income. For short-duration contracts, a premium deficiency is recognized if the sum of expected claim costs and claim adjustment expenses, expected dividends to policyholders, DAC, and maintenance expenses exceeds related unearned premiums while considering anticipated investment income.

For long-duration contracts, a premium deficiency is recognized, if actual experience regarding investment yields, mortality, morbidity, terminations, or expense indicates that existing contract liabilities, along with the present value of future gross premiums, will not be sufficient to cover the present value of future benefits and to recover DAC.

Unearned premiums

For short-duration insurance contracts, such as most of the property and casualty contracts, premiums to be earned in future years are recorded as unearned premiums. These premiums are earned in subsequent periods in relation to the insurance coverage provided.

Amounts charged as consideration for origination of certain long-duration insurance contracts (i.e., initiation or front-end fees) are reported as unearned revenues and, as such, included in unearned premiums. These fees are recognized using the same amortization methodology as DAC, including shadow accounting.

Reserves for loss and loss adjustment expenses

Reserves are established for the payment of losses and loss adjustment expenses (LAE) on claims which have occurred but are not yet settled. Reserves for loss and loss adjustment expenses fall into two categories: case reserves for reported claims and reserves for incurred but not reported losses (IBNR).

Case reserves for reported claims are based on estimates of future payments that will be made with respect to these claims, including LAE relating to such claims. These estimates reflect the informed judgment of claims personnel based on general insurance reserving practices and knowledge of the nature and value of a specific type of claim. These case reserves are regularly re-evaluated in the ordinary course of the settlement process and adjustments are made as new information becomes available.

IBNR reserves are established to recognize the estimated cost of losses that have occurred but where the Allianz Group has not yet been notified. IBNR reserves, similar to case reserves for reported claims, are established to recognize the estimated costs, including expenses, necessary to bring claims to final settlement. The Allianz Group relies on its past experience, adjusted for current trends and any other relevant factors, in estimating IBNR reserves.

IBNR reserves are estimates based on actuarial and statistical projections of the expected cost of the ultimate settlement and administration of claims. The analyses are based on facts and circumstances known at the time, predictions of future events, estimates of future inflation, and other societal and economic factors. Trends in claim frequency, severity, and time lag in reporting are examples of factors used in projecting the IBNR reserves. IBNR reserves are reviewed and revised periodically, as additional information becomes available and actual claims are reported.

Reserves for loss and loss adjustment expenses are not discounted, except when payment amounts are fixed and timing is reasonably determinable.

Reserves for insurance and investment contracts

Reserves for insurance and investment contracts include aggregate policy reserves, reserves for premium refunds, and other insurance reserves.

Aggregate policy reserves

The aggregate policy reserves for participating life insurance contracts are calculated using the net level premium method based on assumptions for mortality, morbidity, and interest rates that are guaranteed in the contract or used in determining the policyholder dividends (or premium refunds).

For traditional long-duration insurance contracts, such as traditional life and health products, aggregate policy reserves are computed using the net level premium method, based on best-estimate assumptions adjusted for a provision for adverse deviation for mortality, morbidity, expected investment yields, surrenders, and expenses at the policy inception date, which remain locked in thereafter unless a premium deficiency occurs.

The aggregate policy reserves for universal life-type insurance contracts are equal to the account balance, which represents premiums received and investment return credited to the policy, less deductions for mortality costs and expense charges. The aggregate policy reserve also includes reserves for investment contracts with discretionary participation features as well as for liabilities for guaranteed minimum mortality and morbidity benefits related to non-traditional contracts with annuitization options and unit-linked insurance contracts. For contracts with a discretionary participation feature, the whole contract is classified as one liability rather than separately recognizing the participation feature.

Insurance contract features not closely related to the underlying insurance contracts are bifurcated from the insurance contracts and accounted for as derivatives in line with IFRS 4 and IAS 39. The embedded derivatives separated from certain life insurance and annuity contracts are recognized as financial liabilities held for trading.

The assumptions used for aggregate policy reserves are determined using current and historical client data, industry data, and, in the case of assumptions for interest rates, reflect expected earnings on assets which back the future policyholder benefits. The information used by Allianz Group's actuaries in setting such assumptions includes, but is not limited to, pricing assumptions, available experience studies, and profitability analyses.

The average interest rate assumptions per operating entity used in the calculation of deferred acquisition costs and aggregate policy reserves are as follows:

Interest rate assumptions
%

	Traditional long-duration insurance contracts	Participating life insurance contracts
Deferred acquisition costs	2.5 – 6.0	1.6 – 3.9
Aggregate policy reserves	2.5 – 6.0	0.0 – 4.3

The Allianz Group has recognized all rights and obligations related to issued insurance contracts according to its accounting policies, and thus has not separately recognized an unbundled deposit component in respect of any of its insurance contracts.

Non-unit-linked investment contracts without discretionary participation features are accounted for under IAS 39. The aggregate policy reserves 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, those contracts are measured at amortized cost using the effective interest method.

For contracts where the policyholder has the option to transfer the amounts invested in unit-linked funds to non-unit-linked funds, the insurance contract is reported in both aggregate policy reserves and financial liabilities for unit-linked contracts based upon the investment election at the reporting date.

Reserves for premium refunds

Reserves for premium refunds include the amounts allocated under the relevant local statutory/contractual regulations or, at the entity's discretion, to the accounts of the policyholders and the amounts resulting from the differences between these IFRS-based financial statements and the local financial statements (latent reserves for premium refunds), which will reverse and enter into future profit participation calculations. Unrealized gains and losses recognized for available-for-sale investments are recognized in the latent reserves for premium refunds to the extent that policyholders will participate in such gains and losses on the basis of statutory or contractual regulations when they are realized, based on and similar to shadow accounting. The latent profit participation rates are significant accounting estimates, which take into account legal and/or contractual obligations or – in some jurisdictions – the common market practice. The profit participation allocated to participating policyholders or disbursed to them reduces the reserves for premium refunds.

Reserving process

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 adequacy of 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) and on the development of interest rates and investment returns (asset-liability mismatch risk). These assumptions also have an impact on the presentation of costs arising from the origination of insurance business (acquisition costs and sales inducements) and the value of acquired insurance business (PVFP). 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. Actuaries in the local entities also conduct tests of the adequacy of the premiums and reserves to cover future claims and expenses (liability adequacy tests). The process follows group-wide standards for applying consistent and plausible assumptions. The appropriateness of the reserves and their compliance with group-wide standards is confirmed by the local actuary.

Stage two: The Allianz Group Actuarial function regularly reviews the local reserving processes, including the appropriateness and consistency of the assumptions, 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. A two-stage process exists for the setting of reserves in the Allianz Group:

Stage one: Property-Casualty reserves are calculated by local reserving actuaries at the Allianz operating entities. The reserves are set 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, whereat the rationale of the selections is discussed and subsequently documented. A final decision on the reserve selection is made in the reserve committee. Local actuaries are responsible for their compliance with the Group Actuarial Standards and Guidelines.

Stage two: The Allianz Group Actuarial function forms an opinion on the adequacy 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 reserve adequacy 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 and consistency of the 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.

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 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 separately, considering the circumstances in the individual countries.

Further explanations and sensitivity calculations are given in note 39.

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.

Further explanations are given in note 40.

Financial liabilities for puttable financial instruments

The Allianz Group records financial liabilities where non-controlling shareholders have the right to put their financial instruments 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 and 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, with changes recognized in equity where the non-controlling shareholders have present access to risks and rewards of ownership and in the income statement in all other cases. As an exception, for puttable instruments that are to be 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.

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 38.

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.

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.

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 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.

Unrealized gains and losses (net) include unrealized gains and losses from available-for-sale investments and from derivative financial instruments that meet the criteria for cash flow hedge accounting.

Undated subordinated debt comprises Restricted Tier 1 notes that do not qualify as financial liabilities under IFRS. The instruments are classified as shareholders' equity and any related interest charges are classified as distributions from shareholders' equity. The notes are measured at their historical value or their closing value as regards exchange rates. 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.

Premiums

Premiums for short-duration insurance contracts are recognized as revenues over the period of the contract in proportion to the amount of insurance protection provided. Premiums for long-duration insurance contracts are recognized as earned when due.

Revenues for universal life-type and investment contracts represent charges assessed against the policyholders' account balances for front-end loads, net of the change in unearned revenue liabilities and cost of insurance, surrenders, and policy administration, and are included within premiums earned (net).

Premiums ceded for reinsurance are deducted from premiums written.

Interest and similar income and interest expenses

Interest income and interest expenses are recognized on an accrual basis using the effective interest method. This line item also includes dividends from available-for-sale equity securities as well as income from investments in associates and joint ventures. Dividends are recognized in income when the right to receive the dividend is established.

Income from financial assets and liabilities carried at fair value through income (net)

Income from financial assets and liabilities carried at fair value through income (net) includes all investment income as well as realized and unrealized gains and losses from financial assets and liabilities carried at fair value through income. 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 income from financial assets and liabilities carried at fair value through income (net).

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 may not be recognized as fee income before the respective benchmark period is completed. Before its completion, the obligation to pay the fee is conditional, the fund performance is regularly not reliably estimable, and the related service is not fully performed. In any case, performance-related fees from alternative investment products (carried interest) are not recognized as revenue prior to the date of the official declaration of distribution by the fund. The transaction price for asset management services is determined by the fees contractually agreed.

Lease income

Lease income from operating leases (excluding receipts for services provided such as insurance and maintenance which are recognized directly as 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.

Claims and insurance benefits incurred

These expenses consist of claims and insurance benefits incurred during the period, including benefit claims in excess of policy account balances and interest credited to policy account balances. Furthermore, it includes claims handling costs directly related to the processing and settlement of claims. Reinsurance recoveries are deducted from claims and insurance benefits.

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 carry forwards and tax credits can be utilized.

Further explanations are given in note 32.

New accounting pronouncements

Recently adopted accounting pronouncements

The following amendments and revisions to existing standards became effective for the Allianz Group's consolidated financial statements as of 1 January 2021:

- IFRS 9, IAS 39, IFRS 4 and IFRS 16, Interest Rate Benchmark Reform (Phase 2),
- IFRS 4, Extension of the Temporary Exemption from Applying IFRS 9.

Regarding IBOR Reform, the transition to alternative benchmark rates affects two components, the risk-free rates for discounting cash flows in derivative transactions (e.g., Eonia in Europe) as well as the short-term floating rate leg in many transactions (e.g., 6-month-Euribor in Europe).

Overall the risks involved in transitions for Allianz as a group are not material from an economic perspective as for the Allianz Group the derivatives are fully migrated in the meantime 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, but also the transition of the reference rate is relevant. In EUR where the majority of the holdings are, the transition not only of the risk-free discount rate but also of the reference rate Euribor has already happened. The USD Libor transition will happen mid of 2023.

All other changes had no material impact on the Allianz Group's financial results or financial position.

Recently issued accounting pronouncements

IFRS 17, Insurance Contracts

In May 2017, the IASB issued IFRS 17, Insurance Contracts. In addition, the IASB issued further amendments to IFRS 17 in June 2020 and December 2021. The effective date of the standard was postponed until 1 January 2023. The latest amendment issued by the IASB on 9 December 2021 adds a transition option that permits an entity to apply a classification overlay in the comparative periods presented on initial application of IFRS 17. The overlay allows all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17, to be classified in the comparative periods, on an instrument-by-instrument basis, in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The Allianz Group intends to apply the classification overlay, including the impairment requirements of IFRS 9, consistently to all eligible financial instruments.

IFRS 17 provides comprehensive guidance on accounting for insurance contracts issued, reinsurance contracts held, and investment contracts with discretionary participation features. It introduces three new measurement models, reflecting a different extent of policyholder participation in investment performance or overall insurance entity performance. The general measurement model, also known as the building block approach, consists of the fulfillment cash flows and the contractual service margin. The fulfillment cash flows represent the risk-adjusted present value of an entity's rights and obligations to the policyholders, comprising estimates of expected cash flows, discounting, and an explicit risk adjustment for non-financial risk. The contractual service margin represents the unearned profit from in-force contracts that an entity will recognize as it provides services over the coverage period. The variable fee approach is a mandatory modification of the general measurement model regarding the treatment of the contractual service margin in order to accommodate direct participating contracts. The premium allocation approach is a simplified approach an entity may choose to use when certain criteria are met.

Measurement is not carried out at the level of individual contracts, but on the basis of groups of contracts. To build groups of contracts, an entity first needs to define portfolios which include contracts with similar risks that are managed together. These portfolios are to be subdivided into groups of contracts on the basis of profitability and annual cohorts. On 23 November 2021, the E.U. Commission endorsed IFRS 17 into EU law. The requirement to form annual cohorts (IFRS 17.22) is subject to an optional exemption in the E.U. endorsement: 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. Allianz will not make use of this exemption and apply IFRS 17 as issued by the IASB.

In the statement of financial position, DAC and insurance-related receivables will no longer be presented separately, but as part of the insurance liabilities. This will lead to a reduction in total assets, offset by a reduction in total liabilities, with only limited impact on equity.

Property-Casualty business

For non-life insurance contracts, the Allianz Group expects that a large part of the business qualifies for the premium allocation approach eligibility (probably >95 %).

For operational reasons, some of the entities which have both premium allocation approach eligible business and general measurement model business will implement the general measurement model for their whole business. From a P&L and KPI perspective, the general measurement model and premium allocation approach lead to almost identical results, and the Allianz Group does not plan general measurement model specific KPIs for the Property-Casualty segment.

The main changes for non-life insurance contracts comprise the mandatory discounting of loss reserves, a higher transparency of loss-making portfolios due to more granular onerous contract testing, and the introduction of the risk adjustment for non-financial risk. Furthermore, IFRS 17 will change the presentation of insurance contract revenue; a gross written premium will no longer be presented in the statement of comprehensive income. Insurance contract revenue is defined in such a way as to achieve comparability with the revenue of other industries and, in particular, investment components may not be recognized as part of insurance contract revenue. The (net) combined ratio will remain the main KPI for the Property-Casualty segment and will be defined as the sum of insurance service expenses and the reinsurance result, divided by insurance revenue.

Generally, the Allianz Group expects only limited impacts on the underwriting result. There will be a positive impact from the discounting of loss reserves, but this effect is expected to be low given the current interest rate environment. While the operating investment income (i.e., interest and dividends) will remain almost unchanged, the interest accretion on historic loss reserves will notably decrease the investment result. IFRS 17 contains an accounting policy option to recognize changes in financial parameters either in profit or loss or in other comprehensive income. This so-called "OCI option" can be exercised at the level of individual portfolios. The Allianz Group generally will make use of this option. Under this option, loss reserves are discounted for profit or loss with locked-in interest rates from the respective accident years, and the discounting effect needs to be recognized as interest accretion in the investment result until reserves expire. The Allianz Group further expects only limited impact on equity at transition due to the offsetting impacts from discounting and risk adjustment for the measurement of loss reserves.

Life/Health business

For long-duration life insurance contracts, IFRS 17 is expected to have a significant impact on actuarial modeling, as more granular cash flow projections and regular updates of all assumptions will be required, either resulting in profit or loss, or impacting the contractual service margin.

The Allianz Group expects that direct participating business, where the rules on profit sharing are defined by legal/contractual rights, will qualify for the variable fee approach eligibility (approx. 2/3 of present value of future cash flows in the Life/Health segment).

Indirect participating business, where the payments to the policyholder depend on the investment performance but there are no fixed rules on how the performance is passed on to the policyholders, as well as non-participating business, i.e., business without policyholder participation, including savings and risk business, will be accounted for under the general measurement model. The Allianz Group will continue to have unit-linked investment contracts (to be accounted for under IFRS 9) and unit-linked insurance contracts, which are contracts with significant insurance risk, e.g., via death or other insurance riders. The Allianz Group expects unit-linked insurance contracts to be eligible for the variable fee approach.

In the statement of financial position, the Allianz Group expects an increase of the insurance liabilities as these will be discounted with current rates and will contain an explicit future profit margin with the contractual service margin. Current IFRS equity contains the shareholder share (net of tax) of unrealized capital gains in other comprehensive income. A portion of these gains will be part of the insurance liabilities accounted for under the variable fee approach. These effects will result in a decrease of equity for the Life/Health segment in particular. Due to the shift to a valuation of insurance liabilities at current fulfillment value, the Allianz Group expects to measure the underlying investments generally at fair value. In the income statement, the release of the contractual service margin and the risk adjustment for non-financial risk will become the main components for the operating profit of the L/H business.

Next to the qualitative impacts described above, the Allianz Group is currently assessing the quantitative impact of the application of IFRS 17. The final figures will also depend on the application of the transition approaches. IFRS 17 has to be applied retrospectively unless this is impracticable. In this case, an entity can choose between a modified retrospective approach or a fair value approach. The objective of the modified retrospective approach is to use reasonable and supportable information available without undue cost or effort to achieve the closest possible outcome to full retrospective application. To the extent a retrospective determination is not possible, certain modifications are allowed. 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 flow measures at transition.

Although the IFRS 17 implementation project has made significant progress, as of the date of the publication of these consolidated financial statements, it is not practicable to reliably quantify the effects on the Allianz Group's consolidated financial statements.

IFRS 9, Financial Instruments

IFRS 9, Financial Instruments, 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.

It can be assumed that the main impact from IFRS 9 will arise from the new classification rules leading to more financial instruments being measured at fair value through income as well as the new impairment model. Interdependencies with IFRS 17 will need to be considered to assess the ultimate combined impact of both standards.

The amendments to IFRS 4, Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts, issued in September 2016, allow entities that issue insurance contracts within the scope of IFRS 4 to defer the implementation of IFRS 9 until 1 January 2021 under certain circumstances. However, together with the Amendments to IFRS 17 that were issued in June 2020, the IASB also published "Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)" to defer the fixed expiry date in IFRS 4 for the temporary exemption from applying IFRS 9 to annual periods beginning on or after 1 January 2023.

Given the strong interrelation between the measurement of direct participating insurance contracts and the underlying assets held, the Allianz Group has decided to use the option to defer the full implementation of IFRS 9 until IFRS 17 becomes effective.

In order to qualify for the temporary exemption, an entity has to prove that its activities are predominantly connected to insurance as of 31 December 2015. Under the amended IFRS 4, this condition is met if the insurer carries significant liabilities arising from contracts within the scope of IFRS 4. Significant insurance-related liabilities are given, among others, if the percentage of the total carrying amount of liabilities connected with insurance relative to the total carrying amount of all liabilities is greater than 90 %. A reassessment at a subsequent annual reporting date is required if, and only if, there was a change in the entity's activities during the annual period that ended on that date.

As of 31 December 2015, the Allianz Group's total carrying amount of liabilities connected with insurance amounted to € 722 bn, which represented more than 90% of its total liabilities of € 783 bn. Thereof, non-derivative investment contract liabilities measured at fair value through income applying IAS 39 amounted to € 107 bn, mostly consisting of financial liabilities for unit-linked contracts. Other insurance-related liabilities amounted to € 40 bn and included mainly other liabilities (e.g., payables as well as employee-related liabilities) as well as subordinated liabilities and financial liabilities carried at fair value through income related to certain derivatives. No change in the activities of the Allianz Group occurred subsequently that would have required a reassessment.

The following table provides an overview of the fair values as of 31 December 2021 and the amounts of change in the fair values during the reporting period separately for financial assets that meet the SPPI criterion and for all other financial assets:

Financial assets under IFRS 9 classification rules
€ mn

As of 31 December 2021	Financial assets that meet the SPPI criterion[1]		All other financial assets	
	Fair value	Fair value change during the reporting period	Fair value	Fair value change during the reporting period
Cash and cash equivalents	24,214	20	-	-
Debt securities				
Government and government agency bonds	241,278	(17,513)	3,667	(206)
Covered bonds	59,767	(3,229)	2,486	(332)
Corporate bonds	284,323	(6,860)	16,046	(41)
MBS/ABS	26,263	(582)	2,589	(6)
Other debt securities	40,654	(1,169)	13,357	1,386
Subtotal	652,285	(29,353)	38,145	801
Equity securities	-	-	83,115	11,014
Financial assets for unit-linked contracts	-	-	158,346	9,972
Derivative financial instruments	-	-	11,521	2,522
Other	20,013	-	-	-
Total	**696,512**	**(29,333)**	**291,127**	**24,309**

1_Excluding any financial asset that meets the definition of held for trading in IFRS 9 or that is managed and whose performance is evaluated on a fair value basis.

Financial assets that meet the SPPI criterion are those with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The following table provides information about the credit risk exposures for financial assets with contractual terms that meet the SPPI criterion. It includes the carrying amounts applying IAS 39 (in the case of financial assets measured at amortized cost before adjusting for any impairment allowances):

Carrying amounts of financial assets that meet the SPPI[1] criterion by rating
€ mn

As of 31 December 2021	Cash and cash equivalents	Government and government agency bonds	Covered bonds	Corporate bonds	MBS/ABS	Other debt securities	Other
Investment grade							
AAA	-	45,486	41,541	6,101	15,882	4,478	-
AA	-	99,634	12,134	30,530	6,381	11,626	-
A	-	39,996	251	91,693	2,144	11,611	-
BBB	-	40,819	336	132,813	1,357	6,482	-
Non-investment grade	-	11,981	-	14,752	452	957	-
Not rated	24,214	182	52	6,760	47	3,004	20,013
Total	**24,214**	**238,098**	**54,314**	**282,649**	**26,263**	**38,158**	**20,013**

1_Excluding any financial asset that meets the definition of held for trading in IFRS 9 or that is managed and whose performance is evaluated on a fair value basis.

The fair values of financial assets included in the table above that are non-investment grade, and thus do not have low credit risk as of 31 December 2021, approximately equal the respective carrying amounts. The same also applies to non-rated financial assets.

The publicly available IFRS 9 information disclosed by some subsidiaries that already apply IFRS 9 is not material from the Allianz Group's perspective. Furthermore, the vast majority of the financial instruments of these subsidiaries are financial assets for unit-linked contracts that are recorded at fair value through income under IAS 39 as well as under IFRS 9.

The Allianz Group's investments in associates and joint ventures that are insurance entities also apply the temporary exemption of applying IFRS 9 to the extent they qualify. All other investments in associates and joint ventures held by the Allianz Group had already adopted IFRS 9 as of 1 January 2018. The impact of adopting or deferring the application of IFRS 9 for the investments in associates or joint ventures is not material for the Allianz Group.

Further amendments and interpretations

In addition to the aforementioned accounting pronouncements recently issued, 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.

Further amendments and interpretations

Standard/Interpretation	Effective date
IFRS 3, Updating a Reference to the Conceptual Framework	Annual periods beginning on or after 1 January 2022
IAS 16, Property, Plant and Equipment: Proceeds before Intended Use	Annual periods beginning on or after 1 January 2022
IAS 37, Onerous Contracts – Cost of Fulfilling a Contract	Annual periods beginning on or after 1 January 2022
Annual Improvements to IFRS Standards 2018–2020 cycle (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)	Annual periods beginning on or after 1 January 2022
IAS 1, Classification of Liabilities as Current or Non-current	Annual periods beginning on or after 1 January 2023
IAS 1, Disclosure of Accounting Policies, and IFRS Practice Statement 2, Making Materiality Judgements	Annual periods beginning on or after 1 January 2023
IAS 8, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	Annual periods beginning on or after 1 January 2023
IFRS 17, Initial Application of IFRS 17 and IFRS 9 – Comparative Information	Annual periods beginning on or after 1 January 2023

The envisaged application of the amendments to IFRS 17 in 2023 is described in more detail in the section “Recently issued accounting pronouncements - IFRS 17, Insurance Contracts” above.

Beyond that, the further amendments and interpretations 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

Significant business combinations in 2021

Westpac General Insurance, Sydney

On 2 December 2020, the Allianz Group concluded an agreement to acquire 100 % of the general insurance business of Westpac Banking Corporation (Westpac) and to enter into a new 20-year exclusive agreement for the distribution of general insurance products to Westpac customers in consideration for € 457 mn. Additional future payments are contemplated in the agreement, including an amount of € 16 mn paid in the fourth quarter of 2021 due to the achievement of integration milestones as well as variable payments conditional on the attainment of certain targets in future periods. The transaction was completed on 1 July 2021.

The new distribution arrangement with Westpac allows the Allianz Group to increase its share in the Australian consumer insurance market by providing a wider range of Allianz general insurance products to Westpac customers.

The amounts recognized as of the acquisition date for major classes of identifiable assets acquired and liabilities assumed were as follows:

Identifiable assets acquired and liabilities assumed
€ mn

Cash and cash equivalents	30
Investments	173
Reinsurance assets	51
Deferred tax assets	5
Other assets	244
Intangible assets (excluding goodwill)	259
Total identifiable assets	**762**
Unearned premiums	234
Reserves for loss and loss adjustment expenses	127
Deferred tax liabilities	68
Other liabilities	34
Total identifiable liabilities	**463**
Total identifiable net assets	**299**

The other assets acquired include receivables for premiums with a fair value of € 233 mn. The gross amount recorded of these receivables is € 233 mn and none are expected to be uncollectible.

The following table summarizes the total consideration transferred and the goodwill recognized at the acquisition date:

Total consideration transferred and determination of goodwill
€ mn

Cash consideration	457
Contingent and other consideration	32
Less: Total identifiable net assets	(299)
Goodwill	**190**

The potential undiscounted amount of all future payments that Allianz Group could be required to make under the contingent consideration arrangements is between 0 and € 79 mn.

The total goodwill of € 190 mn arising from the acquisition consists largely of economies of scale and synergies expected from combining the operations of the acquired general insurance business with Allianz Australia Insurance Limited. The efficiency of both companies combined will enhance the competitiveness of Allianz, allowing a more sustainable growth in an intensely competitive and concentrated Australian insurance market.

None of the goodwill is deductible for income tax purposes.

The revenue (net earned premium) included in the consolidated income statement of Allianz Group contributed by the general insurance business acquired since the acquisition date until 31 December 2021 was € 165 mn. The general insurance business acquired also contributed a net loss of € 26 mn over the same period.

Had the general insurance business acquired been consolidated from 1 January 2021, the consolidated income statement of the Allianz Group would have included revenue (net earned premium) of € 325 mn and net income of € 16 mn.

Aviva Italy, Milan

On 4 March 2021, the Allianz Group concluded an agreement to acquire 100 % of Aviva Italia S.p.A., the non-life insurance company of the Aviva Group in Italy, in consideration for a purchase price of € 330 mn. The transaction was completed on 1 October 2021 and the company name changed to Allianz Viva S.p.A. effective 1 December 2021.

Allianz Viva S.p.A. comprises a non-life insurance portfolio, equally split between motor and non-motor business segments, with annual gross premiums of around € 400 mn. In total, nearly 500 agents have joined Allianz Group alongside their customer base and related employees. Upon completion, the market share of Allianz Group in the Italian non-life market grew by approximately 1 percentage point, consolidating its position as the third largest player in the non-life insurance market in Italy.

The amounts recognized as of the acquisition date for major classes of identifiable assets acquired and liabilities assumed were as follows:

Identifiable assets acquired and liabilities assumed
€ mn

Cash and cash equivalents	83
Investments	621
Reinsurance assets	48
Other assets	84
Intangible assets (excluding goodwill)	85
Total identifiable assets	**921**
Financial liabilities carried at fair value through income	1
Unearned premiums	215
Reserves for loss and loss adjustment expenses	402
Reserves for insurance and investment contracts	5
Deferred tax liabilities	3
Other liabilities	66
Total identifiable liabilities	**692**
Total identifiable net assets	**229**

The other assets acquired include receivables from policyholders and other receivables with a fair value of € 59 mn. The gross amount recorded of these receivables is € 65 mn, of which € 6 mn is expected to be uncollectible.

The following table summarizes the total consideration transferred and the goodwill recognized at the acquisition date:

Total consideration transferred and determination of goodwill
€ mn

Cash consideration	330
Less: Total identifiable net assets	(229)
Goodwill	**101**

The total goodwill of € 101 mn arising from the acquisition represents mainly future economic benefits Allianz Group expects to realize through revenue synergies and cost savings from consolidating support functions as well as the value of the assembled workforce acquired that is not separately identified and recognized.

None of the goodwill is deductible for income tax purposes.

The revenue (net earned premium) included in the consolidated income statement of Allianz Group contributed by Allianz Viva S.p.A. from the acquisition date to 31 December 2021 was € 104 mn. Allianz Viva S.p.A. also contributed a net loss of € 3 mn over the same period.

Had Allianz Viva S.p.A. been consolidated from 1 January 2021, the consolidated income statement of the Allianz Group would have included revenue (net earned premium) of € 392 mn and net income of € 2 mn.

Business operations of Aviva Group in Poland and Lithuania

On 26 March 2021, the Allianz Group concluded an agreement to purchase 100 % of the life and non-life insurance operations as well as pension and asset management business in Poland and Lithuania from the Aviva Group, and to acquire each 51 % stake in Aviva's life and non-life bancassurance co-operations with Santander in consideration for a net purchase price of € 2.6 bn. The transaction was completed on 30 November 2021.

Through the acquisition, Allianz will double its revenues in the attractive Polish insurance market and achieve a well-balanced business mix between property/casualty and life insurance. In addition, the strong tied agents' network and the long-term bancassurance joint venture with Santander will bolster Allianz's distribution footprint and market position.

The amounts recognized as of the acquisition date for major classes of identifiable assets acquired and liabilities assumed were as follows:

Identifiable assets acquired and liabilities assumed
€ mn

Cash and cash equivalents	126
Financial investments carried at fair value through income	746
Investments	698
Loans and advances to banks and customers	10
Financial assets for unit-linked contracts	2,427
Reinsurance assets	28
Deferred tax assets	8
Other assets	134
Intangible assets (excluding goodwill)	772
Total identifiable assets	**4,949**
Financial liabilities carried at fair value through income	6
Unearned premiums	137
Reserves for loss and loss adjustment expenses	149
Reserves for insurance and investment contracts	868
Financial liabilities for unit-linked contracts	2,427
Deferred tax liabilities	186
Other liabilities	257
Total identifiable liabilities	**4,030**
Total identifiable net assets	**919**

The other assets acquired include receivables from customers and other receivables with a fair value of € 112 mn. The gross amount recorded of these receivables is € 125 mn, of which € 13 mn is expected to be uncollectible.

The following table summarizes the total consideration transferred and the goodwill recognized at the acquisition date:

Total consideration transferred and determination of goodwill
€ mn

Cash consideration	2,623
Plus: Non-controlling interests	122
Less: Total identifiable net assets	(919)
Goodwill	**1,826**

For the year ended 31 December 2021, acquisition-related costs in the amount of € 47 mn were included in administrative expenses.

The components of non-controlling interests have been measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The total goodwill of € 1,826 mn arising from the acquisition is largely attributable to the tied agents' network, future customer relationships and synergies from the optimization of cost structures.

None of the goodwill is deductible for income tax purposes.

The revenue (net earned premium) included in the consolidated income statement of the Allianz Group contributed by the business operations of Aviva Group in Poland and Lithuania from the acquisition date to 31 December 2021 was € 44 mn. The business operations of Aviva Group in Poland and Lithuania also contributed a net income of € 13 mn over the same period.

Had the business operations of Aviva Group in Poland and Lithuania been consolidated from 1 January 2021, the consolidated income statement of the Allianz Group would have included revenue (net earned premium) of € 510 mn and net income of € 136 mn.

Significant business combinations in 2020

In 2020, the Allianz Group acquired 100 % of SulAmérica Seguros de Automóveis e Massificados S.A., Rio de Janeiro, 90% of ControlExpert Holding B.V., Amsterdam, and 50% plus one share in the newly formed venture BBVA Allianz Seguros y Reaseguros, S.A., Madrid. For more information, please see Annual Report 2020 note 4.

Classification as held for sale

Non-current assets and disposal groups classified as held for sale
€ mn

As of 31 December	2021	2020
Assets of disposal groups classified as held for sale		
Closed book portfolio of Allianz Benelux	-	1,377
Other disposal groups	-	15
Subtotal	-	1,392
Non-current assets classified as held for sale		
Real estate held for investment	125	397
Real estate held for own use	20	-
Associates and joint ventures	1	1
Subtotal	145	398
Total	**145**	**1,790**
Liabilities of disposal groups classified as held for sale		
Closed book portfolio of Allianz Benelux	-	1,125
Other disposal groups	-	10
Total	**-**	**1,134**

Closed book portfolio of Allianz Benelux S.A., Brussels

Effective 1 April 2021, the Allianz Group disposed of a closed book portfolio covering classical life retail insurances together with mortgage loans of Allianz Benelux S.A., Brussels, allocated to the reportable segment Western & Southern Europe and Asia Pacific (Life/Health). This portfolio had been classified as held for sale since 31 December 2020. Until its disposal on 1 April 2021, no impairment loss had been recognized in connection with this transaction. Upon closing of the sale, the Allianz Group recognized a loss of € 46 mn, included in the line realized gains/losses (net) of the consolidated income statement.

4 _ 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 and Asia Pacific,
- Iberia & Latin America and Allianz Partners,
- USA (Life/Health only),
- Global Insurance Lines & Anglo Markets, 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.

At the Allianz Group, the existing contracts between Group entities in the financial year generally represent the basis for the presentation of the amounts in the segment reporting. However, in individual cases, the internal reporting can differ from the contractual view. In 2021, this was in particular relevant for the internal charging of IT service contracts between the reportable segments Iberia & Latin America and Allianz Partners and Corporate and Other. The deviation between management and contractual view amounted to € 129 mn in 2021. The deviation increased the operating result of the reportable segment Iberia & Latin America and Allianz Partners by € 129 mn, whereas the operating result of the reportable segment Corporate and Other is decreased respectively.

Reportable segments measure of profit or loss

The Allianz Group uses operating profit 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.

Effective 1 January 2021, the Allianz Group has complemented its operating profit definition by excluding income taxes related incidental benefits/expenses, and one-time effects from significant reinsurance transactions with disposal character. These items are not attendant to the Allianz Group's sustainable performance. Therefore, the Allianz Group believes that the amended definition of operating profit provides more relevant information for investors. In addition, this year, the Allianz Group recognized for the first time material litigation expenses and - in application of the general definition of operating profit - specified that those expenses are presented outside operating profit as these items are not attendant to the Allianz Group's sustainable performance.

To better understand the ongoing operations of the business, the Allianz Group generally excludes the following non-operating effects:

- income from financial assets and liabilities carried at fair value through income (net),
- realized gains/losses (net),
- impairments of investments (net),
- interest expenses from external debt,
- specific acquisition and administrative expenses (net), consisting of acquisition-related expenses (from business combinations), income taxes related incidental benefits/expenses, litigation expenses, and one-time effects from significant reinsurance transactions with disposal character,
- amortization of intangible assets,
- restructuring and integration expenses, and
- profit (loss) of substantial subsidiaries classified as held for sale.

The following exceptions apply to this general rule:

- In all reportable segments, income from financial assets and liabilities carried at fair value through income (net) is treated as operating profit if the income relates to operating business.
- For life/health insurance business and property-casualty insurance products with premium refunds, all items listed above are included in operating profit if the profit sources are shared with policyholders. There is one exception from this general rule with regard to policyholder participation in extraordinary tax benefits and expenses: as IFRS require that the consolidated income statement presents all tax effects in the line item income taxes, even when they belong to policyholders, the corresponding expenses for premium refunds are shown as non-operating as well.

Operating profit 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

Only 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	
As of 31 December	2021	2020	2021	2020
ASSETS				
Cash and cash equivalents	4,806	4,961	12,427	10,907
Financial assets carried at fair value through income	930	754	18,279	20,320
Investments	114,223	109,040	528,211	526,165
Loans and advances to banks and customers	11,773	10,987	111,827	105,209
Financial assets for unit-linked contracts	-	-	158,346	137,307
Reinsurance assets	14,718	12,713	42,059	7,535
Deferred acquisition costs	5,099	4,876	18,657	16,953
Deferred tax assets	1,081	886	945	744
Other assets	29,913	29,670	21,330	21,282
Non-current assets and assets of disposal groups classified as held for sale	47	85	92	1,701
Intangible assets	6,232	5,531	4,735	2,599
Total assets	**188,822**	**179,502**	**916,908**	**850,722**

	Property-Casualty		Life/Health	
As of 31 December	2021	2020	2021	2020
LIABILITIES AND EQUITY				
Financial liabilities carried at fair value through income	331	140	20,485	23,858
Liabilities to banks and customers	1,225	1,252	5,235	5,209
Unearned premiums	21,163	19,681	6,356	5,679
Reserves for loss and loss adjustment expenses	73,425	68,171	13,571	12,763
Reserves for insurance and investment contracts	15,203	15,263	617,109	596,074
Financial liabilities for unit-linked contracts	-	-	158,346	137,307
Deferred tax liabilities	2,529	3,011	4,749	6,807
Other liabilities	24,898	23,562	47,121	17,797
Liabilities of disposal groups classified as held for sale	-	10	-	1,125
Certificated liabilities	-	-	-	-
Subordinated liabilities	47	12	65	68
Total liabilities	**138,821**	**131,102**	**873,036**	**806,686**

Asset Management		Corporate and Other		Consolidation		Group	
2021	2020	2021	2020	2021	2020	2021	2020
1,130	953	5,973	5,791	(122)	(170)	24,214	22,443
224	65	591	460	(421)	(409)	19,604	21,191
135	76	115,351	111,997	(94,272)	(90,756)	663,649	656,522
129	51	6,333	6,014	(5,984)	(5,685)	124,079	116,576
-	-	-	-	-	-	158,346	137,307
-	-	-	-	(47)	(77)	56,731	20,170
-	-	-	-	-	-	23,756	21,830
1,145	166	765	782	(2,025)	(1,571)	1,910	1,006
6,714	5,011	8,223	8,033	(17,915)	(18,422)	48,264	45,573
1	1	6	4	-	-	145	1,790
7,514	7,301	250	172	-	-	18,732	15,604
16,992	**13,624**	**137,492**	**133,253**	**(120,785)**	**(117,089)**	**1,139,429**	**1,060,012**

Asset Management		Corporate and Other		Consolidation		Group	
2021	2020	2021	2020	2021	2020	2021	2020
-	-	523	490	(448)	(409)	20,891	24,079
100	43	12,101	11,129	(3,193)	(2,910)	15,468	14,722
-	-	-	-	(17)	(18)	27,501	25,341
-	-	-	-	(23)	(37)	86,974	80,897
-	-	(122)	(98)	(129)	(144)	632,061	611,096
-	-	-	-	-	-	158,346	137,307
(15)	22	389	325	(2,025)	(1,571)	5,626	8,595
9,373	4,453	30,922	29,140	(25,717)	(25,947)	86,596	49,005
-	-	-	-	-	-	-	1,134
-	-	13,441	11,883	(2,653)	(2,677)	10,788	9,206
-	-	10,864	13,974	(20)	(20)	10,956	14,034
9,458	**4,518**	**68,119**	**66,843**	**(34,226)**	**(33,732)**	**1,055,207**	**975,417**
				Total equity		**84,222**	**84,594**
				Total liabilities and equity		**1,139,429**	**1,060,012**

Business segment information – total revenues and reconciliation of operating profit (loss) to net income (loss)

Business segment information – total revenues and reconciliation of operating profit (loss) to net income (loss)
€ mn

	Property-Casualty		Life/Health	
	2021	2020	2021	2020
Total revenues[1]	**62,272**	**59,412**	**78,348**	**74,044**
Premiums earned (net)	53,054	51,631	24,602	24,083
Operating investment result				
Interest and similar income	3,264	3,182	19,569	18,022
Operating income from financial assets and liabilities carried at fair value through income (net)	(55)	(28)	(2,088)	33
Operating realized gains/losses (net)	215	131	7,461	8,687
Interest expenses, excluding interest expenses from external debt	(113)	(121)	(417)	(117)
Operating impairments of investments (net)	(25)	(141)	(986)	(4,466)
Investment expenses	(493)	(421)	(1,993)	(1,681)
Subtotal	2,792	2,602	21,546	20,478
Fee and commission income	1,998	1,640	1,813	1,500
Other income	11	152	4	11
Claims and insurance benefits incurred (net)	(35,565)	(35,883)	(21,557)	(21,208)
Operating change in reserves for insurance and investment contracts (net)[2]	(428)	(308)	(13,382)	(12,711)
Loan loss provisions	-	-	-	-
Operating acquisition and administrative expenses (net)	(14,186)	(13,846)	(7,043)	(7,042)
Fee and commission expenses	(1,955)	(1,617)	(919)	(712)
Operating amortization of intangible assets	-	-	(20)	(20)
Operating restructuring and integration expenses	-	-	(40)	(20)
Other expenses	(13)	(1)	(3)	-
Reclassifications	-	-	9	(1)
Operating profit (loss)	**5,710**	**4,371**	**5,011**	**4,359**
Non-operating investment result				
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(103)	68	233	57
Non-operating realized gains/losses (net)	725	490	644	738
Non-operating impairments of investments (net)	(174)	(577)	(54)	(144)
Subtotal	448	(20)	822	651
Non-operating change in reserves for insurance and investment contracts (net)	-	-	50	27
Interest expenses from external debt	-	-	-	-
Non-operating acquisition and administrative expenses (net)[3]	(83)	-	(264)	-
Non-operating amortization of intangible assets	(213)	(163)	(40)	(44)
Non-operating restructuring and integration expenses	(424)	(409)	(66)	(60)
Reclassifications	-	-	(9)	1
Non-operating items	(272)	(592)	493	575
Income (loss) before income taxes	5,438	3,778	5,504	4,934
Income taxes	(1,325)	(1,173)	(1,334)	(1,168)
Net income (loss)	**4,113**	**2,605**	**4,170**	**3,766**
Net income (loss) attributable to:				
Non-controlling interests	113	96	206	160
Shareholders	4,000	2,509	3,964	3,606

1_Total revenues comprise gross premiums written and fee and commission income in Property-Casualty, statutory gross premiums in Life/ Health, operating revenues in Asset Management, and total revenues in Corporate and Other (Banking).
2_For the year ended 31 December 2021, includes expenses for premium refunds (net) in Property-Casualty of € (150) mn (2020: € (45) mn).
3_Include, if applicable, acquisition-related expenses, income taxes related incidental benefits/expenses, litigation expenses, and one-time effects from significant reinsurance transactions with disposal character. Until 2020, all positions except acquisition-related expenses were shown within operating acquisition and administrative expenses (net).

Asset Management		Corporate and Other		Consolidation		Group	
2021	2020	2021	2020	2021	2020	2021	2020
8,396	**7,347**	**289**	**245**	**(794)**	**(593)**	**148,511**	**140,455**
-	-	-	-	-	-	77,656	75,714
9	10	432	343	(137)	(163)	23,137	21,395
2	3	17	(45)	(5)	(3)	(2,130)	(41)
-	-	-	-	(81)	(20)	7,594	8,798
(21)	(25)	(120)	(169)	127	161	(544)	(270)
-	-	-	-	-	-	(1,011)	(4,608)
-	-	(133)	(112)	657	575	(1,962)	(1,640)
(10)	(13)	196	18	560	549	25,084	23,634
10,602	9,190	2,886	2,671	(3,301)	(2,953)	13,998	12,049
3	2	7	-	(2)	(1)	24	163
-	-	-	-	-	-	(57,121)	(57,091)
-	-	-	-	44	17	(13,766)	(13,003)
-	-	(11)	(15)	-	-	(11)	(15)
(4,906)	(4,494)	(1,230)	(1,221)	(33)	(35)	(27,398)	(26,637)
(2,199)	(1,833)	(2,619)	(2,284)	2,693	2,421	(5,000)	(4,024)
-	-	-	-	-	-	(20)	(20)
-	-	-	-	-	-	(40)	(20)
-	-	-	-	-	1	(15)	-
-	-	-	-	-	-	9	(1)
3,489	**2,853**	**(772)**	**(831)**	**(38)**	**(1)**	**13,400**	**10,751**
6	1	(15)	(150)	2	(3)	122	(28)
95	-	350	221	16	9	1,829	1,458
-	-	(92)	(138)	-	-	(320)	(860)
100	1	243	(68)	18	6	1,631	570
-	-	-	-	-	-	50	27
-	-	(616)	(729)	-	-	(616)	(729)
(3,701)	(8)	24	-	-	-	(4,024)	(8)
(15)	(16)	(19)	(18)	-	-	(287)	(240)
(48)	(171)	(89)	(128)	-	-	(626)	(768)
-	-	-	-	-	-	(9)	1
(3,663)	(194)	(457)	(942)	18	6	(3,880)	(1,148)
(174)	2,659	(1,228)	(1,773)	(20)	5	9,520	9,604
(17)	(686)	264	557	(3)	-	(2,415)	(2,471)
(191)	**1,973**	**(964)**	**(1,216)**	**(23)**	**5**	**7,105**	**7,133**
159	110	16	(40)	-	-	495	326
(350)	1,863	(981)	(1,176)	(23)	6	6,610	6,807

Reconciliation of reportable segments to Allianz Group figures

Reconciliation of reportable segments to Allianz Group figures
€ mn

	Total revenues		Operating profit (loss)		Net income (loss)	
	2021	2020	2021	2020	2021	2020
German Speaking Countries and Central & Eastern Europe	16,507	16,108	1,844	1,858	1,496	1,258
Western & Southern Europe and Asia Pacific	12,196	12,081	1,478	1,646	1,129	1,108
Iberia & Latin America and Allianz Partners	12,256	11,051	521	680	232	357
Global Insurance Lines & Anglo Markets, Middle East and Africa	26,471	27,047	1,867	188	1,261	(118)
Consolidation	(5,158)	(6,875)	-	(1)	(5)	-
Total Property-Casualty	**62,272**	**59,412**	**5,710**	**4,371**	**4,113**	**2,605**
German Speaking Countries and Central & Eastern Europe	31,078	33,113	1,794	1,725	1,222	1,186
Western & Southern Europe and Asia Pacific	31,924	29,498	1,734	1,561	1,234	1,205
Iberia & Latin America	1,446	1,419	166	159	122	606
USA	13,214	9,915	1,357	907	1,428	820
Global Insurance Lines & Anglo Markets, Middle East and Africa	1,179	1,034	70	49	249	(21)
Consolidation and Other	(493)	(936)	(111)	(41)	(86)	(30)
Total Life/Health	**78,348**	**74,044**	**5,011**	**4,359**	**4,170**	**3,766**
Asset Management	**8,396**	**7,347**	**3,489**	**2,853**	**(191)**	**1,973**
Corporate and Other	**289**	**245**	**(772)**	**(831)**	**(964)**	**(1,216)**
Consolidation	**(794)**	**(593)**	**(38)**	**(1)**	**(23)**	**5**
Group	**148,511**	**140,455**	**13,400**	**10,751**	**7,105**	**7,133**

NOTES TO THE CONSOLIDATED BALANCE SHEET

5 _ Financial assets carried at fair value through income

Financial assets carried at fair value through income
€ mn

As of 31 December	2021	2020
Financial assets held for trading		
Debt securities	708	599
Equity securities	63	45
Derivative financial instruments	11,190	15,463
Subtotal	11,961	16,107
Financial assets designated at fair value through income		
Debt securities	4,275	2,569
Equity securities	3,264	2,418
Loans	103	97
Subtotal	7,643	5,084
Total	**19,604**	**21,191**

6 _ Investments

Investments
€ mn

As of 31 December	2021	2020
Available-for-sale investments	625,250	621,777
Held-to-maturity investments	2,749	2,563
Funds held by others under reinsurance contracts assumed	838	770
Investments in associates and joint ventures	15,416	14,570
Real estate held for investment	16,923	14,294
Fixed assets from alternative investments	2,473	2,548
Total	**663,649**	**656,522**

Available-for-sale investments

Available-for-sale investments
€ mn

As of 31 December	2021				2020			
	Amortized cost	Unrealized gains	Unrealized losses	Fair value	Amortized cost	Unrealized gains	Unrealized losses	Fair value
Debt securities								
Corporate bonds	260,903	18,761	(1,867)	277,797	253,234	29,655	(238)	282,651
Government and government agency bonds[1]	202,542	27,087	(2,882)	226,748	199,267	44,740	(187)	243,820
MBS/ABS	28,157	804	(149)	28,812	26,654	1,466	(98)	28,023
Other	9,493	2,671	(57)	12,106	7,542	1,279	(82)	8,740
Subtotal[2]	501,094	49,323	(4,955)	545,462	486,697	77,141	(604)	563,234
Equity securities	53,609	26,626	(447)	79,788	43,053	15,891	(400)	58,543
Total	**554,703**	**75,948**	**(5,402)**	**625,250**	**529,750**	**93,031**	**(1,004)**	**621,777**

1_As of 31 December 2021, fair value and amortized cost of bonds from countries with a rating below AA amount to € 92,825 mn (2020: € 95,096 mn) and € 86,440 mn (2020: € 82,202 mn), respectively.
2_As of 31 December 2021, fair value and amortized cost of debt securities with a contractual maturity of less than one year amount to € 41,816 mn (2020: € 38,472 mn) and € 37,378 mn (2020: € 36,403 mn), respectively.

Held-to-maturity investments

Held-to-maturity investments
€ mn

As of 31 December	2021				2020			
	Amortized cost	Unrealized gains	Unrealized losses	Fair value	Amortized cost	Unrealized gains	Unrealized losses	Fair value
Government and government agency bonds	2,546	171	(73)	2,644	2,322	273	(4)	2,591
Corporate bonds[1]	202	41	-	243	241	52	-	293
Total[2]	**2,749**	**212**	**(73)**	**2,887**	**2,563**	**325**	**(4)**	**2,884**

1_Also include corporate mortgage-backed securities.
2_As of 31 December 2021, fair value and amortized cost of debt securities with a contractual maturity of less than one year amount to € 202 mn (2020: € 116 mn) and € 200 mn (2020: € 114 mn), respectively.

Unrealized losses on available-for-sale investments and held-to-maturity investments

Debt securities

Total unrealized losses amounted to € 5,028 mn as of 31 December 2021. The Allianz Group holds a large variety of government and government agency bonds and corporate bonds, mostly of or domiciled in OECD countries.

In general, the credit risk of government and government agency bonds is rather moderate since they are backed by the fiscal capacity of the issuers, who typically hold an investment-grade country- and/or issue-rating. During 2021, interest rates of most government and government agency bonds held by Allianz Group increased. This development led to an increase in unrealized losses on government and government agency bonds of € 2,764 mn.

The unrealized losses on the Allianz Group's investments in government and government agency bonds are spread over several countries.

For the majority of corporate bonds, the issuer/issues have an investment-grade rating. The increase in unrealized losses of € 1,629 mn compared to 31 December 2020 is due to increasing interest rates.

The main impact from unrealized losses on corporate bonds comes from the financial, utilities and consumer sector.

Based on a detailed analysis of the underlying securities, the Allianz Group did not consider these investments to be impaired as of 31 December 2021.

Equity securities

As of 31 December 2021, unrealized losses amounted to € 447 mn, reflecting an increase of € 47 mn compared to 31 December 2020. The unrealized losses concern equity securities that did not meet the criteria of the Allianz Group's impairment policy for equity instruments as described in note 2.

Investments in associates and joint ventures

As of 31 December 2021, loans to associates and joint ventures amounted to € 2,720 mn (2020: € 2,457 mn).

Associates and joint ventures
€ mn

	2021	2020
Share of earnings	305	111
Share of other comprehensive income	182	(110)
Share of total comprehensive income	**487**	**1**

Real estate held for investment

Real estate held for investment
€ mn

	2021	2020
Cost as of 1 January	17,873	16,390
Accumulated depreciation as of 1 January	(3,579)	(3,341)
Carrying amount as of 1 January	**14,294**	**13,049**
Additions	946	1,854
Changes in the consolidated subsidiaries of the Allianz Group	1,856	189
Disposals and reclassifications into non-current assets and assets of disposal groups classified as held for sale	(563)	(382)
Reclassifications	604	(9)
Foreign currency translation adjustments	145	(21)
Depreciation	(317)	(284)
Impairments	(63)	(115)
Reversals of impairments	23	13
Carrying amount as of 31 December	**16,923**	**14,294**
Accumulated depreciation as of 31 December	3,991	3,579
Cost as of 31 December	20,914	17,873

Fixed assets from alternative investments

Fixed assets from alternative investments
€ mn

	2021	2020
Cost as of 1 January	3,965	3,868
Accumulated depreciation as of 1 January	(1,416)	(1,152)
Carrying amount as of 1 January	**2,548**	**2,716**
Additions	48	129
Foreign currency translation adjustments	9	(17)
Depreciation	(169)	(169)
Impairments	(31)	(111)
Reversals of impairments	68	-
Carrying amount as of 31 December	**2,473**	**2,548**
Accumulated depreciation as of 31 December	1,563	1,416
Cost as of 31 December	4,036	3,965

7 _ Loans and advances to banks and customers

Loans and advances to banks and customers
€ mn

As of 31 December	2021	2020
Short-term investments and certificates of deposit	2,056	1,824
Loans	116,304	111,100
Other	5,797	3,720
Subtotal	124,157	116,644
Loan loss allowance	(79)	(67)
Total[1]	**124,079**	**116,576**

1_Includes loans and advances to banks and customers due within one year of € 14,733 mn (2020: € 11,057 mn).

8 _ Reinsurance assets

Reinsurance assets
€ mn

As of 31 December	2021	2020
Unearned premiums	2,216	1,810
Reserves for loss and loss adjustment expenses	13,033	11,274
Aggregate policy reserves	41,276	6,917
Other insurance reserves	206	169
Total	**56,731**	**20,170**

The increase in the reinsurance assets is largely due to a reinsurance transaction in the United States. In the fourth quarter of 2021 Allianz Life Insurance Company of North America reinsured reserves of USD 36 bn from the fixed index annuity portfolio. The transaction is expected to improve the return on equity and strengthen the regulatory capital position for the Allianz Group. The effects from the transaction are mainly reflected in following balance sheet positions. The reinsurance assets increased by € 31 bn, this increase is fully reflected in the changes in aggregate policy reserves ceded to reinsurers. The deposits retained for reinsurance ceded, which are included in other liabilities, increased by € 25 bn. In contrast, the investments decreased by € (7) bn, resulting from the asset derecognition for certain parts of the portfolio. Furthermore the deferred acquisition costs decreased by € (2) bn.

Changes in aggregate policy reserves ceded to reinsurers are as follows:

Changes in aggregate policy reserves ceded to reinsurers
€ mn

	2021	2020
Carrying amount as of 1 January	**6,917**	**5,260**
Foreign currency translation adjustments	634	(390)
Changes recorded in the consolidated income statement	(687)	303
Other changes	34,411	1,744
Carrying amount as of 31 December	**41,276**	**6,917**

The reserves for loss and loss adjustment expenses ceded to reinsurers in the business segment Property-Casualty amounted to € 12,029 mn (2020: € 10,471 mn) as of 31 December 2021. Their change is shown in the respective table in note 14.

The Allianz Group reinsures a share of the risks it underwrites in an effort to manage its exposure to losses and events, and to protect its capital resources. For natural catastrophe events, the Allianz Group has a centralized program in place that pools exposures from its subsidiaries by internal reinsurance agreements. Allianz SE limits exposures in this portfolio through external reinsurance. For other risks, the subsidiaries of the Allianz Group have individual reinsurance programs in place. Allianz SE participates with up to 100 % on an arm's length basis in these cessions, in line with local requirements. The risk coming from these cessions is also limited by external retrocessions.

Reinsurance involves credit risk and is subject to aggregate loss limits. Reinsurance does not legally discharge the respective Allianz company from primary liability under the reinsured policies. Although the reinsurer is liable to this company to the extent of the business ceded, the Allianz company remains primarily liable as the direct insurer for all the risks it underwrites, including the share that is reinsured. The Allianz Group monitors the financial condition of its reinsurers on a regular basis and reviews its reinsurance arrangements periodically in order to evaluate the reinsurer's ability to fulfill its obligations to the Allianz Group companies under existing and planned reinsurance contracts. The Allianz Group's evaluation criteria, which include the degree of creditworthiness, capital levels, and marketplace reputation of its reinsurers, are such that the Allianz Group believes that its reinsurance credit risk is not significant, and historically has not experienced noteworthy difficulty in collecting claims from its reinsurers. Additionally, and as appropriate, the Allianz Group may also require letters of credit, deposits, or other financial guarantees to further minimize its exposure to credit risk. In certain cases, however, the Allianz Group does establish an allowance for doubtful amounts related to reinsurance as appropriate, although this amount was not significant as of 31 December 2021 and 2020.

9 _ Deferred acquisition costs

Deferred acquisition costs
€ mn

As of 31 December	2021	2020
Deferred acquisition costs		
Property-Casualty	5,099	4,876
Life/Health	18,224	16,550
Subtotal	23,323	21,426
Deferred sales inducements	234	190
Present value of future profits	199	213
Total	**23,756**	**21,830**

Changes in deferred acquisition costs
€ mn

	2021	2020
Carrying amount as of 1 January	**21,830**	**24,777**
Additions	7,113	9,845
Changes in the consolidated subsidiaries of the Allianz Group	2	22
Foreign currency translation adjustments	773	(984)
Changes in shadow accounting	3,852	(2,308)
Amortization	(9,814)	(9,523)
Carrying amount as of 31 December	**23,756**	**21,830**

10 _ Other assets

Other assets
€ mn

As of 31 December	2021	2020
Receivables		
Policyholders	7,580	7,214
Agents	4,574	4,592
Reinsurance	5,110	3,604
Other	7,114	6,092
Less allowances for doubtful accounts	(832)	(788)
Subtotal	23,546	20,715
Tax receivables		
Income taxes	2,124	1,986
Other taxes	2,370	2,310
Subtotal	4,494	4,296
Accrued dividends, interest, and rent	5,716	5,955
Prepaid expenses	996	793
Derivative financial instruments used for hedging that meet the criteria for hedge accounting, and firm commitments[1]	331	1,134
Property and equipment		
Real estate held for own use	2,847	2,914
Software	3,377	3,340
Equipment	1,179	1,240
Right-of-use assets	2,338	2,332
Subtotal	9,741	9,827
Other assets[2]	3,441	2,853
Total[3]	**48,264**	**45,573**

1_Mainly level 2 for fair value measurement.
2_Includes € 1,359 mn (2020: € 989 mn) assets for deferred compensation programs which are mainly level 2 for fair value measurement.
3_Includes other assets due within one year of € 40,839 mn (2020: € 38,166 mn).

Property and equipment

Property and equipment
€ mn

	2021				2020			
	Real estate held for own use	Software	Equipment	Right-of-use assets	Real estate held for own use	Software	Equipment	Right-of-use assets
Cost as of 1 January	3,902	9,383	3,849	3,099	3,874	8,850	4,008	2,838
Accumulated depreciation/amortization as of 1 January	(988)	(6,043)	(2,609)	767	(1,025)	(5,667)	(2,629)	423
Carrying amount as of 1 January	**2,914**	**3,340**	**1,240**	**2,332**	**2,848**	**3,183**	**1,379**	**2,416**
Additions	112	998	254	421	238	939	297	660
Changes in the consolidated subsidiaries of the Allianz Group	1	11	5	13	-	9	4	(83)
Disposals and reclassifications into non-current assets and assets of disposal groups classified as held for sale	(25)	(85)	(30)	(41)	(21)	(39)	(45)	(160)
Reclassifications	(103)	10	(8)	(33)	(41)	9	(5)	(16)
Foreign currency translation adjustments	16	9	29	47	(36)	(26)	(36)	(61)
Depreciation/Amortization	(77)	(815)	(311)	(392)	(74)	(724)	(344)	(410)
Impairments	-	(96)	(1)	(7)	-	(9)	(10)	(13)
Reversals of impairments	10	5	-	-	-	-	-	-
Carrying amount as of 31 December	**2,847[1]**	**3,377[2]**	**1,179**	**2,338[3]**	**2,914**	**3,340**	**1,240**	**2,332**
Accumulated depreciation/amortization as of 31 December	917	6,660	2,711	1,182[3]	988	6,043	2,609	767
Cost as of 31 December	3,764	10,038	3,889	3,520	3,902	9,383	3,849	3,099

1_As of 31 December 2021, assets pledged as security and other restrictions on title were € 93 mn (2020: € 90 mn).
2_As of 31 December 2021, includes € 2,883 mn (2020: € 2,870 mn) for self-developed software and € 494 mn (2020: € 470 mn) for software purchased from third parties.
3_Consists mainly of real estate.

11 _ Intangible assets

Intangible assets
€ mn

As of 31 December	2021	2020
Goodwill	15,945	13,489
Distribution agreements[1]	1,164	995
Customer relationships[2]	886	603
Other[3]	737	517
Total	**18,732**	**15,604**

1_Primarily includes the long-term distribution agreements with Banco Bilbao Vizcaya Argentaria, S.A., Santander Aviva Life and Commerzbank AG.
2_Primarily results from business combinations.
3_Primarily includes acquired business portfolios and brand names.

Goodwill

Goodwill
€ mn

	2021	2020
Cost as of 1 January	13,781	13,499
Accumulated impairments as of 1 January	(292)	(292)
Carrying amount as of 1 January	**13,489**	**13,207**
Additions	2,196	692
Disposals	-	-
Foreign currency translation adjustments	260	(410)
Impairments	-	-
Carrying amount as of 31 December	**15,945**	**13,489**
Accumulated impairments as of 31 December	292	292
Cost as of 31 December	16,237	13,781

2021

Additions are mainly related to goodwill arising from the acquisitions of business operations of Aviva Group in Poland, Lithuania, and Italy, and Westpac General Insurance, Sydney.

For further information, please see note 3.

2020

Additions are mainly related to goodwill arising from the acquisitions of SulAmérica Seguros Automóveis e Massificados S.A, Rio de Janeiro, ControlExpert Holding B.V., Amsterdam, and BBVA Allianz Seguros y Reaseguros S.A., Madrid.

For further information, please see Annual Report 2020 note 4.

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 Turkey,
- Insurance Asia,
- Insurance Iberia & Latin America, including, Mexico, Portugal, South America, and Spain,
- Insurance Central & Eastern Europe, including Austria, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia, Slovakia, and Ukraine,
- Global Insurance Lines & Anglo Markets, Middle East and Africa, including Australia, Ireland, the United Kingdom, Middle East and Africa,
- Specialty Lines I, including Allianz Re, Allianz Global Corporate & Specialty and Credit Insurance, and
- Specialty Lines II, including Allianz Partners and Allianz Direct.

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 Turkey,
- Insurance Central & Eastern Europe, including Austria, Bulgaria, Croatia, Czech Republic, Hungary, Lithuania, Poland, Romania, Russia, Slovakia, and Ukraine,
- Global Insurance Lines & Anglo Markets, Middle East and Africa, including Australia, 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.

84_The following paragraphs only include the CGUs that contain goodwill.

The carrying amounts of goodwill are allocated to the Allianz Group's CGUs as of 31 December 2021 and 2020 as follows:

Allocation of carrying amounts of goodwill to CGUs
€ mn

As of 31 December	2021	2020
PROPERTY-CASUALTY		
Insurance German Speaking Countries	590	588
Insurance Western & Southern Europe	1,149	1,083
Insurance Asia	148	148
Insurance Iberia & Latin America	358	406
Insurance Central & Eastern Europe	483	300
Global Insurance Lines & Anglo Markets, Middle East and Africa	1,429	1,148
Specialty Lines I	38	38
Specialty Lines II	340	336
Subtotal	4,535	4,047
LIFE/HEALTH		
Insurance German Speaking Countries	967	961
Insurance Western & Southern Europe	624	628
Insurance Central & Eastern Europe	1,701	56
Global Insurance Lines & Anglo Markets, Middle East and Africa	15	15
US Life Insurance	468	456
Subtotal	3,775	2,116
ASSET MANAGEMENT	7,453	7,214
CORPORATE AND OTHER	182	112
Total	**15,945**	**13,489**

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.

For all CGUs in the Life/Health business segment, the value in use is mainly based on an Appraisal Value method, which is derived from the Embedded Value and New Business Value calculation. As a starting point for the impairment test for the CGUs in the Life/Health business segment, the Market Consistent Embedded Value (MCEV) and a multiple of the Market Consistent Value of New Business is used. MCEV is an industry-specific valuation method to assess the current value of the in-force portfolio. The Allianz Group uses an economic balance sheet approach to derive the MCEV, which is directly taken out of the market value balance sheet (MVBS) as determined using Solvency II guidance. In cases where no adequate valuation reflecting a long-term view in line with management judgment and market experience could be derived from market-consistent methodology, the Appraisal Value can be derived from a Traditional Embedded Value (TEV). This was the case for the CGU US Life Insurance in 2021.

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]
%

	2021		2020	
	Discount rate	Eternal growth rate	Discount rate	Eternal growth rate
Insurance German Speaking Countries	7.6	0.4	7.4	0.4
Insurance Western & Southern Europe	9.4	2.4	8.8	1.8
Insurance Asia	11.1	4.4	10.6	4.4
Insurance Iberia & Latin America	11.7	3.5	10.5	2.8
Insurance Central & Eastern Europe	9.2	1.7	8.8	1.5
Global Insurance Lines & Anglo Markets, Middle East and Africa	8.6	1.0	8.2	0.8
Specialty Lines I	7.8	0.9	7.7	0.9
Specialty Lines II	7.9	0.6	7.9	0.5

1_The table provides an overview of weighted key parameters on 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 MCEV is in general the excess of assets over liabilities of the MVBS according to the Solvency II requirements. Assets and liabilities included in the MVBS are measured at their market value as of the reporting date. Technical provisions are an essential part of the liabilities included in the MVBS, and generally consist of the best estimate plus a risk margin. The best estimate 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 margin ensures that the value of the technical provisions is equivalent to the amount that the entity would be expected to require in order to take on and meet the insurance and reinsurance obligations.

Reference rates used for the calculation of the best estimate follow EIOPA specifications for the Solvency II guidance.

The following table provides an overview of the reference rates for the CGUs in the Life/Health business segment:

Reference rates for the CGUs in the Life/Health business segment

CGUs in the Life/Health business segment	Reference rate for entities with Appraisal Value based on MCEV
Insurance German Speaking Countries	Euro swap curve minus 10 bps (2020: 10 bps) credit risk adjustment plus 3 bps (2020: 7 bps) volatility adjustment CHF swap curve minus 10 bps (2020: 10 bps) credit risk adjustment plus 4 bps (2020: 9 bps) volatility adjustment
Insurance Western & Southern Europe	For those entities reporting in Euro: Euro swap curve minus 10 bps (2020: 10 bps) credit risk adjustment plus 3 bps (2020: 7 bps) volatility adjustment
Insurance Central & Eastern Europe	For those entities reporting in Euro: Euro swap curve minus 10 bps (2020: 10 bps) credit risk adjustment plus 3 bps (2020: 7 bps) volatility adjustment For other entities: Local swap curve minus 10 bps (2020: 10 bps) credit risk adjustment plus volatility adjustment for the following currencies only [CZK: 21 bps (2020: 10 bps), HUF: 8 bps (2020: 2 bps), PLN: 17 bps (2020: 4 bps)]
Global Insurance Lines & Anglo Markets, Middle East and Africa	For those entities reporting in Euro: Euro swap curve minus 10 bps (2020: 10 bps) credit risk adjustment plus 3 bps (2020: 7 bps) volatility adjustment
US Life Insurance	Local swap curve minus 10 bps (2020: 17 bps) credit risk adjustment plus 23 bps (2020: 27 bps) volatility adjustment

The new-business value calculation is based on a best estimate of one year of value of new business, 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 in analogy to the discount rate and the growth rate in a discounted earnings method. For all CGUs in the Life/Health business segment other than CGU US Life Insurance, a multiple of not more than ten times the value of new business 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 10.2% (2020: 9.5%) and the eternal growth rate is 0.9% (2020: 0.8%).

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 analysis

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 and cost-income ratios. For all CGUs discounted earnings, value sensitivities still exceeded their respective carrying amounts – however for the CGU Insurance Asia in the business segment Property-Casualty, an increase of 0.5% points in the discount rate and/or the combined ratio results in the recoverable amount of the CGU getting close to its respective carrying value.

In the Life/Health business segment, sensitivity analyses were performed based on MCEV sensitivity testing on the reference rate. The analyses have shown that in case of an increase in reference rates by 50 basis points, the appraisal value of each CGU still exceeds its carrying amount.

In the Corporate and Other business segment, a sensitivity analysis was performed with respect to 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.

12 _ Liabilities to banks and customers

Liabilities to banks and customers
€ mn

As of 31 December	2021	2020
Payable on demand and other deposits	1,474	1,263
Repurchase agreements and collateral received from securities lending transactions and derivatives	4,434	5,164
Other	9,561	8,296
Total[1]	**15,468**	**14,722**

1_Consists of liabilities to banks and customers due within one year of € 13,227 mn (2020: € 12,674 mn), 1 - 5 years of € 1,133 mn (2020: € 1,359 mn), and over 5 years of € 1,108 mn (2020: € 689 mn).

13 _ Unearned premiums

Unearned premiums
€ mn

As of 31 December	2021	2020
Property-Casualty	21,163	19,681
Life/Health	6,356	5,679
Consolidation	(17)	(18)
Total	**27,501**	**25,341**

14 _ Reserves for loss and loss adjustment expenses

As of 31 December 2021, the reserves for loss and loss adjustment expenses of the Allianz Group totaled € 86,974 mn (2020: € 80,897 mn). The following table reconciles the beginning and ending reserves for the Property-Casualty business segment for the years ended 31 December 2021 and 2020.

Change in the reserves for loss and loss adjustment expenses in the Property-Casualty business segment
€ mn

	2021			2020		
	Gross	Ceded	Net	Gross	Ceded	Net
As of 1 January	**68,171**	**(10,471)**	**57,700**	**65,414**	**(9,496)**	**55,918**
Balance carry forward of discounted loss reserves	4,603	(346)	4,258	4,552	(348)	4,204
Subtotal	72,774	(10,817)	61,958	69,965	(9,844)	60,122
Loss and loss adjustments expenses incurred						
Current year	41,698	(4,760)	36,938	40,321	(4,007)	36,314
Prior years	(1,396)	23	(1,374)	(255)	(176)	(431)
Subtotal	40,302	(4,737)	35,565	40,066	(4,183)	35,883
Loss and loss adjustments expenses paid						
Current year	(19,383)	796	(18,587)	(17,607)	503	(17,104)
Prior years	(17,982)	2,843	(15,139)	(18,171)	2,017	(16,154)
Subtotal	(37,365)	3,639	(33,726)	(35,778)	2,520	(33,258)
Foreign currency translation adjustments and other changes[1]	1,842	(399)	1,443	(1,708)	691	(1,017)
Changes in the consolidated subsidiaries of the Allianz Group	680	(100)	581	229	(1)	228
Subtotal	78,234	(12,413)	65,821	72,774	(10,817)	61,958
Ending balance of discounted loss reserves	(4,808)	384	(4,424)	(4,603)	346	(4,258)
As of 31 December	**73,425**	**(12,029)**	**61,397**	**68,171**	**(10,471)**	**57,700**

1_Include effects of foreign currency translation adjustments for prior year's claims of gross € 1,257 mn (2020: € (1,639) mn) and of net € 900 mn (2020: € (1,105) mn), and for current year claims of gross € 172 mn (2020: € (409) mn) and of net € 128 mn (2020: € (275) mn).

Prior years' net loss and loss adjustment expenses incurred reflect the changes in estimation charged or credited to the consolidated income statement in each year with respect to the reserves for loss and loss adjustment expenses established as of the beginning of that year. During the year ended 31 December 2021, additional income of € 1,374 mn (2020: € 431 mn) net was recorded in the Property-Casualty business segment in respect of losses occurring in prior years. During the year ended 31 December 2021, this amount, expressed as a percentage of the net balance of the beginning of the year, was 2.2 % (2020: 0.7 %).

Changes in historical reserves for loss and loss adjustment expenses (LAE)

The analysis of loss and LAE reserves by actuaries and management is conducted by line of business and separately for specific claim types such as asbestos and environmental claims. The origin year of losses is taken into consideration by analyzing each line of business by accident year. While this determines the estimates of reserves for loss and LAE by accident year, the effect in the consolidated income statement in the respective calendar year combines the accident year loss ratio for the current year with the favorable or adverse development from prior years (run-off).

Although discounted loss reserves have been reclassified to "Reserves for insurance and investment contracts" in the balance sheet, the underlying business development of these non-life reserves is still considered in the loss ratio. Therefore the tables below show the loss development by accident year including the business development of discounted loss reserves.

The run-off triangle, also known as 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). Run-off 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 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 run-off 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	2012 and prior	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
2012	27,828										27,828
2013	13,530	15,449									28,979
2014	6,283	7,009	15,410								28,702
2015	4,326	1,850	7,564	16,291							30,031
2016	4,054	1,004	2,007	7,929	16,409						31,403
2017	2,273	710	1,022	2,261	7,842	16,669					30,778
2018	2,571	389	707	1,119	2,484	7,976	17,084				32,330
2019	1,447	314	490	788	1,044	2,753	8,524	18,105			33,465
2020	1,130	222	302	584	938	1,278	2,883	8,818	17,104		33,258
2021	1,008	175	232	379	639	770	1,329	3,054	7,552	18,587	33,726

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										
As of 31 December	2012 and prior	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
2012	55,807										55,807
2013	39,488	13,957									53,445
2014	33,303	7,101	15,215								55,619
2015	28,367	5,182	7,585	16,358							57,492
2016	23,400	3,894	5,262	7,991	16,708						57,254
2017	19,174	2,815	3,891	5,407	8,454	16,573					56,314
2018	16,107	2,352	2,954	4,114	5,424	8,327	17,081				56,358
2019	14,403	2,001	2,341	3,413	4,403	6,049	8,751	18,762			60,122
2020	12,969	1,725	1,956	2,642	3,466	4,387	5,873	9,646	19,294		61,958
2021	12,068	1,517	1,760	2,246	2,837	3,720	4,942	6,939	10,708	19,081	65,821

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	2012 and prior	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
2012	83,635										
2013	80,846	29,407									
2014	80,944	29,560	30,625								
2015	80,333	29,490	30,560	32,649							
2016	79,420	29,206	30,244	32,211	33,116						
2017	77,467	28,837	29,896	31,888	32,705	33,242					
2018	76,972	28,764	29,665	31,713	32,158	32,972	34,165				
2019	76,715	28,726	29,542	31,801	32,182	33,447	34,358	36,867			
2020	76,410	28,672	29,460	31,613	32,183	33,063	34,363	36,570	36,398		
2021	76,518	28,640	29,496	31,596	32,193	33,167	34,762	36,917	35,364	37,668	
Surplus[1]	7,117	766	1,129	1,053	923	75	(597)	(49)	1,034	-[3]	11,452
Reduction/(increase) 2021 versus 2020[2]	(108)	32	(36)	17	(10)	(104)	(398)	(347)	1,034	-[3]	80

1_Includes effects from foreign currency translation adjustments and other changes.
2_The total development 2021 to 2020 of € 80 mn represents the cumulative surplus from re-estimating the ultimate loss for prior year claims. Considering foreign currency translation adjustments of net € 900 mn as well as changes in the consolidated subsidiaries of the Allianz Group and other changes of in total € 394 mn, this leads to an effective run-off of net € 1,374 mn, which can be found in the table "Change in reserves for loss and loss adjustment expenses" within this note.
3_Presentation not meaningful.

Calendar year premiums earned and ultimate loss ratios for the individual accident years at the respective reporting date (net)

Calendar year premiums earned and ultimate loss ratios for the individual accident years at the respective reporting date (net)

	Premiums earned (net)	Accident year								
		2013	2014	2015	2016	2017	2018	2019	2020	2021
	€ mn	%	%	%	%	%	%	%	%	%
2013	42,047	69.9								
2014	43,759	70.3	70.0							
2015	46,430	70.1	69.8	70.3						
2016	46,588	69.5	69.1	69.4	71.1					
2017	47,242	68.6	68.3	68.7	70.2	70.4				
2018	48,305	68.4	67.8	68.3	69.0	69.8	70.7			
2019	51,328	68.3	67.5	68.5	69.1	70.8	71.1	71.8		
2020	51,631	68.2	67.3	68.1	69.1	70.0	71.1	71.2	70.5	
2021	53,054	68.1	67.4	68.1	69.1	70.2	72.0	71.9	68.5	71.0

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. 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, foreign currency translation and unwinding of discounted loss reserves are presented differently.

Concentration of the insurance risk in the Property-Casualty business segment

Further risk disclosure requirements of IFRS 4 in connection with IFRS 7 are reflected in the following sections of the Risk and Opportunity Report within the Group Management Report:

- Internal risk capital framework,
- Risk-based steering and risk management,
- Underwriting risk in the section Quantifiable risks and opportunities by risk category.

Contractual cash flows

As of 31 December 2021, the reserves for loss and loss adjustment expenses in the Property-Casualty business segment, which are expected to be due in 2022 amounted to € 21,000 mn, while those expected to be due between 2023 and 2026 amounted to € 24,482 mn and those expected to be due after 2026 amounted to € 20,338 mn.

15 _ Reserves for insurance and investment contracts

Reserves for insurance and investment contracts
€ mn

As of 31 December	2021	2020
Aggregate policy reserves	537,876	507,184
Reserves for premium refunds	93,476	103,170
Other insurance reserves	709	741
Total	**632,061**	**611,096**

Aggregate policy reserves

Aggregate policy reserves
€ mn

	2021	2020
As of 1 January	**507,184**	**497,558**
Balance carry forward of discounted loss reserves	(4,603)	(4,552)
Subtotal	502,581	493,006
Foreign currency translation adjustments	9,454	(10,220)
Changes in the consolidated subsidiaries of the Allianz Group	871	(38)
Changes recorded in the consolidated income statement	749	1,587
Premiums collected	30,567	31,181
Separation of embedded derivatives	2,031	1,356
Interest credited	7,084	5,580
Dividends allocated to policyholders	1,907	1,845
Releases upon death, surrender, and withdrawal	(20,384)	(21,192)
Policyholder charges	(1,833)	(1,760)
Portfolio acquisitions and disposals	(801)	17
Other changes[1]	842	1,219
Subtotal	533,068	502,581
Ending balance of discounted loss reserves	4,808	4,603
As of 31 December	**537,876**	**507,184**

1_Mainly relate to insurance contracts, when policyholders change their contract from an unit-linked to an universal life-type contract.

Reserves for premium refunds

Reserves for premium refunds
€ mn

	2021	2020
Amounts already allocated under local statutory or contractual regulations		
As of 1 January	**18,036**	**17,508**
Foreign currency translation adjustments	13	(3)
Changes in the consolidated subsidiaries of the Allianz Group	1	-
Changes	406	531
As of 31 December	**18,456**	**18,036**
Latent reserves for premium refunds		
As of 1 January	**85,134**	**72,273**
Foreign currency translation adjustments	182	(52)
Changes in the consolidated subsidiaries of the Allianz Group	-	(5)
Changes due to fluctuations in market value	(12,726)	11,381
Changes due to valuation differences charged to income	2,430	1,537
As of 31 December	**75,020**	**85,134**
Total	**93,476**	**103,170**

Concentration of insurance risk in the Life/Health business segment

The Allianz Group's Life/Health business segment provides a wide variety of insurance and investment contracts to individuals and groups in over 30 countries around the world. Individual contracts include both traditional contracts and unit-linked contracts. Without taking policyholder participation into account, traditional contracts generally incorporate significant investment risk for the Allianz Group, while unit-linked contracts generally result in the contract holder assuming the investment risk. Traditional contracts include life, endowment, annuity, and health contracts. Traditional annuity contracts are issued in both deferred and immediate types. In addition, the Allianz Group's life insurance operations in the United States issue a significant amount of equity-indexed deferred annuities. In certain markets, the Allianz Group also issues group life, group health, and group pension contracts.

As of 31 December 2021 and 2020, the Allianz Group's reserves for insurance and investment contracts 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	2021			2020		
	Reserves for insurance and investments contracts	Financial liabilities for unit-linked contracts	Total	Reserves for insurance and investments contracts	Financial liabilities for unit-linked contracts	Total
German Speaking Countries and Central & Eastern Europe	367,549	16,785	384,334	359,708	11,802	371,510
Western & Southern Europe and Asia Pacific	121,182	118,652	239,834	127,173	104,404	231,577
Iberia & Latin America	7,620	2,044	9,665	8,047	1,500	9,546
USA	123,704	20,241	143,945	104,413	19,164	123,577
Global Insurance Lines & Anglo Markets, Middle East and Africa	2,428	624	3,052	2,585	437	3,021
Consolidation and Other	(5,376)	-	(5,376)	(5,850)	1	(5,849)
Total	**617,109**	**158,346**	**775,454**	**596,074**	**137,307**	**733,382**

The majority of the Allianz Group's Life/Health business segment operations are conducted in Western Europe. Insurance laws and regulations in Europe have historically been characterized by legal or contractual minimum participation of contract holders in the profits of the insurance company issuing the contract. In particular, life insurance business in Germany, Switzerland, and Austria, which comprises approximately 53 % (2020: 54 %) of the Allianz Group's reserves for insurance and investment contracts as of 31 December 2021, includes a substantial level of policyholder participation in all sources of profit, including mortality/morbidity, investment, and expense. As a result of this policyholder participation, the Allianz Group's exposure to insurance, investment, and expense risk is mitigated.

Furthermore, all of the Allianz Group's annuity policies issued in the United States meet the criteria for classification as insurance contracts under IFRS 4 because they include options for contract holders to elect a life-contingent annuity. These contracts currently do expose the Allianz Group to a certain longevity risk, however, adverse developments can be counteracted by using the flexible crediting options on the in-force book. Additionally, many of the Allianz Group's traditional contracts issued in France and Italy do not incorporate significant insurance risk, although they are accounted for as insurance contracts because of their discretionary participation features. Similarly, a significant portion of the Allianz Group's unit-linked contracts in France and Italy do not incorporate significant insurance risk.

As a result of the considerable diversity in types of contracts issued, including the offsetting effects of mortality risk and longevity risk inherent in a combined portfolio of life insurance and annuity products, the geographic diversity of the Allianz Group's Life/Health business segment and the substantial level of policyholder participation in mortality/morbidity risk in certain countries in Western Europe, the Allianz Group does not believe its Life/Health segment has any significant concentrations of insurance risk, nor does it believe its net income or shareholders' equity is highly sensitive to insurance risk.

The Allianz Group's Life/Health business segment is exposed to significant investment risk as a result of guaranteed minimum interest rates being included in most of its non-unit-linked contracts. The weighted average guaranteed minimum interest rates of the Allianz Group's largest operating entities in the business segment Life/Health, comprising 86 % (2020: 86 %) of the aggregate policy reserves in this business segment in 2021, can be summarized by country as follows:

Weighted average guaranteed minimum interest rates of life insurance entities

As of 31 December	2021		2020	
	Guaranteed rate	Aggregate policy reserves	Guaranteed rate	Aggregate policy reserves
	%	€ bn	%	€ bn
Germany	1.7	228.5	1.8	218.3
United States	0.4	123.6	0.5	104.3
France	0.3	54.2	0.3	56.0
Italy	1.0	27.6	1.3	28.8
Switzerland	1.4	12.4	1.5	12.0
Belgium	1.4	6.8	1.9	7.1

In most of these markets, the effective interest rates earned on the investment portfolio exceed these guaranteed minimum interest rates.

In addition, the operations in these markets may also have significant mortality and expense margins. However, the Allianz Group's Life/Health operations in Switzerland and Belgium have high guaranteed minimum interest rates on older contracts in their portfolios and, as a result, may be sensitive to declines in investment rates or a prolonged low interest rate environment. In 2021, significant parts of said portfolios have been sold or reinsured.

Further risk disclosure requirements of IFRS 4 in connection with IFRS 7 are reflected in the following sections of the Risk and Opportunity Report within the Group Management Report:

- Internal risk capital framework,
- Risk-based steering and risk management,
- Underwriting risk in the section Quantifiable risks and opportunities by risk category.

Future policy benefits

As of 31 December 2021, benefits for insurance and investment contracts which are expected to be due in 2022 amounted to € 62 bn, while those expected to be due between 2023 and 2026 amounted to € 204 bn, and those expected to be due after 2026 amounted to € 1,599 bn.

The resulting total benefits for insurance and investment contracts in the amount of € 1,865 bn include contracts where the timing and amount of payments are considered fixed and determinable, as well as contracts which have no specified maturity dates and may result in a payment to the contract beneficiary, depending on mortality and morbidity experience and the incidence of surrenders, lapses, or maturities. Furthermore, the amounts are undiscounted and do not include any expected future premiums; therefore they significantly exceed the reserves for insurance and investment contracts presented in the consolidated balance sheet.

For contracts without fixed and determinable payments, the Allianz Group has made assumptions in estimating the undiscounted cash flows of contractual policy benefits including mortality, morbidity, interest crediting rates, policyholder participation in profits, and future lapse rates. These assumptions represent current best estimates and may differ from the estimates used to establish the reserves for insurance and investment contracts in accordance with the Allianz Group's established accounting policy. Due to the uncertainty of the assumptions used, the amount presented could be materially different from the actual incurred payments in future periods.

16 _ Financial liabilities for unit-linked contracts

Financial liabilities for unit-linked contracts
€ mn

	2021	2020
As of 1 January	**137,307**	**132,168**
Foreign currency translation adjustments	1,192	(3,016)
Changes in the consolidated subsidiaries of the Allianz Group	2,987	(930)
Premiums collected	26,375	21,490
Interest credited	13,129	5,330
Releases upon death, surrender, and withdrawal	(17,873)	(13,702)
Policyholder charges	(2,522)	(2,159)
Portfolio acquisitions and disposals	(1,289)	(5)
Reclassifications[1]	(960)	(1,867)
As of 31 December[2]	**158,346**	**137,307**

1_These reclassifications mainly relate to insurance contracts when policyholders change their contracts from an unit-linked to an universal life-type contract.
2_Consists of € 102,855 mn (2020: € 86,340 mn) unit-linked insurance contracts, and € 55,491 mn (2020: € 50,967 mn) unit-linked investment contracts.

17 _ Other liabilities

Other liabilities
€ mn

As of 31 December	2021	2020
Payables		
Policyholders	5,560	4,741
Reinsurance	4,335	2,846
Agents	2,645	2,055
Subtotal	12,540	9,642
Payables for social security	435	397
Tax payables		
Income taxes	2,519	1,812
Other taxes, interest, and penalties	2,255	1,983
Subtotal	4,774	3,795
Accrued interest and rent	365	457
Unearned income	593	551
Provisions		
Pensions and similar obligations	11,185	10,725
Employee related	3,099	2,774
Share-based compensation plans	361	367
Restructuring plans	274	306
Other provisions[1]	6,070	2,040
Subtotal	20,988	16,211
Deposits retained for reinsurance ceded[2]	31,221	3,903
Derivative financial instruments used for hedging that meet the criteria for hedge accounting, and firm commitments[3]	994	245
Financial liabilities for puttable financial instruments	2,615	2,072
Lease liabilities	2,790	2,725
Other liabilities	9,281	9,005
Total[4]	**86,596**	**49,005**

1_Includes € 3,687 mn for a litigation provision for Structured Alpha. For further information, please refer to note 37.
2_For further information on the deposits retained for reinsurance ceded, please refer to note 8.
3_Mainly level 2 for fair value measurement.
4_Includes other liabilities due within one year of € 47,286 mn (2020: € 33,237 mn).

18 _ Certificated and subordinated liabilities

Certificated and subordinated liabilities
€ mn

	Contractual maturity date				
	Up to 1 year	1 - 5 years	Over 5 years	As of 31 December 2021	As of 31 December 2020
Senior bonds	1,500	2,999	5,091	9,589	8,036
Money market securities	1,198	-	-	1,198	1,170
Total certificated liabilities	**2,698**	**2,999**	**5,091**	**10,788**	**9,206**
Subordinated bonds	-	-	10,911	10,911	13,989
Subordinated loans[1]	-	-	45	45	45
Total subordinated liabilities	**-**	**-**	**10,956**	**10,956**	**14,034**

1_Relates to subordinated loans issued by subsidiaries.

Bonds outstanding as of 31 December 2021
mn

	ISIN	Year of issue	Currency	Notional amount	Coupon in %	Maturity date
Certificated liabilities						
Allianz Finance II B.V., Amsterdam	DE000A1G0RU9	2012	EUR	1,500	3.500	14 February 2022
	DE000A19S4U8	2017	EUR	750	0.250	6 June 2023
	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	DE000A1RE1Q3	2012	EUR	1,500	5.625	17 October 2042
	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
	DE000A1YCQ29	2013	EUR	1,500	4.750	Perpetual bond
	DE000A13R7Z7	2014	EUR	1,500	3.375	Perpetual bond
	XS1485742438	2016	USD	1,500	3.875	Perpetual bond
	DE000A289FK7	2020	EUR	1,250	2.625	Perpetual bond
	US018820AA81/ USX10001AA78	2020	USD	1,250	3.500	Perpetual bond
	DE000A3E5TR0	2021	EUR	1,250	2.600	Perpetual bond
	US018820AB64/ USX10001AB51	2021	USD	1,250	3.200	Perpetual bond

19 _ Equity

Equity
€ mn

As of 31 December	2021	2020
Shareholders' equity		
Issued capital	1,170	1,170
Additional paid-in capital	27,732	27,758
Undated subordinated bonds	4,699	2,259
Retained earnings[1]	32,784	31,371
Foreign currency translation adjustments	(3,223)	(4,384)
Unrealized gains and losses (net)[2]	16,789	22,648
Subtotal	79,952	80,821
Non-controlling interests	4,270	3,773
Total	**84,222**	**84,594**

1_As of 31 December 2021, includes € (32) mn (2020: € (30) mn) related to treasury shares.
2_As of 31 December 2021, includes € 341 mn (2020: € 494 mn) related to cash flow hedges.

Issued capital

Issued capital as of 31 December 2021 amounted to € 1,170 mn, divided into 408,457,873 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 2021, Allianz SE had authorized capital with a notional amount of € 335 mn for the issuance of new shares until 8 May 2023 (Authorized Capital 2018/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) 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, and (iii) 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. The subscription rights for new shares from the Authorized Capital 2018/I and the Conditional Capital 2010/2018 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 2021).

In addition, Allianz SE has authorized capital (Authorized Capital 2018/II) for the issuance of new shares against contributions in cash until 8 May 2023. 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 2021, the Authorized Capital 2018/II amounted to € 15 mn.

Conditional capital

As of 31 December 2021, Allianz SE had conditional capital totaling € 250 mn (Conditional Capital 2010/2018). This conditional capital increase will only be carried out if conversion or option rights attached to convertible bonds, bonds with warrants, convertible participation rights, participation rights, and subordinated financial instruments, which Allianz SE or its Group companies have issued against cash payments according to the resolutions of the Annual General Meeting (AGM) on 5 May 2010 or 9 May 2018, 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

	2021	2020
Number of issued shares outstanding as of 1 January	412,045,639	416,577,182
Changes in number of treasury shares	8,769	348,188
Cancellation of issued shares	(3,835,255)	(4,879,731)
Number of issued shares outstanding as of 31 December	408,219,153	412,045,639
Treasury shares[1]	238,720	247,489
Total number of issued shares	**408,457,873**	**412,293,128**

1_Thereof 238,720 (2020: 247,489) 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 € 5,021,299,514.59 for the 2021 fiscal year shall be appropriated as follows:

- Distribution of a dividend of € 10.80 per no-par share entitled to a dividend: € 4,408,766,852.40
- Unappropriated earnings carried forward: € 612,532,662.19.

The proposal for appropriation of net earnings reflects the 238,720 treasury shares held directly and indirectly by the company as of 31 December 2021. 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 € 10.80 per each share entitled to dividend.

Treasury shares

As of 31 December 2021, Allianz SE held 238,720 (2020: 247,489) treasury shares. Of these, 38,720 (2020: 47,489) were held for covering future subscriptions by employees in Germany and abroad in the context of Employee Stock Purchase Plans, whereas 200,000 (2020: 200,000) were held as a hedge for obligations from the Allianz Equity Incentive Program.

In 2021, 676,669 (2020: 748,482) treasury shares were transferred to employees of Allianz SE and its subsidiaries in Germany and abroad. There have been no grants for free shares. The 47,489 residual treasury shares earmarked for these purposes of Employee Stock Purchase Plans were fully consumed. In addition, 667,900 treasury shares were acquired from the market. As in the previous years, no capital increase for the purpose of Employee Stock

1_Mathematical per-share value € 2.86 (rounded).

Purchase Plans was carried out in 2021. Employees of the Allianz Group purchased approximately 75 % of the shares of the purchase plan at a reference price of € 197.82 (2020: € 167.76) 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 a mean price of € 148.37 (2020: € 125.82). As of 31 December 2021, the remaining treasury shares of Allianz SE held for covering subscriptions by employees in the context of the Employee Stock Purchase Plans of Allianz SE and its subsidiaries in Germany and abroad amounted to 38,720 shares.

In the year ending 31 December 2021, the total number of treasury shares of Allianz SE decreased by 8,769 (2020: a decrease of 348,188), which corresponds to € 25,116.49 (2020: € 988,015.75) or 0.002 % (2020: 0.08 %) of issued capital as of 31 December 2021.

The treasury shares of Allianz SE and its subsidiaries represented € 0.7 mn (2020: € 0.7 mn) or 0.06 % (2020: 0.06 %) of the issued capital as of 31 December 2021.

Share Buy-Back Program 2021

In its meeting on 5 August 2021, the Board of Management of Allianz SE resolved to carry out a share buy-back program in an amount of up to € 750 mn within a period between August 2021 and 31 December 2021 (Share Buy-Back Program 2021) based on the authorization granted by the Annual General Meeting on 9 May 2018. In the period between 18 August 2021 and 22 October 2021, a total of 3,835,255 treasury shares with a market value of € 749,998,846.69 were acquired for an average price of € 195.55.

All of the treasury shares acquired within the Share Buy-Back Program 2021 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	2021	2020
Unrealized gains and losses (net)	201	354
Share of earnings	495	326
Other equity components	3,575	3,093
Total	**4,270**	**3,773**

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 dialogs 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 December 2021 and with a Solvency II capitalization of 209 % (2020: 207 %), 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 2021, 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 37.

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. 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.

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.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

20 _ Premiums earned (net)

Premiums earned (net)
€ mn

	Property-Casualty	Life/Health	Consolidation	Group
2021				
Premiums written				
Gross	60,273	25,884	(94)	86,063
Ceded	(6,794)	(867)	94	(7,567)
Net	53,479	25,018	-	78,497
Change in unearned premiums (net)	(425)	(416)	-	(840)
Premiums earned (net)	**53,054**	**24,602**	**-**	**77,656**
2020				
Premiums written				
Gross	57,772	25,315	(101)	82,986
Ceded	(6,163)	(690)	101	(6,752)
Net	51,609	24,625	-	76,234
Change in unearned premiums (net)	22	(542)	-	(520)
Premiums earned (net)	**51,631**	**24,083**	**-**	**75,714**

21 _ Interest and similar income

Interest and similar income
€ mn

	2021	2020
Dividends from available-for-sale investments	3,664	2,260
Interest from available-for-sale investments	13,792	13,575
Interest from loans to banks and customers	3,553	3,676
Rent from real estate held for investment	1,092	1,007
Other	1,035	877
Total	**23,137**	**21,395**

22 _ Income from financial assets and liabilities carried at fair value through income (net)

Income from financial assets and liabilities carried at fair value through income (net)
€ mn

	2021	2020
Income from financial assets and liabilities held for trading (net)	(6,784)	4,983
Income from financial assets and liabilities designated at fair value through income (net)	631	218
Income from financial liabilities for puttable financial instruments (net)	(317)	(140)
Foreign currency gains and losses (net)[1]	4,462	(5,130)
Total	**(2,008)**	**(69)**

1_These foreign currency gains and losses arise subsequent to initial recognition on all assets and liabilities denominated in a foreign currency that are monetary items and not measured at fair value through income.

23 _ Realized gains/losses (net)

Realized gains/losses (net)
€ mn

	2021	2020
REALIZED GAINS		
Available-for-sale investments		
Equity securities	3,019	4,440
Debt securities	6,341	6,838
Subtotal	9,360	11,277
Other	1,650	1,443
Subtotal	11,010	12,721
REALIZED LOSSES		
Available-for-sale investments		
Equity securities	(284)	(1,731)
Debt securities	(1,114)	(639)
Subtotal	(1,398)	(2,370)
Other	(189)	(95)
Subtotal	(1,587)	(2,465)
Total	**9,423**	**10,256**

24 _ Fee and commission income

Fee and commission income
€ mn

	2021	2020
PROPERTY-CASUALTY		
Fees from credit and assistance business	1,532	1,225
Service agreements	467	415
Subtotal	1,998	1,640
LIFE/HEALTH		
Investment advisory	1,622	1,345
Service agreements	191	155
Subtotal	1,813	1,500
ASSET MANAGEMENT		
Management and advisory fees	9,566	8,336
Loading and exit fees	370	389
Performance fees	633	402
Other	33	63
Subtotal	10,602	9,190
CORPORATE AND OTHER		
Service agreements	2,219	2,001
Investment advisory and banking activities	666	670
Subtotal	2,886	2,671
CONSOLIDATION	(3,301)	(2,953)
Total	**13,998**	**12,049**

25 _ Claims and insurance benefits incurred (net)

Claims and insurance benefits incurred (net)
€ mn

	Property-Casualty	Life/Health	Consoli-dation	Group
2021				
Gross	(40,302)	(22,697)	73	(62,926)
Ceded	4,737	1,140	(73)	5,804
Net	**(35,565)**	**(21,557)**	**-**	**(57,121)**
2020				
Gross	(40,066)	(21,799)	46	(61,818)
Ceded	4,183	591	(46)	4,728
Net	**(35,883)**	**(21,208)**	**-**	**(57,091)**

26 _ Change in reserves for insurance and investment contracts (net)

Change in reserves for insurance and investment contracts (net)
€ mn

	Property-Casualty	Life/Health	Consoli-dation	Group
2021				
Gross	(418)	(13,355)	30	(13,743)
Ceded	(10)	23	14	27
Net	**(428)**	**(13,332)**	**44**	**(13,716)**
2020				
Gross	(320)	(12,965)	30	(13,255)
Ceded	12	281	(13)	279
Net	**(308)**	**(12,684)**	**17**	**(12,976)**

27 _ Interest expenses

Interest expenses
€ mn

	2021	2020
Liabilities to banks and customers	(99)	(83)
Deposits retained for reinsurance ceded	(340)	(88)
Certificated liabilities	(162)	(159)
Subordinated liabilities	(455)	(565)
Other	(103)	(104)
Total	**(1,159)**	**(999)**

28 _ Impairments of investments (net)

Impairments of investments (net)
€ mn

	2021	2020
Impairments		
Available-for-sale investments		
Equity securities	(1,077)	(4,549)
Debt securities	(315)	(493)
Subtotal	(1,391)	(5,041)
Other	(139)	(439)
Subtotal	(1,530)	(5,481)
Reversals of impairments	199	14
Total	**(1,331)**	**(5,467)**

29 _ Investment expenses

Investment expenses
€ mn

	2021	2020
Investment management expenses	(1,019)	(905)
Expenses from real estate held for investment	(630)	(447)
Expenses from fixed assets from alternative investments	(314)	(288)
Total	**(1,962)**	**(1,640)**

30 _ Acquisition and administrative expenses (net)

Acquisition and administrative expenses (net)
€ mn

	2021	2020
PROPERTY-CASUALTY		
Acquisition costs[1]	(10,583)	(10,359)
Administrative expenses	(3,686)	(3,487)
Subtotal	(14,269)	(13,846)
LIFE/HEALTH		
Acquisition costs	(5,208)	(5,144)
Administrative expenses	(2,100)	(1,898)
Subtotal	(7,307)	(7,042)
ASSET MANAGEMENT		
Personnel expenses	(3,149)	(2,805)
Non-personnel expenses[2,3]	(5,458)	(1,696)
Subtotal	(8,607)	(4,501)
CORPORATE AND OTHER		
Administrative expenses	(1,206)	(1,221)
Subtotal	(1,206)	(1,221)
CONSOLIDATION	(33)	(35)
Total	**(31,422)**	**(26,644)**

1_Include € 1,043 mn (2020: € 904 mn) ceded acquisition costs.
2_Include € 102 mn (2020: € 57 mn) changes in assets and € (102) mn (2020: € (57) mn) changes in liabilities related to certain deferred compensation programs, entirely offsetting each other.
3_Include € (3,687) mn expenses for a litigation provision for Structured Alpha. For further information, please refer to note 37.

31 _ Fee and commission expenses

Fee and commission expenses
€ mn

	2021	2020
PROPERTY-CASUALTY		
Fees from credit and assistance business	(1,546)	(1,242)
Service agreements	(409)	(375)
Subtotal	(1,955)	(1,617)
LIFE/HEALTH		
Investment advisory	(726)	(605)
Service agreements	(192)	(108)
Subtotal	(919)	(712)
ASSET MANAGEMENT		
Commissions	(2,189)	(1,794)
Other	(10)	(38)
Subtotal	(2,199)	(1,833)
CORPORATE AND OTHER		
Service agreements	(2,209)	(1,931)
Investment advisory and banking activities	(410)	(353)
Subtotal	(2,619)	(2,284)
CONSOLIDATION	2,693	2,421
Total	**(5,000)**	**(4,024)**

32 _ Income taxes

Income taxes
€ mn

	2021	2020
Current income taxes	(3,636)	(2,264)
Deferred income taxes	1,221	(207)
Total	**(2,415)**	**(2,471)**

During the year ended 31 December 2021, current income taxes included expenses of € 10 mn (2020: € 55 mn) related to prior years, deferred income taxes included income of € 3 mn (2020: € 18 mn) related to prior years.

Of the deferred income taxes for the year ended 31 December 2021, income of € 1,385 mn (2020: expenses of € 70 mn) is attributable to the recognition of deferred taxes on temporary differences, and expenses of € 156 mn (2020: € 129 mn) are attributable to tax losses carried forward. Changes of applicable tax rates due to changes in tax law lead to deferred tax expenses of € 8 mn (2020: € 8 mn).

For the years ended 31 December 2021 and 2020, the income taxes relating to components of other comprehensive income consist of the following:

Income taxes relating to components of other comprehensive income
€ mn

	2021	2020
Items that may be reclassified to profit or loss in future periods		
Foreign currency translation adjustments	148	(155)
Available-for-sale investments	2,489	(2,018)
Cash flow hedges	74	(26)
Share of other comprehensive income of associates and joint ventures	16	(16)
Miscellaneous	166	(7)
Items that may never be reclassified to profit or loss		
Changes in actuarial gains and losses on defined benefit plans	170	78
Total	**3,063**	**(2,145)**

The recognized income taxes for the year ended 31 December 2021 are € 102 mn (2020: € 123 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 % (2020: 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

	2021	2020
Income before income taxes	9,520	9,604
Applied weighted income tax rate	24.3%	24.4%
Expected income taxes	**2,313**	**2,348**
Trade tax and similar taxes	102	216
Net tax-exempt income	(74)	(183)
Effects of tax losses	(1)	27
Other effects	76	63
Effective income taxes	**2,415**	**2,471**
Effective tax rate	**25.4%**	**25.7%**

For the year ended 31 December 2021, the write-down of deferred taxes on tax losses carried forward increased the tax expenses by € 82 mn (2020: € 46 mn). The reversal of write-down of deferred tax assets on tax losses carried forward resulted in deferred tax income of € 12 mn (2020: € 0 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 (2020: € 1 mn). Deferred tax income increased by € 71 mn (2020: € 19 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 € 6 mn (2020: € 17 mn) related to the write-down of deferred tax assets on temporary differences and tax credits. Deferred tax income increased by € 1 mn (2020: € 1 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 2021 ranged from 10.0% to 45.0%, with changes to tax rates that had already been adopted in Argentina, Brazil, Colombia, the Netherlands, and the United Kingdom by 31 December 2021 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 € 483 mn (2020: € 363 mn), as there was convincing other evidence that sufficient future taxable profit will be available.

Deferred tax assets and liabilities

Deferred tax assets and liabilities
€ mn

As of 31 December	2021	2020
DEFERRED TAX ASSETS		
Financial assets carried at fair value through income	38	111
Investments	22,850	14,648
Deferred acquisition costs	1,160	2,098
Other assets	1,860	1,239
Intangible assets	192	221
Tax losses carried forward	1,589	1,544
Insurance reserves	48,632	44,215
Pensions and similar obligations	5,381	5,168
Other liabilities	3,079	2,141
Total deferred tax assets	84,780	71,383
Non-recognition or valuation allowance for deferred tax assets on tax losses carried forward	(761)	(712)
Effect of netting	(82,110)	(69,665)
Net deferred tax assets	**1,910**	**1,006**
DEFERRED TAX LIABILITIES		
Financial assets carried at fair value through income	969	651
Investments	44,241	42,266
Deferred acquisition costs	6,781	7,338
Other assets	1,881	2,336
Intangible assets	1,563	908
Insurance reserves	28,755	21,276
Pensions and similar obligations	2,996	3,023
Other liabilities	550	461
Total deferred tax liabilities	87,736	78,260
Effect of netting	(82,110)	(69,665)
Net deferred tax liabilities	**5,626**	**8,595**
Net deferred tax assets (liabilities)	**(3,717)**	**(7,589)**

Taxable temporary differences associated with investments in Allianz Group companies for which no deferred tax liabilities are recognized, as the Allianz Group is able to control the timing of their reversal, and which will not reverse in the foreseeable future, amounted to € 1,966 mn (2020: € 1,866 mn). Deductible temporary differences arising from investments in Allianz Group companies for which no deferred tax assets are recognized, as it is not probable that they will reverse in the foreseeable future, amounted to € 438 mn (2020: € 41 mn).

Tax losses carried forward

Tax losses carried forward at 31 December 2021 of € 6,284 mn (2020: € 6,417 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 € 2,895 mn (2020: € 2,755 mn). According to tax legislation as of 31 December 2021, an amount of € 2,620 mn (2020: € 2,484 mn) of these tax losses may be carried forward indefinitely, whereas an amount of € 275 mn (2020: € 271 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

	2021
2022	24
2023-2024	24
2025-2026	44
2027-2031	495
>10 years	1,118
Unlimited	4,578
Total	**6,284**

OTHER INFORMATION

33 _ Derivative financial instruments

Derivative financial instruments
€ mn

As of 31 December	2021						2020		
	Maturity by notional amount			Notional principal amounts	Positive fair values	Negative fair values	Notional principal amounts	Positive fair values	Negative fair values
	Up to 1 year	1 - 5 years	Over 5 years						
Interest rate contracts	34,675	26,647	89,378	150,700	928	(266)	138,013	1,541	(117)
Equity/index contracts	327,733	20,604	19,558	367,895	9,969	(19,964)	333,707	13,530	(23,733)
Foreign exchange contracts	130,949	2,482	2,016	135,447	560	(1,646)	116,701	1,493	(471)
Other	2,287	27,947	826	31,060	64	(9)	26,479	34	(2)
Total	**495,644**	**77,680**	**111,778**	**685,102**	**11,521**	**(21,885)**	**614,900**	**16,598**	**(24,323)**
thereof OTC[1]	400,621	74,578	111,778	586,977	10,245	(21,779)	524,572	15,738	(24,223)
thereof exchange-traded	95,023	3,102	-	98,125	1,276	(106)	90,328	860	(100)

1_Consists mainly of equity/index contracts and foreign exchange contracts.

The table shows the fair value and notional amounts of all freestanding derivatives, as well as derivatives for which hedge accounting is applied by the Allianz Group, as of 31 December 2021 and 2020 respectively. The notional principal amounts indicated in the table 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

As of 31 December 2021, freestanding derivatives, which are included in the line item financial assets and liabilities held for trading, had a notional principal amount of € 658.1 bn (2020: € 586.9 bn) as well as a positive fair value of € 11.2 bn (2020: € 15.5 bn), and a negative fair value of € 20.9 bn (2020: € 24.1 bn). Out of the total allocated to the freestanding derivatives, € 122.2 bn (2020: € 111.6 bn) of the notional principal relate to annuity products. Annuity products are equity-indexed or contain certain embedded options or guarantees which are considered embedded derivatives under IAS 39. For these embedded derivatives, the notional principal amounts included in the table refer to the account value of the related insurance contracts. The total negative fair value of these embedded derivatives amounts to € 12.9 bn (2020: € 12.4 bn). Further information on the fair value measurement of these derivatives can be found in note 34.

Derivative financial instruments used in accounting hedges

As of 31 December 2021, derivatives, which form part of hedge accounting relationships and which are included in the line items other assets and other liabilities, had a notional amount of € 27.0 bn (2020: € 28.0 bn) as well as a positive fair value of € 0.3 bn (2020: € 1.1 bn) and a negative fair value of € 1.0 bn (2020: € 0.2 bn). These hedging instruments mainly include foreign exchange rate forwards with a total negative fair value of € 0.4 bn (2020: total positive fair value of € 0.2 bn).

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 2021, the derivative financial instruments used for the related fair value hedges of the Allianz Group had a total negative fair value of € 256 mn (2020: total positive fair value of € 58 mn).

Cash flow hedges

During the year ended 31 December 2021, 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 2021, the derivative instruments utilized had a total negative fair value of € 40 mn (2020: total positive fair value of € 620 mn).

The ineffectiveness that arises from cash flow hedges is immaterial.

Hedges of net investment in foreign operations

As of 31 December 2021, 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 sales. The total negative fair value in 2021 was € 367 mn (2020: total positive fair value of € 212 mn).

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 34. The maximum credit risk exposure is represented by the carrying amount of the financial assets.

34 _ 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:

- 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	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
FINANCIAL ASSETS				
Cash and cash equivalents	24,214	24,214	22,443	22,443
Financial assets held for trading	11,961	11,961	16,107	16,107
Financial assets designated at fair value through income	7,643	7,643	5,084	5,084
Available-for-sale investments	625,250	625,250	621,777	621,777
Held-to-maturity investments	2,749	2,887	2,563	2,884
Investments in associates and joint ventures	15,416	20,149	14,570	17,706
Real estate held for investment	16,923	28,763	14,294	25,094
Loans and advances to banks and customers	124,079	138,234	116,576	138,198
Financial assets for unit-linked contracts	158,346	158,346	137,307	137,307
FINANCIAL LIABILITIES				
Financial liabilities held for trading	20,891	20,891	24,079	24,079
Liabilities to banks and customers	15,468	15,481	14,722	14,768
Financial liabilities for unit-linked contracts	158,346	158,346	137,307	137,307
Financial liabilities for puttable financial instruments	2,615	2,615	2,072	2,072
Certificated liabilities	10,788	11,611	9,206	10,409
Subordinated liabilities	10,956	11,547	14,034	15,039

As of 31 December 2021, fair values could not reliably be measured for equity investments with carrying amounts totaling € 110 mn (2020: € 98 mn). These investments are primarily investments in privately held corporations and partnerships. During the year ended 31 December 2021, such investments with carrying amounts of € 91 mn (2020: € 93 mn) were sold. The gains and losses from these disposals were immaterial.

Fair value measurement on a recurring basis

The following financial assets and liabilities are carried at fair value on a recurring basis:

- financial assets and liabilities held for trading,
- financial assets and liabilities designated at fair value through income,
- available-for-sale investments,
- financial assets and liabilities for unit-linked contracts, and
- financial liabilities for puttable financial instruments.

The following table presents the fair value hierarchy for financial instruments carried at fair value in the consolidated balance sheet as of 31 December 2021 and 2020:

Fair value hierarchy (items carried at fair value)
€ mn

As of 31 December	2021				2020			
	Level 1[1]	Level 2[2]	Level 3[3]	Total	Level 1[1]	Level 2[2]	Level 3[3]	Total
FINANCIAL ASSETS								
Financial assets carried at fair value through income								
Financial assets held for trading	1,579	10,381	1	11,961	1,029	15,070	8	16,107
Financial assets designated at fair value through income	6,282	768	593	7,643	3,983	798	303	5,084
Subtotal	7,861	11,149	595	19,604	5,012	15,868	311	21,190
Available-for-sale investments								
Corporate bonds	12,171	230,675	34,951	277,797	12,986	240,154	29,511	282,651
Government and government agency bonds	15,943	210,121	684	226,748	15,431	227,551	839	243,820
MBS/ABS	30	28,001	781	28,812	35	27,703	284	28,023
Other	344	1,194	10,568	12,106	569	973	7,197	8,740
Equity securities	46,153	437	33,197	79,788	36,483	433	21,628	58,543
Subtotal	74,642	470,429	80,180	625,250	65,504	496,814	59,459	621,777
Financial assets for unit-linked contracts	120,768	36,070	1,508	158,346	103,746	32,260	1,302	137,307
Total	**203,270**	**517,647**	**82,283**	**803,200**	**174,262**	**544,941**	**61,071**	**780,274**
FINANCIAL LIABILITIES								
Financial liabilities held for trading	313	7,815	12,763	20,891	202	11,573	12,304	24,079
Financial liabilities for unit-linked contracts	120,768	36,070	1,508	158,346	103,746	32,260	1,302	137,307
Financial liabilities for puttable financial instruments	2,128	98	389	2,615	1,662	106	305	2,072
Total	**123,209**	**43,983**	**14,660**	**181,852**	**105,609**	**43,939**	**13,910**	**163,458**

1_Quoted prices in active markets.
2_Market observable inputs.
3_Non-market observable inputs.

Financial assets carried at fair value through income

Financial assets held for trading

This position mainly includes derivative financial instruments. 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, it is determined based on the market approach.

Financial assets designated at fair value through income

The fair value is mainly determined based on net asset values for funds and using the market approach.

Available-for-sale investments

Debt securities

Debt securities include corporate and government and government agency bonds, MBS/ABS, and other debt securities.

The valuation techniques for these debt securities 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 is 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 securities

For level 2, the fair value is mainly determined using the market approach or net asset value techniques for funds. For certain private equity investments, the funds are priced based on transaction prices using the cost approach. As there are only few holders of these funds, the market is not liquid and transactions are only known to participants.

Level 3 mainly comprise private equity fund investments as well as alternative investments of the Allianz Group, and in most cases 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.

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 for unit-linked contracts are valued based on their corresponding assets.

Financial liabilities held for trading

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.

A significant decrease (increase) in withdrawal benefit election could result in a lower (higher) fair value. A 10% change of the mortality assumption for all fixed index annuities and variable annuities could lead to a change in fair value of the embedded derivatives of up to 3.3 %. A 10% change of the surrender assumption for all fixed index annuities and variable annuities could lead to a change in fair value of the embedded derivatives of up to 3.5 %.

Quantitative description of non-market observable input(s) used for the level 3 portfolios

Description	Non-market observable input(s)	Range
Fixed index annuities	Annuitizations	0 % - 25 %
	Surrenders	0 % - 25 %
	Mortality	n/a[1]
	Withdrawal benefit election	0 % - 50 %
Variable annuities	Surrenders	0.5 % - 35 %
	Mortality	n/a[1]

1_Mortality assumptions are mainly derived from the Annuity 2000 Mortality Table.

Financial liabilities for puttable financial instruments

Financial liabilities for puttable financial instruments are generally required to be recorded at the redemption amount with changes recognized in income or equity. The fair value is based on the net asset value or the use of present value techniques.

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.

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 carried at fair value through income	Available-for-sale investments – Debt securities[1]	Available-for-sale investments – Equity securities	Financial assets for unit-linked contracts	Total
Carrying value (fair value) as of 1 January 2021	**311**	**37,831**	**21,628**	**1,302**	**61,072**
Additions through purchases and issues	190	9,096	8,510	366	18,161
Net transfers into (out of) level 3	2	303	(108)	(25)	173
Disposals through sales and settlements	(338)	(2,970)	(2,284)	(171)	(5,764)
Net gains (losses) recognized in consolidated income statement	296	285	81	38	700
Net gains (losses) recognized in other comprehensive income	-	453	6,440	-	6,893
Impairments	-	(102)	(432)	-	(534)
Foreign currency translation adjustments	7	1,221	106	-	1,334
Changes in the consolidated subsidiaries of the Allianz Group	127	866	(744)	-	249
Carrying value (fair value) as of 31 December 2021	**595**	**46,983**	**33,197**	**1,508**	**82,283**
Net gains (losses) recognized in consolidated income statement held at the reporting date	15	325	(1)	36	376

1_Primarily include corporate bonds.

Reconciliation of level 3 financial liabilities

€ mn

	Financial liabilities held for trading	Financial liabilities for unit-linked contracts	Financial liabilities for puttable financial instruments	Total
Carrying value (fair value) as of 1 January 2021	**12,304**	**1,302**	**305**	**13,910**
Additions through purchases and issues	705	366	71	1,142
Net transfers into (out of) level 3	-	(25)	-	(25)
Disposals through sales and settlements	(1,220)	(171)	(10)	(1,402)
Net losses (gains) recognized in consolidated income statement	85	38	22	145
Foreign currency translation adjustments	889	-	-	889
Changes in the consolidated subsidiaries of the Allianz Group	-	-	1	1
Carrying value (fair value) as of 31 December 2021	**12,763**	**1,508**	**389**	**14,660**
Net losses (gains) recognized in consolidated income statement held at the reporting date	(300)	36	22	(242)

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 28.

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	2021				2020			
	Level 1[1]	Level 2[2]	Level 3[3]	Total	Level 1[1]	Level 2[2]	Level 3[3]	Total
FINANCIAL ASSETS								
Held-to-maturity investments	1,271	1,616	-	2,887	1,169	1,711	5	2,884
Investments in associates and joint ventures	62	800	19,287	20,149	1	584	17,121	17,706
Real estate held for investment	-	-	28,763	28,763	-	-	25,094	25,094
Loans and advances to banks and customers	6,547	57,750	73,936	138,234	5,943	66,046	66,209	138,198
Total	**7,880**	**60,166**	**121,986**	**190,032**	**7,112**	**68,341**	**108,429**	**183,883**
FINANCIAL LIABILITIES								
Liabilities to banks and customers	8,340	3,612	3,529	15,481	8,674	3,335	2,760	14,768
Certificated liabilities	-	11,419	192	11,611	-	10,231	178	10,409
Subordinated liabilities	-	11,547	-	11,547	-	15,039	-	15,039
Total	**8,340**	**26,578**	**3,721**	**38,638**	**8,674**	**28,605**	**2,938**	**40,216**

1_Quoted prices in active markets.
2_Market observable inputs.
3_Non-market observable inputs.

Held-to-maturity investments

For level 2 and level 3, the fair value is mainly determined based on the market approach using quoted market prices, and the income approach using deterministic discounted cash flow models.

Investments in 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 identical or 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.

Loans and advances to banks and customers

For loans and advances to banks and customers, quoted market prices are rarely available. Level 1 mainly consists of highly liquid advances, e.g., short-term investments. The fair value for these assets in level 2 and level 3 is mainly derived based on the income approach using deterministic discounted cash flow models.

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 liabilities 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.

Transfers of financial assets

As of 31 December 2021, 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 available-for-sale debt and equity securities for which substantially all of the risks and rewards are retained. As of 31 December 2021, the carrying amount of the assets transferred for securities lending transactions amounted to € 10,803 mn (2020: € 11,352 mn). For repurchase agreements, the carrying amount of the assets transferred amounted to € 1,118 mn (2020: € 908 mn) and the carrying amount of the associated liabilities amounted to € 1,122 mn (2020: € 906 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	2021	2020
Collaterals without right to resell or repledge		
Investments	12,975	12,106
Other	5	5
Subtotal	12,980	12,111
Collaterals with right to resell or repledge		
Investments	6,288	7,090
Subtotal	6,288	7,090
Total	**19,268**	**19,201**

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 2021, the Allianz Group received collateral consisting of fixed income and equity securities with a fair value of € 13,601 mn (2020: € 14,187 mn), which the Allianz Group has the right to sell or repledge. For the years ended 31 December 2021 and 2020, no previously received collateral was sold or repledged by the Allianz Group.

35 _ 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 judgement.

In the following sections, the business activities involving unconsolidated structured entities are described.

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 € 1,304 mn as of 31 December 2021 (2020: € 1,517 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 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 24.

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	2021	2020
CMBS	12,840	13,079
CMO/CDO	6,727	6,394
U.S. Agency	3,747	3,919
Auto	457	677
Other	5,089	4,005
Total[1,2]	**28,861**	**28,074**

1_Comprises mainly investments.
2_Thereof rated AAA or AA € 24,300 mn (2020: € 25,357 mn).

The carrying amounts in the tables listed above correspond to an aggregated amortized cost amount of € 28,207 mn (2020: € 26,711 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	2021	2020
Private equity funds	30,257	19,037
Debt funds	12,383	9,695
Property funds	11,405	7,774
Stock funds	4,287	3,440
Other funds	2,099	1,617
Total[1]	**60,430**	**41,563**

1_Comprises mainly investments.

Of this investment fund exposure of the Allianz Group, investments of € 12.0 bn (2020: € 11.3 bn) relate to listed investment funds, whereas investments of € 48.4 bn (2020: € 30.2 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 € 1,298 mn (2020: € 1,056 mn). Furthermore, the Allianz Group has entered commitments to invest in private equity funds and further financial instruments of up to € 30,604 mn as of 31 December 2021 (2020: € 25,017 mn).

The carrying amounts in the tables listed above correspond to an aggregated amortized cost amount of € 47,842 mn (2020: € 36,425 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 2021, the volume of unit-linked assets amounted to € 158,346 mn (2020: € 137,307 mn). Any exposure to loss on these investments is solely borne by the unit-linked policyholder.

36 _ 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 pension plan "My Allianz Pension" are generally 15 % of total target direct compensation.
– 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	2021	2020
Short-term employee benefits[1]	21	18
Post-employment benefits	5	6
Share-based payment	19	21
Total	**45**	**45**

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 2021, reserves for pensions and similar benefits for active members of the Board of Management amounted to € 33 mn (2020: € 35 mn). Provisions for share-based payment amounted to € 38 mn (2020: € 27 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 2021, the remuneration of the members of the Supervisory Board was € 3 mn (2020: € 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.

Due to reinsurance agreements with the joint venture Enhanzed Reinsurance Ltd., Allianz SE recognized reinsurance assets and deposits retained for reinsurance ceded amounting to each € 2.1 bn for the year ended 31 December 2021.

37 _ Litigation, guarantees, and other contingencies and commitments

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 are in particular the following:

In September 2015 and in January 2017, two separate putative class action complaints were filed against Allianz Life Insurance Company of North America ("Allianz Life") making allegations similar to those made in prior class actions regarding the sale of Allianz Life's annuity products, including allegations of breach of contract and violation of California unfair competition law. In one matter, the Court denied class certification. The case, which continued as an individual action, was settled between the parties with no effect on Allianz Group's financial position. The ultimate outcome of the remaining case cannot yet be determined.

Since July 2020, multiple complaints have been filed in U.S. Federal Courts and also in certain U.S. State Courts against Allianz Global Investors U.S. LLC ("AllianzGI U.S.") and in certain complaints, against certain of AllianzGI U.S.'s affiliates, including Allianz SE and Allianz Asset Management GmbH ("Affiliate Allianz Defendants"), in connection with losses suffered by investors in AllianzGI U.S.'s Structured Alpha funds ("Funds") during the COVID-19 related market downturn. The actions brought to date have included institutional investor plaintiffs and individual plaintiffs, with certain plaintiffs asserting claims on behalf of putative classes. An investment consultant has also asserted third-party claims against AllianzGI U.S.. Plaintiffs in the currently pending 26 actions have alleged losses of approximately USD 6.3 bn. In addition to the complaints filed to date, other investors in the Funds, or other third parties, may bring similar actions. Plaintiffs in these actions have dismissed without prejudice all claims against Affiliate Allianz Defendants, including Allianz SE and Allianz Asset Management GmbH, with only one exception where Allianz Global Investors Distributors LLC is kept as a defendant next to AllianzGI U.S.. AllianzGI U.S. continues to defend against the allegations contained in the complaints.

Upon request from the U.S. Securities and Exchange Commission ("SEC"), AllianzGI U.S. has provided substantial information to the SEC in connection with an SEC investigation of the Funds, and Allianz is fully cooperating with the SEC's ongoing investigation.

In addition, the U.S. Department of Justice ("DOJ") is continuing its investigation concerning the Funds, and AllianzGI U.S. is also fully cooperating with the DOJ in the investigation and is continuing its own review of the matter.

On 1 August 2021, in light of the DOJ investigation and based on information then available to Allianz, the Board of Management of Allianz SE reassessed the Structured Alpha matter and came to the conclusion, as also announced by Ad-hoc disclosure, that there is a relevant risk that the matters relating to the Funds could materially impact future financial results of Allianz Group.

In light of the discussions with plaintiffs and U.S. Governmental Authorities concerning the Structured Alpha matter and in anticipation of settlements with major investors in the Funds Allianz decided, as announced by Ad-hoc disclosure on 17 February 2022, to recognize a provision of € 3.7 bn for the fourth quarter of 2021. The provision reflects the elements of the expected obligation in the Structured Alpha matter, for which, as of today, a reliable estimate could be determined. Final settlements with major investors were reached shortly thereafter and Allianz believes that these settlements represent a substantial majority of the Structured Alpha civil litigation exposure.

Discussions with remaining plaintiffs, the DOJ as well as the SEC are ongoing, and the timing and nature of any global or coordinated resolution of these matters is not certain. Therefore, as of today, the total financial impact of the Structured Alpha matter cannot be reliably estimated and it is expected that additional expenses will be incurred before these matters are finally resolved. Such additional expenses also cannot reliably be estimated and consequently are not included in the provision. Allianz expects that the disclosure of additional information could have a negative impact on its position in the ongoing discussions and therefore, in accordance with IAS 37.92, management refrains from providing further details on the provision recognized as well as on any contingent liabilities.

Guarantees

Guarantees
€ mn

As of 31 December	2021	2020
Financial guarantees	71	81
Indemnification contracts	109	106
Performance guarantees	54	23
Total	**234**	**210**

Commitments

Commitments
€ mn

As of 31 December	2021	2020
Commitments to acquire interests in associates and available-for-sale investments	30,604	25,017
Debt investments	6,087	7,067
Other	6,560	5,416
Total	**43,251**	**37,500**

Other commitments and 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 2021, the future liabilities of Allianz Lebensversicherungs-AG and its subsidiaries to the insurance guarantee scheme pursuant to the SichLVFinV amount to annual contributions of € 15.7 mn (2020: € 19.5 mn) and potential special contributions of, in principle, € 295 mn (2020: € 270 mn) per year. In addition, Allianz Lebensversicherungs-AG and some of its 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 2021, 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 its subsidiaries to the insurance guarantee scheme and to Protektor is € 2,671 mn (2020: € 2,449 mn).

38 _ 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 2021, the maturities for lease liabilities were as follows:

Maturities for lease liabilities
€ mn

As of 31 December	2021			2020		
	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	447	44	403	507	40	467
Between one and five years	1,310	121	1,189	1,184	113	1,071
More than five years	1,316	118	1,198	1,310	123	1,187
Total	**3,072**	**282**	**2,790**	**3,001**	**276**	**2,725**

For the year ended 31 December 2021, the total cash outflow for leases amounted to € 583 mn.

As a lessor

For the year ended 31 December 2021, the lease income for operating leases amounted to € 1,107 mn.

The Allianz Group leases out its investment properties (see note 6) 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 2021, 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	2021
One year and less	994
Between 1 and up to 2 years	866
Between 2 and up to 3 years	793
Between 3 and up to 4 years	649
Between 4 and up to 5 years	609
More than 5 years	2,138
Total	**6,047**

39 _ 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.

In the Pension Task Force, the heads of Group HR, Group Accounting and Reporting, Group Treasury and Corporate Finance, Group Actuarial, Planning & Controlling, Group Risk and AIM met four times to provide global governance and pre-align pension-related topics such as risk management and Solvency II prior to relevant Group Committee meetings.

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 above the GSSC 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, and pension increases are broadly linked to inflation.

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)	
	2021	2020	2021	2020	2021	2020	2021	2020
Balance as of 1 January	**26,450**	**26,483**	**16,130**	**16,226**	**50**	**44**	**10,370**	**10,302**
Current service costs	481	477	-	-	-	-	481	477
Interest expenses	213	286	-	-	-	-	213	286
Interest income	-	-	137	183	-	-	(137)	(183)
Other[2]	(24)	(109)	-	-	-	-	(24)	(109)
Expenses recognized in the consolidated income statement	**670**	**655**	**137**	**183**	**-**	**-**	**533**	**472**
Actuarial (gains)/losses due to								
Changes in demographic assumptions	(25)	20	-	-	-	-	(25)	20
Changes in financial assumptions	40	867	-	-	-	-	40	867
Experience adjustments[3]	443	47	-	-	-	-	443	47
Return on plan assets greater/(less) than interest income on plan assets	-	-	(130)	680	-	-	130	(680)
Change in effect of asset ceiling in excess of interest	-	-	-	-	13	7	13	7
Remeasurements recognized in the consolidated statement of comprehensive income (before deferred taxes)	**458**	**933**	**(130)**	**680**	**13**	**7**	**601**	**259**
Employer contributions	-	-	451	352	-	-	(451)	(352)
Plan participants' contributions	119	115	119	115	-	-	-	-
Benefits paid	(813)	(786)	(483)	(467)	-	-	(331)	(319)
Acquisitions and divestitures	-	18	-	7	-	-	-	11
Settlement payments/assets distributed on settlement[4]	-	(846)	-	(845)	-	-	-	(1)
Foreign currency translation adjustments	200	(122)	226	(124)	3	-	(23)	2
Changes in the consolidated subsidiaries of the Allianz Group	11	-	20	4	-	-	(9)	(4)
Balance as of 31 December[5]	**27,095**	**26,450**	**16,471**	**16,130**	**67**	**50**	**10,691**	**10,370**
thereof assets	-	-	-	-	-	-	(494)	(354)
thereof liabilities	-	-	-	-	-	-	11,185	10,725
Thereof allotted to:								
Germany	21,970	21,301	11,324	11,204	-	-	10,646	10,096
United Kingdom	1,775	1,761	1,969	1,903	-	-	(194)	(142)
Switzerland	1,545	1,530	1,836	1,652	67	50	(224)	(71)

1_The asset ceiling is determined by taking into account the reduction of future contributions.
2_Includes for 2020 past service cost of € 113 mn in the United Kingdom due to a change in indexation of pension payments.
3_Includes for 2021 for Germany € 123 mn due to higher pension commitments because of inflation and € 321 mn due to higher valuation reserves.
4_Includes for 2020 € 833 mn in the Netherlands and € 12 mn in Colombia due to plan settlements.
5_As of 31 December 2021, € 6,583 mn (2020: € 6,448 mn) of the defined benefit obligation is wholly unfunded, while € 20,513 mn (2020: € 20,002 mn) is wholly or partly funded.

As of 31 December 2021 and 2020, 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 89.6 (2020: 89.4) years, and of a currently 65-year-old male plan participant about 86.8 (2020: 86.7) years. An increase in life expectancy by one year would lead to an increase of the defined benefit obligation by € 848 mn (2020: € 821 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	2021	2020
Discount rate	**1.2**	**0.8**
This includes the following country rates:		
Germany		
long duration	1.2	0.8
short duration	0.9	0.5
United Kingdom	1.9	1.3
Switzerland	0.3	0.3
Rate of compensation increase	**1.8**	**1.8**
Rate of pension increase	**1.9**	**1.3**
Rate of medical cost trend	**2.9**	**0.9**

Asset allocation of plan assets
€ mn

As of 31 December	2021	2020
Equity securities		
Quoted	1,569	1,302
Non-quoted	13	3
Debt securities		
Quoted	4,564	4,858
Non-quoted	2,880	3,494
Real estate[1]	**962**	**900**
Annuity contracts[1,2]	**4,954**	**4,065**
Life insurance investment products[1]	**1,249**	**1,168**
Other	**279**	**341**
Total	**16,471**	**16,130**

1_Real estate, annuity contracts and life insurance investment products are generally non-quoted.
2_Includes as of 31 December 2021 € 647 mn in the United Kingdom due to a buy-in.

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 € 1.7 bn (2020: € 1.8 bn) in the defined benefit obligation, whereas a decrease in the discount rate by 50 basis points would lead to an increase of € 2.0 bn (2020: 2.0 bn).

An increase of pre-retirement benefit assumptions (e.g., a salary increase) of 25 basis points would have an effect of € 68 mn (2020: € 73 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 € 604 mn (2020: € 586 mn).

Plan assets/Asset liability management (ALM)

Based on the estimated future cash flows of € 916 mn for 2022, € 928 mn for 2023, € 956 mn for 2024, € 960 mn for 2025, € 997 mn for 2026, and € 4,915 mn for 2027 – 2031, the weighted duration of the defined benefit obligation is 16.6 (2020: 17.4) 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 135,000 (2020: 135,000) 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:

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 € 3.3 mn (2020: € 3.1 mn) of its own transferable financial instruments.

In addition to the plan assets of € 16.5 bn (2020: € 16.1 bn), the Allianz Group has dedicated assets at Group level amounting to € 9.6 bn as of 31 December 2021 (2020: € 9.7 bn), which are likewise managed according to Allianz ALM standards.

Contributions

For the year ending 31 December 2022, the Allianz Group expects to contribute € 276 mn to its defined benefit plans (2020: € 271 mn for the year ending 31 December 2021), and to pay € 412 mn directly to participants in its defined benefit plans (2020: € 363 mn for the year ending 31 December 2021).

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 2021, the Allianz Group recognized expenses for defined contribution plans of € 316 mn (2020: € 311 mn). Additionally, the Allianz Group paid contributions for state pension schemes of € 348 mn (2020: € 329 mn).

40 _ 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]		2022[2]	2021	2020
Share price	€	224.16	203.13	202.46
Average dividend yield of Allianz SE share	%	5.1	5.1	5.2
Average interest rate	%	(0.3)	(0.5)	(0.6)
Expected volatility of the Allianz SE share price	%	20.3	20.9	19.2

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 2022 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 2021, the Allianz Group recognized compensation expenses related to the AEI plans of € 132 mn (2020: € 98 mn).

As of 31 December 2021, the Allianz Group recorded provisions of € 338 mn (2020: € 346 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 the 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.

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.

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]		2022[2]	2021	2020
Share price	€	224.16	203.13	202.46
Average dividend yield of Allianz SE share	%	5.1	5.1	5.2
Average interest rate	%	(0.3)	(0.5)	(0.6)
Expected volatility of the Allianz SE share price	%	20.3	20.9	19.2
Expected volatility of the index	%	17.0	17.9	15.8
Expected correlation of the Allianz SE share price and index	%	92.8	94.0	90.1

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 2022 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 2021, the Allianz Group recognized compensation expenses related to the LTI plans of € 11 mn (2020: € 16 mn).

As of 31 December 2021, the Allianz Group recorded provisions of € 22 mn (2020: € 19 mn) for these index-linked RSUs in other liabilities.

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 following table provides the assumptions used in calculating the fair value of the M-unit options at grant date:

Assumptions of Class M-Unit plan

		2021	2020
Weighted-average fair value of options granted	€	-	719.44
Assumptions:			
Expected return (in years)		-	3.84
Expected volatility	%	-	25.1
Expected dividend yield	%	-	11.1
Risk-free rate of return	%	-	0.6

The number and weighted-average exercise price of the M-unit options outstanding and exercisable are as follows:

Reconciliation of outstanding M-unit options

	2021		2020	
	Number of options	Weighted-average exercise price	Number of options	Weighted-average exercise price
		€		€
Outstanding as of 1 January	**148,726**	**11,993.37**	**153,400**	**12,019.69**
Granted	-	-	29,802	14,552.74
Exercised	(41,017)	11,402.94	(27,775)	9,453.45
Forfeited	(5,478)	13,382.08	(6,701)	11,781.75
Outstanding as of 31 December	**102,231**	**13,480.70**	**148,726**	**11,993.37**
Exercisable as of 31 December	-	-	-	-

As of 31 December 2021, the aggregate intrinsic value of share options outstanding was € 681 mn (2020: € 600 mn).

As of 31 December 2021, the M-unit options outstanding have an exercise price between € 10,379.88 and € 15,657.76, and a weighted-average remaining contractual life of 1.93 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 2021, the Allianz Group recorded compensation expenses of € 10 mn (2020: € 14 mn) related to these share options.

Employee stock purchase plan

The Allianz Group offers Allianz SE shares in 41 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 2021, the number of shares sold to employees under these plans was 676,669 (2020: 748,482). During the year ended 31 December 2021, employees were granted - (2020: 74,873) free shares. From 2018 onwards, the employees receive one bonus share for three shares bought. For the year ended 31 December 2021, these bonus shares had an equivalent value of € 33 mn (2020: € 28 mn).

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.

41 _ 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. For 2021, the Allianz Group recognized net financial charges of € 50 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

	2021	2020
Net income attributable to shareholders – basic	6,560	6,807
Effect of potentially dilutive shares	(42)	(44)
Net income attributable to shareholders – diluted	**6,518**	**6,762**
Weighted-average number of shares outstanding – basic	410,924,074	412,927,486
Potentially dilutive shares	764,967	1,536,909
Weighted-average number of shares outstanding – diluted	**411,689,041**	**414,464,395**
Basic earnings per share (€)	**15.96**	**16.48**
Diluted earnings per share (€)	**15.83**	**16.32**

42 _ Other information

Number of employees

As of 31 December 2021, the Allianz Group employed 155,411 (2020: 150,269) people, thereof 39,720 (2020: 39,768) in Germany. The average total number of employees for the year ended 31 December 2021 was 152,840.

Personnel expenses

Personnel expenses
€ mn

	2021	2020
Salaries and wages	10,587	9,942
Social security contributions and employee assistance	1,553	1,439
Expenses for pensions and other post-retirement benefits	1,199	1,129
Total	**13,339**	**12,509**

Issuance of the Declaration of Conformity with the German Corporate Governance Code according to §161 AktG

On 16 December 2021, 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(6) HGB

As of 31 December 2021, the Board of Management is comprised of ten members. The following values reflect the full Board of Management active in the respective year.

The sum of the total remuneration of the Allianz SE Board of Management for 2021, excluding pension service cost, amounts to € 39 mn (2020: € 32 mn).

The equity-related remuneration in 2021 is comprised of 97,208[1] (2020: 81,561[2]) Restricted Stock Units (RSUs).

RSUs with a total fair value of € 17.9 mn (2020: € 13.9 mn) were granted to the Board of Management for the year ended 31 December 2021.

In 2021, former members of the Board of Management and their dependents received remunerations and other benefits totaling € 10 mn (2020: € 8 mn), while reserves for current pension obligations and accrued pension rights totaled € 201 mn (2020: € 171 mn).

The total remuneration for all Supervisory Board members, including attendance fees, amounted to € 2.8 mn (2020: € 2.7 mn).

As of 31 December 2021, there were no outstanding loans granted by Allianz Group companies to members of the Board of Management or the Supervisory Board.

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.

For services rendered by PwC GmbH and the worldwide member firms of PricewaterhouseCoopers International Limited (PwCIL), the following fees were recognized in the fiscal year:

PwC fees
€ mn

	PwCIL		thereof: PwC GmbH	
	2021	2020	2021	2020
Audit services	53.7	45.6	15.9	13.8
Other attestation services	5.8	4.0	2.3	1.4
Tax services	2.0	3.3	0.1	0.4
Other services	12.4	6.5	1.6	2.7
Total	**73.8**	**59.3**	**19.9**	**18.3**

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.

Tax services primarily refer to tax compliance services, other services mainly refer to consulting services.

43 _ Subsequent events

Share buy-back program 2022

In February 2022, Allianz SE has started a new share buy-back program with a volume of up to € 1.0 bn. Allianz SE will cancel all repurchased shares.

Litigation

For further information on the Structured Alpha matter please refer to note 37.

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 2020 was based on a best estimate of the RSU grants. The figures shown here for 2020 now include the actual fair value as of the grant date (5 March 2021). The value therefore differs from the amount disclosed last year.

44 _ List of participations of the Allianz Group as of 31 December 2021 according to § 313 (2) HGB

	% owned[1]
GERMANY	
Consolidated affiliates	
abracar GmbH, Munich	100.0
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. 4a, Munich	100.0
ACP Vermögensverwaltung GmbH & Co. KG Nr. 4c, Munich	100.0
ACP Vermögensverwaltung GmbH & Co. KG Nr. 4d, 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 Africa Holding GmbH, Munich	100.0
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 Beratungs- und Vertriebs-AG, Munich	100.0
Allianz Capital Partners GmbH, Munich	100.0
Allianz Capital Partners Verwaltungs GmbH, Munich	100.0
Allianz Climate Solutions GmbH, Munich	100.0
Allianz Deutschland AG, Munich	100.0
Allianz Digital Health GmbH, Munich	100.0 [4]
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 Health GmbH, 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 Handwerker Services GmbH, Aschheim	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 LFE Fonds, Frankfurt am Main	100.0 [3]
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 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 Real Estate GmbH, Munich	100.0 [4]
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, Munich	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
APK Infrastrukturfonds GmbH, 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
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 41 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 AI Nr. 1 GmbH, Munich	100.0
AZL Four T1 GmbH, Frankfurt am Main	100.0
AZL PE Nr. 1 GmbH, 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-Private Finance GmbH, Stuttgart	100.0
AZRE AZD P&C Master Fund, Munich	100.0 [3]
AZ-SGD Classic Infrastrukturfonds GmbH, Munich	100.0
AZ-SGD Direkt Infrastruktur GmbH, Munich	100.0

	% owned[1]
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
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
finanzen.de Maklerservice GmbH, Berlin	100.0
finanzen.de Vermittlungsgesellschaft für Verbraucherverträge GmbH, Berlin	100.0
GA Global Automotive Versicherungsservice GmbH, Halle (Saale)	100.0
IconicFinance GmbH, Munich	100.0
IDS GmbH - Analysis and Reporting Services, Munich	100.0
Kaiser X Labs GmbH, Munich	100.0
KVM ServicePlus - Kunden- und Vertriebsmanagement GmbH, Halle (Saale)	100.0
Lola Vermögensverwaltungsgesellschaft mbH & Co. KG, Munich	100.0
MAWISTA GmbH, Wendlingen am Neckar	100.0
Mercato Leadmanagement Investments Holdings GmbH, Berlin	100.0
META Finanz-Informationssysteme GmbH, Munich	100.0
Mondial Kundenservice GmbH, Nuremberg	100.0
Münchener & Magdeburger Agrar AG, Munich	100.0 [4]
My Finance Coach Stiftung GmbH, Munich	100.0
myHealth X GmbH, Munich	100.0
PIMCO EM Corporates, Frankfurt am Main	100.0 [3]
PIMCO Europe GmbH, Munich	100.0
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, Munich	100.0
Roland Holding GmbH, Munich	75.6
Seine GmbH, Munich	100.0
Seine II GmbH, Munich	100.0
Signa 12 Verwaltungs GmbH, Stuttgart	94.9
Spherion Beteiligungs GmbH & Co. KG, Stuttgart	94.9
Spherion Objekt GmbH & Co. KG, Stuttgart	89.9
Syncier GmbH, Munich	98.5
UfS Beteiligungs-GmbH, Munich	100.0
VCIS Germany GmbH, Cologne	50.0 [2]
Vivy GmbH, Berlin	100.0
VLS Versicherungslogistik GmbH, Berlin	100.0

	% owned[1]
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
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
Non-consolidated affiliates	
AERS Consortio Aktiengesellschaft, Stuttgart	55.3
Allianz Direct Fonds, Frankfurt am Main	100.0 [3]
Allianz Global Benefits GmbH, Stuttgart	100.0
Allianz Objektbeteiligungs-GmbH, Stuttgart	100.0
Allianz OrtungsServices GmbH, Munich	100.0
Allianz Pension Consult GmbH, Stuttgart	100.0
Allianz zweite Objektbeteiligungs-GmbH, Stuttgart	100.0
AZ Beteiligungs-Management GmbH, Munich	100.0

	% owned[1]
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
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]
NeuConnect Deutschland GmbH, Wilhelmshaven	26.2 [3,7]
PNE WIND Infrastruktur Calau II GmbH, Cuxhaven	50.0
PNE WIND Park III GmbH & Co. KG, Cuxhaven	50.0
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	
Arabesque S-Ray GmbH, Frankfurt am Main	11.3 [8]
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
DCSO Deutsche Cyber-Sicherheitsorganisation GmbH, Berlin	25.0
esa EuroShip GmbH & Co. KG Underwriting for Shipping, Bad Friedrichshall	40.0
InnoSolutas GmbH, Bad Friedrichshall	25.0
KomfortDynamik Sondervermögen, Frankfurt am Main	7.5 [3,8]
Norsea Gas GmbH, Friedeburg-Etzel	28.0
SDA SE Open Industry Solutions, Hamburg	25.0
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	19.1 [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]
2media GmbH, Zurich	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

	% owned[1]	
490 Lower Unit LP, Wilmington, DE	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
Aero-Fonte S.r.l., Misterbianco	100.0	
AFI2 Real Estate Fund (Compartment), Luxembourg	100.0	
AGA Insurance Broker (Thailand) Co. Ltd., Bangkok	100.0	
AGA Service Company Corp., Richmond, VA	100.0	
AGCS International Holding B.V., Amsterdam	100.0	
AGCS Marine Insurance Company, Chicago, IL	100.0	
AGF Inversiones S.A., Buenos Aires	100.0	
AIM Equity EMU 1 FCP, Paris	100.0	3
AIM Equity PG Vie, 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 (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 071 S.r.l., Sassari	51.0	
Allianz 311 S.r.l., Milan	51.0	
Allianz 351 S.r.l., Este	51.0	
Allianz 371 S.r.l., Verona	51.0	
Allianz 421 S.r.l., Reggio Emilia	51.0	
Allianz 481 S.r.l., Faenza	51.0	
Allianz 671 S.r.l., L'Aquila	51.0	
Allianz 871 S.r.l., Cosenza	51.0	
Allianz 901 S.r.l., Palermo	51.0	
Allianz Actio France, Paris	81.1	3
Allianz Actions Aéquitas, Paris	61.6	3
Allianz Actions Emergentes, Paris	93.6	3
Allianz Actions Euro, Paris	42.5	2,3
Allianz Actions Euro Convictions, Paris	58.5	3
Allianz Actions France, Paris	50.1	3
Allianz Advisory Pte. Ltd., Singapore	100.0	
Allianz Africa Financial Services S.à r.l., Casablanca	100.0	
Allianz Africa SAS, Paris la Défense	100.0	
Allianz Africa Services SA, Abidjan	100.0	
Allianz Air France IFC, Paris	100.0	3
Allianz Alapkezelõ Zrt., Budapest	100.0	
Allianz Allvest Invest SICAV-SIF - Allvest Active Invest, Luxembourg	97.6	3
Allianz Allvest Invest SICAV-SIF - Allvest Passive Invest, Luxembourg	99.0	3
Allianz Argentina Compañía de Seguros Generales S.A., Buenos Aires	100.0	
Allianz Asac Actions, Paris	100.0	3
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 L.P., 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 Ltd., Sydney	100.0	
Allianz Australia General Insurance Limited, Sydney	100.0	
Allianz Australia General Insurance Services Limited, 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 Limited, Sydney	100.0	
Allianz Australia Partnership Services Pty 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	
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., Puteaux	100.0	
Allianz Benelux S.A., Brussels	100.0	
Allianz Better World Defensive, Senningerberg	91.4	3
Allianz Better World Dynamic, Senningerberg	84.7	3
Allianz Better World Moderate, Senningerberg	86.3	3
Allianz Bonds Euro High Yield, Paris	100.0	3
Allianz Brasil Seguradora S.A., Rio de Janeiro	100.0	
Allianz Bulgaria Holding AD, Sofia	66.2	
Allianz Business Services Limited, Guildford	100.0	
Allianz Cameroun Assurances SA, Douala	75.4	
Allianz Cameroun Assurances Vie SA, Douala	76.4	
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 Insurance Holding Limited, Shanghai	100.0	
Allianz China Life Insurance Co. Ltd., Shanghai	100.0	
Allianz Clean Planet, Senningerberg	41.1	2,3
Allianz Climate Transition, Senningerberg	39.5	2,3
Allianz Colombia S.A., Bogotá D.C.	100.0	
Allianz Compañía de Seguros y Reaseguros S.A., Madrid	99.9	
Allianz Core Dividend, Paris	100.0	3
Allianz Côte d'Ivoire Assurances SA, Abidjan	74.1	
Allianz Côte d'Ivoire Assurances Vie SA, Abidjan	71.0	
Allianz Creactions 1, Paris	100.0	3
Allianz Creactions II, Paris	100.0	3
Allianz Credit Opportunities Plus, Senningerberg	31.3	2,3
Allianz Crowdfunding Fund I FPCI, Paris	100.0	3
Allianz Crowdlending FSPI, Paris	100.0	3
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	94.7	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 EM Loans S.C.S., Luxembourg	100.0	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 Euro Credit Risk Control, Senningerberg	97.0	3
Allianz Europe B.V., Amsterdam	100.0	
Allianz Europe Conviction Equity, Senningerberg	53.7	3
Allianz Europe Ltd., 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 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 Pty Ltd., Sydney	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	100.0	
Allianz FinanzPlan 2055, Senningerberg	44.0	2,3
Allianz Fire and Marine Insurance Japan Ltd., Tokyo	100.0	
Allianz FLG Private Debt Fund SA SICAV-RAIF, Senningerberg	100.0	3
Allianz FMO SDG Loan Fund S.C.A. SICAV-SIF, Senningerberg	100.0	3
Allianz Foglalkoztatói Nyugdíjszolgáltató Zrt., Budapest	100.0	
Allianz France Favart I, Paris	100.0	3
Allianz France Investissement OPCI, Paris la Défense	100.0	
Allianz France Real Estate Invest SPPICAV, Paris la Défense	100.0	
Allianz France Relance, Senningerberg	78.9	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	

	% owned[1]	
Allianz General Insurance Public Co. Ltd., Bangkok	100.0	
Allianz General Laos Co. Ltd., Vientiane	51.0	
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 of Bermuda Ltd., Hamilton	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 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 Fundamental Strategy, Senningerberg	29.8	2,3
Allianz Global Investors (Schweiz) AG, Zurich	100.0	
Allianz Global Investors Asia Pacific Ltd., Hong Kong	100.0	
Allianz Global Investors Asset Management (Shanghai) Limited, Shanghai	100.0	
Allianz Global Investors Distributors LLC, Dover, DE	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 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 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 Hellas Single Member Insurance S.A., Athens	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 Euro, Paris	100.0	3
Allianz Hospitaliers Valeurs Durables, Paris	100.0	3
Allianz Hrvatska d.d., Zagreb	83.2	
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 IARD EM Debt, Paris	100.0	3
Allianz IARD S.A., Paris la Défense	100.0	
Allianz IARD Vintage, Paris	100.0	3
Allianz Impact Green Bond, Paris	100.0	3
Allianz Individual Insurance Group LLC, Minneapolis, MN	100.0	
Allianz Infrastructure Holding I Pte. Ltd., Singapore	100.0	

	% owned[1]	
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 Asset Management Co. Ltd., Beijing	100.0	
Allianz Insurance Company - Egypt S.A.E., New Cairo	95.0	
Allianz Insurance Company of Ghana Limited, Accra	100.0	
Allianz Insurance Company of Kenya Limited, Nairobi	100.0	
Allianz Insurance Lanka Limited, Colombo	100.0	
Allianz Insurance plc, Guildford	100.0	
Allianz Insurance Services Ltd., Athens	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 50, Vienna	100.0	3
Allianz Invest d.o.o., Zagreb	100.0	
Allianz Invest Kapitalanlagegesellschaft mbH, Vienna	100.0	
Allianz Invest Osteuropa Rentenfonds, Vienna	96.8	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 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	50.0	2
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 Life (Bermuda) Ltd., Hamilton	100.0	
Allianz Life Assurance Company - Egypt S.A.E., New Cairo	100.0	
Allianz Life Financial Services LLC, Minneapolis, MN	100.0	
Allianz Life Insurance Company Ltd., Moscow	100.0	

	% owned[1]	
Allianz Life Insurance Company of Ghana Limited, Accra	100.0	
Allianz Life Insurance Company of Missouri, Clayton, MO	100.0	
Allianz Life Insurance Company of New York, New York, NY	100.0	
Allianz Life Insurance Company of North America, 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 Madagascar Assurances SA, Antananarivo	100.0	
Allianz Malaysia Berhad, Kuala Lumpur	75.0	
Allianz Management Services Limited, Guildford	100.0	
Allianz Marine & Transit Underwriting Agency Pty Ltd., Sydney	90.0	
Allianz Marine (UK) Ltd., London	100.0	
Allianz Maroc S.A., Casablanca	98.9	
Allianz MENA Holding (Bermuda) Ltd., Hamilton	100.0	
Allianz México S.A. Compañía de Seguros, Mexico City	100.0	
Allianz Mid Cap Loans FCT, Paris	100.0	3
Allianz Multi Croissance, Paris	70.9	3
Allianz Multi Dynamisme, Paris	93.7	3
Allianz Multi Equilibre, Paris	97.9	3
Allianz Multi Harmonie, Paris	99.7	3
Allianz Multi Horizon 2024-2026, Paris	53.2	3
Allianz Multi Horizon 2027-2029, Paris	39.8	2,3
Allianz Multi Horizon 2030-2032, Paris	40.2	2,3
Allianz Multi Horizon 2033-2035, Paris	78.6	3
Allianz Multi Horizon 2036-2038, Paris	100.0	3
Allianz Multi Horizon 2039-2041, Paris	100.0	3
Allianz Multi Horizon Court Terme, Paris	60.1	3
Allianz Multi Horizon Long Terme, Paris	45.6	2,3
Allianz Multi Opportunités, Paris	89.5	3
Allianz Multi Rendement Réel, Paris	83.1	3
Allianz Mutual Funds Management Company S.A., Athens	100.0	
Allianz Nederland Groep N.V., Rotterdam	100.0	
Allianz Neo ISR 2019, Senningerberg	100.0	3
Allianz Neo ISR 2020, Senningerberg	100.0	3
Allianz Neo Isr 2021, Senningerberg	100.0	3
Allianz New Zealand Limited, Auckland	100.0	
Allianz Nigeria Insurance Limited, Lagos	100.0	
Allianz Nikko Pte. Ltd., Singapore	100.0	
Allianz Nikko1 Pte. Ltd., Singapore	100.0	
Allianz Obligations Internationales, Paris	80.8	3
Allianz of America Inc., Wilmington, DE	100.0	
Allianz Opéra, Paris	100.0	3
Allianz p.l.c., Dublin	100.0	
Allianz Partners S.A.S., 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 PIMCO Corporate, Vienna	96.3	3
Allianz PIMCO Mortgage, Vienna	94.9	3
Allianz PNB Life Insurance Inc., Makati City	51.0	
Allianz pojistovna a.s., Prague	100.0	

	% owned[1]
Allianz Polska Services Sp. z o.o., Warsaw	100.0
Allianz Positive Change, Senningerberg	30.4 [2,3]
Allianz Premie Pensioen Instelling B.V., Rotterdam	100.0
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 Equity Fund SCSp, Senningerberg	97.1 [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 Properties Limited, Guildford	100.0
Allianz PSVaG Private Debt Fund SA SICAV-RAIF, Senningerberg	100.0 [3]
Allianz Re Argentina S.A., Buenos Aires	100.0
Allianz Re Dublin dac, Dublin	100.0
Allianz Real Estate (Shanghai) Co. Ltd., Shanghai	100.0
Allianz Real Estate Asia Pacific Pte. Ltd., Singapore	100.0
Allianz Real Estate Investment S.A., Luxembourg	100.0
Allianz Real Estate Japan GK, Tokyo	100.0
Allianz Real Estate of America LLC, Wilmington, DE	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., Petaluma, 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
Allianz Renewable Energy Management AT GmbH, Pottenbrunn	100.0
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 II S.A., Luxembourg	100.0
Allianz Renewable Energy Partners Luxembourg IV S.A., Luxembourg	99.3
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

	% owned[1]
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 Renewable Green Infrastructure Fund IV (Lux) S.A. SICAV-RAIF, Senningerberg	100.0 [3]
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 Feeder Fund SA SICAV-RAIF, Senningerberg	100.0 [3]
Allianz Resilient Opportunistic Credit Fund GP S.à r.l., Senningerberg	100.0
Allianz Resilient Opportunistic Credit Fund SCSp SICAV-RAIF, Senningerberg	100.0 [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 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
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	90.0 [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 Sénégal Assurances SA, Dakar	83.4
Allianz Sénégal Assurances Vie SA, Dakar	98.5
Allianz Services (UK) Limited, London	100.0
Allianz Services Mauritius LLC, Ebene	100.0
Allianz Services Private Ltd., Thiruvananthapuram	100.0
Allianz Serviços e Participações S.A., Rio de Janeiro	100.0
Allianz Servizi S.p.A., Milan	100.0
Allianz SI PF Holding Corp., Toronto, ON	100.0
Allianz Sigorta A.S., Istanbul	96.2
Allianz SNA s.a.l., Beirut	100.0
Allianz Sociedade Gestora de Fundos de Pensões S.A., Lisbon	88.6
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 Special Opportunities Alternative Fund, Milan	100.0 [3]
Allianz Sport et Bien-être, Paris	78.3 [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]

	% owned[1]
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	85.7 [3]
Allianz Taiwan Life Insurance Co. Ltd., Taipei	99.7
Allianz Team, Paris	90.6 [3]
Allianz Team Formule 1, Paris	94.5 [3]
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 of America Inc., Wilmington, DE	100.0
Allianz Technology S.L., Barcelona	100.0
Allianz Technology S.p.A., Milan	100.0
Allianz Technology SAS, Saint-Ouen	100.0
Allianz Thematic Income, Hong Kong	100.0 [3]
Allianz Tiriac Asigurari SA, Bucharest	52.2
Allianz Tiriac Pensii Private Societate de administrare a fondurilor de pensii private S.A., Bucharest	100.0
Allianz Transition Secteur Actions Europe, Paris	85.5 [3]
Allianz UK Infrastructure Debt GP 2 Limited, London	100.0
Allianz UK Infrastructure Debt GP Limited, London	100.0
Allianz Ukraine LLC, Kiev	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	43.0 [2,3]
Allianz US Investment GP LLC, Wilmington, DE	100.0
Allianz US Investment LP, Wilmington, DE	100.0
Allianz US Private Credit Solutions GP LLC, Wilmington, DE	100.0
Allianz US Private REIT GP LLC, Wilmington, DE	100.0
Allianz US Private REIT LP, Wilmington, DE	100.0
Allianz Valeurs Durables, Paris	40.3 [2,3]
Allianz Valida Private Debt Fund SA SICAV-RAIF, Senningerberg	100.0 [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 FCP, Paris	100.0 [3]
Allianz Vie S.A., Paris la Défense	100.0
Allianz Viva S.p.A., Milan	100.0
Allianz Volta GP S.à r.l., Senningerberg	100.0
Allianz Vorsorgekasse AG, Vienna	100.0
Allianz Voyager Asia, Senningerberg	95.0 [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 Yasam ve Emeklilik A.S., Istanbul	80.0
Allianz ZB d.o.o. Mandatory and Voluntary Pension Funds Management Company, Zagreb	51.0
AllianzGI US Private Credit Solutions GP II LLC, Wilmington, DE	100.0
AllianzGI USD Infrastructure Debt Fund GP LLC, Wilmington, DE	100.0
AllianzIM U.S. Large Cap 6 Month Buffer10 Apr/Oct ETF, Wilmington, DE	35.7 [2,3]

	% owned[1]
AllianzIM U.S. Large Cap Buffer10 Oct ETF, Wilmington, DE	46.1 [2,3]
AllianzIM U.S. Large Cap Buffer20 Oct ETF, Wilmington, DE	51.1 [3]
Allianz-Slovenská poist'ovňa a.s., Bratislava	99.6
Alma S.r.l., Bologna	100.0
Altair - Fondo di Investimento Alternativo Immobiliare di Tipo Chiuso, Rome	100.0 [3]
American Automobile Insurance Company Corp., Earth City, MO	100.0
APEF Feeder FCP-RAIF, Senningerberg	38.4 [2,3]
APEH Europe VI, Paris	99.6 [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
ARAGO, Paris	100.0 [3]
Arcturus MF GK, Tokyo	100.0
AREAP Core 1 GP Pte. Ltd., Singapore	100.0
Arges Investments I N.V., Amsterdam	100.0
Arges Investments II N.V., Amsterdam	100.0
Asit Services S.R.L., Bucharest	100.0
Assistance, Courtage d'Assurance et de Réassurance S.A., Paris la Défense	100.0
Associated Indemnity Corporation, Los Angeles, CA	100.0
Assurances Médicales SA, Metz	100.0
Atlas Fund, Milan	100.0 [3]
atpacvc LLC, Wilmington, DE	100.0
atpacvc Ltd., London	100.0
Avip Actions 100, Paris	100.0 [3]
Avip Actions 60, Paris	100.0 [3]
Avip Top Harmonie, Paris	98.6 [3]
Avip Top Tempéré, Paris	99.7 [3]
Aviva Investors Poland TFI S.A., Warsaw	100.0
Aviva PTE Aviva Santander S.A., Warsaw	100.0
Aviva Sp. z o.o., Warsaw	100.0
Aviva TU na Zycie S.A., Warsaw	100.0
Aviva TU Ogolnych S.A., Warsaw	100.0
AVS Automotive VersicherungsService 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 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

	% owned[1]
AWP Réunion SAS, Sainte-Marie	100.0
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	97.6
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
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, New York, NY	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
Batavia Dana Obligasi Sentosa, Jakarta	100.0 [3]
Batavia Obligasi Sukses 2, Jakarta	100.0 [3]
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	66.0
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
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 CRE CIV LLC, Wilmington, DE	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
Brobacken Nät AB, Stockholm	100.0

	% owned[1]
BSMC (Thailand) Limited, Bangkok	100.0
Buddies Enterprises Limited, Guildford	100.0
Calobra Investments Sp. z o.o., Warsaw	100.0
Candid Insurance Services Ltd., Bristol	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 Ltd., George Town	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 Bajouve S.à r.l., Versailles	100.0
CEPE de Haut Chemin S.à r.l., Versailles	100.0
CEPE de la Baume S.à r.l., Versailles	100.0
CEPE de la Forterre S.à r.l., 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 de Vieille Carrière S.à r.l., Versailles	100.0
CEPE des Portes de la Côte d'Or S.à r.l., Versailles	100.0
CEPE du Blaiseron S.à r.l., Versailles	100.0
CEPE du Bois de la Serre S.à r.l., Versailles	100.0
Chicago Insurance Company Corp., Chicago, IL	100.0
CIC Allianz Insurance Ltd., Sydney	100.0
Citizen Capital Impact Initiative, Paris	72.0 [3]
Climmolux Holding SA, Luxembourg	100.0
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
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	95.0
Control Expert Italia S.r.l., Venice	80.0
Control Expert Mexico S. de R.L. de C.V., Mexico City	95.0
Control Expert Systems Technologies S.L., Madrid	94.9
ControlExpert Argentina SRL, Buenos Aires	90.0
ControlExpert Chile Spa, Las Condes	95.0
ControlExpert China Co. Ltd., Beijing	30.0 [2]
ControlExpert Colombia SAS, Bogotá D.C.	90.0
ControlExpert Holding B.V., Amsterdam	90.0
ControlExpert Hong Kong Corp. Limited, Hong Kong	90.0
ControlExpert Inc., Wilmington, DE	90.0
ControlExpert Japan KK, Tokyo	100.0
ControlExpert Polska Sp. z o.o., Warsaw	100.0
ControlExpert Schweiz GmbH, Cham	100.0
ControlExpert Thailand Co. Ltd., Bangkok	100.0
ControlExpert UK Limited, Farnborough	87.0

	% owned[1]
Corn Investment Ltd., London	100.0
Corsetec Assessoria e Corretagem de Seguros Ltda., São Paulo	100.0
Cova Beijing Zpark Investment Pte. Ltd., Singapore	98.0
CPRN Thailand Ltd., Bangkok	100.0
CreditRas Assicurazioni S.p.A., Milan	50.0 [2]
CreditRas Vita S.p.A., Milan	50.0 [2]
CURATIO DMCC LLC, Dubai	100.0
D23E GP LLC, Wilmington, DE	100.0
Danareksa Melati Pendapatan Tetap, Jakarta	100.0 [3]
Darta Saving Life Assurance dac, Dublin	100.0
Deeside Investments Inc., Wilmington, DE	50.1
Delta Technical Services Ltd., London	100.0
Demand Side Media Ltd., Bristol	100.0
Diamond Point a.s., Prague	100.0
Dresdner Kleinwort Pfandbriefe Investments II Inc., Minneapolis, MN	100.0
EF Solutions LLC, Wilmington, DE	100.0
EIG Altstadt Holdings Blocker LLC, Wilmington, DE	100.0
Eiger Institutional Fund, 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
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
Etablissements J. Moneger SA, Dakar	100.0
Euler Hermes 39 Ouest, Paris la Défense	100.0 [3]
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 OPCVM, Paris la Défense	100.0 [3]
Euler Hermes Emporiki Services Ltd., Athens	100.0
Euler Hermes Excess North America LLC, Owings Mills, MD	100.0
Euler Hermes Group SAS, Paris la Défense	100.0
Euler Hermes Hong Kong Service 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 Magyar Követeleskezelö Kft., Budapest	100.0
Euler Hermes New Zealand Limited, Auckland	100.0
Euler Hermes North America Holding Inc., Owings Mills, MD	100.0
Euler Hermes North America Insurance Company Inc., Owings Mills, MD	100.0
Euler Hermes Patrimonia SA, Brussels	100.0

	% owned[1]
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 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 Distribution Services Limited, Guildford	100.0
Fairmead Insurance Limited, Guildford	100.0
FCP Allianz Africa Equity WAEMU, Abidjan	100.0 [3]
FCP LBPAM IDR, Paris	100.0 [3]
FCPI InnovAllianz 2, Paris	100.0 [3]
FCT CIMU 92, Pantin	100.0 [3]
FCT Rocade L2 Marseille, Paris	100.0 [3]
Fénix Directo Compañía de Seguros y Reaseguros S.A., Madrid	100.0
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
Finanzen France SAS, Paris	100.0
FinOS Technology Holding Pte. Ltd., Singapore	100.0
FinOS Technology Malaysia Sdn. Bhd., Kuala Lumpur	100.0
FinOS Technology Vietnam Single-Member Limited Liability Company, Ho Chi Minh City	100.0
Fireman's Fund Financial Services LLC, Dallas, TX	100.0
Fireman's Fund Indemnity Corporation, Liberty Corner, NJ	100.0
Fireman's Fund Insurance Company Corp., Los Angeles, CA	100.0

	% owned[1]
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 Allianz Synergies, Paris	100.0 [3]
FPCI APEH Europe VII, Paris	100.0 [3]
Fragonard Assurance S.A., Paris	100.0
Franklin S.C.S., Luxembourg	94.5
Friederike MLP S.à r.l., Luxembourg	100.0
Fu An Management Consulting Co. Ltd., Beijing	1.0 [2]
Gaipare Action, Paris	99.9 [3]
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, Basel	100.0 [3]
Global Azawaki S.L., Madrid	100.0
Global Carena S.L., Madrid	100.0
Global Transport & Automotive Insurance Solutions Pty Limited, Sydney	100.0
Gothaer Asigurari Reasigurari S.A., Bucharest	100.0
Great Lake Funding I LP, Wilmington, DE	100.0 [3]
Grupo Multiasistencia S.A., Madrid	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
Gurtin Fixed Income Management LLC, Dover, DE	100.0
Harro Development Praha s.r.o., Prague	100.0
Havelaar & van Stolk B.V., Rotterdam	100.0
Helviass Verzekeringen B.V., Rotterdam	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 Ltd., 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
Immovalor Gestion S.A., Paris la Défense	100.0
ImWind PDV GmbH & Co. KG, Pottenbrunn	100.0
ImWind PL GmbH & Co. KG, Pottenbrunn	100.0
Inforce Solutions LLC, Woodstock, GA	100.0
InnovAllianz, Paris	99.6 [3]
Insurance CJSC "Medexpress", Saint Petersburg	100.0
Intermediass S.r.l., Milan	100.0
Interstate Fire & Casualty Company, 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 Intertrade Co. Ltd., Bangkok	40.0 [2]
Jefferson Insurance Company Corp., New York, NY	100.0
Joukhaisselän Tuulipuisto Oy, Oulu	100.0
Jouttikallio Wind Oy, Kotka	100.0
JSC Insurance Company Allianz, Moscow	100.0

	% owned[1]
Jubilee Allianz General Insurance (K) Limited, Nairobi	66.0
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
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
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
LLC "Medexpress-service", Saint Petersburg	100.0
LLC "Progress-Med", Moscow	100.0
LLC "Risk Audit", 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
Mandiri Investasi Dana Pendapatan Optimal 2, Jakarta	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
Mindseg Corretora de Seguros Ltda., São Bernardo do Campo	100.0
Mombyasen Wind Farm AB, Halmstad	100.0
Money Mate Defensiv, Senningerberg	100.0 [3]
Money Mate Entschlossen, Senningerberg	99.6 [3]
Money Mate Moderat, Senningerberg	100.0 [3]
Money Mate Mutig, Senningerberg	99.3 [3]
Morningchapter S.A., Grandaços	100.0
Multiasistencia S.A., Madrid	100.0
Multiassistance Luxembourg S.à r.l., Luxembourg	100.0
Multiassistance S.A., Paris	100.0
Multimags - Multiassistência e Gestão de Sinistros, Unipessoal Lda., Lisbon	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
nöGIG Phase Zwei GmbH, St. Pölten	100.0
Northstar Mezzanine Partners VI U.S. Feeder II L.P., Dover, DE	100.0 [3]

	% owned[1]
OANS Open Access Network Süd GmbH, Klagenfurt am Wörthersee	50.0 [2]
öGIG Fiber GmbH, St. Pölten	100.0
öGIG GmbH, St. Pölten	90.0
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	93.1
PAF GP S.à r.l., Luxembourg	100.0
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
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
PCRED CIV LLC, Wilmington, DE	100.0
PCRED II CIV LLC, Wilmington, DE	100.0
Pet Plan Ltd., Guildford	100.0
PFP Holdings Inc., Dover, DE	100.0
PGA Global Services LLC, Dover, DE	100.0
PHFS Residential Opportunities Offshore Fund L.P., George Town	100.0
PIMCO (Schweiz) GmbH, Zurich	100.0
PIMCO Asia Ltd., Hong Kong	100.0
PIMCO Asia Pte Ltd., Singapore	100.0
PIMCO Australia Management Limited, Sydney	100.0
PIMCO Australia Pty Ltd., 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 Canada Corp., Toronto, ON	100.0
PIMCO Climate Bond Fund, Dublin	49.3 [2,3]
PIMCO Climate Bond Fund (Canada), Toronto, ON	31.9 [2,3]
PIMCO COF II LLC, Wilmington, DE	100.0
PIMCO COF III Offshore GP Ltd., George Town	100.0
PIMCO Commercial Real Estate Debt Fund II Rated Note Vehicle I L.P., Wilmington, DE	100.0
PIMCO Commercial Real Estate Debt Fund Rated Note Vehicle II L.P., George Town	100.0
PIMCO CRE Opportunities Offshore GP Ltd., George Town	100.0
PIMCO Europe Ltd., London	100.0
PIMCO GIS Emerging Markets Opportunities Fund, Dublin	78.4 [3]
PIMCO GIS Income Fund II, Dublin	91.4 [3]
PIMCO Global Advisors (Ireland) Ltd., Dublin	100.0

	% owned[1]
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 III LLC, Wilmington, DE	100.0
PIMCO GP IV S.à r.l., Luxembourg	100.0
PIMCO GP IX LLC, Wilmington, DE	100.0
PIMCO GP L LLC, Wilmington, DE	100.0
PIMCO GP LI 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 VII LLC, Wilmington, DE	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

	% owned[1]
PIMCO Quantitative Alpha Strategy Onshore Fund LP, Wilmington, DE	97.5 [3]
PIMCO REIT Management LLC, Wilmington, DE	100.0
PIMCO Services LLC, Dover, DE	100.0
PIMCO StocksPLUS AR Fund, Dublin	83.6 [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 Limited, Wellington	100.0
Primacy Underwriting Management Pty Ltd., Sydney	100.0
Promultitravaux SAS, Paris	100.0
Protexia France S.A., Paris la Défense	100.0
PSS Allianz Protect 85 I, Senningerberg	99.9 [3]
PT Asuransi Allianz Life Indonesia, Jakarta	99.8
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
RAS Antares, Milan	100.0 [3]
RB Fiduciaria S.p.A., Milan	100.0
RE-AA SA, Abidjan	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 Batavia College Bond Fund, Jakarta	100.0 [3]
Reksa Dana Batavia Obligasi Sukses 1, Jakarta	100.0 [3]
Reksa Dana Batavia Pendapatan Tetap Sukses Syariah, Jakarta	100.0 [3]
Reksa Dana Batavia Pendapatan Tetap Sukses Syariah 2, Jakarta	100.0 [3]
Reksa Dana Danareksa Melati Pendapatan Tetap II, Jakarta	100.0 [3]
Reksa Dana Mandiri Investa Dana Pendapatan Optimal, Jakarta	100.0 [3]
Reksa Dana Optima Pendapatan Abadi, Jakarta	100.0 [3]
Reksa Dana Schroder IDR Bond Fund II, Jakarta	100.0 [3]
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 Aviva TU na Zycie S.A., Warsaw	51.0
Santander Aviva TU S.A., Warsaw	51.0
Säntis Umbrella Fund, Zurich	100.0 [3]
SAS 20 Pompidou, Paris la Défense	100.0
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 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 Madeleine Opéra, Paris la Défense	100.0

	% owned[1]
SAS Passage des princes, 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
Sättravallen Wind Power AB, Strömstad	100.0
Saudi NEXtCARE LLC, Al Khobar	68.0
SC Tour Michelet, Paris la Défense	100.0
Schroder IDR Bond Fund III, Jakarta	100.0 [3]
SCI 46 Desmoulins, 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 18, Paris la Défense	100.0
SCI Allianz Invest Pierre, Paris la Défense	100.0
SCI Allianz Messine, 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
Servicios Compartidos Multiasistencia S.L., Madrid	100.0
Sicredi - Fundo de Investimento Sulamérica Renda Fixa Crédito Privado, Porto Alegre	100.0 [3]
SIFCOM Assur S.A., Abidjan	60.0
Sigma Reparaciones S.L., Madrid	100.0
Silex Gas Norway AS, Oslo	100.0
Sirius S.A., Luxembourg	94.8
SLC "Allianz Life Ukraine", Kiev	100.0
SNC Allianz Informatique France, Paris la Défense	100.0
Societa' Agricola San Felice S.p.A., Milan	100.0
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
Société Nationale Foncière S.A.L., Beirut	66.0
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	100.0
Stam Fem Gångaren 11 AB, Stockholm	100.0
Starterslening.nl B.V., Amsterdam	60.0
StocksPLUS Management Inc., Dover, DE	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 American Insurance Company Corp., Chicago, IL	100.0
The Jubilee Insurance Company of Uganda Limited, Kampala	66.0
Three Pillars Business Solutions Limited, Guildford	100.0
Tihama Investments B.V., Amsterdam	100.0
toconnect GmbH, Lucerne	100.0

	% owned[1]
Top Versicherungsservice GmbH, Vienna	100.0
Top Vorsorge-Management GmbH, Vienna	75.0
TopImmo A GmbH & Co. KG, Vienna	100.0
TopImmo Besitzgesellschaft B GmbH & Co. KG, Vienna	100.0
Trafalgar Insurance Limited, Guildford	100.0
TRH EC Fund LLC, Wilmington, DE	100.0
TruChoice Financial Group LLC, Minneapolis, MN	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
UAGDPB "Aviva Lietuva", Vilnius	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
UP 36 SA, Brussels	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]
VertBois S.à r.l., Luxembourg	100.0
Vet Envoy Limited, Guildford	100.0
Vigny Depierre Conseils SAS, Archamps	100.0
Vintage Rents S.L., Madrid	100.0
Virtus AllianzGI Core Plus Bond Fund, Boston, MA	77.1 [3]
Virtus AllianzGI Preferred Securities and Income Fund, Boston, MA	37.3 [2,3]
Viveole SAS, Versailles	100.0
Volab 2 S.à r.l., Luxembourg	100.0
Volab S.à r.l., Luxembourg	100.0
Volta, Paris	100.0 [3]
Vordere Zollamtsstraße 13 GmbH, Vienna	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
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
Wm. H. McGee & Co. (Bermuda) Ltd., Hamilton	100.0
Wm. H. McGee & Co. Inc., New York, NY	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

	% owned[1]
Non-consolidated affiliates	
Allianz 004 S.r.l., Rome	51.0
Allianz 101 S.r.l., Turin	51.0
Allianz Global Corporate & Specialty SE Escritório de Representação no Brasil Ltda., Rio de Janeiro	100.0
Allianz Infrastructure Holding II Pte. Ltd., Singapore	100.0
Allianz Northern Ireland Limited, Belfast	100.0
Allianz Pension Services AG, Wallisellen	100.0
Assurance France Aviation S.A., Paris la Défense	100.0
COGAR S.à r.l., Paris	100.0
SCPI Allianz Home, Paris la Défense	27.9 [2]
Top Versicherungs-Vermittler Service GmbH, Vienna	100.0
Joint ventures	
114 Venture LP, Wilmington, DE	49.5 [7]
1515 Broadway Realty LP, Dover, DE	49.6 [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	49.9 [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 [3]
ACRE Acacia Management I Pty Ltd., Sydney	50.0
Allee-Center Kft., Budapest	50.0
Altair MF TMK, Tokyo	49.9 [7]
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	44.7 [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
BCal Houston JV L.P., Wilmington, DE	40.0 [7]
BL West End Offices Limited, London	75.0 [7]
Canis MF TMK, Tokyo	49.9 [7]
CH A Logistics Wholesale Fund, Sydney	50.0 [3]
Chapter Master Limited Partnership, New York, NY	45.5 [7]
CHP-AZ Seeded Industrial L.P., Wilmington, DE	49.0 [7]
Companhia de Seguro de Créditos S.A., Lisbon	50.0
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]
Enhanzed Reinsurance Ltd., Hamilton	24.9 [7]
ESR India Logistics Fund Pte. Ltd., Singapore	50.0
Euromarkt Center d.o.o., Ljubljana	50.0
Fiumaranuova S.r.l., Milan	50.0
Galp Gás Natural Distribuição S.A., Lisbon	45.5 [7]
GBTC I LP, Singapore	50.0

	% owned[1]
GBTC II LP, Singapore	50.0
Helios SCC Sp. z o.o., Katowice	45.0 [7]
Hudson One Ferry JV L.P., Wilmington, DE	45.0 [7]
Israel Credit Insurance Company Ltd., Tel Aviv	50.0
Italian Shopping Centre Investment S.r.l., Milan	50.0
LBA IV-PPI Venture LLC, Dover, DE	45.0 [7]
LBA IV-PPII-Office Venture LLC, Dover, DE	45.0 [7]
LBA IV-PPII-Retail Venture LLC, Dover, DE	45.0 [7]
LPC Logistics Venture One LP, Wilmington, DE	31.7 [7]
Muralis MF TMK, Tokyo	49.9 [7]
NET4GAS Holdings s.r.o., Prague	50.0
NeuConnect Britain Ltd., London	26.2 [3,7]
NRF (Finland) AB, Västeras	50.0
NRP Nordic Logistics Fund AS, Oslo	49.5 [7]
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]
SC Holding SAS, Paris	50.0
Scape Australia (Vulture) Trust, Sydney	35.8 [3,7]
Scape Australia Holding Trust, Sydney	35.8 [3,7]
Scape Investment Operating Company No. 3 Pty Ltd., Sydney	35.8 [7]
Scape Investment Trust No. 3, Sydney	35.8 [3,7]
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 Compañía Internacional de Seguros y Reaseguros SA, Madrid	50.0
Spanish Gas Distribution Investments S.à r.l., Luxembourg	40.0 [7]
SPREF II Pte. Ltd., Singapore	50.0
Stonecutter JV Limited, London	50.0
Terminal Venture LP, Wilmington, DE	30.9 [7]
The FIZZ Student Housing Fund S.C.S., Luxembourg	49.5 [7]
The State-Whitehall Company LP, Dover, DE	49.9 [7]
Tokio Marine Rogge Asset Management Ltd., London	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]
Waterford Blue Lagoon LP, Wilmington, DE	49.0 [7]
Associates	
ABT SAS, Paris	25.0
AEON Allianz Life Insurance Co. Ltd., Tokyo	40.0
Allianz Best Styles Europe Equity, Senningerberg	18.5 [3,8]
Allianz EFU Health Insurance Ltd., Karachi	49.0
Allianz Europe Small Cap Equity, Senningerberg	25.5 [3]
Allianz Fóndika S.A. de C.V., Mexico City	26.8
Allianz France Investissement IV, Paris	73.3 [3,8]

	% owned[1]
Allianz Global Small Cap Equity, Senningerberg	11.0 [3,8]
Allianz Impact Investment Fund S.A. SICAV-RAIF, Senningerberg	20.0 [3]
Allianz Invest Vorsorgefonds, Vienna	28.6 [3]
Alpha Asia Macro Trends Fund III Private Limited, Singapore	27.7 [3]
Archstone Multifamily Partners AC JV LP, Wilmington, DE	40.0
Archstone Multifamily Partners AC LP, Wilmington, DE	28.6
Areim Fastigheter 2 AB, Stockholm	23.3
Areim Fastigheter 3 AB, Stockholm	31.6
Assurcard S.A., Louvain	20.0
Assurpath S.A., Buenos Aires	40.0
Autoelektro tehnicki pregledi d.o.o., Vojnić	49.0
Aviva Investors SFIO Subfundusz Aviva Investors Krotkoterminowych Obligacji, Warsaw	21.6 [3]
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
Bazalgette Equity Ltd., London	34.3
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., Dover, 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
Data Quest SAL, Beirut	36.0
Delgaz Grid S.A., Târgu Mures	30.0
Delong Limited, Hong Kong	16.4 [8]
Douglas Emmett Partnership X LP, Wilmington, DE	28.1
ERES APAC II (GP) S.à r.l., Luxembourg	32.1 [3]
European Outlet Mall Fund FCP-FIS, Luxembourg	26.0 [3]
Four Oaks Place LP, Wilmington, DE	49.0
France Investissement Relance 2020, Paris	74.4 [3,8]
Global Stream Limited, Hong Kong	16.4 [8]
Glory Basic Limited, Hong Kong	16.4 [8]
HUB Platform Technology Partners Ltd., London	28.6
IndInfravit Trust, Chennai	22.7
Jumble Succeed Limited, Hong Kong	16.4 [8]
Lennar Multifamily Venture LP, Wilmington, DE	11.3 [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), Manama	25.0
MFM Holding Ltd., London	37.3
Milvik AB, Stockholm	36.2
Modern Diamond Limited, Hong Kong	16.4 [8]
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]
Ocean Properties LLP, Singapore	20.0
OeKB EH Beteiligungs- und Management AG, Vienna	49.0

	% owned[1]
PIMCO BRAVO Fund IV Lux Feeder SCSp, Luxembourg	13.9 [3,8]
PIMCO Corporate Opportunities Fund III Lux Feeder SCSp, Luxembourg	36.2 [3]
PIMCO Corporate Opportunities Fund III Onshore Feeder L.P., Wilmington, DE	0.8 [3,8]
PIMCO ILS Fund SP I, George Town	19.2 [3,8]
PIMCO ILS Fund SP II, George Town	10.1 [3,8]
PIMCO Income Fundo Investimento Cotas Fundo Investimento Multimercado Investimento Exterior, Rio de Janeiro	4.5 [3,8]
Praise Creator Limited, Hong Kong	16.4 [8]
Prime Space Limited, Hong Kong	16.4 [8]
Professional Agencies Reinsurance Limited, Hamilton	16.6 [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

	% owned[1]
SAS Alta Gramont, Paris	49.0
Scape Australia Management Pty Ltd., Sydney	8.8 [8]
Scape Investment Operating Company No. 2 Pty Ltd., Sydney	50.0 [8]
Scape Investment Trust No. 2, 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]

	% owned[1]
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
Wildlife Works Carbon LLC, San Francisco, CA	9.6 [8]

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.

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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, 21 February 2022

Allianz SE
The Board of Management

Oliver Bäte

Sergio Balbinot

Sirma Boshnakova

Dr. Barbara Karuth-Zelle

Dr. Klaus-Peter Röhler

Ivan de la Sota

Giulio Terzariol

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 balance sheet as at 31 December 2021 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 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Allianz SE – which comprise the content included to comply with the German legal requirements as well as the non-financial group statement pursuant to § [Article] 315b Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] included in section „Non-Financial Statement" of the group management report – for the financial year from 1 January to 31 December 2021. In accordance with the German legal requirements, we have not audited the content of the group statement on corporate governance pursuant to § 315d HGB.

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. 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 2021, and of its financial performance for the financial year from 1 January to 31 December 2021, and
- the accompanying group management report 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. Our audit opinion on the group management report does not cover the content of the group statement on corporate governance referred to above.

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 and on 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 2021. 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 technical assets and liabilities as well as certain financial liabilities carried at fair value (Level 3) in life and health insurance
❷ Measurement of certain technical provisions in property-casualty insurance
❸ Accounting treatment of the legal risks in connection with AllianzGI U.S. Structured Alpha Funds

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 technical assets and liabilities as well as certain financial liabilities carried at fair value (Level 3) in life and health insurance

① In the consolidated financial statements of the Company, assets and liabilities of the Life and Health Insurance business segment amounting to € 18,657 million and € 617,109 million (1.6 % or 54.2 % of consolidated total assets) are reported under the "Deferred acquisition costs" and "Reserves for insurance and investment contracts" balance sheet items, respectively. Furthermore, financial liabilities from the life and health insurance segment amounting to € 14,271 million (1.3 % of consolidated total assets) are reported that are classified as Level 3 of the fair value hierarchy according to the requirements of IFRS 13. Furthermore, assets amounting to € 42,059 million (3.7 % of consolidated total assets) are reported under the "Reinsurance assets" balance sheet item and liabilities are reported under the „Other Liabilities" balance sheet item relating to reinsurance contracts of the life/health business segment.

These technical assets and liabilities are measured using complex actuarial methods and models based on a comprehensive process for arriving at assumptions about future developments relating to the insurance portfolios to be measured. The methods used and the actuarial assumptions determined in connection with interest rates, investment yields, mortality, invalidity, longevity, costs and future behaviour of policyholders could materially affect the measurement of these technical assets and liabilities.

The financial liabilities concerned include mainly bifurcated derivative financial instruments resulting from insurance contracts and are assigned to Level 3 of the fair value hierarchy as for the measurement in the underlying valuation models sufficient observable market data was not available and therefore significant unobservable inputs had to be used instead. These inputs may include data derived from approximations using, inter alia, historical data. In this context, the derivative financial instruments resulting from insurance contracts are subject to an increased valuation risk due to lower objectivity and the underlying assumptions and estimates of the executive directors.

Against this background and due to the material significance of the amounts for the assets, liabilities and financial performance of the Group and the complex process for determining the underlying assumptions and estimates of the executive directors, the measurement of these technical assets and liabilities as well as of the financial liabilities carried at fair value (Level 3) was of particular significance in the context of our audit.

② As part of our audit, we assessed the appropriateness of selected controls established by the Company for the purpose of selecting the valuation methods applied, determining assumptions and making estimates for the measurement of certain technical assets and liabilities as well as financial liabilities carried at fair value (Level 3). In doing so we evaluated, among others, the integrity of the underlying data and the process for determining the assumptions and estimates used in the valuation.

With the support of our internal valuation specialists, we have compared the respective valuation methods applied and the material assumptions with generally recognized methods and industry standards and examined to what extent these are appropriate for the valuation of technical assets and liabilities as well as financial liabilities carried at fair value (Level 3). A key point of our audit was the assessment of the liability adequacy test and the recoverability of reinsurance assets, the evaluation of expected gross margins/profits, which are used, among other things, as the basis for amortizing the deferred acquisition costs, and the assessment of the appropriateness of material assumptions not observable in the market for the measurement of derivative financial instruments, such as mortality rates and lapse/surrender rates. Our audit also included an evaluation of the plausibility and integrity of the data and assumptions used in the valuation and of the Group Actuarial department's reporting to the Group Reserve Committee.

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 assets and liabilities as well as the financial liabilities carried at fair value (Level 3).

③ The Company's disclosures on the measurement of certain technical assets and liabilities as well as the measurement of certain financial liabilities carried at fair value (Level 3) in life and health insurance are included in sections 2 and 15 and sections 2 and 34, respectively, of the notes to the consolidated financial statements.

❷ Measurement of certain technical provisions in property-casualty insurance

① In the consolidated financial statements of the Company, technical provisions amounting to € 86,974 million (7.6 % of consolidated total assets) are reported under the "Reserves for loss and loss adjustment expenses" balance sheet item. Of this amount, € 73,425 million is attributable to the Property-Casualty Insurance business segment.

Reserves for loss and loss adjustment expenses in property casualty insurance represent the Company's expectations regarding future payments for known and unknown claims including associated expenses. The Company uses various methods to estimate these obligations. Furthermore, the measurement of these provisions requires a significant degree of judgment by the executive directors of the Company regarding the assumptions made, such as inflation, loss developments and regulatory changes. In particular, the lines of products with low loss frequency, high individual losses or long claims settlement periods are usually subject to increased estimation uncertainties.

Due to the material significance of these provisions for the assets, liabilities and financial performance of the Group as well as the considerable scope for judgment on the part of the executive directors and the associated uncertainties in the estimations made, the measurement of the technical provisions in property casualty insurance was of particular significance to our audit.

② As part of our audit, we evaluated the appropriateness of selected controls established by the Company for the purpose of selecting actuarial methods, determining assumptions and making estimates for the measurement of certain technical provisions in property-casualty insurance.

With the support of our property-casualty insurance valuation specialists, we have compared the respective actuarial methods applied and the material assumptions with generally recognized actuarial methods and industry standards and examined to what extent these are appropriate for the valuation. Our audit also included an evaluation of the plausibility and integrity of the data and assumptions used in the valuation and a reconstruction of the claims settlement processes. Furthermore, we recalculated the amount of the provisions for selected lines of products, in particular lines of products with large reserves or increased estimation uncertainties. For these lines of products we compared the recalculated provisions with the provisions calculated by the Company and evaluated any differences. We also examined whether any adjustments to estimates in loss reserves at Group level were adequately documented and substantiated. Our audit also included an evaluation of the Group Actuarial department's reporting to the Group Reserve Committee.

Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are appropriate overall for measuring the technical provisions in property casualty insurance.

③ The Company's disclosures on the measurement of the provisions for claims outstanding in property-casualty insurance are included in sections 2 and 14 of the notes to the consolidated financial statements.

❸ Accounting treatment of the legal risks in connection with AllianzGI U.S. Structured Alpha Funds

① Since July 2020, multiple complaints have been filed in U.S. Federal Courts and also in certain U.S. State Courts against Allianz Global Investors U.S. LLC, New York ("AllianzGI U.S.") and in certain complaints, against certain of AllianzGI U.S.'s affiliates, including Allianz SE, Munich, and Allianz Asset Management GmbH, Munich, (“Affiliate Allianz Defendants”), in connection with losses suffered by investors in AllianzGI U.S.'s Structured Alpha funds (“Funds”) during the Covid-19 related market downturn.

The actions brought to date have included institutional investor plaintiffs and individual plaintiffs, with certain plaintiffs asserting claims on behalf of putative classes. An investment consultant has also asserted third-party claims against AllianzGI U.S.. Plaintiffs in the currently pending 26 actions have alleged losses of approximately USD 6,3 billion. In addition to the complaints filed to date, other investors in the Funds, or other third parties, may bring similar actions.

Plaintiffs in these actions have dismissed without prejudice all claims against Affiliate Allianz Defendants, including Allianz SE and Allianz Asset Management GmbH, with only one exception where Allianz Global Investors Distributors LLC is kept as a defendant next to AllianzGI U.S.. AllianzGI U.S. continues to defend against the allegations contained in the complaints.

Upon request from the U.S. Securities and Exchange Commission (“SEC”), AllianzGI U.S. has provided substantial information to the SEC in connection with an SEC investigation of the Funds, and Allianz is fully cooperating with the SEC's ongoing investigation. In addition, the U.S. Department of Justice (“DOJ”) is continuing its investigation concerning the Funds, and AllianzGI U.S. is also fully cooperating with the DOJ in the investigation and is continuing its own review of the matter.

Allianz SE's executive directors have assessed the facts on the basis of the information currently available to Allianz.

In light of the discussions with plaintiffs and U.S. Governmental Authorities concerning the Structured Alpha matter and in anticipation of settlements with major investors in the Funds, Allianz decided to recognize a provision of € 3.7 billion for the existing legal risks under the “other liabilities” balance sheet item in the consolidated financial statement. The provision reflects the elements of the expected obligation in the Structured Alpha matter, for which, as of today, a reliable estimate could be determined. Final settlements with major investors were reached shortly thereafter and Allianz believes that these settlements represent a substantial majority of the Structured Alpha civil litigation exposure.

Discussions with remaining plaintiffs, the DOJ as well as the SEC are ongoing. Based on the executive directors' in depth assessment, it is currently not possible to estimate the timing or the nature of any global or coordinated resolution of these matters. It is expected that additional expenses will be incurred that cannot reliably be estimated and consequently are not included in the provision.

Due to the significant amount of the provision and the considerable judgment on the part of the executive directors, this matter was of particular significance in the context of our audit.

② As part of our audit, we evaluated, among other things, the Company's procedures and measures for recording legal risks and assessing the outcome of pending legal proceedings and ongoing investigations and their accounting treatment. Our audit also included a substantive examination of the pending legal proceedings against AllianzGI U.S. and its affiliated companies and the ongoing investigations of the SEC and DOJ in connection with AllianzGI U.S. Structured Alpha Funds, as well as an evaluation of the assessments made by the executive directors on the basis of the claims asserted against the relevant Group companies.

In this context, the Company provided us with information in writing on the pending legal proceedings and the ongoing investigations as well as the assessments of the executive directors regarding a possible outcome of the legal proceedings and investigations, which we evaluated. We also obtained explanations of and assessed the assumptions underlying the estimates made by the executive directors, as well as the legal assessment of the facts.

We also held meetings with the internal legal department and the Company's external legal counsel in order to receive updates on current developments and the reasons for the executive directors' respective estimates. As of the balance sheet date, we also obtained external legal conformations that support the executive directors' assessments with regard to the legal proceedings and investigations.

As part of our audit, we also assessed whether the required criteria for recognizing a provision are met and whether the assessment of the executive directors have been appropriately considered in the measurement of the provision. We were able to satisfy ourselves that the assessment of the legal risks in connection with AllianzGI U.S. Structured Alpha Funds and the executive directors' assessment for recognizing and measuring the provision were sufficiently documented and substantiated.

③ The Company's disclosures relating to the aforementioned legal disputes are contained in section 37 of the notes to the consolidated financial statements.

Other information

The executive directors are responsible for the other information. The other information comprises the group statement on corporate governance pursuant to § 315d HGB as an unaudited part of 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 and on 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 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 supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of 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, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

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 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.

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, the related safeguards.

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-2022-02-21.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 2021 contained in the "Report on the audit of the consolidated financial statements and of 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 (10.2021)) 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 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

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 renderings 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 supervisory board on 4 March 2021. We were engaged by the supervisory board on 11 May 2021 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 an other 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 published in the Federal Gazette – 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 Richard Burger.

Munich, 21 February 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Richard Burger	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 2021 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 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 2021, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

Reference to an other 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, 21 February 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Richard Burger	Frank Trauschke
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Further Allianz publications

Allianz Sustainability Report 2021

The Allianz Group Sustainability Report "Building confidence in tomorrow" covers our contribution to the environment, society and economy. It provides full details of our sustainability strategy, approach and progress in 2021 as well as an outlook for 2022.
Date of publication: 29 April 2022 **www.allianz.com/sustainability**

Allianz People Fact Book 2021

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 2022.
Date of publication: 28 March 2022 **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 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	4 May 2022
Financial Results 1Q	12 May 2022
Financial Results 2Q/Interim Report 6M	5 August 2022
Financial Results 3Q	10 November 2022
Financial Results 2022	17 February 2023
Annual Report 2022	3 March 2023
Annual General Meeting	4 May 2023

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 at www.allianz.com/financialcalendar.

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