Solvency II

Solvency and Financial Condition Report

2024

Allianz Benelux

Allianz Benelux SA

Boulevard du Roi Albert II 321000 Brussels

VAT: BE 0403258197

Auditor

PwC Reviseurs d'Entreprises srl, M. Damien Walgrave as permanent representative,
Culliganlaan 5 – 1831 Diegem

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A. BUSINESS AND PERFORMANCE

A.1 Business and Performance

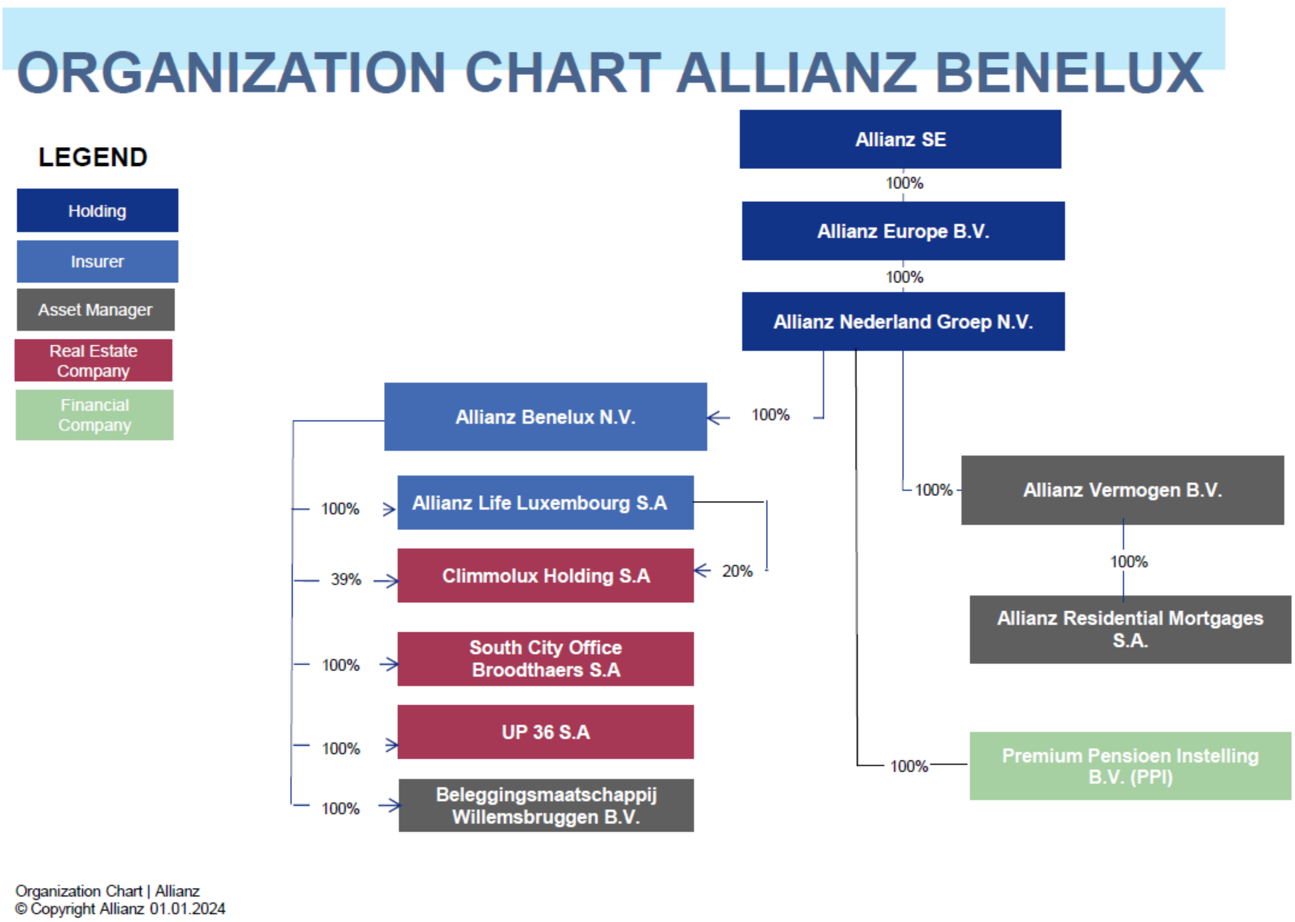
A.1.1 Operations

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 Top lines for 2024

General context

Around the world,

Paradoxically, the year under review was quite mixed. Although the regional conflicts (Ukraine and the Middle East) have increased, the global economy, which is on the whole resilient, did not do too badly at the end of 2024, with a growth rate slightly above 3%.

Energy prices fell to well below the record levels seen in 2022. Inflation contracted and returned to levels close to central bank targets. And the financial markets did not experience any major shocks.

Although the perception of the situation by economists and leaders turned out to be more negative than it should have been, Europe has nevertheless remained in less favourable waters with growth rates significantly lower than in China, India and the United States, while heavily occupied, if not preoccupied, with numerous elections, first and foremost within Europe, but also in several of its Member States, including Belgium.

In addition, what worried economic players were the excessively high levels of public debt, which took a hit following successive crises (health, energy, climate and financial) in which governments had to take on more debt to help their citizens overcome difficulties. The contraction of these debts will be difficult to achieve, particularly in Europe, under the threat of protectionist reflexes that will bring a blow to growth and trade, and with the urgent need to strengthen their defense in a world where geostrategic balances are reconfigured.

In this context, insurers who have been in the last years hit hard by large-scale natural disasters have mainly taken care to keep their accounts balanced by making use of price adjustments to take account increases in their costs and benefits.

In Europe,

Despite food prices continuing to rise, inflation returned to a more acceptable rate of 2.4% at the end of 2024.

Insurance companies have not remained immune to these developments. The indexation of their premiums followed the trend to cover the increase in wages and benefits.

In the Benelux,

The Belgian economy proved sluggish in 2024 with a growth rate of 1%. The year was marked by the closure of a number of industrial production sites, particularly in the automotive sector. On the other hand, services and to a lesser extent construction performed well.

Households, i.e. individuals for insurers, supported economic activity, driven by the effects of automatic indexation of their wages and less inclined to save.

The Dutch economy regained strength in 2024 with a GDP growth rate of 1.6% (-0.9% in 2023) thanks to the improvement in consumer confidence and the easing of financial conditions caused by the ECB’s rate cut.

However, the Dutch labor market remains tight with many job vacancies. This has an impact for insurers such as Allianz Benelux looking for the best employees. For companies, the trend is also positive, with a recovery in confidence and a resumption in investment through the increase in projects financed by the public authorities.

Insurance sector

Insurers, including Allianz Benelux, saw their inflows rise above inflation and were pleased that they did not have to deal with large-scale natural disasters in 2024. The year therefore ended with favourable results and the outlook is also positive. The general policy statement of the Belgian government opens up interesting avenues for insurers, particularly in terms of supplementary pensions where certain categories of civil servants will have access to the second pillar of Life insurance. Pensions are also at the heart of developments in the Netherlands, where the new scheme introduced on 1 July 2023 also opens up opportunities that companies, which were initially cautious, are now endeavouring to seize.

According to initial estimates of premium collections made in Belgium in 2024, gross growth reached 8.4%, all branches combined, which when adjusted for inflation, only generated real growth of 5.14%, which is nevertheless appreciable.

The branch-by-branch approach is convergent and fairly favourable in almost all business segments, as the Life branches posted an increase of 10.6%, i.e. net growth of 7.27%, while non-Life inflows increased by 6.1%, i.e. 2.90% net of inflation.

Life insurance for individuals had the wind in its sails with an increase in inflows of 19.8%, driven by both Branch 23 investment products, which performed particularly well at +34.5%, and fixed income products, which posted a 10.8% increase.

On the other hand, unlike 2023, when Group insurance held up well at 9%, group Life insurance contracted by -2.4%, with -1.7% for fixed income products and -8.5% for investment funds.

This trend was even more pronounced in Luxembourg, where customers, scalded by the volatility of the financial markets, still preferred to position themselves on fairly high- yield short-term bank accounts and avoid insurers' medium or long-term contracts.

The estimates in the Netherlands are not yet available at the time of writing, but initial figures available within the company suggest favourable growth in at least a majority of segments, including corporate insurance (Pensions and MidCorp) in which Allianz has a strong market share.

The very first market trends in 2024 would be as follows:

Non-Life premiums would have increased by 6.8% in gross terms (excluding inflation) and by 3.4% in net terms, while gross Life turnover would be at equilibrium at 0.5%. In total activities, the market would have grown by 4.2% in gross terms and 0.9% in net terms.

Changes in Compliance regulations

In the area of insurance distribution, the FSMA has updated its “IDD” directives. Allianz has taken this into account and has endeavoured to ensure that the customer's interest is systematically taken into account at the heart of the product approval, testing, review and monitoring processes.

The German legislator wishes to introduce anti-money laundering changes via the German Financial Crime Prevention Act. This legislation, announced several times, has not yet been adopted, but if it were to be adopted, it would be applicable to all subsidiaries of German financial institutions worldwide. To comply with this standard, Allianz Benelux will have to amend its AML procedures and operations in many areas such as policy management, training, staff controls, monitoring, reporting, etc. The obligation with the greatest impact is the periodic and systematic review of customer and other data subjects' data.

The Digital Operational Resilience Act (EU 2022/2554), more commonly known as DORA, was adopted on 16 January 2023 with an implementation date of 17 January 2025. This has a huge impact on Allianz in terms of IT resilience, testing, internal organization and reporting, as well as in the management of subcontractors. We now have declarations and reports to be made to the supervisory authorities designated in the regulations, in the event of incidents or threats, and preventive controls to be carried out both internally and with our counterparties.

Specific developments in Non-Life insurance

In Non-Life insurance as well as in other more cross-business areas, 2024 was marked by the adoption of various legislation:

- As a result of a law of 7 February 2024, **Book 6 on extra-contractual liability** was introduced into the new Belgian Civil Code (NCC). The six articles (1382 to 1386bis) that governed the subject under the old Civil Code, which have remained virtually unchanged since 1804, have been replaced by 55 articles. The NCC presents the law of extra-contractual liability with a clearer and more readable structure than before. It codifies, without changing existing legislation, the case law developed in this area over the last few decades, and also introduces certain new features. These include the end of the prohibition of competition between contractual and extra-contractual liability (barring exceptions, an injured co-contractor may claim compensation for its loss on the basis of contractual or extra-contractual liability) as well as the removal of the quasi-immunity of enforcement agents such as ourselves, our employees and our subcontractors, exposing the latter to possible recourse, on an extra-contractual basis, by an injured creditor of their client, in the event of an error committed by the auxiliary in the context of the performance of the contract concluded between the main contractors. This new legal regime came into force on 1 January 2025.

  We have ensured that it is complied with within Allianz Benelux in Belgium, and have carried out a significant impact analysis on our insurance products, our general terms and conditions and our subcontracting agreements.
- A law of 17 March 2024 amended the law of 21 November 1989 on **compulsory liability insurance for motor vehicles** in order to transpose European Directive 2021/2118 of 24 November 2021. Terminological changes are introduced into the 1989 law as well as an extension of the insurance obligation for vehicles on purely private land. The 1989 law has also been amended to take account of a judgement (15/2021 of 28 January 2021) of the Constitutional Court. The legislator now exempts a vehicle from the obligation of motor liability insurance by taking into account not only the criterion of the vehicle’s maximum speed, but also its mass. Allianz has taken this into account in the management of its motor liability policies.

- Another law of 17 March 2024 (which entered into force on 1 October 2024) amended the law on insurance of 4 April 2014 in order to introduce, with a view to consumer protection, a general legal framework for the settlement of claims. Periods for **payment of insurance benefits** were already imposed in certain insurance branches (e.g. fire ordinary risks and motor liability). These regulations have now been extended to the other branches of liability insurance (excluding motor liability), property insurance (excluding fire), fire insurance (excluding ordinary risks), health and accident insurance (with the exception of that for workplace accidents subject to specific rules).

  Allianz has complied with them since 1 October 2024.

- It was also on 3 May 2024 that the law on the **compensation of victims of an act of terrorism** was promulgated, repealing that of 1 April 2007. This new law, expected since the 2016 Brussels attacks, came into force on 15 June 2024. It establishes a solidarity scheme in favour of these victims in order to guarantee them full compensation for their physical injuries, on the basis of common law, even if they cannot avail themselves of (sufficient) insurance cover. The compensation procedure has also been simplified.

- The law of 18 May 2024 governing **private investigation**. It aims to better regulate the private detective activity, while respecting fundamental rights and rules protecting privacy, while taking account of new investigative techniques. Allianz now takes this into account when managing the activities of its private detectives and those of the external detectives it uses.
- The European Regulation on **artificial intelligence** (2024/1689 of 13 June 2024), which entered into force in August 2024 (nevertheless with gradual implementation), sets legally binding rules for European Union Member States regarding the development and use of AI systems, in order to guarantee to European citizens that AI systems are safe and that their fundamental rights are protected. The scope of the Regulation covers public and private players, and therefore also Allianz, which, as an insurance company, is increasingly using artificial intelligence in its management processes.
- Finally, the adoption, on 16 September 2024, of a royal decree implementing Article 85/1, § 4 of the law on insurance. This Article 85/1 had been introduced in the law of 4 April 2014 in order to facilitate the **termination** (by policyholders) of **Non-Life insurance policies** that are tacitly renewable, which cover consumers. The royal decree specifies the information that policyholders wishing to terminate their policies through their new insurer or their insurance intermediary, must communicate to the latter so that it can carry out the steps required for this termination.

  Allianz has complied with this new regime since 1 October 2024.

Specific developments in Life insurance

Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 already mentioned and established harmonized rules on artificial intelligence which of course also apply to life insurance.

Within Allianz Benelux, the Privacy Group monitors this legislation and provides instructions to Data Protection Officers and to other departments (e.g. the Data Office) on the rules to be followed.

The law of 21 April 2024 amending the law of 4 April 2014 on insurance with regard to grounds for exclusion related to attempted suicide in non-compulsory health insurance has also been taken into account by Allianz since 1 November 2024 in so far as it prohibits the exclusion of hospitalization costs resulting from a suicide attempt from occupational and non-occupational health insurance. The insurance company can no longer exclude costs resulting from a suicide attempt by the insured person in the health insurance policy. When taking out a health insurance policy, the insurer is prohibited from requiring an additional premium or refusing coverage on the grounds that the policyholder has already attempted suicide. Allianz is now complying with it.

Specific developments in sustainable finance

There was a slight lull in the development of regulations on sustainable finance during 2024. On 1 January 2024, the four new objectives related to the regulation on the European taxonomy, also known as the "Green Taxonomy", were implemented, namely: the sustainable use and protection of water/marine resources, transition to a circular economy, pollution prevention and control, and the protection and restoration of ecosystems. This has had an impact on the documents that Allianz must produce in its branch 23 products because from now on fund managers can take these objectives into account in their funds. Allianz is awaiting finalisation of the draft RTS to review the content of the sustainable finance documents to be communicated.

As for the other sustainability regulations in force, there have been slight changes.

Firstly, the Corporate Sustainability Due Diligence Directive (CSDDD) was adopted on 25 July 2024 and entered into force on 26 July 2024, and must be transposed into Belgian law by no later than 26 July 2026. This directive aims to regulate companies' due diligence concerning their ESG (Environmental, Social and Governance) risks and to promote sustainable and responsible behaviour. In concrete terms, companies will have to carry out due diligence on all their own operations but also on their entire value chain. Allianz will wait for the delegated acts to make things more concrete.

Next, Allianz complies with the directive on sustainable reporting (CSRD) adopted on 14 December 2022 and transposed into Belgian law on 28 November 2024. In this management report, it publishes certain information on this subject without prejudice to the report that the Allianz Group published entitled **Sustainability Report 2024**, containing a great deal of information on the efforts made by the Allianz Group and Allianz Benelux to meet societal expectations in terms of sustainable development.

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, our sales teams, our company's frontline representative on the ground, have passed on our vision and our solutions to our 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**, our strategy of offering, in Branch 21 for our flagship product "Allianz Invest for Life3A My Future", a relatively low guaranteed interest rate of 0.50% while offering greater upside potential for profit sharing once again proved profitable. In early 2025, we will announce a 2024 return of 3.25% net. 2025 also looks promising. With regard to the guaranteed rate in group contracts, affiliated employees will benefit from a statutory yield guarantee of 2.5% from 2025.

In Branch 23, we continued to diversify the range of funds through the arrival of new asset managers and additional funds. Our opportunity. be platform remained an essential tool for our brokers in 2024 for Branch 23 advice in line with the customer profile.

By harmonising the statutory pension of the self-employed and that of employees, the government also changed the method for calculating the 80% rule in 2022. This limited the possibilities for building up a supplementary pension through an Individual Pension Commitment (EIP).

For this reason, Allianz has launched in 2024 a new product for company savings: Plan for Life + (combination of Branch 21 and Branch 23).

In November 2024, Decavi awarded us the trophy in the "Branch 23 Low Risk" category. The Allianz Eurazeo Private Value Europe fund was recognised and ranked the best on the market by the jury. We received a second award in the "digitalisation" category for the launch of the Allianz Life Portal as part of the unification of our platforms, processes and workflows.

Investment and savings products continue to be impacted by European regulations relating to both sustainable finance (SFDR & taxonomy) and PRIIPS.

Throughout the year, we supported the business through several sales actions. Some enabled not only the investment tax to be covered but also the product entry costs. 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**, Allianz is always keen to develop our products in line with the needs of our individual customers and has paid special attention to electric cars and strengthened its offering for second-hand cars. In April, our multi-risk home product (New Home Plan) was selected by the Decavi jury as the best product on the market, featuring more extensive assistance packages, better compensation and also greater protection against underinsurance.

The benefits of our “All in One” package both for both individuals and companies are appreciated by our brokers.

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 from now on a complete assessment of the insurance policies required and recommended for their activity in just two minutes.

Companies are increasingly using Information and Communication Technology (ICT) providers for essential aspects of their operation (software, hardware, programming or maintenance, etc.). These professionals are often small companies or independent consultants who expect the best from Allianz to protect their business. To this end, we have put together the best combination of professional insurance for the ICT sector (Professional Liability, D&O, Cyber, Fraud).

In Workplace accidents, we continue to pay particular attention to and assist our customers with prevention through our Worksafe and Roadsafe tools, as well as our team of engineers.

Facilitating collaboration with our brokers and empowering them to further improve their client satisfaction is our main mission. To this end, and in order to enable them to directly access the documents in their Allianz portfolio (7 days a week and 24 hours a day) without having to contact our departments, we launched “MyAllianz Portfolio Overview” in June 2024.

Two significant legislative changes, which took place at the end of the year, impact our day-to-day management: the simplification of the rules for Non-Life insurance policy termination by individuals and the reform of the law on extra-contractual liability (Book 6 of the Civil Code). We are now taking this into account for both our policyholders and our staff.

At the end of 2024, Assuralia’s survey of distribution channels (2023) revealed to us that brokers’ market share remains stable over time. Just over half of insurers’ revenue is generated by brokerage. It was to highlight the crucial role that brokerage plays in insurance distribution that Allianz took over the presidency of Brocom, until the end of the 2024.

In this context, it is important to mention the launch of our new Blue 2.0. partnership program, a real growth driver for our brokers. The objective is to offer a more comprehensive and simplified approach by accumulating points based on 4 criteria: commercial activity, profitability, use of digital tools and commitment. Each level of partnership provides access to a specific value proposition.

The success of the Olympic and Paralympic Games in Paris confirms the relevance of our fourth year of sponsorship of Belgian athletics and the extension of this sponsorship until 2028. Our sustained presence at all levels - from professional athletes through international competitions to amateur sports via local clubs - has generated new synergies and created great 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, last

September (over two days). It was an opportunity to share the values conveyed by the athletic world to which Allianz fully adheres and which it intends to promote: vitality, accessibility, diversity and inclusion. A new ambassador, Jolien Boumkwo, a shot putt specialist, joined the team at the event (Thomas Carmoy, Rani Rosius, Peter Genyn, Léa Bayekula, Kim Gevaert).

A.3. Activities in Belgium and the Netherlands

1. Value Chain Commercial Lines NL

In terms of 2024 collection (excluding income), the Commercial Lines NL VC increased from 676.3 to 697 million EUR, or +3.1%.

NPS result

In 2024, Allianz further improved its NPS score, which reflects the satisfaction of insurance advisers. Thanks to the improvement initiatives implemented, Allianz managed to improve its position as Loyalty Leader in the corporate market to reach first place with an NPS score of 12.9. This score was again mainly driven by adviser's satisfaction with our services in the MidCorp segment. In this area, Allianz is now the market leader, both in terms of sales and service.
In the SME segment, Allianz again outperformed the market with a number 2 position and an NPS score of 1.4, achieving above 0 for the first time. It is also in this SME segment that the potential for improvement is greatest. Based on targeted feedback from our insurance advisers, initial improvement initiatives are already underway. These are particularly focused on digital services and improving service speed. In this way, Allianz continues to invest to maintain and further enhance its leading position in the corporate market.

Projects

In 2024, 7 programs were launched. They are commonly a continuation of previously started projects such as programs on growth, the commercial engine, technical excellence, pricing and the broker portal. The (expected) benefits of these ongoing initiatives are additional revenue, improved NPS score, improved technical standards and compliance with Allianz Group standards.
Special attention was also paid to Midcorp Underwriting's MiRA program. After setting up this system for new requests, MiRA was also set up for the renewal of existing insurance policies. As part of the cooperation with ING (Bancassurance), corporate third-party liability and professional third-party liability products have been implemented and started up.

Operations

The following developments occurred at the operational level:

- ***Policy servicing***: for major brand policies (BMW). Continuous process optimization and employee training took customer appreciation to a score of 4.4 (Voice of the Customer Score). A new MyAllianz portal has been developed, which gives customers direct access to an overview of their insurance policies and important documents (green card), and enables them to report claims digitally and actively track the processing of the latter.
- ***Commercial policy servicing***: In the fourth quarter of 2024, a new functionality was delivered on the broker portal that enables them to request quotes and new insurance from existing communities for passenger vehicles, vans and trucks.
- ***Payments***: In collaboration with the *Toetsing Verzekeraars* foundation, we reviewed the "late payment

protocol". This protocol sets out the rules that insurers must follow when dealing with customers experiencing payment problems. These include communication and provision of information, arrangements with recovery partners, cooperation on debt restructuring, and reinsurance of people who have been subject to a debt restructuring process. By adapting our written, telephone and general communication channels, we are helping to ensure that the financial problems of customers experiencing payment difficulties do not worsen and that our customers are better able to cope with them.

Claims

The Claims sector continues to suffer from the shortage of qualified personnel. By improving processes and implementing automation initiatives, we have managed to process more requests with fewer staff. In doing so, we have always put the customer first, as evidenced by the high levels of customer satisfaction. We have also successfully invested in improving employee engagement. By offering a wide range of training and development opportunities, and helping our employees to optimize the balance between their professional and private lives.

Considerable progress has been made in the area of personal injury litigation and significant results were achieved in 2024. The deployment of a *voicebot (conversational robot)*, the adjustment of telephone hours and the increase in authorization limits made it possible to better focus on the processing of files, which contributed to a 15% increase in the number of files processed. The average number of files per employee decreased by 10%, reducing the workload and improving the quality of service. This is reflected in the increase in customer satisfaction to 7.1 and the extension of the NKL label until 2027, which confirms the reliability and quality of our services. To further improve our services while reducing our external expertise costs, we recruited five claims adjusters and two labor experts. These results highlight the progress made in efficiency, customer satisfaction and internal processes in 2024.

In 2024, in cooperation with our colleagues at Allianz Direct and ING Bank, we successfully implemented new claims management for the self-employed and micro-enterprises in the third-party liability and automotive segments. Extension to material damage claims will follow in 2025. Through significant investments in automation and intensive consultation with our partners, we are helping customers in the best possible way when they are affected by an incident.

We also launched the **All In** automotive claims program, which aims to improve customer service. One of the main innovations is the *voicebot*, introduced on two telephone lines, which effectively directs customers to the right service. In 2025, we will extend it to other telephone lines.
We have also automated the process of collecting 'own risk legal liability' ('WA Eigen risico') premiums from intermediaries with which we have a 'current account' relationship. For a very large contract, we have implemented an automatic notification robot, meaning that 65% of claim notifications are now automated.

Renegotiations with the expert firms in Liability, Property, Engineering and Marine took place again in 2024. They resulted in new agreements for 2025 and 2026. The landscape has changed, with an increase in remote expertise, which now requires a sustainable and effective approach.
Whereas this was previously a development opportunity, it now needs to be structurally integrated. During the negotiations, the focus was on rates, where our volumes are, and we are pleased that existing partnerships can continue. Interdepartmental cooperation has played a crucial role in achieving this good result.

Underwriting

In Underwriting, a number of important milestones were reached in 2024. Allianz Commercial is one of these initiatives. Allianz AGCS and Allianz Benelux targeted segments with international brokers as part of a common marketing approach. This initiative will be further expanded to better serve international customers in this way. Work on the Broker portal also continued to improve the delivery of quotes and responses to broker inquiries. This led to a new record in new business sales via the Broker portal in 2024.
Regarding the optimization of underwriting quality, the accreditation work through the Allianz P&C Academy continued. In addition, a STAR program has been implemented for sales and underwriting.

All In

In 2024, we worked with a dedicated team to increase our productivity, which gave us a better overview of our performance and the results achieved. But more importantly, we have a better idea of what we can expect in the future. By actively listening to our end customers, brokers and employees, we have improved our services, including the digital ones. We have implemented modern technologies, such as the Voicebot and the PowerBI dashboard and optimized our portals for customers and brokers. These initiatives have not only increased efficiency, but also increased the satisfaction of our stakeholders.

The emphasis we continue to place on innovation and customer focus enables us to be more responsive and further strengthen our market leader position.

2. Value Chain Midcorp BE

NPS

In 2024, we continued our efforts to strengthen our position with our distribution partners.
This year, MidCorp has taken one step closer to Loyalty Leader status. Indeed, we have further improved our service level and achieved a higher-than-market NPS score from our brokers.

All this has resulted in growth of 12.1%, with turnover increasing from 209.8 to 235.2 million euros in 2024.

Operations

In Midcorp Operations, we continue to focus on the service we provide to our brokers. The positive effects are discernible, as shown by the latest NPS survey. Service levels remained very stable throughout the year.

Once again this year, a great deal of attention has been paid to the training of all our employees in order to further improve the quality of service. Thanks to our effective organization and the close cooperation between employees, the workload has remained under control.

In addition, this year we launched My Portfolio Overview. This platform helps operational departments reduce the number of incoming calls, as information is immediately available to our brokers. This enables all operational teams to respond more quickly to other questions.

Claims

In our Claims departments, quality, turnaround time and optimization of the customer experience remain top priorities. Our Claims departments strive to process files as efficiently as possible. Training, IT improvements and process optimization are the basis for this.

Several initiatives have been implemented to automate repetitive and simple tasks, freeing up time for our claims managers to better focus on core and more complex activities. The aim is to provide the most seamless service possible to brokers and customers.

Our digital platforms for workplace accidents (My Accident at Work & OAsys) have become even more accessible. For example, 70% of workplace accidents were notified through OAsys. Our brokers will also soon be able to make a digital workplace accident notification via e-claims. For the management of files with physical injury, we place strong emphasis on communication, proactive management and victim-friendly solutions, always ensuring a balance between recovery and resumption of daily activities.

The “Voice of the Customer” initiative, launched in 2023 for the Property, Motor, Legal Aid and Workplace Accident departments, was closely monitored in 2024. This involves measuring customer satisfaction in the form of a score, with the option of also providing feedback. Results have improved thanks in particular to actions resulting from feedback.

Finally, several legislative changes with a direct impact on claims management were implemented in 2024. Other changes have been published and will come into force in 2025. It was therefore a priority to prepare all affected claims managers for these changes. To this end, several interactive training sessions were organized, to which external experts were also invited.

Sales

The MidCorp sales team continued to focus on strengthening our value proposition for companies by harmonizing MidCorp and SME approaches. With a focus on individualized “Broker Plans” and “Broker Intimacy” suitable for corporate brokers, the foundations have been laid for an excellent result. Brokers thanked the sales team by again giving it an excellent NPS score for “account management”.

Underwriting

In 2024, we continued to focus on process improvement and automation within UW.

In terms of process improvement, we have improved performance monitoring by integrating our dashboards into a central reporting tool. Many initiatives have also been taken in the area of automation: In Property, Engineering and Fleet, we determined the products eligible for STP processing. In 2024, we developed a STP quotation tool for Engineering, which has been operational since the first quarter of 2025.

Our MiRA underwriting tool is also used for all quotation records in 2024. MiRA allows our underwriters to spend less time performing administrative checks and therefore spend more time in discussions with brokers and analyzing quotes. In addition, the system actively supports the technical analysis and pricing of the proposed risk.

Other branches

Fleet: The transition to electric vehicles is reaching cruising speed in the commercial vehicle segment, mainly due to less attractive taxation of commercial vehicles equipped with conventional combustion engines (ICE), ESG ambitions and CSRD requirements. This trend has been supported by the sharp increase in sales and administration costs (benefits in kind) for continuous combustion engine vehicles due to the sharp drop in emissions (CO_2) owing to electric vehicles.

Price adjustment mainly due to high inflation (hourly wages) and the higher average repair cost for (B) electric vehicles, remains an ongoing challenge for insurers during the renewal phase.

In the **Workplace Accidents** segment, 2024 was marked by a further tightening of the market.

Actions have been taken in the existing portfolio and the acceptance criteria for new business have been strengthened with an increasing focus on prevention. This applies both to policy subscription and to policy maintenance. Similar actions taken in the recent past have helped us to improve the quality of the portfolio.

In 2024, the **Property** portfolio continued its positive trend with growth of 7%. This growth is due to price increases that have been implemented in some regions, the optimization of our existing portfolio as well as a sustained increase in the number of new policies signed. The use of MIRA, the AI-based underwriting tool developed internally, remains a key driver of this growth.

We were also spared any major natural disasters in 2024. Thanks to the pruning of the portfolio and the disciplined underwriting in recent years, we have been able to achieve a very good loss ratio, with operating profit above expectations. The quality of risks and the emphasis on prevention remain paramount in this regard.

Third-Party Liability: despite still uncertain market conditions, solid growth was achieved for the second consecutive year in both general corporate third-party liability and professional third-party liability, D&O and Cyber. At the same time, other than one major claim, the profitability of the portfolio was consolidated.

The **Technical insurance** portfolio declined slightly, influenced by the economic slowdown.

The **Marine insurance** portfolio grew slightly due to more modest new business. Net results were very good last year.

Projects

This year, we focused mainly on productivity by investing in a tool to generate automated quotes for our brokers (engineering).

3. Retail and SME Value Chain in Belgium

Our value chain grew by 1.7% in Retail, from 117.3 MEUR in 2023 to 119.2 MEUR in 2024. On the other hand, we recorded a decline of 2.6% to 74 MEUR in 2024 in the SME segment in Belgium.

Various initiatives have been launched and completed to improve the services provided to customers and brokers. The central element was closer cooperation between the different teams (squads).

We can classify these improvements into the following categories:

1) Digitalization/projects
2) Product improvement and portfolio management
3) Improvement of our services

Digitalisation

Allianz API: optimisation for electric vehicles

Not all brokers include Allianz by default by exploring the entire market when they are looking for the best offer for their customers. In addition, it is becoming increasingly difficult to summarize and communicate our highly complex pricing in simple customer segments. It is therefore important to be present on the external comparison platforms, with which our brokers work, so that our prices are brought to the attention of more brokers.

By means of an API, Allianz makes its pricing for specific products available to external platforms (for example: WeGroup, Assurances.be, BrioCompare). The underwriting rules for electric cars were revised this year in line with market standards.

ProLink: clearer language

Our tool for brokers has been improved in numerous ways. For example, the different coverage options have been explained more clearly, allowing brokers to choose the right package for their customers more quickly.

My Allianz Portfolio Overview, is a broker environment made available on My Allianz Broker.
It provides brokers with 24/7 access to their portfolio data for retail and corporate customers, including in Workplace Accidents, without having to contact one of our managers.

It is a tool that allows us to provide an overview of contracts, packs, issued policy documents, amendments, payment notices and insurance certificates for the broker's Non-Life portfolio in one place. In the tool, we also provide information about the current status of premium payment as well as offers created in various Allianz pricing tools.

Proposals

The sectoral approach developed by Allianz enables brokers to offer the best insurance to their self-employed and SME customers, according to their business sector.

In early 2024, we launched a new sectoral campaign for the IT sector. Allianz brokers will offer professionals in this sector must-have insurance based on the risks they may incur. In early 2025, we are launching a sectoral offering tailored to Business Services, more specifically ICT professionals, Interim Managers and Consultants.

This exclusive commercial approach is an integral part of Allianz's strategy in the self-employed and SME market. The objective is to develop new sectoral offerings on a regular basis in the coming months.

Risk appetite

Allianz has a wide range of activities SMEs that can be insured. We have created a "risk appetite" guide to make it easier for them to find their way around Allianz's underwriting guidelines.

Improvement of our products and portfolio management

In the spring, our Motor pricing for "private vehicles" was adjusted. Indeed, our segmentation criteria have been better harmonized, which has led to better predictability and fairer pricing.

With our New Home Plan product, which we launched in early 2023, we won the Decavi Trophy in the fire insurance – ordinary risks category, in April 2024. It is a great endorsement that has enabled us to highlight the benefits of this product.

Improvement of our services

Operations departments

The launch of "My Portfolio Overview" enables operational departments to reduce the number of incoming calls, as the information sought is directly available to our brokers. This enables all operational teams to respond more quickly to other requests.

Within the Retail team, service levels remained very stable throughout the year. The average telephone waiting time remained below 40 seconds and incoming documents were also processed quickly. Particular attention has been paid to technical training, digital skills, telephony and, of course, consumer protection. Financial relations had a very good year. In this context, efforts have been made to continue digitalization, for example by introducing a QR code.

Claims departments

In our Claims departments, quality, turnaround time and an optimal customer experience remain top priorities. Our Claims departments strive to process files as efficiently as possible. Training, IT improvements and process optimization provided a solid basis for this.

In the area of claims management itself too, we are increasingly moving towards solutions that speed up and improve our services. Several initiatives have been implemented to automate repetitive and simple tasks, freeing up time for our claims managers to better focus on core and more complex activities. In addition, system improvements have been made to facilitate the work of our employees and provide a more seamless service to brokers and customers.

Our digital platforms for workplace accidents (My Accident at Work & OAsys) have become even more accessible. In this regard, 70% of workplace accidents were notified via OAsys in 2024. Our brokers will soon also be able to make a digital workplace accident notification via e-claims. For the management of files with physical injury, we are strongly committed to communication, proactive management and victim-friendly solutions, always ensuring a balance between convalescence and resumption of daily activities.

The “Voice of the Customer” initiative, launched in 2023 for the Property, Motor, Legal Protection and Workers Accident departments, was closely monitored in 2024. This involves measuring customer satisfaction in the form of a score, with the option of also giving an opinion. The results improved thanks to, among other things, actions resulting from the comments received.

Finally, several legislative changes with a direct impact on claims management were implemented in 2024. It was therefore a priority to prepare all affected claims managers for these changes.

4. Value Chain Retail Non-Life NL

We have increased by 5.4% in 2024, from 110.3 MEUR to 116.3 MEUR.

2024 was dominated by continued implementation and optimization of the Oneface value proposition in the Dutch market. The launch of this proposition made it possible to find the right interactions between Allianz Direct and Allianz Benelux, and to harmonize products, conditions and prices across all distribution channels. The introduction of a new digital platform for intermediaries has been a key pillar.

The first months of 2024 were devoted to monitoring, in particular to the resolution of migration problems and to platform stabilization. From the second quarter onwards, the platform has functioned in a stable manner and new improvements were introduced. An important step in this development was the inclusion of Oneface’s products and pricing in the Rolls and MyTP comparison tools, helping to increase the visibility and accessibility of products.

5. Value Chain Retail Life & Health BE

2024 was characterized by a substantial increase in premium income: up 17.3% compared to 2023. Total premium income amounted to € 660 million in 2024 compared to € 563 million in 2023.

The activity in **investment products** in single premiums increased significantly: +23.5% compared to 2023 reaching € 381 million, with the following observations:

- High growth in investment in Branch 23: up 45% compared to 2023. Clearly, the good performance of equity markets in 2023 and their very attractive performance in the first months of 2024 led investors to turn to investments with a little more risk, with a potentially higher return expectation over the long term, which, in view of these market trends, somewhat limited investments in Branch 21, which accounted for 26% of total investments in 2024 compared to 37% in 2023. This decrease in inflows in Branch 21 was nevertheless contained due to the good performance of ring-fenced funds, which made it possible to announce, as last year, a very attractive return for products in the Invest for Life (Dynamic) 3A range.
- The collaboration established a little over five years ago with **Banque Crelan** contributed 35% to premium income. A new partnership agreement was signed in 2024. It is expected to increase this percentage from 2025 and increase the share of these brokers in investment products within Allianz.
- This lower contribution was significantly offset by the launch of new products at the end of 2023 for IFA (Independent Financial Advisors) brokers. These new products, developed in collaboration with these brokers, are highly appreciated and already undoubtedly had a booster effect in 2024. They significantly increased the share of these brokers in total inflows: it rose from 27% in 2023 to 42% in 2024, reaching € 161 million in 2024 (compared to € 79 million in 2023).
- Activity in **Pension products** with periodic premiums also increased compared to 2023. Inflows for the new 2024 policies increased by 14% compared to the new 2023 policies, reaching € 45.5 million in 2024 compared to € 39.8 million in 2023. The most significant growth was observed in **INAMI** (medical professions) policies taken out by approved doctors and **PLCI** (voluntary supplementary pension products for the self-employed) (+65%). On the other hand, new business inflows from the third pillar (pension savings and long-term savings) decreased significantly compared to 2023 (-12%). Admittedly, 2023 was an exceptional year (+20%), probably due to anticipation of a potential change in legislation relating to long-term savings, which ultimately did not come into force. With regard to the second pillar (EIP), we observed stability in the amount of new business compared to 2023, with nevertheless a decrease in average premiums (-14%). This decrease is still linked to the new 80% rule decided in 2022, which limits the financing of pension funds from the 2021 fiscal year, which has a greater impact on the collection of single premiums intended to finance back-service. Thus, the premium income realized across the portfolio in Pension policies increased by 10% compared to 2023.
- In **Life Investments**, Allianz has a duty to satisfy brokers and independent financial advisers who are looking for diversified, dynamic investment solutions offering potentially higher returns as well as suitable tools for managing and monitoring them.
- In terms of investment solutions linked to Branch 23 funds, Allianz has offered **Allianz ActiveInvest**, **Allianz Xcellence (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.
- In addition to the **Allianz Xclusive Perspective** product launched in October 2023, Allianz has offered a new version: **Allianz Xclusive Horizon**. This new product offers investors a premium bonus of 2%, granted by Allianz. Like the Perspective version, it is aimed at a target with a higher invest-ment potential, a privileged clientele of specialized investment advisers. In addition to this versatile well-balanced investment solution that allows investors to control the risk taken for better performance, they benefit from an “attractive price” in terms of management fees and entry fees that, thanks to the premium bonus, will optimize the performance of their investment: Allianz is constantly seeking to improve value for money for the customer.

2024 also saw the launch of a new Branch 23 product, **Allianz Privilege Solutions**, developed in collaboration with the broker **Wilink** and marketed exclusively by it. This product is linked to the **R-co Select Strategy Balanced** investment fund managed by Rothschild & Co Asset Management.

- Lastly, the **DB Life FlexSelect** product, marketed through **Deutsche Bank's** network of banking agents**,** has been revamped following a repositioning of this product and a redefinition of the investor target. Thus, only three new funds will now be offered, each with a different risk profile: *Conservative*, *Balanced* and *Growth*.
- 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 center now includes all the **pre-contractual documentation related to the SFDR regulation** which, since 2024, is specific to each product: the SFDR report is now customized. This information pack contains all information relating to the integration of sustainability-related risks into its investment decision-making process, as well as information on the environmental and/or social characteristics of the investment options offered in the context of its products.
- In terms of Branch 21 investment solutions, Allianz is capitalizing on the **Allianz Invest for Life3A My Future** solution, 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, again in 2024, 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 3A ring-fenced funds. This prospect of receiving an attractive return has undoubtedly had a positive impact on the volume of premiums collected in 2024 in this product and is promising for the coming years.
- In addition to these developments in terms of products and tools, output in 2024 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 capitalized on its current **Plan for Life +** offering by adding six new funds in October 2024 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.
- Allianz has worked on a new tool, the **Allianz Fund guide**, which will be made available to brokers in 2025. It is a powerful search engine enabling dynamic consultation of our various Branch 23 funds that are found in our products.
- In 2024, in order to complete the product offering and offer all taxes via the 3 Pillars, we included with the Plan for Life + product, the "Corporate Investment" policy: it enables companies (legal entities) to purchase a 4th Pillar personal insurance policy with recurring premiums. The objective of this investment contract is to generate profits for the legal entity policyholder. In 2024, premium income almost reached € 1 million.
- Finally, we have reviewed our **pure death benefit** offering, such as the temporary and credit protection insurance products. This new offering will be marketed in 2025. We will also redefine our **Work disability** offering, which is expected to be marketed in 2025.

2024 was marked by the completion of the initial phases of the **Bridge program**, aimed at modernizing **Prolink Life** solutions and providing a standard platform for managing Pension & Protection products on the one hand and Investment on the other.

- **Prolink Life Plan (PLP)** 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 and give new impetus to the Individual Life business.
- There were several important accomplishments in 2024:

- the launch in late June 2024 of the new broker portal for "Allianz Life Portal" investment products with advanced features and a user-friendly interface, enabling brokers to quickly and easily access information, manage their contracts and track their activities;
- the gradual availability in this tool of our entire range of products marketed in Investment (Branch 21 and Branch 23) as well as new Branch 23 products for our IFAs;
- the migration in October 2024 of Investment contracts managed on the New Prolink Life platform.

• Thus, Allianz has ensured that the brokers active in **ProLink Life Investment** using our current underwriting and management platform, are gradually turning to **the Allianz Life Portal** which facilitates the underwriting and management of contracts by allowing the entry of all data, including elements required for anti-money laundering, FATCA and CRS controls.

• We have also strengthened our close collaboration with our brokers thanks to the **Broker User Club** which continued into 2024. This platform for exchanging ideas and sharing best practices helps to 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.

• Following the setting up in 2023 of the new structure within the **Individual Life&Health Value Chain BE**, the collaboration between the different **squads** picked up pace in 2024, enabling faster progress in the implementation of the various projects.

• Thanks to all the efforts made in 2024 in Individual Life, Allianz was able to regain its position as **Loyalty Leader** among brokers by once again overtaking its main competitors in the Belgian market.

6. Employee Benefits Value Chain BE

In 2024, we had another year of growth at 9,7%, both in terms of SMEs (mainly thanks to our Allianz Lifecycle Plan) and in terms of "big tickets", where we welcomed a number of new customers. It is also the result of advantageous proposals with a fixed guarantee and a high level of profit sharing. In short, both in Branch 21 and 23, Allianz now has a very competitive range of proposals.

We have seen good growth, both thanks to SMEs and a number of large companies, not only in pension insurance (+6,4%) but also in disability and hospitalization insurance (+9,3%).

We also continued to focus on simplifying the customer experience in the context of long-term performance. Our goal remains unchanged: to improve the direct service to our customers and their brokers, maintain direct contact through our portals and increase digital interaction while increasing customer satisfaction. This is something we will continue to focus on in 2025. This positive change in service quality has resulted in a decrease in the number of complaints, particularly regarding the terms for the payment of benefits, but also in a better perception of brokers, via interviews or our NPS survey.

2024 also saw the launch of a major legislative program taking into account the Transparency Act (Transparantiewet). This program will continue in full swing in 2025.

In addition, we also did not neglect to complete the DB2P declarations: 100% of these were submitted on time, i.e. before the end of August.

Beyond the implementation program for the Transparency Act, work continued on what we call EB 2.0. We will achieve this by intelligently improving our global infrastructure, further automating things for the purpose of digitalization and/ or freeing up capacity within our departments to further improve our services. This process will continue until 2025 through various processes:

- Commercial: fully automated quotation delivery tool (including a specific database and STP processes) in order to increase accuracy and speed not only in terms of the quotation but also in all underlying processes.
- A digital payment process via our membership portal
- Servicing & Tooling: the objective is to improve both of these components in all areas. This part also includes a strong digital component. The aim is to make things easier for our customers (advisers, employers and their (former) employees).
- Continuing to develop our portals for both employers and their employees, but also for their advisers.

7. Value Chain Employee Benefits NL

In Pensions insurance, we continued to grow in all segments (+18,5%):

1-collective pensions (both in the insured product and in PPI of which Allianz Benelux is the insurer with regard to biometric risks (+7,7%) and 2-annuities, both immediate pension annuities and immediate life annuities (+38,5%). Our position has improved significantly, especially in the SME segment, and we want to strengthen it further in the corporate segment in 2025. Although the WTP (Wet Toekomst Pensioenen) offers us several opportunities, we saw in 2024 a certain wait-and-see attitude on the part of employers, which unfortunately slowed our growth somewhat. However, we expect a catch-up effect in the coming years. The annuity market is growing strongly but also very competitive, which did not prevent Allianz from posting growth of more than 20%.

In addition to the focus on growth, we had to take into account the changes made to the law on pensions as part of the pension reform in the Dutch market. Our proposals have been adjusted accordingly so that we can continue to serve our clients optimally in the future.

Regarding Guaranteed Income insurance, we conducted a study in 2024 to develop a separate growth strategy for the group income segments: absenteeism, WIA and WGA-ERD.

Allianz continually invests in improving the customer experience, communication and digitalization in general. The customer portal and the portals intended for our customers (employers and employees) and their advisers were further improved in 2024, in particular to increase ease of use, increase customer satisfaction and reduce delivery times.

Allianz was again named “Loyalty Leader” in 2024 for both group pensions and annuities. This is a result we are very proud of and that we obviously want to maintain in 2025 and beyond.

One of the most important projects we can mention is the “Pole Position” project:

- The “Pole Position” project was launched to respond quickly and flexibly to changes in the pension market. It aims to continuously improve digital services for employers, employees and advisers. Thus, as part of this project, a new portal for employers was developed in 2024 to meet the needs of the large companies market. All the employers have been transferred to it.
- In addition, Pole Position has focused on improving the LeanApps (Keylane) management system, in particular through:
  - The introduction by the end of 2024 of an automatic link with the basic data of people registered with

municipalities
- The improvement of management of current account outflows
- The introduction of a new full lifecycle, including the contribution of all existing lifecycles that will be migrated.

Another major project in 2024 and which will also play an important role in the years to come is the WTP project, which focuses on what we all need to do in the context of the agreement on pensions in the Netherlands.

Allianz also continued to grow in the individual life insurance (ORV) segment. Unfortunately, we saw a slight decline in our market share that we want to recover in 2025 via a new segmented rate. From the end of 2024, we have seen an upturn in production, which is an encouraging sign for 2025.

In guaranteed income insurance, our guaranteed income insurance portfolio (AOV), in particular, recorded above-average growth. Strong customer focus as well as the improvement and digitalization of a number of customer journeys contributed to this.

For the NL Life segment, Allianz was again named “Loyalty Leader” and, in the ‘Individual Income’ (*Individual Inkomen)*, we succeeded in leading on loyalty for the second time in row in 2024. It goes without saying that Allianz will continue to invest to maintain this leading position in the market.

Investment policy & management

1. Financial markets in 2024

2024 was the year of elections, the central banks, inflation, the share markets, the widening of the spread (expansion of the yield relative to the swap rate) of government bonds, Trump’s election victory and continued fighting in Ukraine and the Middle East.

In 2024, central banks played a crucial role. The European Central Bank (ECB) reduced its interest rates by 25 basis points for the first time in June. The ECB wanted to support the economy despite the persistence of high inflation. Finally, we went from 4% at the end of June to 3% at the end of 2024. The Federal Reserve also lowered the discount rate from 5.5% to 4.5%. In the second half of the year, the rate curve returned to normal, with short-term rates lower than long- term rates.

Several elections took place around the world in 2024, the most important one being the US presidential election in November. There were also European Parliament elections in several European countries, including Belgium, Italy and France. In France, nationals elections were brought forward to 30 June by President Macron, following the good results for the extreme right in the European elections in June. Despite his attempt to stop the extreme right, France has become difficult to govern and saw its credit score drop. The CAC40 (French stock market index) ended the year down 0.92%, a particularly mediocre performance compared to other European countries. On the other hand, government bond yields reached new highs and the swap spread widened for the key European countries (mainly France, but also Germany), while the former PIGS (Portugal, Italy, Greece and Spain) actually recorded very good performances, leading to a tightening of rate differentials. Germany was also briefly quoted above the swap, which had never happened before or not for a very long time. In a context of heightened volatility in government bonds, corporate bonds and emerging markets performed particularly well.

In early August, the “yen carry trade” took place. A “carry trade” consists of borrowing in one country where interest rates are very low, Japan in this case, to invest in high yield liquid assets, mainly in other countries and currencies (mainly US Treasury bonds and the Nasdaq). As long as the yen remained weak against the dollar, there was no problem. However, Japan raised its interest rates, which led to a strengthening of the yen against the dollar and made repayment of the loan more expensive. The markets panicked for two or three days, but with hindsight, it turned out to be a good idea and even a good time to enter the market.

Unfortunately, the war between Ukraine and Russia is not yet over. President Donald Trump intervened in February 2025 but the question is at what cost, that of the rearmament of Europe certainly. In addition, there have been several examples of geopolitical tensions globally. The Middle East remains unstable and conflict continues in Israel, in Syria, Iran and Lebanon. Tensions also remain between Taiwan and China, as well as with other Asian countries that have problems with Chinese expansionism. Despite all these tensions, oil prices remained in a downward spiral over the year. Gold (+27%) and the weakening of the euro by 6.2% against the dollar led to a double gain in euros for those who had invested in gold.

In the United States, Donald Trump was re-elected President after beating Kamala Harris, and took office on 20 January 2025.

The US stock markets had a very positive year. The S&P 500 and Nasdaq posted strong gains (25% & 29.6%), while the Eurostoxx 50 grew 11.9%. The “Magnificent Seven”, the seven largest stock exchange-listed companies in the United States, namely Nvidia, Alphabet, Apple, Amazon, Meta, Tesla and Microsoft, also recorded excellent performance.
This trend can be partly explained by the rise of artificial intelligence (AI) and innovations such as Google’s quantum chip, which enables much faster calculations.

2. Investment strategies in 2024

2024 was characterized by high volatility in rates, equities and currencies. The year ultimately ended on an extremely positive note, with a rise of 26.6% for the global equity index (in euros), while long-term rates ended the year higher after the spectacular rebound recorded in December.

The European Central Bank lowered its key interest rates by 100 basis points in 2024. The deposit facility rate went from 4% in June to 3% in December. In the US, the Fed also lowered its key rates by 100 basis points in 2024 and they ended the year within a range of 3.75% to 4%. Analysts expect the ECB to continue to cut rates in 2025, while the Fed is likely to pause due to inflation that still above target.

This fall in short-term rates did not however revive the market for regulated real estate companies, with the EPRA Belgium index recording a negative performance of 17.14% in 2024. During the year, we reduced the SIR (regulated real estate companies) portfolio. Regulated real estate companies saw inconsistent performance during the year, mainly as a result of interest rate changes. At the end of the year, the rise in rates caused the Belgian real estate index to drop to its lowest level since 2014. On this occasion, we restructured portfolios in order to optimally manage value reductions and to start the next year with positions that are not excessively in the red.

The euro lost 6.21% against the dollar in 2024 going from 1.1039 to 1.0354, with the rise of the dollar against the euro mainly taking place after Donald Trump’s election to the presidency of the United States in November. During 2024, we decided to diversify our bond investments to take advantage of higher rates by investing in US treasuries (government bonds) and UK gilts (government bonds).

Political unrest caused by the decision of French President Macro to call the French people to early elections resulted in a sharp fall in the French share index (CAC40) and a significant rise in yields on French debt following the outcome of these elections. At the time, we decided to partially hedge our positions on French OATs (government bonds), which proved to be a worthwhile move given the sustained widening of spreads on these bonds.

The change in the rate returning to positive territory led us to use forward bond purchases to set a reinvestment rate on the many expected maturities in 2025 and 2026. These operations have also enabled us to increase the duration of our assets to return to a level closer to that of our commitments.

In mid-2024, Allianz Benelux started a long-term securities lending activity (3 years) with a banking counterparty. Az Benelux lends high quality securities (government bonds) and receives collateral and an annual premium in exchange. The deterioration in our solvency ratio related to the widening of government bond spreads penalizing the valuation of our assets relative to our commitments, the valuation of which is linked to VA (EIOPA reference portfolio) led us to carry out a detailed study on the cost of capital.

Again, with this solvency ratio as the common thread, the majority of equities were sold during the first half of the year and purchases of risky assets were significantly reduced in the second half. Emphasis was placed on the purchase of government bonds that have a zero SCR (Solvency Capital Requirement or the capital cost), cost, but this resulted in a deliberate lack of diversification.

In 2024, Belgian Health inflation was 1% above European inflation. This is negative for the workplace accidents business in which annuities are indexed to the Belgian health index but in which cover mainly comprises bonds indexed to European inflation.

New EB (Employee Benefits) customers joined us in ring-fenced funds with significant sums transferred from other insurers. In 2024, we also introduced several index trackers with competitive terms in the range of Br23 funds offered in EB.

In Individual life, we relaunched our production of guaranteed rate products (0.5%) by offering a highly competitive net customer rate that has risen from 3% for 2023 to 3.25% for 2024.

Allianz Benelux plans to move from the standard solvency model to the internal model, which will be a major undertaking over several years, but will make it possible to again ensure broader diversification, particular towards real assets (equities) that are currently very poorly represented in our portfolios.

Real estate

1. **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:

	2022	2023	2024	Trend
Stock (in million m²)	13.5	13.2	13.8	Slow resumption of construction
Rental vacancy rate	7.50%	7.10%	8.00%	Temporary increase
Gross take-up in m²	300,000	310,000	340,000	The recovery has started
Rent for prime properties in CBD in m²/year	330-340	350	400	Sharp increase in rents
Return on investment for prime properties	4%	4.75%/5.15%	5%	Rates fall again

MAIN COMMENTS:

Real estate market players are awaiting the economic reforms to be introduced by the future government. Debt control is a major issue and plays a role in the financial markets, as well as the level of interest rates, which still needs to fall to regain the confidence of real estate investors.

Gross take-up is still below the average of the last five years, despite some large transactions by the European Commission and large private companies. This upturn in major transactions for quality buildings is expected to intensify in 2025.

Investments doubled (€ 1.3 billion) compared to 2023, and developers account for 82% of buyers.

Finally, prime rent continued to rise in new energy-efficient buildings located close to public transport hubs.

MAIN COMMENTS ON THE PORTFOLIO

The market value of the buildings in the portfolio fell slightly again by 1.6% on average over 2024.

The overall vacancy rate of the Company's portfolio rose to 19%, mainly as a result of the departure of the European Commission from the Cortenbergh 150 building and the repositioning of this building.

(in M of EUR)	2022	2023	2024
Corporate buildings			
Book value	111.5	109.06	106.94
Market value	138.7	128.7	127.44
Investment properties			
Book value	75.18	64.8	63.17
Market value	130.25	99.9	95.41
Total			
Book value	186.72	173.86	170.11
Market value	269.01	228.6	222.85
Unrealised capital gains	82.29	54.74	52.74

Realised gains	4.61	5.04	0

During the 2024 financial year, Allianz Benelux ceded of its positions in the AEW Logistics fund, generating a capital gain of € 20.3 million. For all these alternative investments, the market value at the end of 2024 was € 150 million compared to € 233.1 million at the end of 2023.

Ceded reinsurance

A. 2024 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 of the Allianz Group, increased in 2024. The large exposures segment, both in Belgium and the Netherlands, also grew significantly.As in 2023, 2024 benefited from a limited number of natural events that had no impact on natural disaster protection programs.

The 2024 “Pan European QS P&C” treaty maintained its structure compared to 2023 with cession stabilised at 45%.

B. Cessions: 2024 market and renewals

The positive trend in traditional reinsurance capital, renewed interest in Cat bonds (Insurance Linked Securities, ILS) and lower inflation slowed the pressure on reinsurance costs.

However, pressure on Natural Disaster programs was maintained following the increase globally in expenses related to natural events as well as the need for reinsurers to rebalance their accounts to an acceptable level. In order to optimize our reinsurance costs, we aligned our retentions with the benchmark for the programs supporting the Natural Disasters cover, namely the Fire, Technical Risks and the entire Natural Disasters program.

Given the optimization carried out in recent years, the priorities of our non-proportional Motor, Marine and Workplace Accidents treaties have been maintained.

The strategy is to continue to the optimal stabilization of our income in the face of natural hazards, given the growing qualitative aspect of our fire risk portfolio supported by continuously improving technical control.

The placement of treaties in 2025 remains focused on the Group’s strategy initiated in 2014 and continued up to today. It should also be noted that the global reinsurance capacity is increasing both in traditional reinsurance and in “ILS”, which should partly limit the pricing pressure.

Allianz Re remains our main reinsurer with a 100% stake in the P&C component.

The retrocession and risk capital management strategy is optimized 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. The latter is mainly aimed at Fire, Technical Risks and Commercial Liability cover while having “Facob” programs relating to our risk appetite.

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

Group insurance in Belgium is continuing the strategy of pooling international programs developed by Allianz

Global Benefits, fully owned since 2024 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 two and a half years.

The capacity of the AOV portfolio (guaranteed income) underwritten in the Netherlands 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 2024, unchanged from last year.

Reserves and IBNR at the end of 2024 amounted to € 176,593.51 and € 585,558.74 respectively..
Our portfolio of international programs now manages around 80 programs 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 31/12/2024 related to its management totalled €
€ 173,445.

B. GOVERNANCE MEMORANDUM (2024)

B.1 Introduction

This memorandum is intended to satisfy the requirement stipulated by the overarching circular NBB_2020_17[1] 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 twelfth and current version of the Allianz Benelux sa ('AzBNL') Governance Memorandum was approved by the plenary session of the Board of Directors on 07/04/2025.

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 2024, to summarize and consolidate the current situation of the execution of the action plan 2024 and the actions to be taken in 2025.

This document will be uploaded on the NBB Supervision Portal by April 8, 2025.

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[2] and integrated[3] two tier system.

a) Board of Directors

ANG and Az BNL BoDs will be organised jointly with the concept of personal union (the 3 members of the Supervisory Board of ANG will be also members of the Board of Directors of Az BNL.
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.

[1] The review of the governance memorandum was done without taking into consideration the upcoming new version 2025 of this transversal circular PEGS.
[2] Only 4 members of the Board of Management are members of the Board of Directors
[3] 2 main differences with a classic 2 tier system: 1-the powers of the BoM come from a specific PoA of the BoD, and 2- at least 2 BoM members must be executive directors.

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 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 20 December 2024[4], 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;

[4] A 'personal union' was approved by 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.

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[5] 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, group standards or functional rules directly applicable to the company, etc.).

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 and when 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[6] (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 (2 CEOs (Regional and Netherlands), the Chief L&H & Investments Officer 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[7].

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:

[5] The last review of those policies was done in H2 2024 with a validation by the BoD on 20/12/24.
[6] The last review of this overall power of attorney was performed by the BoD on 20/12/24.
[7] For the appointment only.

- 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;
- 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, Approved Auditor and NBB;
- Validates the results of the Governance review of the Executive Accountability Regime (EAR) for the executives subject to this process and update the regime if need be;
- 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;
- 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 Approved 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[8] 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 20/12/2024.

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 5,000,000, 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 5,000,000;

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 Benelux;

h) Any letter of comfort or of guarantee to be granted to third parties exceeding EUR 10.000.000.

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;

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

- 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 function (HAF), Compliance (CCO) and Risk Management (CRO) who submit their reports to the Risk Committee for the 1st time in 2022,)[9];
- 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[10] for the financial component and NFRM[11] 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 according to art.15, 94° and 48 of the Belgian control law of 13/03/16.

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

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

[9] Before this date, except the Head of IA reporting to the Audit committee it was a directly reporting to the plenary session of the Board of Directors.
[10] And the ICRS, new risk control and reporting process of the company aligned with Allianz group
[11] Non Financial Risk Management process aiming at controlling 34 risk vectors in the businesses and in compliance

- 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.
- 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 3.2 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 without prejudice of the challenge of the annual reports of the Compliance function. 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, executives' variable remuneration, 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, CAE and CCO) are also permanent guests of this committee.

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 chairperson 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 Chair 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[12] 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

Chairman of the Board of Management

Directors who are members of the Board of Management

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. As of 01/01/25, the BoD reached more than the parity with 6 women on 11 directors.

Independent directors

Three members of the Board of Directors are independent directors who fulfil all the conditions of articles 15, 94° of the Belgian Control law and 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 complies with the rule that obliges this body to have a majority of independent directors among its members (§ 1.5.2 of the overarching circular of NBB 2016_31(PEGS).

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.

b) 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 bi-weekly basis: on Tuesday unless inconvenient, unless matters of urgency. All members are required to attend in presence or by call (hybrid meeting.

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

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

Administrative duties are taken up by the Az BNL Secretaries.

c) 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 director, specialising in financial management, who is independent and not chairperson 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 and Governance Caretaker playing the role of 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 Chairperson 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.

d) 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).

e) Risk Committee (RiCo)

Composition: 5 supervisory directors whose 1 independent one.
Guests: Chairman of the Audit committee, CEOs BE & NL, Regional CFO, 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

This policy is 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 and 2024, malus, clawback and non-compete clauses were inserted in the Self-employee or Labor contracts of some executives.

Az BNL is considered by the group as a SOE (Significant Operating Entity[13]), 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).

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, 10 persons are in scope: Head of (Internal) Audit, Chief Risk Officer, Chief Investment Officer, Chief Information Officer, Head of Claims, Head of Pricing, 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

In the category of Key Function Holders, we find following functions:
- Functions mentioned hereabove under A and B
- The 4 independent control functions: Chief Risk Officer, Chief Compliance Officer, Head of Actuarial Function, Head of (Internal) Audit (also in cat. B)
- Other Key Function Holders: Heads of Legal NL & BE and Head of Accounting.

D. Risk Takers

Under this concept, we have 34 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.

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

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. A specific remuneration is only reserved to non-executive directors who are external to the group or not working for Allianz as 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 120.000 EUR per accounting year[14].

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.

Each year and for the 1st time in 2022, the right to variable remunerations of BoM members was/is evaluated by the Governance & Control Committee through the process EAR (Executive Accountability Regime[15]).

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.

[14] This remuneration scheme was reviewed in 12/24.
[15] See description of this process in page 87

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.

Remuneration 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[16] + 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.

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 1+) 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 16 employees Azpire +(of which 2 in Luxembourg) in AGS 13+ and 8 employees Azpire x (board members of which 1 in Luxembourg).

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 defense 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.
This scheme is in 2 parts:

- a guarantee on survival (in case of life) at the end of the contract.

[16] Allianz Sustained Performance Plan

- If chosen, 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, € 80.618 (2025). 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), € 80.485(2025).

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 on page 20.

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.

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 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, standards or functional rules 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.

Significant transactions concluded with shareholders

As of 01/01/24, all the shares of the main companies (ANG, Az BNL, ALL, SFH) were in the hands of a unique shareholder to avoid complexity.

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 the 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.

4- Outsourcing of secondary services

The Company entrusted Allianz Services, an internal service provider located in Spain and Romania with the duty to perform some administrative/repetitive tasks in favour of several internal departments as finance and IT.

5- PIMCO Real Estate Management agreement

PIMCO Real Estate (PRE) company is the specialized group entity in charge of RE investments. In 2018, the company decided to entrust ARE with outsourcing of RE portfolio management including future investments. PIMCO acquired ARE activities on 01/10/20 and since then, under the name of PIMCO Real Estate managed the Real Estate portfolio of Az BNL via a specific power of attorney.

6- Allianz Direct collaboration agreement.

The direct underwriting business developed under the brand Allsecur by the Dutch branch is 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 took place in H2 2023.

7- One Face cooperation

This project aimed to use the 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.

8- Gearshift Agreements

This organization is based on a strong delegation of the IT tasks to Allianz Technology (AzT) through its branches based in Rotterdam and Brussels or by German services. The 2 main accountabilities remaining at Az BNL level are the definition of IT needs and the control of outputs and deliveries.

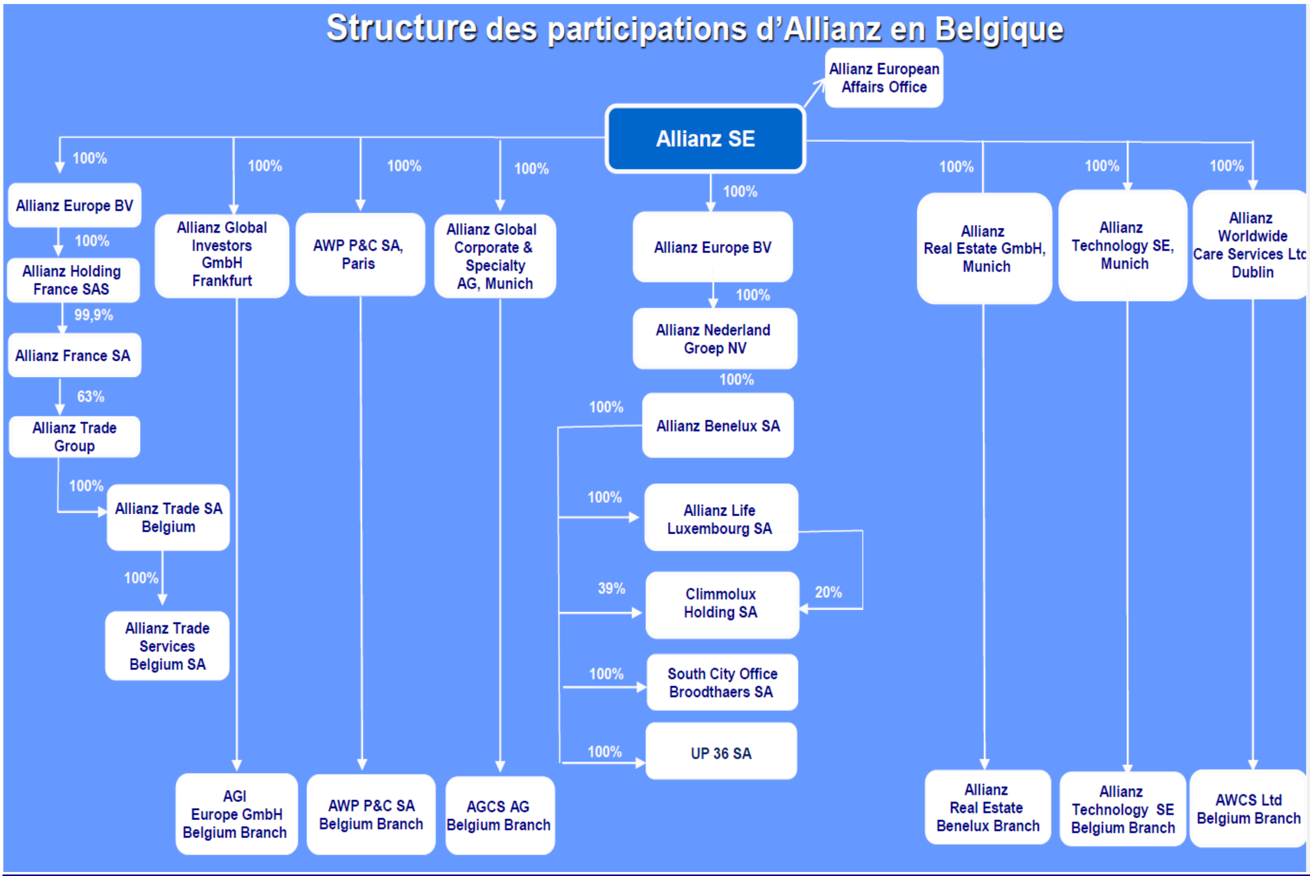
Projects, new IT systems or developments are taken into consideration by AzT.

9- 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



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 (concept = OneBenelux) 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).

This integration approach is in place without harming local peculiarities.

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 sub-region are under the control of the H5 division (Insurance Western & Southern Europe + Allianz Direct, Allianz Partners and 7 other EU countries) 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 Chairman of the Board Bäte	H2 Finance, Risk, Actuarial, Legal, Compliance Coste-Lepoutre	H3 Investment Management Thallinger	H4 Operations, IT and Organization Karuth-Zelle	H5 Insurance Western & Southern Europe, Allianz Direct, Allianz Partners Boshnakova	H6 Asia Pacific, M&A, People and Culture Wagner	H7 Insurance German Speaking Countries, Central Europe, Global P&C Röhler	H8 Asset Management, US Life Insurance Wimmer	H9 Global Insurance Lines, Reinsurance, Anglo Markets, Iberia, Latin America, Africa Townsend
Responsibilities	CEO Office Audit Communications Strategy, Marketing & Distribution Regulatory and Political 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 20 December 2024. 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 (PEGS).. The 2024 revised policy is applicable as from 01/01/2025..

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 defense (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 were 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 (cooptation regime). Shareholders’ General meeting is also competent when the nomination is not foreseen after a dismissal or a resignation.

Overall, Chairperson 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 OneGate extranet tool (new eManex) with the personal materials and 4 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 2024, the Company secretary systematically verified this important set of requirements. Fortunately, the most recent candidates had very positive background & a high quality profile.

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 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 and in February 2025. Even though the main principles remain the same since 2007, the company took into account the new regulatory framework brought by the law of 27/06/21, the Royal Decree of 08/02/22 validating NBB rules dated 09/11/21 as well as its communication of 12/07/22 with the reference NBB-2022_19. In 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 and risk takers).
- In-scope undertakings: any legal entity in which an insurance company's leader can serve an external mandate. A mandate into the Belgian Insurer association Assuralia is out of scope being considered as the prolongation of the mission/role executed for Az BNL. 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) <u>absence of conflict of interest</u> & independence
2) <u>reasonable availability</u> 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' length' principle when an intra-group deal is at stake (in 11/2024: the sale of the AEW logistics fund to the Allianz subsidiary APKV).

Evaluation : Overall, this aspect is not a problem for Az BNL candidates (confirmed in 2024).The list of external mandates/functions is very limited.

The company invites Board members and Executives to cancel or limit their external mandates as much as possible. However, an exception is made for the Group representative responsible for overseeing OEs of H5, who is required to participate in 6 or 7 entity boards across Europe. In this case, these engagements cannot be considered external mandates, as they are integral to his role.

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 early 2025, the policy regarding the external mandates was updated to take into account the new regime enacted in 2021 and 2022.

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 OneGate extranet is updated accordingly.

Overall, this aspect is not a problem for Az BNL candidates (confirmed in 2024).

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 OneGate 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 exercise was done again in 2024: 95 potential inside traders were informed about black-out periods during which it is forbidden to buy and sell Allianz shares and related securities. A group tool named ePAD is open to oblige the most exposed inside traders to obtain a formal validation of any project of financial investment (Personal Account Dealing process).

Compliance is responsible for controlling and monitoring the proper application of this policy. This function 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?).

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 (ML) 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 reimbursing a ML in 2024) 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 2024 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, analyzed, 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 defense 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 **Error! Reference source not found.**), 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 concretization 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 Own Risk & Solvency Assessment (ORSA) report.

B.4.1.1.1 Three lines of defense

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

- The business represents the “first line of defense”. 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 defense” 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 defense”. 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 defense 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 functional rules 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 Allianz group implemented 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 was successfully performed by Compliance for the 1st time in 2024.

- In September 2024, AzBNL also presented its first “Governance & Control Dialogue” (GCD) to the Allianz Group. The GCD is a new “planning dialogue” for internal controls initiated by the Allianz Group Risk function. Internal controls KPIs and focus areas for the coming years are presented by the CEO and CFO to the Group CFO and CRO in 30mn sessions on a cycle defined by Group. Priorities for 2025 as presented in the GCD include key control testing and monitoring automation, ensuring the design of key controls for all newly-defined control objectives, ramping up 1st and 2nd line of defense testing and enhancing risk culture.

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 is an important function belonging to the second line of defense. It is applicable to all entities of Allianz Benelux. The global requirements are defined in article 59 of the Belgian control law of 13/03/2016 (SII Act). 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;
- Analyse 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:

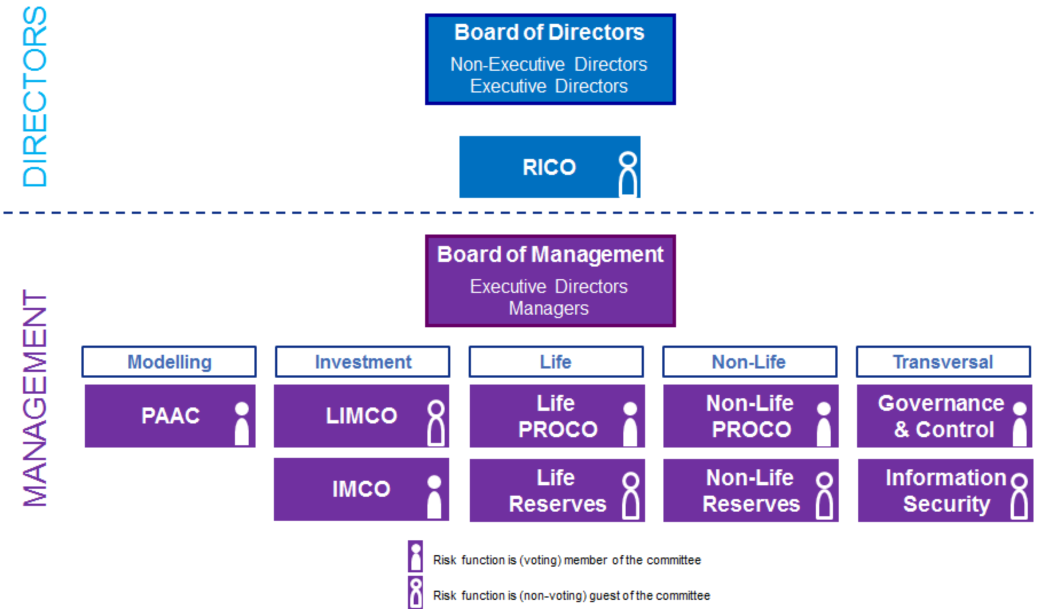
- Proposing the Risk strategy and appetite to the BoM/BoD;
- Overseeing the execution of the Risk management processes;
- Monitoring and reporting the Risk profile including the calculation and reporting of the SCR;
- Supporting the BoM/BoD through the analysis and communication of Risk management related 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 defense 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 defense 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
- 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. At the end of this section, gives an 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.

B.4.1.2.1 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.

B.4.1.2.2. 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.

B.4.1.2.3. 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). As of 2025, the NFRM canvas is composed of 43 insurance risk vectors (vs previously, 34) and additional 7 vectors that are specific for asset managers and, where applicable, to pension fund segments. 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[17] risks including documentation of associated key controls (i.e. serving as mitigation measures for the key risks). On an annual basis, a residual risk assessments of all applicable risk vectors is carried out using a data-driven approach, and discussed in “NFRM validation workshops’ with risk experts and owners. In addition, 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 defense. 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.

The NFRM residual risk assessment and RCA process are discussed on more detailed below. To oversee operational risks from a 2nd line perspective, AzBNL has implemented the following processes:

- <u>Forward-looking perspective</u>:

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

A residual risk assessment of the risk vectors applicable to AzBNL 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 50 risk vectors serves as a starting point. A residual risk rating will be defined for each risk vector in scope.
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.
4) 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.

An 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.

Approach:

- 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 and Digital Risk Committee (NFDRC) was set up in the last quarter of 2024 to achieve an efficient, consistent and forward-looking internal control system in relation to non-financial and digital risks. One of the key focuses of the NFDRC for 2025 will be compliance with the Digital Operational Resilience Act (DORA).

- Retrospective analysis (deriving insights from past experiences):

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 prioritization 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.

B.4.1.2.4 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 defense' 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 program within the 1st line of defense.

B.4.1.2.5 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 ORSA.[18]
- 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.

B.4.1.2.6 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.

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		✓	

Table 1: Quantitative and qualitative risk management processes by risk category.

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

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

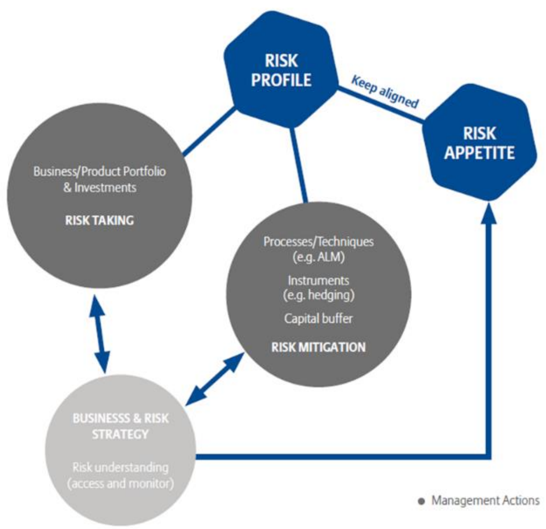
The Risk Strategy is a core element of the AzBNL risk management framework. It promotes a risk-return approach for managing the risks that the company is willing to face in pursuing its business strategy, while preserving adequate solvency and liquidity at all times.

The Risk Strategy is defined on a yearly basis in a dedicated document including the Risk Strategy, appetites and Risk Management plan for the coming year. .

The Risk-stated 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:



B.4.1.3.1 Risk Appetite

B.4.1.3.1.1 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 Ratio** (see further below).

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).

B.4.1.3.1.2 Concretization

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 capitalization 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 AzBNL Capital Management Policy and 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 AZ Benelux Risk Strategy and the ORSA report.

B.4.1.3.2 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 realize 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. The AzBNL Risk Strategy uses the SD and PD as input to derive annual risk priorities.

B.4.1.4 Other specific items

B.4.1.4.1 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 an 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,
- Multi-lateral 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.

B.4.1.4.2 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.

B.4.1.4.3 Yield Curve Extrapolation, Matching Adjustment and Volatility Adjustment

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.

B.4.1.4.4 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 & Solvency 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 and control bodies (BoM/RiCo/BoD).

The ORSA process adheres to the following three underlying principles:

I. The ORSA is a *comprehensive and forward-looking* assessment of capital adequacy[19]
II. The ORSA *supports business* decisions
III. The Board of Management is an *active participant* in the ORSA.

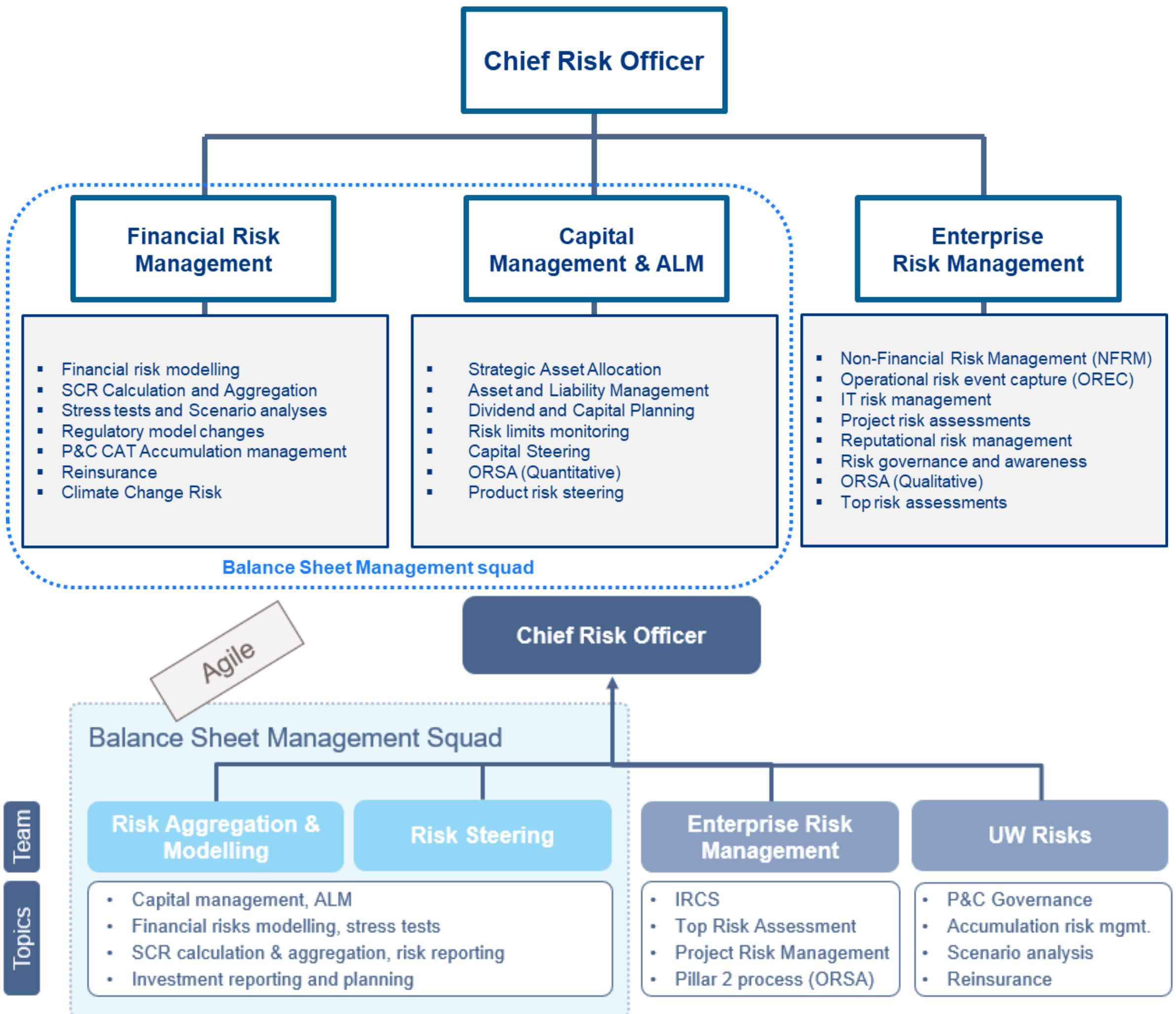
Further details on the concept, process and methods are included in section 2.2 of the ORSA report itself.

B.4.3 Risk Management function

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

B.4.3.1 Organization

The following graph shows how the various activities[20] of the Risk Function are organised in complementing specialized teams, managed functionally at Allianz Benelux level by the regional CRO:



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

B.4.3.2 Risk Policy

In order to ensure consistent implementation of Solvency II regulation, Allianz SE provides and maintains a framework of 12 policies[21] which entities within the Group adopt to the local context. They are reviewed and updated annually 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 given 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.

b) Systems & Devices with the IT Disaster Recovery Plan (DRP)

BCM (Business Continuity Management) is in charge to elaborate, regularly update, yearly test and if any, apply the DRP and the BCP (Business Continuity Plan) 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). This is also regularly reviewed, also in 2024 and still planned in 2025.

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).

This process is in place and strictly followed on a quarterly basis.

d) Stakeholders with the CC Crisis Scenario Plan

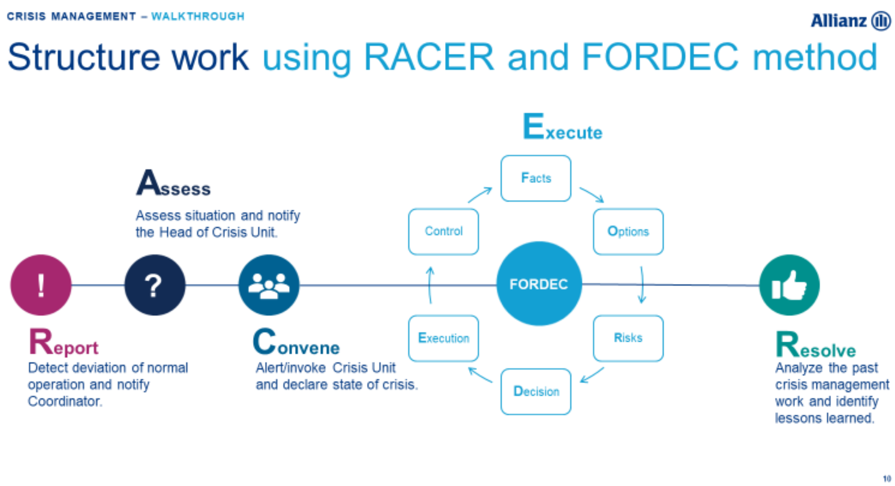
For Az BNL, it is essential to react adequately when an unexpected event (complaint, litigation, accusation, public reproach, cyber-attack, Asian flu, terrorism threat, etc…) threatens to jeopardize or deeply harm the company's reputation. This item is also managed by Protection and Resilience (see.chap. B.4.9.) 2 exercises to test this crisis plan took place in 2024 with positive outputs.

Crisis Scenario Plan (CSP)

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

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

[21] Risk Management, Internal Audit, Legal, Information Technology & Information Security, Compliance, Governance & Control, Fit & Proper, Actuarial, Capital Management, Accounting & Reporting, Outsourcing and Remuneration.



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[22]: meeting checklist, crisis situation checklist, communication crisis principles, general guidelines, approach by type of scenario[23], 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. In 2024, the test was based on a huge flood case affecting IT systems.

Information Security Office (ISO)

Organisation

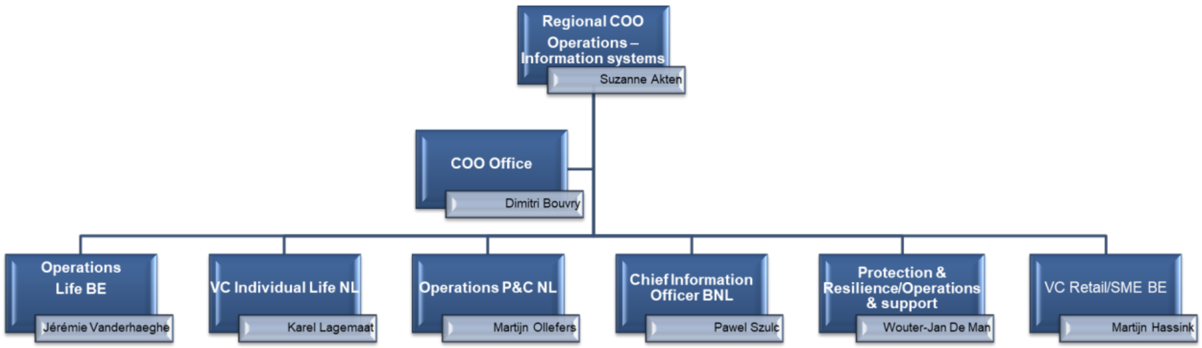
The Chief Information Security Officer (CISO) directly reports to the Head of Protection and Resilience. Within the Allianz Benelux structure, it acts in a transversal manner and independently of any other unit, including the IT department.

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)

[22] Allianz Standard about Operational Resilience
[23] 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.

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



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)[24], 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 negotiated 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 Az BNL 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

[24] Translated in a BNL IT&IS policy in 2020 reviewed every year.

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.

- 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 NBB'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[25])

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 defense

Allianz risk governance framework is based on a three lines of Solvency II defense 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.

[25] People & Culture, Group expression meaning HR

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[26] is scheduled for each head of independent control function including the Governance Caretaker to align and share views.

B.5.2 Role of the second line departments

Compliance is responsible for integrity management which aims to protect Allianz Benelux, its local entities and employees from regulatory and reputational risks.

Legal Services intervening as a 2nd line of defense 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 Defense to promote the risk culture: for Compliance, decentralized Control Officers (DCOs) and Privacy Champions; for Risk, NFRM champions.

B.6 Internal Audit Function

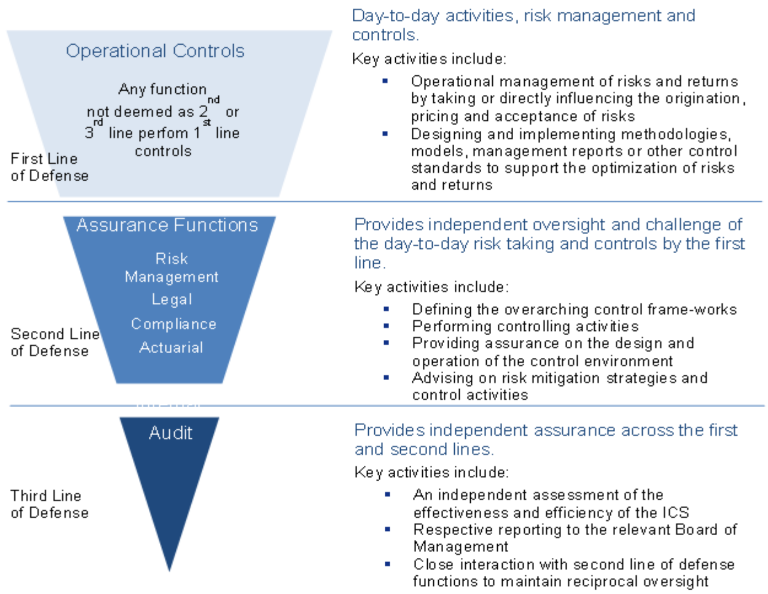
B.6.1. Fundamental Principles

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 defense" in the Three-Lines of Defense Framework.

[26] The 2nd and 3rd lines of defense monthly meeting



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

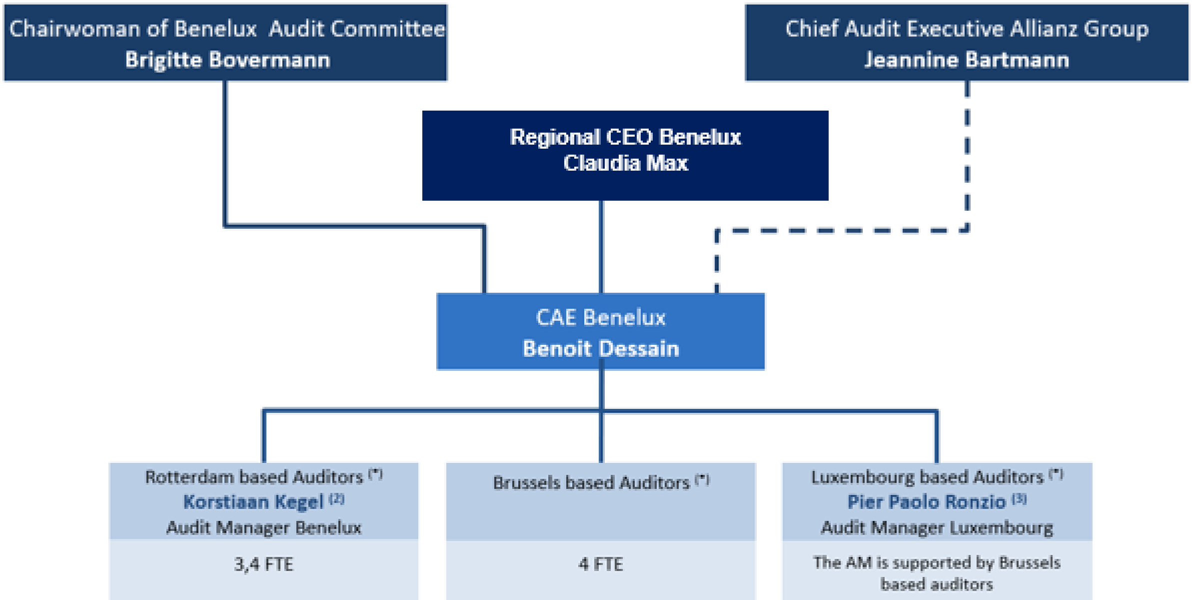
The Internal Audit Function has a standing within the organizational structure that ensures to maintain the necessary independence from first-line and second-line functions.

Independence Function is also thought, for instance in terms of reporting[27], 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).

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



(*) One Internal Audit multidisciplinary team that covers all audit areas within the Benelux
(1) Regional Head of Audit Allianz Benelux (CAE) & Statutory Head of Audit Allianz Benelux N.V./S.A.
(2) Statutory Head of Audit Allianz Nederland Groep (ANG)
(3) Statutory Head of Audit Allianz Life Luxemburg

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
- 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 of 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[28] 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.

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

[28] 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.

(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[29], 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 a 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 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 2024, the Benelux Audit Policy has been updated to version 9.1 to reflect alignment with the Group Audit Policy, version 12.1.

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

[29] Az BNL fully applies this principle.

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 Committees.

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, AzBNL has developed a Benelux Outsourcing Policy (BOP)[30]. 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 II 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 12/2024.

[30] Being one of the 12 SII policies.

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 aforementioned NBB Overarching circular on Governance expectations 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 (art.76 of the SII Law)...

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.*

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).

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)[31]. 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.

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 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).

[31] 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.

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 program for mortality losses in case of mass events and all Health and other Non-Life lines of business (except Legal protection) is also active.

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.

During 2024 AzBNL derisked significantly and therefore has limited net exposure to direct equity risk.

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 2024 AzBNL is exposed to a decrease of 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.

During 2024 AzBNL balance sheet was impacted by spread movements, not fully offset by VA given AzBNL's asset portfolio is overweight on fixed income in comparison with the weights in the VA portfolio. Mismatch between the overall spread fluctuations of assets and liabilities has increased this year as consequence of the negative performance of government bonds.

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 the transfer of a non-traded real estate fund in 2024.

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 a quarterly basis:

2024 EOY Solvency Ratio		142%	
Scenarios		Solvency ratio after stress	Δ Solvency Ratio
S1	EQ -30% / IR -100bps	134%	-8%
S2	EQ -30% / IR +100bps	128%	-14%
S3	Spreads up (rating specific)	106%	-36%
S4	Insurance Loss	117%	-25%

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[32]
- 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 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.

These 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 exposure to 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.

[32] 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.

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 the Allianz 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 table provides an overview.

Table 1 : Reconciliation between IFRS and Solvency II

Assets 31 12 2024	Solvency II value (MVBS)	Statutory accounts value re-mapped to MVBS line	MVBS adjustments
Goodwill		3	-3
Intangible assets	0	22	-22
Deferred tax assets	14	0	14
Property, plant & equipment held for own use	129	108	21
Investments (other than assets held for index-linked and unit-linked contracts)	9.167	9.272	-105
Property (other than for own use)	95	63	32
Holdings in related undertakings, including participations	429	267	162
Equities	125	160	-35
Equities - listed	120	156	-36
Equities - unlisted	5	4	1
Bonds	8.114	8.428	-314
Government Bonds	5.304	5.562	-258
Corporate Bonds	2.810	2.865	-55
Collective Investments Undertakings	396	350	46
Derivatives	3	4	-1
Assets held for index-linked and unit-linked contracts	8.421	8.421	0
Loans and mortgages	4.634	4.828	-194
Loans on policies	216	550	-334
Loans and mortgages to individuals	3.300	3.517	-217
Other loans and mortgages	1.118	761	357
Reinsurance recoverables from:	1.179	1.469	-290
Non-life and health similar to non-life	1.140	1.371	-231
Non-life excluding health	1.135	1.356	-221
Health similar to non-life	5	15	-10
Life and health similar to life, excluding health and index-linked and unit-linked	48	98	-50
Health similar to life	36	63	-27
Life excluding health and index-linked and unit-linked	12	35	-23
Life index-linked and unit-linked	-9	0	-9
Deposits to cedants	1	1	0
Insurance and intermediaries receivables	256	254	2
Reinsurance receivables	12	31	-19
Receivables (trade, not insurance)	165	189	-24
Cash and cash equivalents	78	78	0
Any other assets, not elsewhere shown	4	4	0
Total assets	24.060	24.679	-619

Liabilities 31 12 2024	Solvency II value (MVBS)	Statutory accounts value re-mapped to MVBS line	MVBS adjustments
Technical provisions – non-life	**1.796**	**2.224**	**-428**
Technical provisions – non-life (excluding health)	1.654	2.067	-413
Best Estimate	1.617		
Risk margin	37		
Technical provisions - health (similar to non-life)	143	157	-14
Best Estimate	117		
Risk margin	26		
Technical provisions - life (excluding index-linked and unit-linked)	**10.814**	**11.528**	**-714**
Technical provisions - health (similar to life)	1.347	1.379	-32
Best Estimate	1.221		
Risk margin	126		
Technical provisions – life (excluding health and index-linked and unit-linked)	9.467	10.149	-682
Best Estimate	9.303		
Risk margin	164		
Technical provisions – index-linked and unit-linked	**8.179**	**8.421**	**-242**
Best Estimate	8.089		
Risk margin	90		
Other technical provisions		**46**	**-46**
Provisions other than technical provisions	**38**	**0**	**38**
Pension benefit obligations	**110**	**4**	**106**
Deposits from reinsurers	**1.088**	**1.140**	**-52**
Deferred tax liabilities	**50**	**9**	**41**
Derivatives	**3**	**1**	**2**
Debts owed to credit institutions	**24**	**25**	**-1**
Financial liabilities other than debts owed to credit institutions	**51**	**78**	**-27**
Insurance & intermediaries payables	**242**	**245**	**-3**
Reinsurance payables	**40**	**59**	**-19**
Payables (trade, not insurance)	**43**	**53**	**-10**
Any other liabilities, not elsewhere shown	**138**	**172**	**-34**
Total liabilities	22.617	24.003	**-1.386**
Excess of assets over liabilities	**1.443**	**676**	**767**

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 berecovered. 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 recoverable in future 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, plantand equipment	Property, plant and equipment held for own use includes tangible assets which are intended for permanent use and property held bythe 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 of comparable 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 is measured 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 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 in 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 and other 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, a mark-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 in a corporation, listed on a public stock exchange. The fair value of equities is mainly determined by market prices. If no 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 bonds include 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 IAS 39 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 equivalents	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 forindex-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 fundsto debtors, with or without collateral, including cash pools. Loans on policies are loans made to policyholders that are collateralized by 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 value in the MVBS.
p.	Reinsurance recoverables	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 there from (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 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 there from (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.

	Solvency II value (MVBS)	Statutory accounts value re-mapped to MVBS line	MVBS adjustments
Liabilities 31 12 2024			
Technical provisions – non-life	**1.796**	**2.224**	**-428**
Technical provisions – non-life (excluding health)	1.654	2.067	-413
Best Estimate	1.617		
Risk margin	37		
Technical provisions - health (similar to non-life)	143	157	-14
Best Estimate	117		
Risk margin	26		

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 Risk Margin, 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 and statistical 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 falling within 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 premium payments, 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 in which 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. 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 the risk 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 estimate without 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 years can be combined in one calculation. If an aggregated amount is calculated, it can be split into the 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 be identified 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.5.5.1 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.5.5.2 Asbestos and other latent claims

Due to the long latency of asbestos claims, methods projecting the future cost of claims based on 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 claim type 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.5.6 Discounting and cash flow of technical provisions

To evaluate the market value of technical provisions, cash flow patterns, discounted loss and premium provisions and risk margins have to be calculated.

The estimates of technical provisions for the MVBS and best estimate used in the risk capital model 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 consider the 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 rate for 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.5.7 Inappropriate data quality

In case there is insufficient data of appropriate quality to apply, reliable actuarial method appropriate approximations for the BEL calculation can be used, provided:

- the data insufficiency is not due to inadequate internal processes and procedures of collecting, 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 the available data, and
- it would not be practical to adjust the data to remedy the insufficiency.

D.5.8 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 bound contracts are in scope. Hence, in our opinion a description of the relevant assumptions is not relevant for non-life business.

D.5.9 Material changes

There were no material changes in the relevant assumptions made in the calculation of technical 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-LoB basis for all OEs in scope.

	Solvency II value (MVBS)	Statutory accounts value re-mapped to MVBS line	MVBS adjustments
Liabilities 31 12 2024			
Technical provisions - life (excluding index-linked and unit-linked)	**10.814**	**11.528**	**-714**
Technical provisions - health (similar to life)	1.347	1.379	-32
Best Estimate	1.221		
Risk margin	126		
Technical provisions – life (excluding health and index-linked and unit-linked)	9.467	10.149	-682
Best Estimate	9.303		
Risk margin	164		
Technical provisions – index-linked and unit-linked	**8.179**	**8.421**	**-242**
Best Estimate	8.089		
Risk margin	90		

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 to Article 76 and 77 of the Solvency II Directive 2009/138/EC in order for technical provisions to be 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 and severity,
- 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 reinsurance business),
- 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 suited to the specific circumstances of the OE and to the risk profile of its portfolio. Nevertheless, the assessment 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 the value 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, investment management, 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 Risk Margin (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-hedge able risk capital is required. No RM is required for hedge able financial risks as these are transferred throughthe capital markets. RM is required for non-hedge able 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-hedge able financial, insurance and operational risks to another insurer or reinsurer and other market participants.

The non-hedge able SCR consists of the SCR for insurance and operational risks plus the SCR for non-hedge able financial risks. It includes for example maintenance and inflation expenses.

At Allianz Group, credit risk with respect to reinsurers is assumed to be fully hedge able 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 and non-life LoB is not allowed under Solvency II.

For calculating the cost of holding the non-hedge able SCR, it is necessary to project the non-hedge able SCR over the whole projection period, apply diversification and then compute the present 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 and each 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 lifetime of those obligations.
6. Use diversification matrix to compute total diversified risk margins using the undiversified margins 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-hedge able SCR can be projected in proportion to 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).

Mortality/morbidity

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 experience to 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.

Lapse/surrender rates

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 is taken 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.

Paid-up policies and paid-up rate

To model the paying-up rates, we use our own company experience. Statistics have been made on our portfolio behavior during the last five years ending at the 30th of August 2016.

Expenses

Costs are monitored in the AZ Benelux Activity Based Costing (ABC) system, allocating costs from 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). In our modelling, costs for claims and investments are modelled separately from management costs.

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 the economic market together with assumptions on the company's investment strategy as well as the current asset portfolio and allocation. Furthermore, the risk-free discount rates (RDR) for BEL 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 reference rate is a proxy for a risk-free rate appropriate to the currency, term and liquidity of the liability cash flows.

The reference rate is, wherever possible, the swap yield curve appropriate to the currency of the 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 prices rather 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 corresponding swaption 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 material distortions 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 introduce the Volatility adjustment, which deals with unintended consequences on undertakings' capital requirements 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 portfolio per currency and per country. The risk-adjusted currency spread is applied as an adjustment to 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 than the available assets in the markets. For valuing liabilities, economic assumptions are needed for 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 volatilities and 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 Articles 46 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.7.4 Material changes

There were no material changes in the relevant assumptions made in the calculation of technical 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. The contingent 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 the balance sheet. No events were recorded for recognition as a contingent 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 recognized as 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 valuation required 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 pension scheme (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 these defined 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 but as 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 and death 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 deducted by the reinsurer according to the reinsurance contract. Deposits from reinsurers are measured at 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 to taxable 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 accordance with 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 technique sapplied 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 credit institutions (banks etc.).

The difference between the Belgian accounting standards and MVBS comes from the fact that in 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 cost with 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 of default 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 the probability 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 MVBS line items respectively.

E. CAPITAL MANAGEMENT

E.1 Own Funds

An overview of the Market Value Balance Sheet (MVBS) as of Q4-2024 is given below. The value of the Own Funds,1.409 mEUR, is obtained by deducting the accrued dividend of 34 mEUR from the Net Asset Value1.443 mEUR. The total Own Funds are composed of 1.395 mEUR tier 1 own funds and 14 mEUR 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 2024			
(in million €)		MVBS	%
Investments	Government Bonds	5.304	22%
	Corporate Bonds	2.810	12%
	Loans & Mortgages to Individuals	3.300	14%
	Other Loans & Mortgages	1.118	5%
	Equities and listed REITS	125	1%
	Investment funds - FI	234	1%
	Investment funds - RE & EQ	128	1%
	Investment funds - Other	34	0%
	Holdings in related undertakings, including participations	429	2%
	Property (other than own use)	95	0%
	Other Investments	0	0%
	Assets held for index-linked and unit-linked contracts	8.421	35%
Other Assets	Cash	78	0%
	Reinsurance Recoverables	1.179	5%
	Receivables (trade not insurance)	165	1%
	Property Plant & Equipment held for own use	129	1%
	Intangible assets	0	0%
	Other Assets	497	2%
	Deferred Tax Assets	14	0%
Total Assets		**24.060**	**100%**
TPs	SLT BEL	10.523	44%
	SLT Risk Margin	291	1%
	NSLT BEL	1.734	7%
	NSLT Risk Margin	63	0%
	BEL (UL)	8.089	34%
	Risk Margin (UL)	90	0%
Other Liabilities	Pension Benefit Obligations	110	0%
	Payables (trade not insurance)	43	0%
	Provisions other than technical provisions	38	0%
	Reinsurance Deposit	1.088	5%
	Other L	499	2%
	Deferred Tax Liabilities	50	0%
Total Liabilities		**22.617**	**94%**
Net Asset Value		**1.443**	**6%**
Total		**24.060**	**100%**
Accrued Dividend		**34**	**-**
Own Funds		**1409**	**-**

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 142% as of end 2024, 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 2023	Q4 2024	Δ
Solvency Capital Requirement (SCR)	1.019	991	-27
Own funds (OF) - after dividend	1.461	1.409	--52
Solvency Ratio (OF/SCR)	**143%**	**142%**	**-1%**
Minimum Capital Requirement (MCR)	459	446	-12
Minimum Capital Ratio (OF/MCR)	319%	316%	-3%

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

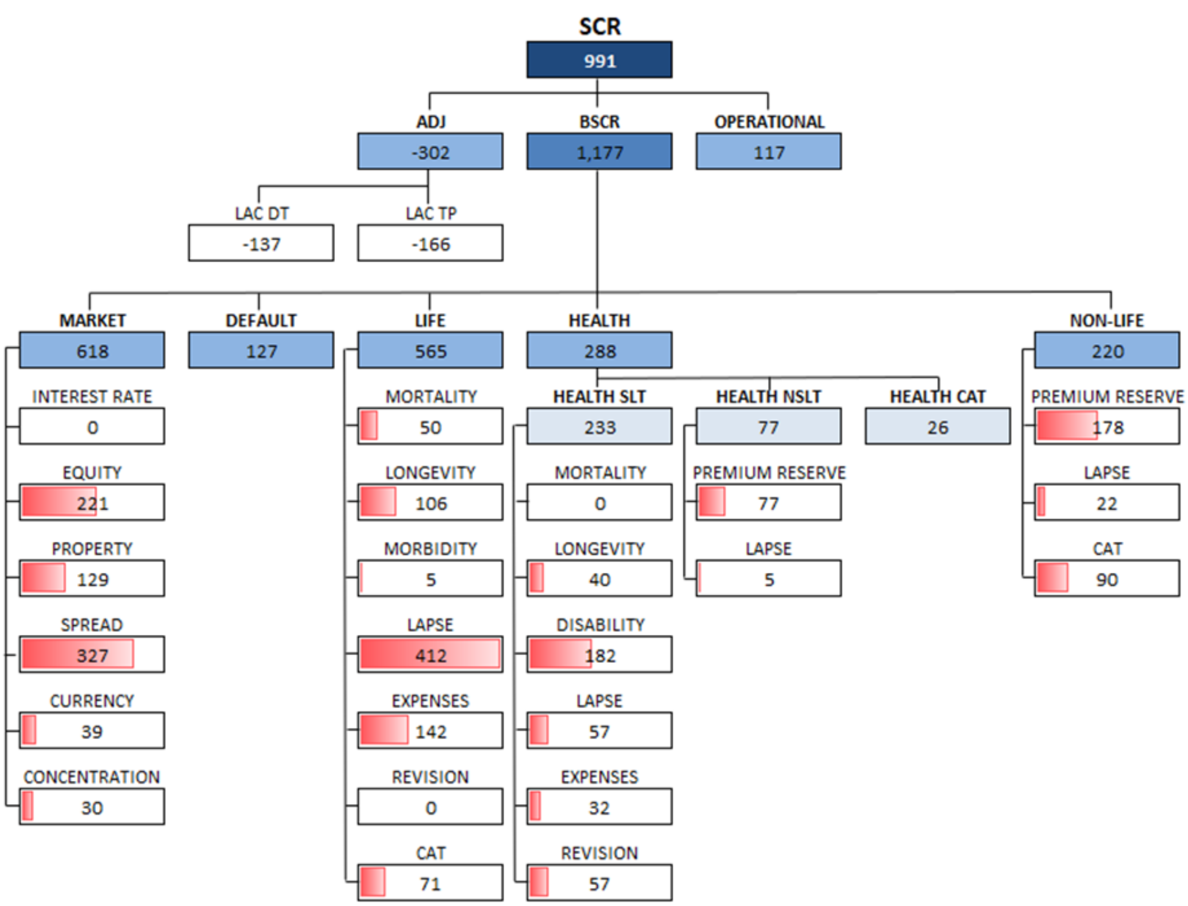
AzBNL uses the Standard Formula to calculate its Solvency Capital Requirements. The SCR is the combination of the (net) Basic SCR, the loss-absorbing capacity of Deferred Taxes (LAC of DT) and the operational risk. The BSCR, in turn, is the combination of five risk modules[33], corrected by the diversification 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.

[33] 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).

Standard Model SCR	2024 Q4
SCR	**991**
Operational Risk	117
LAC of DT	-137
Net Basic SCR (BSCR)	1.011
LAC of TP	-166
Diversification effect, between:	-642
Gross Market risk	618
Gross Counterparty Default risk	127
Gross Life Underwriting risk	565
Gross Health Underwriting risk	288
Gross Non-Life Underwriting risk	220

Table 2: Solvency Capital Requirement split by risk modules

STANDARD MODEL SCR TREE - RISK GRANULARITY BNL 2024Q4



E.2.2. Determining the MCR

The MCR is calculated as a linear function of Technical Provisions and Net Written premiums during the last 12 months, capped at 45% and floored at 25% of the SCR. Moreover, an Absolute Minimum Capital Requirements (AMCR) is defined which imposes an absolute floor on the MCR. The below table shows the calculation for AzBNL's MCR

Standard Model MCR	2024 Q4
Non-life Insurance Obligations	34
Life Insurance Obligations	366
Linear MCR	525
SCR	991
MCR cap	446
MCR Floor	248
Absolute floor of the MCR	8
Combined MCR	446

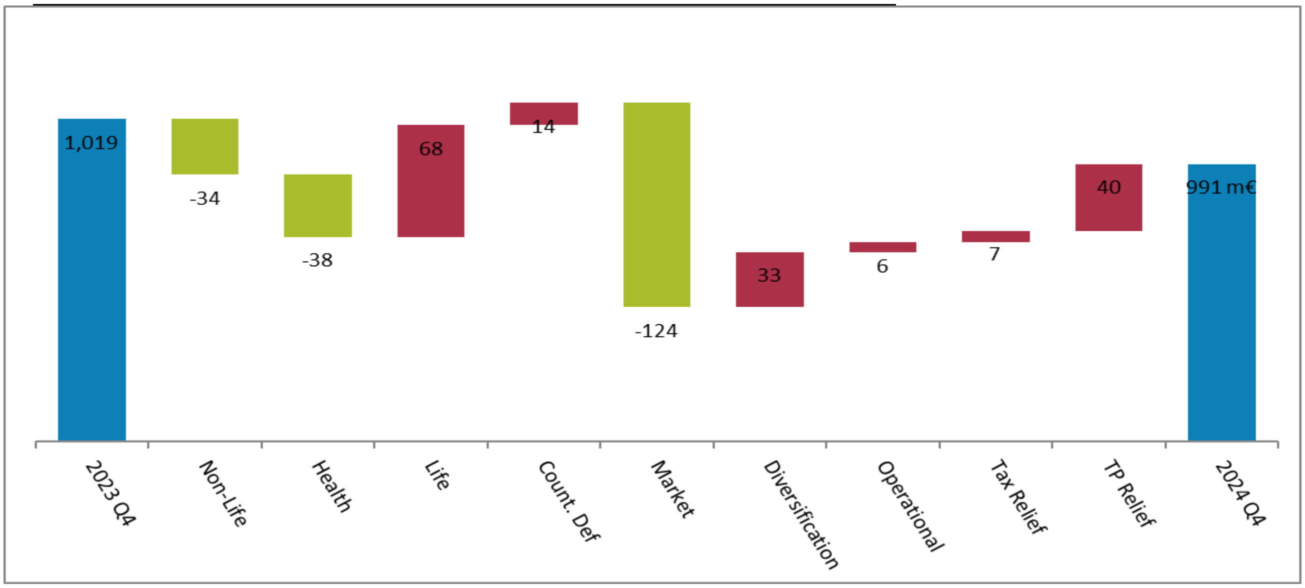
Table 3: MCR Calculation

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 reduced from 2023 to 2024, the main movements observed are:

- Market risk decreased significantly mainly due to spread movements during 2024 and derisking actions taken during the year to reduce exposure to real assets. Interest rate risk reduced due to further duration gap optimization throughout the year.
- Health and P&C Underwriting risks were reduced due to the implementation in 2024 of further reinsurance in those portfolios.
- Life Underwriting Risk increased due to increase in new business production in both Belgium and the Netherlands and lower interest rates.



E.2.4 Use of the duration-based equity risk sub-module in the calculation of the 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.

Appendices

SE.02.01.16 Balance sheet
S.04.05.01 Activity by country - location of risk
S.05.01.02.01 Premiums, claims and expenses by line of business Non-Life
S.05.01.02.02 Premiums, claims and expenses by line of business Life
S.12.01.01 Life and Health SLT Technical Provisions
S.17.01.01 Non Life Technical Provisions
S.17.03.01 Non-Life Technical Provisions - By country
S.19.01.01 Non-life Insurance Claims Information
S.22.01.01 Impact of long-term guarantees measures and transitionals
S.23.01.01 Own funds
S.25.01.01 Solvency Capital Requirement - for undertakings on Standard Formula
S.28.02.01 Minimum Capital Requirement - Both life and non-life insurance activity

Report:	SE.02.01.16.01
Reporting entity:	RC020
Due date:	Dec 31, 2024
Cluster	PROD-RSR-Y
Report exported on:	27.03.2025 16:25:11

SE.02.01.16

Balance sheet

SE.02.01.16.01

Balance sheet

				Solvency II value	Statutory accounts value
				C0010	**C0020**
Assets	Goodwill		**R0010**	----	3,134,862.72
	Deferred acquisition costs		**R0020**	----	-479,931.36
	Intangible assets		**R0030**	0.00	21,892,002.13
	Deferred tax assets		**R0040**	13,893,040.00	
	Pension benefit surplus		**R0050**		
	Property, plant & equipment held for own use		**R0060**	128,706,390.00	108,202,279.75
	Investments (other than assets held for index-linked and unit-linked contracts)		**R0070**	9,166,901,590.00	9,271,571,892.19
	Property (other than for own use)		**R0080**	95,410,000.00	63,170,138.78
	Holdings in related undertakings, including participations		**R0090**	429,063,030.00	267,122,005.90
	Equities		**R0100**	124,836,540.00	159,923,058.80
		Equities - listed	**R0110**	119,807,550.00	155,891,249.83
		Equities - unlisted	**R0120**	5,028,990.00	4,031,808.97
	Bonds		**R0130**	8,113,821,900.00	8,427,574,008.68
		Government Bonds	**R0140**	5,303,570,610.00	5,562,344,220.07
		Corporate Bonds	**R0150**	2,810,251,290.00	2,865,229,788.61
		Structured notes	**R0160**		
		Collateralised securities	**R0170**		
	Collective Investments Undertakings		**R0180**	395,560,100.00	350,275,885.33
	Derivatives		**R0190**	2,678,300.00	3,506,794.70
	Deposits other than cash equivalents		**R0200**	5,531,720.00	
	Other investments		**R0210**		
	Assets held for index-linked and unit-linked contracts		**R0220**	8,421,173,910.00	8,421,173,909.15
	Loans and mortgages		**R0230**	4,633,831,950.00	4,827,897,579.99
	Loans on policies		**R0240**	215,975,930.00	550,038,906.79
	Loans and mortgages to individuals		**R0250**	3,299,912,970.00	3,516,878,554.13
	Other loans and mortgages		**R0260**	1,117,943,050.00	760,980,119.07
	Reinsurance recoverables from:		**R0270**	1,179,271,380.00	1,468,697,666.54
	Non-life and health similar to non-life		**R0280**	1,140,232,080.00	1,370,905,888.77
		Non-life excluding health	**R0290**	1,135,405,870.00	1,355,682,044.79
		Health similar to non-life	**R0300**	4,826,210.00	15,223,843.98
	Life and health similar to life, excluding health and index-linked and unit-linked		**R0310**	47,822,360.00	97,791,777.77
		Health similar to life	**R0320**	36,251,090.00	63,004,369.61
		Life excluding health and index-linked and unit-linked	**R0330**	11,571,270.00	34,787,408.16
	Life index-linked and unit-linked		**R0340**	-8,783,060.00	
	Deposits to cedants		**R0350**	804,400.00	804,401.53
	Insurance and intermediaries receivables		**R0360**	255,932,920.00	253,799,322.35
	Reinsurance receivables		**R0370**	12,367,560.00	30,850,825.73
	Receivables (trade, not insurance)		**R0380**	165,396,300.00	189,864,476.32
	Own shares (held directly)		**R0390**		
	Amounts due in respect of own fund items or initial fund called up but not yet paid in		**R0400**		
	Cash and cash equivalents		**R0410**	77,967,090.00	77,967,095.64
	Any other assets, not elsewhere shown		**R0420**	3,803,610.00	3,805,369.26
	Total assets		**R0500**	24,060,050,140.00	24,679,181,751.94

Liabilities	Technical provisions - non-life	R0510	1,796,238,880.00	2,224,095,020.22
	Technical provisions - non-life (excluding health)	R0520	1,653,520,740.00	2,067,219,456.21
	Technical provisions calculated as a whole	R0530		----
	Best Estimate	R0540	1,616,556,860.00	----
	Risk margin	R0550	36,963,880.00	----
	Technical provisions - health (similar to non-life)	R0560	142,718,140.00	156,875,564.01
	Technical provisions calculated as a whole	R0570		----
	Best Estimate	R0580	117,119,490.00	----
	Risk margin	R0590	25,598,650.00	----
	Technical provisions - life (excluding index-linked and unit-linked)	R0600	10,814,200,170.00	11,528,230,368.60
	Technical provisions - health (similar to life)	R0610	1,347,381,210.00	1,379,299,279.17
	Technical provisions calculated as a whole	R0620		----
	Best Estimate	R0630	1,220,535,310.00	----
	Risk margin	R0640	126,845,900.00	----
	Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	9,466,818,960.00	10,148,931,089.43
	Technical provisions calculated as a whole	R0660		----
	Best Estimate	R0670	9,302,746,090.00	----
	Risk margin	R0680	164,072,870.00	----
	Technical provisions - index-linked and unit-linked	R0690	8,178,982,110.00	8,421,173,909.15
	Technical provisions calculated as a whole	R0700		----
	Best Estimate	R0710	8,089,344,970.00	----
	Risk margin	R0720	89,637,140.00	----
	Other technical provisions	R0730	----	45,905,927.12
	Contingent liabilities	R0740		
	Provisions other than technical provisions	R0750	38,289,360.00	
	Pension benefit obligations	R0760	109,950,000.00	3,597,004.89
	Deposits from reinsurers	R0770	1,087,932,800.00	1,139,542,368.44
	Deferred tax liabilities	R0780	50,325,460.00	9,248,248.58
	Derivatives	R0790	3,484,670.00	1,054,175.01
	Debts owed to credit institutions	R0800	23,877,520.00	25,096,693.26
	Debts owed to credit institutions resident domestically	ER0801	23,877,520.00	----
	Debts owed to credit institutions resident in the euro area other than domestic	ER0802		----
	Debts owed to credit institutions resident in rest of the world	ER0803		----
	Financial liabilities other than debts owed to credit institutions	R0810	50,845,860.00	77,934,199.94
	Debts owed to non-credit institutions	ER0811	50,845,860.00	----
	Debts owed to non-credit institutions resident domestically	ER0812	50,845,860.00	----
	Debts owed to non-credit institutions resident in the euro area other than domestic	ER0813		----
	Debts owed to non-credit institutions resident in rest of the world	ER0814		----
	Other financial liabilities (debt securities issued)	ER0815		----
	Insurance & intermediaries payables	R0820	242,460,870.00	245,197,159.54
	Reinsurance payables	R0830	39,689,520.00	58,668,425.82
	Payables (trade, not insurance)	R0840	42,944,990.00	52,602,527.32
	Subordinated liabilities	R0850		
	Non-negotiable instruments held by credit institutions resident domestically	ER0851		----
	Non-negotiable instruments held by credit institutions resident in the euro area other than domestic	ER0852		----
	Non-negotiable instruments held by credit institutions resident in rest of the world	ER0853		----
	Non-negotiable instruments held by non-credit institutions resident domestically	ER0854		----
	Non-negotiable instruments held by non-credit institutions resident in the euro area other than domestic	ER0855		----
	Non-negotiable instruments held by non-credit institutions resident in rest of the world	ER0856		----
	Subordinated liabilities not in Basic Own Funds	R0860		
	Subordinated liabilities in Basic Own Funds	R0870		
	Any other liabilities, not elsewhere shown	R0880	138,137,460.00	171,074,339.05
	Total liabilities	R0900	22,617,359,670.00	24,003,420,366.94
Excess of assets over liabilities		R1000	1,442,690,470.00	675,761,385.00

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Reporting entity:	RC020
Due date:	Dec 31, 2024
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Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(1) 1 - Medical expense insurance
Underwriting entity code	**Z0020**	LEI/529900EU2PIG4IH6RF36

		Total by country
		C0020
Country	**R0010**	(BE) BELGIUM
Premiums written (gross)	**R0020**	102,420,211.77
Premiums earned (gross)	**R0030**	102,062,050.34
Claims incurred (gross)	**R0040**	76,179,271.55
Expenses incurred (gross)	**R0050**	23,768,109.85

S.04.05.01

Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(1) 1 - Medical expense insurance
Underwriting entity code	**Z0020**	SC/0403258197NED

		Total by country
		C0020
Country	**R0010**	(NL) NETHERLANDS
Premiums written (gross)	**R0020**	2,630,004.21
Premiums earned (gross)	**R0030**	2,636,041.96
Claims incurred (gross)	**R0040**	804,741.07
Expenses incurred (gross)	**R0050**	739,286.63

S.04.05.01

Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(10) 10 - Legal expenses insurance
Underwriting entity code	**Z0020**	LEI/529900EU2PIG4IH6RF36

		Total by country
		C0020
Country	**R0010**	(BE) BELGIUM
Premiums written (gross)	**R0020**	4,633,474.42
Premiums earned (gross)	**R0030**	4,645,206.95
Claims incurred (gross)	**R0040**	1,870,443.29
Expenses incurred (gross)	**R0050**	3,173,594.29

S.04.05.01

Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(10) 10 - Legal expenses insurance
Underwriting entity code	**Z0020**	SC/0403258197NED

		Total by country
		C0020
Country	**R0010**	(NL) NETHERLANDS
Premiums written (gross)	**R0020**	4,428,433.30
Premiums earned (gross)	**R0030**	4,432,554.75
Claims incurred (gross)	**R0040**	51,319.32
Expenses incurred (gross)	**R0050**	1,469,247.45

S.04.05.01

Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(12) 12 - Miscellaneous financial loss
Underwriting entity code	**Z0020**	SC/0403258197NED

		Total by country
		C0020
Country	**R0010**	(NL) NETHERLANDS
Premiums written (gross)	**R0020**	7,366,565.74
Premiums earned (gross)	**R0030**	7,254,861.85
Claims incurred (gross)	**R0040**	2,575,420.14
Expenses incurred (gross)	**R0050**	2,833,927.47

S.04.05.01

Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(2) 2 - Income protection insurance
Underwriting entity code	**Z0020**	LEI/529900EU2PIG4IH6RF36

		Total by country
		C0020
Country	**R0010**	(BE) BELGIUM
Premiums written (gross)	**R0020**	15,817,356.90
Premiums earned (gross)	**R0030**	15,839,897.79
Claims incurred (gross)	**R0040**	2,494,517.31
Expenses incurred (gross)	**R0050**	4,744,063.01

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Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(2) 2 - Income protection insurance
Underwriting entity code	**Z0020**	SC/0403258197NED

		Total by country
		C0020
Country	**R0010**	(NL) NETHERLANDS
Premiums written (gross)	**R0020**	51,765,733.53
Premiums earned (gross)	**R0030**	51,858,944.06
Claims incurred (gross)	**R0040**	41,114,076.20
Expenses incurred (gross)	**R0050**	11,095,472.54

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Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(29) 29 - Health insurance
Underwriting entity code	**Z0020**	SC/0403258197NED

		Total by country
		C0020
Country	**R0010**	(NL) NETHERLANDS
Premiums written (gross)	**R0020**	75,411,352.12
Premiums earned (gross)	**R0030**	74,919,033.79
Claims incurred (gross)	**R0040**	57,368,022.75
Expenses incurred (gross)	**R0050**	12,095,946.65

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Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(3) 3 - Workers compensation insurance
Underwriting entity code	**Z0020**	LEI/529900EU2PIG4IH6RF36

		Total by country
		C0020
Country	**R0010**	(BE) BELGIUM
Premiums written (gross)	**R0020**	122,995,768.79
Premiums earned (gross)	**R0030**	122,873,469.43
Claims incurred (gross)	**R0040**	115,235,421.81
Expenses incurred (gross)	**R0050**	33,255,392.94

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Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(30) 30 - Insurance with profit participation
Underwriting entity code	**Z0020**	LEI/529900EU2PIG4IH6RF36

		Total by country
		C0020
Country	**R0010**	(BE) BELGIUM
Premiums written (gross)	**R0020**	507,913,022.54
Premiums earned (gross)	**R0030**	507,913,022.54
Claims incurred (gross)	**R0040**	568,442,313.50
Expenses incurred (gross)	**R0050**	85,577,519.14

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Activity by country - location of risk

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Activity by country - location of risk

Line of business	**Z0010**	(31) 31 - Index-linked and unit-linked insurance
Underwriting entity code	**Z0020**	LEI/529900EU2PIG4IH6RF36

		Total by country
		C0020
Country	**R0010**	(BE) BELGIUM
Premiums written (gross)	**R0020**	516,470,265.10
Premiums earned (gross)	**R0030**	516,470,265.10
Claims incurred (gross)	**R0040**	347,678,938.47
Expenses incurred (gross)	**R0050**	64,093,105.66

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Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(31) 31 - Index-linked and unit-linked insurance
Underwriting entity code	**Z0020**	SC/0403258197NED

		Total by country
		C0020
Country	**R0010**	(NL) NETHERLANDS
Premiums written (gross)	**R0020**	534,312,356.91
Premiums earned (gross)	**R0030**	534,312,356.91
Claims incurred (gross)	**R0040**	343,550,812.99
Expenses incurred (gross)	**R0050**	31,271,424.40

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Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(32) 32 - Other life insurance
Underwriting entity code	**Z0020**	SC/0403258197NED

		Total by country
		C0020
Country	**R0010**	(NL) NETHERLANDS
Premiums written (gross)	**R0020**	551,713,320.96
Premiums earned (gross)	**R0030**	551,713,320.96
Claims incurred (gross)	**R0040**	206,202,166.35
Expenses incurred (gross)	**R0050**	17,229,482.45

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Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(4) 4 - Motor vehicle liability insurance
Underwriting entity code	**Z0020**	LEI/529900EU2PIG4IH6RF36

		Total by country
		C0020
Country	**R0010**	(BE) BELGIUM
Premiums written (gross)	**R0020**	58,534,740.86
Premiums earned (gross)	**R0030**	58,934,189.56
Claims incurred (gross)	**R0040**	46,781,546.51
Expenses incurred (gross)	**R0050**	23,079,068.11

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Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(4) 4 - Motor vehicle liability insurance
Underwriting entity code	**Z0020**	SC/0403258197NED

		Total by country
		C0020
Country	**R0010**	(NL) NETHERLANDS
Premiums written (gross)	**R0020**	219,205,925.33
Premiums earned (gross)	**R0030**	219,173,903.85
Claims incurred (gross)	**R0040**	171,786,553.52
Expenses incurred (gross)	**R0050**	63,487,592.58

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Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(5) 5 - Other motor insurance
Underwriting entity code	**Z0020**	LEI/529900EU2PIG4IH6RF36

		Total by country
		C0020
Country	**R0010**	(BE) BELGIUM
Premiums written (gross)	**R0020**	47,874,352.66
Premiums earned (gross)	**R0030**	47,814,498.26
Claims incurred (gross)	**R0040**	32,136,972.26
Expenses incurred (gross)	**R0050**	18,634,912.19

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Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(5) 5 - Other motor insurance
Underwriting entity code	**Z0020**	SC/0403258197NED

		Total by country
		C0020
Country	**R0010**	(NL) NETHERLANDS
Premiums written (gross)	**R0020**	179,244,333.01
Premiums earned (gross)	**R0030**	178,659,981.24
Claims incurred (gross)	**R0040**	90,671,934.56
Expenses incurred (gross)	**R0050**	58,952,032.71

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Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(6) 6 - Marine, aviation and transport insurance
Underwriting entity code	**Z0020**	LEI/529900EU2PIG4IH6RF36

		Total by country
		C0020
Country	**R0010**	(BE) BELGIUM
Premiums written (gross)	**R0020**	9,136,775.57
Premiums earned (gross)	**R0030**	9,049,137.94
Claims incurred (gross)	**R0040**	3,529,519.86
Expenses incurred (gross)	**R0050**	3,352,743.92

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Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(6) 6 - Marine, aviation and transport insurance
Underwriting entity code	**Z0020**	SC/0403258197NED

		Total by country
		C0020
Country	**R0010**	(NL) NETHERLANDS
Premiums written (gross)	**R0020**	45,169,175.08
Premiums earned (gross)	**R0030**	45,216,090.90
Claims incurred (gross)	**R0040**	22,598,936.82
Expenses incurred (gross)	**R0050**	12,200,321.19

S.04.05.01

Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(7) 7 - Fire and other damage to property insurance
Underwriting entity code	**Z0020**	LEI/529900EU2PIG4IH6RF36

		Total by country
		C0020
Country	**R0010**	(BE) BELGIUM
Premiums written (gross)	**R0020**	128,011,395.24
Premiums earned (gross)	**R0030**	125,803,008.03
Claims incurred (gross)	**R0040**	43,392,359.61
Expenses incurred (gross)	**R0050**	58,701,925.57

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Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(7) 7 - Fire and other damage to property insurance
Underwriting entity code	**Z0020**	SC/0403258197NED

		Total by country
		C0020
Country	**R0010**	(NL) NETHERLANDS
Premiums written (gross)	**R0020**	260,897,443.00
Premiums earned (gross)	**R0030**	259,096,650.35
Claims incurred (gross)	**R0040**	128,683,472.18
Expenses incurred (gross)	**R0050**	74,979,104.41

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Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(8) 8 - General liability insurance
Underwriting entity code	**Z0020**	LEI/529900EU2PIG4IH6RF36

		Total by country
		C0020
Country	**R0010**	(BE) BELGIUM
Premiums written (gross)	**R0020**	40,931,637.07
Premiums earned (gross)	**R0030**	39,890,620.89
Claims incurred (gross)	**R0040**	26,902,847.79
Expenses incurred (gross)	**R0050**	20,899,704.56

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Activity by country - location of risk

S.04.05.01.02

Activity by country - location of risk

Line of business	**Z0010**	(8) 8 - General liability insurance
Underwriting entity code	**Z0020**	SC/0403258197NED

		Total by country
		C0020
Country	**R0010**	(NL) NETHERLANDS
Premiums written (gross)	**R0020**	94,121,304.44
Premiums earned (gross)	**R0030**	93,787,371.12
Claims incurred (gross)	**R0040**	73,712,959.04
Expenses incurred (gross)	**R0050**	31,772,610.61

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Reporting entity:	RC020
Due date:	Dec 31, 2024
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Premiums, claims and expenses by line of business

S.05.01.02.01

Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)

			Line of Business for: non-life insurance an			
			Medical expense insurance	**Income protection insurance**	**Workers' compensation insurance**	**Motor vehicle liability insurance**
			C0010	**C0020**	**C0030**	**C0040**
Premiums written	Gross - Direct Business	**R0110**	105,050,215.98	67,583,090.43	122,995,768.79	277,740,666.19
	Gross - Proportional reinsurance accepted	**R0120**	15,021,990.36		265,193.13	
	Gross - Non-proportional reinsurance accepted	**R0130**	----	----	----	----
	Reinsurers' share	**R0140**	13,624,328.22	8,401,485.63	4,430,734.44	135,898,852.05
	Net	**R0200**	106,447,878.12	59,181,604.80	118,830,227.48	141,841,814.14
Premiums earned	Gross - Direct Business	**R0210**	104,698,092.30	67,698,841.85	122,873,469.43	278,108,093.41
	Gross - Proportional reinsurance accepted	**R0220**	15,043,419.16		265,193.13	
	Gross - Non-proportional reinsurance accepted	**R0230**	----	----	----	----
	Reinsurers' share	**R0240**	13,624,627.80	8,396,157.36	4,430,734.44	136,266,697.56
	Net	**R0300**	106,116,883.66	59,302,684.49	118,707,928.12	141,841,395.85
Claims incurred	Gross - Direct Business	**R0310**	76,984,012.62	43,608,593.51	115,235,421.81	218,568,100.03
	Gross - Proportional reinsurance accepted	**R0320**	10,775,769.21	0.00	145,068.51	1,275,476.24
	Gross - Non-proportional reinsurance accepted	**R0330**	----	----	----	----
	Reinsurers' share	**R0340**	9,601,250.85	4,691,420.30	2,501,075.62	136,898,603.99
	Net	**R0400**	78,158,530.98	38,917,173.21	112,879,414.70	82,944,972.28
Expenses incurred		**R0550**	24,857,594.31	13,853,774.98	34,149,118.64	46,349,795.87
Balance - other technical expenses/income		**R1210**	----	----	----	----
Total technical expenses		**R1300**	----	----	----	----

d reinsurance obligations (direct business and accepted proportional reinsurance)						Total
Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Legal expenses insurance	Miscellaneous financial loss	
C0050	C0060	C0070	C0080	C0100	C0120	C0200
227,118,685.67	54,305,950.65	388,908,838.24	135,052,941.51	9,061,907.72	7,366,565.74	1,395,184,630.92
	28,075.22	91,929.72	501,473.17			15,908,661.60
----	----	----	----	----	----	
107,436,564.02	27,355,267.18	197,078,439.98	65,470,431.88	6,378,880.59	3,227,898.05	569,302,882.04
119,682,121.65	26,978,758.69	191,922,327.98	70,083,982.80	2,683,027.13	4,138,667.69	841,790,410.48
226,474,479.50	54,265,228.84	384,899,658.38	133,677,992.01	9,077,761.70	7,254,861.85	1,389,028,479.27
	28,075.22	91,920.94	501,473.17			15,930,081.62
----	----	----	----	----	----	
108,963,049.92	27,120,540.62	195,587,678.73	64,600,085.06	6,369,220.74	3,187,965.14	568,546,757.37
117,511,429.58	27,172,763.44	189,403,900.59	69,579,380.12	2,708,540.96	4,066,896.71	836,411,803.52
122,808,906.82	26,128,456.68	172,075,831.79	100,615,806.83	1,921,762.61	2,575,420.14	880,522,312.84
	0.00	-76,067.17	181,158.80		-200.00	12,301,205.59
----	----	----	----	----	----	
59,851,623.15	12,227,895.77	81,532,571.85	68,745,688.13	1,385,597.55	1,089,832.70	378,525,559.91
62,957,283.67	13,900,560.91	90,467,192.77	32,051,277.50	536,165.06	1,485,387.44	514,297,958.52
44,311,365.53	7,930,091.56	83,015,811.03	33,054,560.28	2,537,720.54	1,671,807.51	291,731,640.25
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Report:	S.05.01.02.02
Reporting entity:	RC020
Due date:	Dec 31, 2024 PROD-
Cluster	RSR-Y 27.03.2025
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Premiums, claims and expenses by line of business

S.05.01.02.02

Life

			Line of Business for: life insurance obligations				Total
			Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	
			C0210	C0220	C0230	C0240	C0300
Premiums written	Gross	R1410	75,411,352.12	509,115,377.94	1,050,782,622.01	551,713,320.96	2,187,022,673.03
	Reinsurers' share	R1420	5,559,953.60	10,718,102.53	6,617,024.37	13,994,168.34	36,889,248.84
	Net	R1500	69,851,398.52	498,397,275.41	1,044,165,597.64	537,719,152.62	2,150,133,424.19
Premiums earned	Gross	R1510	74,919,033.79	509,115,377.94	1,050,782,622.01	551,713,320.96	2,186,530,354.70
	Reinsurers' share	R1520	5,559,953.61	10,718,102.53	6,617,024.37	13,994,168.34	36,889,248.85
	Net	R1600	69,359,080.18	498,397,275.41	1,044,165,597.64	537,719,152.62	2,149,641,105.85
Claims incurred	Gross	R1610	57,368,022.75	568,443,490.00	691,229,751.46	206,202,166.35	1,523,243,430.56
	Reinsurers' share	R1620	5,785,245.34	10,489,626.58	4,310,655.06	7,779,652.11	28,365,179.09
	Net	R1700	51,582,777.41	557,953,863.42	686,919,096.40	198,422,514.24	1,494,878,251.47
Expenses incurred		R1900	12,420,604.18	78,509,306.11	95,375,574.76	15,916,765.21	202,222,250.26
Balance - other technical expenses/income		R2510	----	----	----	----	
Total technical expenses		R2600	----	----	----	----	202,222,250.26
Total amount of surrenders		R2700		118,980,983.12	434,963,974.99	9,438,972.32	563,383,930.43

Report:	S.12.01.01.01
Reporting entity:	RC020
Due date:	Dec 31, 2024
Cluster	PROD-RSR-Y
Report exported on:	27.03.2025 16:26:11

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Life and Health SLT Technical Provisions

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Life and Health SLT Technical Provisions

					Insurance with profit participation	**Index-linked and unit-linked insurance**		
							Contracts without options and guarantees	**Contracts with options or guarantees**
					C0020	**C0030**	**C0040**	**C0050**
Technical provisions calculated as a whole				**R0010**	0.00	0.00	----	----
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				**R0020**			----	----
Technical provisions calculated as a sum of BE and RM	Best Estimate	Gross Best Estimate		**R0030**	6,820,897,100.00	----	7,960,368,420.00	128,983,460.00
		Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default		**R0040**	19,479,280.00	----	-8,708,890.00	-67,090.00
			Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	**R0050**	19,479,280.00	----	-8,708,890.00	-67,090.00
			Recoverables from SPV before adjustment for expected losses	**R0060**	0.00	----	0.00	
			Recoverables from Finite Re before adjustment for expected losses	**R0070**	0.00	----	0.00	
		Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to		**R0080**	19,479,060.00	----	-8,715,790.00	-67,270.00
		Best estimate minus recoverables from reinsurance/SPV and Finite Re		**R0090**	6,801,418,040.00	----	7,969,084,210.00	129,050,730.00
	Risk margin			**R0100**	91,939,630.00	89,637,150.00	----	----
Amount of the transitional on Technical Provisions	Technical provisions calculated as a whole			**R0110**			----	----
	Best Estimate			**R0120**	0.00	----	0.00	0.00
	Risk margin			**R0130**	0.00	0.00	----	----
Technical provisions - total				**R0200**	6,912,836,730.00	8,178,989,030.00	----	----
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total				**R0210**	6,893,357,670.00	8,187,772,090.00	----	----
Best Estimate of products with a surrender option				**R0220**	6,656,420,010.00	7,871,839,210.00	----	----
Gross BE for Cash flow	Cash out-flows	Future guaranteed and discretionary benefits		**R0230**	----	8,334,026,670.00	----	----
			Future guaranteed benefits	**R0240**	6,739,885,910.00	----	----	----
			Future discretionary benefits	**R0250**	300,903,340.00	----	----	----
		Future expenses and other cash out-flows		**R0260**	369,004,910.00	611,151,080.00	----	----
	Cash in-flows	Future premiums		**R0270**	608,465,280.00	855,825,870.00	----	----
		Other cash in-flows		**R0280**	0.00	0.00	----	----
Percentage of gross Best Estimate calculated using approximations				**R0290**	532.423000%	0.000000%	----	----
Surrender Value				**R0300**	0.00	4,027,266,920.00	----	----
Best estimate subject to transitional of the interest rate				**R0310**	0.00	0.00	----	----
Technical provisions without transitional on interest rate				**R0320**	91,939,630.00	4,351,937,430.00	----	----
Best estimate subject to volatility adjustment				**R0330**	6,820,897,110.00	8,089,351,880.00	----	----
Technical provisions without volatility adjustment and without others transitional measures				**R0340**	6,928,112,380.00	8,218,462,770.00	----	----
Best estimate subject to matching adjustment				**R0350**	0.00	0.00	----	----
Technical provisions without matching adjustment and without all the others				**R0360**	6,928,112,380.00	8,218,462,770.00	----	----
Expected profits included in future premiums (EPIFP)				**R0370**	39,463,250.00	10,735,380.00	----	----

	Other life insurance		Total (Life other than health insurance, incl. Unit-Linked)	Health insurance (direct business)		Annuities stemming from non-life insurance contracts and relating to health insurance	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
	Contracts without options and guarantees	Contracts with options or guarantees			Contracts without options and guarantees			
C0060	C0070	C0080	C0150	C0160	C0170	C0190	C0200	C0210
	----	----	0.00		----			
	----	----			----			
	230,535,410.00	2,251,306,660.00	17,392,091,050.00	----	39,014,280.00	1,164,853,420.00	16,667,610.00	1,220,535,310.00
		-7,586,410.00	3,116,890.00	----		21,992,170.00	14,326,830.00	36,319,000.00
		-7,586,410.00	3,116,890.00	----		15,206,910.00	14,326,830.00	29,533,740.00
			0.00	----		6,785,260.00		6,785,260.00
			0.00	----				
		-7,907,790.00	2,788,210.00	----		21,924,260.00	14,326,830.00	36,251,090.00
	230,535,410.00	2,259,214,450.00	17,389,302,840.00	----	39,014,280.00	1,142,929,160.00	2,340,780.00	1,184,284,220.00
72,133,240.00	----	----	253,710,020.00	34,848,470.00	----	91,522,790.00	474,640.00	126,845,900.00
	----	----			----			
----	0.00	0.00	0.00	----				
0.00	----	----	0.00		----			
2,553,975,310.00	----	----	17,645,801,070.00	73,862,750.00	----	1,256,376,210.00	17,142,250.00	1,347,381,210.00
2,561,883,100.00	----	----	17,643,012,860.00	73,862,750.00	----	1,234,451,950.00	2,815,420.00	1,311,130,120.00
728,636,910.00	----	----	15,256,896,130.00		----		----	
2,917,962,980.00	----	----	18,292,778,900.00	198,902,490.00	----	1,795,144,440.00	16,569,440.00	2,010,616,370.00
----	----	----	6,739,885,910.00	----	----	----	----	----
----	----	----	300,903,340.00	----	----	----	----	----
100,810,210.00	----	----	1,080,966,200.00	55,562,170.00	----	120,837,410.00	98,170.00	176,497,750.00
536,931,120.00	----	----	2,001,222,270.00	215,450,390.00	----	717,770,510.00		933,220,900.00
	----	----	0.00		----	33,357,920.00		33,357,920.00
-0.018000%	----	----	----	0.000000%	----	0.000000%	0.000000%	----
683,228,230.00	----	----	4,710,495,150.00	0.00	----	0.00	0.00	0.00
0.00	----	----	0.00	0.00	----	0.00	0.00	0.00
2,553,975,310.00	----	----	6,997,852,370.00	73,862,750.00	----	1,256,376,210.00	17,142,250.00	1,347,381,210.00
2,481,842,070.00	----	----	17,392,091,060.00	39,014,280.00	----	1,164,853,420.00	16,667,610.00	1,220,535,310.00
2,603,602,450.00	----	----	17,750,177,600.00	75,881,320.00	----	1,290,688,890.00	17,430,910.00	1,384,001,120.00
0.00	----	----	0.00	0.00	----	0.00	0.00	0.00
2,603,602,450.00	----	----	17,750,177,600.00	75,881,320.00	----	1,290,688,890.00	17,430,910.00	1,384,001,120.00
52,190,620.00	----	----	102,389,250.00		----			

Report:	S.17.01.01.01
Reporting entity:	RC020
Due date:	Dec 31, 2024
Cluster	PROD-RSR-Y
Report exported on:	27.03.2025 16:26:48

S.17.01.01

Non-life Technical Provisions

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Non-life Technical Provisions

						Direct business and accepted proportional rein					
						Medical expense insurance	**Income protection insurance**	**Workers' compensation insurance**	**Motor vehicle liability insurance**	**Other motor insurance**	**Marine, aviation and transport insurance**
						C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**
Technical provisions calculated as a whole					**R0010**		0.00		0.00	0.00	0.00
	Direct business				**R0020**		0.00		0.00	0.00	0.00
	Accepted proportional reinsurance business				**R0030**						
	Accepted non-proportional reinsurance				**R0040**	----	----	----	----	----	----
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	Best Estimate	Premium provisions	Gross - Total		**R0060**	-46,780.00	-11,206,830.00	1,852,180.00	2,004,070.00	-7,884,720.00	1,080,410.00
				Gross - Direct Business	**R0070**	-212,250.00	-11,206,830.00	1,852,180.00	2,004,070.00	-7,884,720.00	1,080,410.00
				Gross - accepted proportional reinsurance business	**R0080**	165,470.00					
				Gross - accepted non-proportional reinsurance business	**R0090**	----	----	----	----	----	----
			Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default		**R0100**	-774,000.00	-1,485,830.00	-683,210.00	-2,522,060.00	-6,142,330.00	964,740.00
				Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	**R0110**	-774,000.00	-1,485,830.00	-683,210.00	-2,522,060.00	-6,142,330.00	964,740.00
				Recoverables from SPV before adjustment for expected losses	**R0120**						
				Recoverables from Finite Reinsurance before adjustment for expected losses	**R0130**						
			Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		**R0140**	-774,000.00	-1,486,420.00	-748,890.00	-2,554,890.00	-6,143,450.00	963,100.00
			Net Best Estimate of Premium Provisions		**R0150**	727,220.00	-9,720,410.00	2,601,070.00	4,558,960.00	-1,741,270.00	117,310.00
		Claims provisions	Gross - Total		**R0160**	33,500,260.00	24,264,550.00	68,756,110.00	906,925,550.00	65,606,090.00	48,638,300.00
				Gross - Direct Business	**R0170**	29,336,470.00	24,264,550.00	68,756,110.00	898,213,940.00	65,606,090.00	48,632,000.00
				Gross - accepted proportional reinsurance business	**R0180**	4,163,790.00			8,711,610.00	0.00	6,300.00
				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**	1,198,430.00	2,993,610.00	3,646,650.00	714,934,980.00	28,105,470.00	23,188,900.00
				Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	**R0210**	1,198,430.00	2,993,610.00	3,646,650.00	714,934,980.00	28,105,470.00	23,188,900.00
				Recoverables from SPV before adjustment for expected losses	**R0220**						
				Recoverables from Finite Reinsurance before adjustment for expected losses	**R0230**						
			Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		**R0240**	1,198,430.00	2,992,210.00	3,644,880.00	714,437,500.00	28,100,520.00	23,176,110.00
			Net Best Estimate of Claims Provisions		**R0250**	32,301,830.00	21,272,340.00	65,111,230.00	192,488,050.00	37,505,570.00	25,462,190.00
		Total Best estimate - gross			**R0260**	33,453,480.00	13,057,720.00	70,608,290.00	908,929,620.00	57,721,370.00	49,718,710.00
		Total Best estimate - net			**R0270**	33,029,050.00	11,551,930.00	67,712,300.00	197,047,010.00	35,764,300.00	25,579,500.00
	Risk margin				**R0280**	279,590.00	10,130,120.00	15,188,940.00	18,227,970.00	711,310.00	1,117,190.00
Amount of the transitional on Technical Provisions	TP as a whole				**R0290**		0.00		0.00	0.00	0.00
	Best Estimate				**R0300**		0.00		0.00	0.00	0.00
	Risk margin				**R0310**		0.00		0.00	0.00	0.00
Technical provisions - total	Technical provisions - total				**R0320**	33,733,070.00	23,187,840.00	85,797,230.00	927,157,590.00	58,432,680.00	50,835,900.00
	Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total				**R0330**	424,430.00	1,505,790.00	2,895,990.00	711,882,610.00	21,957,070.00	24,139,210.00
	Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total				**R0340**	33,308,640.00	21,682,050.00	82,901,240.00	215,274,980.00	36,475,610.00	26,696,690.00
Line of Business: further segmentation (Homogeneous Risk Groups)	Premium provisions - Total number of homogeneous risk groups				**R0350**	2	7	1	4	4	4
	Claims provisions - Total number of homogeneous risk groups				**R0360**	3	11	1	15	15	8
Cash-flows of the Best estimate of Premium Provisions (Gross)	Cash out-flows	Future benefits and claims			**R0370**	24,848,750.00	68,270,880.00	88,001,740.00	142,506,730.00	94,875,440.00	11,362,780.00
		Future expenses and other cash-out flows			**R0380**	7,007,320.00	15,250,650.00	22,512,360.00	64,113,620.00	58,658,690.00	5,272,220.00
	Cash in-flows	Future premiums			**R0390**	31,902,840.00	94,729,570.00	108,661,920.00	204,717,740.00	161,443,040.00	15,554,940.00
		Other cash-in flows (incl. Recoverable from salvages and subrogations)			**R0400**		0.00		0.00	0.00	0.00
Cash-flows of the Best estimate of Claims Provisions (Gross)	Cash out-flows	Future benefits and claims			**R0410**	33,475,630.00	23,788,390.00	68,671,980.00	858,408,510.00	78,270,380.00	48,154,700.00
		Future expenses and other cash-out flows			**R0420**	24,610.00	476,100.00	84,120.00	55,080,260.00	3,627,620.00	1,455,990.00
	Cash in-flows	Future premiums			**R0430**		0.00		0.00	0.00	0.00
		Other cash-in flows (incl. Recoverable from salvages and subrogations)			**R0440**		0.00		6,563,070.00	16,291,850.00	972,400.00
Percentage of gross Best Estimate calculated using approximations					**R0450**						
Best estimate subject to transitional of the interest rate					**R0460**	0.00	0.00	0.00	0.00	0.00	0.00
Technical provisions without transitional on interest rate					**R0470**	33,733,060.00	23,187,800.00	85,797,230.00	927,157,770.00	58,432,700.00	50,835,850.00
Best estimate subject to volatility adjustment					**R0480**	33,453,470.00	13,057,680.00	70,608,290.00	908,929,800.00	57,721,390.00	49,718,660.00
Technical provisions without volatility adjustment and without others transitional measures					**R0490**	33,805,810.00	24,448,610.00	85,797,230.00	936,618,080.00	58,647,930.00	51,128,140.00
Expected profits included in future premiums (EPIFP)					**R0500**	532,900.00	13,057,360.00		22,387,390.00	28,205,100.00	2,579,350.00

surance					Total Non-Life obligation
Fire and other damage to property insurance	General liability insurance	Legal expenses insurance	Miscellaneous financial loss	Non-proportional casualty reinsurance	
C0080	C0090	C0110	C0130	C0150	C0180
0.00	0.00	0.00		0.00	0.00
0.00	0.00	0.00		----	0.00

----	----	----	----	0.00	0.00
30,122,520.00	-10,175,410.00	0.00	-3,617,070.00	0.00	2,128,370.00
30,122,510.00	-10,175,400.00	0.00	-3,617,070.00	----	1,962,900.00
10.00	-10.00			----	165,470.00
----	----	----	----	0.00	0.00
17,635,390.00	-6,673,360.00		-2,884,380.00		-2,565,040.00
17,635,390.00	-6,673,360.00		-2,884,380.00		-2,565,040.00
17,621,160.00	-6,694,080.00		-2,883,020.00		-2,700,490.00
12,501,360.00	-3,481,330.00	0.00	-734,050.00	0.00	4,828,860.00
219,984,910.00	350,134,470.00	1,301,620.00	9,087,560.00	3,348,560.00	1,731,547,980.00
219,979,970.00	349,930,460.00	1,301,620.00	9,087,450.00	----	1,715,108,660.00
4,940.00	204,010.00		110.00	----	13,090,760.00
----	----	----	----	3,348,560.00	3,348,560.00
111,374,910.00	252,761,430.00		2,772,970.00	2,686,720.00	1,143,664,070.00
111,374,910.00	252,761,430.00		2,772,970.00	2,686,720.00	1,143,664,070.00
111,349,330.00	252,577,830.00		2,772,080.00	2,683,680.00	1,142,932,570.00
108,635,580.00	97,556,640.00	1,301,620.00	6,315,480.00	664,880.00	588,615,410.00
250,107,430.00	339,959,060.00	1,301,620.00	5,470,490.00	3,348,560.00	1,733,676,350.00
121,136,940.00	94,075,310.00	1,301,620.00	5,581,430.00	664,880.00	593,444,270.00
3,309,880.00	13,182,930.00	93,270.00	232,010.00	89,320.00	62,562,530.00
0.00	0.00	0.00		0.00	0.00
0.00	0.00	0.00		0.00	0.00
0.00	0.00	0.00		0.00	0.00
253,417,310.00	353,141,990.00	1,394,890.00	5,702,500.00	3,437,880.00	1,796,238,880.00
128,970,490.00	245,883,750.00		-110,940.00	2,683,680.00	1,140,232,080.00
124,446,820.00	107,258,240.00	1,394,890.00	5,813,440.00	754,200.00	656,006,800.00
5	4	1	2		----
25	14	3	9	1	----
175,686,470.00	57,385,540.00	0.00	1,331,220.00	0.00	664,269,550.00
76,149,740.00	36,076,020.00	0.00	2,892,920.00	0.00	287,933,540.00
221,814,420.00	103,707,830.00	0.00	7,841,190.00	0.00	950,373,490.00
0.00	0.00	0.00		0.00	0.00
214,086,280.00	335,795,610.00	1,291,410.00	8,624,570.00	3,317,060.00	1,673,884,520.00
6,509,730.00	18,271,110.00	10,210.00	463,030.00	31,570.00	86,034,350.00
0.00	0.00	0.00		0.00	0.00
611,180.00	3,932,250.00	0.00	10.00	0.00	28,370,760.00
0.00	0.00	0.00	0.00	0.00	0.00
253,417,180.00	353,141,970.00	1,394,890.00	5,702,500.00	3,437,880.00	1,796,238,830.00
250,107,300.00	339,959,040.00	1,301,620.00	5,470,490.00	3,348,560.00	1,733,676,300.00
254,517,390.00	357,487,230.00	1,406,760.00	5,743,940.00	3,490,890.00	1,813,092,010.00
31,655,170.00	20,571,350.00		4,178,730.00		123,167,350.00

Report:	S.17.03.01.01
Reporting entity:	RC020
Due date:	Dec 31, 2024
Cluster	PROD-RSR-Y
Report exported on:	28.03.2025 13:04:06

S.17.03.01

Non-Life Technical Provisions - By country

S.17.03.01.01

Gross TP calculated as a whole and Gross BE for different countries - Home country and countries outside the materiality threshold

			Direct business and			
			Medical expense insurance	**Income protection insurance**	**Workers' compensation insurance**	**Motor vehicle liability insurance**
			C0020	**C0030**	**C0040**	**C0050**
Direct business	Home Country	**R0010**	29,124,210.00	652,850.00	70,608,290.00	284,590,390.00
	EEA countries outside the materiality threshold - not reported by country	**R0020**				
	Non-EEA countries outside the materiality threshold - not reported by country	**R0030**				
Accepted proportional reinsurance business	Home Country	**R0041**	4,329,260.00			
	EEA countries outside the materiality threshold - not reported by country	**R0050**				
	Non-EEA countries outside the materiality threshold - not reported by country	**R0060**				
Accepted non-proportional reinsurance	Home Country	**R0070**	----	----	----	----
	EEA countries outside the materiality threshold - not reported by country	**R0080**	----	----	----	----
	Non-EEA countries outside the materiality threshold - not reported by country	**R0090**	----	----	----	----

l accepted proportional reinsurance					
Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Legal expenses insurance	Non-proportional casualty reinsurance
C0060	C0070	C0080	C0090	C0110	C0150
20,986,990.00	2,548,590.00	98,919,020.00	121,064,730.00	1,301,620.00	----
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Non-life insurance claims

S.19.01.01.01

Gross Claims Paid (non-cumulative) - Development year (absolute amount)

		0	1	2	3	4	5	6	7
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**
Prior	**R0100**	----	----	----	----	----	----	----	----
N-14	**R0110**	402,889,310.00	216,899,560.00	52,106,050.00	49,097,900.00	16,581,140.00	16,236,090.00	11,494,370.00	11,893,590.00
N-13	**R0120**	399,020,630.00	194,268,980.00	67,146,940.00	22,082,140.00	19,357,910.00	15,658,850.00	11,610,360.00	12,047,690.00
N-12	**R0130**	327,889,370.00	182,708,620.00	38,493,170.00	19,455,800.00	15,061,970.00	16,999,880.00	12,846,570.00	8,135,960.00
N-11	**R0140**	319,751,860.00	172,212,370.00	33,979,820.00	21,849,170.00	22,757,410.00	16,564,930.00	12,305,370.00	7,142,380.00
N-10	**R0150**	313,832,380.00	160,572,930.00	44,187,250.00	29,711,430.00	25,445,550.00	18,954,090.00	12,810,300.00	10,979,440.00
N-9	**R0160**	314,740,530.00	180,675,280.00	54,843,990.00	32,057,940.00	21,053,680.00	18,183,590.00	13,374,610.00	8,859,840.00
N-8	**R0170**	358,650,630.00	215,658,340.00	55,810,050.00	27,141,340.00	20,775,930.00	17,442,990.00	11,500,840.00	12,463,710.00
N-7	**R0180**	298,421,490.00	200,873,070.00	52,225,410.00	27,372,620.00	19,574,400.00	17,844,060.00	9,706,850.00	8,970,780.00
N-6	**R0190**	306,072,490.00	207,791,150.00	51,395,460.00	29,238,310.00	20,707,780.00	17,439,740.00	12,674,870.00	----
N-5	**R0200**	283,797,850.00	204,344,630.00	47,536,670.00	26,004,920.00	21,114,090.00	19,784,860.00	----	----
N-4	**R0210**	238,385,350.00	148,267,320.00	36,061,700.00	20,065,400.00	16,788,950.00	----	----	----
N-3	**R0220**	255,280,220.00	178,331,590.00	57,128,300.00	26,546,400.00	----	----	----	----
N-2	**R0230**	245,133,710.00	216,902,250.00	46,785,410.00	----	----	----	----	----
N-1	**R0240**	233,731,770.00	219,456,520.00	----	----	----	----	----	----
N	**R0250**	275,581,950.00	----	----	----	----	----	----	----

8	9	10	11	12	13	14	15 & +
C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
----	----	----	----	----	----	----	93,146,150.00
9,036,370.00	7,062,590.00	4,153,510.00	3,619,090.00	3,699,000.00	5,854,850.00	5,697,100.00	----
8,479,570.00	6,462,500.00	3,147,790.00	5,678,130.00	3,283,950.00	4,815,540.00	----	----
7,951,530.00	7,640,150.00	4,371,090.00	5,136,030.00	1,270,370.00	----	----	----
6,734,060.00	5,392,470.00	6,553,190.00	6,283,800.00	----	----	----	----
6,745,930.00	6,739,020.00	5,213,140.00	----	----	----	----	----
3,312,840.00	5,582,820.00	----	----	----	----	----	----
9,428,120.00	----	----	----	----	----	----	----
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S.22.01.01

Impact of long-term guarantees measures and transitionals

S.22.01.01.01

Impact of long-term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of the L	
			Without transitional on technical provisions	Without transitional on interest rate
		C0010	C0020	C0040
Technical provisions	R0010	20,789,421,285.32	20,789,421,285.32	20,789,421,285.32
Basic own funds	R0020	1,408,790,469.49	1,408,790,469.49	1,408,790,469.49
Excess of assets over liabilities	R0030	1,442,690,469.49	1,442,690,469.49	1,442,690,469.49
Restricted own funds due to ring-fencing and matching portfolio	R0040			
Eligible own funds to meet Solvency Capital Requirement	R0050	1,408,790,469.49	1,408,790,469.49	1,408,790,469.49
Tier 1	R0060	1,394,897,477.21	1,394,897,477.21	1,394,897,477.21
Tier 2	R0070			
Tier 3	R0080	13,892,992.28	13,892,992.28	13,892,992.28
Solvency Capital Requirement	R0090	991,411,514.86	991,411,514.86	991,411,514.86
Eligible own funds to meet Minimum Capital Requirement	R0100	1,394,897,477.21	1,394,897,477.21	1,394,897,477.21
Minimum Capital Requirement	R0110	446,135,181.69	446,135,181.69	446,135,181.69
Solvency Capital Requirement ratio	R0120	142.099466%	142.099466%	142.099466%
Minimum Capital Requirement ratio	R0130	312.662515%	312.662515%	312.662515%

TG measures and transitionals (Step-by-step approach)			
Without volatility adjustment and without other transitional measures	Impact of volatility adjustment set to zero	Without matching adjustment and without all the others	Impact of all LTG measures and transitionals
C0060	C0070	C0080	C0100
20,980,461,940.29	191,040,654.97	20,980,461,940.29	191,040,654.97
1,275,747,035.27	-133,043,434.22	1,275,747,035.27	-133,043,434.22
1,309,647,035.27	-133,043,434.22	1,309,647,035.27	-133,043,434.22
1,275,747,035.26	-133,043,434.23	1,275,747,035.26	-133,043,434.23
1,222,094,284.61	-172,803,192.60	1,222,094,284.61	-172,803,192.60
53,652,750.65	39,759,758.37	53,652,750.65	39,759,758.37
1,022,951,620.33	31,540,105.47	1,022,951,620.33	31,540,105.47
1,222,094,284.61	-172,803,192.60	1,222,094,284.61	-172,803,192.60
460,328,229.15	14,193,047.46	460,328,229.15	14,193,047.46
124.712353%	-421.823048%	124.712353%	-421.823048%
265.483237%	-1217.520008%	265.483237%	-1217.520008%

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Own funds

S.23.01.01.01

Own funds

			Total	Tier 1 - unrestricted	Tier 3
			C0010	**C0020**	**C0050**
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35	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**	209,446,510.00	209,446,510.00	----
	Reconciliation reserve	**R0130**	893,199,180.00	893,199,180.00	----
	An amount equal to the value of net deferred tax assets	**R0160**	13,893,040.00	----	13,893,040.00
Total basic own funds after deductions		**R0290**	1,408,790,470.00	1,394,897,430.00	13,893,040.00
Available and eligible own funds	Total available own funds to meet the SCR	**R0500**	1,408,790,470.00	1,394,897,430.00	13,893,040.00
	Total available own funds to meet the MCR	**R0510**	1,394,897,430.00	1,394,897,430.00	----
	Total eligible own funds to meet the SCR	**R0540**	1,408,790,470.00	1,394,897,430.00	13,893,040.00
	Total eligible own funds to meet the MCR	**R0550**	1,394,897,430.00	1,394,897,430.00	----
SCR		**R0580**	991,411,510.00	----	----
MCR		**R0600**	446,135,181.69	----	----
Ratio of Eligible own funds to SCR		**R0620**	142.099467%	----	----
Ratio of Eligible own funds to MCR		**R0640**	312.662504%	----	----

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S.25.01.01

Solvency Capital Requirement - for undertakings on Standard Formula

S.25.01.01.01

Basic Solvency Capital Requirement

Article 112	**Z0010**	(2) 2 - Regular reporting

		Net solvency capital requirement	Gross solvency capital requirement
		C0030	**C0040**
Market risk	**R0010**	490,332,664.53	618,472,464.03
Counterparty default risk	**R0020**	125,889,818.59	127,450,116.34
Life underwriting risk	**R0030**	470,190,258.31	565,178,800.36
Health underwriting risk	**R0040**	287,961,427.01	287,961,427.01
Non-life underwriting risk	**R0050**	219,838,130.41	219,838,130.41
Diversification	**R0060**	-583,107,232.17	-642,293,520.48
Intangible asset risk	**R0070**	0.00	0.00
Basic Solvency Capital Requirement	**R0100**	1,011,105,066.68	1,176,607,417.67

Report:	S.28.02.01.01
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S.28.02.01

Minimum Capital Requirement - Both life and non-life insurance activity

S.28.02.01.01

Mcr components

		MCR components
		Non-life activities
		MCR(NL, NL) Result
		C0010
Linear formula component for non-life insurance and reinsurance obligations	R0010	124,615,024.72

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S.28.02.01

Minimum Capital Requirement - Both life and non-life insurance activity

S.28.02.01.02

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	33,029,672.01	43,127,590.00
Income protection insurance and proportional reinsurance	R0030	11,557,763.34	101,685,680.00
Workers' compensation insurance and proportional reinsurance	R0040	67,749,381.62	113,780,120.00
Motor vehicle liability insurance and proportional reinsurance	R0050	197,078,399.24	141,665,560.00
Other motor insurance and proportional reinsurance	R0060	35,765,754.56	122,102,390.00
Marine, aviation and transport insurance and proportional reinsurance	R0070	25,581,054.25	26,907,650.00
Fire and other damage to property insurance and proportional reinsurance	R0080	121,142,320.28	191,883,040.00
General liability insurance and proportional reinsurance	R0090	94,085,820.91	69,973,940.00
Credit and suretyship insurance and proportional reinsurance	R0100	0.00	0.00
Legal expenses insurance and proportional reinsurance	R0110	1,301,624.88	0.00
Assistance and proportional reinsurance	R0120	0.00	0.00
Miscellaneous financial loss insurance and proportional reinsurance	R0130	5,581,668.10	6,888,200.00
Non-proportional health reinsurance	R0140	0.00	0.00
Non-proportional casualty reinsurance	R0150	664,880.08	0.00
Non-proportional marine, aviation and transport reinsurance	R0160	0.00	0.00
Non-proportional property reinsurance	R0170	0.00	0.00

Report:	S.28.02.01.03
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S.28.02.01

Minimum Capital Requirement - Both life and non-life insurance activity

S.28.02.01.03

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**	34,065,314.14	365,858,997.47

Report:	S.28.02.01.05
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S.28.02.01

Minimum Capital Requirement - Both life and non-life insurance activity

S.28.02.01.05

Overall MCR calculation

		C0130
Linear MCR	**R0300**	524,539,336.34
SCR	**R0310**	991,411,514.86
MCR cap	**R0320**	446,135,181.69
MCR floor	**R0330**	247,852,878.71
Combined MCR	**R0340**	446,135,181.69
Absolute floor of the MCR	**R0350**	8,000,000.00
Minimum Capital Requirement	**R0400**	446,135,181.69

Report:	S.28.02.01.06
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S.28.02.01

Minimum Capital Requirement - Both life and non-life insurance activity

S.28.02.01.06

Notional non-life and life MCR calculation

		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	158,680,338.86	365,858,997.47
Notional SCR excluding add-on (annual or latest calculation)	R0510	299,915,572.07	691,495,942.79
Notional MCR cap	R0520	134,962,007.43	311,173,174.25
Notional MCR floor	R0530	74,978,893.02	172,873,985.70
Notional Combined MCR	R0540	134,962,007.43	311,173,174.25
Absolute floor of the notional MCR	R0550	4,000,000.00	4,000,000.00
Notional MCR	R0560	134,962,007.43	311,173,174.25