

Munich, February 23, 2024

EARNINGS RELEASE: 4Q AND 12M 2023

# ALLIANZ ACHIEVES RECORD OPERATING PROFIT AND SHAREHOLDERS' CORE NET INCOME

## HIGHER PAYOUT RATIO, INCREASED DIVIDEND PER SHARE PLUS NEW SHARE BUY-BACK ANNOUNCED

### 12M 2023:

- Total business volume rises 5.5 percent to 161.7 billion euros
- Operating profit increases 6.7 percent to 14.7 billion euros primarily driven by the Life/Health business segment
- Shareholders' core net income excellent at 9.1 billion euros, up by 30.3 percent

### 4Q 2023:

- Total business volume advances 7.8 percent to 39.6 billion euros
- Operating profit surges by 17.0 percent to 3.8 billion euros driven by the Life/Health business segment, supported by solid results in all other business segments
- Shareholders' core net income of 2.4 billion euros, up by 46.4 percent
- Strong Solvency II capitalization ratio of 206 percent<sup>1</sup> after proposed dividend payout

### Outlook:

- 2024 operating profit target at 14.8 billion euros, plus or minus 1 billion euros<sup>2</sup>

### Other:

- Management to propose a dividend per share of 13.80 euros, an increase of 21.1 percent from 2022
- Regular dividend payout ratio increased to 60 percent (from 50 percent). This new dividend policy shall already apply to the dividend for fiscal year 2023
- In addition to this, a renewed share buy-back program of up to 1 billion euros announced

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

1 Excluding the application of transitional measures for technical provisions.

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

“Allianz extended our track record of delivering a record operating profit and core net income, consolidating our leading position as one of the world’s most resilient global insurers and active asset managers.

Our results demonstrate the trust that our customers place in Allianz, and in the resilience and potential of our business model and our people. Our **Property-Casualty** business saw strong growth while we supported our customers affected by elevated levels of natural catastrophes. Our **Life/Health** segment delivered profitable growth as we developed attractive solutions to protect our customers from the effects of inflation on their savings, and in our **Asset Management** business we achieved robust net inflows in a volatile capital market environment.

The discipline of our strategy, execution, and capital management bolsters our operating profit outlook for 2024, our new dividend policy, and our renewed share buy-back program. In the coming year, we will continue to focus on unlocking the benefits of our scale to further increase our productivity, and on converting our excellent customer experience into profitable customer growth.”

- Oliver Bäte, Chief Executive Officer of Allianz SE

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## FINANCIAL HIGHLIGHTS

### Total business volume

**12M 2023:** Total business volume rose by 5.5 percent to 161.7 billion euros, driven by the Property-Casualty business segment due to positive price and volume effects, supported by the Life/Health business segment mainly as a result of strong growth in the United States. This was partially offset by lower revenues in the Asset Management business segment.

Internal growth, which adjusts for foreign currency translation and consolidation effects, was at 8.0 percent, primarily driven by the Property-Casualty and Life/Health business segments.

**4Q 2023:** Total business volume rose by 7.8 percent to 39.6 billion euros, driven by all business segments. The increase in the Life/Health business segment was primarily driven by the United States and Italy. Growth in the Property-Casualty business segment was mainly price driven, while our Asset Management business segment benefited from higher performance fees.

Internal growth was 10.9 percent, driven by all business segments.

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## Earnings

**12M 2023:** Operating profit increased 6.7 percent to 14.7 (12M 2022: 13.8) billion euros. This was mainly due to our Life/Health business segment while the result of our Property-Casualty business segment increased slightly amid higher claims from natural catastrophes. Operating profit from our Asset Management business segment softened slightly as a result of foreign currency translation effects.

Shareholders' core net income grew to 9.1 (7.0) billion euros. This was driven by an improved operating profit in the current period, as well as by an improved non-operating result due to the one-time AllianzGI US Structured Alpha provision captured in the prior-year period. Net income attributable to shareholders advanced to 8.5 (6.4) billion euros, up by 33.0 percent.

Core earnings per share (core EPS)<sup>3</sup> increased to 22.61 (16.96) euros.

Core return on equity (RoE)<sup>3</sup> grew to 16.0 percent (12.7 percent).

The Board of Management has decided to increase the payout ratio to 60 percent from 50 percent and proposes a dividend per share of 13.80 euros for 2023, an increase of 21.1 percent from 2022.

On February 22, 2024, Allianz has announced a new share buy-back program of up to 1 billion euros.

**4Q 2023:** Operating profit was strong at 3.8 (4Q 2022: 3.2) billion euros, up by 17.0 percent, driven by the Life/Health business segment, primarily due to a higher result in protection and health and transitional impacts linked to the adoption of IFRS 17 in the United States in the prior year. The Asset Management business segment benefited from higher revenues as a result of higher performance fees.

Shareholders' core net income increased to 2.4 (1.6) billion euros due to a higher operating profit and non-operating result. Net income attributable to shareholders doubled to 2.2 (1.1) billion euros.

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<sup>3</sup> Core EPS and core RoE calculation based on shareholders' core net income.

## Solvency II capitalization ratio

The Solvency II capitalization ratio was 206 percent at the end of 2023 compared with 201 percent at the end of 2022. When including the application of transitional measures for technical provisions, the Solvency II capitalization ratio was 229 percent at the end of 2023 compared with 230 percent at the end of 2022.

## SEGMENTAL HIGHLIGHTS

"We've achieved another year of record results and all operating segments finished the year above or close to their operating profit target mid-points.

- In our **Property-Casualty** business we recorded strong revenue growth, driven by healthy pricing and higher volumes. Growth was spread across our entities, reflecting the strength of our diversified global franchise. Our focus on technical excellence helped us to successfully mitigate the impact of inflation on our operating profit, which faced an above-average level of natural catastrophes. Our investment result benefited from higher interest rates.

- The operating profit in our **Life/Health** segment exceeded our outlook mid-point and was also well above the prior year. Our value creation is supported by a healthy new business margin that we maintained by providing attractive solutions to our clients, allowing us to record a solid new business development.
- In **Asset Management**, our operating profit was above our outlook mid-point, and we achieved positive net inflows in a volatile market environment. A competitive cost-income-ratio and an increase in our third-party assets under management bode well for future profitability.

We will continue to focus on generating attractive and sustainable returns for all of our stakeholders while not compromising on our resilience. We enter 2024 with confidence and target a full-year operating profit of 14.8 billion euros, plus or minus 1 billion euros.”

- Claire-Marie Coste-Lepoutre, Chief Financial Officer of Allianz SE

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## Property-Casualty insurance: Strong business growth

**12M 2023:** Total business volume increased by 8.4 percent to 76.5 (70.6) billion euros. Adjusted for foreign currency translation and consolidation effects, **internal growth** was excellent at 11.2 percent, supported by a price effect of 6.9 percent, a volume effect of 4.0 percent and a service effect of 0.3 percent. Total growth was spread among many entities with Allianz Partners, AGCS and Germany being the main contributors.

**Operating profit** rose 1.2 percent to 6.9 (6.8) billion euros, driven by a higher operating investment result, which was partly offset by lower other operating and insurance service results.

The **combined ratio** increased by 0.6 percentage points to 93.8 percent (93.3 percent). The loss ratio went up 0.9 percentage points to 69.3 percent mainly due to higher claims from natural catastrophes and less run-off. This was partially offset by a favorable impact from discounting and an improvement in the expense ratio by 0.3 percentage points to 24.6 percent (24.9 percent) driven by the acquisition cost ratio.

**4Q 2023:** Total business volume increased by 7.3 percent to 17.6 (16.4) billion euros. Adjusted for foreign currency translation and consolidation effects, **internal growth** was very strong at 9.8 percent mainly due to a 7.6 percent price effect. The volume effect was 1.8 percent, and the service effect was 0.5 percent. Total growth was spread among many entities, while the primary contributors were Germany, AGCS, Central and Eastern Europe and Italy.

**Operating profit** rose slightly by 1.6 percent to 1.6 (1.6) billion euros, due to a higher operating investment result which was partly offset by lower other operating and insurance service results.

The **combined ratio** went up 0.6 percentage points to 94.9 percent (94.3 percent). The loss ratio went up 2.3 percentage points to 71.4 percent, reflecting higher claims from natural catastrophes, which were partially offset by a better run-off result. The expense ratio improved by 1.7 percentage points to 23.5 percent due to lower acquisition cost and administrative expense ratios.

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## Life/Health insurance: Strong operating profit

**12M 2023:** PVNBP, the present value of new business premiums, increased to 67.3 (66.2) billion euros, primarily due to higher volume in the United States and Allianz Re, partially offset by lower single premiums and economic impacts primarily from discounting in Germany.

**Operating profit** increased to 5.2 (4.2) billion euros, above our outlook mid-point, mainly driven by the United States, primarily due to transitional impacts linked to the adoption of IFRS 17 in the prior year period, as well as improved Protection and Health performance in France and Asia Pacific. The contractual service margin (CSM) release was fully in line with expectations at 5.0 (5.0) billion euros.

**Contractual service margin (CSM)** increased to 52.6 (52.2) billion euros, mainly driven by a strong normalized growth of 4.9 percent supported by favorable economics with lower interest rates and higher equity markets, which was partly offset by non-economic variances, due to model and assumption changes.

The **new business margin** remained stable at 5.9 percent (5.9 percent). The **value of new business** increased to 4.0 (3.9) billion euros, due to higher volumes in the United States and Allianz Re, partially offset by business mix effects in the United States.

**4Q 2023:** PVNBP increased to 16.7 (15.2) billion euros, driven by higher volumes in the United States and in Italy, partially offset by foreign currency translation effects in the United States, Asia Pacific, and Türkiye, as well as economic impacts primarily from higher discounting in Germany and Italy.

**Operating profit** increased to 1.4 (1.1) billion euros. The main contributors were the United States, Asia-Pacific and France. The release of the contractual service margin (CSM) was 1.3 (1.4) billion euros.

**Contractual service margin (CSM)** increased to 52.6 (52.1) billion euros. New business and expected in-force return were higher than in the previous quarter, which led to normalized growth of 1.6 percent in the fourth quarter. Negative non-economic movements, including experience variances and assumption changes, were largely offset by positive economic developments.

The **new business margin (NBM)** changed to 5.9 percent (6.4 percent). The **value of new business (VNB)** remained stable at 1.0 (1.0) billion euros. Higher sales in the United States and Italy were partially offset by foreign currency translation effects as well as business mix effects in the United States.

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## Asset Management: Solid operating profit and resilient net inflows

**12M 2023:** **Operating revenues** softened by 1.8 percent to 8.1 billion euros as higher performance fees were offset by lower AuM-driven revenues. Adjusted for foreign currency translation effects operating revenues grew 0.6 percent.

**Operating profit** was 3.1 (3.2) billion euros, exceeding the mid-point of our outlook. It was down 2.2 percent from the prior-year period but rose by 0.2 percent when adjusted for foreign currency translation effects. The **cost-income ratio (CIR)** was stable at 61.3 percent (61.2 percent).

**Third-party assets under management** were 1.712 trillion euros as of December 31, 2023, up by 77 billion euros from the end of 2022. Favorable market effects of 103.9 billion euros and net inflows of 21.5 billion euros more than offset negative currency translation effects of 46.4 billion euros.

**Total assets under management** were 2.224 trillion euros at the end of 2023, up 82 billion euros from the end of 2022, and in line with the results in third-party asset management, including positive market effects of 130.0 billion euros, net inflows of 3.1 billion euros and negative currency translation effects of 49.6 billion euros.

**4Q 2023:** **Operating revenues** reached 2.3 billion euros, up 10.1 percent, as performance fees increased significantly, and also AuM-driven revenues went up. Adjusted for foreign currency translation effects operating revenues grew 14.6 percent.

**Operating profit** increased in comparison to the prior-year period to 912 (805) million euros. Adjusted for foreign currency translation effects, operating profit rose by 18.1 percent. The **cost-income ratio (CIR)** improved to 60.5 percent (61.6 percent).

**Third-party assets under management** were 1.712 trillion euros as of December 31, 2023, up by 42 billion euros from the end of the third quarter 2023. Of this, favorable market effects of 96.7 billion euros could more than offset negative currency translation effects of 46.8 billion euros and net outflows of 6.5 billion euros.

**Total assets under management** were 2.224 trillion euros at the end of the fourth quarter, up 62 billion euros from the end of the third quarter, and in line with the results for the third-party assets under management, including positive market effects of 124.6 billion euros, negative currency translation effects of 50.6 billion euros and net outflows of 12.3 billion euros.

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# 4Q & 12M 2023 RESULTS TABLE

## Allianz Group - preliminary key figures 4th quarter and fiscal year 2023

		4Q 2023	4Q 2022	Delta	12M 2023	12M 2022	Delta
<b>Total business volume</b>	€ bn	<b>39.6</b>	<b>36.7</b>	<b>7.8%</b>	<b>161.7</b>	<b>153.3</b>	<b>5.5%</b>
- Property-Casualty	€ bn	17.6	16.4	7.3%	76.5	70.6	8.4%
- Life/Health	€ bn	20.0	18.5	8.1%	77.9	75.3	3.5%
- Asset Management	€ bn	2.3	2.1	10.1%	8.1	8.2	-1.8%
- Consolidation	€ bn	-0.3	-0.2	21.8%	-0.8	-0.8	1.7%
<b>Operating profit / loss</b>	€ mn	<b>3,765</b>	<b>3,216</b>	<b>17.0%</b>	<b>14,746</b>	<b>13,814</b>	<b>6.7%</b>
- Property-Casualty	€ mn	1,608	1,583	1.6%	6,909	6,827	1.2%
- Life/Health	€ mn	1,362	1,056	29.0%	5,191	4,218	23.1%
- Asset Management	€ mn	912	805	13.2%	3,126	3,198	-2.2%
- Corporate and Other	€ mn	-115	-216	-46.6%	-474	-540	-12.3%
- Consolidation	€ mn	-1	-12	-91.8%	-7	112	n.m.
<b>Net income</b>	€ mn	<b>2,255</b>	<b>1,180</b>	<b>91.1%</b>	<b>9,032</b>	<b>6,856</b>	<b>31.7%</b>
- attributable to non-controlling interests	€ mn	104	76	36.9%	491	435	12.8%
- attributable to shareholders	€ mn	2,151	1,104	94.9%	8,541	6,421	33.0%
<b>Shareholders' core net income<sup>1</sup></b>	€ mn	<b>2,351</b>	<b>1,606</b>	<b>46.4%</b>	<b>9,101</b>	<b>6,984</b>	<b>30.3%</b>
<b>Core earnings per share<sup>2</sup></b>	€	<b>6.00</b>	<b>3.99</b>	<b>50.3%</b>	<b>22.61</b>	<b>16.96</b>	<b>33.3%</b>
<b>Dividend per share</b>	€	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.80<sup>3</sup></b>	<b>11.40</b>	<b>21.1%</b>
<b>Additional KPIs</b>							
- Group	Core return on equity <sup>4</sup>	%	-	-	16.0%	12.7%	3.3% -p
- Property-Casualty	Combined ratio	%	94.9%	94.3%	93.8%	93.3%	0.6% -p
- Life/Health	New business margin	%	5.9%	6.4%	5.9%	5.9%	0.0% -p
- Asset Management	Cost-income ratio	%	60.5%	61.6%	61.3%	61.2%	0.2% -p
					12/31/2023	12/31/2022	Delta
<b>Shareholders' equity<sup>5</sup></b>	€ bn				<b>58.5</b>	<b>54.4</b>	<b>7.5%</b>
<b>Contractual service margin (net)</b>	€ bn				<b>32.7</b>	<b>31.7</b>	<b>3.2%</b>
<b>Solvency II capitalization ratio<sup>6</sup></b>	%				<b>206%</b>	<b>201%</b>	<b>5% -p</b>
<b>Third-party assets under management</b>	€ bn				<b>1,712</b>	<b>1,635</b>	<b>4.7%</b>

**Please note:** The figures are presented in millions of Euros, unless otherwise stated. Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

1\_ Presents the portion of shareholders' net income before non-operating market movements and before amortization of intangible assets from business combinations (including any related income tax effects).

2\_ Calculated by dividing the respective period's shareholders' core net income, adjusted for net financial charges related to undated subordinated bonds classified as shareholders' equity, by the weighted average number of shares outstanding (basic core EPS).

3\_ Proposal.

4\_ Represents the ratio of shareholders' core net income to the average shareholders' equity at the beginning and at the end of the year. Shareholders' core net income is adjusted for net financial charges related to undated subordinated bonds classified as shareholders' equity. From the average shareholders' equity undated subordinated bonds classified as shareholders' equity, unrealized gains and losses from insurance contracts and other unrealized gains and losses are excluded.

5\_ Excluding non-controlling interests.

6\_ Risk capital figures are group diversified at 99.5% confidence level. Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio is 229% as of 31 December 2023.

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## RELATED LINKS

### Media Conference

February 23, 2024, 11 AM CET: YouTube [English line](#)

### Analyst Conference

February 23, 2024, 2:30 PM CET: YouTube [English line](#)

### Results

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

### IFRS 9/17

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

## UPCOMING EVENTS

### Annual Report

March 7, 2024

### Annual General Meeting 2024

May 8, 2024

### Financial Results 1Q 2024

May 15, 2024

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

## About Allianz

The Allianz Group is one of the world's leading insurers and asset managers with around 125 million\* private and corporate customers in nearly 70 countries. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing around 737 billion euros\*\* on behalf of its insurance customers. Furthermore, our asset managers PIMCO and Allianz Global Investors manage about 1.7 trillion euros\*\* of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we are among the leaders in the insurance industry in the Dow Jones Sustainability Index. In 2023, over 157,000 employees achieved total business volume of 161.7 billion euros and an operating profit of 14.7 billion euros for the group.

\* Including non-consolidated entities with Allianz customers.

\*\*As of December 31, 2023.



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

**Cautionary note regarding forward-looking statements**

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

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

**No duty to update**

Allianz assumes no obligation to update any information or forward-looking statement contained herein, save for any information we are required to disclose by law.

**Other**

The figures regarding the net assets, financial position and results of operations have been prepared in conformity with International Financial Reporting Standards. Information is based on preliminary figures. Final results for fiscal year 2023 will be released on March 7, 2024 (publication of the Annual Report).

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

**Privacy Note**

Allianz SE is committed to protecting your personal data. Find out more in our [privacy statement](#).