Solvency II

Solvency and Financial Condition Report

2023

Allianz Benelux

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A. BUSINESS AND PERFORMANCE

A.1 Business and Performance

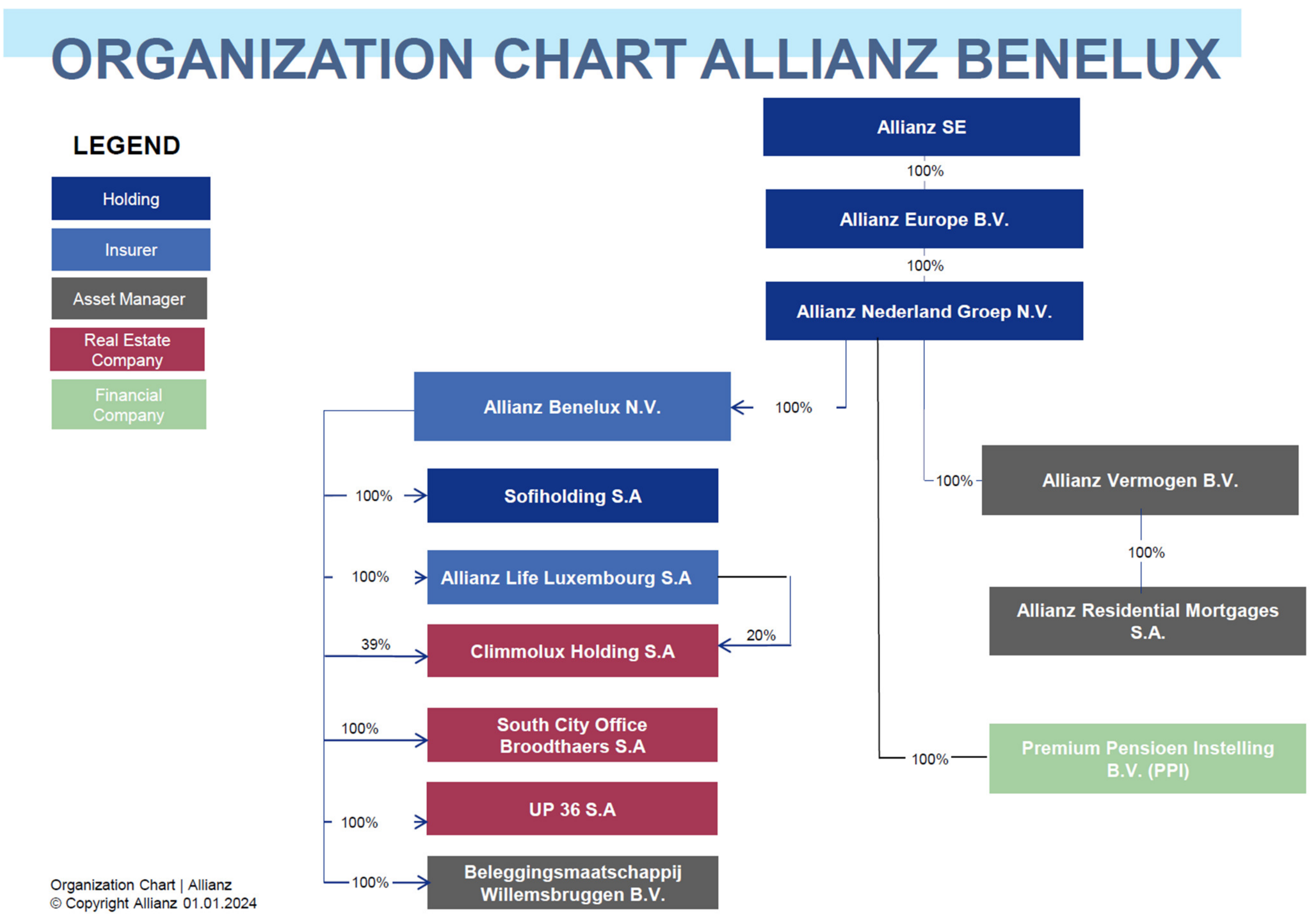
A.1.1 Operations

Allianz Benelux offers non-life insurance, life/health insurance in 2 countries, Belgium, Netherlands and life insurance in Luxembourg.

We offer a wide range of non-life and life/health insurance products to both retail and corporate customers.

Allianz SE, the parent company of the Allianz Group, has its headquarters in Munich, Germany and holds the legal form of a European company (Societas Europaea). Allianz SE offer non-life insurance, life/health insurance and asset management products and services in over 70 countries, with the largest of its operations in Europe, In addition, Allianz SE operates in the field of reinsurance, providing reinsurance protection for Allianz Group companies, in particular.

A.1.2 Group Structure



A.2 Highlights of the 2023 financial year

General economic context

Beyond the noise of boots and conflicts on the margins of Europe, the global economy sailed through less turbulent waters in 2023.

While interest rates continued to rise during the year under review, generating volatility, growth was fairly solid despite the slowdown in the effects of the post-pandemic recovery.

Fortunately, inflation slowed significantly, reaching to 5.4% in the eurozone, due to a contraction in the rise in energy prices. Nevertheless, inflation has averaged 12% over the last 2 years in the Benelux countries.

Companies that had built up reserves in recent years should be credited with their to cope with this rise in costs.

The feared economic crisis has not materialised, postponed by a job market that is still very tight in the Benelux countries, despite the relaxation of support measures taken during the pandemic.

We have therefore left the 2023 financial year in what might be described as a transitional phase, one that is both resilient and fairly favourable.

All is not necessarily rosy in this context, and Europe has made less progress than the rest of the world. It's true that one of its driving forces, Germany, has suffered greatly from disruptions to its supply of Russian gas.

The Netherlands also suffered temporarily, with negative growth of -0.9%.

China also suffered from stricter pandemic prevention measures than elsewhere and a fall in domestic consumption.

In addition, the governments of many countries have become more reticent about relocation and are thinking more in terms of protectionism.

Sectoral context

According to initial estimates of premium income in Belgium in 2023, gross growth reached 5.3% across all classes of business, which, when adjusted for inflation, generated real growth of only 1.2%.

The approach by class of business is contrasting, with life classes of business recording growth of 1.9%, or a net contraction of 2.09%, while non-life premium income rose by 9.1%, or 4.87% in net terms.

Personal life insurance was hardly buoyed by branch 23 investment products, which fell by a fairly sharp 16.3%. Only guaranteed-rate products saved the day at 5.7%.

Group insurance, on the other hand, fared much better at 9%, i.e. 7.2% for interest-rate products and 27.2% for investment funds.

This trend was even more marked in Luxembourg, where customers, scalded by the volatility of the financial markets, preferred short-term bank accounts with relatively high interest rates to medium- or long-term insurance contracts.

Estimates for the Netherlands are not yet available at the time of writing, but the initial figures available within the company point to favourable growth, at least in certain segments, such as corporate insurance (Pensions and MidCorp), where Allianz has a solid market share.

Changes in insurance regulations

Regardless of the economic environment, the public authorities and, more specifically, the regulatory authorities, continued their work to refine the supervisory frameworks for insurance companies.

In the area of insurance distribution, in line with its work programmes and the transposition of the European IDD directive, the FSMA has provided additional details regarding the obligations already implemented. Based on the EIOPA (2021) 0045739 guidelines of 30/11/2021 on value for money, the FSMA published **the Vade Mecum on Product Oversight and Governance (POG)** on 4 July 2023. It explained its expectations in terms of product governance including the content of the POG procedure and policy. The interest of the customer must be at the heart of the product approval, testing (benchmark required), review and monitoring process. Correct and complete documentation for the product approval process must also be prepared and retained. The FSMA also goes further than EIOPA, by expanding on the concept of value for money not only for IBIPS but for all insurance products (life and non-life). At the same time, EIOPA has been collecting data since December 2023 on the value-for-money benchmark for unit-linked & hybrid products (including pension products). The objective of EIOPA is to be able to finalise the benchmarking of these products in 2024 by including value for money, and to have a methodology available for local regulators by 2025.

Also in the area of insurance distribution, the Royal Decree of 18/04/2023 incorporating FSMA communication FSMA_2023_13 of 23/05/2023 establishes an **annual mapping of IDD activities.** The teams will have to coordinate with each other in order to provide all the data requested by the market authority. This specifically includes information on insurance distribution activities, figures on life and non-life insurance products and intermediary remuneration. This is a significant task that will need to be automated in the coming years.

In the area of investment, the European Commission has published a draft directive called the Retail Investment Strategy (RIS). This "Omnibus" project will impact other regulations, namely IDD, PRIIPS and Solvency II. The aim of this "Omnibus" project is to achieve greater transparency and harmonisation and an impact on remuneration can be expected. In the draft text of the RIS, the initial aim is to achieve a partial ban on remuneration paid by insurers to their intermediaries and to strengthen the concept of value for money. This European project is attracting the attention of many regulators. It is not currently in force but we will need to be prepared to review our broker remuneration systems and contractual documents, should this draft be adopted in its current version.

Specific developments in non-life insurance

In 2023, the following laws were adopted:

- 1 September 2023 marked the entry into force of **Book XIX of the Code of Economic Law on "Consumer debts"**, which regulates late payment of consumer debts to companies as well as the **amicable recovery of these debts by companies**.
- In order to recover their debts, and under penalty of being deprived of the right to claim reminder charges from consumers, companies are now required to comply with a procedure, deadlines and certain mandatory information that must be contained in their letters of formal notice sent to said debtors. Allianz Benelux has, as a result of this law, amended its general terms and conditions as well as its templates for letters of formal notice.
- The law of 9 October 2023, aimed at **simplifying the rules and notice periods for terminating insurance policies** will enter into force on 1 October 2024.
- In the future, non-life policyholders will be able to object to the automatic renewal of their policies up to two months (instead of three months currently) before the annual renewal date. They will also be able, from the second year of insurance, **to terminate their policies at any time** (without having to wait for the next annual renewal date, although the termination will only take effect two months after the notification of termination), **without charges or penalties**. Allianz is in the process of reviewing its procedures to take these changes into account. As a result of a law adopted on 22 December 2023 and which entered into force on 1 January 2024, the Law of 4 April 2014 on the legal coverage for **natural disasters has been revised.** The **cap on compensation** payable by the insurer upon the occurrence of such a disaster has been revised upwards.

We will also briefly highlight the issues that our company is closely monitoring.

- Changes to the compensation regime for **damage resulting from acts of terrorism**,
- the reform of the law on **extra-contractual liability**, for which a new **Book 6 of the Civil Code** is expected to be adopted.
- The future regime of **deadlines and penalties imposed when paying insurance benefits**.
- And the transposition of Directive (EU) 2021/2118 of 24/11/2021 amending Directive 2009/103/EC relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to insure against such liability, in order to bring it into line with the case law of the Constitutional Court (judgment no. 15/2021 of 28/01/2021).

Specific developments in life insurance

Increased transparency under the second pension pillar

The Law of 26 December 2022 (published in the Belgian Official Gazette on 3 February 2023) amends various provisions with a view to strengthening transparency under the second pension pillar.

One of its objectives is to provide employees and self-employed persons with a better understanding of their supplementary pension.

Clearer and higher quality communication to members and pension beneficiaries, with a prominent role for Sigedis and mypension.be, should increase citizens' confidence in the second pension pillar and limit the administrative burdens and costs of pension organisations.

The new regime will reduce administrative costs and eliminate or simplify a number of information obligations.

Postponement of the entry into force of the Law on Transparency

The Law of 11 December 2023 on various pension provisions provides for a new timetable extending from 2023 to 2027 for the entry into force of the Transparency Law in order to take into account

complex interpretation issues and technical problems with the structure of the data in the DB2P database which are not suited to the performance of the dominant role assigned to Sigedis and mypension.be.

Allianz Benelux is keeping a close eye on this legislation, which has a significant impact on second pillar pension insurance policies.

The Law of 5 November 2023 containing various provisions on the economy

The law allows consumers who have taken out a mortgage accompanied by a credit protection insurance policy and a fire insurance policy (also called "bundling") to change insurers after one-third of the term of the loan without an increase in the interest rate.

The purpose of this law is to better protect consumers when they agree to bundling.

Allianz will be required to indicate in the credit agreement the date from which the consumer can exercise his or her right to change insurer without losing his or her reduced interest rate.

This new rule applies to credit agreements entered into on or after 1 June 2024.

Specific developments in sustainable finance

The various regulations on sustainable finance have undergone several modifications during 2023. These regulations are not fixed; they must be supplemented by interpretations or instructions published either by the European regulatory authorities, the European Commission or the local regulator. They will continue to evolve under the influence of various European consultations and the positions of the various regulators, including the FSMA. Although financial market participants have reiterated the major difficulties they face to local and European regulators, no solution has yet been found for the data quality issues and for the implementation date of legislation, which are identical for all financial market participants. This means that Allianz, which as an insurer is involved at the end of the process, is dependent on information that the asset managers will provide to it, sometimes a few days before the deadline. This quasi-simultaneity makes any on-time implementation very difficult and complex.

Business policy of Allianz Benelux

Commercially, the past year was again marked by an uncertain economic, political and environmental climate as well as by various binding legislative developments at national and European level.

In this context, the sales teams, our company's frontline representative on the ground, have passed on our vision and our solutions to their partners. Actively supporting and harnessing the expertise and know-how of brokers for the benefit of their customers is in our DNA. The many initiatives taken in recent months have all contributed to supporting brokerage firms in their search for efficiency.

In life insurance, Branch 21 products have regained popularity. These products were out of favour due to their low yields. Customers' need for security has meant Branch 21 is once again in the limelight. At Allianz, this has resulted in a flagship product: Allianz Invest for Life3A My Future. We have given brokers an undertaking to deliver a minimum return of 2.75% for 2023. In the same context, and to respond to employers looking for more security in financing their pension obligations, we reopened the Allianz Salary Plan Opportunity product.

In Branch 23, we continued to diversify the range of funds through the arrival of new asset managers, additional funds and the reopening of certain funds for the Allianz Excellence and Allianz Excellence Plan products. The Allianz for a Better World funds have been integrated into the Allianz Excellence funds to provide an ESG offering in a simplified investment solution. Our opportunity.be platform remains an essential tool for our brokers for Branch 23 advice given the customer profile.

In group life insurance, we have expanded our CDC (Collective Defined Contribution) product by adding a hybrid component that now combines Branch 23 (without guarantee) and Branch 21 (with guarantee). We also worked to reintroduce our Opportunity product (Branch 21 with annual review of the guarantee on the new premium) on 1 January 2024 with a guarantee of 1.8%. These additions complement our product offering in both Branch 21 and Branch 23 and certain mixed insurance, which means that we are now able to meet all market needs.

Investment and savings products continue to be impacted by European regulations relating to both sustainable finance (SFDR & taxonomy) and PRIIPS (retail investment products). This has enabled greater transparency to be provided on the sustainability of investment funds. Certain aspects were previously interpreted and applied differently by market participants.

Last October, DECAVI awarded us the responsible investment trophy. This recognition shows Allianz's intention to be a major player in the sustainable area (ESG) in the insurance world of tomorrow, at all levels of the group. It is not a label but a recognition of our commitment to sustainability.

Throughout the year, we supported business through several sales initiatives, some of which covered not only the investment tax but also the product entry charges. These actions allowed, among other things, our brokers to transfer existing contracts to higher yielding products without any negative impact for the customer.

In **Non-Life insurance**, 2023 was full of innovation.

In addition to the **new Car Plan terms and conditions**, the competitive prices and the many cumulative discounts, Allianz particularly focused on electric cars, so that our customers can drive worry-free and emission-free. The new pricing for vans, the Omnium Gold 12 package for nearly-new vehicles and the easing of alarm system requirements are other enhancements made to Car Plan.

The terms and conditions of the NEW Home Plan, Allianz's next-generation fire insurance, offer more extensive coverage and assistance packages, better compensation and greater protection against underinsurance! Our partnership with CED and Homeras for expert appraisals, leak detection and claims repairs helps guarantee a quality service in the event of a claim.

Thanks to the collaboration between Allianz and Doccle, our customers can now receive their receipt electronically. These documents are stored securely in their Doccle account for as long as they wish.

In terms of SMEs, with its specific sectoral approach, Allianz helps its brokers to offer the best insurance for wholesale and retail business. Thanks to the Risk & Insurance Scan, self-employed customers, SMEs and those in the liberal professions get a complete assessment of the insurance policies required and recommended for their activity in just two minutes. This innovative tool was awarded the DECAVI Innovation Trophy. Hospit-All, healthcare insurance for businesses with more than 25 employees, has been expanded to include new cover for outpatient and dental care.

These are just some of the initiatives we have been able to implement through the collaboration of our brokers.

In 2023, Assuralia's survey of distribution channels (2021) revealed that brokers' market share is increasing again and this growth has been in train for several years now. Just over half of insurers' revenue is generated by brokers. To underline the crucial role that brokerage plays in insurance distribution, Allianz has taken over the presidency of Brocom until the end of 2024.

2023 (finally) gave us the opportunity to inaugurate our new headquarters in Brussels. More than 400 brokers responded to our invitation at the beginning of the year. A few months later, we welcomed 600 brokers for the second edition of Allianz Day, during which we discussed, with them and with experts, social issues such as mobility, pensions, healthcare, artificial intelligence, taxation and purchasing power.

Just a few months away from the Olympic and Paralympic Games in Paris, we would like to emphasise that 2023 will be our third year of sponsorship of Belgian athletics, which will be extended until 2028. Our sustained presence *at all levels, from competitions and professional athletes to amateur sports via local clubs, is generating* new synergies bringing new business opportunities *that we are keen to seize.* Sporting events are also an ideal opportunity to meet our preferred brokers and distribution partners. Thus, the Allianz Memorial Van Damme, a nationally- and internationally-renowned sporting event much loved by Belgians, enabled us to meet our main brokers and distribution partners at the King Baudouin stadium in Brussels on 8 September. It was an opportunity to share the values conveyed by the athletic world to which Allianz fully adheres and intends to promote: vitality, accessibility, diversity and inclusion.

Activities in Belgium and the Netherlands

Introduction

Value Chain Structure

In January 2023, Allianz began working on Value Chains. First, based on a project, which was then converted into a organisational structure later in the year. Allianz has chosen to divide the Value Chains by customer segment, namely: Retail NL / Retail & SME BE / Midcorp BE / SME & Midcorp NL / Life & Health BE / Life EB BE and Life and Pensions NL. Managers were assigned to achieve the objectives of the Value Chains in collaboration with the cross-functional managers. In the different areas of Allianz, the Sales, Underwriting, Claims, SME/Fleet technical area, Midcorp WA and Value Proposition team leaders have been invited to work together to give practical substance to it all.

The corporate functions (HR - Finance - IT) do not structurally participate in the Value Chains, but support them through their role and expertise. A consultation structure and steering mechanism (KPI dashboard) have been devised and implemented. The objective for 2024 is that after one year working within this new structure, we are able to further improve Value Chains and enhance processes and collaboration. To this end, the financial and cost infrastructure will be strengthened at Value Chain level in order to provide a better overview of results and enable more precise steering.

Value Chain commercial lines NL

To enable implementation of the North Star strategy, transformation towards a Value Chain organisational model has been initiated, structured around customer segments. This organisation results in better cooperation, clear responsibilities, greater customer focus and shorter turnaround times and time to market.

NPS result

Allianz significantly improved the NPS score in 2023, which reflects the satisfaction of insurance advisers. The improvement measures put in place were therefore successful. With an NPS score of 9.9, Allianz is the Loyalty Leader in the corporate market. The ambition set for 2025 was therefore achieved two years earlier. This score was mainly driven by advisers' satisfaction with our service in the MidCorp segment, where Allianz is one of the leaders. In the SME segment, Allianz outperformed the market. In this segment in particular, Allianz will invest in improving services and portals in order to maintain its leading position in the commercial market and continue to improve.

Working method - Squads

As part of the transformation, the ambition is also to work in a more agile way. To proceed further in this direction, four teams were created, each with its own area of expertise.

The End-to-End Non Motor team focused on optimising processes across the chain, making the workload more transparent and adopting a new way of distributing work. This has improved many processes within the sales, underwriting and operations departments. In addition, the workload is easier to manage, which is having an immediate positive impact on the customer experience and the turnaround times for new requests.

The Growth team was able to map growth initiatives and quantify targets more precisely. This has enabled a better understanding of all initiatives, of their consistency and made the impact of actions more measurable.

The Small Fleet team has specialised in increasing sales in the 20- to 150-vehicle fleet segment. It worked on three pillars: the product, the process and the proposal. This has led to improved results in terms of new business and customer loyalty.

Finally, the Financial Lines team strengthened our position in this segment. We worked on a plan for the Netherlands and Belgium that aimed to improve the process for our Broker Portal, but also to shorten the turnaround time for custom quotes (Maatwerk). This was done in parallel with the new marketing campaign in which Allianz is positioning itself as the number 1 partner for the "financial lines" segment.

Given the positive results of the squad approach in 2023, we will launch the following squads in 2024:

- End-to-End Motor
- Churns - SME market
- Multinational companies

And we will continue the work for the Growth and Small Fleets squads

Projects – Changing the company

In 2023, 24 initiatives/projects related to the Commercial Lines NL Value Chain were implemented. These initiatives are related to topics such as the sector's offering, retention and growth of our Commercial Motor portfolio, MIRA, improvement of our broker portal and various technical enhancements. Quantitative benefits include not only premium income and cost savings, but also better alignment in terms of legal compliance and compliance with group standards.

For many projects, we are talking about an agile bottom-up approach.

The budget available for 2024 is roughly the same, and the Value Chain intends to use it for the benefit of customers/revenue.

In addition to the Value Chain projects, a new partnership has also been established with ING Bank for the micro-SME segment. A joint ING - Allianz Direct - Allianz Benelux project has been launched to serve the micro-SME market.

Operations

The following developments occurred in the area of operations:

- Back-office: a significant migration of data to Teams (cloud-based) was successfully completed in order to continue to ensure business continuity.
- Retail policy servicing: for important brand policies (BMW), interactions with customers via email have been tightened up and response times optimised from 4 days to 1 day for emails, and from 90 seconds to 30 seconds for phone. Thanks to process optimisation and employee training, customer satisfaction increased to reach a Voice of the Customer Score of 4.4. A new MyAllianz portal has been developed that allows customers to directly access a summary overview of their insurance policies, their important documents (green card), to report their claims online and to actively track the processing of their claims.
- Commercial policy servicing: introduction of the aftersales tool for SMEs (non Motor), which allowed us to automate an important manual process in order to better serve our intermediaries, which contributed, in particular, to the increase in the Broker NPS satisfaction rate. The UBO tool has been implemented to facilitate compliance with economic sanctions legislation. This tool allows the global sanctions process to be largely automated. To assist our underwriting agencies in the co-insurance portfolio, a back-office link has been provided between e-ABS (VNAB) and Filenet (central workflow system). This significantly speeds up turnaround times. For large leasing fleets, new business partners were automatically taken into account in the back-office system during Q4 2023, enabling registration plates to be registered in time with the RDW (Dutch vehicle registration authority).
- Payments: for large leasing fleets and brand policies (customers), we have automated the collection process by the company so that our billing matches our customers' billing guidelines, enabling us to offer customised automated solutions. This results in less manual work for payment back-office employees, resulting in greater employee satisfaction, fewer errors and greater customer-focus, thus contributing positively to the NPS (Net Promoter Score).

Claims

The Claims segment is being impacted by the scarcity of qualified resources but thanks to a number of targeted measures we have managed to control the pressure on our claims services and serve our customers properly.

For bodily injury claims, we have put greater emphasis on prompt settlement. We have handled a record number of claims, while maintaining stable reserves. In doing so, we have benefited greatly from the algorithms we have developed to forecast claims reserves in relatively small claims. It has also saved us time, which we are now reinvesting to better serve our customers and victims. In the same vein, we are also proud to have been awarded the National Personal Injury Hallmark, which confirms the professionalism of our business and customer service.

Thanks to the implementation of an automated solution, less time needs to be invested to settle non-bodily injury claims from our non-motor business fair customers. We are using this time saving to intensify our claims manager programme (schaderegisseursprogramma). As part of this programme, our claims specialists visit the customer for high impact claims, together with the intermediary. This approach is highly appreciated by our customers, as shown by our satisfaction surveys. In 2024, we will extend our Fair Claims automation programme to claims notification in order to further expand our customer service. In addition, from 1 July 2024, in collaboration with our colleagues at Allianz Direct and ING Bank, we will take over claims management for self-employed and micro-SME corporates. Through significant investments in automation and intensive consultation with our partners, we are helping customers to manage their claims in an optimal manner.

The Claims department makes every effort to combat fraud and maintains a strict zero-tolerance policy in this regard. Last year, we again achieved very good results in combating insurance fraud. In Benelux, we have seen the fraud ratio (fraud savings/closed claims) hit 5.24%, above the target of 4.7%. Also in 2023, a broad communication and consultation structure was put in place between the claims teams/fraud/underwriting liaison officers and the special affairs team. A training course on identifying indicators of fraud was also completed by a diverse group of claims, underwriting and sales colleagues. The aim was to learn how to detect anomalies in concrete practical cases and to develop an action plan.

In 2023, the outside world, as well as our organisation, experienced historically very high inflation. Despite this, to the satisfaction of all parties, we were able to extend our agreements in the Netherlands with our usual panel of lawyers, bodily injury experts, labour experts as well as our body repair and windshield repair partners. We succeeded in extending our Topherstel network to a major partner in order to be able to provide the best possible service to our customers, even in these difficult times.

Underwriting

Over the past year, we have made great progress in optimising processes and systems. The processes were closely examined as part of the End-to-End project and, for fire insurance, we have almost completed the final phase of the Mira underwriting system. Specialisation of our departments was continued by replacing a single general underwriting department with specialised departments (Property, Liability, Marine, Engineering and Motor) where the entire chain, from SMEs to Midcorp, is covered. The initiatives mentioned above should result in better customer service, with a focus on speed and efficiency.

Value Chain Midcorp BE

NPS

In 2023, we continued our efforts to strengthen our position with our distribution partners. We organise an annual meeting with our MidCorp brokers to assess their views on our services. Once again this year, MidCorp obtained a “market-level” NPS from its brokers. But our score has increased by 14 points compared to last year. Based on these encouraging results, we will continue to focus on strengthening our relationships and cooperation with brokers in 2024. Our goal is to become a Loyalty Leader.

Operations

Within MidCorp Operations, further progress has been made in service delivery.

SLAs were improved and waiting times (calls) remained below one minute on average throughout the year.

A great deal of attention has also been paid to the training and education of all employees in order to further improve the quality of service.

Thanks to improved knowledge and close cooperation between everyone, the workload has decreased significantly this year.

Claims

In terms of claims, quality, turnaround time and optimal customer experience are top priorities. Our Claims departments strive to manage cases as smoothly as possible. Training, IT improvements and process optimisation are the basis for this.

We are also increasingly moving towards tailor-made solutions in claims management. Our network of high-quality repairers and experts ensures a qualitative assessment of damage.

Victims of workplace accidents can track their claims via our online “My Accident at Work” platform and employers have their own platform (“Oasys”) for sending reports and tracking ongoing cases. We also provide guidance and information to victims about teheir return to work and examine, in collaboration with the employer, what is still possible after an accident. This ensures business continuity and, even after an accident, the victim remains in contact with his or her workplace, which has a beneficial effect on his or her recovery.

In order to further improve our services, the Voice of the Customer programme has been launched for Property, Motor, Legal Assistance and Workplace Accident. This involves measuring customer satisfaction in the form of a score, with the option of also giving an opinion. The initial results have been promising in any case and the feedback we receive will help us determine our next improvements.

Sales

The MidCorp sales team was bolstered by the addition of an additional staff member to better target and serve our MidCorp brokers. The results of the NPS survey clearly show that this is having a positive impact which is reflected in a very good score on the part of the brokers concerned.

Underwriting Midcorp

In 2023, we focused on improving and automating processes within UW.

In terms of processes, we have improved performance monitoring by introducing briefings as well as enhancing the KPI dashboard.

The training process has been improved. A model pathway for new joiners is now available in the Allianz training platform.

Many initiatives have also been taken in the area of automation:

For Property, Engineering and Fleet, we determined the products eligible for STP processing.

An automation process has been launched based on this data.

We are also proud to announce that our MIra underwriting tool has gone live for the Property segment. Mira allows our underwriters to spend less time performing administrative checks and therefore spend more time in discussions with brokers and analysing offers. In addition, the system actively supports the technical analysis and pricing of the proposed risk.

Mira will also be rolled out in other branches in 2024.

Notes on developments in the various branches

Fleet: The transition to electric vehicles is increasing exponentially in the commercial vehicle segment, mainly due to the higher taxation of ICE (Internal Combustion Engine) commercial vehicles with conventional combustion engines. This transition is also leading to a sharp decrease in baseline emissions (CO_2), which can result in a sharp increase in sales and administration costs (benefits-in-kind) for internal combustion engine vehicles.

The application of correct insurance premiums, especially due to high inflation (claims inflation), remains an ongoing challenge for insurers as the market is still very uncertain and it is not always easy to implement the necessary increases.

In the **Workplace Accidents** segment, 2023 was marked by a further tightening of the market. Actions have been taken in the existing portfolio and acceptance criteria have been strengthened. Similar measures in the recent past have enabled us, among other things, to maintain 2023 results (loss ratio) at a good level.

Property: the P&C portfolio continued its positive trend in 2023, with growth of 17%. This growth is due both to price increases that were able to be made for certain business and a sharp increase in the number of new business underwritten. The introduction of a new AI-based underwriting tool, MIRA, developed in-house, contributed significantly to this growth.

Unlike previous years, we have been spared any major natural disasters. In addition, thanks to pruning of the portfolio and disciplined underwriting in recent years, we have been able to record a good loss ratio and operating profit in line with expectations. The quality of risks and the emphasis on prevention continue to take precedence.

Third-Party Liability: despite still uncertain market conditions, we achieved solid growth for the second year in a row, thanks to considerable effort and a focus on profitable selection. This growth is reflected in the General Liability as well as the Professional Liability, D&O and Cyber segments. At the same time, the profitability of the portfolio has been improved.

There was growth in the **Technical Insurance** portfolio, mainly thanks to Construction All-Risks and Professional Liability insurance. There were improvements in the results of all products.

The **Shipping** portfolio saw strong growth due to the increase in commodity prices. The results remain stable and good.

Projects

Midcorp's projects are organised into three main programmes: Productivity, Growth and Technical Excellence.

In the area of productivity, a number of improvements and fixes have been made to our existing management tools and a new robot will be used to automate repetitive tasks. Preparations for the communication of our fleet data as part of the sectoral 'Proof of Insurance' project have also been completed.

As part of the growth lever, the Data Office teams have developed a visualisation tool that allows our customers to obtain direct information on the accident rate of their fleet so that they can take preventive measures.

Finally, the Technical Excellence lever has enabled us to improve the data used for the pricing of our fleets, and to optimise our pricing tool in Property.

Retail and SME Value Chain in Belgium

both the retail and SME portfolio had a stable year, as shown by the figures. Below we provide a little more information on the service rate associated with the NPS score of brokers and end customers. Both scores have increased in 2023.

Service Operations

In the area of **retail operations**, new measures have been taken in the area of service delivery. SLAs were improved and waiting times remained below one minute on average throughout the year. In addition, the vast majority of incoming documents were processed on time. Very close cooperation between our employees helped to stabilise the workload. A great deal of attention has also been paid to the training and education of all in order to further improve the quality of service.

Within the **SME activity** (underwriting and management), efforts have again been made to improve the level of knowledge of our staff. In addition, steps have been taken to optimise the service and our strong operational results show that we are on the right track.

The Financial Relations team has again performed well this year, both in terms of phone accessibility and incoming document processing. We have offered customers a new payment option via Doccle and clarified our collection process.

Claims Service

In **Claims**, quality, turnaround time and an optimal customer experience are top priorities. Our Claims departments strive to process claims files as smoothly as possible. Training, IT improvements and process optimisation are the basis for this.

In the area of **claims management**, we are also increasingly moving towards tailor-made solutions. Through new partnerships, we enable policyholders to have in-kind damage repaired. Our network of high-quality repairers and experts ensures a qualitative assessment of damage.

In Belgium, too, Allianz has improved its service offering for Retail and SME customer groups. Various projects have been launched and completed to make the service more efficient. The main factor has been closer cooperation between the various departments. These improvements were devised and implemented by interdepartmental teams.

Organisation and projects

We have set up three Squads: Mobility, Non-motor and Customer/Broker Experience.

The **Mobility** squad focuses on improving all mobility-related products and services. It is made up of representatives from all departments.

The **Non-Motor Vehicle** squad is tasked with improving all fire- and liability-related products and services. It is also made up of representatives from the various departments.

The **Customers/Brokers** squad is responsible for improving all general issues relating to the exchange of information with brokers or end customers. This can include organising webinars and updating information on our website. The team is working to digitise various issues.

In summary, we can categorise all the improvements made by the teams under 2 main themes: digitisation and product and portfolio management improvement.

Digitisation

At the beginning of 2023, the Risk and Insurance Scan was introduced to the market. SMEs can use it to get an initial overview of the insurance cover required and recommended, after which they can take out their insurance with a broker.

Throughout 2023, considerable effort was devoted to the "My portfolio overview" tool, which will enable brokers to have an overview of current contracts and related documents. Deployment in the market is planned for the first half of 2024.

We also prefer to work digitally as much as possible for claims management. A claim notification can be sent digitally in a user-friendly format in all departments. Our claims managers respond via the same channel to facilitate the smooth processing of claims files.

Product Improvement and Portfolio Management

Home Plan Product

In December 2022, we launched the revamped version of our Home Plan (fire insurance for individuals), which we also extended to our existing customers during 2023.

In this revamped version, we are following the changing needs of customers and the realities of hybrid work as well as the environmental and social transition. We are thinking of solar panels, charging stations, home batteries and home offices. In addition, customers' electric/hybrid vehicles are also included by default in the "Effects of Electricity" cover if they live at the insured address and their contents are insured with Allianz.

Thanks to closer cooperation with Allianz Assistance, it was also possible to offer very broad assistance cover, even for things traditionally uninsured in a fire policy (for example, rapid intervention by a repairer in the event of a heating, hot water or drinking water failure following an uninsured unforeseen event).

Motor Product

In March 2023, we further extended our Car Plan terms and conditions. These extensions went live on 27 March 2023 and during 2023 we rolled them out to our existing customers. In addition, our updated terms and conditions now also apply to vans.

These updated terms and conditions take into account the fact that more and more customers are opting for a used vehicle, whether due to shortages or delivery problems with new vehicles. This is why we launched the Gold 12 cover for vehicles under 3 years old. With this cover, it is possible to avoid any loss in value of a purchased used vehicle (up to 3 years old) for 12 months.

In order to further simplify our underwriting process for customers, they now have the option of insuring their vehicle under Omnium (fully comprehensive) or Mini Omnium (Bradinaglas) (part comprehensive) based on the catalogue value or invoice value. If the invoice value is chosen, it is no longer necessary to provide the catalogue value. In addition, customers can now insure their vehicle of up to 5 years old at its invoice value.

Based on a comparative analysis with the rest of the market, we have also simplified our anti-theft underwriting measures.

Car Plan Pricing

In March 2023, we launched new pricing for passenger cars. This pricing allows us, among other things, to be more competitive for company cars without a designated driver, and also in the used car segment. It also enhances the launch of our new Gold 12 cover.

We have also launched new commercial vehicle pricing based on the industrial activity (using the NACE code) of the policyholder's main activity. This enables us to focus more on the segments in which we want to grow more strongly.

‘Electric driving’ offering

Electric driving is the mobility of the future. The European Union and the Belgian government leave no doubt about this and strongly encourage motorists to drive 100% emission-free. Allianz has assumed its responsibilities in this area by offering its motor insurance at attractive prices. With our optimised Car Plan motor insurance, we are better meeting the needs of customers in terms of electric cars. In addition, our Home Plan home insurance is a perfect complement, as it also covers the charging infrastructure for the electric car and other sustainable installations.

Sectoral offering for SMEs

To better cater for the needs of SMEs, and in line with North Star’s SME growth strategy, we have developed sectoral offerings in 2023 for specific business sectors.

The first two sectors, retail and wholesale, were launched in 2023 and the sectoral offering for the ICT sector will be launched in early 2024. In 2024, this market approach will be expanded with other sectoral offerings. In support of these offerings, Allianz provides SMEs with an overview of their risks through the Allianz Risk and Insurance Scan. Studies show that SMEs, self-employed professionals and those in the liberal professions are conscious of the insurance policies they have taken out, but do not always know whether they are sufficient to meet their needs and obligations. This scan enabled Allianz to win the Decavi Innovation Trophy 2023.

Retail Value Chain NL

There were changes in the Retail sector in the Netherlands in 2023. As announced in 2022, 2023 was the year of the Oneface project. The objective of Oneface was to resolve the channel conflict in the Dutch market between Allianz Direct and Allianz Benelux, in addition to initiating growth. We started in January with the launch of the new quote & buy flow for travel insurance and user testing for other products. After a successful launch of the portal and administration, the entire product range was launched in May, with the motor product being the most significant. After this stage, preparations for the migration began. In addition, around 1,500 intermediaries acquainted themselves with the portal. This operation started in September and led to the launch of the ABS platform.

In addition to the aforementioned technical migration, two manual migrations were also completed. One for claims and the other for the legal assistance product. These two migrations were also completed before the end of the year.

RetaiL Life & Health Value Chain BE

2023 was characterised by a slight increase in premium income: up 0.7% compared to 2022. Total premium income amounted to € 563 million in 2023 compared to € 558 million in 2022. Business in single premium **investment products** increased: up 5.8% compared to 2022 to reach € 309 million, of which 37% was generated in Branch 21, i.e. almost double what was achieved in 2022. This strong growth in premium income in Branch 21 is explained by the rise in interest rates, which made it possible to announce a very attractive return for the products in the Invest for Life (Dynamic) 3A range. However, investments in Branch 23 continued to decline: down 30% compared to 2022. Clearly, the volatility of equity markets in 2023 and their weak performance over the first 3 quarters has led investors to turn to safer investments, at the expense of potentially higher returns over the long term.

Given this context and the sharp rise in interest rates observed in 2022, Allianz has therefore decided to refocus on Branch 21 investment products: these products accounted for € 114 million in premium income (20% of total premium income).

The now 5-year old collaboration with Crelan Bank once again contributed strongly to premium income, even though there was a significant decrease in their share in Allianz investment products: 50% in 2023 versus 60% in 2022. This decrease is due to causes external to Allianz.

The number of new contracts concluded in **Protection products** with periodic premiums increased compared to 2022 (up 12.9%). While there was widespread growth in new business across the various tax frameworks of the different pillars, the most significant growth was observed in Long-Term Savings (+56%) and PLCI (Voluntary Supplementary Pensions for the Self-employed) (+23%). The expected changes to the legislation relating to Long-Term Savings is most likely behind the enthusiasm for this 3rd Pillar tax framework. In terms of premium income, despite a larger number of new policies, overall premiums were stable compared to 2022 (+1%). This is explained by a sharp decrease in average premiums in both periodic and single-premium PIEs (Individual pension commitment): -17% compared to the average premium in 2022. This was due to the new 80% rule decided in 2022, which limits the financing of pension capital from the 2021 tax year.

Thus, the premium income realised across the portfolio in Protection policies was lower than in 2022 (-4.85%).

In Life Investments, Allianz always seeks to satisfy brokers and independent financial advisers who are looking for diversified, dynamic investment solutions offering potentially higher returns as well as suitable tools.

In terms of investment solutions linked to Branch 23 funds, Allianz offers Allianz ActiveInvest, Allianz Excellence (Plan) and Allianz Xclusive Perspective which, thanks to the wide range of investment funds, enables brokers to assess and offer advice in keeping with the situation and personal needs of their customers.

For the **Allianz Excellence (Plan)** product, Allianz has continued to develop the offering with new funds from different partners: in addition to the integration of the 7 funds of **Allianz for a Better World**, 11 new funds were added, including one MSCI World Index Tracker fund. These funds invest in promising themes such as climate, environment, healthcare, artificial intelligence and offer the possibility of investing in numerous geographical areas. The Allianz Excellence product now consists of 53 funds, some of which take into account environmental and/or social characteristics.

Allianz Benelux N.V. has therefore classified this product under Article 8 SFDR.

The **Allianz Xclusive Perspective** product is a new product launched in October 2023. It is aimed at a target with a higher investment potential, a privileged clientele of specialised investment advisers. To cater for their needs, this product offers a wide range of 54 funds, with 21 fund managers with proven global expertise. In addition to this versatile well-balanced investment solution that allows investors to control the risk taken for better performance, they also benefit from an “attractive price” in terms of management fees and entry fees that will optimise the performance of their investment: Allianz is constantly seeking to improve value for money for the customer.

Alongside development of the range of products and funds, Allianz has also continued to increase transparency towards its customers in terms of risk management. Thus, our documentation centre now includes all the **pre-contractual documentation relating to the Sustainable Finance Disclosure Regulation (SFDR).** This information pack contains all information relating to the integration of sustainability-related risks into their investment decision-making process, as well as information on the environmental and/or social characteristics of the investment options offered within the products proposed to them.

In terms of Branch 21 investment solutions, Allianz has ramped up promotion of the solution put in place during the last quarter of 2022, **Allianz Invest for Life3A My Future**, which offers the possibility of investing at a guaranteed interest rate of 0.5%. To this end, Allianz has made every effort to take advantage of market opportunities in its financial management and was able to very quickly communicate to its brokers its intention to deliver a very attractive return for the range of products linked to the Invest for Life (Dynamic) 3A ring-fenced funds. The prospect of receiving an attractive return has undoubtedly had a positive impact on the volume of premiums collected in this product.

All these solutions have been implemented in **ProLink Life Investment**, our underwriting and management platform, made available to brokers. By way of reminder, this software allows the broker to enter all the data, including the information required for anti-money laundering, FATCA and CRS checks, and to issue the offer or contract.

In order to continuously improve the tools made available to brokers, 2022 saw the launch of the **Bridge project** to continue and accelerate the modernisation of Prolink Life solutions. It was based on local solutions that allow for a smooth transition to modern integrated tools for both the broker and the customer.

In this context, 2023 was a year of dynamic transition, during which every effort was made to define the boundaries of the new tool with our brokers, thanks to a successful collaboration and an exceptional customer experience. There were several important accomplishments:

- We inaugurated the first phase of the Bridge project. With the standard Pension & Protection and Investment management platform, Bridge will gradually become the sole retail insurance management tool for our brokers. With this update, we will be able to deliver an even smoother and more efficient user experience.
- We are working closely with our brokers through the **Broker User Club**. This platform for exchanging ideas and sharing best practices will strengthen our relationship with our partners. Together, we will be able to anticipate the needs of the market and develop innovative solutions for our shared customers.
- We are actively preparing for the launch of the new broker portal **Allianz Life Portal**, which will be unveiled in the first quarter of 2024. The advanced features and user-friendly interface of this portal will allow brokers to quickly and easily access information, manage their contracts and track their activities.

In addition to these developments in terms of products and tools, output in 2023 was supported by several **marketing campaigns** at different times of the year. They were aimed both at new business and additional payments on ongoing contracts. Information sessions and discussions on products and innovations were also held during the “Allianz Days” get-togethers with brokers.

In **Life Protection**, Allianz capitalised on its current **Plan for Life +** offering and on the **LifeCycle** concept. LifeCycle offers customers peace of mind by automatically reducing exposure to risk based on the remaining term while maintaining transparency regarding asset allocation.

In order to complete the product offering and offer all taxes via the 3 Pillars, we have made preparations for the inclusion of a new option within the 4^{th} Pillar in the Plan for Life + product: it enables companies (legal entities) to purchase a personal insurance policy, called “Corporate Investment”. The objective of this investment contract is to generate profits for the legal entity policyholder.

While developments in 2023 were intentionally limited to focus on investment products, 2024 will be a very important year for **Life Protection**. Several projects were initiated at different levels: an improvement in risk coverage, an expansion of investment methods and a revision of pricing.

Finally, we are also going to thoroughly review our **pure death benefit** offering, such as the temporary and credit protection insurance products.

To meet all its challenges in terms of developments, achieve its ambitions and continue to grow, Allianz decided to modify its structure in 2023. This new organisation facilitates collaboration between each department. Various **"Squads"** were created within the **Value Chain** in June to speed up our decision-making processes.

- An **Investment and Pension & Protection Squad** to simplify and automate processes and create value at all stages of the customer and broker journey;
- A **CX/BX Squad** in order to exceed and anticipate the expectations of our customer/broker every time they interact with us and create a long-term trusting relationship with them;
- A **Bridge Project Squad**to monitor developments related to this project and define the main stages of the project;
- A **Support Squad** to promote the Value Chain across the company and serve as a benchmark in terms of team synergy and knowledge sharing among our employees.

Life and Health Operations

In 2022, there were significant operational and organisational changes due to the retirement of experienced staff and the launch of our SAAS Life investment platform.

2023 was dominated by consolidation, with close-to-the-ground management providing daily guidance to increase employee engagement.

It was also the year that the Life Retail and Life Employee Benefits business divisions were merged into a single Life Operations division for Belgium. This merger was designed to foster greater synergy and collaboration between the different teams.

This continuous transformation is based on four fundamental pillars: people, communication, processes and operations.

Thanks to the efforts of all employees, service levels continued to improve in all areas.

The sound approach (in particular) of our underwriting activity involves frontline compliance monitoring by a dedicated unit within the operations department, which was enhanced during the year to continue to ensure both an adequate level of compliance and management of underwriting within a competitive timeframe.

In the area of Investments, we have implemented an interdepartmental action plan (Operations/Products/Sales) covering many aspects of our activities and operations.

Joint training initiatives and a more systematic alignment between departments have been decided in order to best meet the expectations of our brokers and customers throughout the Value Chain.

Our Pension & Protection team has maintained its high level of achievement of service level targets, despite some significant changes, in particular with regard to the 80% rule which has had a significant operational impact on the market.

Finally, the Payment team also saw a significant improvement in its level of service, and in particular the level of quality delivered, thanks to an in-depth review of processes and methodology. These revisions mainly concerned preferred business partners with whom we have a significant volume of business.

These improvements have resulted in a significant decrease in the number of justified complaints.

SAAS Life:

The Bridge project, which aims to professionalise and improve management of the Private Life portfolio, was launched in 2022.

In 2023, we continued to develop our platform as part of this programme. We have launched a user club of selected broker partners to gather feedback during the development phases. This approach enables us to guarantee an optimal experience for all brokers when implementing our new platform.

The first parts will go live in the first quarter of 2024 and will continue throughout 2024.

One of the main new features is the provision of a customer portal in 2024, on which customers will be able to view all their Life policies and, more specifically, changes in their reserves by fund over a given period. At the same time, we are continuing to invest in improving management tools for brokers.

We have also worked hard on operational reporting to monitor and adjust workloads, maintain the quality expected in our SLAs and increase the productivity of the various teams. We have continued to develop paperless initiatives, taking a first step towards more digital communication, not only with our brokers but also with our customers.

Finally, we paid particular attention to action plans aimed at increasing employee satisfaction, with the positive result of a further increase in our results in the annual AES survey, an internal survey that measures employee satisfaction across many parameters.

Employee Benefits Value Chain BE

Activities

In 2023, we continued to develop our product offering in the area of Employee Benefits (Group Insurance). In addition to the CDC (Collective Defined Contribution) product, we worked on reopening our Branch 21 product on 1 January 2024. This reopening is a response to rising interest rates throughout 2023 and strong demand from our customers and brokers.

We continued to focus on simplifying the customer experience in the context of long-term performance. Our goal remains the same: to maintain direct contact with our members through this platform and to increase digital interaction, while improving customer satisfaction.

While an operational reorganisation took place in 2021 and 2022 in the area of Employee Benefits, 2023 was a year of stabilisation by offering a wide range of services to customers and brokers. For example, we have again achieved excellent results with respect to DB2P returns: more than 99.8% of returns were filed on time, i.e. before the end of August.

This positive change in the quality of service has resulted in a decrease in the number of complaints, particularly regarding the time taken to pay benefits, as well as an improvement in broker perception, through interviews or our NPS survey.

EB 2.0:

A general trajectory has been defined within the Employee Benefits unit, which includes a number of elements:

- Commercial: full expansion of our product offerings.
- Servicing & Tooling: the objective is to improve both of these components in all areas. This also includes a strong digital component. The aim is to make things easier for our customers (advisers, employers and their (former) employees).
- Legal: It is clear that Allianz must comply with all relevant legislation. New legislation will apply to the Belgian pension market in the coming years. It was therefore decided to monitor this on an ongoing basis because of the impact that this legislation will have on all processes and communications.

Investment policy & management

Financial markets in 2023

The year of normalisation

Monetary policy was the common theme of the 2023 stock market year. The sudden spike in inflation had to be decisively stopped via a restrictive policy that was already in place in 2022. While this policy continued unabated in 2023, resulting in volatility in bond markets, the recessions feared in Europe and the US did not materialise and stock markets held up well. During the last quarter, mainly driven by the interest rate cuts expected in 2024, stock markets dramatically rebounded. The Euro Stoxx 50 Total Return Index (including dividends), the market capitalisation of the 50 largest companies in the eurozone, finished with an annual performance of 23.21% (SX5E index) and the S&P 500, a comparable index for the US, even outperformed with 26.26% (S&P Total Return index). After the poor stock market year in 2022, the market recovered well in 2023.

Despite the inversion of the yield curve, which is widely seen as a potential sign of an economic slowdown, the global economy has shown remarkable resilience. In Belgium, the feared recession did not materialise due to strong domestic demand, mainly stemming from increased business investment. Due to the automatic indexation of wages and the sharp rise in energy prices, companies have chosen to invest in digitisation, automation and the greening of production processes, despite the increase in interest rates. In addition, the automatic stabilisers helped to maintain purchasing power and consumption.

The resilience of the stock market can mainly be explained by the excellent performance of the technology sector, driven by the enthusiasm for Artificial Intelligence. The “Magnificent 7”, the 7 largest publicly-traded IT companies in the US, recorded a combined annual performance of more than 100% last year. The best performer was Nvidia with a return of 239.87%. Chat GPT, or rather the technology around it, has taken the world by storm.

In March, alarm bells sounded when there was a bank run on Silicon Valley Bank (SVB) in the United States. Stock markets opened in the red and there were imminent fears of a banking crisis, but the FDIC (Federal Deposit Insurance Corporation) reacted quickly to protect all affected depositors. The mismanagement of SVB does not apply to the entire sector, which has become more solvent since the 2007-2008 financial crisis. In the end, it turned out to be a good time to buy. At that time, the sick man of Europe, Crédit Suisse, was taken over by UBS at the initiative and under the close supervision of the Swiss monetary authorities.

The last interest rate hike was implemented just before the summer, in the case of the Fed, and just after, in the case of the ECB. The central banks’ primary objective of price stability was achieved. Belgian inflation was only 0.36% in October 2023, compared to 12.27% in October 2022 (source: Belgian Federal Planning Bureau). This was a welcome development for the stock market. For example, the Belgian 10-year interest rate fell dramatically, to the great relief of regulated real estate companies, who still managed to end the year on a positive note with an annual performance of 5.24% (total return index). Gold has traditionally performed well in an inflationary environment, finishing up 9.32% in euros (Xetra-Gold).

2023 was therefore the year of normalisation and is expected to continue in 2024. Overall, the interest rate shock was absorbed well and bond and equity markets returned to strong performance. However, geopolitical turbulence has not yet disappeared from the global stage. With renewed tensions in the Middle East and the war in Ukraine, it remains on Europe’s external borders. These conflicts, combined with an important election year in the US, Europe and Belgium, will set the tone in 2024. It remains to be seen how the markets will respond.

Investment strategies in 2023

Life GP and P&C

2023, like 2022, was once again characterised by huge volatility in rates, equities and currencies. The year finally ended on an extremely positive note with a rise of nearly 20% in the global equity index and a significant drop in rates over the last few months of the year, bringing them to their lowest level of the year, compared with their peak in mid-October. This remarkable fall in long-term rates is due to the belief in the financial markets that the rise in central bank rates (FED, ECB, BOE) is behind us, with the question of the timing of the reduction being the variable of volatility that is likely to dominate 2024.

This significant fall in rates revived the regulated real estate companies market, which had reached a low of -21% at the end of October (price index) and ended the year unchanged after a dramatic rise. At that time, the market value of these securities was excessively discounted relative to the Net Asset Value (NAV) of the properties in the portfolio, with discounts sometimes approaching 50%. The launch of a takeover bid on Intervest Offices and Warehouses in early October by the US listed alternative fund manager TPG Capital, at a price of € 21 cash, very close to the company's NAV, contributed to this awareness of market opportunities at these levels, although the fall in interest rates was the main driver.

Thanks to this recovery, we did not have to take excessive write-downs in local accounting and we took advantage of this improvement to reduce our positions, particularly in Intervest Offices and Warehouses, which was a significant position in our portfolios. The takeover bid, for which the prospectus approved by the FSMA was not yet available at the end of the year, was subject to specific conditions, including obtaining a majority of the capital and limited falls in either the Bel20 index (benchmark index for Belgian equities) or the EPRA Europe index (index of listed real estate securities in Europe). Given these uncertainties, we halved our exposure to this stock following the announcement of the takeover bid.

With regard to equities, we sold all funds subject to the "fair value through P&L" rule under IFRS 9, directly impacting the profit & loss account, and opted for a mandate with our manager AGI focused on a high dividend yield and a European benchmark excluding insurance. This means that we have taken the losses on arbitrage in local accounts whereas for the new mandate, the impact under IFRS 9 will pass through OCI (Other Comprehensive Income = equity).

The US dollar lost 3% against the euro over the year, falling from 1.0705 to 1.1039, but with significant fluctuations during the period: a high of USD 1.04 per euro and a low of 1.12. The highest was reached at the end of September, at a time when pressure on US rates was greatest and we opportunistically decided to progressively hedge the P&L risk for the end of the year given our exposure of 120 M in assets directly invested in USD.

The reduction in exposure in bond funds (mainly Pimco) that began in 2022 was completed for large portfolios and our reinvestments were made via mandates with our asset manager AGI, particularly in emerging market bonds and high yield bonds. For the emerging market bond portion, 50% of assets are invested in USD, which explains our higher exposure in USD.

The negative change in the value of unlisted real estate funds had a major impact on our IFRS result, particularly in P&C. These funds had not tracked the fall in listed real estate securities in 2022 and therefore reacted with a delay, significantly impacting our result in an unexpected manner. In terms of the positive impact, we benefited, in workplace accidents activity, from European inflation being much higher than Belgian inflation. Liabilities are indexed to the Belgian health index, while a significant portion of the assets covering these commitments are indexed to European inflation. Unfortunately, we are concerned that this impact will be reversed in 2024.

The size of the P&C segment in the Netherlands shrunk following the transfer of Allianz Direct to the group entity in charge of all entities operating directly with underwriters.

The significant rise in short-term rates in the eurozone, caused by the successive increases in the ECB's key rates, led us to fully repay the repos that had contributed to an increase in our income in previous years. Moving from remuneration of 0.5% to a cost of 3.9%, the financial year was no longer profitable but had a negative impact on our revenues for 2023. Finally, the significant fall in long-term rates at the end of the year enabled us to make additional capital gains in bonds in the Life segment, ensuring our ability to stay consistent with forecasts and remain competitive by offering a policyholder bonus in line with the market. In life insurance, our balance sheet has been significantly reduced, mainly due to outflows from fixed-rate/capital guarantee investments, with quite aggressive competition, both from competing insurers offering a one-time fixed rate of 3% and even from the Belgian government whose one-year bond with withholding tax limited to 15% attracted more than € 20 billion at the beginning of September at the expense of savings accounts and insurance investments.

In terms of business, the marketing of fixed-rate investment products (Branch 21), whose recovery dates back to the end of 2022, bore fruit mainly at the end of the year (IFL 3A My Future), taking a significant share of written premiums in the retail sector and slowing net outflows in this segment, many of which remain in run-off. This did not prevent us from also increasing the number of funds available in Branch 23 in order to revitalise the offering of our IFA (Independent Financial Advisers) brokers. With Eurazeo (private debt and private equity manager) listed on the French market, we launched an exclusive private debt and unlisted equity fund valued daily with a minimum investment amount that is within reach of all investors.

In Employee Benefits (EB), we also contributed to the launch of new trackers with lower management fees and guaranteeing performance fully in line with the benchmark. This launch was finalised with Blackrock, a manager with whom the Allianz group has an excellent relationship, including global agreements on management fees of which we were able to take advantage.

The ESG (socially responsible investing) aspect was also a major element of our concerns in 2023, both for the various Branch 21 products, including the general portfolio, and for Branch 23 funds. At the end of the year, the scale of the task led us to assign this monitoring in Investments to a product owner assisted by several employees. This structure makes it possible to distribute this increasingly complex and demanding task among different contributors in 2024.

Ring-fenced funds

The main ring-fenced fund restructured was the Invest for Life 3A fund, which was reopened to production under the name IFL3A My Future and for which we used part of the accounting reserves previously built up to further increase the yield on its bond investments, while shifting its duration towards 8 years depending on the production of new contracts.

We carried out similar operations at the same time for the Invest for Life Dyn 3A fund, but for much shorter durations, since this fund is no longer marketed and the participants have already passed or are approaching the 8-year tax deadline.

With regard to EB ring-fenced funds, in 2023 many of them were still affected by write-downs in local accounts on positions in regulated real estate securities (RREC), although to a lesser extent given the spectacular rise at the end of the year. The returns achieved over the year were significantly better than those achieved in 2022, although a contribution from past accounting reserves was still required for some of them.

Mortgage lending

Activities

In Belgium, Allianz only offers mortgage loans that are subject to Chapter VII “Payment and credit services” of the Belgian Economic Code and its Royal Decrees.

Only mortgage brokers or sub-agents approved by the FSMA and qualified to access the profession of mortgage intermediary since 1 November 2015 may submit a mortgage application to Allianz.

The objective of stabilising the existing portfolio on 31/12/2021 after the transfer of part of it to Monument Assurances Belgium sa (MAB) in 04/2021, and offsetting early repayments by new production is still being maintained. As at 31/12/2023, our credit portfolio was € 279 million compared with € 292 million one year earlier. New contract production in 2023 reached € 8 million. This drop in production was due to several factors:

- Given high inflation rates of more than 10% and the weakness of the European economy, the ECB raised interest rates at the end of 2022 and in 2023. This interrupted a long period of historically low interest rates of 1% or less.
- Weakened consumer confidence, rising inflation, increased energy costs, and rising credit rates sharply slowed the number of applications.

The third quarter of 2023 was the worst in 20 years in terms of loans granted, with a total of 180,000 loans granted over the year in Belgium, a 30% decrease compared with 2022. The types of credit most affected by this fall were construction loans, which fell by 40% during certain quarters.

Since 01/05/2021, new contracts contain a very significant cross-selling component. Indeed, Allianz, with its Allianz Mortgage product range, is focusing on new fixed-term mortgages linked to new or existing Allianz insurance policies serving as collateral, offering borrowers the option of paying monthly premiums throughout the term of their loan. For many borrowers, this financial arrangement remains attractive from a tax perspective.

2023 saw the confirmation and extension for a period of 5 years of the cooperation agreement, signed on 17 December 2021, between Allianz Benelux nv and MeDirect Bank nv. New lending under the Allianz MeHome Loans (AMHL) label reached 130 million via Allianz’s network of credit brokers, which continued to grow in 2023. Several interactive training sessions were led by the team of account managers attached to this product. The main purpose of this collaboration is to stimulate the underwriting of credit protection and death benefit insurance as well as Allianz Benelux SA fire insurance. Borrowers can take advantage of a price reduction if they take out these insurance policies. It also enables Allianz to become known among new brokers and a large number of new customers.

Consideration was given to adapting the loan offering in 2024 to encourage the energy transition, in which credit providers such as Allianz have a crucial societal role to play.

In 2024, the CCP of the National Bank of Belgium will be replaced by BECRIS (Belgian Credit Risk Information System) from 01/05/2024. Intensive preparations have been made for this transition through Allianz contact with the NBB as well as by the teams of Stater Belgium SA.

Structure, organisation and IT

In order to improve cohesion between the various players in the Allianz Mehome Loans project, the Mortgage Team (name of the Allianz Mortgage Loans Front Office in Belgium) works with specially dedicated sales support.

Allianz Benelux SA and Stater Belgium SA have extended their collaboration. Stater is performing various Allianz Front Office tasks connected with existing Allianz products and new AMHL products. In 2023, in collaboration with an external partner, we developed the My Allianz Mortgage application, which will gradually replace Hyconso Light developed by Stater. This application enables credit brokers to submit their mortgage applications and upload the necessary supporting documents. They are also able to view the status of the credit application submitted in this way.

Real estate

Market trends

By comparing data from the Brussels office market, the reference market for Allianz Benelux real estate activities, the key market figures are as follows:

	2021	2022	2023
Corporate buildings			
Book value	114.4	111.5	**109.06**
Market value	137.23	138.7	**128.7**
Investment properties			
Book value	110.28	75.18	**64.8**
Market value	175.77	130.25	**99.9**
Total			
Book value	224.68	186.72	**173.86**
Market value	313.00	269.01	**228.6**
Unrealised capital gains	88.32	82.29	**54.74**
Realised gains	0.00	4.61	**5.04**

MAIN COMMENTS:

The real estate market situation did not improve in 2023, but stabilised, despite the unstable geopolitical situation and economic uncertainty. The value of buildings continued to fall in the last quarter of the year.

Leases (gross take-up) were still below the average of the last 5 years, and have been taken out mainly by Corporates. There was an absence of any transactions by the Belgian authorities, due to national and European elections being held in 2024.

The vacancy rate has decreased thanks to renegotiations and extensions of existing leases, as well as the acquisition or leasing of several buildings by universities or higher education institutions.

Acquisitions slowed sharply, and Brussels recorded only a few transactions in 2023 totalling around € 600 million.

MAIN COMMENTS ON THE PORTFOLIO

The market value of investment properties decreased by 15% on average over 2023. The sale of the building at 1-4 Place du Samedi generated a capital gain of € 5.04 million.

The overall vacancy rate of the Company's portfolio fell to 3.2% from 6.5% at the end of 2022, following the conclusion of new leases and the sale of the building at 1-4 Place du Samedi.

	2021	2022	**2023**	Trend
Stock (in million m²)	13.5	13.5	**13.2**	Temporary decrease
Rental vacancy rate	7.65%	7.50%	**7.1%**	The vacancy rate is falling slowly
Gross take-up in m²	450,000	300,000	**310,000**	Major transactions postponed
Rent for prime properties in CBD in m²/year	320	330-340	**350**	Rents continue to rise
Return on investment for prime properties	3.25%/3.5%	4%	**4.75%/ 5.15%**	Interest rates have continued to rise

During the 2023 financial year, Allianz Benelux maintained its positions in the direct holding structure Yao NewRep and in the funds dedicated to logistics, retail and residential (Rheingold, Vesteda, Iput, AEW Logistis, FRI2).

For all these investments, the market value at the end of 2023 was € 233.1 million compared with € 252.5 million at the end of 2022, i.e. a decrease of 8% following the increase in interest rates in the real estate market.

Ceded reinsurance

2023 results

On a like-for-like basis, the volume of business underwritten in Benelux, excluding that ceded to the "Pan European QS P&C" reinsurance treaty, increased in 2023, more specifically in the large exposures segment both in Belgium and the Netherlands.

2023 benefited from a limited number of natural disaster events that had a negligible or no impact on natural disaster protection programmes.

The "Pan European QS P&C" treaty maintained its structure relative to 2023, with cession stabilising at 45%. However, thanks to the improved results, the rate of commission was increased in line with the benchmarking procedure.

Cessions: 2023 market and renewals

The general strengthening of the reinsurance market, linked on the one hand to a contained volume of traditional capital, the slight recovery of ILS and on the other hand to the impact of inflation, led to our retentions being adjusted upwards while maintaining an excellent level of retention in relation to the relative return period.

After a strengthening of the reinsurance market as a result, on the one hand, of overall capacity contained by inflationary trends, the trend of renewal conditions in 2023 continued to be impacted by the upward trend in prices requiring adjustments in terms of the retention for our natural catastrophe coverage programmes.

Renewal conditions were mostly in line with recent years but were subject to price adjustments related to market conditions due to inflation persistence.

Given the optimisation carried out in recent years, the priorities of our non-proportional Motor, Technical Risks, Marine, and Workplace Accidents treaties have not changed. However, the fire and natural disaster programmes were adjusted upwards.

The strategy remains an optimal stabilisation of our income in the face of natural hazards, given the growing qualitative aspect of our fire risk portfolio.

The placement of treaties in 2024 remains focused on the Group's strategy initiated in 2014 and continued up to today. Allianz Re remains our main reinsurer with a 100% stake in the P&C component.

The retrocession and risk capital management strategy is optimised in complete synergy with the Allianz Group.

The new facultative reinsurance strategy in the external market has been extended to all business requiring a higher capacity than that of existing treaties. This is mainly aimed at Fire, Technical Risks and Commercial Liability cover and now encompasses what used to be included in the "Facob" programmes and the "Single Risk Facility".

In the Group Death Benefit and Disability segments, once again taking into account the effect of inflation and its impacts on wages, we have adjusted our retentions and capacity for Belgium upwards, as capacity had not yet reached the corresponding level in 2023.

In death benefit, the pricing conditions have been adjusted to our advantage.

Group insurance in Belgium is continuing the strategy of pooling international programmes developed by Allianz Global Benefits, fully owned since this year by Allianz Worldwide Partners.

In the Netherlands, the treaties are benefiting from the multi-annual conditions renewed in previous years.

There were new conditions for the individual Terme Life treaty on 1 January 2024 for a period of 2 and a half years.

The capacity of the AOV portfolio (guaranteed income) was increased in line with Belgium while maintaining the other existing conditions.

Allianz Benelux has been a member of the TRIP and NHT pools for Belgium and the Netherlands respectively since their creation and is maintaining its membership of them in order to provide optimal terrorism cover for its customers and its activities.

Accepted reinsurance

The number of treaties in run-off management remained stable and stood at 18 as at 31 December 2023, unchanged from last year.

Reserves and IBNR at the end of 2023 amounted to € 98,027.82 and € 660,825.75 respectively, the latter representing 674% of reserves.

Our portfolio of international programmes now manages 70 programmes across the Third-Party Liability, Motor, Marine and Fire branches including local policies and the accepted reinsurance inherent in non-Benelux coverage.

This portfolio is growing slightly and reserves as at 31/12/2023 related to its management totalled € 84,719.78, down slightly compared with 2022.

B. GOVERNANCE MEMORANDUM

B.1 Introduction

This memorandum is intended to satisfy the requirement stipulated by the overarching circular NBB_2020_17 and relating to the prudential expectations of the National Bank of Belgium in terms of governance system for both the insurance and reinsurance sectors (“PEGS circular” in short), which calls on the financial operators regulated by it to outline, evaluate and justify their internal control and corporate governance to be compliant with the Solvency II principles and guidelines including the Delegate Act 2015/35 of the European Commission.

The eleven and current version of the Allianz Benelux sa (‘AzBNL’) Governance Memorandum was approved by the plenary session of the Board of Directors on 05/04/2023.

For the sake of convenience, the document follows the structure of the memorandum template provided in the annex to the aforementioned circular.

A glossary of the main acronyms, initials and abbreviations used in this document and/or specific to AzBNL is included after this introduction.

We added some comments or conclusions to point out whether each part of the Governance structure is subject or not to improvement.

We refer to the GEAR, the Governance Efficiency Assessment Report 2023, to summarize and consolidate the current situation of the execution of the action plan 2023 and the actions to be taken in 2024.

This document will be uploaded on OneGate by April 8, 2024.

B.2 Management Structure, Remuneration & Shareholders

B.2.1 Company’s bodies

B.2.1.1 Missions and responsibilities

Az BNL is a company managed and controlled by 2 main official bodies subject to a partial[1] two tier system.

a) Board of Directors

This body is the main controlling structure of the company where (i) a dialog between non-executive directors including independent ones and some members of the Board of management is regularly organised and (ii) any significant project or initiative is challenged, validated, followed and controlled.

This body is fed by an ongoing reporting coming from first its advisory committees and secondly, directly from BoM members and independent control functions.

The Board of Directors has the broadest powers to accomplish all the useful or needed actions required to serve the company’s social interest.

All what is not reserved to the general shareholder’s assembly by the law or the articles of association and bylaws (Internal regulations) of the insurance company is a matter for the Board of Directors or according to a delegation of powers for the Board of Management.

Besides the exercise of the powers and responsibilities reserved for it by the law or the articles of association, it is the task of the Board of Directors, on the one hand, to define the general strategy of the company as well

[1] Only 4 members of the Board of Management are members of the Board of Directors

as the risk policy and, on the other hand, to exercise effective supervision over the activities and the management of the firm by the Board of Management.

The Board of Directors defines this general strategy and this risk policy of the company either at its own initiative or at that of the Board of Management, which may make relevant proposals.

The general strategy includes defining the direction of development and the objectives of the company, including the firm's commercial policy.

The Board of Directors adopts plans and budgets, and it approves the key points of the company's organizational structure and its major reforms as well as the relationship between the company and its shareholders.

The Board of Directors determines the powers of the Board of Management, regulates its functioning and manages the remuneration of its members through its Remuneration Committee.

In its monitoring role, the Board of Directors has a broad right to oversee, challenge and investigate.

The Board of Directors sets up specialist advisory committees from among its members, which are responsible for looking into specific matters and advising it accordingly.

To this end, the Board has an Audit Committee, a Risk Committee and a Remuneration Committee.

In its Internal Regulations reviewed on 06 April 2023[2], the Board determines its internal regulations and the ones of each committee, specifying its role, composition and functioning.

In the framework of the division of tasks between the Board of Directors and the Board of Management, the Board of Directors, either directly or through its specialist advisory committees, is in particular responsible for the following activities:

Defining the company's objectives and values;

Approving and evaluating the management structure, organization, internal control mechanisms and independent control functions of the company on a regular basis;

Verifying on a regular basis whether the company has effective internal control in terms of the reliability of the financial information process;

Approving and evaluating the main aspects of the company's general policy and strategy on a regular basis;

Supervising effective management through effective use of the powers of investigation vested to the directors and through reporting by the management on developments in the company's activity;

Taking note of the main findings made by the company's independent control functions, the auditor and the supervisory authority, if applicable via its specialist committees, and ensuring that the Board of Management takes appropriate measures to remedy any shortcomings.

Listening to the heads of independent control functions when each of them reports on a yearly basis in April, and challenging their conclusions.

With regard to the risk policy, with the assistance of its specialist advisory committees, the Board of Directors:

sets the risk appetite level and the general risk tolerance limits for all the firm's activities;

Approves the general risk management policy, including specific aspects thereof: subscription, provisioning, operational risk, asset/liability management, investments, capital management and liquidity risk;

Makes strategic decisions regarding risk and is involved in continuously monitoring developments in the firm's risk profile;

Approves the annual new version of the 12 Solvency II BNL policies forming the overall framework of the governance system and other significant compliance or governance policies (e.g integrity policy, compliance charter, internal rules, conflict of interest policy,etc.).

[2] A 'personal union' will be proposed to the Boards to hold 1-the Supervisory Board of ANG (direct holding and sole shareholder of Az BNL) and 2-the Board of Directors of Az BNL in the same slot with a clear separation between topics only relevant for each body.

b) Board of Management

Tasks performed by the Board of Management are governed by the Internal Regulations and it functions as a collective body.

All decisions are taken by consensus. The Chairman of the Board of Management has a casting vote, where necessary.

Certain specific powers are delegated to the Board of Management by the Board of Directors:

- Via the articles of association of the company (article 17);
- Via the notarised delegation of powers, granted by the Board of Directors and reviewed once per year (as a rule, in September or December) by a notarial deed published in the appendices to the Belgian Official Gazette in October or January of the year N+1;
- Via the delegation of so-called “reserved” powers by the Board of Directors (obligation of prior approval for certain matters once certain thresholds are exceeded) based on art.15 of the articles of association.

Article 17 of the articles of association specifies the following:

Effective management of the company is entrusted to the Board of Management which exercises this responsibility in a collective manner within the framework of the general policy defined by the Board of Directors.

However, the Internal Regulations of the Board of Management, contained a section 2 that emphasises the duty of mutual information for any important issue.

Nevertheless, the Board of Management may distribute its duties among its members.

Its method of operation is defined by the Board of Directors.

At least three members of the Board of Management have the status of directors (currently 4 of which 3 CEOs (Regional, Belgium and Netherlands) and the Regional CFO).

The Chairman and members of the Board of Management are appointed and removed by the Board of Directors on a proposal from the Board of Management[3].

Their remuneration and the duration of their mandate are determined by the Board of Directors via the Remuneration Committee.

All members of the Board of Management are working under the status of self-employee or employee of another company of the group, respecting art.7: 107 of the Belgian code for companies and associations.

Under the supervision of the Board of Directors, the members of the Board of Management exercise real influence over the general conduct of the company propose strategic guidelines, policies and priorities to the Board of Directors and ensure their implementation; they also present the business plans and annual budget for the company to the Board of Directors. This list is not exhaustive.

The Board of Management also:

- Implements the strategy and the policy defined and validated by the Board of Directors by transposing them in processes and procedures;
- Manages the activity of the company according to the set strategic objectives and by respecting the limits of risk tolerance defined by the Board and the development of the management structure;
- Supervises line management and compliance with the powers and responsibilities granted
- Formulates proposals and opinions for the Board of Directors with a view to defining general policy and the strategy of the company

[3] For the appointment only.

- Implements the Risk Management system by translating the Risk appetite and the Risk Management policy defined by the BoD in procedures and processes
- Implements the needed measures to control risks, especially by a sound oversight of the risk profile evolution and by controlling the Risk Management system.
- Takes care that, on the grounds of the Independent Control functions' reports, all the relevant and material risks (financial, insurance, operational and others) the company has to cope with, are adequately identified, measured, managed, controlled and declared.
- Set up an operational and organizational structure which is able to sustain the strategic objectives and comply with the Risk appetite defined by the Board of Directors, in particular through a clear definition of competences and responsibilities for each company's segment by determining procedures and reporting lines.
- Organizes an adequate internal control system (ICS) at each company's level and evaluate the adequate character of the mechanisms of this ICS.
- Takes care of the correct implementation of the remuneration policy.
- Organises an internal control system as well as a communication process of financial information that ensures that the annual accounts comply with the applicable accounting regulations, and that permits the reliability of the financial information and prudential reporting;
- Reports to the Board of Directors on the financial position of the company and on all aspects required to properly carry out its duties;
- Communicates to NBB the prudential reports and certifies the comprehensive and accurate status of the transmitted information in accordance with provisions 312 à 316 of the Supervisory Act of 13/03/16 as well as the compliance with legal and regulatory rules (NBB instructions) of the aforementioned information according to provision 80 of the same Act.
- Discloses the Governance Efficiency Assessment Report (GEAR) to the Board of Directors, authorised auditor and NBB.
- Validates the results of the Governance review of the Executive Accountability Regime (EAR) for the executives subject to this process
- Manages the activity of the company and the development of the management structure;
- Supervises line management and compliance with the powers and responsibilities granted as well as financial information;
- Formulates proposals and opinions for the Board of Directors with a view to defining general policy and the strategy of the company and communicates all relevant information and data to enable the Board of Directors to make fully informed decisions;
- Without prejudice to the control exercised by the Board of Directors, ensure the organisation, orientation and assessment of internal control mechanisms and procedures, in particular independent control functions;
- Organises an internal control system that permits the reliability of internal reporting and of the financial information communication system to be established with reasonable certainty so as to ensure that the annual accounts comply with the applicable accounting regulations;
- Reports to the Board of Directors on the financial position of the company and on all aspects required to properly carry out its duties;
- Informs the regulatory authority and auditor, in accordance with applicable procedures, on the financial situation and management structure, the organisation, control and independent control functions.

Management establishes in writing the powers, duties and responsibilities of all the company's entities and significant activities and assigns them to employees of the company.

The Board of Management, which has all necessary powers for carrying out the effective management and day-to-day management of the company, is assisted in this task by senior managers (Executives) who have received and regularly receive, by special delegation of the Board of Directors, specific powers[4] to carry out on a daily basis the activities reserved for them in the speciality(ies) in which each of them has the recognised expertise.

Reference is made to the notarised general delegation of powers which is reviewed by the Board of Directors on average once per year, with the last review having been carried out on 15/12/2023.

Insofar as *reserved powers* are concerned, the Board of Directors has reserved full powers in relation to 7 matters pursuant to article 15 of the articles of association:

a) Powers not able to be delegated pursuant to law and the articles of association;

b) Any disputes with an international component or which exceed EUR 6,200,000, without taking into account the disputes resulting from insurance operations;

c) All real estate transactions with a value exceeding EUR 20,000,000;

d) Any creation of companies, sale of controlled companies or acquisition of control of a company;

e) Any purchase, sale, or disposal of securities or any other type of asset (except within the context of the day-to-day management of the company's investment portfolio) where the value exceeds EUR 20,000,000;

f) Any project where expenditures will exceed EUR 15,000,000, particularly relating to the large-scale hiring or dismissal of personnel, fees owed to external consultants, IT equipment and systems and data processing, advertising;

g) Any subscription operations (except for operations carried out under the freedom to provide services) or financial operations outside Belgium.

This collective responsibility in no way precludes each member of the Board of Management from exercising specific powers which purposely incorporate, for each of them apart from the CEO, at least one individual operational power.

c) Audit Committee

The Audit Committee, set up in 2000, is one of the 3 advisory committees of the BoD and a key element in the control of accounts and independent functions.

Powers:

- Right to require the production of any relevant information or document;
- Conduct or arrange for the carrying out of any investigation;
- Use the services of the Internal Audit Department without taking its place;
- Seek any opinion, declaration or comment from the approved auditor appropriate to its mission;
- Report to the Board of Directors on any matter, activity or issue that it wishes to address or on any department or process that it intends to audit;
- Verify the validity, completeness and accuracy of draft annual or six-monthly accounts;
- Verify the validity of intragroup transactions that come within its remit and ensure that they are of an arm's length nature;
- Examine and approve resources, both in terms of manpower and equipment/software provided to the Internal Audit Department, the compliance unit and the person in charge of the actuarial function to carry out its missions;
- Familiarize itself with reports on the activities of some independent control functions (Internal Audit), excluding Risk Management which reports to the Risk Committee, and the heads of the actuarial

[4] Including subdelegation powers (power 9 of the annual notarized delegation of powers)

function (HAF), Compliance (CCO) and Risk Management (CRO) who submit their reports to the Risk Committee for the 1st time in 2022,)[5];

- Approve any change to the audit charter and make suggestions as to the content of the integrity policy and the compliance charter;
- Monitor progress of Internal Audit recommendations;
- Examine the quality of the work of the Approved Auditor, his or her independence and remuneration;
- Monitor the internal control process (ICOFR[6] for the financial component and NFRM[7] continuous control for the non-financial component) and draw the right lessons from the results of the annual tests;
- In charge of following up questions and recommendations formulated by the Approved Auditor;
- Ensure the independence of the Approved Auditor, particularly in relation to the provision of additional services to the company;
- In charge of monitoring the process for preparing financial information, monitoring the effectiveness of internal control systems and monitoring the effectiveness of the Internal Audit function;
- Verify the appropriateness of the annual audit plan to facilitate its approval by the Board;

  Validate the appropriateness of the annual compliance plan.Control the correct use of the external auditors' services through the non-audit services according to the BNL NAS policy.

Composition:

The chairman of the Audit Committee is always an independent director. In addition, the majority of its members is also independent in the sense developed by art.15, 94° of the Belgian control law and according to art.48 of the Belgian Control law.

The heads of other control functions (AFH, HIA and CCO) are also permanent guests.

d) Remuneration Committee

The Remuneration Committee is a second advisory committee of the BoD set up in 2010, exclusively dedicated to the management of the remuneration of members of the Board of Management and (Senior) executives.

Powers:

- Its powers do not extend to the remuneration of Allianz non-executive directors as it was agreed in 1998 (non-executive directors working in Allianz group are not compensated for their director's activity).
- The Remuneration Committee is responsible for
    - making recommendations concerning both the principles and execution of the remuneration policy (including fix and variable remuneration) and control that the policy does not contain incentives that push officers & managers to take excessive risks or to defend other interests that the ones of the company.
    - controlling and validating of the fix remuneration and attending fees of non-Allianz non-executive directors are also part of its competence.

[5] Without prejudice of the duty of each Head of Control function (except the Head of IA reporting to the Audit committee) to directly report to the plenary session of the Board of Directors or to the Risk Committee at least once a year, in accordance with art. 54 §1, par.3 of the Belgian Supervisory Law.
[6] And the ICRS, new risk control and reporting process of the company aligned with Allianz group
[7] Non Financial Risk Management process aiming at controlling 34 risk vectors in the businesses and in compliance

- Assessing the performance of the members of the Board of Management
- The examination of the conditions of remuneration of employees (Executives) 'who directly report to a member of the Board of Management including persons in charge of independent control functions and other relevant members of personnel (EIOPA category) as set out in the principles of the company's remuneration policy.

Details of the powers of the Remuneration Committee are contained in section 3.3 of the **Internal Regulations** of the Board of Directors.

e) Risk Committee (RiCo)

The Risk Committee is the third key-component of the BoD committees control activity set up in March 2006.

Powers:

The role of the Risk Committee is to evaluate and control the management of Risk Management activities and the Actuarial function within the company.

This role also consists in advising the Board of Management on issues of strategy and the level of tolerance in terms of current and future risks and assisting it in monitoring implementation of this strategy within the company.

This work includes:

Giving its opinion to the Board of Management regarding the adequacy (i) of the organisation of resources and competencies put in place to identify, measure, manage and declare the main risks to which the company is exposed, and (ii) of the process for monitoring risks depending on the company's concerns in its different areas of business and, in particular, in relation to the separation of the implementation and control functions;

Advising the Board of Management in respect of all aspects relating to tolerance of current and future risks and the company's strategy for managing risks;

Ensuring that corporate decisions and policies in terms of underwriting, technical provisions, definition of reinsurance transfers, investments, management of assets and liabilities, and management of cash are in line with the risk strategy adopted and the corporate model chosen, without losing sight of the reputational aspect associated with the sale of products to customers;

Establishing a well-defined risk and solvency profile for the company (including stress tests);

Examining Risk Management reports submitted to it by the Statutory CRO;

Promoting a risk prevention culture within the company via transparent communication and a shared understanding of the company's risk profile;

Evaluating and contributing to the development of the "risk/return" strategy;

Ensuring the development and monitoring of Risk Management as a whole and its control framework;

Analysing and approving calculations of risk capital;

Ensuring that Risk Management and its control framework satisfy regulatory requirements;

Discussing and deciding on any methodology-related questions concerning the management and quantification of risks;

Providing the framework required for any decision-making or any recommendations in order to ensure an appropriate response to any problem and a proactive reduction in risk;

Highlighting any issues relating to corporate risks that warrant the attention of the Board of Directors;

Retaining documentation relating to its work, meetings, decisions and managing their follow-up;

Cooperating with the Remuneration committee to ensure that the global budget allocated to variable remuneration and the performance targets defined in the remuneration policy are compatible with the company's risk profile.

Promoting and enhancing the risk management culture within the company and developing the expertise to positively impact corporate behaviour;

Defining an appropriate risk management policy and determining the limits and guidelines applicable to the company beyond the rules defined by the Group in that area;

Defining limits by ensuring regular monitoring and taking actions where these limits are exceeded.

The Risk Committee is responsible for the supervision of requirements in terms of organisation, infrastructure, control and the process of managing risks for the company. It ensures that the company acts in accordance with the policies, limits and guidelines established by the Group and develops a strong culture of risk management.

Any third party, whether internal or external to the company, may be invited in relation to a specific item on the agenda. At least one representative from Group Risk (GR), Allianz SE's centre of competence, is always invited.

The heads of other control functions (AFH, HIA and CCO) are also permanent guests.

Reporting to the Board of Directors

Risk Management, in all its aspects, is one of the primary duties of the Board of Management, which reports to the Board of Directors who has to perform an oversight of the Risk Management policy through its Risk Committee.

The Risk Committee has both the right and duty to directly report to the Board of Directors through its chairman and submits, for approval, recommendations relating to risk management and acts, within the context of this delegation of authority from the Board of Directors, as a decision-making and control entity with regard to risk capital, the solvency of the company, assessment of the company's Top Risks and any specific issue relating to the risks defined by the Board of Directors.

Decisions relating to risks which have, in principle, a cross-sectorial impact continue to come within the direct remit of the Board of Directors.

Decision-making process

Decisions are taken by consensus (unanimity of views). If no consensus can be reached, the issue is raised by the Board of Directors who retains the fullness of powers.

The Internal Regulations of the Risk Committee are contained in section 3.2 of the Internal Regulations of the Board of Directors which defines the role, composition, operation, powers and relationships with the company's internal and external bodies, as well as the duties of the Chairman and the Secretary**.**

B.2.1.2 Composition and running

a) Board of Directors

AzBNL is managed by a Board of Directors of **11** members which meets at least **4** times per year[8] and whenever required by the interests of the company, sometimes by conference call when social interest and urgency require and allow it. Its current composition is as follows:

Chairman of the Board of Directors
Directors who are not members of the Board of Management

[8] An average of 6 to 7 meetings/calls per year

Chairman of the Board of Management
Directors who are members of the Board of Management
Other members of the Board of Management who are not directors

The presence and involvement of shareholders via the company's management bodies takes place as follows:

The Board of Directors is, with respect to the supervisory directors, composed of one representative from Allianz SE Group Centres who monitors and supervises company management on behalf of Allianz Group. The structure has therefore been simplified.

The regulatory rule obliging to have more non-executive directors than executive ones is always fully respected (7 v/4).

The SGM of 15 May 2020 adapted the composition of the Board of Directors to take into account the quota of 1/3 of female directors required by art. 7.86 of the new Code of Companies and Associations.

Independent directors

Two members of the Board of Directors are independent directors who fulfil all the conditions of article 7: 87 §1 of the new Belgian Code for Undertakings and Associations (including criteria of independence defined in art.3.5 of the Governance code 2020 for Belgian undertakings). One of the company's secretaries is in charge to verify whether the conditions applicable to a non-executive director candidate to become independent and be considered as such by the Board of Directors are adequately met.

The composition of the Audit committee was adapted in 2017 to comply with the rule that obliges this body to have a majority of independent directors among its members (Act of 7 December 2016)

Working Rules & Decision Process.

The Board of Directors has established a single set of Internal Regulations for itself and its advisory committees, as well as for the Board of Management.
The Board of Directors only conducts its work when a majority of either executive or non-executive members are present or represented. The Chairman leads discussions and decisions are mainly taken by consensus. Detailed minutes record the work and any elements of decisions.

a) *Board of Management*

The Board of Management is the highest structure in charge of supervising the company and controlling its risk management.

As a rule, meetings of the Board of Management are held on a weekly basis: on Tuesday unless inconvenient. All members are required to attend in presence or by call (hybrid meeting), and in fact it is quite rare for any of the members to be absent.

Minutes of meetings are drawn up on a systematic basis and signed by the Chairman and the BoM Secretary.

Administrative duties are taken up by the Az BNL Secretaries.

b) *Audit Committee*

- **Composition**: 3 members of the Board of Directors, all directors who are not members of the Board of Management and are therefore supervisory (#1) or independent (#2) directors.
- The Committee is chaired by an experienced supervisory director, specialising in financial management, business ethics and good governance, who is independent and not chairman of the Board of Directors.

Guests: Regional CEO, CEO BE, Regional CFO, Head of Accounting & Financial consolidation, Head of Internal Audit, CRO, Chief Compliance Officer (Committee secretary).

The **Internal Regulations** of the Audit Committee comprise section 3.1 of the Internal Regulations of the Board of Directors, the Board of Management and the advisory committees.

Each meeting (at least 4 per year) is documented, preceded by a notice of meeting and the subject of minutes signed by all members of the Committee.

The Chairman of the Audit Committee reports to the Board of Directors on a systematic basis on the major elements of the work of the Audit Committee.

The minutes of meetings are provided to the other members of the Board of Directors.

c) Remuneration Committee

Composition: **3** members of the Board of Directors ((including 1 independent director); the Chairman of the Board of Management and CPCO (Chief People & Culture Officer) participate in work relating to the situation of people who report directly to them.

This committee is held at least twice a year (as a rule, in Q1 and Q4).

d) Risk Committee (RiCo)

Composition: 5 supervisory directors whose 1 independent one,
Guests: Chairman of the Audit committee, CEOs BE & NL, CFO, member of the Board in charge of risk management, CRO, Head of Corporate Actuarial, head of Actuarial function BENE, head of RM BENE, Head of Internal Audit and CCO BNL + 2 Group Risk representatives.
Meetings of the Committee are held each quarter. Any member of the Risk Committee may also request a meeting at short notice for the purpose indicated in the notice of meeting.

B.2.2 Remuneration

The remuneration policy of Az BNL was reviewed again by the Board of Directors on 15 December 2023. This policy shall be updated each year as required by the SII rules and the chapter 8 of the NBB Overarching circular about governance dated 05/07/16 reviewed in 09/18 and 05/20.

Widely conceived by the group in its fundamentals, the regime is perfectly aligned with the European principles brought by the Solvency II and developed by EIOPA.
The overall conception of this policy aims at aligning individual targets of Az BNL employees with the protection of company's interests on a long-term basis.

In 2023, malus, clawback and non-compete clauses were inserted in the Self-employee or Labour contracts of some executives.

Az BNL is considered by the group as a SOE (Significant Operating Entity[9]), what means that a strict follow-up process and reporting duty to Allianz Group is required.

The policy is based on 4 categories of employees:

A. Allianz Global Executives

People occupying a position, having an Allianz grading level from 18 to 22 are in scope. In Az BNL, members of the Board of management. Two members of the Board of Management have a lower grading (i.e. level 17).

[9] Entity participating to the diversification of the group risk capital for more than 3%

B. Allianz Senior Executives

In this category, we find positions having an Allianz grading level of 16 or 17 out of the head of independent control functions.
In Az BNL, 8 persons are in scope: Chief Risk Officer, Chief Investment Officer, Head of Claims, Head of Pricing, Head of Transformation Office, Head of COO Strategy Office, Head of Performance Management Benelux/Deputy CFO, Value Chain Lead SME/MC Netherlands. Chief People & Culture Officer and CEO Luxembourg are members of the Board of Management.

C. Key Function Holders

On top of categories A&B belonging to the KFHs, the head of 7 independent control functions: Chief Risk officer, Chief Compliance Officer, Head of Actuarial Function, Head of Corporate Actuarial, Head of (Internal) Audit also in cat. B), as well as the Heads of Legal NL & BE and Head of Accounting.

D. Risk Takers

Under this concept, we have 25 people with a level of at least Executive (AGS level: 13+) taking professional risk which could have a material impact on the Az BNL profile. This list, subject to annual evolution, is managed (together with Legal) and reported by Az BNL HR function.

The remuneration process and incentive programs are controlled and validated by a Compensation Committee which is chaired by a non-executive director assisted by 3 other non-executive directors. It meets at least twice a year.

Except these 4 categories, the employees get in general a fixed remuneration which is linked to an annual evaluation process. Roughly 70 employees (certain functions) get a variable remuneration in a range of 5 to 30%.

Categories A to D are considered/identified as identified Staff' as defined by art.275 §1 of the EU delegated Ac 2015/35 (as mentioned in the PEGS circular).

a) Governance principles

The remuneration awards must be clear, transparent and effective, and not threaten the adequacy of the Az BNL capital base.

The remuneration appropriateness is regularly benchmarked by the group or local HR to control pay levels, base salaries, benefits and variable components.

Remuneration packages are conceived to avoid some risks or key performance indicators, among them:

Risks avoided:

- excessive risk taking
- conflicts of interest
- risks which exceed the risk limits of the company

Sound KPIs:

- appropriate reflection of the material risks and time horizon
- respect for the overall success of the group and the company
- sound balance between fixed and variable remunerations (1 for 1 principle)
- evaluation of individual performance on financial and non-financial criteria
- performance exclusively evaluated on non-financial criteria for independent control functions
- avoid compensation failure.

b) Board of Directors

BoD members are not remunerated as such (qualitate qua) when they get wages as Az Group entity or Az BNL employee/ self-employee. A specific remuneration is only reserved to non-executive directors who are external to the group or not working for Allianz as employee / self-employee anymore.

This remuneration package is based on 2 principles:

- fixed wage for remunerating control risk and exposure to media and personal responsibility
- moderated attendance fees to encourage assiduity.

Chairmanship is more remunerated than membership.

Remuneration as BoD chair/member and Advisory committee chair/member may be consolidated but the total per member will not exceed a gross amount of 80.000 EUR per accounting year.

The global count for the attendance fees is done in December for a payment in January of the year X+1 while 50% of the fixed wage is paid each semester of the year X.

For the 1st time in 2022, variable remunerations of BoM members were evaluated by the Governance & Control Committee through the process EAR (Executive Accountability Regime[10]).

c) Other functions

For employees in an Executive position (AGS 13 and above), the remuneration package is a sound mix of fixed and variable remuneration.
The level of variable remuneration depends on the nature and the level of the position.
The highest function within Az BNL is the Regional CEO who has a mix of F50/V50.
Other BoM members have a mix depending of the grade (between F65/V52 and V35-48). Some sales employees have a variable exceeding their fix salary.
Other Key function holders have a lower level with a fixed remuneration higher than the variable one.
Independent control functions have a variable remuneration limited to 20% (except for Head of Internal Audit at 28%), with a 100% weighting on individual targets (no financial KPIs).

The variable compensation is designed to incentivise performance but also to avoid risks which might be incompatible with the risk profile of Az BNL and Group Risk limits. Malus clauses exist to prevent too much risk appetite and sanction negative behaviours (see § of Deferral below). In case of compliance breach, the variable remuneration may not be paid or can be restricted.
Severance payments are admitted but limited to defined projects and only paid after their full achievement.
The variable remuneration regime might be subject to downwards adjustment to reflect Az BNL exposure to current for future risks, taking into account risk profile and cost of capital.

Remunerate failure is not tolerated and therefore, it is not admitted to hedge a variable remuneration.

The variable remuneration for AGS 16 to 20 includes Group Incentive plans (ASPP[11] + 2 components (Annual Bonus & AEI).

d) Control process

The variable remuneration aims to manage the performance and risk taking of 3 categories of Executives: Allianz Global Executives, Key Function Holders and Risk Takers of a Significant Operating Entity as Allianz Benelux.

[10] See description of this process in page 87
[11] Allianz Sustained Performance Plan

On top of the EAR regime, an annual performance management process is organized to consider quantitative and qualitative aspects of individual performance including behaviours.

The variable remuneration of Control Function Holders (including staff, understood as direct report or back up of a Head) is totally independent of the performance of the company they have to control. Qualitative targets form the full basis of the evaluation process.

e) Deferral

A substantial part of the variable remuneration of Top Managers (at least Senior Executives, AGGS level 16+) is deferred irrespective of the form in which it is to be paid. In Az BNL, this minimum percentage is equal to 20% (no deferral of variable is applied in case the variable is less than 20% of the fixed salary).

The deferral period depends on the respective Compensation program and is correctly aligned with the nature of the business, risks at stake and activities under exposure.

This deferral will not be less than 4 years (AEI) and concerns 19 employees / self-employees (2 in Luxembourg) in AGS 13+.

To control or adapt this remuneration process, some key functions are involved at Group and Az BNL level. Risk management, Legal and Compliance, Corporate Finance, Accounting and of course HR.

Each of them has to check whether the regime is adequate according to the rules they have to comply with.

The internal audit, in its quality of 3rd line of defence has the right to verify the sound application of this regime.

Other employees have a right to benefit from a pure fixed remuneration that does not exclude a limited year-end bonus (exceptional cash bonus).

f) Pension schemes

There is a pension regime for executive Belgian BoM members.

BoM members being admitted on the Belgian payroll and Senior Executives with a level of at least 17 have access to a specific pension scheme based on an employer contribution of 8% of the fixed remuneration and 30% of the variable one (AG Insurance scheme).

<u>As for independent control functions, they participate to the general pension scheme of the company being in the generally admitted limits of such agreements.</u>

Each employee is automatically covered by this EB scheme if this one is 25 year old.

This scheme is in 2 parts:

- a guarantee on survival (in case of life) at the end of the contract.
- a capital to be paid in case of death before end of contract

The employees' contribution is equal to 1% of the yearly remuneration +7,5% of the difference between annual salary (T) and the limit of the pension amount as set in plan T1, € 76.956,18 (2023). The employer's allotment is equal to 6,39% of the yearly remuneration + 15% of the difference between annual salary (T) and the limit of the pension amount applicable by the Social security (T1), € 71.519,98 (2023).

g) Compensation Committee

Az BNL entrusts the Remuneration Committee with the overall duty to monitor the legal and fiscal compliance of the regime, review and approve the local remuneration strategy, control adherence to the requirements of the policy, report the identified Risk Takers to the Group HR.

All Allianz executives are required to have a portion of TTDC (Target Total Direct Compensation) in the form of variable compensation.

50% of the target variable compensation is linked to individual performance assessment and 50% is linked to OE performance (except independent control and sales functions).

By grade level the allocation of variable compensation into the eligible Group components is determined.

- **Annual Bonus (short-term)**

  Meaning a cash payment that rewards annual achievement of assessed performance targets and overall job contribution

  Eligibility: All Allianz Executives as from AGS13+

  Eligibility: Az BNL selected employees as from AGS8+

- **Allianz Equity Incentive (long-term)**
  - the virtual share award in the form of "Restricted Stock Units" (RSUs)
  - the RSUs vest after 4 years following the grant
  - the RSUs payout based on share performance at time of vesting and limited to an increase of the grant price by 300% (cap)

  Eligibility: Allianz Senior and Global Executives and Risk Takers positions

Company determined caps may result in an overall award ranging from 0 – maximum 165% (in exceptional cases 200%) of target value.

B.2.3 Shareholders

AzBNL is a composite insurance company and a wholly owned subsidiary of Allianz Group since 17/08/11 held by 1 holding company, Allianz Nederland Groep BV, a company incorporated under Dutch law, which is in turn wholly owned by Allianz Group, through the parent company Allianz SE.

Hereafter under item 2, a diagram shows this shareholdings structure next page.

AzBNL is therefore a public limited company.

As regards the listing of the Group, only Allianz SE shares are currently listed on the German stock exchange (Xetra).

It should be noted that the holding company Allianz SE was delisted from the New York Stock Exchange (NYSE) on 23/10/2009.

a) Ways of controls

First, the shareholder is represented into the governance bodies of the company by one main delegate, Matthias Baltin, Head of Staff of the Business Division Western & Southern Europe (H5), who will become non-executive director of the company, permanent guest of the Audit committee, member of the Risk committee and Compensation committee in Q2 2024.

Second, the controls performed by the group are also driven by 2 main processes and meetings, the Strategic dialogue yearly held in May/June and the Planning dialogue yearly held in November.

Both are strong structured processes obliging the management to analyse company's strategy and budget with strictly defined targets and objectives. But recommendations of those meetings are subject to Board approval in June (strategy) and December (budget).

Third, in addition of those moments of truth, all the functions of the company are significantly influenced by the mirroring Group Centers which bring knowledge and experience to open ways of improvement, exchange of best practices and implementation of policies or standards to push the operating entity to the best.

As a rule, new regulations and project can also be implemented with their useful support.

Those interactions do not jeopardize the competence and oversight powers of the Boards because each new policy of project must be validated by the Board of Management or the Executive committees steered by a member of the BoM.

Allianz has always favoured supervision of local subsidiaries such as AzBNL via international directors in charge of a region (specifically, H5 (Business development) - Europe II) who ensure consistency in the monitoring of these companies.

The shareholder has also endeavoured to promote a healthy complementarity of competencies in shareholder representation.

It is not different today with the current composition of the non-executive part of the Board of Directors:

- a chairman that is independent and particularly well versed in all managing, financial actuarial and risk matters with an experienced capacity to challenge the figures;
- at least one specialist in the supervision of subsidiaries, with particular expertise in accounting and operational reporting;
- a non-executive director with extensive experience in the areas of accounting, sound governance, regulatory risks and tax issues;
- an independent director, past-CEO of a major group, well versed in investment-related issues, particularly real estate-related;
- another non-executive director experienced in Insurance companies' management, especially in PL non life business.
- another independent director having a strong experience in the oversight of financial and insurance undertakings
- another non-executive director highly experienced in non life CL business, especially in large risks.

This configuration is not set in stone. It will, inevitably, change in line with the requirements and opportunities of the company.

Mandates with a maximum term of 6 years are spread out over time. 1 mandate expires at the GM of May 2024, 2 in 2025, 4 in 2026, 1 in 2027, and 3 in 2029,

b) *Significant transactions concluded with shareholders*

In 2022, there was one transaction prepared with Allianz Direct and upon Group oversight. The sale of the direct activities. The Board of Directors with the support of its audit committee controlled the at arm's length ' dimension of the project.

On top, we want to mention the following - existing or future - agreements:

1- the quota share treaty between Az BNL and Allianz Re

According to this agreement, Az BNL cedes 20% of the non-life activities to the company's reinsurer, Az Re, who has to assume the risks of this part of the portfolio. The deal was signed on 20/12/16 and is effective since 01/01/16. An extension of this deal to 45% was decided in 2017, with an entry into force date on 01/01/18 and an enlargement to Worker Accident.

This transfer is only justified by the need to optimize the risk capital diversification in the frame of Solvency II. The Belgian Tax administration validated the deal on 13/10/15.

2- the ongoing treasury account open between Az BNL and Az SE (cash pool).
This is a pure treasury account offering to Az BNL some interests paid by Allianz SE, the top parent company.

3- Outsourcing of our main IT services
The company entrusted Allianz Technology, an Az Group specialised company delivering IT services, with the obligations to manage a wide part of our main IT environment (mainframes, servers, devices, etc…). The Master Service Agreement between parties was reviewed and signed on 09/12/16. In 2021, the outsourcing process was deeply reconsidered to follow a new approach and a broader scope brought by the project Gearshift aiming at developing IT solutions at group level to reduce costs, accelerate mark to market of the IT supports while taking into account local needs and requirements. This project was approved by all stakeholders (including NBB) to come into force as from 01/01/22.

Real Estate Management agreement

Allianz Real Estate (ARE) company is the specialized group entity in charge of RE investments. In 2017, the company decided to entrust Az RE with outsourcing of RE portfolio management including future investments.

This process was finalised by end of April 2018.

In 2021, the final acceptation of the Belgian new headquarters (Allianz tower) was signed and therefore, this agreement prepared with the support of ARE closed the transfer of responsibilities from Immobel to Allianz Benelux.

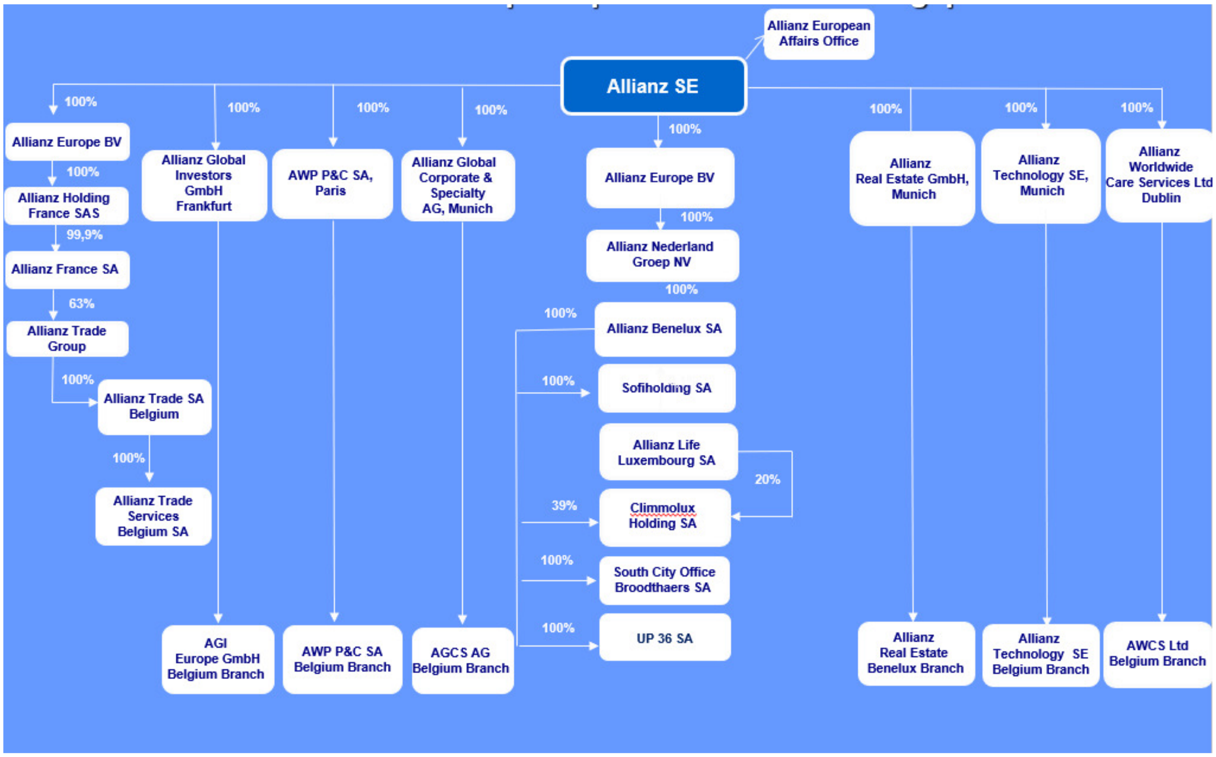
4- Allianz Direct collaboration agreement
The direct underwriting business developed under the brand Allsecur by the Dutch branch will be steered by a German structure dedicated to this BtoC P&C insurance activity, named Allianz Direct Germany through a new Dutch branch. The decision to transfer existing direct portfolios managed by the Dutch branch of Az BNL was made in December 2020 but the set up of this transfer should have taken place in H1 2021 but this project was frozen during 2 years, as Allianz Group needs time to analyse a wider strategic topic namely the future of the Retail Business of the Company. In the meantime, the co-leadership and coresponsibility of the Az SE top manager (H10) on the one hand and the BoM of Allianz Benelux will be maintained with a specific attention to protect Allianz Board members in terms of liabilities through a cooperation agreement obliging both parties (Allianz SE – H10 and Allianz Benelux sa) to respect strict governance rules. This deal is concluded and subject to Regulatory approval (NBB) given on 21/03/23.

5- One Face cooperation
This project aimed to use IT framework of Allianz Direct to reduce infrastructure costs. This operational outsourcing was fully in place in Q4 2023 after the successful migration of the existing non-life contracts in scope.

6- Shareholders' agreements
As already said above, Allianz SE holds 100% of the Allianz Benelux shares through 1 of its subsidiaries. Therefore, there is no shareholders" agreements for the management of the shareholding. Az BNL is basically a public limited company. There is neither cross-ownership nor cross-shareholding aiming Az BNL.

In order to demonstrate this, we inserted into this governance a sheet with the shareholders' structure of Az BNL in Belgium.

Shareholding structure



Out of the Allianz Direct carve-out suspended in Q3 2021 and finally validated in Q1 2023, there is only one transaction involving either another company of the group, company's shareholders or person having a strong influence on Az BNL during the relevant period (01/2021-02/2022), the project Gearshift.

As for the shareholder's agreement, there is neither partnership agreement nor associates' pact or covenant having a voting right or basically an influence on the Az BNL management.

In other words, the group Allianz is alone to manage its interests in the Benelux area where the company is active.

The Benelux area is considered by the group as a sub-region where a maximum integration is sought for aligning processes, maximizing synergies, exchanging best practices/experiences, strengthening businesses, simplifying structures and finally improving customer's services and products, this last objective becoming essential with the Allianz Customer Model (ACM).

Today, this integration is open to take into account local specificities via the North Star organisation through the 9 value chains, new business model implemented in 2022 and 2023.

Allianz focuses its particular attention on the Benelux which is positive because the company get a strong group support for developing its strategy, especially because the composite regulatory status of Allianz Benelux sa is very attractive from a Solvency II perspective.

Exercise of Control

It should be specified that in the structure of the Allianz Group, the 3 countries of the Benelux region are under the control of the H5 division (Insurance Western & Southern Europe + Allianz Direct, Allianz Partners and 7 other EU contries) headed by Sirma Boshnakova, member of the Vorstand (Allianz SE Board of Management) since 01/01/22 and, by delegation, through several of her deputies. On top of that, Allianz SE influences and monitors local activities via its group centers specialized per function.

The list of the different Group Centres is added below.

	Functional Divisions				Business Divisions				
	H1	**H2**	**H3**	**H4**	**H5**	**H6**	**H7**	**H8**	**H9**
	Chairman of the Board	Finance, Risk, Actuarial, Legal, Compliance	Investment Management	Operations, IT and Organization	Insurance Western & Southern Europe, Allianz Direct, Allianz Partners	Asia Pacific, M&A, People and Culture	Insurance German Speaking Countries, Central Europe, Global P&C	Asset Management, US Life Insurance	Global Insurance Lines, Reinsurance, Anglo Markets, Iberia, Latin America, Africa
	Bäte	**Coste-Lepoutre**	**Thallinger**	**Karuth-Zelle**	**Boshnakova**	**Wagner**	**Röhler**	**Wimmer**	**Townsend**
Responsibilities	CEO Office Audit Communications Strategy, Marketing & Distribution Regulatory and Public Affairs	Accounting and Reporting Risk Actuarial Performance Steering Legal Compliance Investor Relations Taxation Treasury & Corporate Finance System of Governance	Investments (AIM) Global Health (AZ Digital Health) Economic Research Global Sustainability Australia Life	Technology (Architecture & Transformation) IT Operations Business Transformation Privacy Data Analytics Business Organization Allianz Technology Allianz Services	Greece Benelux France Italy Turkey Allianz Direct Allianz Partners	Asia Pacific (AZAP, incl. China, India, Australia P&C) M&A People and Culture Work and Social Welfare	Germany Switzerland Allianz Central Europe (ACE) Global P&C	Asset Management US Life Insurance Center of Competence Life Allianz Global Life Allianz X	Allianz Commercial (Allianz Global Corporate & Specialty) Allianz Trade (Euler Hermes) Reinsurance United Kingdom Ireland Spain Portugal Latin America (incl. Mexico) Africa
Committees	Group Compensation Committee	Group Finance and Risk Committee Group Governance and Control Committee	Group Investment Committee	Group IT Committee		Group Mergers and Acquisitions Committee			

B.3 Fitness and Propriety, External Mandates and Transactions with Top Managers

B.3.1 "Fit & proper"

B.3.1.1 Scope

Although a F&P policy is applied within Az BNL since January 2005, a new version with a scope on the Benelux area scope of Az BNL was approved by the Board of Directors of Az BNL on 15 December 2023. This policy has been updated each year since as required by the SII rules and the chapter 2 of the NBB Overarching circular 2016_31 about governance dated 05/07/16 and updated in 09/2018 and 05/2020. The 2023 revised policy was approved by the Board od Directors of Az BNL on 15/12/22 and is applicable as from 01/01/24.

Each candidate for a mandate or aimed by a renewal of existing mandate into the Boards (Board of Directors or Board of Management) and each person eligible to become Head of an Independent Control Function have to be compliant with the F&P requirements as explained in the policy.

This means that executive and non-executive directors are subject to this regime.

It is also the case of the Key Function Holders as defined according to the Remuneration Policy.

In addition to those categories of Directors & Officers and in accordance with EIOPA guidelines, the category of Executives considered as Key Function Holders has been extended to Other Relevant Key-functions as Senior Executives Heads of Corporate Actuarial Life and P&C, Chief Investment Officer, other Managers of the 2nd line of defence (e. g. Heads of Legal NL and BE), and other significant functions (e.g, and Head of Accounting Benelux).

B.3.1.2 F&P Criteria

The relevant control is based on the global concept of 'Aptitude' or 'Suitability' which summarised 6 basic parameters to be checked.

4 of those parameters are covered by the Expertise: knowledge, experience, skills and professional behaviour. Two other items belong to the Integrity background checks: criminal records and financial history/status.

In 2024, those criteria and the process itself will be reviewed by the company to consider changes decided by NBB in its circular 2022_34 introducing a new Manual Fit & Proper dated 20/12/22 and using additional criteria as independence of mind and contribution to collective skills.

B.3.1.3 Procedure

Each candidate accepted by the ad-hoc committee and able to go through the selection process successfully will be obliged to deliver several documents (resume or CV, passport or ID card, duly completed NBB register form).

Among them, a written commitment signed by the candidate who undertakes to inform the Company immediately as soon as a significant parameter or fact could influence his Suitability status.

Members of ad-hoc committee depend on the candidate's seniority or position. In case of vacancy, the Board of Directors is competent to approve the nomination when a member of the board is to be nominated or when his mandate must be renewed (co-option regime). Shareholders' General meeting is also competent when the nomination is not foreseen after a dismissal or a resignation.

Overall, Chairmen of both boards are involved in the selection process and F&P validation for BoM and BoD members.

For lower levels as head of independent control functions, the CEO's (local and regional) with another Board member's support can intervene together.

In this process, the company takes into consideration both individual competence and collective skills of directors to be sure that the body where the candidate shall play its role shall have the relevant competences to challenge the management.

The Company Secretary has the role to collect candidate's documents, to prepare the background checks review, to carry-out and analyse Internet checks, to bundle the file for NBB and to answer regulator's questions, if any.

When the file is ready, the Company Secretary may send it to NBB through the eManex tool with the personal materials and 6 additional documents: job description, screening list and evaluation report summary and BoD Competence matrix, BoM division of responsibilities , Board collective skills update if any.

On top of this procedure, for candidates eligible to a Board, the secretary checks the right balance of collective competences within each management body (BoD and BoM) to enable them to cover the technical and regulatory competences/experiences required by the NBB manual relating to professional expertise & propriety issued in 09/18 and 05/20:

1- Insurance & Financial markets
2- Economic model & undertaking's strategy
3- System of governance

4- Financial & actuarial analysis
5- Regulatory requirements & framework

In addition to this minimum set of competences, we have added some pertinent domains as :

6- Risk management, Compliance, and internal Audit
7- ICT and Information Security
8- Local, Regional and International Markets
9- ESG
10- AML/CTF Prevention.

In 2023, the Company secretary systematically verified this important set of requirements. Fortunately, the most recent candidates had very positive background & a high quality profile.

Evaluation: this new aspect is applied and respected since January 2019 but it will be necessarily updated to stick to the new F&P manual requirements.

B.3.1.4 Regular reviews and ad hoc reviews

Az BNL put in place reviews to assess the F&P of existing candidates or heads of function are still valid. Criteria used for that are for (i) ad-hoc reviews, the surge of a breach, failure to disclose a self-disclosure statement, a substantial complaint or the result of an investigation process, and (ii) regular reviews, through annual performance except for directors where the review is done each 5 years. This control is executed by HR (People & Culture in Allianz world) or the company secretaries depending on the function.

B.3.1.5 Other provisions

Some other provisions have been also inserted about outsourcing of a function, occurrence which is absolutely not the company's preference and is not welcome by the outsourcing policy (equivalent checks should be required), training (Group programs via Allianz Management Institute or digital supports, Degreed), documentation (evidence and audit trail) and local responsibilities (respective role of the BoM, Key Function Holders, HR and Legal & Compliance functions).

Details about the F&P process are in the policy itself available upon request.

In 2024, P&C will reviewed all the files of significant representatives (Board members, Independent control functions & Key function holders).

B.3.2 External Functions and Incompatibilities

The company works with a set of rules adopted in 2007 and reviewed in June 2011. Even though the main principles remain the same since 2007 and the NBB circular PPB -2006-13 CPB CPA of 13/11/06 brought by the Royal Decree dated 24/09/06 in accordance with the law on the financial conglomerates dated 20/06/05), this set of rules was supplemented by the chapter II of the PEGS circular. Some definitions are useful to draw the scope of this policy.

- Company's leaders: executive, non-executive directors + members of the Board of management and other relevant Officers (key function holders).
- In-scope undertakings: any legal entity in which an insurance company's leader can serve an external mandate, including not-for-profit organisations. A mandate into the Belgian Insurer association Assuralia is out of scope. Entities without legal status are not in scope as well.

- Mandate: includes any function or responsibility in the management or control of the legal entity.

What we take into account in this important matter is the main principles:

1) absence of conflict of interest & independence
2) reasonable availability to perform the task adequately
3) strict limitation of external functions for executive directors

What does each of those principles mean?

a) Prevention of any conflict of interest

Non-interference principle: Each non-executive Director or Officer may not accept an executive mandate outside the company. One exception: the temporarily result of a merger or acquisition.

Non-involvement principle: each Director & Officer cannot intervene in preparation or decision processes of a third company or in providing service on behalf of a third company in favour of Allianz Benelux.

Commitment to respect the arm's length principle: when a company intends to deliver a service or a good to Az BNL, the presence of an Az Top manager in the governance body cannot have for effect to deliver below the market conditions.

This control is carried out by the company secretary systematically informed about any project of nomination.

The audit committee is in charge to control this 'at arms's length' principle when an intra-group deal is at stake (in 02/2023 : the sale of the Direct portfolios to Allianz Direct).

Evaluation : Overall, this aspect is not a problem for Az BNL candidates (confirmed in 2022).

The company invites Board members and Executives to cancel or limit their external mandates as much as possible. One exception nevertheless, the Group representative in charge of controlling OEs of H5 who must be present into 6 or 7 entity boards.We cannot really speak about external mandates in this assumption.

A check was launched in Q1 and Q2 2022 to verify the mandates held by Direct Reports to BoM members (35 Officers or Heads of). The result was fully satisfactory.

In 2024, the policy regarding the external mandates will be updated to take into account the NBB circular 2022_19 du 12/07/22.

b) Limitation of the tasks linked to external mandates

It is key for Az BNL to protect the Az BNL representatives' availability when exercising their external mandates. This control is not necessarily a question of number of mandates but the result of an internal evaluation relating to the genuine time required to take on the responsibilities (number of meeting per year; company's expectations, required preparatory works, etc.). This analysis is to be done in a concrete sense.

This competence is performed by the Board of management acting collectively for a key Function holder but by the Board of Directors or its Audit committee when a mandate is proposed to a member of the Board of management.

Only one exception is accepted: when the mandate is directly in line with the Business experience and activity of the Board member and only if the mandate is accepted upon Az BNL request (i.e. a mandate in a real estate company to be served by an executive director having the RE competence in his portfolio, as in Cofinimmo).

Such mandates are limited and generally the consequence of an existing shareholding.

Each year, the company secretary is in charge to verify whether the number of mandates is still in the acceptable limits of a true availability, which is actually the case because Az BNL does not promote the presence of its representatives outside the company. The NBB eManex portal is updated accordingly.

Overall, this aspect is not a problem for Az BNL candidates (confirmed in 2023).

c) Mandates in extension of the insurance business

For some very specific activities, it is required to allow Directors & Officers to serve a mandate that is the logical continuation of their day-to-day business. The company authorises some limited activities in line with insurance as insurance pools (i.e.Cobelias/Sobegas, in which Az BNL holds a share of 18,5%), or other service providers as risk prevention or claims handling companies.

In addition of those activities, the company accepted to enlarge the list of potential mandates in other sectors (Assistance, Legal protection, Intermediary Training, Insurance IT provider).

But this extension must remain an exception and be check by the board to verify what is the activity performed by the third party.

Of course, the control shall be focused on other points: absence of conflict of interest, respect of the social interest of Az BNL, availability, reinforcement of the sound and prudent management of the company.

Az BNL communicates the comprehensive list of mandates of each Director through the NBB eManex extranet tool and updates this list regularly.

A special attention is also paid for mandates into listed companies.

This assumption is very rare but in the common interest of the company, the legislation about market abuse and insider trading will be reminded to the candidate. It is important to note here that the top management is aimed by financial market rules and that a policy to fight against insider trading is also in place within Allianz. Each of the relevant Director, Officer & Manager in scope signed a formal commitment to avoid any irregular behaviour in this matter.

This exercice was done again in 2023 : 95 potential inside traders were informed about black-out periods during which it is forbidden to buy and sell Allianz shares and related securities. In 02/2023, a group tool named ePAD has been open to oblige the most exposed inside traders to obtain a formal validation of any project of financial investment (Personal Account Dealing process).

The Company Secretary also Chief Compliance Officer is responsible for controlling and monitoring the proper application of this policy. He is also systematically consulted for giving advice.

As rule, any mandate must also be aligned with group rules. An external mandate is generally the consequence of a shareholding and its exercise is a mean to verify that the company in which the company invested is correctly managed.

In case of infringement, sanctions are foreseen at BoD or BoM discretionary power.

Last but not least, the comprehensive list of Az BNL mandates of each Director is disclosed on the Az BNL internet site (allianz.be/who are we?).

Actions: ePAD roll out in 2023.Done.

B.3.3 Loans, Credit & Guarantees & Insurance Contracts granted to Directors & Officers

The main rule to be respected here is the ‘at arm’s length’ principle.

It is not excluded that a Director or an Officer wants to obtain a temporarily financial support from the company.

But it must be clear that directors are not eligible to take out a mortgage loan with the company.

Insurance contracts are nevertheless allowed.

The sole price reduction accepted when a Director or an officer wants to sign such an insurance contract is the 30% mandatory limit rule applicable for any employee working in an insurance company and formalized by the provision 38 §2,4° of the Belgian Tax code.

As for the number of Insurance contracts taken out by a Director, this is checked before accepting a candidate-director. The conclusion up to now is that the number is quite limited (1 member in 2023) and without generating a conflict of interest.

A Credit committee composed of several managers is in charge to validate the 'at arm's length' principle for executives. Neither advantage nor privilege is admitted.

A comprehensive list of Officers and Managers (Executives) having signed a Mortgage loan is updated every year and sent to NBB as an annex of the yearly accounts.

The EoY 2023 situation is clear.

No loan contract taken out by key function holder, except one executive member of the Board.

Conclusion: except some updates in terms of mandates and Fit & Proper rules, mentioned in this chapter above, there is no significant change or elements requiring action.

B.4 Risk Management System, ORSA Process and RM Function

B.4.1 Risk Management System

B.4.1.1 Risk governance

As a provider of a broad range of financial services, risk management is one of the core competencies of Allianz. Therefore, it is also an integral part of our business process. Furthermore, the risk management framework covers, on a risk-based approach, all operational processes including IT, products and all departments and/or subsidiaries within the Group.

Therefore, AzBNL adheres to the key elements of the risk management framework defined by Allianz Group:

- Promotion of a strong risk management culture, supported by a robust risk governance structure.
- Protect our capital base and support effective capital management.
- Integration of risk considerations and capital needs into management and decision-making.

This comprehensive framework ensures that risks are identified, analysed, assessed and managed. Risk appetite is defined by a clear risk strategy and limit structure. Close risk monitoring and reporting allows AzBNL to detect potential deviations from its risk appetite at an early stage.

This section gives an overview of the design of the risk management system and related governance. Section 0 describes the three-lines of defence model which serves as the underlying company-wide framework for risk governance. The subsequent sections describe the key elements itself of the risk management system, consisting of the setup of dedicated 2nd line functions, in particular the Risk Function (section 0) and the Actuarial Function (section 0), supported by of a variety of risk management processes (section 0).

The subsequent section completes the outline of the risk management system. It describes the fundamental concept of *risk strategy*, that is, it describes the elements used to define risk appetite and the processes by which risk appetite is linked to the business strategy. The concretisation of the risk appetite, in terms of specifying criteria for the risk appetite elements, is explained further in section 0 and the annually updated criteria are specified in the annual ORSA report.

B.4.1.1.1 Three lines of defence

Allianz has adopted the **three lines of defence** system, defining how tasks and responsibilities related to risk management are divided within the organization:

- The business represents the "first line of defence". Business managers are ultimately responsible for the profitability and risk profile of their business. Consequently, first-line key activities include:
    - operational management of risks and returns by taking or directly influencing the origination, pricing and acceptance of risks,
    - designing and implementing methodologies, models, management reports or other control standards to support the mitigation of risks and the optimization of returns,
    - participating in business decisions based on an equal vote.

  In the full respect of both the delegation of powers and the segregation of duties.

  Note that performing operational key controls is part of the first line risk mitigation activities.
- The "second line of defence" is made up of independent control functions, namely Risk, Actuarial and Compliance. They are responsible for setting and overseeing the framework within which the business can take risks within the defined risk appetite.
- Internal Audit forms the "third line of defence". On a periodic basis, Internal Audit independently reviews risk governance implementation, performs quality reviews of risk processes and tests adherence to business standards, including the adherence to the risk management system and to the internal control framework.
- Clear roles and responsibilities for the three lines of defence are of key importance to reach the desired risk culture within Allianz. For that purpose, Allianz Group has designed a 'Corporate Rule Book', that is, a framework consisting of policies, standards and guidelines. All entities within the Allianz Group are required to adhere to this framework. To enable that, Allianz Group has defined a set of 'Entity Level Controls'. These are used by business managers to verify if they have adequately implemented the corporate rules that are relevant to their business domain. They are also used by Internal Audit to conduct an 'Entity Level Control Assessment' (ELCA) in which deficiencies in the local implementation are formally addressed.
- In 2024, the group wants to implement what Group Compliance named the Horizontal Oversight', a process in 4 steps: 1-scoping to be sure to cover all entities 2-mapping of the external regulatory requirements and the internal rules and 3- monitoring of those rules in the different operational and functional departments including Actuarial function, Internal Audit and Risk Management and 4-reporting of the monitoring results into the new Group tool. This significant job is to be performed by Compliance.

The next sections provide more detail on the setup of the key functions and the processes supporting the overall risk management system.

B.4.1.1.2 Actuarial function

The Actuarial Function Holder (AFH) is an important function belonging to the second line of defence. It is applicable to all entities of Allianz Benelux. The global requirements are defined in article 59 of the new control law of 13/03/2016. The most important tasks of the actuarial function are:

- Conduct second line oversight on the calculation of technical reserves;
- Take in charge the appropriateness and consistency of models, methodologies, assumptions and change policy are adequate;
- Gives an opinion on the completeness, accuracy, appropriateness and timeliness of data used in actuarial processes;
- Analyze the best estimates compared to the experience;
- Give information to the board about reliability and adequacy of the calculation of the technical reserves;
- Follow up of the calculation of the reserves in case where there is not an appropriate actuarial method possible to estimate the obligation of the insurer;
- Express an opinion about the underwriting policy & profitability;
- Express an opinion about the suitability of the reinsurance structure;
- Contribute to the effective implementation of the risk management system;
- Express an opinion about profit sharing and rebate in respect of the existing regulation in this area.

B.4.1.1.3 Risk Function and related committees

- The 2nd line Risk Function fulfils both a support role and an oversight role:
- The support role concentrates on triggering employees at all levels of the company to be aware of the risks related to their business activities and how to properly respond and/or mitigate them.
- The oversight role focuses on helping to make the overall risk profile transparent and to ensure that it remains within the defined risk appetite.

An important contribution to this dual objective consists in ensuring that an adequate internal control system is put in place.

The *governance principles* of the Risk Function are:

- It is established as an independent function with unrestricted information access, in order to allow objective risk management and to prevent conflicts of interest.
- It operates under the direction of the CRO with a direct reporting line to the BoM and BoD.
- The responsibilities of the Risk Function are:
- Proposing the Risk strategy and appetite to the BoM/BoD;
- Overseeing the execution of the Risk management processes;
- Monitoring and reporting the Risk profile including the calculation and reporting of the SCR;
- Supporting the BoM/BoD through the analysis and communication of Risk management related information and by facilitating the communication and implementation of its decisions;
- Escalation to the BoM/BoD in case of material and unexpected increases of Risk exposure;
- Reporting the Solvency Assessment as well as any further material Risk management related information to Group Risk.

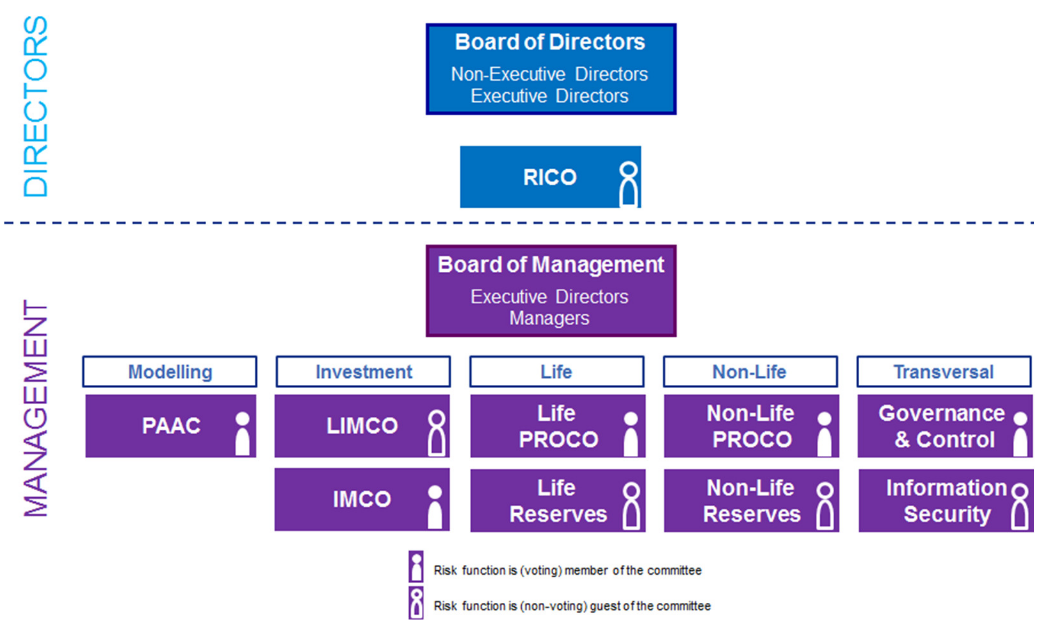
More specifically, the Risk Function performs the following *activities* throughout the year:

- Top Risk Assessment, with quarterly update to the BoM and RiCo
- Monitoring of Az BNL Solvency Ratio and risk limits, with quarterly update to the BoM and RiCo
- Participation as second line of defence to the Product Approval Process (Life, Non-Life)

- Operational Risk Management : monitoring of risks, issues, incidents, maintenance of the NFRM (Non Financial Risk Management) replacing IRCS (Integrated Risk and Control System)
- IT Risk Management (IT) Project Risk assessments
- Data Quality Management in the context of solvency reporting
- Quarterly SCR closing process
- Update of parameters and assumptions relevant to the SCR closing process
- Asset & Liability Management: quarterly reporting and organisation of meetings separately for Life and Non-Life
- Participation as second line of defence to the Investment Management decisions
- Projections for SAA (Strategic Asset Allocation) determination during Strategic Dialogue
- Projections of SCR and solvency ratio during Planning Dialogue
- Annual update of risk appetite and risk limits, following Planning Dialogue, approved by BoM, RiCo and BoD
- Coordination of regulatory and internal stress tests, communication to the BoM and RiCo
- Coordination on answering supervisor requests, follow-up on regulatory changes
- Annual ORSA report, approved by RiCo and BoD.

The RiCo members meet on a quarterly basis.

The integration of the Risk Function in the company's organizational structure is ensured by its representation is the committee framework, as the following diagram shows:



B.4.1.2 Risk management processes

Allianz companies adhere to the following quantitative and qualitative **risk management processes**. These processes are described below.

As to facilitate risk management overview, risks are structured into categories. Please refer to the overview of the *risk categories* and by which risk management process they are covered. The definition of the risk categories is given in section 4.2.2 of the ORSA report along with a discussion of how the various risk categories are apparent in the risk profile of AzBNL.

Risk Capital Calculation, i.e. SCR by means of the Standard Formula

- This is a key risk indicator. It is used to define risk tolerance as well as for risk-based decision-taking and capital allocation.
- Additional stress testing and scenario analyses are performed as part of the Solvency assessment in order to ensure that adequate capital is available to protect against unexpected, extreme economic losses.
- Detailed calculation performed and reported internally on a *quarterly basis*, allowing to closely monitor the developments in the solvency position and to evaluate against the risk appetite.
- Regular forecasting of the solvency ratio in-between the official quarterly closings, especially in case of events with material impact on the Own Funds or SCR.

Top Risk Assessment (TRA)

The Top Risk Assessment process is a structured and systematic process implemented across the Group. AzBNL considers it as a key component of its risk management framework.

- Scope: it comprises the identification, assessment, mitigation and monitoring of both quantifiable and non-quantifiable risks, across all risk categories and including concentration and emerging risks.
- Process: the entire TRA process is described in the “Allianz Standard for Top Risk Assessment” (ASTRA). This standard includes a methodology for determining an actual risk score of each top risk item. See also the ORSA report for more information on this methodology.
- Local implementation and governance:
    - The top risks identified by the TRA process are monitored on a continuous basis and they are reviewed, discussed and approved quarterly in the RiCo based on recommendations from to the Board of Management and reported for information to the Board of Directors.
    - For each of the (major) top risks, respective members of the Board of Management members are assigned as risk owners together with a target risk ratings expressing the risk appetite of each separate risk item. In case the actual risk rating is worse than the target risk rating, the risk owner is responsible for ensuring that a mitigation plan and follow-up are in place.
    - The annual ORSA report contains the results of the TRA as per year end.

Operational Risk Management processes

The Allianz definition of operational risk is consistent with Basel II, which defines operational risk as the risk of loss resulting from inadequate or failed internal processes, human error, systems failure or from external events. This definition includes legal and compliance risks, financial reporting risk and risks of a failure in the operations. It excludes strategic and insurance risks.

Since 2022, AzBNL has been applying the new Allianz Group risk & control framework, *Non-Financial Risk Management* (NFRM), replacing the former *Integrated Risk and Control System* (IRCS). The NFRM canvas is composed with 34 Non-Financial risk vectors across 12 risk domains. Owing to line of business (LoB) specificities, the Az BNL NFRM framework comprises 40 risk vectors. Each risk vector entails a number of control objectives, consisting in the actions to be taken in order to mitigate the vector. A “NFRM Control Catalogue” lists control objectives along with their related risk scenarios, recommended key controls an inherent risk rating. The Risk and Compliance departments are expected to map all their key controls to a control objective based on the “NFRM Control Catalogue”.

Under the NFRM framework, AzBNL continues to maintain the database of all key[12] risks including documentation of associated key controls (i.e. serving as mitigation measures for the key risks) , created in 2018 under IRCS.. The risks inherent to each company process and associated controls have been identified through extensive assessments, called *Risk Control Assessments* (RCA), which are conducted in close collaboration with the business. As to keep the Risk & Control database up to date, the RCA must be a repetitive process requiring an annual check by all 1st line risk owners, verifying and approving the completeness and accuracy of their risk control framework as represented in the database. All of this contributes to operational risk awareness within the 1st line of defence. Note that the ELCA process (see section 0) has also been integrated with the RCA process, i.e. the Entity Level Controls are included in the Risk & Control database.

To oversee operational risks from a 2nd line perspective, AzBNL has implemented the following processes:

- Forward-looking perspective:

A residual risk assessment of the 40 AzBNL risk vectors is carried out every year and forms the basis for the key control test plan and RCA plan. There are four main phases in the NFRM residual risk assessment:

1) The Non-Financial Risk taxonomy comprising the 34 (locally 40) risk vectors serves as a starting point. A residual risk rating will be defined for each risk vector.
2) The Pre-Assessment focuses on the data collection and data quality assurance for Inherent Risk and Internal Control Indicators. This comprises the pre-population of the respective Inherent and Residual Risk matrices with the data gathered from the respective sources.
3) As a next step, the Assessment will then focus on workshops with the senior risk owners to review the pre-assessment results and to integrate their business considerations to refine the assessment and sharpen its value as an ex-ante assessment. Dimensions for this Assessment will be “Company business profile / strategy” and “External market macro trends” for Inherent Risk, and “Organization (e.g., Org Structure Update)”, “Corporate Governance”, “Company Policies & Processes” and “IT Systems & Infrastructures” for Internal Controls.

As a last step, there will be a Validation of the results along with a discussion and sign-off of results (and agreed mitigations) in the RiCo and BoM.

A RCA is carried out jointly by Risk Management and Compliance with all departments to identify and assess key operational risks and to assure that risk mitigation measures including key controls are in place and sufficiently robust. The Enterprise Risk Management (ERM) Team is in a continuous interaction with the management of the different operational divisions in order to identify the operational risks to which they are exposed. Each functional division or department is asked to identify the risks applicable to its key processes and assess their materiality. This self-assessment is challenged by the Compliance and Risk management functions, who use the Residual Risk assessment of the risk vectors in scope, and the inherent risk assessment of the control objectives in scope as guidance.

A quarterly Non-Financial Risk Committee (NFRC) was set up in the first quarter of 2024 to achieve an efficient consistent and forward-looking internal control system by bringing together a cross-functional team of

[12] Key risk in the sense of having a potential high or very high impact, either financial or reputational.

operational risk experts into a decision, discussion and best-practice sharing forum. The NFRC monitors all non-financial risk topics and reports to the RiCo and the Governance & Control Committee (Gov&CC).

- Backward-looking perspective (learning from experience):

Audit monitoring: The Internal Audit function continuously evaluates the good execution of the system of internal controls and governance through the application of a systematic, disciplined auditing approach, involving a risk-based prioritisation leading to a year planning which ensures that a comprehensive audit-universe is treated recurrently within a 5-year time frame.

Operational Risk Event Capturing (OREC): within Allianz Group an operational risk event database is populated. It contains all operational losses and near misses, exceeding a certain reporting threshold (currently 25K). Learning from historical operational losses is essential in the identification of process or system weaknesses, and correction of the internal control system. Moreover, it facilitates sharing of information between operating entities.

Specific 1st line Risk Management processes

- In addition to the methods mentioned above, all Risk Categories are managed through the application of specific Risk management processes as outlined in more detail in further corporate rules (Allianz Standards and Guidelines). This corporate rules book is made available on the Group intranet of Allianz.
- In line with the ‘three lines of defence’ system, risk management processes are embedded wherever possible directly within business processes, including strategic, tactical as well as day to day decisions impacting the Risk profile. This approach ensures that Risk management exists foremost as a forward looking mechanism to steer Risk and only secondarily as reactionary process requirements.
- In addition, *Non-Financial Risk Management Champions* (NFRM Champions) are appointed within each BoM domain to support the roll-out of the ERM programme within the first line of defense.

Solvency Assessment

- The Solvency Assessment takes into account the entirety of the processes and procedures employed to identify, assess, monitor, report and manage the risks and solvency of AzBNL. The Solvency Assessment constitutes the “Own Risk and Solvency Assessment (ORSA)”.[13]
- The BoM/BoD plays an active role in participating and discussing the Solvency Assessment. The BoM/BoD takes appropriate actions based on the findings.
- All above mentioned sources provide input for setting company relevant *ORSA scenarios*, i.e. stress scenarios for which the probability and impact on the Solvency Ratio are estimated.

Risk categories

The table below provides an overview of the risk categories covered by the risk management system and in which process they are implemented.

[13] Details are outlined in the Allianz Standard for Own Risk & Solvency Assessment.

Risk Category	Risk Capital (SCR by SF)	Top Risk Assessment & ORSA	Specific Risk Management Processes
Market Risk	✓	✓	✓
Credit Risk	✓	✓	✓
Underwriting / Actuarial Risk	✓	✓	✓
Business Risk	✓	✓	✓
Operational Risk	✓	✓	✓
Reputational risk		✓	✓
Liquidity Risk		✓	✓
Strategic Risk		✓	

In addition, the AzBNL Risk Policy sets out three transversal risks applicable across all above risk categories: Emerging Risk, Concentration Risk, ESG Risk. Emerging Risk is subject to a dedicated process.

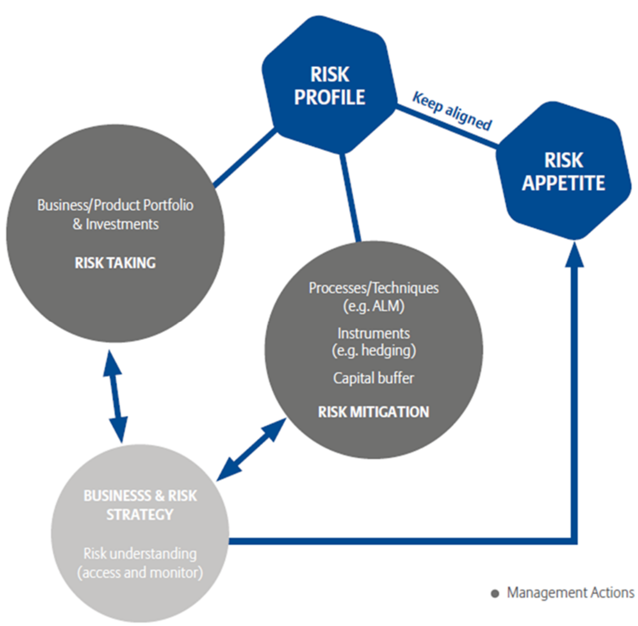
B.4.1.3 Risk strategy principles

The Risk Strategy is a core element of the AzBNL risk management framework. It promotes a risk-return approach for managing the risks that the company is willing to face in pursuing its business strategy, while preserving adequate solvency and liquidity at all times.

The Risk Strategy is implemented and monitored through the definition and management of risk appetite and related limits. Those limits are closely followed-up by relevant committees, involving representatives from the Risk Department and where required, the highest level of management of AzBNL.

This section describes the elements in terms of which the risk appetite is defined (sub-section 0) and subsequently how this is linked to the business strategy. The ongoing process of keeping the risk appetite aligned with the risk profile as it is induced by the business strategy forms the cornerstone of the risk strategy. Having a well-functioning risk governance and risk management system is a prerequisite for the risk strategy to function properly.

The following diagram summarizes the core concepts and their coherence:



Risk Appetite

Overall risk appetite

The *overarching principle of risk appetite* is based on the concepts of confidence level and risk capital:

- The confidence level sets the minimum probability for an insurance company to remain solvent over a horizon of 1 year. The regulatory prescribed minimum confidence level is 99.5%.
- Accordingly, an insurer must calculate and hold risk capital to cover for losses up to this level, corresponding to 100% Solvency Ratio.

However, an insurer shall adopt an *own risk appetite* that is more conservative than what is regulatorily prescribed, this to ensure that it can withstand a desired level of stresses without breaching the 100% Solvency Ratio. Allianz does this by setting a Management.

Adherence of the risk profile with the risk appetite is embedded in the regular risk monitoring processes (e.g. at least on a quarterly basis by the Risk Committee).

Concretisation

The risk appetite is specified in terms of tolerances for both qualitative and quantitative risk elements, which are reviewed at least once a year. The outcome of this process is included in the annual ORSA report.

<u>Qualitative elements</u>

1. *Risk Appetite ratings (tolerance levels) for top risks*

   For all identified top risks the risk appetite is determined by assigning a risk tolerance rating. All together these ratings define the overall risk appetite with respect to the identified top risks and are approved by the Board of Management on an regular annual basis (at least annually). The outcome of this process is included in the annual ORSA report, also approved by the Board of Directors.

2. *Risk policies, standards and guidelines*

   A set of policies, standards and guidelines further defines (minimum) risk management requirements for specific risk categories, thereby also steering the risks taken within the 1st line business processes.

<u>Quantitative elements</u>

3. *Capital ratio levels*

   As part of the capital planning process, adequate capitalisation levels are determined taking into consideration future solvency needs, adverse shock scenario's and regulatory requirements. More specifically, a Management Ratio is defined and calibrated on an annual basis. Based on this a Capital Management Plan is defined. It consists of thresholds around the Management Ratio serving as triggers for additional de-risking and/or capital measures.

   Capital adequacy is monitored on an ongoing basis and evaluated quarterly by the Risk Committee. In case of a breach of a threshold, recovery actions are set out, in accordance with the Capital Management Plan.

   More details on the design of these concepts as well as the outcome of the annual update of the Management Ratio and the Capital Management Plan is included in the annual ORSA report.

4. *Limits*

To maintain a balanced risk profile without any disproportionately large risks, AzBNL has additional limits in place for individual risk categories. Exposure to single market risk type is restricted by determining the strategic asset allocation including leeways. Furthermore, counterparty concentrations are managed within a group-wide limit framework. Within this framework counterparty concentration limits are determined centrally and allocated to the different operating entities. Allocated limits can be further reduced at the discretion of the local management if required from a risk appetite perspective. The annually reviewed limit settings are included in the ORSA report.

Link with business strategy

As the risk landscape is continuously evolving, the risk profile is subject to substantial changes. In order to ensure that the risk profile remains aligned with the risk appetite, the business strategy is reviewed by the Board of Management of AzBNL at least once a year and controlled by the BoD via its RiCo. In particular, the Board of Management makes sure that risks taken to realise the chosen business strategy are well understood and that corresponding risk management actions are defined.

The Strategic Dialogue and the Planning Dialogue are key moments of this annual process:

- The Strategic Dialogue (SD) takes place in the middle of the year (May) between Az BNL and the Group. The goal of this meeting is to achieve a mutual understanding about the strategic direction and the related risk-return mix. Financial targets regarding dividends and capital needs are compared with the capital limits framework in place.
- In the Planning Dialogue (PD), which takes place in autumn (End of November) , the forecast for the current year and the plan for the next three years are presented by Az BNL to the Group. The main focus is on the bottom-up plan for the budget (next) year, with an additional 2 years also being planned and presented. The OE plan details the strategy as agreed in the preceding Strategic Dialogue.

B.4.1.4 Other specific items

Appropriateness of credit assessments

Az BNL follows the Allianz Group in his matter.

In order to assess the credit quality of obligors/issuers/counterparties in the Allianz investment and reinsurance portfolio, Allianz applies an internal rating approach PR+ that combines the long-term external credit assessment by ratings agencies with market implied rating and up-to-date internal qualitative credit assessment by Allianz credit analysts in order to reflect current market developments.

In order to assign a rating to a counterparty, an external rating is at first selected from external credit assessments (from Standard & Poor's, Moody's and Fitch) by applying a Allianz internal rating "waterfall", and then this rating is verified and/or adjusted (e.g. manually downgraded) by credit analysts considering:
- Primarily Moody's Market Implied Ratings (MIR) and
- Other available information sources useful to assess the credit quality of counterparty, its industry sector and the macroeconomic environment.

Various sources of information used in the internal credit analysis include for example:

- Rating agency analysis and credit opinions,
- Research vendor products,
- Sell-side research,
- National central banks and statistical offices,
- Multilateral sources (e.g. IMF, ECB, OECD),
- Allianz Trade country risk reports and Allianz Trade country risk ratings,
- Newspapers, periodicals, or
- Information from asset managers, Allianz Investment Management, or local operating entities, who are required to share concerns about the credit quality of counterparties with Group Risk.

In order to prioritize credit analysis resources, agency ratings are reviewed and adjusted only in case of material and persistent deviations from generally more volatile market-implied ratings, which translate market metrics (e.g. CDS-implied spreads or bond-implied spreads) into rating grades.

Concretely, PR+ generates on a monthly basis downgrade proposals, which are reviewed by experienced credit analysts, who are authorized to accept or reject the proposals. Credit analysts develop an independent, comprehensive opinion of the credit quality of counterparty in scope of PR+, using all sources of information mentioned above. Counterparty analysis results can trigger additional discretional rating adjustments, reflecting material changes of the creditworthiness of an obligor not yet considered in the external credit assessment.

Allianz internal PR+ is used as an early-warning indicator for monitoring the quality of obligors and, therefore, drives credit risk capital results, obligor limit setting and credit risk management actions such as classification as ”watch list”, limit and exposure reductions.

Obligor limit management framework (CRisP)

CRisP is a proprietary Group-wide obligor and country limit management system for identification, assessment and management of exposure concentration risk in order to restrict potential losses from single credit events and on an annual aggregated basis at the Group and OE level. CRisP limit system and the corresponding governance framework are applied at Allianz since the beginning of 2010. The limit framework covers obligor concentration risk related to credit and equity exposures.

Limits for obligors and obligor groups are defined based on a factor-based approach taking into account the risk-bearing capacity of the Group or single local entity (reflected via an anchor limit), the credit quality of each obligor (PR+), the obligor segment (bank, corporate, etc.), the obligors’ domicile country and its balance sheet size.

Classification “on watch” for a specific obligor (that can be triggered by PR+ and credit analysis) essentially indicates that a substantial gradual CRisP limit adjustment close to the current exposure level is deemed to be necessary and will be started immediately. Correspondingly, new investments should be avoided to keep exposure constant or achieve a gradual exposure reduction.

Yield Curve Extrapolation, Matching Adjustement and Volatility Adjustement

In the computation of its Solvency ratio, Allianz applies the following long-term guarantee measures defined by the EIOPA: the yield curve extrapolation and the volatility adjustment. Allianz Benelux does not apply the matching adjustment since none of its liabilities qualify for it under the current requirements. It is important to note that the discussed measures are not transitional and no element leads to think that the volatility adjustment could be removed in the future.

Allianz Benelux computes on a quarterly basis the sensitivity of its own funds to the assumptions underlying the extrapolation of the risk free interest term structure.

Prudent Person Principle

Amongst the major principles and rules for the management of Insurance Investment Assets is the prudent person principle. Under this principle covered by a PPP policy adopted in 2018, Az BNL shall adhere to the prudent person principle with respect to their whole portfolio of insurance investment assets. The prudent person principle applies to Az BNL and persons involved in investment related activities. It comprises rules concerning the due diligence and processes, the care, skills and delegation, the quality of investments, and diversification. Specific restrictions apply to specific asset categories. The investment management function steers the assets according to the prudent person principle, which is characterized by the following main rules:

- Investments are only possible in assets and financial instruments whose risks can be properly identified, measured, monitored, managed, controlled and reported, and appropriately taken into account in the assessment of its overall solvency needs.
- Furthermore, all assets are invested in such a manner as to ensure the security, quality, liquidity and profitability of the portfolio as a whole. In addition, the localization of those assets shall be such as to ensure their availability.
- Special care is taken for those assets covering the technical provisions. They are invested in a manner appropriate to the nature and duration of the insurance and reinsurance liabilities. The best interest of all Allianz policyholders and beneficiaries is taken into account respecting any disclosed policy objective.
- Conflicts of interest are resolved in the best interest of Allianz policyholders and beneficiaries.

B.4.2 Own Risk & Solvability Assessment (ORSA)

As explained in section 0, the ORSA integrates all risk management processes and ensures active involvement of the Board of Management and the Board of Directors.

The purpose of the ORSA is to provide ongoing and prospective insight into the resilience of the undertaking, either under potential adverse events, or as a result of a chosen business strategy. The aspect of risk resilience is translated into solvency requirements that have to be met at all times. Furthermore, the coherence between risk strategy (risk appetite), business strategy and capital management is discussed and established in the ORSA.

While the ORSA as a process is *performed on an ongoing basis in the context of the risk management framework*, the results are *reported annually* (unless a trigger event would require an additional report update). The reporting date of the annual report is year end. It thereby describes and analyses the risk profile at year-end in comparison with previous year, and, it sets the risk appetite for the coming year. The ORSA report is approved by Top management (RiCo/BoM/BoD).

The ORSA process adheres to the following three underlying principles:

I. The ORSA is a *comprehensive and forward-looking* assessment of capital adequacy[14]

II. The ORSA *supports business* decisions

III. The Board of Management is an *active participant* in the ORSA.

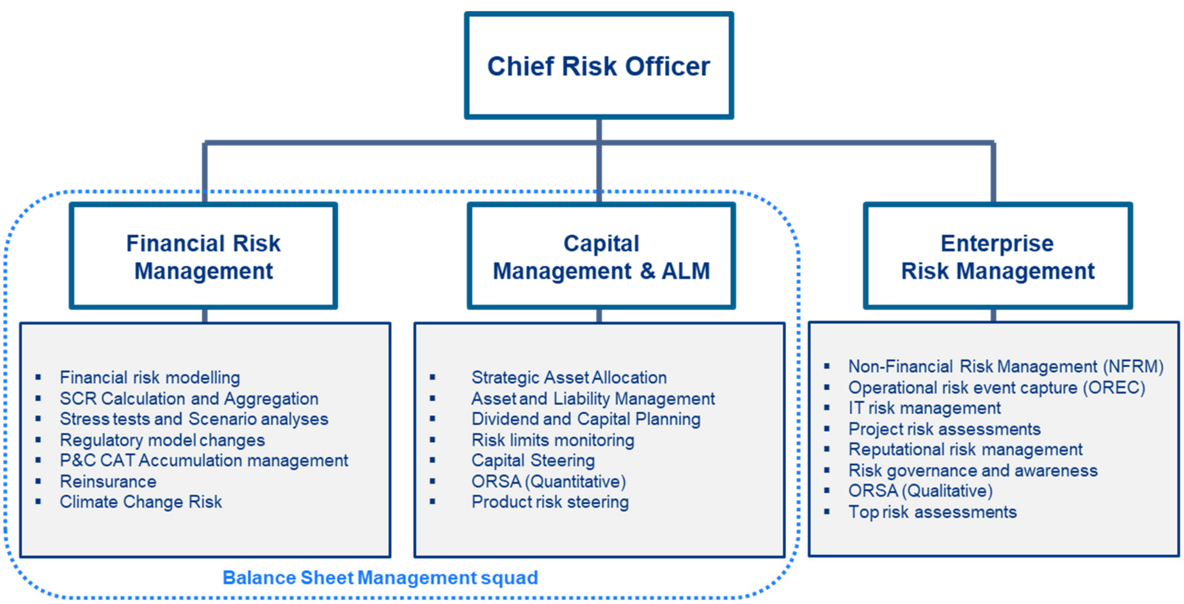
Further details on the concept, process and methods are included in section 2.2 of the ORSA report itself.

B.4.3 Risk Management function

Refer back to section 0 describing the implementation of the Risk Function within the organisation.

Organisation

The following graph shows how the various activities[15] of the Risk Function are organised in complementing specialized teams, managed functionally at Allianz Benelux level by the regional CRO:



[14] This is made concrete by identifying a list of *stress scenarios* and assessing the impact thereof. See section 5.6 of the ORSA Report.
[15] See also section 0 for a detailed list of the activities performed on an annual basis by the Risk Function.

Risk Policy

In order to ensure consistent implementation of Solvency II regulation, Allianz SE provides and maintains a framework of 12 policies[16] which entities within the Group adopt to the local context. They are reviewed and updated annually this to reflect any potential changes in the regulation. The annual update process is controlled by the BNL Gov&CC, validated by the BoM and concluded by BoD approval of the policies. For Allianz Benelux final approval is by the Board of Directors.

The Risk Policy describes the core risk management principles, processes and key definitions to ensure all material risks are managed consistently throughout the Group. Note that the content provided in this Section 0 is in full alignment with the Risk Policy of Allianz Benelux S.A..

B.4.4 Contingency plans

Az BNL focuses its emergency plans on 4 dimensions:

a) People with the HR Succession Planning

Since 12 years, HR keeps updated a plan to be able to replace any key Executive in case of unavailability whatever the reason. This plan is regularly reviewed still in Q3-Q4 2023.

b) Systems & Devices with the IT Disaster Recovery Plan

BCM is in charge to elaborate, regularly update, yearly test and if any, apply the DRP and the BCP to be able to recover the key-services, IT applications and core applications in the shortest periods of time to serve again customers, third parties and more generally any stakeholders in case of disaster. Both DRP and BCP are now under responsibility of Protection & Resilience (see chap. B.4.9)

c) Capital adequacy review

This exercise is performed by Risk Management every quarter. The aim is to control that the required capital and more precisely the Solvency Ratio is sufficient to cover our risks and to intervene in case of urgency depending on thresholds commented above (see.chap.B.3.2.3).

d) Stakeholders with the CC Crisis Scenario Plan

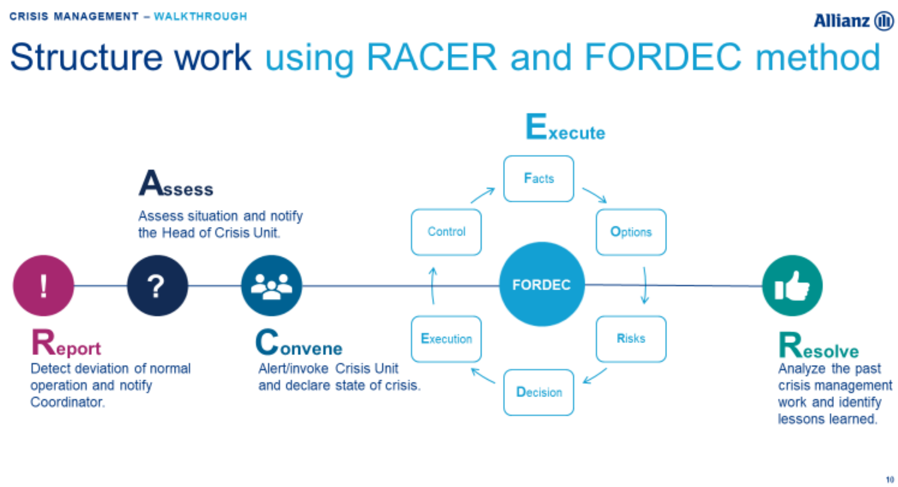
For Az BNL, it is essential to react adequately when an unexpected event (complaint, litigation, accusation, public reproach, cyber-attack, Asian flu, terrorism threat, etc…) threatens to jeopardize or deeply harm the company's reputation. This item is also managed by Protection and Resilience (see.chap. B.4.9.)

Crisis Scenario Plan (CSP)

The methodology of Crisis Management is described in the AS for P&R[17] and based on :

- RACER: report, assess, convene, execute, resolve
- FORDEC: facts, options, risks, decisions, execute and control

[16] Risk Management, Internal Audit, Legal, Information Technology & Informmation Security, Compliance, Governance & Control, Fit & Proper, Actuarial, Capital Management, Accounting & Reporting, Outsourcing and Remuneration.
[17] See chapter B.4.9)See note 13



This methodology is the cornerstone of the Crisis Scenario Plan developed in line with the *Allianz Standard and Functional Rule for Protection and Resilience (AS/FR PR) and the Allianz Standard for Reputational Risk Management (ASRRM).*

The idea is to help the crisis unit to successfully manage the escalation form (i) a regular incident, (ii) an incident that has the potential to escalate into a genuine crisis and (iii) a crisis.

The crisis core unit is a team of 5 people: COO, Corporate communication, Head of legal/Chief Compliance Officer, Chief HR Officer and Head of Protection & Resilience. This crisis unit can benefit from a support team working with topic experts in the company's premises or elsewhere in Rotterdam and Brussels. The COO steers and reports to the BoM.

All parts of the framework are defined in an Az BNL AS P&R[18]: meeting checklist, crisis situation checklist, communication crisis principles, general guidelines, approach by type of scenario[19], do's and don't's, coordinates of key-people, complaint handling, public sensitivity cases, lessons to be learnt.
The process is quite comprehensive and documented.
This process was successfully tested during a full-scale crisis simulation exercise on a cyber-attack carried out on 09/10/23 with a debrief on 21/11/23.

Information Security Office (ISO)

Organisation

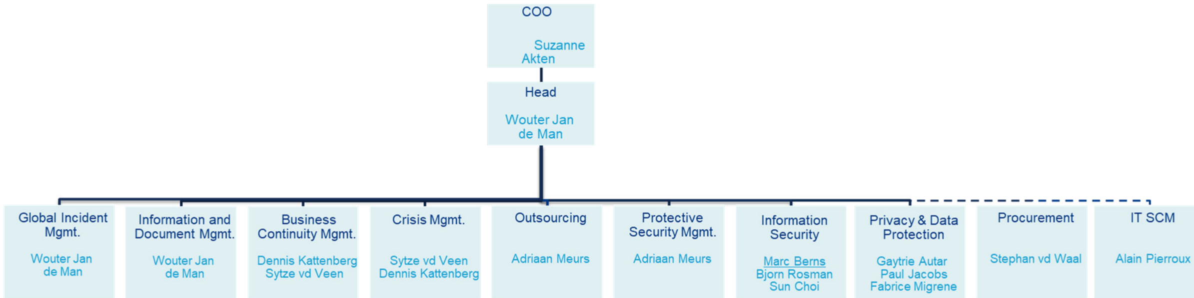
The Chief Information Security Officer (CISO) directly reports to the Head of Protection and Resilience. Within the Allianz Benelux structure, it acts in a transversal manner and independently of any other unit, including the IT department.

1) Covers IT risk and Information Security,

2) Legal entity Luxembourg liaison via COO for regulatory reasons (control over LU Life must be in country)

Liaise with other risk functions (Audit, ORM, IT, BCM, Compliance, Data Protection) on Information Risk.

[18] Allianz Standard about Operational Resilience
[19] 12 assumptions treated :facilities and building not accessible, majority of staff affected, kidnapping/ransom case, viral diseases, central IT systems affected, major business processes affected, major political changes, considerable short-term/long-term national or international media coverage, regulatory or governmental action against AzBNL, significant loss of IP rights, third parties compromising a critical service provider.



Mission

The CISO mission is the initiation, monitoring and centralized coordination of all the methods, actions and preventive measures involving the information security of the company and all its resources, as well as the management of information security incidents.
The CISO areas of responsibility are defined as follows:

- ***Information Security***: This area encompasses all matters relating to information security, i.e. to the security of information and its information technology, whether in a mainframe environment or in the open systems world, for all the applications used by Allianz Benelux. The aim of information security is to take all measures that prove necessary to best ensure the confidentiality, integrity, availability and safeguarding of information, and to prevent its misuse.

  The policies and standards governing information security are the Allianz Group Information Security Framework, consisting of Allianz Policy for IT and Information Security (APITIS), the Allianz Functional Rule for Information Security (AFRIS) and the Allianz Functional Rule for Information Risk Management.

The CISO may act on its own initiative in its areas of responsibility but all of Allianz Benelux departments are invited to spontaneously involve CISO in their cases, projects, tasks and activities whenever any aspect of CISO areas of responsibility may be involved. Moreover, CISO has a right of audit for all matters relating to the company's information security.

In compliance with Belgian and Dutch legislation & regulations as well as policy and standards issued by Allianz Group or professional best practices, CISO:

- draws up proposals for the Board of Management on the objectives to be achieved in the area of information security and the policy to be implemented;
- establishes the information security guidelines derived from these objectives, the policy and the functional rules;
- publishes information within the company either for use by all personnel (through the intranet and 'news'), or targeted to the relevant people, and if necessary initiates the required training;
- supervises and coordinates the implementation of policies, standards and procedures by the relevant divisions;
- ensures compliance with (internal and external) policies, standards and procedures which fall within their scope.
- takes into consideration the DORA regulations to comply with this mandatory protection and prevention framework.

Cloud Computing

According to the Allianz Policy for IT and Information Security (APITIS)[20], the Allianz Functional Rule for Information Security (AFRIS) and the Allianz Functional Rule for Information Risk Management, it is not allowed to transfer information to unauthorized internet-based or external storage solutions out of the solutions (AWS (Amazon) Azure (Microsoft), GCP (Google) and IBM challenged and monitored by Allianz Group with specific conditions and guarantees negociated by Az Technology). Processing of information needs to be in accordance with applicable outsourcing standards. The use of Public Cloud services (new and existing) must be identified by CISO and based on information risk assessment for the authorization.

To ensure the confidentiality, integrity and availability of Allianz information and to establish trust with cloud solutions, it is essential that controls are implemented to assure the information security of information. These include:

- Protection of confidentiality of information (data): Information must not be viewed or changed by unauthorized people, including the systems operator.
- Information must not be viewed or changed by unauthorized people at runtime when it is loaded to the system memory.
- Protection of Confidentiality and Integrity of information when transferred through networks: Information must not be viewed or changed by unauthorized people as it is transferred through networks. This requirement includes the security of information that is being transferred within or between external cloud systems (internet) or own internal corporate systems (intranet).

Where a Public Cloud service is used to handle (store, transmit and process) Allianz data classified as Internal or above, the following conditions must apply:

- Where the scoping of a business application assesses the inherent information risk as Very High, and the CISO has disagreed with the Final Decision and recommended escalation following the completion of the Cloud IT Risk Assessment (CITRA) process, the Benelux COO must approve the use of the Cloud service.
- The use of Cloud services can only be approved provided an authorized contract has been negotiated by the OE Procurement Department. An authorized contract ensures the business need of the service.
- Allianz Information must not be handled by a Cloud service unless the CITRA process in Section C of this document has been followed.
- Protective measures must be implemented to protect confidential or strictly confidential Allianz information. These measures include encryption at rest, encryption in transit, and may involve tokenization
- Access to Allianz Information: Authentication and authorization for users is required in order for Allianz information to be accessed at any time. Users can access information only through the right way.

Information Security

- Allianz Benelux is in line with the basic principles of Information security and complies with the rules of conduct. In order to gain a better understanding of this overall approach, it seems essential to draw more specific attention to the following points:
  First of all, Allianz Benelux is a subsidiary of Allianz SE and, as such, is obliged to comply with the information security policies and standards imposed on all Allianz Group entities. The common information security best practices applicable to us are based on the most demanding criteria, including the ISO 27001 standards for information security. The basis of the requirements for our group are recorded in Allianz Policy for IT and Information Security (APITIS), the Allianz Functional Rule for Information Security (AFRIS) and the Allianz Functional Rule for Information Risk Management (AFIRM) . A copy of which may be transmitted upon request if necessary.

[20] Translated in a BNL IT&IS policy in 2020.

- The frequent external and internal audits to which we are subjected generally conclude that Allianz Benelux is at a level of compliance considered to be entirely satisfactory both in relation to these standards and in relation to all the other security constraints that apply to it or recommended.
- Allianz Benelux offers an informative website and, in a very limited way, interactive (www.allianz.be), allowing the call of interactive and transactional applications a secure portal. All comply with the new prudential requirements of the NBB and the secure portal, allowing the subscription of contracts or the updating of contractual data, are subject to particularly strong authentication. (Two factor authentication applying Onespan Digipass technology. If our purely informative site is accessible by everyone via the unsecured internet, this is never the case for interactive applications and never in our transactional applications, protected by two factor authentication. Indeed, the commercial strategy of Allianz Benelux has chosen to work through the world of brokering. This strategy is transposed to the level of computerized exchanges, a fortiori to obtain access to our on-line applications.

To access such applications, two channels may be used by authorized brokers:

- The owner Portima channel. Authentication is delegated to Portima but the internal application authorisation of the access rights remain entirely managed by Allianz Benelux. However, it concerns the essential flow of the brokers' access to our transactional modules, and even the single flow in Non Life.
- The Internet. In this case, however, brokers and affiliates can connect to modules of our IT infrastructure only via our secure lines (VPN), which is accessible via two factor authentication using the Onespan Digipass (One Time Password), which was delivered to them personally. While specifying that our links are secure.

- The constancy of the availability of the sites and applications offered to our external correspondents is an essential element integrated at the design of the site or the application. In order to deal with serious accidental elements, Allianz Benelux has a Business Continuity Plan in line with the BNB's recommendations and is regularly adapted to internal and external developments; It shall likewise be subjected periodically to the DRP tests.
- Examinations entrusted to external experts (auditors), are carried out on an annual basis that we name our Penetrations Tests. They are either general (Full overview of our external applications) or targeted in this case carried out before the start of production of a new application or based on significant changes at the application level and infrastructures.
- In addition to their own obligations and procedures, Allianz Benelux always requires its external service providers to comply fully with the Group's information security and continuity rules and standards. The possibility of having a security audit performed is an integral part of such agreements, in the same way as the Service Level Agreement, SLA conditions. The legal and compliance department of our company always oversees the drafting of these contract agreements.

- Business Continuity: Business Continuity Management (BCM) concerns the management of all the resources and procedures enabling the company to minimise, in duration and in scale, the consequences of the forced interruption of its activities: the "BCP" (Business Continuity Plan) has been implemented and follow-up of the "DRP" (Disaster Recovery Plan) is carried out with our IT services provider Az Technology.

  The policies and standards governing business continuity management are defined in the Allianz Standard for Protection & Resilience and the Functional Rule for Protection & Resilience.

Business Continuity Management (BCM)

BCM, in line with Allianz Group's standards, comprises the following activities:

- Business Impact Analysis (BIA)
- Risk Impact Assessment (RIA)
- BCM strategy
- Training and awareness-raising
- Business Continuity Plan /Disaster Recovery Plan (BCP/DRP) tests.

As regards information security and BCM, Protection & Resilience communicates with the company's various units through line management, experts and a structured network of IOCs (IT and Organisational Correspondents) in Belgium and BVs (Business validators in the Netherlands). These are contacts with in-depth technical knowledge of the resources and needs of their department, as well as of the technical constraints and objectives in the area of information security and business continuity. In this context, a monthly meeting is organised with the IOCs and/or BVs contacts in charge. The purpose of this meeting is to address the different information security and BCP issues to be dealt with and it is also used as a training, information and awareness-raising session.

For continuity management, Protection & Resilience also leads a team responsible for BCM (Business Continuity Management); this team consists of various specialists (from SR, Allianz Technology, IT, Architects, etc.) and its role is comparable to that of the Information Security Committee, but for subjects relating to continuity.

Various actions orchestrated by Protection & Resilience were carried out and maintained during the year with participants in the BCP so as to verify and validate the procedures in place.

Succession Development (P&C[21])

During the annual Talent Discussion we re-focused on succession planning for executive positions and successors development. By mitigating business risks, we ensure business continuity for key and critical roles through smooth transitions in case of a planned or unplanned vacancy. By identifying potential successors for executive and key/critical positions in different readiness levels and developing them appropriately, we ensure candidates are ready to take over when a position becomes vacant. It is important that we develop potential successors to help them close any skills or experience gaps. By filling a position with internal candidates from Az BNL or the Group, we reduce executive search costs.

- From succession planning to succession development to ensure effective transitions.
- Succession development acts as insurance for our business.
- Identifying and developing internal talent saves costs.
- Succession development is embedded in the annual Talent Discussion.
- Global Tool ‘Success Factors’ is filled with data and updated per quarter (hires/ leavers, etc.)
- Four categories are defined with regard to the readiness of the candidate in scope:
  Emergency Candidate - Ready now to 1 year - 2 to 3 Years - Next Generation
- Process owner is Chief P&C Officer, delegated underlying procedures to the Talent & Development managers; in other words, we initiate and follow-up.
- Global alignment is done at Group level; matching people to positions and/or filling Succession Pipeline by using the mobility of the Allianz population in scope.

B.5 Internal Control System (ICS)

B.5.1 Relationship between the three lines of defence

Allianz risk governance framework is based on a three lines of Solvency II defence system at Group as well as at Allianz Benelux level. (see Risk governance chapter)

To ensure an effective ICS, all functions are obliged to cooperate and to exchange necessary information and advice.

The second and third line functions closely cooperate, maintain reciprocal oversight and are aware of the concrete tasks and competencies of each sister function. A specific monthly meeting is scheduled for each head of independent control function to align and share views.

[21] People & Culture, Group expression meaning HR

B.5.2 Role of the second line departments

Compliance is responsible for integrity management which aims to protect the Allianz Group, its OEs and employees from regulatory and reputational risks.

Legal Services intervening as a 2nd line of defence seeks to mitigate legal risks with support from other departments. Legal risks include legislative changes, major litigations and disputes, regulatory proceedings and contractual clauses that are unclear or construed differently by the courts.

The Actuarial Function is expected to provide a holistic actuarial oversight of the company. All of its opinions, are sent, prior to or after any decision being taken, to the Board of Management, the senior managers concerned and the other independent control functions (Head of Internal Audit, Chief Compliance Officer and Chief Risk Officer) and the Board of Management does not hesitate to respond, consult or request additional work.

Risk management is responsible to maintain the transparency on the risk and internal control framework and to facilitate the communication and implementation of the risk committee decisions.

Compliance and Risk are also responsible for steering and motivating people appointed in the 1st line of Defence to promote the risk culture: for Compliance, decentralized Control Officers (DCOs) and Privacy Champions; for Risk, Internal Risk and Control System Correspondents (IRCS correspondents).

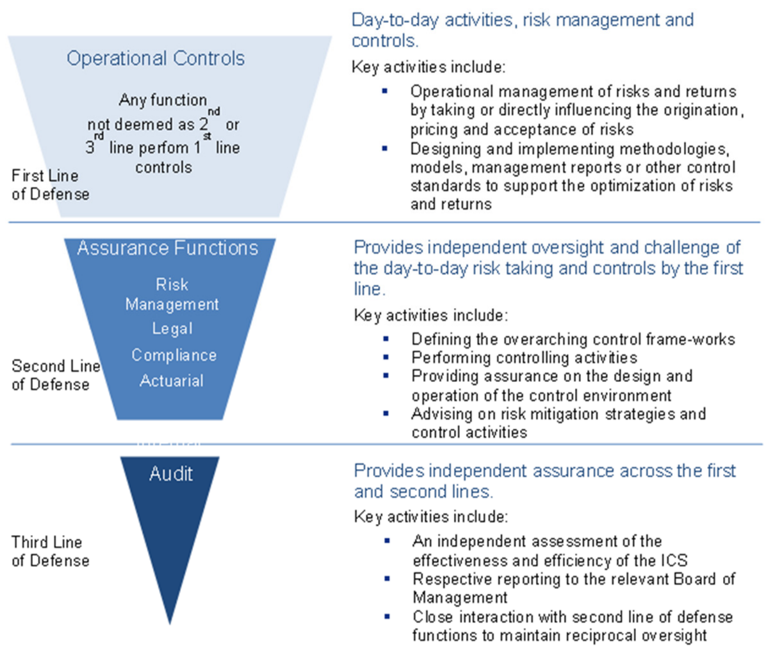
B.6. Internal Audit Function

B.6.1. Fundamental Principles

1. The mission of Internal Audit is to enhance and protect organizational value by providing risk-based and objective assurance, advance and insight.

2. The Internal Audit Function is a key function within the Internal Control System of Allianz Benelux. Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the organization's operations. It helps the organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
Therefore, Internal Audit activities are geared towards helping the company to mitigate risks as well as further assist in strengthening the organization's governance processes and structures.

3. Based upon this definition, Internal Audit acts as a "last-line of defence" in the Three-Lines of Defence Framework.



4. As trust is placed in their objective assurance about risk management, control, and governance, Internal Auditors are expected to apply and uphold the following principles in line with the Standards and Guidance set by the Institute of Internal Auditors (IIA).:
   - Integrity
   - Objectivity
   - Confidentiality
   - Competency

B.6.2 Objectives

Internal Audit, due to its independent and objective role, supports the company's Management to mitigate risks as well as to assist in strengthening the organization's governance processes and structures by reviewing activities and procedures in all areas, without scope limitation, with the objectives of:

- Safeguarding of the company's assets;
- Strengthening effective Internal Control and Risk Management/Controlling Systems by assessing and evaluating their adequacy and effectiveness;
- Strengthening compliance with legal and supervisory regulations, as well as corporate principles and guidelines;
- Fostering the appropriate and efficient use of resources.

B.6.3 Tasks

Internal Audit serves the organization in the following manner:

- Internal Audit informs the CEO's, the Board of Management, the Audit Committee and the Financial Reporting and Disclosure Committee of the adequacy, efficiency and effectiveness of the Internal Controls and Risk Management/Controlling Systems within the company. This includes monitoring the realization of agreed-upon measures for improvements as well as receiving, investigating and following up on possible occurrences of fraud and management override. Additional committees who have governance oversight over these areas may be informed.

- Based on a comprehensive, risk-oriented audit plan, Internal Audit conducts audits of the Internal Control and the Risk Management/Controlling Systems which are integrated into business processes and structures of the company. Furthermore, unplanned audits, as per management's request or due to new risk developments, are also performed.

- Internal Audit evaluates the potential for the occurrence of fraud and assesses the effectiveness of design and operations of the controls within the organization intended to manage and mitigate fraud risks.

- In cases where the audited entity has engaged a third party (e.g. outsourcing), the audited entity typically has the responsibility to ensure that adequate controls are in place and can be reviewed by Internal Audit. The right to perform direct audits at the service provider must therefore be included in the respective Service Level Agreement and general standards regarding confidentiality and dissemination of audit reports would apply.

B.6.4 Structure

Since the set-up of the Benelux organization, Internal Audit function covers now the 3 Benelux countries. The department is composed of the Head of (internal) Audit, a Deputy HIA based in the Netherlands, 1 Lux Audit manager and 8 auditors.

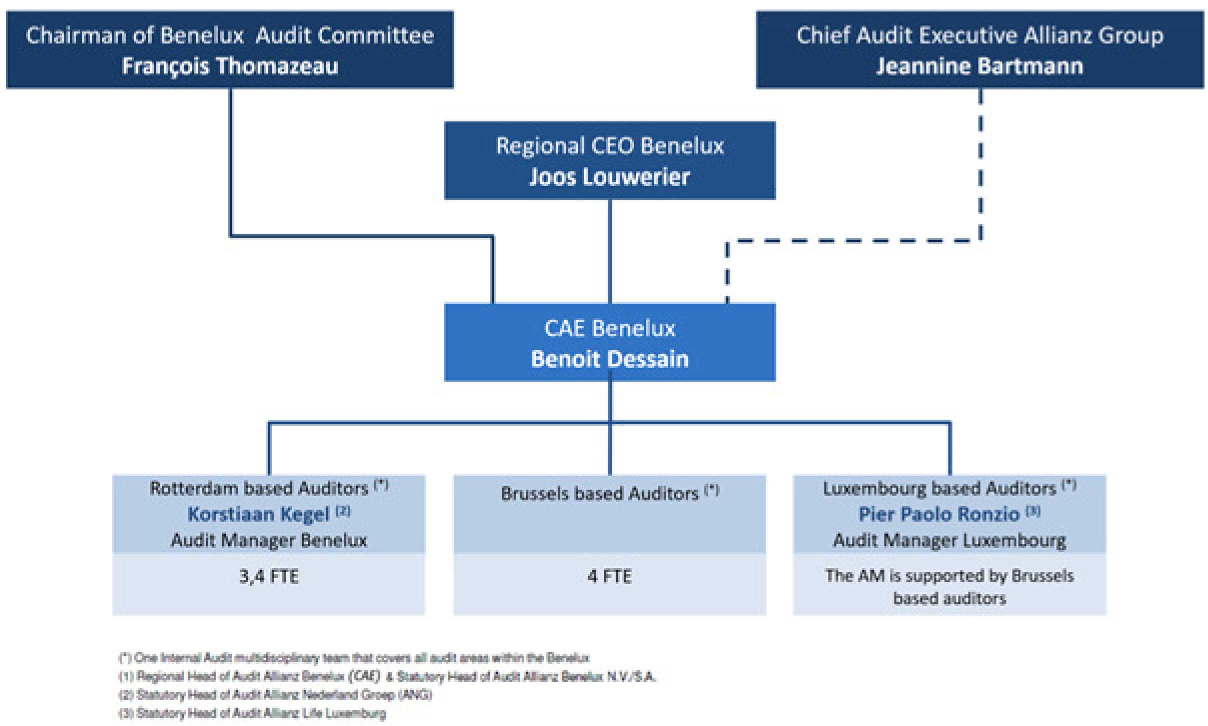
B.6.5 Reporting line and Organizational independence

The Internal Audit Function has a standing within the organizational structure that ensures to maintain the necessary independence from first-line and second-line functions.

Independence Function is also thought, for instance in terms of reporting[22], objectives, target setting, compensation or by any other means. Internal Audit must avoid conflicts of interest in fact or appearance. Internal Auditors and the Internal Audit function have the authority to express assessment and recommendations but cannot give orders (except in cases of suspicion of illegal activities/fraud).

To ensure the independence of Internal Audit, the Head of Internal Audit (Chief Audit Executive (CAE)) reports directly to the CEO's and has a functional reporting line to the Chairman of the Audit Committee.

Regardless of local reporting lines, the CAE of an Internal Audit department (IAD) has also a functional reporting line to the CAE of GAUD (Group Audit).



Duties related to reporting to the CEO and Audit Committee shall include the following:

- Submission and approval of the annual audit plan; and any significant changes to the annual plan
- Audit Plan must be reported to and approved by the CEO and the Audit Committee;
- Approval of the budget and resource plan;
- Impact of resource limitations;
- Direct interactions with the Chairman of the Audit Committee;
- Regular direct interaction at least once every 6-8 weeks with the CEO on status of plan fulfilment, audit results, new developments and other relevant matters; and

[22] A direct reporting line to the Board of Management, CEO and the Audit Committee exists. See also the next section regarding "Reporting lines".

- Annual confirmation of the organizational independence to the CEO (and/or to the Audit Committee, where applicable).

In addition to the reporting duties to the CEO and Audit Committee, IADs shall stay in regular contact with GAUD concerning the status of the audit plan, special investigations, and special incidents.

Generally, the Head of Internal Audit should participate in all the Audit Committee meetings (if applicable) and present the current status of audits, risks and issues. If his or her personal attendance is not possible, a Deputy should attend instead.

Within the scope of its functions, Internal Audit may perform consulting activities. However, the responsibility for the results remains with the receiving entity or area which holds ultimate ownership.

The Compliance function is separated from the Internal Audit function.

The Head of Internal Audit reports on a quarterly basis to the Board of Management and participates in all the Audit Committee meetings and presents the current status of audits, risks and issues.

For independence purposes, employees of Internal Audit are not assigned to functions beyond their audit activity.

The Head of Internal Audit must confirm to the CEO's, to the Board of Management and to the Audit Committee, at least annually, the independence of the Internal Audit activity.

B.6.6 Individual independence and objectivity

In Az BNL, auditors must perform their function in an objective manner and, audit findings must be based upon facts and supported by sufficient documented evidence. Auditor independence is a prerequisite to be able to give an objective opinion. Objectivity requires an impartial and an unbiased mind-set and work-approach which the auditor must retain during the course of conducting an audit. This requires that the auditor shall use a high standard in scrutinizing the quality and logic of her/his arguments. Discussions within the audit team, together with the Audit Managers or the Head of Internal Audit, and an advance clarification of important findings with the auditee contributes to a more balanced assessment.

Conflicts of interest, impairment of independence or objectivity, in fact or appearance, must be avoided. However, if unavoidable, possible impairment or conflict must be disclosed and the auditor is required to report to the Audit Managers or the Head of Internal Audit.

It is unacceptable for auditors to receive/accept benefits which could be viewed as, or lead to, a compromise or even the perception of a compromise to the objectivity of the auditors.

B.6.7 Unrestricted information access - Confidentiality

The Internal Audit Function shall have the right to communicate with any employee and obtain access to any information, records or data necessary to carry out its responsibilities, to the extent legally permitted. It has the responsibility and the right to review activities, procedures and processes in all areas of the Benelux, without limitation. Internal Audit has the unlimited right to obtain information[23] and management must inform Internal Audit of serious deficiencies and major changes in internal control systems. This information must be handled with discretion and confidentiality.

B.6.8 Right of direction

To ensure a high standard in Internal Audit, Group Audit has the authority to direct local Internal Audit functions as deemed necessary e.g. transversals, investigations. Any potential direction must not impact the independence and impartiality of the respective IAD. Such direction must also be well documented and demonstrate that it is based upon a rationalized risk-assessment.

Internal Audit has the authority to express its assessment and recommendations related to internal control issues. However, due to its role as an independent and objective party, Internal Audit generally cannot give orders, except in cases of suspicion of illegal activities/fraud wherein Internal Audit will have general authority to initiate immediate steps as deemed appropriate and necessary.

[23] The Benelux Internal Audit function must have access to information to areas where critical operational and/or internal control activities are performed. Therefore, a "participatory" (non-voting) role for the head of audit head in local committees exists.

When cases of severe legal breaches or suspicion of fraudulent activities exist, the involvement of government authorities (prosecutor and prosecuting authorities) may be initiated immediately. If the risk of destruction of evidence exists, Internal Audit may take appropriate measures to protect evidence (e.g. seize, lock and protect data, media and files). To the extent possible, such escalations or preventive measures should be coordinated with appropriate Management and relevant departments, such as Legal and Compliance take actions to escalate to the respective Group Center departments as needed.

B.6.9 Fitness and propriety

In the world of Az BNL, Internal auditors must possess analytical skills, knowledge in the field of finance, accounting and IT as well as an understanding of the organization of insurance and/or finance companies. In order to achieve and maintain the required professional skill level, continuing training is necessary. Skills in effective communication are also important.

Enhancing independence and objectivity, and avoiding potential conflicts of interest, tenure of internal audit key function holders shall be limited to eight years, with this time period starting from 01.01.2018 (compulsory rotation of heads of internal audit). Periodic rotation both within and to/from Internal Audit, whenever practical and depending upon the size of the Internal Audit department[24], can further support that internal audit independence is maintained. Moreover it provides benefits for the individual, both business area and the internal audit function, and the Benelux Companies.

The head of the Benelux Companies Internal Audit function must possess and effectively has the qualification, experience and knowledge required to evaluate the adequacy and effectiveness of the system of governance, issue recommendations, in particular as to deficiencies with regard to the internal control system and the compliance with the corporate rules, and verify the compliance with decisions taken as a consequence thereof. The Head of Internal Audit must be and is familiar with all Internal Audit relevant standards, publications and practices.

The head of the Internal Audit department to which the Internal Audit Function has been assigned, is the relevant key function holder (--> *Allianz Benelux Fit and Proper Policy*).

The head of the Internal Audit Function must share characteristics of (i) honesty, integrity and reputation, (ii) competence and capability, and (iii) financial soundness. The *Allianz Benelux Fit and Proper Policy* applies.

B.6.10 Audit related principles and procedures

The purpose of the Allianz Benelux Audit Policy is to ensure that the organization and work of the Allianz Benelux' Internal Audit function in the Benelux adheres to a consistent set of minimum rules and operating procedures such that the effectiveness of the controls necessary to achieve the Group's and the Benelux goals is ensured. It also implements regulatory requirements including circulars from the relevant Supervisors within the Benelux.

The Benelux Audit Policy is mandatory within Allianz in the Benelux and complies with the Allianz Group Audit Policy. This Benelux Audit Policy is communicated within and available in the organization through the Intranet. This Benelux Audit Policy does not contain material deviations from the Allianz Group Policy.

The Policy is reviewed at least once per year. This Policy and all material changes need approval by the Benelux Companies' BoM and, if applicable, the Benelux Companies' BoD (Audit Committee).

The Internal Audit Function establishes a framework of audit related written principles and procedures.
In this regard, the Allianz Group and the Benelux Audit Policy are supplemented by the Standard Audit Manual (SAM) which is developed by and vetted with the Allianz Group IAAC. As a "living" document, the SAM provides more detailed discussions on the Allianz Standards on auditing which are compulsory and, consistent with the Allianz Group Governance and Control Policy framework structure. Both are therefore required of the Benelux Internal Audit function. Additionally, Group Audit, together with the IAAC, further

[24] Az BNL fully applies this principle.

develops guidelines which provide more in-depth discussions on recommended methodologies in fulfilling the audit function's roles and responsibilities.

The Benelux Internal Audit function shall adhere to the auditing framework and standards that are prescribed and recommended by the IIA including its professional Code of Ethics, if applicable, and in line with Allianz' internal Corporate Rules and Documents.

In 2023, the Benelux Audit Policy has been updated to reflects alignement with Group Audit Policy, version 12.0.

B.6.11 Outsourcing or delegation of Internal Audit tasks

In general, Internal Audit should be exercised with Allianz Benelux internal resources. If Internal Audit lacks certain knowledge, skills or competencies at the Benelux Companies level, resourcing should primarily be sought within the internal audit community, and secondarily from within AZ Group. If not available, assistance may be sought from third parties. In cases of outsourcing, as permitted by law and supervisory bodies, the Benelux Internal Audit management remains responsible for achieving all required audit standards defined by the Group and the Benelux Audit Policy and in the Standard Audit Manual (SAM) as well as other supporting Allianz Group and Benelux Standards.

Generally, outsourcing of an Audit function to external providers is not permitted. Any exception must be pre-approved in writing by the Head of Group Audit.

B.7 Actuarial Function

B.7.1 Actuarial Function of AZ Benelux SA

The existence of the Actuarial Function is a regulatory requirement. The set-up of this function takes organizational structures and proportionality considerations into account.

The Actuarial Function shall be responsible for the actuarial work in oversight and controlling activities of AZ Benelux.

In Az BNL, the Actuarial Function Holder is defined as an independent person reporting directly to the member of the Board for Risk Management, the Regional CEO, chairman of this Board. In ALL, the Actuarial Function Holder is defined as an independent person reporting directly to the Head of Finance. The Actuarial Function Holder has to fulfil the company's fit and proper requirements based on the NBB circular 2013_02 of 17/06/13. The Head of the Actuarial Function has a direct reporting line to the Az BNL Board of Management.

B.7.2 Participation in committees

An appropriate committee structure or comparable management meetings have to be set up in order to enable the Actuarial Function to fulfil its roles and responsibilities.

The committee structure has to at least consist of a Reserve Committee which recommends to the Board of Management the required levels of technical reserves. The Actuarial Function Holder shall participate in the Reserve Committee.

In Az Benelux, the Actuarial Function is involved in the following committees:

- The P&C Loss Reserve Committee
- The Life Reserve Committee
- The Risk Committee (RiCo)
- The Product Approval Committee (ProCo) Non-Life
- The Product Approval Committee (ProCo) Life
- The Parameter and Assumption Approval Committee (BeNePAAC)
- The Solvency II Closing Committee
- The Smart Circle Committee

B.8 Outsourcing

In accordance with chapter 7 of the NBB umbrella circular 2016_31 dated 05/07/16 updated in 09/18 and in 05/20, AzBNL has developed a Benelux Outsourcing Policy (BOP). The policy in force since 2006 and revised in November 2009 and June 2012 was finally replaced by a totally new regime in accordance with Solvency 2 framework as from 01/01/17. All principles and processes are described by this text which is mandatory for any outsourcing in the Benelux area and must be reviewed by the Boards at least once a year and the last time in 2023.

The legal department of the group is the owner of the drafting/review of the Group Outsourcing Policy from which the BOP is widely derived. Benelux Heads of legal are responsible for customizing it to local needs and constraints. Due to update of the NBB Overarching circular on Governance expectations 2016_31 in May 2020 reviewed in May 2020, the process was adapted to take into account the news regulatory requirements; especially the 2 annexes 4 (notification form for CIFS outsourcing) and 5 (Compliance statement) on one hand, and the new rules to manage cloud outsourcing with the integration of requirement and disclosing obligations coming from the Royal Decrees of 31/07/20 approving the NBB and FSMA regulations of respectively 12/05 and 30/06/20.

The Chief Operating Officer is the owner of the respect of this policy for which principles are defined by the Group but local requirements prevail. Any deviation must be validated by the group and Heads of legal have to inform about any potential deviations.

The first essential question to ask in those rules is to determine whether the activity subject to sub-contracting qualifies as outsourcing.

(i) Where AzBNL ceases to exercise permanent control of management, (ii) where the sub-contracting is likely to have a significant impact on all or part of its operation, or (iii) where the activity entrusted to a third party concerns a core business which affects our commitments to customers and third parties, the BOP applies.

B.8.1 Materiality

A materiality concept is important for Az Benelux to qualify outsourcing of a service or a function

- a *significant shift of capacities* in terms of staff or necessary infrastructure is required
- the task to be outsourced must be *performed by the company* (activities that only a third party is authorised to do are not in scope).
- the *provider will act on behalf of Az BNL*, particularly towards customers and/or regulators
- the materiality is also analysed in time, meaning that outsourcing requires *a continuous or frequent use of the provider's services* (occasional service is out of scope)
- a focus is required for *framework agreements* which could lead to significant accumulation of small risks.
- as for *insurance intermediary's outsourcings* (delegations in writing insurance contracts or settling claims), the accumulation process cannot exceed more than 5% of the in-scope turnover.
- Local requirements prevail (NBB Overarching circular rules in Belgium (need to declare every CIFS project of (cloud) outsourcing) or DNB Good practice Outsourcing Insurers).

In this last case, industrial treatment is tolerated when the framework is designed by sectoral agreement.

- *Sub-outsourcings* are not encouraged but when required to perform the outsourced services, they must mirror the same rules.

B.8.2 Definitions

Services (activity linked to the core business of the company) and functions (practical tasks within the governance system of the company) are subject to the same rules but their definitions are important.

Services are claims handling, pricing and underwriting insurance or mortgage loans,

Functions are the company's key functions as Legal, Internal Audit, Accounting, Reporting or Compliance.

This means that facility service, security services, supply of power, cleaning or catering services are not aimed by the outsourcing process.

CIFS (Critical or Important Function or Service) means that the Service or the Function is essential for the company and without it, it would not be possible to deliver services to customers anymore. Key functions are in scope.

When a CIFS is partially outsourced, an assessment is required and the Outsourcing control function makes a decision subject to escalation to the Board if need be. The same regime is to be observed when the outsourcing process involves more than 1 provider.

A new tool (Ariba) was implemented to manage those duties in Allianz Benelux sa/nv in 2021.

In 2022, Compliance acquired a licence for using a new interactive tool (Cockpit) to perform a control of 2nd line on CIFS outsourcings (13 agreements) with a detailed questionnaire and a range of documents to upload.

In 2023, Compliance extended this exercise to 5 other ‘near to CIFS’ outsourcings, meaning outsourcing that not qualifies for CIFS according to the BOP but nevertheless are important for AzBNL or one local entity.

B.8.3 General outsourcing principles

6 main requirements must be respected:

- Integration of each outsourcing in the risk management and internal control system

  A database held by the Local Outsourcing is fed with any new outsourcing project with the duty to collect Fit &Proper documents (VIS), contracts and required documents (insurance blue chart, back-up system evidence, etc…)
- Contingency plan (how to avoid losses) and exit strategy have to be developed in case of CIFS
- Priority to Group Internal outsourcing if may be as for IT services (limiting the risk, giving more flexibility)
- Principle of proportionality applicable (intensity without bypassing requirements is depending on the nature, scope, importance and complexity of the project)
- Ultimate responsibility of Az BNL anyway
- Outsourcing of key functions (out of Independent control functions that cannot be outsourced) is prohibited unless the Group Key Function Holder can agree (this is theoretical and shall be avoided because a strict prohibition is generally foreseen in the local regulations of the Benelux area).

B.8.4 Governance principles

A strict framework based on 7 governance rules has been put in place to mitigate risks:

- for CIFS, *approval by the Az BNL Board of management required* (exception: one approval is enough when the process is iterative and aims industrial outsourcing or a high number of small providers)
- *any sub-outsourcing requires the Az BNL approval* and when a CIFS is at stake the BoM must validate it (the mirroring process for the sub-provider is demanded).
- for each outsourcing, *a business owner* must be identified.

  This means that this responsible person (generally the head of the function or service involved) has to comply with compliance requirements and control the proper execution of the outsourcing process. He/she must F&P compliant for him or herself and competent to challenge the provider) .
- *special rules when a key function is subject to outsourcing* (only possible to Group internal provider and if legally admitted)
- *adequate segregation of responsibilities* (no function elsewhere in the group, no relationship with the candidate provider, only for one business ownership of a key function)
- -*exclusion of any detrimental project* which could (i) jeopardize the quality of the Az BNL governance system or the quality of the internal audit function, (ii) unduly increase the operational risk, (iii) endanger the regulator’s capacity to verify that Az BNL respect the SII rules, impair the quality level of services for policyholders, insured and beneficiaries
- *continuity protection rules applicable* (protection of knowledge and documentation)

- *specific control of the CCO on new projects of CIFS outsourcing to be sure that each process is conducted in full respect of chapter 7 of the aforementioned NBB Overarching circular of 2016 reviewed in May 2020.*

When a CIFS is eligible for outsourcing, the outsourcing management and Legal department must jointly check that (i) the provider has both adequate financial means and financial resources with reliable skills and knowledge to perform the tasks, (ii) the Competent regulator has been informed prior to execute the decision to outsource with the relevant documentation describing the project, (iii) the provider is able to deliver with security and confidentiality rules, and the BoM or if required the BoD has to approve the outsourcing of the CIFS after a pro's and con's presentation of the merits of the subcontracting project.

B.8.5 Outsourcing processes

The overall procedure is divided in 4 main phases: Decision, Implementation, Operational phase and Exit phases.

For each of them, several mandatory rules are to be respected.

In a nutshell, we can summarize them as follows:

A-Decision phase: qualification of the outsourcing, preparation of business plan, risk assessment,

B-Implementation phase: Due diligence of the provider (including its ability to perform the tasks), outsourcing agreement (with a set of clauses we try to impose to the provider in order to protect the company: accessibility to data, duty of cooperation, data protection, compliance with laws and regulations, obligation to follow instructions if any, and to inform about any change having potentially a material impact on the outsourcing process, prior approval of any sub-outsourcing), use of a compliance instructions check-list.

When a CIFS is at stake, additional requirements are to be applied (control of risk management, contingency plans must exist, avoidance of conflict of interest, staff fully dedicated, right to make on-site inspections and written notification of the project to NBB according to the new rules of the NBB Overarching circular 2016_31 reviewed in May 2020).

When a key function is eligible to outsourcing, Fit & Proper test of all persons involved within the Provider and communication to NBB about the responsible person.

C-Operational phase: regular monitoring, control of performance (KPI's), status meetings, data security testing reports, etc, and also appropriate remediation actions in case of deficiency, lack of performance, cooperation, financial instability or adverse material developments. If a CIFS is at stake, a regular reporting must be given to the BoM, in particular when facing material adverse events.

D-Exit phase: check of capabilities to insource or outsource elsewhere before taking the decision to terminate the contract, focus on data protection and access, mention in the outsourcing contract of a manageable period to find a fallback solution.

B.8.6 Local Outsourcing Function

In addition to this significant program, each local Outsourcing Function empowered by the Head of Protection & Resilience reporting to the COO is in place to manage the process, control the correct application of the BoP, detect compliance weaknesses, discuss any problem regarding the qualification, report to the BoM, take actions to complete the documentation of the central outsourcing contract storing register based in Rotterdam as well as other reviews developed in page 13 of the BoP.

Risk, Legal and Compliance have also to intervene to be sure that this complex process runs adequately.

The BOP is accessible on the company's Intranet Connect and available upon request.

B.9 Other Information

Nihil.

C. RISK PROFILE

AzBNL has implemented a comprehensive risk management framework to maintain the risk profile of the company within a well-defined risk appetite and to promote a strong risk management culture. This framework is defined in the Allianz Corporate Rules Book and AzBNL manages its risks according to the Allianz risk taxonomy.

AzBNL has the advantage of being a composite and cross-border insurer active in the Benelux region, allowing it to gain from the diversification between several markets covering P&C, Health and Life lines of business. Underwritings risks are mitigated via reinsurance treaties.

The asset portfolio of AzBNL is built using restrictive acceptance rules. The largest portion of assets consists of high-quality fixed income instruments. Also note that the guiding principle for investment risk management is the Prudent Person Principle (Article 132 of the Solvency II EU Directive)[25]. Due to the stable nature of the liabilities, interest-rate risk and economic spread risk can be limited by asset-liability management. The asset-liability duration gap is kept at a near zero level. Liquidity risk is low but still monitored under strict limits.

Inflation was identified by AzBNL as an emerging risk in 2021 during the economic recovery post pandemic. During the year 2022, the inflation risk was managed actively at AzBNL. The inflation on the Workers' Accident long claims was hedged very successfully via the backing asset portfolio and several actions were taken to counter the impact of inflation on the P&C activity. Monitoring of this risk is done regularly but materiality has reduced given lower inflation levels.

C.1 Underwriting Risk

When defining underwriting risk, a distinction between Life/Health and Non-Life business should be made since the risk drivers are specific for each segment. However, in very general terms, underwriting risk is the risk of unexpected financial losses due to the inadequacy of reserves or due to the inadequacy of premiums to cover insurance claims and expenses.

C.1.1 Underwriting risk Non-Life

Non-Life (P&C) Underwriting risk is defined as the unexpected financial losses due to the inadequacy of premiums for catastrophe and non-catastrophe risks or due to the inadequacy of reserves. More specifically:

- Reserve risk: risk that reserves will not cover past claims
- Premium risk: risk arising from future claims deviating from expectations

Reserve Risk depends a lot on the line of business. For "Property" and "Motor Own Damage" lines

[25] The Prudent Person Principle covers both a portfolio and a single-investment dimension:

- All assets need to be invested to ensure the quality, security, liquidity, profitability, and availability of the investment portfolio as a whole. This also includes the need to structure the investment portfolio appropriate to the nature and duration of insurance liabilities covered with these assets.
- Assets are only admissible if the investors can properly identify, measure, monitor, manage, control, report and appropriately integrate their risks in their solvency assessment.

reserve uncertainty is limited as the settlement of claims usually takes only a short period of time. For “Liability” lines, Reserve Risk is more significant as loss settlement takes typically takes more time and depends on more risk drivers (e.g., inflation, legislative changes).

Premium Risk is linked to the statistical variations of claims frequency and severity from one period to the next. It is also linked to the occurrence of natural catastrophes, man-made disasters, and terror attacks. Premium Risk is mitigated significantly by means of reinsurance, both through treaties and facultative reinsurance. Terror risk is mitigated by the national loss sharing pools in Belgium and the Netherlands. For man-made disasters (such as gas leakage explosions, transportation accidents) AzBNL makes a yearly (expert-based) estimation of potential losses before and after reinsurance.

Long-latent diseases can lead to unexpected claims in liability insurance. An important example of this is asbestos-related illnesses. For old policies where asbestos liability coverage had not yet been excluded, separate reserves are held based on prudent assumptions and claims are closely monitored by the actuarial department resulting in limited Reserve Risk.

C.1.2 Underwriting risk Life/Health

Life and Health Underwriting risk is defined as the risk of unexpected financial losses due to the inadequacy of reserves or due to the unpredictability of mortality, longevity, morbidity, or lapses.

More specifically:

- Mortality risk: risk of losses due to temporary or permanent changes in mortality rates
- Longevity risk: risk of losses due to temporary or permanent changes in survival rates
- Morbidity risk: risk arising from insurance cover against loss of income due to disabilityas well as other covers (e.g., medical expenses)
- Lapse risk: the risk of loss or of adverse change in the value of insurance liabilities, resulting from changes in the level or volatility of the rates of policy lapses, terminations, renewals, and surrenders

AzBNL has exposure to mortality risk in two ways: either through pure death coverage insurance (also called term insurance), or a through death coverage embedded as insurance rider in Life endowment products.

The exposure to longevity risk is generated by the Dutch immediate annuities, the health lines of business and also the Workers’ Accident annuity claims. Morbidity risk is generated by the health lines of business, i.e. medical care and income protection.

Lapse risk resulting from Life endowment products is limited for several reasons. The first and main reason is the fiscal constraint linked to most of these products. The policyholder would lose a significant tax advantage if he surrenders before the contractual term. A second reason is the market value adjustment clause present in some savings contracts that allows AzBNL to get compensated for the financial losses due to an early surrender.

C.1.3 Reinsurance

Reinsurance is the most important instrument to mitigate Underwriting risk and to optimize the AzBNL risk profile. AzBNL has setup a multi-layered reinsurance structure for losses resulting from the Non-Life business (main focus on catastrophe risks). A Reinsurance structure for what concerns mortality losses in case of mass events and all Health and other Non-Life lines of business (except Legal protection) is also active.

The P&C net quota share reinsurance (cession rate 45%), active since 2016, was renewed for the year 2024. The loss portfolio transfer treaty on long tail claim reserves incurred before 2016 was set up in 2021 and is active until the claims in scope are all settled.

C.2 Market risk

Insurance premiums are invested in a variety of assets with liquidity and duration features that match the liability profile. The purpose of the resulting investment portfolio is to back the future claims and benefits payable to the customers. As the market value of an investment portfolio fluctuates along with the volatility of the financial markets, an insurer is exposed to market risk. To some extent this is offset by the liabilities for which also a market value is determined (i.e., typically by models calculating the present value of liabilities considering relevant market parameters such as interest rates and spreads).

Market risk can be defined as the risk that the market value of the net position of the assets and liabilities is adversely affected by changes in interest rates, credit spreads, foreign exchange rates, real estate prices and equity prices.

Market risk can be further subdivided according to the risk driver categories.

C.2.1 Equity risk

Equity risk is the risk that the net position of the assets and liabilities is adversely affected by changes in equity prices.

As AzBNL has limited net exposure on equity investments, direct equity risk is limited.

Next to direct equity risk, AzBNL is also exposed to indirect equity risk on unit-linked business. Management fees earned on the underlying investment funds are a percentage of the fund value. Hence, the present value of the future profits earned on unit-linked funds that are investing in equity, is sensitive to equity movements. The direct equity risk of unit-linked business is borne by the policy holder.

As AzBNL has grown in unit-linked business in recent years, the indirect equity risk has increased accordingly.

C.2.2 Interest rate risk

Interest rate risk results from the imperfect match between cash flows of liabilities and assets. This, to some extent, is inherent to the nature of insurance business. In particular for long duration liabilities, maturing fixed income assets will need to be reinvested prior to the maturity of the liability claims they are backing.

AzBNL is managing its interest rate risk through Asset & Liability Management (ALM). The match between assets and liabilities is optimized, with a well-defined allocation between fixed income assets and real assets. AzBNL aims to match its liabilities with assets of proper duration and yield. For portfolios where it is not possible to match on a cash flow basis, AzBNL will match on overall duration instead. By doing so, AzBNL strives to keep the interest rate risk and the duration gap at a low level.

At the end of 2023 AzBNL is exposed to a decreaseof risk-free interest rates due to a small combined negative duration gap, that is, the duration of assets is on average shorter than of the liabilities. This gap is closely monitored and maintained to a near-zero level.

C.2.3 Spread risk

Spread risk relates to the decrease in the market value of fixed income assets due to the widening of spreads. In other words, it arises from fluctuations of the market premium for liquidity and credit risk.

Note that in case of a stable and well-matched asset-liability portfolio, spread risk does not have to lead to actual losses, provided the fixed income assets can be held until maturity to cover matching liabilities. Therefore, the ALM function of AzBNL also plays an important role in preventing that spreads ultimately lead to effective losses, although this cannot prevent intermediate fluctuations of the market value of fixed income assets due to spread volatilities. The Volatility Adjustment (VA) of Solvency II considers the effect of ALM measures on the net value of assets and liabilities reflected in the Own Funds. The VA adjusts the mark-to-model valuation of the liabilities in accordance with spread volatilities observed in the market. This adjustment is not optimal as it is parametrized based on a standardized portfolio mix of fixed income assets, which typically does not correspond with the actual asset portfolio. Hence, the market driven fluctuations of the actual asset portfolio do not fully correspond with the adjusted mark-to-model valuation of the liabilities.

Furthermore, whether stable ALM matching is possible, depends on the predictability of the liabilities(i.e., whether the underlying policies can be easily surrendered by the policyholder). At AzBNL, for both the Life and Workers Accident business, possibilities for the customers to lapse are quite limited due to legal and fiscal constraints, and due to financial penalties, such as a market value adjustment.

As AzBNL's asset portfolio was overweighted in Belgian government bonds in comparison with the weights in the VA portfolio, investment management has been shifting the exposure into other government bonds as well as into corporates. In this way the mismatch between the overall spread fluctuations of assets and liabilities is reduced.

C.2.4 Currency risk

Currency risk relates to losses incurred due to fluctuations in foreign currency exchange rates. AzBNL's exposure to non-euro currency is marginal and is well within the limits set for currency risk in the limit framework.

C.2.5 Real estate risk

Real estate risk is the risk of changes in the market value of real estate property. AzBNL's exposure to Real estate risk originates from both direct holdings and indirect holdings through real estate investment funds or real estate shares. Real Estate is an important asset class at AzBNL. However, it is quite limited compared to Fixed Income. Exposure has been reduced after physical real estate sales during year 2023.

C.3 Credit risk

Credit risk relates to losses occurring when a counterparty, issuer or debtor turns out to be unable or unlikely to fully meet its payment obligations. Credit risk at AzBNL originates from bonds, loans, reinsurers, insurance brokers.

The bond portfolio can be categorized by their type of counterparty:

- Sovereign and government related bonds: mostly high-quality sovereign issuers in theeuro area
- Covered bonds: typically bonds of high credit quality issued by banks and covered byloan collateral
- Corporate bonds: diversified portfolio of corporate issuers of various sectors with alimited

exposure to sub-investment grade bonds

Credit risk is monitored by a credit limit system. The system will prevent large exposure concentrations. The two most material sovereign credit risk exposures for AzBNL are on Belgium and France. Dedicated committees monitor the overall market and investment credit risk.

Reinsurance credit risk is largely managed at Allianz Group level by ceding reinsurance only to dedicated Allianz entities.

C.4 Liquidity risk

Liquidity risk is the risk that current or future payment obligations cannot be met by AzBNL due to the lack of available cash or lack of assets that can be quickly converted into cash. This risk arises from mismatches in timing between incoming and outgoing cash flows. Unlike banks, AzBNL is not exposed to sudden and unexpected liability runoff because of the stable nature of its insurance liabilities. A large part of AzBNL's investments are high-quality liquid bonds. AzBNL's asset-liability management approach contributes to matching expected liability cash flows with those of assets.

Although the liquidity situation of AzBNL is very comfortable, liquidity risk is closely monitored, both on short and long term. This monitoring involves projections of cash flows in stressed situations for both assets and liabilities. Liquidity risk is a key driver for the quota of illiquid assets in the strategic asset allocation.

C.5 Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes and systems, from human misbehavior or error, or from external events. Operational risk includes legal and compliance risk and excludes strategic risk. Operational risk additionally excludes reputational risk. However, the management of operational risk is closely related to the management of reputational risk.

Operational risks are typically managed during the normal course of operations and change activities, such that Risk Owners or project managers, as part of the First Line of Defense, become aware of (identify) the operational risks inherent in their activities or change initiative based new processes and establish a corresponding risk tolerance level to manage the risks against. Through performance of the Non-Financial Risk Management (NFRM) framework, the Second Line of Defense oversees and supports the First Line of Defense with respect to the identification, assessment and mitigation of operational risks associated with Allianz' business activities.

Operational risks are identified during NFRM through reference to multiple sources of information, including a standardized Group-wide operational risk and control catalogue, internal and external operational risk event data and the results of internal and external audit or other third-party reviews. Dialogues leveraging the professional knowledge and experience of Risk Owners, Process Owners and Risk Experts throughout the company also contribute towards risk identification.

In addition to NFRM, a supplemental framework exists for the oversight of project-related operational risks, whereby "project risk assessments" are carried out by project managers, supported by Risk Management. In addition, significant threats to financial results, operational viability and the delivery of key strategic objectives are monitored and reported through the TRA process.

C.5.1 Legal Risk

Legal risk includes legislative changes, major litigations and disputes, regulatory proceedings and contractual clauses that are unclear or construed differently by the courts. In the context of operational risk, this includes changes to laws or regulations with a retroactive impact. Next to a financial impact this can also result in reputational damage.

C.5.2 Compliance Risk

Compliance risk is defined as the risk of legal or regulatory sanctions, significant financial loss or loss to reputation that AzBNL may suffer, as a result of not complying with the current laws, regulations and regulatory requirements that are applicable to AzBNL.

C.5.3 Reporting Risk

Reporting risk relates to the risk of misstatements in financial and regulatory reporting. All individual accounts exceeding a pre-defined materiality threshold are identified ("significant accounts"). Through qualitative analyses it is ensured that the required controls are in place to ensure accuracy and completeness of the reported figures.

C.5.4 Information & Technology Risk

The IT Risk Management has been strongly embedded in the NFRM framework. It is based on COBIT 2019 derived control objectives centered around the most critical business applications and IT services of AzBNL.

C.5.5 Other Operational Risks

In addition to previously mentioned risks, there are other operational risks related to a broad range of topics. Monitoring and managing of these risks is supported across the organization, for example by the departments Protection & Resilience, Underwriting, Claims and HR. Each in-scope operations risk is mapped to the respective process where the risk could occur, and corresponding risk owners are identified.

C.6 Stress testing and sensitivity analysis

The following table covers 4 important sensitivities that are monitored on quarterly basis:

2023 EOY Solvency Ratio		143%	
Scenarios		Solvency ratio after stress	Δ Solvency Ratio
S1	EQ -30% / IR -100bps	116%	-28%
S2	EQ -30% / IR +100bps	126%	-17%
S3	Spreads up (rating specific)	108%	-36%
S4	Insurance Loss	121%	-23%

In accordance with Allianz Group methodology, the sensitivity scenarios are defined as follows:

- S1: Equity markets -30%, Interest Rates -100bps
- S2: Equity markets -30%, Interest Rates +100bps
- S3: Spreads up, shock depending on issuer type and credit rating[26]

[26] 0bp for AAA covered and AAA/AA+ sovereigns, excluding Austria; 50bp stress to France, Belgium, Austria and AAA/AA EUR non-fin corporates; 100bp to all A investments, including Spain sovereign bonds, and all AAA/AA investments not mentioned above; 150bp to all BBB and below investments, including Italy sovereign bonds; 200bp to all BB and below including NR investments.

- S4: Insurance underwriting stress 1 in 5 years (based on standard formula)

The impact of those sensitivity scenarios on the solvency ratio is deducted from the impact on the own funds and the impact on the solvency capital requirement (SCR). The own funds are fully recalculated. The SCR is not fully recalculated, except for the tax module (LAC DT).

The spread widening sensitivity “S3” reports the strongest adverse effect on the solvency ratio, which is expected because of the large proportion of fixed income investments in the strategic asset allocation and also the long duration of the Life Pension, Workers’ Accident and Health segments.

Those 4 sensitivities are also used to calibrate the target solvency ratio of AzBNL during the annual business plan exercise (Allianz Planning Dialogue).

C.7 Any other information

Diversification is key to AzBNL’s business model. Diversification helps to manage risks effectively by limiting the economic impact of any single event. The degree to which the diversification effect can be realized depends not only on the correlation between risk categories, but also on the relative concentration level of those risks. Therefore, AzBNL’s aim is to maintain a balanced risk profile without any disproportionately large risks.

Within the individual risk categories, supplementary approaches are used to limit concentration risks:

- Bottom-up process for controlling the asset allocation including leeway to ensure exposureto each asset class is restricted.
- AzBNL’s nature. as a cross-border composite company. allows for strategic diversificationof insurance risks: between Life, Non-Life and Health business, geographically between three countries and between different types of products.
- Allianz Group has designed a system to manage counterparty concentrations related to credit and equity exposures on a Group wide basis.

D. VALUATION OF ASSETS AND OTHER LIABILITIES AND VALUATION OF TECHNICAL PROVISIONS

D.1 Valuation for Solvency purposes

Scope :

The Directive relating to Solvency II regulations is applicable to direct life and non-life insurance undertakings as well as reinsurance undertakings which are established in the European Economic Area (EEA)[86] or which wish to become established here.

Market Value Balance Sheet (MVBS) and Own Funds information have to be collected bothfor Solo and for Group regulatory reporting.

AZ Benelux is not considered as Group and therefore only a Solo reporting is required.AZ Benelux SII

reporting comprises:

- Life activities (Belgium and Netherlands)
- Health activities (Belgium , Netherlands)
- Non-Life activities (Belgium, Netherlands).

D.2 Reconciliation of differences between Local GAAP and MVBS

The Narrative Report includes the MVBS and Own Funds and requires, among other things, a comparison of MVBS and statutory figures (Belgian accounting standards). Therefore, for theAllianz Benelux, any differences between Local Gaap and MVBS figures need to be explained.

In order to compare Local Gaap and MVBS figures, the original Local Gaap data needs to be remapped to the MVBS line-item structure.

The following tables provide an overview (in EUR mln):

Assets 31 12 2023	Solvency II value (MVBS)	Statutory accounts value re-mapped to MVBS line	MVBS adjustments
Goodwill		5	-5
Deferred acquisition costs		-2	2
Intangible assets	0	15	-15
Deferred tax assets	6	0	6
Property, plant & equipment held for own use	130	111	19
Investments (other than assets held for index-linked and unit-linked contracts)	8.810	8.842	-32
Property (other than for own use)	100	65	35
Holdings in related undertakings, including participations	417	269	148
Equities	236	273	-37
Equities - listed	232	269	-37
Equities - unlisted	5	4	1
Bonds	7.571	7.812	-241
Government Bonds	4.833	4.976	-143
Corporate Bonds	2.738	2.835	-97
Collective Investments Undertakings	475	420	55
Derivatives	5	4	1
Assets held for index-linked and unit-linked contracts	7.346	7.346	0
Loans and mortgages	4.472	4.722	-250
Loans on policies	185	572	-387
Loans and mortgages to individuals	2.869	3.125	-256
Other loans and mortgages	1.418	1.025	393
Reinsurance recoverables from:	1.067	1.314	-247
Non-life and health similar to non-life	997	1.220	-223
Non-life excluding health	991	1.204	-213
Health similar to non-life	5	16	-11
Life and health similar to life, excluding health and index-linked and unit-linked	78	94	-16
Health similar to life	63	65	-2
Life excluding health and index-linked and unit-linked	15	29	-14
Life index-linked and unit-linked	-8	0	-8
Deposits to cedants	1	1	0
Insurance and intermediaries receivables	197	197	0
Reinsurance receivables	27	51	-24
Receivables (trade, not insurance)	171	174	-3
Cash and cash equivalents	84	84	0
Any other assets, not elsewhere shown	16	5	11
Total assets	22.327	22.865	-538

Liabilities 31 12 2023	Solvency II value (MVBS)	Statutory accounts value re-mapped to MVBS line	MVBS adjustments
Technical provisions – non-life	**1.799**	**2.250**	**-451**
Technical provisions – non-life (excluding health)	1.673	2.094	-421
Best Estimate	1.628		
Risk margin	46		
Technical provisions - health (similar to non-life)	126	157	-31
Best Estimate	102		
Risk margin	24		
Technical provisions - life (excluding index-linked and unit-linked)	**10.350**	**11.029**	**-679**
Technical provisions - health (similar to life)	1.335	1.329	6
Best Estimate	1.178		
Risk margin	156		
Technical provisions – life (excluding health and index-linked and unit-linked)	9.015	9.700	-685
Best Estimate	8.883		
Risk margin	132		
Technical provisions – index-linked and unit-linked	**7.137**	**7.346**	**-209**
Best Estimate	7.058		
Risk margin	79		
Provisions other than technical provisions	**28**	**28**	**0**
Pension benefit obligations	**117**	**4**	**113**
Deposits from reinsurers	**837**	**908**	**-71**
Deferred tax liabilities	**56**	**10**	**46**
Derivatives	**0**	**1**	**-1**
Debts owed to credit institutions	**35**	**36**	**-1**
Financial liabilities other than debts owed to credit institutions	**36**	**47**	**-11**
Insurance & intermediaries payables	**195**	**197**	**-2**
Reinsurance payables	**37**	**61**	**-24**
Payables (trade, not insurance)	**48**	**48**	**0**
Any other liabilities, not elsewhere shown	**135**	**139**	**-4**
Total liabilities	20.810	22.104	**-1.294**
Excess of assets over liabilities	**1.518**	**760**	**758**

a.	Goodwill	Goodwill is an intangible asset that arises as the result of a business combination and that represents the economic value of assets that cannot be individually identified or separately recognized in a business combination. Under local gaap, goodwill acquired in a business combination is recognized and amortized while no goodwill is recognized under MVBS.
b.	Deferred acquisition costs	Deferred acquisition costs are acquisition costs relating to contracts in force at the balance sheet date which are carried forward from one reporting period to subsequent reporting periods, relating to the unexpired periods of risks. In relation to life insurance business, acquisition costs are deferred when it is probable that they will be recovered. Cash flows relating to deferred acquisition costs are included in the best estimate of the technical provisions in the MVBS and are not recognized separately on the asset side. Therefore, the MVBS does not contain an asset for deferred acquisition costs. For further details, please refer to the section on “technical provisions”. DAC in the Local Gaap corresponds to the unearned commission in the P&C activity. In Life, no DAC are recognized under local GAAP.

c.	Intangible assets	This line item includes intangible assets other than goodwill. Intangible assets are non-monetary assets without physical substance. They are only recognized in the MVBS when they are separable and there is evidence of exchange transactions for the same or similar assets, indicating it is saleable in the market place. They are measured at fair value with their market price. The difference between Local Gaap and MVBS relates to a valuation difference between the carrying amount recognized in Local Gaap and the fair value recognized in the MVBS (which is 0).

d.	Deferred tax assets	Deferred tax assets are the amounts of income tax recoverables infuture periods with respect to deductible temporary differences, tax losses and tax credits. Deferred taxes – except deferred tax assets arising from the carry forward of unused tax losses or unused tax credits – are valued on the basis of the difference between • the values ascribed to assets and liabilities recognized and valued in accordance with the Solvency II Directive, and • the values ascribed to assets and liabilities as recognizedand valued for tax purposes. Deferred taxes are recognized and valued in relation to all assets and liabilities that are recognized for Solvency II or for tax purposes. Temporary differences between the Solvency II value of the assets and liabilities and their corresponding tax base as defined in IAS 12 are assessed consistently on a single asset or liability basis. The deferred tax calculation takes into account the tax regulations specific to particular assets and liabilities in the applicable tax regime. In case of DTA the availability of probable future taxable profit against which the deferred tax asset can be used has to be demonstrated. The delta of DTA in MVBS relates to deferred taxes on temporary differences mainly resulting from revaluation adjustments of technical provisions and intangibles

e.	Property, plant and equipment	Property, plant and equipment held for own use includes tangible assets which are intended for permanent use and property held by the group for own use. It also includes property for own use under construction. Property, plant and equipment is measured at fair value. The fair value is mainly determined based on the income approach or, in some cases, on the market approach using market prices ofcomparable assets in markets which are not active. The fair values are either calculated internally and validated by external experts orderived from expert appraisals with internal controls in place to monitor these valuations. The difference of between Local Gaap and MVBS values is due to the different measurement basis. Property, plant and equipment ismeasured at amortized cost under Local Gaap while it is included at fair value in the MVBS.

f.	Property	Property (other than for own use) includes investment properties. These are measured at fair value. The fair value is mainly determined based on the income approach or, in some cases, on the market approach using market prices of comparable assets in markets which 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. The difference between Local Gaap and MVBS values is due to the different measurement basis. Investment properties are measured at amortized cost under Local Gaap while it is included at fair value in the MVBS.
g.	Holdings in related undertakings, including participations	The participation value is based on the undertaking's share of the excess of assets over liabilities of the related undertaking's MVBS(adjusted equity method). When calculating the participation value for undertakings other than insurance or reinsurance, and where the use of quoted market prices or the adjusted equity method is not practicable, the equity method can be used instead, i.e. the participation value is based on the undertaking's share of the excess of assets over liabilities of the related undertaking's IFRS balance sheet (where goodwill andother intangible assets are valued at zero). Private equity investments are measured at fair value in the MVBS according to the industry-specific valuation methods. Participations also include investments in associated entities and joint ventures. Those investments are measured at quoted marketprices in active markets, if available. If there is no quoted market price, the investments are included as follows: • If the associate is an insurance company, the adjusted equity method is applied. If this is not possible, a mark-to-model approach is used. • If the associate is not an insurance company, the adjusted equity method or equity method is applied. If this is not possible, amark-to-model approach is used. The mark-to-model approach is typically based on the market approach using market multiples derived from a set of comparable as the valuation technique and on an income approach using a discounted cash flow method or net asset values as provided by third-party vendors.

h.	Equities	Equities include listed and unlisted equities, i.e., shares representing corporations' capital, e.g., representing ownership ina corporation, listed on a public stock exchange. The fair value of equities is mainly determined by market prices. Ifno quoted prices in active markets are available the fair value is in general determined using the market or the income approach. Primary inputs to the market approach are quoted prices for comparable assets in active markets. In cases where a fair value is not available for these assets and cannot be determined, the Local Gaap values are taken over in the MVBS.
i.	Bonds	This category includes government and corporate bonds as well as collateralized securities. Government bonds are bonds issued by public authorities, e.g., central governments, supra-national government institutions, regional governments or municipal governments. Corporate bondsinclude bonds issued by corporations and Covered bonds which are backed by cash flows from mortgages or public sector loans. Collateralized securities comprise securities whose value and payments are derived from a portfolio of underlying assets. They mainly include Asset Backed Securities (ABS) and Mortgage Backed Securities (MBS). Under Local Gaap, bonds are accounted for at acquisition/amortized cost decreased when necessary by impairments. For MVBS purposes, bonds as defined in IFRS 9 are valued at fair value. The fair value is mainly determined using the market and the income approach. Primary inputs to the market approach are quoted prices for identical or comparable assets in active markets.The income approach in most cases means a present value technique where either the cash flow or the discount curve is adjusted to reflect credit risk and liquidity risk.
j.	Investment Funds	Investment Funds are defined as undertakings for collective investment in transferable securities or an alternative investment fund. Investment Funds mainly include stock funds, debt funds, real estate funds and private equity funds. Under Local Gaap, investments funds are accounted for at acquisition cost decreased when necessary by impairments. For MVBS purposes, all financial assets as defined in IFRS 9 are valued at fair value. The fair value of Investment Funds is determined by market prices or mark-to-model depending on whether quoted prices in active markets are available. The fair value for collective investment undertakings is mainly determined by quoted market prices.

k.	Derivatives	Derivatives are financial instruments that have values based on the expected future price movements of underlying assets. Derivatives with positive values are reported on the asset side. Under Local Gaap, the derivatives are registered at lower of cost or market, while under MVBS is at fair value. The fair value is mainly determined based on the income approach using present value techniques and the Black-Scholes-Merton model. Primary inputs to the valuation include volatilities, interest rates, yield curves, and foreign exchange rates observable at commonly quoted intervals. The difference between Local Gaap and MVBS values comes mainly from forward transactions on bonds.
l.	Deposits other than cash equivalent	Deposits other than cash equivalents include deposits other than transferable deposits, i.e., they cannot be used to make payments at any time and they are not exchangeable for currency or transferable deposits without any kind of significant restriction or penalty. Those short-term investments are measured at nominal amount as the nominal value is considered as a good proxy for the fair value within the materiality and proportionality principles. There is no difference between Local Gaap and MVBS values.
m.	Other investments	Other investments include investments that are not included in the previous categories mentioned. There is no difference between Local Gaap and MVBS values.
n.	Assets held for index-linked and unit-linked funds	Assets held for index-linked and unit-linked funds are defined as assets held for insurance products where the policyholder bears the risk. Index-linked and unit-linked assets are measured at fair value. The fair value for assets held for index-linked and unit-linked funds is mainly determined by market prices. There is no difference between Local Gaap and MVBS values as both Local Gaap and MVBS measure Assets held for index-linked and unit-linked funds at fair value.
o.	Loans and mortgages	Loans and mortgages include “loans and mortgages to individuals”, “other loans” and “mortgages and loans on policies”. Loans and mortgages are financial assets created when creditors lend funds to debtors, with or without collateral, including cash pools. Loans on policies are loans made to policyholders that are collateralizedby policies.

		• The risk-free interest rate curve used is the SWAP curve • Taking into account the cost of financing mortgages has been harmonized between Belgium and the Netherlands. Only the method based on the "Net Present Value' is applied. The difference between Local Gaap and MVBS values results from the different measurement basis. Loans and mortgages to individuals, other loans and mortgages and loans on policies are mainly measured at amortized cost less impairments on individual basis under Local Gaap while they are measured at their fair valuein the MVBS.
p.	Reinsurance recoverable	The reinsurance recoverables of AZ Benelux are in: ***NON-LIFE*** The amounts recoverable from reinsurance contracts are calculated consistently with the boundaries of the underlying insurance or reinsurance contracts to which they relate. The calculation of reinsurance recoverables leads either to the recognition of reinsurance recoverables calculated as a whole or the best estimate for the reinsurance recoverable. No RM is reported in the section of the reinsurance recoverable as the RM recognized within the technical provisions is already net of reinsurance. In addition, a credit default adjustment (CDA) is calculated. The time difference between recoveries and direct payments should be taken into account when calculating the reinsurance recoverables. For the purpose of calculating the amounts recoverable from reinsurance contracts, the cash-flows shall only include paymentsin relation to compensation of insurance events and unsettled insurance claims. Payments in relation to other events or settled insurance claims shall be accounted for outside the amounts recoverable from reinsurance contracts and other elements of the technical provisions. Cash in-flows include: • recoverables from reinsurance contracts for claims payments or benefits and recoverables for related expenses, and • reinsurance commission and profit participation as specified in individual reinsurance contracts. Cash out-flows include: • future premiums for reinsurance contracts, and • interest on reinsurance deposits (if applicable).

		The result from the calculation of reinsurance recoverables is adjusted to take into account the expected losses due to default of the counterparty. That adjustment shall be based on an assessment of the probability of default of the counterparty and the average loss resulting therefrom (loss-given-default). The calculation of CDA involves three conceptual steps: • the estimation of inputs (e.g., best estimate of reinsurance recoverables, duration of the amounts, recovery rate – in case a simplification is applied the parameters for recovery rate and the treatment of collaterals that are provided centrally), • parameters provided by the Allianz Group (reinsurance rating and probability of default within the next 12 months, recovery rate used for simplification (50 %) – collaterals are not considered), and • the calculation of CDA. The Group Reserving Guidance explicitly requires AZ Benelux Actuarial Function to test assumptions for the usage of the simplification and to deviate from the simplifications in case these are not appropriate. ***LIFE*** The amounts recoverable from reinsurance contracts are calculated consistently with the boundaries of the underlying insurance or reinsurance contracts to which they relate. The calculation of reinsurance recoverables leads either to the recognition of reinsurance recoverables calculated as a whole or the best estimate for the reinsurance recoverable. No RM is reported in the section of the reinsurance recoverables as the RM recognized within the technical provisions is already net of reinsurance. In addition, a credit default adjustment (CDA) is calculated. The best estimate of technical provisions has to be calculated gross, i.e., amounts recoverable from reinsurance contracts are not deducted. Cash in-flows include recoverables from reinsurance contracts for claims payments or benefits and recoverable related expenses. Cash out-flows include future premiums for reinsurance contracts. The result from the calculation of reinsurance recoverables is adjusted to take into account expected losses due to default of the counterparty. That adjustment is based on an assessment of the probability of default of the counterparty and the average loss resulting therefrom (loss-given-default).

		The calculation of CDA involves three conceptual steps: • local estimation of inputs (e.g., reinsurance recoverables,duration), • gather centrally provided parameters (reinsurance ratingand probability of default), and • local calculation of CDA. In AZ Benelux, Counterparty Default Adjustment is totally negligible. Indeed, the impact of reinsurance is anyhow very small. Moreover, we have high quality re-insurers, having very small default probabilities.

q.	Deposits to cedants	Deposits to cedants include deposits relating to reinsurance accepted. Deposits to cedants are measured at fair value. No differences between the Local Gaap and the MVBS valuation.
r.	Insurance and intermediaries receivables	Insurance and intermediaries receivables include amounts past-due by policyholders, insurers, and others participating in the insurance business that are not included in cash inflows of technical provisions. Receivables from insurance and intermediaries are generally measured at their nominal amount with an adjustment for the probability of default of the counterparty. The nominal value is considered as a good proxy for the fair value within the materiality and proportionality principles. Therefore, insurance and intermediaries of receivables are measured at nominal value with an adjustment for probability default for counterparty in Local Gaap. There is no difference between Local Gaap and MVBS values as the respective assets are measured at their nominal values.
s.	Reinsurance receivables	Reinsurance receivables include amounts past-due by reinsurers that are linked to the reinsurance business but that are not reinsurance recoverables. They might include receivables from reinsurers that relate to settled claims of policyholders or beneficiaries, payments in relation to other than insurance events or settled insurance claims. Reinsurance receivables are generally measured at their nominal amount with an adjustment for the probability of default of the counterparty. The nominal value is considered as a good proxy for the fair value within the materiality and proportionality principles. Therefore, reinsurance of receivables are measured at nominal value with an adjustment for probability of default counterparty under under Local Gaap and MVBS. There is no difference between Local Gaap and MVBS values as the respective assets are measured at their nominal values.

t.	Receivables (Trade, not insurance)	Receivables (trade, not insurance) include amounts receivable from employees or various business partners and are not insurance-related. They also include amounts receivable from public entities. Receivables (trade, not insurance) are generally measured at their nominal amount with an adjustment for probability of default of counterparty. The nominal value is considered as a good proxy for the fair value within the materiality and proportionality principles. Therefore, receivables (trade, not insurance) are measured at nominal value with an adjustment for probability of default for counterparty risk under Local Gaap and MVBS, unless the marketvalue deviates materially from the adjusted nominal value. There is no difference between Local Gaap and MVBS values as the respective assets are measured at their nominal values. However the difference can be explained by the amounts on the suspense accounts for the several composite companies for which a similar amount can be found on the other liabilities.
u.	Cash and Cash equivalents	Cash and cash equivalents include bank notes and coins in circulation that are commonly used to make payments, and deposits exchangeable for currency on demand at par and which are directly usable for making payments by cheque, draft, bank transfer, direct debit/credit or other direct payment facility without penalty or restriction. Cash and cash equivalents are measured at nominal amount with, if necessary, an adjustment for probability of default of counterparty. The nominal value is considered as a good proxyfor the fair value within the materiality and proportionality principles. There is no difference between Local Gaap and MVBS values as the respective assets are measured at their nominal values.
v.	Any other assets, not elsewhere shown	Any other assets, not elsewhere shown include any assets that are not included in the other balance sheet items. It includes mainly deferred charges but also assets. There is no difference between Local Gaap and MVBS values as the respective assets are measured at their nominal values.

D.3 Valuation of technical provisions – Non-life

D.3.1 Technical provisions per Super-LoB

The following table shows the consolidated MVBS technical provisions on Aggregated-LoB basis for all OEs in scope.

Liabilities 31 12 2023	Solvency II value (MVBS)	Statutory accounts value re-mapped to MVBS line	MVBS adjustments
Technical provisions – non-life	**1.799**	**2.250**	**-451**
Technical provisions – non-life (excluding health)	1.673	2.094	-421
Best Estimate	1.628		
Risk margin	46		
Technical provisions - health (similar to non-life)	126	157	-31
Best Estimate	102		
Risk margin	24		

Table 2: Non-life – Consolidated MVBS technical provisions on Super-LoB basis

The valuation rules for the technical provisions under Local Gaap are defined to a large extent on the current prudential rules for the calculation of the technical provisions as defined in various laws and Royal Decrees, circulars and communications. Article 16 of the law of 9 July 1975 regarding the supervision of insurance companies and article 20 of the law of 16 February 2009 on reinsurance forms the legal basis for the method of calculation and the amount of the technical provisions.

D.3.2 Description of the basis for the valuation of Best Estimate Liabilities and Risk Margin

The technical provisions correspond to the current amount that Allianz would have to pay if it would decide to transfer its (re)insurance obligations immediately to another (re)insurance undertaking. The calculation of technical provisions equals the sum of Best Estimate Liabilities and a RiskMargin, which are calculated separately.

D.3.3 Best Estimate Liabilities (BEL)

- The BEL are defined as the probability-weighted average of the future cash flows, taking into account the time value of money (expected value of future cash flows), using the relevant risk-free interest rate term structure.
- The calculation of the BEL is based on up-to-date and credible information and realistic assumptions and is performed using adequate, applicable and relevant actuarial andstatistical methods.
- The cash flow projection used in the calculation of the BEL takes account of all the cash inflows and cash outflows required to settle the insurance and reinsurance obligations over the lifetime thereof, including future claims, future expenses (maintenance, servicing, overhead, commission, investment management), future premiums (contracted premiums). BEL comprise claims provisions and premium provisions.
- The calculation is gross without deduction of the amounts recoverable from reinsurance contracts and special purpose vehicles. These amounts are calculated separately.

The claims provisions consider the full range of future events and includes low probability andextreme events ("low frequency, high severity"), i.e., latent claims and "'binary events". The BEL represents the mean of the cash flows, this includes the best estimate of claims reserves including salvage and subrogation and loss adjustment expenses and the best estimates of premium provisions.

The BEL for non-life and health (similar to non-life) insurance obligations are calculated separately for the claims provisions and for the premium provisions. Thereby, the premium provisions relate to future expected claim events covered by (re)insurance obligations fallingwithin the contract boundary. The best estimate of the premium provision is defined as the expected present value of future in- and out-going cash flows including, e.g., future premiumpayments, future claims, future expenses etc. It follows from the definition that in some cases, the resulting premium provision might lead to a negative provision, i.e. an asset.

The claims provisions relates to claim events that have already occurred, regardless of whether the claims arising from these events have been reported or not. Cash flow projections for thecalculation of the provisions for claims outstanding include benefits, expenses and premiumsrelating to these events. For discounting, the relevant risk-free interest rate for the term (i.e. currency specific swap-rate curve with volatility adjustment) is used.

A contract is recognized at the earlier of the date the undertaking becomes a party to the contract or the date the insurance cover begins. The contract boundary is the point in time inwhich the insurer has the unilateral right to terminate the contract, amend the premium or reject the premium under the contract.

In case it is not possible to measure with a reasonable accuracy the point in time where a party is bound to the contract and given the business is profitable at a portfolio level, the recognitionof a contract might be defined as the earlier of the in-force date or when the premium is received for a portfolio of contracts. This avoids an understatement of technical provisions and hence is appropriate according to the proportionality principle.

D.4 Actuarial methodologies and assumptions

D.4.1 Proportionality

The Actuarial Function ensures that the technical provisions are determined by using data, assumptions and methods that are proportionate to the risk profile of the legal entity, taking into account the nature, scale and complexity of the risks. The principle of proportionality means that legal entities are allowed to choose and apply a valuation method which is

- suitable to achieve the objective of deriving BEL, but
- not more sophisticated than is needed in order to reach this objective.

This does, however, not mean that an application of the principle of proportionality is restricted to smaller legal entities, nor does it mean that size is the only relevant factor when the principle is considered. Instead, the individual risk profile is the primary guide in assessing the need toapply the proportionality principle.

D.4.2 Materiality

Each Actuarial Function establishes a level of materiality concept appropriate for reserving and consistent for the purposes of using it under IFRS and Solvency II in the MVBS, which enables informed decisions on each aspect of the reserving process in assessing the potential for a material misstatement of technical provisions. Therefore, the concept of materiality is appliedto the scope definition, valuation method, reserving assumptions and data quality. Levels of materiality are different from legal entity to legal entity and on OE or the Group level. However,it is aligned with the materiality concept of the overall closing framework to achieve consistency within the legal entity, the OE and the Group. Where the Actuarial Functions have carried outa limited reserving assessment on the grounds of immateriality, the rationale is clearly articulated within the respective actuarial report.

D.4.3 Risk Margin (RM)

The RM is calculated on the basis of the formula provided by EIOPA, where it is defined as the cost of capital rate times the sum of discounted Solvency Capital Requirements (SCR) usingthe risk-free rate (including volatility adjustment) for the respective maturity. Group entities calculating the SCR using the Allianz internal model base the calculation of the RM on the internal model SCR. For standard model only legal entities the risk margin is based on the standard formula SCR. Diversification between lines of business is taken into account. The required cost of capital rate for the RM calculation is based on the EIOPA definition.

The local Actuarial Function has to take on responsibility for the RM. Deviations from the general approach are allowed where necessary. The selected approach needs to be documented (and justified) and the appropriateness of the underlying assumptions and simplifications have to be justified and documented. Simplifications should always be appliedcarefully. Appropriate judgment and expertise has to be applied by the local Actuarial Function for example to consider whether or not the maturity and run-off pattern of the obligations (gross and net) are appropriately taken into account or whether or not the composition of the underwriting risk (sub-)categories are appropriately reflected over the years.

The calculation of the RM can be simplified using a roll-forward at interim quarters to avoid iterative closing processes if and only if the premium provision is stable at interim quarters.

D.5 Simplifications

D.5.1 Expert judgment

Valuation of technical provisions is a process which requires expert judgment in a number ofareas, for example, regarding the credibility assigned to historical data, to which extent reliance should be placed on prospective models and the requirement to consider uncertainty in the estimation. Regardless of the technique, judgment is required in making additions or adjustments to the estimates to allow for circumstances not included in the history that needto be incorporated in the BEL (for example binary events). Hence, expert judgment is not dissociated from any task performed by the Actuarial Function. Its role is expressed in complementing the statistical analysis performed, in the interpretation of the results and in the identification of a solution in the presence of shortcomings. As part of the analysis, the actuary shows the appropriateness of the expert judgment to avoid biased estimates that either over-or underestimate the true underlying risk. However, expert judgment is not applied in isolationunless there is no reliable alternative, for example because of a scarcity of relevant data. Where an assumption depends on expert judgment, this shall be applied by person(s) with the relevant knowledge, understanding and comprehension of the subject.

D.5.2 Ceded claims provisions

In normal circumstances, the claims provision analysis is done separately for gross and ceded. This direct approach depends on the availability of appropriate ceded data. Changing reinsurance programs as well as sparse data might make it difficult.

However, simplification can be employed to enable a net analysis to be done in the followingways:

An indirect approach is based on the difference between gross and net estimates. This approach is possible where appropriate net data are available.

An even simpler approach is based on gross-to-net ratios. In this case benchmarks ratios areused.

The third approach is to consider only case reserves for the ceded best estimates.

In cases where simplifications are used, the Actuarial Function demonstrates and validates the reasonableness of the approach.

D.5.3 Counterparty default adjustment

In our calculation, we are considering the risk-mitigation effect of reinsurance even though therisk of the counterparties' default remains. This is considered separately and an adjustment is made to the reinsurance recoveries accordingly. Based on the former calculation, the Counterparty default adjustment at Group level is small compared to the amount of ceded reserves. Taking proportionality and materiality into consideration, the following simplifications are also used with regard to the granularity of the calculation:

- Although, the Counterparty default adjustment needs to be calculated based on the discounted best estimate liabilities, the simplification is to calculate the nominal best estimatewithout discounting, depending on the size of the Counterparty default adjustment. This approach is then considered to be conservative in a normal interest rate environment.
- It is usually necessary to perform the calculation by counterparties, reserving segments and accident years. However, simplification can be applied by calculating on an aggregated level, e.g. by counterparties with the same probability of default, segments or accident yearscan be combined in one calculation. If an aggregated amount is calculated, it can be split intothe appropriate segments at a later stage to meet reporting requirements.

D.5.4 Methods

The methods used are appropriate for the nature and complexity of the risks. Some aspects(but not limited to) that are considered are as follow:

- the type of business being valued,
- the maturity of the business,
- the OE's environment,
- relevant industry practice, and the particular circumstances of the OE
- In the analysis of the claim experience, the following aspects (but not limited to) are considered:
- claim frequency,
- claim severity,
- pattern of claim occurrence (or seasonality),
- development of reporting of claims,
- development of claim settlement or finalization,
- development of claim payments,
- development of incurred losses,
- incidence and development of large claims, and
- potential impact of catastrophes.
- Diagnostics are also used to help identify potential trends and/or anomalies in the data,
- closed claim count/reported claim count,
- paid loss/incurred loss,
- paid loss/closed claim count,
- incurred loss/reported claim count,
- outstanding case reserves/open claim count,
- incurred loss/earned premium,
- residual plots (a comparison of actual data values versus predicted data values),
- average premium rates, and

- any contractual options and financial guarantees embedded in the contracts should beidentified and analyzed.

D.5.5 Estimation in special cases

The section above might not be applicable for special types of business or claims where standard methods are not appropriate. Hence, alternative methodologies tailored to the individual characteristics are considered. When such alternative methodologies are employed, the rationale for the selected approach, methodology, potential validation and back testing are documented. Binary events and qualitative adjustments are examples where such documentation is requested.

In the following sections some unique characteristics of the special types of business/claims are explained:

D.5.6 Annuities

Annuities-like claims are exhibiting characteristics of life-like claims as they are affected by mortality, legislative changes and revision risks. Before claims are officially recognized as anannuity, the claims estimate is being set up using non-life techniques. Only after the annuity is officially recognized, the mentioned life-like risk drivers can be considered in the evaluation and selected methods.

D.5.7 Asbestos and other latent claims

Due to the long latency of asbestos claims, methods projecting the future cost of claims basedon the triangulation of reported claims and claim payments to date do not yield reasonable results. There are a number of different methodologies that are common to model this claimtype including exposure based models and industry aggregate claims models.

Allianz Group has adapted an exposure model developed by the U.K. Asbestos Working Party that caters to the special characteristics of asbestos claims. The model makes explicit assumptions about asbestos exposures in a given country, and the mechanism producing insured claims from this exposure. Allianz has sourced statistics backing the assumptions fora number of countries from industry publications, research articles and conferences. This information is then periodically updated in order for Allianz to stay appraised of emerging development of asbestos liabilities.

D.5.8 Discounting and cash flow of technical provisions

To evaluate the market value of technical provisions, cash flow patterns, discounted loss andpremium provisions and risk margins have to be calculated.

The estimates of technical provisions for the MVBS and best estimate used in the risk capitalmodel have to be consistent. Therefore, identical cash flow patterns and risk-free yield curves are used.

For cash flow projections the in-coming and out-going cash flows (including expenses) required to settle the insurance obligations have to be considered. It is necessary to considerthe currency of the cash flows unless the concept of proportionality applies.

If benchmarks for cash flow patterns are used, the time lags in the patterns between direct, assumed and ceded (especially non-proportional) business are taken into account.

The estimate of a market value requires discounting. For discounting the relevant interest ratefor the term is used. To avoid inconsistencies, the yield curves are taken from one single source.

The unwind of discount is considered. As discounting is applied to future cash payments to arrive at a present value for the technical provisions, it becomes necessary to unwind that discount for each successive period to arrive at the undiscounted value at the date of payment.

D.5.9 Inappropriate data quality

In case there is insufficient data of appropriate quality to apply, reliable actuarial methodappropriate approximations for the BEL calculation can be used, provided:

- the data insufficiency is not due to inadequate internal processes and procedures ofcollecting, storing or validating data used for the valuation of technical provisions,
- there is no relevant external data which could be used to enhance the quality of theavailable data, and
- it would not be practical to adjust the data to remedy the insufficiency.

D.5.10 Policyholders behavior and management actions

Management actions are mainly limited to changes in prices, also cleaning or distribution actions are possible. But that does not have any impact on technical provisions as just boundcontracts are in scope. Hence, in our opinion a description of the relevant assumptions is notrelevant for non-life business.

D.5.11 Material changes

There were no material changes in the relevant assumptions made in the calculation oftechnical provisions compared to the previous reporting period.

D.6 Valuation of technical provisions – Life

D.6.1 Technical provisions per Aggregated-LoBs

The following table shows the consolidated MVBS technical provisions on Aggregated-LoBbasis for all OEs in scope.

Liabilities 31 12 2023	Solvency II value (MVBS)	Statutory accounts value re-mapped to MVBS line	MVBS adjustments
Technical provisions - life (excluding index-linked and unit-linked)	**10.350**	**11.029**	**-679**
Technical provisions - health (similar to life)	1.335	1.329	6
Best Estimate	1.178		
Risk margin	156		
Technical provisions – life (excluding health and index-linked and unit-linked)	9.015	9.700	-685
Best Estimate	8.883		
Risk margin	132		
Technical provisions – index-linked and unit-linked	**7.137**	**7.346**	**-209**
Best Estimate	7.058		
Risk margin	79		

Table 3: Life – Consolidated MVBS technical provisions on Super-LoB basis

D.6.2 Description of the basis for the valuation of Best Estimate Liabilities and Risk Margin

Allianz Group requires technical provisions to be calculated for its life companies according toArticle 76 and 77 of the Solvency II Directive 2009/138/EC in order for technical provisions tobe disclosed as part of a MVBS.

The technical provisions correspond to the current amount that Allianz would have to pay if it would decide to transfer its (re)insurance obligations immediately to another (re)insurance undertaking. The calculation of technical provisions equals the sum of Best Estimate Liabilities and a Risk Margin, which are calculated separately.

The local Actuarial Function, inter alia, takes into account the following characteristics:

- the degree of homogeneity of the risks,
- the variety of different sub-risks or risk components of which the risk is comprised,
- the way in which these sub-risks are interrelated with one another,
- the level of uncertainty i.e. the extent to which future cash flows can be predicted,
- the nature of the occurrence or crystallization of the risk in terms of frequency andseverity,
- the type of the development of claims payments over time,
- the extent of potential policyholder loss, including the tail of the claims distribution,
- the type of business from which the risks originate (e.g. direct business or reinsurancebusiness),
- the degree of correlation between different risk types, including the tail of the risk distribution, and
- any risk mitigation instruments applied, and their impact on the underlying risk profile.

The local Actuarial Function identifies and use an interpretation of scale which is best suitedto the specific circumstances of the OE and to the risk profile of its portfolio. Nevertheless, theassessment of scale should lead to an objective and reliable assessment.

D.6.3 Best Estimate Liabilities (BEL)

The BEL are calculated for all in-force policies at the valuation date. The BEL represents thevalue of discounted cash flows that emerge over the term of the policy. The cash flow projection used in the calculation takes account of all the cash inflows and cash outflows required to settle the insurance and reinsurance obligations over the lifetime thereof, including:

- future benefits – maturity values, annuity payments, claims, surrender values,
- future expenses – maintenance, servicing, overhead, commission, investmentmanagement, and
- future premiums – contracted premiums.

All future amounts are discounted to the valuation date at the valuation discount rate.

Generally, simplifications or approximations must not result in an error of more than 5 % in the results of the calculation. Appropriate simplified methods could be IFRS reserve or local statutory reserve.

All options and guarantees (O&G) are evaluated and included in the BEL subject to a materiality assessment.

Best estimate assumptions regarding policyholder behavior on the take up of contractual options, as well as lapse or surrender, are based on current and credible information. The assumptions take account, either explicitly or implicitly, of the impact that future changes in financial and non-financial conditions may have on the exercise of those options.

D.6.4 Risk Margin (RM)

The market value of liabilities is defined as the discounted best estimate liabilities plus a RiskMargin (RM), representing the cost of capital to run-off the business until final settlement. Therefore, the RM is the cost of holding the necessary capital in excess of the BEL. In otherwords, at the time the balance sheet is drawn up, all contractual obligations are carried at their expected value (discounted for time value) plus the RM.

In accordance with Solvency II, an allowance for the cost of holding non-hedgeable risk capitalis required. No RM is required for hedgeable financial risks as these are transferred throughthe capital markets. RM is required for non-hedgeable risks – the financial risks other than interest rate risks as well as insurance and operational risks that cannot be transferred through the capital markets.

The cost of capital is the expected cost of transferring the non-hedgeable financial, insurance and operational risks to another insurer or reinsurer and other market participants.

The non-hedgeable SCR consists of the SCR for insurance and operational risks plus the SCR for non-hedgeable financial risks. It includes for example maintenance and inflation expenses.

At Allianz Group, credit risk with respect to reinsurers is assumed to be fully hedgeable and is,therefore, excluded from the calculation of the RM.

Appropriate diversification benefits between Lines of Business (LoB) are reflected in the calculation of RM at the reporting entity level. It is noted, that diversification between Life andnon-life LoB is not allowed under Solvency II.

For calculating the cost of holding the non-hedgeable SCR, it is necessary to project the non-hedgeable SCR over the whole projection period, apply diversification and then compute thepresent value of a cost of capital (CoC) charge on the projected capital. The following steps describe the calculation:

1. Obtain stand-alone life underwriting capital by risk type.
2. Obtain stand-alone operational risk, lapse and cost risk capital.
3. In the case of a composite company, meaning that its sells a mix of life and non-life business, operational risk, lapse and cost risk capital need to be allocated between life and non-life. Capital allocation between life and non-life can be done proportionally based on BEL.
4. Each capital amount obtained in (1.) and (2.) above needs to be projected using an appropriate driver. Note that the driver does not have to be the same for each risk type andeach OE is responsible for determining appropriate drivers to use.
5. Multiply projected capital by the CoC and calculate the present value to get the standalone un-diversified margins by risk type. Article 39 of Delegated Regulation (EU) 2015/35 prescribes the CoC to be 6 % – the additional rate, above the relevant risk-free interest rate, that an insurance or reinsurance undertaking would incur holding an amount of AFR equalto the SCR necessary to support insurance and re-insurance obligations over the lifetimeof those obligations.
6. Use diversification matrix to compute total diversified risk margins using the undiversifiedmargins by risk type calculated in (5.).
7. Allocate RM down to LoB. Allocation of RM down to LoB can be done proportionally by capital contribution. When capital contribution of each LoB is unavailable, OEs are responsible for determining an appropriate driver.

Article 58 of Delegated Regulation (EU) 2015/35 allows simplified methods to be used in calculating the RM. As an approximation non-hedgeable SCR can be projected in proportionto the best estimate of the deterministic risk-free scenario (or other reasonable drivers depending on the split in risk types).

When current quarter capital is not available on time, it is acceptable to use prior quarter capital and scale where necessary. Actuarial judgment is used when scaling.

D.6.5 Application of transitional measures

The matching adjustment and the transitional measures referred to in Articles 308 c and d ofthe Directive 2009/138/EC are not applied.

D.7 Actuarial methodologies and assumptions

D.7.1 Non-economic assumptions

All non-economic assumptions (mortality/morbidity, lapses and paid-ups, annuity conversion rates, expenses) are sent from the OEs once a year to Group Actuarial to be reviewed. If necessity arises (e. g. in case of the introduction of new products or substantial changes to existing ones) the assumptions are reviewed and updated more frequently.

The OEs send a report on the assumptions which contains the period of investigation to determine them (typically the past five years) and a description of the methodology and processes they used to derive them. Both are then reviewed and possibly challenged by Group Actuarial. The report contains also a comparison between experience and assumptions (back- testing).

<u>Mortality/morbidity</u>

Relevant industry experience is gathered to assist in setting assumptions. This is done in particular for mortality and morbidity experience where life offices have combined experienceto produce insured lives tables. If own company experiences are too small to derive own mortality/morbidity tables, industry tables are used. In using the industry tables considerationis given to adjustments:

- to reflect the time elapsed since the industry experience was compiled,
- to reflect own company experience, and
- to reflect expected future trends in experience.
- Industry tables, with or without adjustments for own experience and the underwriting process, are generally, but not necessarily, used in the bases for the determination of mathematical reserves, as such tables often have been prescribed or approved by regulatory authorities.

<u>Lapse/surrender rates</u>

Assumptions regarding the rates of lapse/surrender are based on an analysis of the company's own experience and on long-term expectations. As lapse/surrender rates change with economic conditions, the company's experience is measured regularly and this experience istaken into account in setting the assumptions.

The grouping of products for the lapse study reflects key drivers for lapse behavior as minimum guarantee level and surrender charges.

Dynamic policyholder behavior is considered in valuing contractual options and financial guarantees.

<u>Paid-up policies and paid-up rate</u>

To model the paying-up rates, we use our own company experience. Statistics have beenmade on our portfolio behavior during the last five years ending at the 30th of August 2016.

<u>Expenses</u>

Costs are monitored in the AZ Benelux Activity Based Costing (ABC) system, allocating costsfrom the various "cost centers" that exist among the company to the different LOB's (Life Individual Classical Business, Universal Life Business, Unit Linked Business, Employee Benefit Business, different non-life

LOB's, etc…).

This method allocates overhead costs (costs related to maintenance of buildings, IT-costs, HR-costs, etc…) down to the different core business cost centers.

There costs are then allocated to the 'functional areas' areas' (management, acquisition, acquisitions cost renewal, claims, investment, Non-Insurance and business development). Inour modelling, costs for claims and investments are modelled separately from managementcosts.

Statistics on which the different drivers of our ABC-system are based are updated once a year.

In our actuarial projection costs are projected separately for management, claims and investment costs.

D.7.2 Economic assumptions

For projecting future cash flows for the technical provisions, assumptions have to be made onthe asset performance of the company. This requires consideration of the development of theeconomic market together with assumptions on the company's investment strategy as well asthe current asset portfolio and allocation. Furthermore, the risk-free discount rates (RDR) forBEL have to be defined to discount the future best estimate cash flows.

To have consistency of market expectations some values are provided centrally and other assumptions needed should be derived by the OE.

For market consistent projections, a set of market consistent economic scenarios is used (provided centrally by Group Risk), including the certainty equivalent scenario defining the central assumptions for the deterministic central best estimate. Market consistent scenarios are derived from reference rates which are observed on the financial markets. The referencerate is a proxy for a risk-free rate appropriate to the currency, term and liquidity of the liabilitycash flows.

The reference rate is, wherever possible, the swap yield curve appropriate to the currency ofthe cash flows plus a Volatility adjustment or Matching adjustment when applicable. In exceptional cases if the swap market is not sufficiently deep or liquid, and only government bond prices can be considered to fulfil liquid market dynamics, the risk-free rates are based on government rates.

The parameters of the interest rate model are calibrated so that the model reproduces the initial market values of a certain class of assets. Basis are market values such as equity option implied volatilities, swaption implied volatilities and the initial swap rate curve for market-traded contracts that are as similar as possible in nature to the option and guarantees contained within the liabilities. During the calibration process it is ensured that the model reproduces these values to a high degree of accuracy.

Volatility assumptions are, wherever possible, based on those implied from derivative pricesrather than the historical observed volatilities of the underlying instruments. In the case that no appropriate market instruments are available, historic volatilities are used for calibration purpose.

To illustrate concretely the calibration process let us take the example of the Euro volatilities.In the model we assume the swap yield curve to be liquid till year 20. For the correspondingswaption volatilities we assume the market to be liquid till year 15. The long term target at year 60 is derived as mentioned above from historical data based on the underlying swap rates (with anchoring at 4.2 %) and the data from year 15 to year 60 are then extrapolated.

Certainty equivalent and stochastic scenarios are calibrated at market data for the risk-free yield curve as of the evaluation date.

Where for fixed income assets investment spreads above reference rate are included in the coupons of the current asset portfolio, the asset is expected to default according to the default probability to ensure consistent fair values. As defaults of corporate bonds happen stochastically, the fixed calibration spread is a shortcut, which reduces the volatility of investment return compared to any stochastic default modeling. This might have an impact on the evaluation of O&G and, therefore, it is considered whether this shortcut results in materialdistortions of the calculated O&G values. The contracts sold by Allianz entities contain options on the risk-free rate, but not on the credit spread, so we consider the effect for the technical provisions to be of second order.

Volatility adjustment

As one of the Long-term Guarantee Adjustment (LTGA) findings, EIOPA advises to introducethe Volatility adjustment, which deals with unintended consequences on undertakings' capitalrequirements of short-term volatility.

Allianz methodology

The Volatility adjustment is a function of the market yield spread from a weighted average portfolio of sovereign and corporate bonds over risk-free. It is based on a reference portfolioper currency and per country. The risk-adjusted currency spread is applied as an adjustmentto the discount rate. An additional adjustment is added to the discount rate, if the risk-adjusted country spread is significantly higher than the risk-adjusted currency spread.

The Volatility adjustment is applied to all lines of business, except unit-linked with guarantees. The application ratio of the volatility adjuster is 65 %.

Yield curve extrapolation

In general, the nature of life insurance is such that their liabilities have longer durations thanthe available assets in the markets. For valuing liabilities, economic assumptions are neededfor the full maturity of liabilities, and it is needed to extrapolate economic data beyond the horizon available for deep and liquid markets. Generally, this applies to rates and volatilitiesand is most significant for interest rates. The last liquid term varies significantly between markets. This topic is recognized in Solvency II which requires adequate extrapolation approaches for areas where no market reliable data are available.

For Allianz, yield curve extrapolation is done in line with the approach described in the Articles46 and 47 of the Delegated Act (EU) 2015/35. Yields are taken from quoted market data till the starting point of the extrapolation.

D.7.3 Bonus assumptions

It is necessary to include all attaching bonuses and to project all future bonuses on profit policies. The assumptions on future bonus rates reflect the management's bonus philosophy where bonuses are discretionary; or the policy conditions if bonus policy is specified there. The projected bonuses are consistent with the future assumptions set for investment returns and any distribution of unallocated accrued surplus.

D.7.5 Material changes

There were no material changes in the relevant assumptions made in the calculation oftechnical provisions compared to the previous reporting period.

D.8 Valuation of other liabilities

The following table gives an overview of the amount of the other liabilities according to MVBS and Belgian GAAP.

D.8.1 Contingent liabilities

Liabilities that are contingent and that are material have to be recognized in the MVBS. Thecontingent liabilities are measured at the expected present value of future cash flows required to settle the contingent liability over the lifetime of that contingent liability using the basic risk-free interest rate term structure.

According to the Belgian accounting standards, contingent liabilities are not recognized in thebalance sheet.

No events were recorded for recognition as a contigent liability.

D.8.2 Provisions other than technical provisions

Provisions other than technical provisions refer to liabilities of uncertain timing and amount, excluding those reported under “Pension benefit obligations”. The provisions are recognizedas liabilities (assuming a reliable estimate can be made) when they are present obligations resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations. They include, e.g. staff-related provisions, provisions for stock-based compensation, restructuring provisions and provisions for legal expenses and deferred income reserves.

The provisions are valued according to IAS 37 and IFRS 2 which is in line with the valuationrequired under Solvency II. IAS 37 requires to use the best estimate for those kind of provisions. Therefore, there are no material differences between Local Gaap and MVBS values.

D.8.3 Pension benefit obligations

Pension benefit obligations include the total net obligations related to the employee pensionscheme (where applicable in accordance with the national pension scheme). Post-employment benefits refer to employee benefits other than termination benefits payable after completion of employment. Post-employment benefits are classified as either defined contribution or defined benefit plans. Pension benefit obligations are measured in accordance with IAS 19 as Allianz Benelux considers the valuation method according to IAS 19 the most appropriate valuation under Solvency II.

According to the Belgian accounting standards, the stocks of the technical reserves of thesedefined contribution plans is placed under the technical reserves. An additional reserve is booked based on the old “IAS 19” rules. This is due to the fact that under Belgian GAAP, the OCI is not existing.

For the MVBS reporting, actuarial gains or losses are recognized on the balance sheet. In addition, the stock of the technical reserves is no longer classified as a technical reserve butas part of the pension benefit obligations. Those 2 elements explain the valuation/reclassification difference between Local Gaap and MVBS.

Typically associated with defined benefit plans are biometric risks like longevity, disability anddeath as well as economic risks like interest rates, inflation and compensation increases.

D.8.4 Deposits from reinsurers

Deposits from reinsurers include amounts (e.g. cash) received from a reinsurer or deductedby the reinsurer according to the reinsurance contract. Deposits from reinsurers are measuredat fair value.

Deposits from reinsurers are valued at their repayable amount according to the Belgian accounting standards.

D.8.5 Deferred tax liabilities

Deferred tax liabilities are the amounts of income tax payable in future periods with respect totaxable temporary differences.

Deferred taxes – except deferred tax assets arising from the carry forward of unused tax losses or unused tax credits – are valued on the basis of the difference

- between the values ascribed to assets and liabilities recognized and valued in accordancewith the Solvency II Directive,
- and the values ascribed to assets and liabilities as recognized and valued for tax purposes.

Deferred taxes are recognized and valued in relation to all assets and liabilities that are recognized for Solvency II or for tax purposes.

Temporary differences between the Solvency II value of the assets and liabilities and their corresponding tax base as defined in IAS 12 are assessed consistently on a single asset or liability basis.

The stock relates to deferred taxes liabilities on temporary differences resulting from revaluation adjustments concerning values of assets and liabilities under Local Gaap and MVBS.
According to the Belgian accounting standards, a deferred tax liability is only recognized asa result of a deferred tax on realized gains for real estate transactions.

The delta (after compensation with deferred tax liability) is mainly the result of the different assessment basis between Belgian accounting standard and MVBS.

D.8.6 Derivatives

Derivatives are financial instruments that have values based on the expected future price movements of the assets to which they are linked. Derivatives with negative values are reported on the liability side. Derivatives are measured at fair value according to IFRS 9 without taking into account adjustments for own credit standing.

Derivatives are measured at fair value under Local Gaap and in the MVBS. The fair value ofthe other derivatives is mainly determined using the income approach. Valuation techniquesapplied 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.

The difference is related to derivative products (Inflation linked swap) which represented a negative value on the date of acquisition of the “Worker accidents” portfolio of Mensura.

D.8.7 Debts owed to credit institutions

Debts owed to credit institutions are debt, such as mortgage and loans, toward creditinstitutions (banks etc.).

The difference between the Belgian accounting standards and MVBS comes from the fact thatin the Netherlands, some mortgages are complemented by a life insurance policy. It can be found on the liabilities. According to Belgian accounting standards, these are booked at costwith deduction of the depreciation, while a value is calculated for MVBS on the basis of the net Cash Flow.

D.8.8 Financial liabilities other than debts owed to credit institutions

Financial liabilities other than debts owed to credit institutions include certificated liabilities and liabilities from cash pooling as well as other liabilities to customers.

According to the Belgian accounting standards and MVBS, financial liabilities to the credit institutions outside of debt are generally valued at the cost price with deduction of the depreciation using the effective interest method.

There are no material differences between Belgian accounting standards and MVBS values.

D.8.9 Insurance and intermediaries payables

Insurance and intermediaries payables refer to amounts past-due to policyholders, insurers and others participating in the insurance business, but are not technical provisions. They include amounts past-due to (re)insurance intermediaries (e.g. commissions due to intermediaries but not yet paid by the group) and excludes loans and mortgages due to insurance companies, if they are not linked to insurance business but are only related to financing (and are, therefore, included in financial liabilities).
They are generally measured at their nominal amount with an adjustment for the probability ofdefault of the counterparty.
The nominal value is considered as a good proxy for the fair value.
There are no differences between Belgian accounting standard and MVBS values.

D.8.10 Reinsurance payables

Reinsurance payables are amounts payable, past-due to reinsurers (especially current accounts) other than deposits that are linked to the reinsurance business, but that are not included in reinsurance recoverables. They include payables to reinsurers that relate to ceded premiums. They are generally measured at their nominal amount with an adjustment for theprobability of default of the counterparty.

The nominal value is considered as a good proxy for the fair value..

Therefore, reinsurance debits are valued at nominal value, with an adjustment for the probability of default of the counterparty according to the Belgian accounting standards and MVBS.

There a no material differences Belgian accounting standard and MVBS values.

D.8.11 Payables (trade, not insurance)

Payables (trade, not insurance) include the total amount of trade payables, including amounts due to employees, suppliers, etc. and are not insurance-related. They also include amounts owed to public entities.

Debts are usually included with their settlement amount according to Belgian accounting standards that are assumed to be the market value. However, if there are material differences between the Local Gaap value and the MVBS value, then revaluation adjustment is taken into account.

There is no difference between local Gaap and MVBS values.

D.8.12 Any other liabilities, not elsewhere shown

Any other liabilities, not elsewhere shown include any liabilities that are not included in the other balance sheet items. They mainly include liabilities from puttable equity instruments, but also other liabilities and deferred income. They are generally measured at fair value or at nominal amount with an adjustment for probability of default of the counterparty

The nominal value is considered as a good proxy for the fair value

These obligations are generally valued at amortized cost according to Belgian accounting standards and MVBS.

D.8.13 Off-balance sheet items

Allianz does not have any other material off-balance assets or liabilities.

D.8.14 Alternative methods for valuation

Information on alternative methods for valuation is provided under the description of the MVBSline items respectively.

E. CAPITAL MANAGEMENT

E.1 Own Funds

An overview of the Market Value Balance Sheet (MVBS) as of Q4-2023 is given below. The value of the Own Funds, EUR 1.461 mln, is obtained by deducting the accrued dividend of EUR 57 mln from the Net Asset Value EUR 1.518 mln. The total Own Funds are composed of EUR 1.455 mln tier 1 own funds and EUR 6 mln tier 3 own funds that correspond with the DTA position for the Belgian operations. The tier 3 solvency capital is well below the maximum eligibility threshold.

MVBS - Q4 2023			
	(in million €)	**MVBS**	**%**
Investments	Government Bonds	4.833	22%
	Corporate Bonds	2.738	12%
	Loans & Mortgages to Individuals	2.869	13%
	Other Loans & Mortgages	1.603	7%
	Equities and listed REITS	236	1%
	Investment funds - FI	187	1%
	Investment funds - RE & EQ	265	1%
	Investment funds - Other	22	0%
	Holdings in related undertakings, including participations	417	2%
	Property (other than own use)	100	0%
	Other Investments	0	0%
	Assets held for index-linked and unit-linked contracts	7.346	33%
Other Assets	Cash	84	0%
	Reinsurance Recoverables	1.067	5%
	Receivables (trade not insurance)	171	1%
	Property Plant & Equipment held for own use	130	1%
	Intangible assets	0	0%
	Other Assets	252	1%
	Deferred Tax Assets	6	0%
Total Assets		**22.327**	**100%**
TPs	SLT BEL	10.062	45%
	SLT Risk Margin	288	1%
	NSLT BEL	1.729	8%
	NSLT Risk Margin	70	0%
	BEL (UL)	7.058	32%
	Risk Margin (UL)	79	0%
Other Liabilities	Pension Benefit Obligations	117	1%
	Payables (trade not insurance)	48	0%
	Provisions other than technical provisions	28	0%
	Reinsurance Deposit	837	4%
	Other L	438	2%
	Deferred Tax Liabilities	56	0%
Total Liabilities		**20.810**	**93%**
Net Asset Value		**1.518**	**7%**
Total		**22.327**	**100%**
Accrued Dividend		**57**	**-**
Own Funds		**1461**	**-**

E.2 Solvency Capital Requirement and Minimum Capital Requirement

This section gives a summary of the level and composition of the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR) for AzBNL.

The SCR reflects the level of own funds that an insurance undertaking should hold in order to ensure that policyholder rights are protected even after extreme losses (corresponding to 1/200 year extreme events). The MCR reflects the absolute minimum level of own funds that the (re)insurance undertaking must hold to be allowed to continue writing new business.
The table below shows an adequately capitalized insurance company with a Solvency Ratio of 143% as of end 2023, which is well above the required level of 100%. Consequently, also the Minimum Capital Ratio is well above the required level.

Standard Model (mEUR)	Q4 2022	Q4 2023	∆
Solvency Capital Requirement (SCR)	939	1.019	79
Own funds (OF) - after dividend	1.460	1.461	1
Solvency Ratio (OF/SCR)	**155%**	**143%**	**-12%**
Minimum Capital Requirement (MCR)	423	458	36
Minimum Capital Ratio (OF/MCR)	345%	319%	-27%

Table 1: SCR and MCR comparison

The components of the SCR and the MCR as well as their annual evolution are detailed further in the paragraphs below.

E.2.1 SCR by risk module

AzBNL uses the Standard Formula to calculate its Solvency Capital Requirements. The SCR is the combination of the (net) Basic SCR, the loss-absorbing capacity of Deferred Taxes (LAC of DT) and the operational risk. The BSCR, in turn, is the combination of five risk modules[27], corrected by the diversification effects between the risk modules and the loss absorbing capacity of technical provisions (LAC of TP). The five risk modules are market risk, counterparty default risk, life underwriting risk, non-life underwriting risk, health underwriting risk. Details on the nature of those risks are available in chapter C. This chapter considers the risk charge that is attributed to them by means of the Standard Formula.

Standard Model SCR	2023 Q4

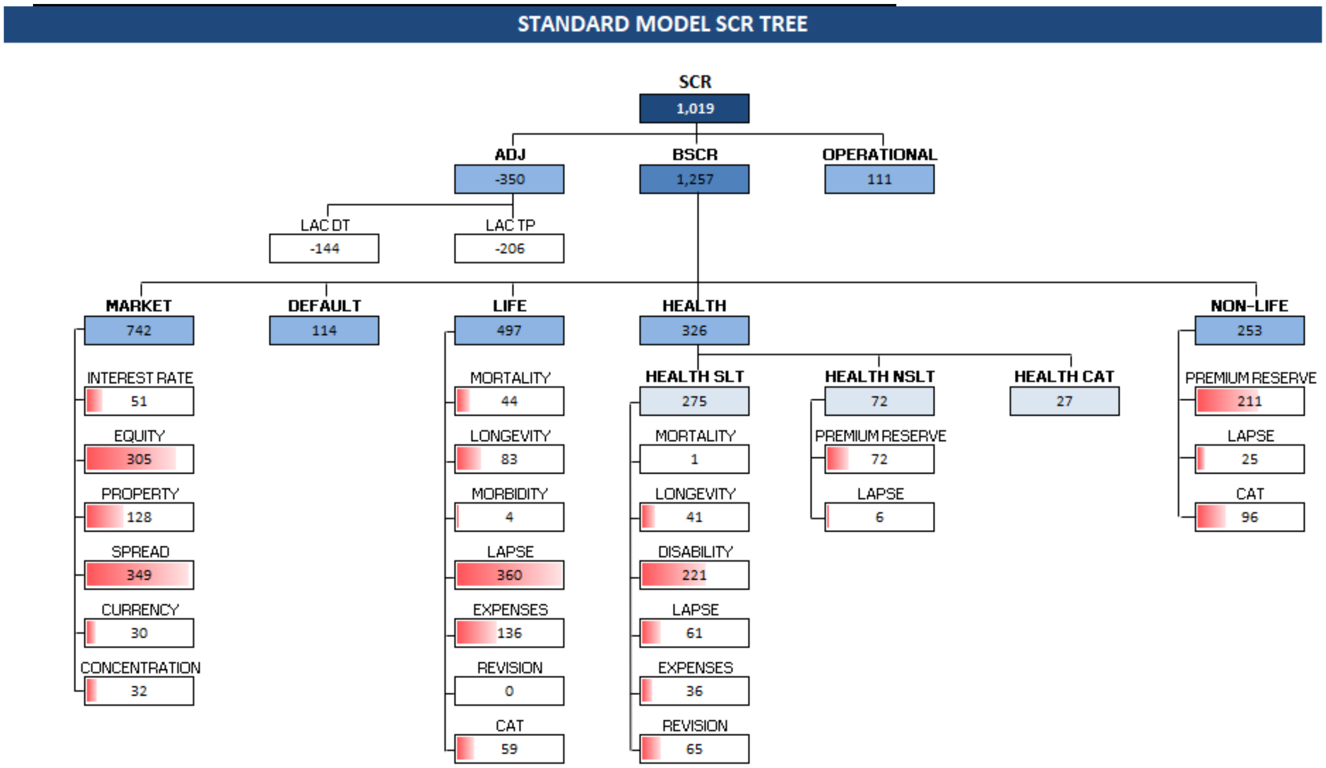
[27] Note that Az BNL does not use undertaking-specific parameters for any risk module. Simplified calculations are used for the assessment of reinsurance exposure in the counterparty default risk module (materiality of this exposure is limited).

SCR	**1.019**
Operational Risk	111
LAC of DT	-144
Net Basic SCR (BSCR)	1.051
LAC of TP	-206
Diversification effect, between:	-676
Gross Market risk	742
Gross Counterparty Default risk	114
Gross Life Underwriting risk	497
Gross Health Underwriting risk	326
Gross Non-Life Underwriting risk	253

Table 2: Solvency Capital Requirement split by risk modules and the graph below provide an overview of these components.

Standard Model SCR	**2023 Q4**
SCR	**1.019**
Operational Risk	111
LAC of DT	-144
Net Basic SCR (BSCR)	1.051
LAC of TP	-206
Diversification effect, between:	-676
Gross Market risk	742
Gross Counterparty Default risk	114
Gross Life Underwriting risk	497
Gross Health Underwriting risk	326
Gross Non-Life Underwriting risk	253

Table 2: Solvency Capital Requirement split by risk modules



E.2.2. Determining the MCR

The MCR is calculated as a linear function of Technical Provisions and Net Written premiumsduring the last 12 months, capped by 45% and floored by 25% of the SCR. Moreover, an Absolute Minimum Capital Requirements (AMCR) is defined which imposes an absolute flooron the MCR. The below table shows the calculation for AzBNL's MCR

Standard Model MCR	2023 Q4
Non-life Insurance Obligations	131
Life Insurance Obligations	35
Linear MCR	509
SCR	1,019
MCR cap	458
MCR Floor	255
Absolute floor of the MCR	8
Combined MCR	458

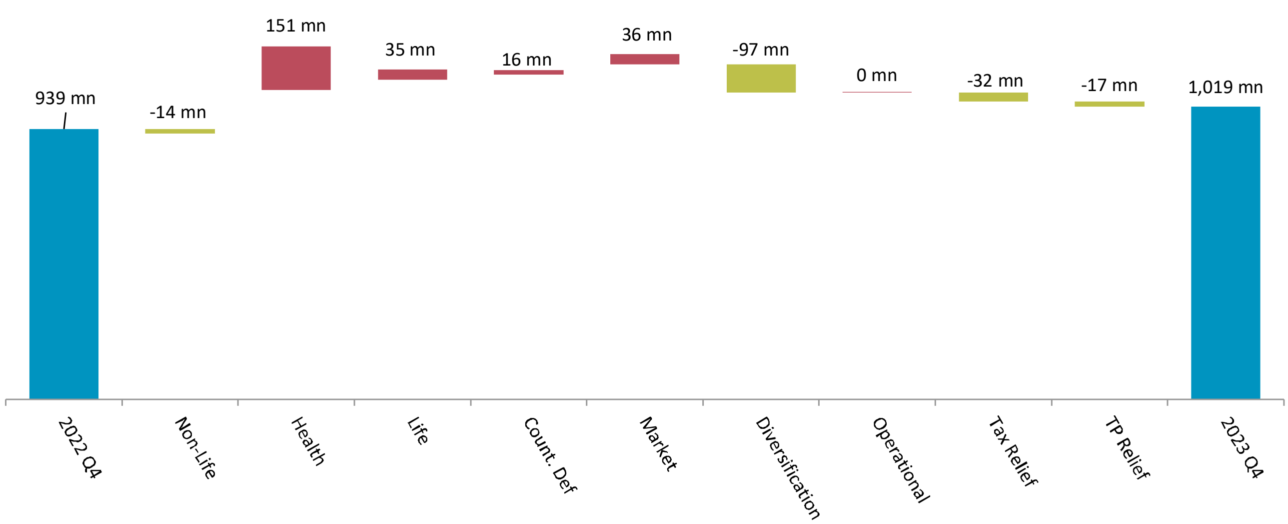
Table 3: MCR Calculation

E.2.3. Evolution of SCR

The graph below gives an high level overview of the annual movement of the Solvency Ratio and its components.

The annual overall change of the SCR is split into categories in the waterfall graph below. Overall the SCR increased from 2022 to 2023, the main movements observed are:

- Health risk grew mostly due to Health SLT, the significant increase stems from the longer contract boundaries on the AOV portfolio (Income Protection product in the Netherlands) following model changes presented in the Q2-23 PAAC. Consequently, a large part of the reserves modelled were shifted to SLT. This large increase was partially offset by the implementation of the FMA of the IP-AOV product in Q3.
- Life Underwriting Risk increased throughout 2023 mainly due to high interest rates impacting Lapse Risk as well as life expense update at the end of Q4. Lapse risk remains driven by mass shock.
- Diversification decreased significantly due to the increase in health risk as mentioned above.
- Market risks increased by EUR 36 mln throughout the year. This increase stems from three areas: Interest Rate SCR, for which AzBNL became sensitive to a downward shock at Q4 2023 and the duration gap decreased (from +0.10 to -0.09). Equity risk increased as well due to an upward trend in the equity markets and an increase in the symmetric adjustment. These two movements were partially offset by a decreasing spread risk due selling of Fixed Income investment funds and a decrease in duration of the bonds.
- Decrease in LAC DT mainly due to the decrease in Belgium DTA from EUR 40 mln to EUR 6 mln by the end of Q4 2023.



E.2.4 Use of the duration-based equity risk sub-module in the calculation ofthe Solvency Capital Requirement

Not relevant for AZBNL.

E.2.5 Differences between the standard formula and any internal model used

Not relevant for AZBNL.

E.2.6 Non-compliance with the Minimum Capital Requirement and non- compliance with the Solvency Capital Requirement

Not relevant for AZBNL.

E.2.7 Any other information

Loss Absorbing Capacity of Deferred Taxes (LAC DT)

Deferred taxes are relevant to the solvency of AzBNL, both as asset and/or liability positions in the solvency balance sheet and as an adjustment to the SCR via the loss absorbing capacity of deferred taxes (LAC DT). Given that AzBNL is a cross-border entity with insurance activities in Belgium and the Netherlands, deferred taxes are assessed separately for each fiscal jurisdiction. The activities in Luxembourg are not relevant in terms of deferred taxes because the P&C activities of the branch were ceded in 2022 to a third-party and the Luxemburgish Life activities are conducted in a subsidiary held via a participation.

Deferred tax position

As of Q4 2023, the Belgian operations show a net Deferred Tax Asset (DTA) of EUR 6,2 mln while the Dutch operations show a net Deferred Tax Liability (DTL) of EUR 56,2 mln in the solvency balance sheet. The DTA position in Belgium is justified via a recoverability test using future new business profits of the business plan.

Aside from the direct deferred taxes in the Solvency balance sheet, there are also deferred taxes in the participations modelled using a look-through approach for SCR purposes. The table below gives an overview of the DTL positions of these participations.

Participation	Net DTL position (mEUR)
Sofiholding	-
South City (non-life)	1,8
South City (life)	0,6
Climmolux	1,2
YAO NEWREP	1,1
Willemsbruggen	-

Loss absorbing capacity of deferred taxes (LAC DT)

AzBNL assesses the loss absorbing capacity of deferred taxes in line with the solvency delegated acts (updated in 2019) and the relevant circular of the National bank of Belgium (updated in 2020).

The maximum LAC DT is the change in the value of deferred taxes resulting from an instantaneous loss equal to the pre-tax SCR. The actual LAC DT is the sum of two components. The first is the reversal of the net deferred tax liability, the second is a notional deferred tax asset, both resulting from the instantaneous loss. The notional deferred tax asset is justified with a recoverability test using profits of the past (loss carry-back) or profits of the future (loss carry-forward). Of course, profits used to justify the DTA position in the solvency balance sheet are not considered for the notional DTA justification.

Given the separate fiscal jurisdictions, a separate computation of the LAC DT is done for Belgium and the Netherlands. For Belgium, given the net deferred tax asset position, the reversal of the net deferred tax liability is 0. For the Netherlands, the reversal of the net deferred tax liability is the amount EUR 56.2 mln mentioned above. The participations provide an additional EUR 4,7 mln.

The corporate tax rules in the Netherlands allow to offset losses against the taxable profit of the previous year. Given the taxes paid by the AzBNL Dutch branch in 2023, there is a loss carry-back capacity of EUR 20,8 mln in 2024.

Both the current deferred tax asset and notional deferred tax asset justified with loss carry-forward rely on profits generated by new business, with the proportion used to justify the former understandably no longer available for the justification of the latter. The new business considered for LAC DT purposes is a risk-adjusted version of the projections supporting the business plan of AzBNL. The adjustments make sure that there is no double-counting with the future profits already accounted for in the solvency balance sheet, and translate those future profits in a stressed situation after the SCR loss event. The volume and pricing impacts of the SCR loss event were agreed upon together with subject matter experts for each line of business and can be found in appendix. The volume impact is basically the impact on the premium inflow, while the pricing impact is the impact on the profitability. While volumes mainly depend on the general economic and business recovery after the stress event, the profitability evolution depends on the capacity of AzBNL to adjust its prices to the changed market conditions. Lastly, linear prudential haircuts of 6% yearly are applied between the years 6 and 11 to reflect the increasing uncertainty of profits projected beyond the business plan horizon.

The total amount of recognizable notional deferred tax asset recovered with the carry-forward of losses is EUR 24,1 mln for the Belgian and EUR 38,0 mln for the Dutch activities.

Summing the components reversion of net deferred tax liability and notional deferred tax asset leads to a LAC DT of EUR 143,7 mln as presented in the table below. It should be remarked upon that the EUR 114,9 mln of Dutch LAC DT is the maximum LAC DT that the Dutch activities can recognize. The combination of net DTL reversion and notional DTA leads to a surplus of EUR 9 mln of carry-forward in the Netherlands that cannot be used as LAC DT.

mEUR	Belgium	Netherlands	Participations
DTL Reversal	-	56,2	4,7
Carry-Back		20,8	
Carry-Forward (incl. Surplus)	24,1	47,0	
LAC DT Max. Capacity	155,2	114,9	
LAC DT	**24,1**	**114,9**	**4,7**

Sensitivities to assumptions

The LAC DT is not very sensitive to the assumptions, i.e. the LAC DT amount does not change much when the assumptions are changed. This is due to the rather large surplus of taxable profits in the Netherlands, as well as due to the rather small loss carry-forward in Belgium.

The sensitivities were assessed with three tests : -10%p on volume impact assumptions, +10%p on pricing impact assumptions, +10%p on prudential haircuts applied on top of the impacts already included in the projection. The largest impact on LAC DT is EUR -4 mln coming from the third scenario. Detailed results are presented below.

The first scenario simulates a reduction of the volume impact factors with 10 percentage points, i.e. the demand for insurance after stress is 10% lower across all lines of business.

mEUR	Belgium	Netherlands	Participations
DTL Reversal	-	56,2	4,7
Carry-Back		20,8	
Carry-Forward (incl. Surplus)	22,1	42,3	
LAC DT Max. Capacity	155,2	114,9	
LAC DT	**22,1**	**114,9**	**4,7**

Table 1: Scenario “lower post-stress insurance demand” @Q4 2023

The EUR -2.0 mln reduction of LAC DT is directly attributable to the lower carry-forward notional DTA in Belgium.

The second scenario simulates a reduction in the speed of the repricing via an increase of pricing impact coefficient with +10 percentage points.

mEUR	Belgium	Netherlands	Participations
DTL Reversal	-	56,2	4,7
Carry-Back		20,8	
Carry-Forward (incl. Surplus)	21,9	43,8	
LAC DT Max. Capacity	155,2	114,9	
LAC DT	**21,9**	**114,9**	**4,7**

Table 2: Scenario "slower post-stress repricing" @Q4 2023

The EUR -2.2 mln reduction of LAC DT is due to the lower carry-forward notional DTA in Belgium.

The third scenario simulates the increase by 10 percentage points of prudential haircuts that apply on the projection horizon beyond the business plan. The haircuts impact the loss carry-forward of the life business. They do not impact the loss carry-forward of non-life business because profits are booked on the same year that premium is earned in non-life.

mEUR	Belgium	Netherlands	Participations
DTL Reversal	-	56,2	4,7
Carry-Back		20,8	
Carry-Forward (incl. Surplus)	20,1	46,1	
LAC DT Max. Capacity	155,2	114,9	
LAC DT	**20,1**	**114,9**	**4,7**

Table 3: Scenario "increasing prudential haircuts" @Q4 2023

The EUR -4 mln reduction of LAC DT is due to the lower carry-forward notional DTA in Belgium.

Non-life assumptions regarding profits used to justify notional DTA

Country			BE	BE	BE	BE	BE	BE
Line of Business			Motor	Property Personal Lines	Property Commercial Lines	Worker's Accident	Disability	Health
Volume Impact	Generation Year	1	90%	100%	90%	80%	90%	90%
		2	95%	100%	95%	90%	95%	95%
		3	100%	100%	100%	100%	100%	100%
		4	100%	100%	100%	100%	100%	100%
		5	100%	100%	100%	100%	100%	100%
Pricing Impact	Generation Year	1	100%	100%	100%	100%	100%	100%
		2	50%	50%	50%	10%	50%	50%
		3	0%	0%	0%	0%	0%	0%
		4	0%	0%	0%	0%	0%	0%
		5	0%	0%	0%	0%	0%	0%

Country			NL	NL	NL	NL	NL	NL	NL
Line of Business			Motor	Property Personal Lines	Property Commercial Lines	Liability Personal Lines	Liability Commercial Lines	Income Protection Personal Lines	Income Protection Commercial Lines
Volume Impact	Generation Year	1	90%	100%	90%	100%	80%	90%	90%
		2	95%	100%	95%	100%	90%	95%	95%
		3	100%	100%	100%	100%	100%	100%	100%
		4	100%	100%	100%	100%	100%	100%	100%
		5	100%	100%	100%	100%	100%	100%	100%
Pricing Impact	Generation Year	1	100%	100%	100%	100%	100%	100%	100%
		2	60%	50%	30%	50%	30%	50%	50%
		3	10%	0%	0%	0%	0%	25%	25%
		4	0%	0%	0%	0%	0%	0%	0%
		5	0%	0%	0%	0%	0%	0%	0%

Prudential haircuts applied to profits used to justify notional DTA

Increasing haircuts apply as soon as the projection horizon moves beyond the business planning.

Projection Year	1	2	3	4	5	6	7	8	9	10
Haircuts for DTA	-	-	-	-	-	3%	6%	9%	12%	15%
Haircuts for notional DTA	-	-	-	-	-	6%	12%	18%	24%	30%

Life assumptions regarding profits used to justify notional DTA

Country			BE	BE	BE	BE	BE	BE
Line of Business			UL	UL (Investment)	PFL (UL)	PFL (Guaranteed)	Opportunity	Stability
Volume Impact	Generation Year	1	80%	75%	85%	85%	90%	90%
		2	90%	95%	90%	90%	95%	95%
		3	95%	100%	95%	95%	100%	100%
		4	100%	100%	100%	100%	100%	100%
		5	100%	100%	100%	100%	100%	100%
Pricing Impact	Generation Year	1	75%	95%	95%	50%	75%	100%
		2	25%	50%	50%	25%	25%	50%
		3	0%	25%	25%	0%	0%	0%
		4	0%	0%	0%	0%	0%	0%
		5	0%	0%	0%	0%	0%	0%

Country			NL	NL	NL
Line of Business			Unit Linked	Annuity	Term
Volume Impact	Generation Year	1	95%	90%	75%
		2	95%	100%	85%
		3	100%	100%	100%
		4	100%	100%	100%
		5	100%	100%	100%
Pricing Impact	Generation Year	1	100%	25%	25%
		2	100%	0%	0%
		3	0%	0%	0%
		4	0%	0%	0%
		5	0%	0%	0%

Appendices

S.02.01.l	Balance sheet
S.05.01.b	Premiums, claims and expenses by line of business
S.05.02.b	Premiums, claims and expenses by country
S.12.01.b	Life and Health SLT Technical Provisions
S.17.01.l	Non Life Technical Provisions
S.19.01.b	Non-life Insurance Claims Information
S.22.01.b	Impact of long term guarantees measures and transitional
S.23.01.b	Own funds
S.25.01.b	Solvency Capital Requirement - for undertakings on Standard Formula
S.28.02.b	Minimum Capital Requirement - Both life and non-life insurance activity

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Balance sheet

			Solvency II value	Statutory accounts value
			C0010	C0020
Assets	Goodwill	R0010	----	5.224.771,20
	Deferred acquisition costs	R0020	----	-1.978.826,42
	Intangible assets	R0030	0,00	15.136.710,37
	Deferred tax assets	R0040	6.179.155,00	
	Property, plant & equipment held for own use	R0060	130.267.450,00	110.642.683,92
	Investments (other than assets held for index-linked and unit-linked contracts)	R0070	8.809.998.000,00	8.842.315.772,90
	Property (other than for own use)	R0080	99.907.990,00	64.747.852,91
	Holdings in related undertakings, including participations	R0090	417.236.560,00	268.902.332,16
	Equities	R0100	236.407.470,00	272.742.033,59
	Equities - listed	R0110	231.630.830,00	268.703.494,86
	Equities - unlisted	R0120	4.776.640,00	4.038.538,73
	Bonds	R0130	7.571.136.960,00	7.811.602.677,88
	Government Bonds	R0140	4.832.662.530,00	4.976.337.886,56
	Corporate Bonds	R0150	2.738.474.430,00	2.835.264.791,32
	Collective Investments Undertakings	R0180	474.511.920,00	419.927.954,85
	Derivatives	R0190	4.521.070,00	4.392.921,51
	Deposits other than cash equivalents	R0200	6.276.030,00	
	Assets held for index-linked and unit-linked contracts	R0220	7.345.527.930,00	7.345.527.931,73
	Loans and mortgages	R0230	4.472.431.100,00	4.722.092.334,30
	Loans on policies	R0240	185.409.900,00	572.085.909,20
	Loans and mortgages to individuals	R0250	2.869.456.180,00	3.124.853.500,11
	Other loans and mortgages	R0260	1.417.565.020,00	1.025.152.924,99
	Reinsurance recoverables from:	R0270	1.067.341.130,00	1.313.810.772,24
	Non-life and health similar to non-life	R0280	996.866.830,00	1.219.912.418,58
	Non-life excluding health	R0290	991.495.450,00	1.204.045.277,88
	Health similar to non-life	R0300	5.371.380,00	15.867.140,70
	Life and health similar to life, excluding health and index-linked and unit-linked	R0310	78.489.760,00	93.898.353,66
	Health similar to life	R0320	62.999.150,00	64.608.619,36
	Life excluding health and index-linked and unit-linked	R0330	15.490.610,00	29.289.734,30
	Life index-linked and unit-linked	R0340	-8.015.460,00	
	Deposits to cedants	R0350	718.280,00	718.277,05
	Insurance and intermediaries receivables	R0360	196.649.930,00	196.650.085,17
	Reinsurance receivables	R0370	27.383.670,00	51.444.627,06
	Receivables (trade, not insurance)	R0380	170.826.260,00	174.523.950,39
	Cash and cash equivalents	R0410	84.093.470,00	84.070.907,02
	Any other assets, not elsewhere shown	R0420	15.959.175,00	4.671.961,15
	Total assets	R0500	22.327.375.550,00	22.864.851.958,08

Balance sheet

				Solvency II value	Statutory accounts value
				C0010	C0020
Liabilities	Technical provisions - non-life		R0510	1.799.107.060,00	2.250.330.334,39
		Technical provisions - non-life (excluding health)	R0520	1.673.327.050,00	2.093.548.238,67
		Best Estimate	R0540	1.627.535.920,00	----
		Risk margin	R0550	45.791.130,00	----
		Technical provisions - health (similar to non-life)	R0560	125.780.010,00	156.782.095,72
		Best Estimate	R0580	101.822.180,00	----
		Risk margin	R0590	23.957.830,00	----
	Technical provisions - life (excluding index-linked and unit-linked)		R0600	10.349.703.180,00	11.029.413.541,36
		Technical provisions - health (similar to life)	R0610	1.335.010.180,00	1.329.417.335,10
		Best Estimate	R0630	1.178.343.610,00	----
		Risk margin	R0640	156.666.570,00	----
		Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	9.014.693.000,00	9.699.996.206,26
		Best Estimate	R0670	8.883.178.620,00	----
		Risk margin	R0680	131.514.380,00	----
	Technical provisions - index-linked and unit-linked		R0690	7.136.954.310,00	7.345.527.931,31
		Best Estimate	R0710	7.057.896.960,00	----
		Risk margin	R0720	79.057.350,00	----
	Provisions other than technical provisions		R0750	28.203.740,00	28.203.743,32
	Pension benefit obligations		R0760	116.881.000,00	3.662.287,59
	Deposits from reinsurers		R0770	836.797.080,00	908.445.427,32
	Deferred tax liabilities		R0780	56.201.208,00	9.615.671,56
	Derivatives		R0790	0,00	1.140.645,33
	Debts owed to credit institutions		R0800	35.304.720,00	36.451.945,13
		Debts owed to credit institutions resident domestically	ER0801	35.304.720,00	----
	Financial liabilities other than debts owed to credit institutions		R0810	35.689.290,00	47.092.002,70
		Debts owed to non-credit institutions	ER0811	35.689.290,00	----
		Debts owed to non-credit institutions resident domestically	ER0812	35.689.290,00	----
	Insurance & intermediaries payables		R0820	195.315.860,00	196.798.578,30
	Reinsurance payables		R0830	37.194.910,00	61.255.853,05
	Payables (trade, not insurance)		R0840	47.686.650,00	48.336.900,09
	Any other liabilities, not elsewhere shown		R0880	134.601.932,00	138.144.461,63
	Total liabilities		R0900	20.809.640.940,00	22.104.419.323,08
Excess of assets over liabilities			R1000	1.517.734.610,00	760.432.635,00

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Premiums, claims and expenses by line of business

Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)

				Medical expense insurance
				C0010
Premiums written	Gross - Direct Business		**R0110**	86.383.454,87
	Gross - Proportional reinsurance accepted		**R0120**	14.128.975,15
	Reinsurers' share		**R0140**	12.976.966,40
	Net		**R0200**	87.535.463,62
Premiums earned	Gross - Direct Business		**R0210**	86.012.856,13
	Gross - Proportional reinsurance accepted		**R0220**	14.076.508,05
	Reinsurers' share		**R0240**	13.123.962,74
	Net		**R0300**	86.965.401,44
Claims incurred	Gross - Direct Business		**R0310**	62.186.882,91
	Gross - Proportional reinsurance accepted		**R0320**	11.218.463,79
	Reinsurers' share		**R0340**	10.136.546,60
	Net		**R0400**	63.268.800,10
Expenses incurred			**R0550**	18.991.645,47
	Administrative expenses	Gross - Direct Business	**R0610**	3.064.443,24
		Net	**R0700**	3.064.443,24
	Investment management expenses	Gross - Direct Business	**R0710**	479.613,73
		Net	**R0800**	479.613,73
	Claims management expenses	Gross - Direct Business	**R0810**	1.652.985,28
		Net	**R0900**	1.652.985,28
	Acquisition expenses	Gross - Direct Business	**R0910**	11.294.395,48
		Reinsurers' share	**R0940**	2.812.246,02
		Net	**R1000**	8.482.149,46
	Overhead expenses	Gross - Direct Business	**R1010**	5.312.453,76
		Net	**R1100**	5.312.453,76
Total technical expenses			**R1300**	----

Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted p				
Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance
C0020	C0030	C0040	C0050	C0060
133.117.743,15	105.824.972,82	270.542.272,47	213.672.597,32	53.001.262,18
0,00	183.139,35	0,00	0,00	6.901,65
12.110.348,42	3.976.862,42	133.265.805,53	101.279.110,53	25.926.277,35
121.007.394,73	102.031.249,75	137.276.466,94	112.393.486,79	27.081.886,48
131.976.368,10	105.824.972,82	271.484.057,97	213.607.081,58	52.695.936,24
0,00	183.139,35	0,00	0,00	6.901,65
12.166.789,40	3.976.862,42	134.230.726,52	100.587.725,51	25.902.774,72
119.809.578,70	102.031.249,75	137.253.331,45	113.019.356,07	26.800.063,17
86.070.342,64	89.741.935,41	225.413.600,99	104.990.656,24	26.595.553,37
0,00	72.999,79	2.199.155,64	0,00	0,00
3.996.422,54	2.369.635,42	129.295.798,16	53.127.855,79	10.126.255,78
82.073.920,10	87.445.299,78	98.316.958,47	51.862.800,45	16.469.297,59
21.398.395,08	32.965.032,75	42.785.956,78	45.973.955,55	7.171.392,61
5.956.016,54	2.993.256,74	7.864.756,16	7.010.219,96	1.220.491,95
5.956.016,54	2.993.256,74	7.864.756,16	7.010.219,96	1.220.491,95
390.588,16	2.364.285,75	1.214.486,98	838.534,10	176.700,41
390.588,16	2.364.285,75	1.214.486,98	838.534,10	176.700,41
3.020.647,40	8.876.652,45	17.810.913,10	13.538.301,20	1.299.545,19
3.020.647,40	8.876.652,45	17.810.913,10	13.538.301,20	1.299.545,19
9.989.147,31	13.504.504,18	44.802.954,50	47.748.057,01	10.720.527,97
2.322.662,66	452.256,49	42.440.431,91	33.104.382,60	8.116.987,32
7.666.484,65	13.052.247,69	2.362.522,59	14.643.674,41	2.603.540,65
4.364.658,33	5.678.590,12	13.533.277,95	9.943.225,88	1.871.114,41
4.364.658,33	5.678.590,12	13.533.277,95	9.943.225,88	1.871.114,41
----	----	----	----	----

proportional reinsurance)				Total
Fire and other damage to property insurance	General liability insurance	Legal expenses insurance	Miscellaneous financial loss	
C0070	C0080	C0100	C0120	C0200
388.703.704,58	130.806.521,26	9.054.917,15	11.160,48	1.391.118.606,28
20.244,68	105.246,09			14.444.506,92
200.701.128,34	61.834.743,98	6.488.071,26	6.190,61	558.565.504,84
188.022.820,92	69.077.023,37	2.566.845,89	4.969,87	846.997.608,36
381.748.307,37	128.975.791,84	9.151.846,93	15.514,13	1.381.492.733,11
20.244,68	105.246,09			14.392.039,82
195.195.138,77	62.016.915,31	6.617.798,51	8.513,49	553.827.207,39
186.573.413,28	67.064.122,62	2.534.048,42	7.000,64	842.057.565,54
147.868.912,11	154.862.173,01	2.221.976,27	-26.065,33	899.925.967,62
-144.426,88	-4.037.004,37			9.309.187,97
66.958.555,79	105.632.232,13	1.973.905,75	-9.792,39	383.607.415,57
80.765.929,44	45.192.936,51	248.070,52	-16.272,94	525.627.740,02
75.563.090,20	31.731.805,55	2.832.656,28	-46.266,08	279.367.664,19
12.426.545,84	4.089.485,09	222.402,52	-392.370,31	44.455.247,73
12.426.545,84	4.089.485,09	222.402,52	-392.370,31	44.455.247,73
1.567.468,48	512.572,79	58.418,70		7.602.669,10
1.567.468,48	512.572,79	58.418,70		7.602.669,10
9.727.585,59	5.940.946,21	1.867.242,24		63.734.818,66
9.727.585,59	5.940.946,21	1.867.242,24		63.734.818,66
91.546.058,27	35.549.876,77	2.568.396,49	2.739,96	267.726.657,94
54.834.255,08	20.127.737,27	2.410.400,95	49.010,92	166.670.371,22
36.711.803,19	15.422.139,50	157.995,54	-46.270,96	101.056.286,72
15.129.687,10	5.766.661,96	526.597,28	392.375,19	62.518.641,98
15.129.687,10	5.766.661,96	526.597,28	392.375,19	62.518.641,98
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Premiums, claims and expenses by line of business

Life

				Line of Busines
				Insurance with profit participation
				C0220
Premiums written	Gross		**R1410**	486.744.433,45
	Reinsurers' share		**R1420**	10.537.026,45
	Net		**R1500**	476.207.407,00
Premiums earned	Gross		**R1510**	486.744.433,45
	Reinsurers' share		**R1520**	10.537.026,45
	Net		**R1600**	476.207.407,00
Claims incurred	Gross		**R1610**	739.728.004,72
	Reinsurers' share		**R1620**	6.921.298,74
	Net		**R1700**	732.806.705,98
Expenses incurred			**R1900**	72.384.695,77
	Administrative expenses	Gross	**R1910**	31.598.318,88
		Net	**R2000**	31.598.318,88
	Investment management expenses	Gross	**R2010**	7.664.176,00
		Net	**R2100**	7.664.176,00
	Claims management expenses	Gross	**R2110**	4.327.302,97
		Net	**R2200**	4.327.302,97
	Acquisition expenses	Gross	**R2210**	29.920.686,50
		Reinsurers' share	**R2220**	1.125.788,58
		Net	**R2300**	28.794.897,92
	Overhead expenses	Gross	**R2310**	0,00
		Net	**R2400**	0,00
Total technical expenses			**R2600**	----
Total amount of surrenders			**R2700**	458.391.101,55

s for: life insurance obligations		Total
Index-linked and unit-linked insurance	Other life insurance	
C0230	C0240	C0300
879.277.523,63	442.447.470,70	1.808.469.427,78
6.531.737,53	12.674.830,10	29.743.594,08
872.745.786,10	429.772.640,60	1.778.725.833,70
879.277.523,63	442.447.470,70	1.808.469.427,78
6.531.737,53	12.674.830,10	29.743.594,08
872.745.786,10	429.772.640,60	1.778.725.833,70
473.300.238,50	165.487.480,86	1.378.515.724,08
3.233.460,13	9.014.117,90	19.168.876,77
470.066.778,37	156.473.362,96	1.359.346.847,31
72.748.831,34	11.883.568,32	157.017.095,43
21.362.730,79	2.573.916,10	55.534.965,77
21.362.730,79	2.573.916,10	55.534.965,77
1.706.010,75	2.444.317,18	11.814.503,93
1.706.010,75	2.444.317,18	11.814.503,93
1.714.061,23	508.715,01	6.550.079,21
1.714.061,23	508.715,01	6.550.079,21
38.187.849,58	2.991.476,43	71.100.012,51
225.732,01	415.632,88	1.767.153,47
37.962.117,57	2.575.843,55	69.332.859,04
10.003.911,00	3.780.776,48	13.784.687,48
10.003.911,00	3.780.776,48	13.784.687,48
----	----	157.017.095,43
27.991.659,55	-12.334.735,65	474.048.025,45

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Life and Health SLT Technical Provisions

Life and Health SLT Technical Provisions

					Insurance with profit participation
					C0020
Technical provisions calculated as a sum of BE and RM	Best Estimate	Gross Best Estimate		**R0030**	6.782.196.170,00
		Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default		**R0040**	15.779.550,00
			Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	**R0050**	15.779.550,00
			Recoverables from SPV before adjustment for expected losses	**R0060**	
		Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		**R0080**	15.779.540,00
		Best estimate minus recoverables from reinsurance/SPV and Finite Re		**R0090**	6.766.416.630,00
	Risk margin			**R0100**	75.616.110,00
Technical provisions - total				**R0200**	6.857.812.280,00
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total				**R0210**	6.842.032.740,00
Best Estimate of products with a surrender option				**R0220**	6.608.854.460,00
Gross BE for Cash flow	Cash out-flows	Future guaranteed and discretionary benefits		**R0230**	----
			Future guaranteed benefits	**R0240**	6.637.459.980,00
			Future discretionary benefits	**R0250**	383.490.950,00
		Future expenses and other cash out-flows		**R0260**	359.713.640,00
	Cash in-flows	Future premiums		**R0270**	614.736.500,00
		Other cash in-flows		**R0280**	
Percentage of gross Best Estimate calculated using approximations				**R0290**	483,048000%
Surrender Value				**R0300**	0,00
Technical provisions without transitional on interest rate				**R0320**	6.857.812.280,00
Best estimate subject to volatility adjustment				**R0330**	6.782.196.170,00
Technical provisions without volatility adjustment and without others transitional measures				**R0340**	6.892.987.600,00
Technical provisions without matching adjustment and without all the others				**R0360**	6.892.987.600,00
Expected profits included in future premiums (EPIFP)				**R0370**	

Index-linked and unit-linked insurance			Other life insurance			Total (Life other than health insurance, incl. Unit-Linked)
	Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	
C0030	C0040	C0050	C0060	C0070	C0080	C0150
----	6.909.441.420,00	148.464.150,00		274.185.930,00	1.826.787.910,00	15.941.075.580,00
----	-7.922.630,00	-84.210,00			-28.640,00	7.744.070,00
----	-7.922.630,00	-84.210,00			-28.640,00	7.744.070,00

----	-7.931.110,00	-84.360,00			-288.930,00	7.475.140,00
----	6.917.372.530,00	148.548.510,00		274.185.930,00	1.827.076.840,00	15.933.600.440,00
79.057.340,00	----	----	55.898.270,00	----	----	210.571.720,00
7.136.962.910,00	----	----	2.156.872.110,00	----	----	16.151.647.300,00
7.144.978.380,00	----	----	2.157.161.040,00	----	----	16.144.172.160,00
6.922.476.450,00	----	----	782.242.350,00	----	----	14.313.573.260,00
7.204.220.700,00	----	----	2.488.665.870,00	----	----	16.713.837.500,00
----	----	----	----	----	----	6.637.459.980,00
----	----	----	----	----	----	383.490.950,00
575.429.010,00	----	----	98.251.320,00	----	----	1.033.393.970,00
721.744.140,00	----	----	485.943.360,00	----	----	1.822.424.000,00
	----	----		----	----	
0,000000%	----	----	-0,006000%	----	----	----
3.448.511.300,00	----	----	754.802.820,00	----	----	4.203.314.120,00
7.136.962.910,00	----	----	2.156.872.110,00	----	----	16.151.647.300,00
7.057.905.570,00	----	----	2.100.973.840,00	----	----	15.941.075.580,00
7.166.077.700,00	----	----	2.191.772.990,00	----	----	16.250.838.290,00
7.166.077.700,00	----	----	2.191.772.990,00	----	----	16.250.838.290,00
7.346.300,00	----	----	59.725.350,00	----	----	67.071.650,00

Health insurance (direct business)		Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
	Contracts without options and guarantees			
C0160	C0170	C0190	C0200	C0210
----	33.632.140,00	1.128.905.270,00	15.806.200,00	1.178.343.610,00
----		50.968.980,00	12.102.790,00	63.071.770,00
----		43.966.810,00	12.102.790,00	56.069.600,00
----		7.002.170,00		7.002.170,00
----		50.896.360,00	12.102.790,00	62.999.150,00
----	33.632.140,00	1.078.008.910,00	3.703.410,00	1.115.344.460,00
30.403.280,00	----	125.857.000,00	406.290,00	156.666.570,00
64.035.420,00	----	1.254.762.270,00	16.212.490,00	1.335.010.180,00
64.035.420,00	----	1.203.865.910,00	4.109.700,00	1.272.011.030,00
	----		----	
166.059.800,00	----	1.773.870.360,00	15.713.110,00	1.955.643.270,00
----	----	----	----	----
----	----	----	----	----
43.800.410,00	----	127.448.330,00	93.100,00	171.341.840,00
176.228.070,00	----	737.504.240,00		913.732.310,00
	----	-34.909.170,00		-34.909.170,00
0,000000%	----	0,000000%	0,000000%	----
0,00	----	0,00	0,00	0,00
64.035.420,00	----	1.254.762.270,00	16.212.490,00	1.335.010.180,00
33.632.140,00	----	1.128.905.270,00	15.806.200,00	1.178.343.610,00
65.323.170,00	----	1.285.795.580,00	16.446.910,00	1.367.565.660,00
65.323.170,00	----	1.285.795.580,00	16.446.910,00	1.367.565.660,00

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Non-life Technical Provisions

Non-life Technical Provisions

						Medical expense insurance
						C0020
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole					**R0050**	
Technical provisions calculated as a sum of BE and RM				Gross - Direct Business	**R0070**	-1.431.530,00
				Gross - accepted proportional reinsurance business	**R0080**	185.560,00
			Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default		**R0100**	-347.510,00
				Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	**R0110**	-347.510,00
			Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		**R0140**	-347.510,00
			Net Best Estimate of Premium Provisions		**R0150**	-898.460,00
		Claims provisions	Gross - Total		**R0160**	30.892.730,00
				Gross - Direct Business	**R0170**	25.372.630,00
				Gross - accepted proportional reinsurance business	**R0180**	5.520.100,00
				Gross - accepted non-proportional reinsurance business	**R0190**	----
			Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default		**R0200**	1.295.270,00
				Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	**R0210**	1.295.270,00
			Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		**R0240**	1.295.270,00
			Net Best Estimate of Claims Provisions		**R0250**	29.597.460,00
		Total Best estimate - gross			**R0260**	29.646.760,00
		Total Best estimate - net			**R0270**	28.699.000,00
	Risk margin				**R0280**	263.050,00
Technical provisions - total	Technical provisions - total				**R0320**	29.909.810,00
	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total				**R0330**	947.760,00
	Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total				**R0340**	28.962.050,00
Line of Business: further segmentation (Homogeneous Risk	Premium provisions - Total number of homogeneous risk groups				**R0350**	2
	Claims provisions - Total number of homogeneous risk groups				**R0360**	3
Cash-flows of the Best estimate of Premium Provisions (Gross)	Cash out-flows	Future benefits and claims			**R0370**	21.378.860,00
		Future expenses and other cash-out flows			**R0380**	4.995.290,00
	Cash in-flows	Future premiums			**R0390**	27.620.110,00
Cash-flows of the Best estimate of Claims Provisions (Gross)	Cash out-flows	Future benefits and claims			**R0410**	30.858.240,00
		Future expenses and other cash-out flows			**R0420**	34.500,00
		Other cash-in flows (incl. Recoverable from salvages and subrogations)			**R0440**	
Technical provisions without transitional on interest rate					**R0470**	29.909.830,00
Best estimate subject to volatility adjustment					**R0480**	29.646.780,00
Technical provisions without volatility adjustment and without others transitional measures					**R0490**	29.899.720,00
Expected profits included in future premiums (EPIFP)					**R0500**	443.280,00

Direct business and accepted proportional reinsurance					
Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance
C0030	C0040	C0050	C0060	C0070	C0080
-20.683.150,00	2.437.950,00	-6.141.280,00	-10.339.190,00	702.240,00	29.754.290,00
1.350,00					0,00
-1.494.170,00	-796.910,00	-7.901.170,00	-2.226.210,00	703.680,00	16.951.210,00
-1.494.170,00	-796.910,00	-7.901.170,00	-2.226.210,00	703.680,00	16.951.210,00
-1.494.090,00	-1.126.070,00	-7.928.140,00	-2.228.210,00	702.340,00	16.938.740,00
-19.187.710,00	3.564.020,00	1.786.860,00	-8.110.980,00	-100,00	12.815.550,00
24.196.120,00	66.223.150,00	901.737.120,00	59.778.260,00	48.772.520,00	216.550.120,00
24.196.120,00	66.223.150,00	893.482.100,00	59.778.260,00	48.766.270,00	216.545.200,00
		8.255.020,00	0,00	6.250,00	4.920,00
----	----	----	----	----	----
3.027.930,00	4.019.380,00	576.352.130,00	25.217.030,00	23.782.420,00	111.745.170,00
3.027.930,00	4.019.380,00	576.352.130,00	25.217.030,00	23.782.420,00	111.745.170,00
3.026.540,00	4.017.240,00	576.043.090,00	25.212.720,00	23.773.980,00	111.739.340,00
21.169.580,00	62.205.910,00	325.694.030,00	34.565.540,00	24.998.540,00	104.810.780,00
3.514.320,00	68.661.100,00	895.595.840,00	49.439.070,00	49.474.760,00	246.304.410,00
1.981.870,00	65.769.930,00	327.480.890,00	26.454.560,00	24.998.440,00	117.626.330,00
7.215.810,00	16.478.970,00	26.603.700,00	511.340,00	1.011.480,00	2.769.140,00
10.730.130,00	85.140.070,00	922.199.540,00	49.950.410,00	50.486.240,00	249.073.550,00
1.532.450,00	2.891.170,00	568.114.950,00	22.984.510,00	24.476.320,00	128.678.080,00
9.197.680,00	82.248.900,00	354.084.590,00	26.965.900,00	26.009.920,00	120.395.470,00
5	1	3	3	2	2
11	1	15	15	8	25
50.616.160,00	88.785.130,00	128.518.670,00	85.075.690,00	8.574.300,00	165.957.880,00
11.718.210,00	21.738.470,00	60.213.030,00	53.886.740,00	4.523.730,00	76.549.810,00
83.017.490,00	108.085.650,00	194.966.930,00	149.322.810,00	12.396.060,00	212.851.220,00
23.728.360,00	66.136.030,00	854.992.330,00	72.962.580,00	49.027.560,00	211.062.870,00
467.820,00	87.110,00	53.625.270,00	3.061.170,00	1.468.070,00	6.255.030,00
		6.880.410,00	16.245.370,00	1.723.110,00	767.580,00
10.730.170,00	85.140.070,00	922.199.600,00	49.950.470,00	50.486.190,00	249.073.740,00
3.514.360,00	68.661.090,00	895.595.900,00	49.439.130,00	49.474.710,00	246.304.600,00
11.551.650,00	85.140.070,00	931.108.080,00	50.112.770,00	50.759.690,00	250.025.460,00
19.081.280,00		29.521.330,00	29.346.860,00	2.664.700,00	29.242.590,00

			Accepted non-proportional reinsurance	Total Non-Life obligation
General liability insurance	Legal expenses insurance	Miscellaneous financial loss	Non-proportional casualty reinsurance	
C0090	C0110	C0130	C0150	C0180
-12.328.290,00		-3.563.190,00	----	-21.592.150,00
			----	186.910,00
-6.553.060,00		-3.034.350,00		-4.698.490,00
-6.553.060,00		-3.034.350,00		-4.698.490,00
-6.571.100,00		-3.032.630,00		-5.086.670,00
-5.757.190,00		-530.560,00		-16.318.570,00
389.293.230,00	1.461.320,00	7.831.110,00	4.027.660,00	1.750.763.340,00
389.073.100,00	1.461.320,00	7.830.850,00	----	1.732.729.000,00
220.130,00		260,00	----	14.006.680,00
----	----	----	4.027.660,00	4.027.660,00
251.146.250,00		2.503.070,00	3.359.300,00	1.002.447.950,00
251.146.250,00		2.503.070,00	3.359.300,00	1.002.447.950,00
250.987.030,00		2.502.250,00	3.356.040,00	1.001.953.500,00
138.306.200,00	1.461.320,00	5.328.860,00	671.620,00	748.809.840,00
376.964.940,00	1.461.320,00	4.267.920,00	4.027.660,00	1.729.358.100,00
132.549.010,00	1.461.320,00	4.798.300,00	671.620,00	732.491.270,00
14.626.560,00	56.930,00	143.830,00	68.150,00	69.748.960,00
391.591.500,00	1.518.250,00	4.411.750,00	4.095.810,00	1.799.107.060,00
244.415.930,00		-530.380,00	3.356.040,00	996.866.830,00
147.175.570,00	1.518.250,00	4.942.130,00	739.770,00	802.240.230,00
2		2		----
14	3	9	1	----
47.843.940,00		1.393.460,00		598.144.090,00
34.039.930,00		2.289.840,00		269.955.050,00
94.275.450,00		7.246.500,00		889.782.220,00
377.026.680,00	1.283.970,00	7.607.600,00	3.997.180,00	1.698.683.400,00
16.514.890,00	177.260,00	223.550,00	30.490,00	81.945.160,00
4.248.320,00		10,00		29.864.800,00
391.591.490,00	1.518.160,00	4.411.780,00	4.095.810,00	1.799.107.310,00
376.964.930,00	1.461.230,00	4.267.950,00	4.027.660,00	1.729.358.340,00
396.028.500,00	1.525.800,00	4.439.900,00	4.142.500,00	1.814.734.140,00
21.317.230,00		4.103.580,00		135.720.850,00

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Non-Life Technical Provisions - By country

Gross TP calculated as a whole and Gross BE for different countries - Home country and countries outside the materiality threshold

			Medical expense insurance	Income protection insurance
			C0020	**C0030**
Direct business	Home Country	**R0010**	23.941.110,00	3.781.300,00
Accepted proportional reinsurance business	Home Country	**R0041**	5.705.670,00	1.350,00
Accepted non-proportional reinsurance	Home Country	**R0070**	----	----

Direct business and accepted proportional reinsurance				
Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance
C0040	C0050	C0060	C0070	C0080
68.661.090,00	275.383.470,00	18.044.120,00	3.215.240,00	106.048.520,00
----	----	----	----	----

		Accepted non-proportional reinsurance
General liability insurance	Legal expenses insurance	Non-proportional casualty reinsurance
C0090	C0110	C0150
120.806.950,00	1.461.230,00	----

----	----	4.027.660,00

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Non-Life Technical Provisions - By country
Gross TP calculated as a whole and Gross BE for different countries - Countries in the materiality threshold

Business Type	**Z0010**	(64) 1 - Insurance

		Country	Income protection insurance
		C0010	**C0030**
Countries in the materiality threshold	**R0100**	(NL) NETHERLANDS	-268.290,00

Non-Life Technical Provisions - By country
Gross TP calculated as a whole and Gross BE for different countries - Countries in the materiality threshold

Business Type	**Z0010**	(65) 2 - Accepted proportional reinsurance

		Country	Income protection insurance
		C0010	**C0030**
Countries in the materiality threshold	**R0100**	(NL) NETHERLANDS	

Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance
C0050	C0060	C0070
611.957.420,00	31.395.010,00	46.253.230,00

Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance
C0050	C0060	C0070
8.255.010,00		6.240,00

Fire and other damage to property insurance	General liability insurance	Miscellaneous financial loss
C0080	**C0090**	**C0130**
140.251.160,00	255.937.860,00	4.267.690,00

Fire and other damage to property insurance	General liability insurance	Miscellaneous financial loss
C0080	**C0090**	**C0130**
4.920,00	220.120,00	260,00

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Non-life insurance claims

Gross Claims Paid (non-cumulative) - Development year

(absolute amount)

Year		**0**	**1**	**2**
		C0010	**C0020**	**C0030**
Prior	**R0100**			
N-14	**R0110**	398.095.260,00	200.251.410,00	50.402.500,00
N-13	**R0120**	402.889.310,00	216.899.560,00	52.106.050,00
N-12	**R0130**	399.020.630,00	194.268.980,00	67.146.940,00
N-11	**R0140**	327.889.370,00	182.708.620,00	38.493.170,00
N-10	**R0150**	319.751.860,00	172.212.370,00	33.979.820,00
N-9	**R0160**	313.832.380,00	160.572.930,00	44.187.250,00
N-8	**R0170**	314.740.530,00	180.675.280,00	54.843.990,00
N-7	**R0180**	358.650.630,00	215.658.340,00	55.810.050,00
N-6	**R0190**	298.421.490,00	200.873.070,00	52.225.410,00
N-5	**R0200**	306.072.490,00	207.791.150,00	51.395.460,00
N-4	**R0210**	283.797.850,00	204.344.630,00	47.536.670,00
N-3	**R0220**	238.385.350,00	148.267.320,00	36.061.700,00
N-2	**R0230**	255.280.220,00	178.331.590,00	57.128.300,00
N-1	**R0240**	245.133.710,00	216.542.250,00	
N	**R0250**	233.731.770,00		

				Development year	
3	4	5	6	7	8
C0040	C0050	C0060	C0070	C0080	C0090
28.126.870,00	39.828.440,00	18.439.360,00	12.695.590,00	6.377.460,00	12.836.760,00
49.097.900,00	16.581.140,00	16.236.090,00	11.494.370,00	11.893.590,00	9.036.370,00
22.082.340,00	19.357.910,00	15.658.850,00	11.610.360,00	12.047.690,00	8.479.570,00
19.455.800,00	15.061.970,00	16.999.880,00	12.846.570,00	8.135.960,00	7.951.530,00
21.849.170,00	22.757.410,00	16.564.930,00	12.305.370,00	7.142.380,00	6.734.060,00
29.711.430,00	25.445.550,00	18.954.090,00	12.810.300,00	10.979.440,00	6.745.930,00
32.057.940,00	21.053.680,00	18.183.590,00	13.375.610,00	8.861.840,00	3.314.840,00
27.141.340,00	20.775.930,00	17.442.990,00	11.500.840,00	12.463.710,00	
27.372.620,00	19.574.400,00	17.844.160,00	9.706.850,00		
29.238.310,00	20.707.780,00	17.439.740,00			
26.004.920,00	21.114.090,00				
20.065.400,00					

9	10	11	12	13	14	15 & +
C0100	C0110	C0120	C0130	C0140	C0150	C0160
						15.902.750,00
8.951.860,00	4.768.690,00	15.083.120,00	6.125.810,00	1.627.830,00	2.097.630,00	
7.062.590,00	4.154.420,00	3.625.150,00	3.699.000,00	5.854.850,00		
6.462.500,00	3.147.790,00	5.678.130,00	3.283.950,00			
7.640.150,00	4.371.090,00	5.136.030,00				
5.392.470,00	6.553.230,00					
6.739.320,00						

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Impact of long-term guarantees measures and transitionals

Impact of long-term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals
		C0010
Technical provisions	**R0010**	19.285.764.280,00
Basic own funds	**R0020**	1.461.134.610,00
Excess of assets over liabilities	**R0030**	1.517.734.610,00
Eligible own funds to meet Solvency Capital Requirement	**R0050**	1.461.134.610,00
Tier 1	**R0060**	1.454.955.455,00
Tier 3	**R0080**	6.179.155,00
Solvency Capital Requirement	**R0090**	1.018.727.540,00
Eligible own funds to meet Minimum Capital Requirement	**R0100**	1.454.955.455,00
Minimum Capital Requirement	**R0110**	458.427.392,86
Solvency Capital Requirement ratio	**R0120**	143,427418%
Minimum Capital Requirement ratio	**R0130**	317,379694%

Impact of the LTG measures and tra		
Without transitional on technical provisions	Without transitional on interest rate	Without volatility adjustment and without other transitional measures
C0020	C0040	C0060
19.285.764.280,00	19.285.764.280,00	19.445.075.906,00
1.461.134.610,00	1.461.134.610,00	1.345.718.284,00
1.517.734.610,00	1.517.734.610,00	1.402.318.284,00
1.461.134.610,00	1.461.134.610,00	1.345.718.284,51
1.454.955.455,00	1.454.955.455,00	1.314.865.598,00
6.179.155,00	6.179.155,00	30.852.686,51
1.018.727.540,00	1.018.727.540,00	1.070.276.845,00
1.454.955.455,00	1.454.955.455,00	1.314.865.598,00
458.427.392,86	458.427.392,86	481.624.580,20
143,427418%	143,427418%	125,735532%
317,379694%	317,379694%	273,006331%

ansitionals (Step-by-step approach)		
Impact of volatility adjustment set to zero	Without matching adjustment and without all the others	Impact of all LTG measures and transitionals
C0070	C0080	C0100
159.311.626,00	19.445.075.906,00	159.311.626,00
-115.416.326,00	1.345.718.284,00	-115.416.326,00
-115.416.326,00	1.402.318.284,00	-115.416.326,00
-115.416.325,49	1.345.718.284,51	-115.416.325,49
-140.089.857,00	1.314.865.598,00	-140.089.857,00
24.673.531,51	30.852.686,51	24.673.531,51
51.549.305,00	1.070.276.845,00	51.549.305,00
-140.089.857,00	1.314.865.598,00	-140.089.857,00
23.197.187,34	481.624.580,20	23.197.187,34
-223,895018%	125,735532%	-223,895018%
-603,908806%	273,006331%	-603,908806%

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Own funds

Own funds

			Total	Tier 1 - unrestricted	Tier 3
			C0010	**C0020**	**C0050**
Basic own funds before deduction for participations	Ordinary share capital (gross of own shares)	**R0010**	292.251.740,00	292.251.740,00	----
	Share premium account related to ordinary share capital	**R0030**	258.346.510,00	258.346.510,00	----
	Reconciliation reserve	**R0130**	904.357.205,00	904.357.205,00	----
	An amount equal to the value of net deferred tax assets	**R0160**	6.179.155,00	----	6.179.155,00
Total basic own funds after deductions		**R0290**	1.461.134.610,00	1.454.955.455,00	6.179.155,00
Available and eligible own funds	Total available own funds to meet the SCR	**R0500**	1.461.134.610,00	1.454.955.455,00	6.179.155,00
	Total available own funds to meet the MCR	**R0510**	1.454.955.455,00	1.454.955.455,00	----
	Total eligible own funds to meet the SCR	**R0540**	1.461.134.610,00	1.454.955.455,00	6.179.155,00
	Total eligible own funds to meet the MCR	**R0550**	1.454.955.455,00	1.454.955.455,00	----
SCR		**R0580**	1.018.727.540,00	----	----
MCR		**R0600**	458.427.392,86	----	----
Ratio of Eligible own funds to SCR		**R0620**	143,427418%	----	----
Ratio of Eligible own funds to MCR		**R0640**	317,379694%	----	----

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Solvency Capital Requirement - for undertakings on Standard Formula

Basic Solvency Capital Requirement

Article 112	**Z0010**	(2) 2 - Regular reporting

		Net solvency capital requirement	Gross solvency capital requirement
		C0030	**C0040**
Market risk	**R0010**	557.381.227,66	742.306.454,03
Counterparty default risk	**R0020**	111.579.406,81	113.834.340,48
Life underwriting risk	**R0030**	410.346.677,99	497.421.194,77
Health underwriting risk	**R0040**	325.783.601,18	325.783.601,18
Non-life underwriting risk	**R0050**	253.427.067,23	253.427.067,23
Diversification	**R0060**	-607.360.169,22	-675.657.068,43
Basic Solvency Capital Requirement	**R0100**	1.051.157.811,64	1.257.115.589,26

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Minimum Capital Requirement - Both life and non-life insurance activity

Mcr components

		MCR components
		Non-life activities
		MCR(NL, NL) Result
		C0010
Linear formula component for non-life insurance and reinsurance obligations	R0010	131.118.101,05

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Minimum Capital Requirement - Both life and non-life insurance activity

Background information

		Background information	
		Non-life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040
Medical expense insurance and proportional reinsurance	R0020	28.699.498,62	20.267.270,00
Income protection insurance and proportional reinsurance	R0030	2.137.825,64	67.341.360,00
Workers' compensation insurance and proportional reinsurance	R0040	65.807.613,58	108.484.280,00
Motor vehicle liability insurance and proportional reinsurance	R0050	327.927.974,86	136.794.360,00
Other motor insurance and proportional reinsurance	R0060	26.457.478,67	115.128.680,00
Marine, aviation and transport insurance and proportional reinsurance	R0070	25.007.587,43	27.047.480,00
Fire and other damage to property insurance and proportional reinsurance	R0080	117.636.270,13	188.795.830,00
General liability insurance and proportional reinsurance	R0090	132.834.641,43	69.716.300,00
Legal expenses insurance and proportional reinsurance	R0110	1.461.320,00	0,00
Miscellaneous financial loss insurance and proportional reinsurance	R0130	4.799.718,72	5.785.410,00
Non-proportional casualty reinsurance	R0150	671.620,07	0,00

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Minimum Capital Requirement - Both life and non-life insurance activity

Linear formula component for life insurance and reinsurance obligations

		Non-life activities	Life activities
		MCR(L, NL) Result	MCR(L, L) Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	**R0200**	35.252.380,46	342.527.617,99

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Minimum Capital Requirement - Both life and non-life insurance activity

Total capital at risk for all life (re)insurance obligations

		Non-life a
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole
		C0090
Obligations with profit participation - guaranteed benefits	**R0210**	0,00
Obligations with profit participation - future discretionary benefits	**R0220**	0,00
Index-linked and unit-linked insurance obligations	**R0230**	0,00
Other life (re)insurance and health (re)insurance obligations	**R0240**	1.387.819.370,60
Total capital at risk for all life (re)insurance obligations	**R0250**	----

activities	Life activities	
Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
C0100	C0110	C0120
----	6.398.705.229,45	----
----	383.490.942,31	----
----	7.057.896.959,98	----
----	2.100.982.450,14	----
8.725.962.389,37	----	45.987.347.610,21

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Minimum Capital Requirement - Both life and non-life insurance activity

Overall MCR calculation

		C0130
Linear MCR	**R0300**	508.898.099,49
SCR	**R0310**	1.018.727.539,70
MCR cap	**R0320**	458.427.392,86
MCR floor	**R0330**	254.681.884,92
Combined MCR	**R0340**	458.427.392,86
Absolute floor of the MCR	**R0350**	8.000.000,00
Minimum Capital Requirement	**R0400**	458.427.392,86

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Minimum Capital Requirement - Both life and non-life insurance activity

Notional non-life and life MCR calculation

		Non-life activities	Life activities
		C0140	**C0150**
Notional linear MCR	**R0500**	166.370.481,51	342.527.617,99
Notional SCR excluding add-on (annual or latest calculation)	**R0510**	333.045.439,69	685.682.100,01
Notional MCR cap	**R0520**	149.870.447,86	308.556.945,00
Notional MCR floor	**R0530**	83.261.359,92	171.420.525,00
Notional Combined MCR	**R0540**	149.870.447,86	308.556.945,00
Absolute floor of the notional MCR	**R0550**	4.000.000,00	4.000.000,00
Notional MCR	**R0560**	149.870.447,86	308.556.945,00