Solvency II

Solvency and Financial Condition Report 2021

Allianz Benelux

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A.1 Business and Performance

A.1.1 Business

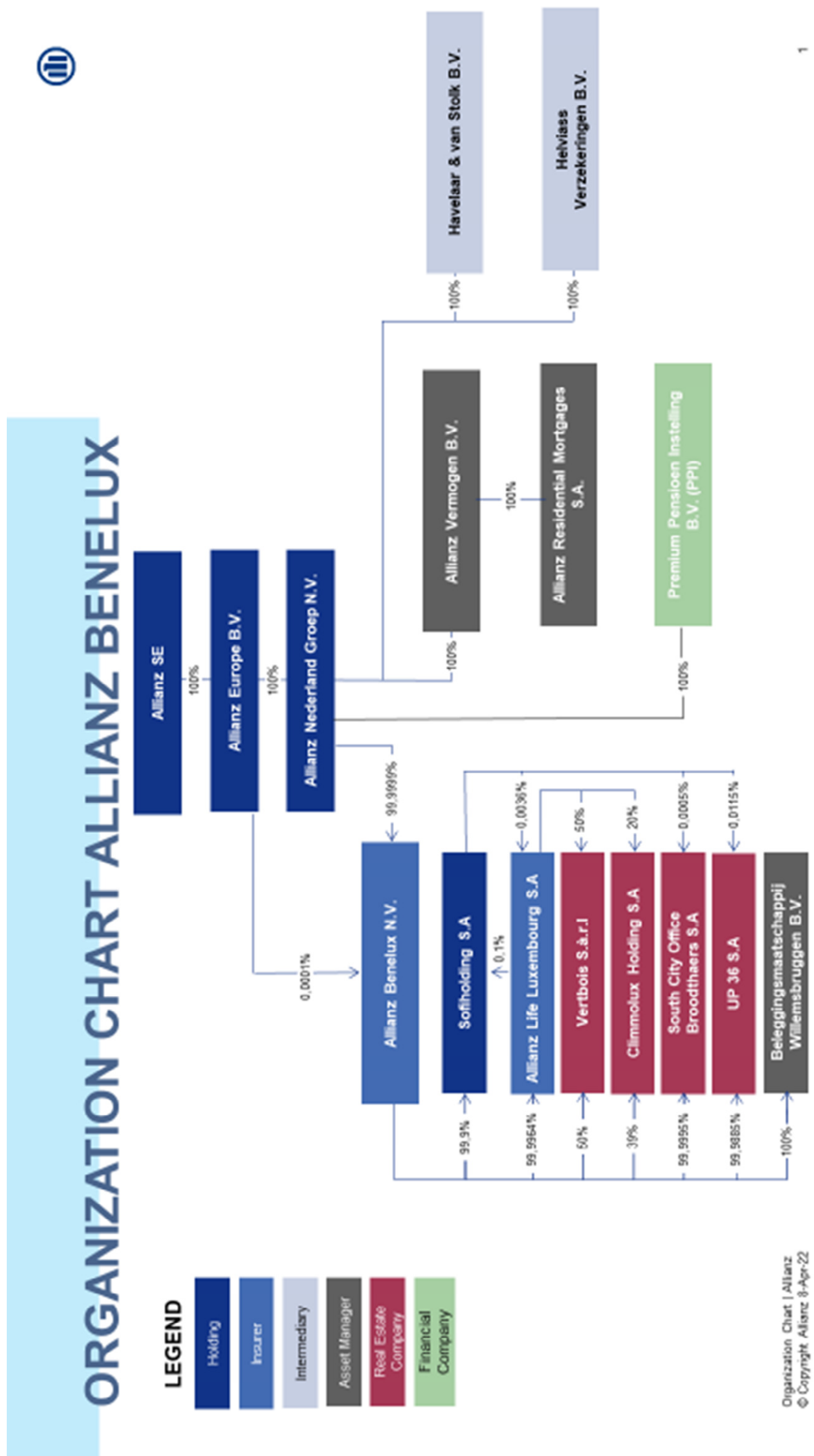
A.1.1.1 Operations

Allianz Benelux offers non-life insurance, life/health insurance in 3 countries, Belgium, Netherlands and Luxembourg.

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

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

A.1.2 Group Structure



A.2 Highlights of the 2021 financial year

A.2.1 General economic context

2021 was once again an exceptional year in which events showed the strong resilience of the financial sector, and particularly of insurance companies, to continue their activities despite the various measures to restrict freedoms that marked the year under review.

Allianz Benelux was no exception to the rule and was able to adapt to health constraints while successfully carrying out its activities and while ensuring that its staff were protected as much as possible by promoting the digital handling of operations.

This was only possible by instilling both strictness in complying with the rules and flexibility in the conduct of operations.

The Board would like to thank both the management, which has been vigilant and responsive, and all the employees who have shown determination, courage, discipline and patience in the face of a situation fuelled by the uncertainties generated and the obstacles suffered as a result of lockdown or semi-lockdown.

Beyond that, the adaptive capacities of the company's driving forces have made it possible to convert the abnormal management processes into a new way of acting, thinking and working on a daily basis.

This new way of working has become both a state of mind and a company standard in 2021 and has confirmed the maturity and agility of those who have led the implementation of new management processes to best serve our customers.

We would like to especially thank them.

We are proud to have been able to encourage and support this rapid transformation of the company, which proved to be a winner at the end of the financial year.

As this report is being finished, we cannot ignore the invasion of Ukraine which, in addition to the significant movement of refugees in Europe, is likely to bring its share of difficulties and negative consequences for the good performance of the financial markets, bearing in mind that they dislike uncertainty and that the increases in commodity prices and inflation that such a conflict will most probably stimulate will significantly impact the development of our customers' business.

We did not remain insensitive to this crisis:

First of all, we have revised our Multi-risk home cover to insure refugees from Ukraine.

Allianz set up a 12.5 million solidarity fund, part of which has already been donated to the Red Cross.

We have also reviewed our portfolios and strengthened our Economic Sanctions prevention regime so as not to insure or finance the legal or physical persons responsible for this invasion.

Finally, we have offered our Ukrainian colleagues to come and work in the Benelux and Ukrainian athletes to come and train in our three countries.

Sectoral situation

In Belgium,

The insurance sector has had to deal with, on the one hand, the consequences of the health crisis by showing understanding with regard to many customers whose incomes have been heavily impacted and, on the other hand, with unprecedented natural disasters that have left a lasting impression and hit certain regions such as the Dutch Limburg, the Grand Duchy of Luxembourg and, especially, Southern and Eastern Belgium.

Here too, the Allianz Benelux teams have shown tremendous energy in helping the victims as quickly as possible.

Allianz Benelux also participated in sectoral efforts with the different regions concerned to find the means to cover 100% of the exceptional damage suffered by a large part of the population.

Apart from this, the initial figures for the sector show rather favourable realities.

According to an initial estimate, the 2021 turnover of all branches of Belgian insurers combined is expected to reach EUR 30.1 billion, up 5.6%, subdivided into 6% growth in non-Life (versus 0.8% in 2020) to EUR 13.7 billion and 5.3% (versus -4.8% in 2020) in Life to EUR 16.4 billion.

This is a very positive development confirmed in all non-Life branches: (Auto: +2.1%; Work Accidents: +11.6%; Illness: +4.8%; Fire +6.5%; Legal protection: +5%; Assistance: +8%. Only the “Miscellaneous financial losses” business line experienced a decrease of 3%.

Despite the heavy flooding in mid-July 2021, the P&C business line remained technically profitable.

In Life, individual branch 23 recorded very significant growth of 21.6% to EUR 3.8 billion, boosted by the very good performance of the stock markets and the continuing low interest rates. In group insurance, growth was significantly lower at 2.2% for a total of EUR 6.1 billion. The contraction in branch 21 continued with reserves in continuous decline, bringing technical reserves below what they were in 2012.

In the Netherlands,

The figures relating to 2021 trends will only be known and available in May 2022.

A.2.2 Legislative changes in Non-Life insurance

In the area of Non-Life insurance, and more particularly in the area of motor third-party liability, although 2021 was not marked by legislative changes in this area, there will be two substantial changes that will eventually require the Belgian legislator to amend the Law of 21 November 1989.

On 28 January 2021, the Constitutional Court (ruling no. 15/2021) decided that the single criterion of maximum speed (25 km/h) for motor vehicles – the only criterion used up to now by the legislator in Article 2bis, paragraph 1 of the Law of 21 November 1989 - to justify exempting these vehicles from the obligation to have Third Party Motor Vehicle insurance was no longer sufficient. The Court was of the view that the criterion of the mass of self- driving vehicles also had to be taken into consideration by the legislator. Since the aforementioned Article 2bis violated, in the opinion of the Court, Articles 10 and 11 of the Constitution, it will have to be amended. As part of its P&C activities, Allianz Benelux S.A. also had to take into account, during the past year, certain cross-functional legislative changes.

It therefore, again in 2021, focused its attention on the reform of the Civil Code, which continued, on the one hand, with the submission to the House of Representatives, on 24 February 2021, of legislative proposals implementing, respectively, Book 1 ”General Provisions” and Book 5 ”Obligations” of the new Civil Code.

The reform of the law on tortious liability has, also continued. The Bocken Commission, which had started its work by drawing up a draft bill (dated 01.09.2019) “inserting provisions relating to tortious liability in the Civil Code” (future Book 5), gave insurers the opportunity, at the end of 2021, to express their opinion on the Commission’s planned reform. Comments, questions and other proposals to adapt the text drafted by the Commission were therefore made by the insurers, through their sectoral representative Assuralia.

1 September 2021 also marked the entry into force of the new Book 3 “Property” of the Civil Code (inserted by the Law of 4 February 2020), of which, it will be recalled, the main objective will be to restructure and update the law on property in respect of certain aspects that have become arcane, unnecessary or overly vague over the centuries, while maintaining the existing system of real rights.

Particular attention has been paid within Allianz Benelux s.a. to the new regulations on private nuisance [troubles du voisinage], and in particular to the new Articles 3.101 and 3.102 of the Civil code.

The real innovation lies in Article 3.102 which deals with the prevention of private nuisance.

This new theme has led Allianz Benelux s.a. to assess its impact on the insurance products that the company sells. Work to review and adapt the contracts and general terms and conditions affected by this change was therefore carried out.

With regard to medical care, on 11 July 2021, the legislator amended the VAT Code by a law that came into force on 1 January 2022 (transposing European Directive 2006/112/EC), pursuant to which personal medical care provided by medical advisors is no longer exempt; it is now subject to value added tax.

This legislative change is of particular interest to insurers, such as Allianz Benelux S.A., which manage personal injury cases and which, in this context, regularly use such experts.

It should also be noted that, on 29 October 2021, an interpretative law for Article 124, § 1, d), of the Law of 4 April 2014 on insurance came into force on 2 December 2021.

Via this interpretative law, the legislator specified that “soil contraction due to drought” is supposed to have always been covered by the natural disasters law (as “landslide or subsidence”).

However, only the damage caused by the contraction of a significant mass of land due to an extended period of drought is covered. Although the legislator’s intention was to clarify the scope of the pre-existing CATNAT law, it is regrettable that the terms used were not more fully explained or defined, thereby leaving room for uncertainties and hesitations regarding their interpretation, which could complicate the management of such claims.

At the end of 2021, it was noted that the law transposing European Directive 2019/1937 of 23 October 2019 on whistle-blowers (on the protection of persons who report breaches of Union law) had, in the end, not been adopted even though Belgium was supposed to have transposed the said Directive into national law by 17 December 2021.

Since the deadline has not been met, we can expect the arrival of the new law in 2022. Allianz Benelux already has such a system.

Even though it was not the result of a legislative change, the announcement made in 2021 by the professional union of insurance companies relating to the “right to be forgotten” should nevertheless be noted, which will henceforth also apply (in addition to the right to be forgotten which already exists for outstanding balance insurance since 1 February 2020) when taking out guaranteed income insurance.

To this end, insurers have drawn up a code of conduct that will be binding on those who are members of Assuralia, which is the case for Allianz Benelux s.a..

This code, which comes into force on 1 February 2022, stipulates that insurers will no longer be able to consider a cancerous disease where a person wishes to take out guaranteed income insurance. They will therefore no longer be able to refuse a request for insurance or apply an additional premium for patients who have been cured of cancer.

Finally, this section will conclude by mentioning the implementation in 2021 of a claims database, the result of a sectoral initiative by auto insurers (represented by Assuralia) and intended to strengthen the fight against organised fraud.

A.2.3 Legislative changes in Life insurance

Belgian and European legislators and regulators were active during 2021. Their publications have touched on many topics. Whether in terms of sustainable finance or consumer protection or the prevention of money laundering. Below is a brief overview of publications in the area of Life insurance issued during 2021.

The Law on Health Sensors of 10 December 2020 amending the Law of 04/04/2014 on insurance with a view to establishing in the area of health insurance and individual life insurance a restriction on the processing of personal data concerning lifestyle or health from connected devices published in the Belgian Official Gazette of 15/01/2021 entered into force on 25/01/2021. This law governs the use by insurers of personal data concerning lifestyle or health from a connected device. The insurer may not implement any segmentation in respect of acceptance, pricing or extent of coverage based on whether a health sensor is used.

The tax authorities also took advantage of 2021 to publish Circular 2021/C/2/January 2021 on Life insurance. This Circular applies to Life insurance policies taken out by Belgian citizens residing in the Walloon Region and the Brussels-Capital Region. It applies to all deaths occurring from 1 September 2018 and has the effect of retroactively making estate planning by means of Life insurance much less attractive. Assuralia has submitted questions to the tax authorities and an insurer in the country has filed an action for annulment against this Circular before the Council of State.

Meanwhile, the Walloon Region has adopted a new Walloon tax decree voted on 10 December 2021, which entered into force on 1 January 2022. What this means is that the beneficiary of Life insurance will have to pay inheritance tax on any capital gain realised between the time of the gift and the time of the donor's death. Where the Life insurance policy was taken out by 2 people (e.g. the parents) for the benefit of a third party (e.g. children). Henceforth, inheritance tax will no longer be payable at the time of the 1st death but only payable in the event of withdrawal of funds from the policy after the death: during a possible surrender carried out by the surviving policyholder or upon the death of the last policyholder. This measure applies to gifts made from 1 January 2022.

Following various audits carried out during 2020, it emerged that the Belgian tax authorities are adopting a new viewpoint with regard to back-service under the 2nd pillar (Individual Pension Commitment (EIP) & Group) insurance 80% rule (see Circular 2020/C/153 of 14 December 2020). This new interpretation of the 80% rule creates insecurity for both customers and insurers. Following these audits, the tax authorities have indicated that all supplementary pension entitlements acquired from previous employers and companies must always be taken into account when calculating the maximum premium, even if one does not wish to catch up or buy back these years of service. This new position by the tax authorities is strongly contested and a question has been introduced by Assuralia and various insurers for a preliminary ruling.

The Law of 17/02/2021 introducing an annual tax on securities accounts published in the Belgian Official Gazette of 25 February 2021. This tax now applies to both natural persons and legal entities. It no longer makes any distinction between Belgian residents or non- residents except in one case for non-residents, who may invoke the convention for the avoidance of double taxation under which the tax power is attributed to the State of residence. This Law would also apply to Branch 23 individual Life insurance because the customer would indirectly have an entitlement to the securities account. In practice, all contracts with different customers are grouped into the same securities account held by the insurer. It is up to the holder of the securities account to pay the tax on securities accounts, namely the insurer. An action for annulment of this law was brought by the market via Assuralia.

With regard to sustainable finance, the FSMA published Communication 2021_06 dated 09/03/2021 addressing the entry into force of European Regulation 2019/2088 on sustainability related disclosures in the financial services sector (SFDR). This communication provides a basis for guidelines at the local level. In it, the FSMA reiterates its role, namely ensuring that information published by companies linked to sustainability is correct, clear, non-misleading, sufficient and transparent and therefore avoids any risk of “greenwashing”. This Communication was released one day before the entry into force, on 10 March 2021, of European Regulation 2019/2088 of 27 November 2019 on sustainability related disclosures in the financial services sector (SFDR). This Regulation imposes a series of obligations on market players (in particular insurers) in terms of identifying sustainability risks and disclosing sustainability information. The main obligations of market players and financial advisors are:

1) Publication on the website of policies on the integration of sustainability risks including the remuneration policy; 2) The due diligence carried out with regard to the main adverse impacts of investment decisions on sustainability factors or at least why they do not consider these adverse impacts; 3) Pre-contractual documents must explain how sustainability risks are integrated in their investment decisions or advice and the likely impact of these risks on the return of the product. The technical standards specifying the disclosure obligations imposed by the SFDR have, for certain points, been postponed until 01/01/2023. Allianz is endeavouring to comply with the legal and regulatory requirements of this fairly complex subject in a timely manner.

With regard to combating money laundering and terrorist financing, the NBB published a new Circular NBB 2021_12 of 8 June 2021 on due diligence obligations regarding remittances from abroad and the taking into account of tax regularisation procedures when applying the Anti-Money Laundering Law. The following are within the scope of this Communication: Life insurance companies that issue single-premium Life insurance policies such as Savings & Investment under which remittances for large amounts have been or are received. The internal audit department within the insurance company will be required to organise an audit of a sample of remittance files and of current and past internal procedures before 30 June 2022. An action plan and a report on the completion of this audit must be communicated to the NBB within 3 months of the end of the audit. Allianz is preparing for this exercise.

With regard to Packaged Retail and Insurance-based Investment Products (PRIIPS), a new EU Commission Delegated Regulation 2021/2268 of 6 September 2021 sought to specify the regulatory technical standards as regards the underpinning methodology and presentation of performance scenarios, the presentation of costs and the methodology for the calculation of summary cost indicators, the presentation and content of information on past performance and the presentation of costs by packaged retail and insurance-based investment products (PRIIPs) offering a range of options for investment. In addition, the FSMA published Communication 2021_13 of 17/06/2021 containing guidelines following the quality audits carried out on the PRIIPS KIDS notified to the FSMA between 1 January 2018 and 28 February 2021.

The FSMA notes that manufacturers do not always apply PRIIPs consistently (for example, when describing investment objectives or the retail investor for which the PRIIP is intended). As a result, the KIDs are not always of sufficient quality to be truly useful to retail investors. The FSMA expects the sector to make efforts to improve, in particular, the clarity and comprehensibility of KIDs, in order to meet the objective of the European legislator which is to provide retail investors with a useful document allowing them to compare the characteristics of different products and to make an informed investment decision.

The Law of 27 June 2021 implementing various financial provisions published in the Belgian Official Gazette of 09/07/2021, which came into force on 19 July 2021, permits insurers to no longer transfer information to the Caisse des Dépôts et Consignations on dormant life insurance policies for which there is uncertainty as to whether the risk is covered or whether an amount must therefore be paid.

A.2.4 Financial markets

2021 was marked by a huge global vaccination campaign against Covid-19, but also by the unfairness of this distribution of vaccines being highly concentrated in rich countries. The result of incomplete coverage was the emergence of new variants, including Omicron, which took the shine off end-of-year celebrations around the world.

Stocks were the big winners in 2021, influenced by the TINA or “There is no alternative” concept: in an ultra-low interest rate environment that has persisted for years, stocks once again posted better returns than bonds.

The MSCI World index ended the year up by 31.1% in euro terms (EUR) while the yield on euro-denominated bonds was negative (-3.5% for government bonds of all maturities, -1.20% for industrial bonds, -0.60% for financial bonds, etc.).

Admittedly, while it was a year of economic recovery after the outbreak of the pandemic, the exceptional performance of the US (+20.9% for the Dow Jones, +28.7% for the S&P 500, in US dollar terms (USD)) and European (+23.3% for the Euro Stoxx 50, +22.3% for the BEL20) stock markets in 2021 is worthy of note, driven by the massive rebound in earnings of a highly resilient corporate sector, supported by negative real interest rates.

However, the stock market was not an easy ride in 2021. But each correction was followed by a more or less rapid rebound, with unfailing optimism from investors who rallied to stocks after each multi-percent decline. This was despite the restrictive measures linked to the successive waves of Covid, the sharp rise in inflation, the rise in interest rates, supply chain problems, etc.

The slowdown in China was a surprise in 2021 and in particular the government’s willingness to take back control in a number of sectors regardless of the economic consequences, in particular the symbolic default of Evergrande and its impact on the Chinese real estate sector.

The trend in sovereign yields was much less linear than that in equity markets. While the 10- year US sovereign rate rose by 60 basis points (bps) in 2021 (to 1.51% at end-December), it remained lower than its March high of 1.74%.

The same was true in the eurozone (+39bp for the German 10-year rate over the year, to - 0.18% at end-2021 compared with -0.09% earlier in the year), with stronger growth in countries other than Germany (+57bp for the Belgian 10-year rate, to 0.19% at end-2021;

+63bp for the Italian 10-year rate, to 1.17%), reflecting a complex equation for the European Central Bank, beyond the political issues specific to each country.

Outside Covid-19, the surge in inflation was the main topic in 2021. Price increases that had not been seen in decades made a reappearance. In Belgium, inflation rose from 0.3% in January to 5.7% in December year-on-year, its highest level since 2008, with the annual inflation rate settling at 2.4%.

There are many causes: bottlenecks in the production of goods, sharp increase in consumption following gradual reopenings, rise in the price of oil (+55% in 2021), rise in the price of raw materials, etc. A debate arose over whether this inflation would last. Monetary authorities initially talked about the provisional nature of the price increases that would resolve themselves as bottlenecks disappeared. But in December, the US central bank (Fed) revised its stance, fearing that inflation would persist for some time. This should prompt central banks to accelerate monetary tightening all while skilfully managing the ongoing health uncertainties and the need to curb price increases.

As the euro celebrates its 20th anniversary in our wallets, it came under pressure in 2021 against most currencies.

The euro depreciated against the dollar (from EUR/USD exchange rate of 1.22 at end-2020 to 1.14 at end-2021) in part because the US economy returned to its pre-Covid crisis level more rapidly than the eurozone. With inflation significantly higher in the United States than in Europe, the Fed responded by reducing its asset purchases programme. As a result, the yield differential between the US 10-year Treasury and the German 10-year Bund widened. This played to the advantage of the dollar.

The euro also depreciated against sterling (GBP) (from EUR/GBP exchange rate of 1.89 at end-2020 to 1.84 at end-2021). Sterling also benefited from a solid recovery in the United Kingdom post-Brexit, an earlier vaccination campaign than in Europe (for the first two doses in any case), and higher inflation, which led to expectations of a rate hike and an, albeit modest, but an increase nonetheless in the Bank of England rate on 15 December.

Global warming, carbon emissions, melting glaciers, good governance, gender equality, etc.; 2021 was also the year of sustainability. Governments were very active in this area, between the United Nations summit or COP 26, the European “Green Deal” and the US BBB plan.

The BBB, or “Build Back Better” plan, aims to support the American middle class, which has been heavily affected by the financial crisis and pandemic, by adopting a series of measures of an essentially social nature. But it also contains the US climate plan, worth more than 500 billion, which is essential to enable the country to achieve its objectives, particularly in terms of carbon neutrality.

A.3 The Allianz Benelux sales policy

A.3.1 In Belgium

In commercial terms, the past year has remained marked by the influence of the coronavirus, even though we have gradually been able to rid ourselves of certain rules restricting our freedom of action to physically meet with our distribution partners. A ‘New Way of Working’ approach was therefore prioritised, combining the virtual with in-person.

In this context, the sales teams, our company’s frontline representative on the ground, in April passed on to their partners the quality-focused pragmatic approach taken in consultation with Assuralia and the public authorities to support self-employed and SME customers in the sectors most affected by the coronavirus crisis and to make the situation more bearable for them. The same was true in June, during the tornadoes followed by exceptional flooding in different regions of the country in July, to pass on the message of support to the brokers impacted by reminding them of the procedures in order to manage their customers' claims as quickly as possible. This was all done with the aim of guaranteeing the best possible service.

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 new ProLink Life platform for underwriting and management of Allianz Excellence

+, Allianz ActiveInvest + and Allianz for a Better World is the perfect illustration of this. Around fifty brokers who took part in a pilot phase told us they highly appreciated this new platform. The flood of comments received were evidence of this: a new clear, user-friendly, easy-to-use simple environment, a fully digital process from A to Z, documents available immediately, etc. All these encouragements allowed for a large-scale launch that took place at the end of September.

This was accompanied by the marketing of Allianz for a Better World, a branch 23 investment fund with sustainable investment as its objective and exclusively containing SFDR Article 9 funds (Sustainable Finance Disclosure Regulation). Investing in this fund, actively managed by Allianz Global Investors, a pioneer in sustainable investment since 1999, is a guarantee of an investment invested worldwide in companies and projects with a positive impact on the environment and society.

In addition to this new product, our portfolio of Branch 23 funds has also added 6 new funds with promising new themes such as infrastructure and artificial intelligence and new investment areas such as China. They are marketed in Allianz Excellence and Allianz Excellence Plan products. Among these funds, Allianz Fit for Growth is a fund designed and managed by Allianz Benelux. Following the success of Allianz Immo Invest and Allianz GI Defensive Mix, the Allianz Benelux Investment team in Belgium has developed this new 'mixed equities-bonds' fund which aims to respond to the opportunities linked to the strong growth of technologies, healthcare needs related to an ageing population and climate concerns. A touch of decoupling is added to cushion against shocks in the event of a significant fall in stock markets.

Prolink Life Plan (PLP) is another IT platform enabling brokers to work from their offices in the most efficient way possible, while enhancing their powers and independence throughout the value chain. During the past financial year, we have delivered tutorials on the use of this Life Individual/SME contract offer and management tool which makes it possible to make an offer, issue the contract, prepare an initial invoice and send everything to the customer. All these transactions can be processed automatically for Voluntary Supplementary Pension for the Self-employed (PLCI)/Inami/Pension Savings/Long-term Savings contracts, which may therefore be prepared from A to Z by the broker if they do not require financial or medical approval. What's more, the LifeCycle option automatically adapts the contract according to the customer's life cycle, without the broker having to do it again.

In Non-Life insurance, the renewed solidity in the profitability of operations meant that it was time to fully invest commercially in the market, mainly due to more attractive prices. Thus, in April, the new Auto Car Plan rate offered a 9% lower base rate, accompanied by better consideration of the different risk profiles as well as an additional loyalty discount rewarding loyal customers. In July, it was the turn of Home Plan fire insurance to get a new price, offering, among other things, for new business, a minimum discount of 6% for owners, and Work Accident insurance with a completely revised and more competitive basic rate for each risk, with an average reduction of 12% compared to the old price.

It should also be noted that in 2021, Allianz in Belgium won two Decavi Trophies: the “Innovation” Life Trophy for Allianz Fit for Growth and the “Digital” Non-Life Trophy recognising our comprehensive digital approach aimed at supporting all stakeholders in Work Accidents insurance (brokers, customers and victims), at each stage by distinguishing between the Prevention, Underwriting, Protection and Claims areas.

Also recognising how training is an important lever for brokers to show their undeniable added value to their customers and prospective customers, in June, we launched the Allianz Digital Academy for our partners, our e-learning platform in which we integrate our training modules. In addition to general training modules, we are gradually adding specific Allianz modules to the catalogue, such as those dedicated to the New Building Plan, the Allianz LifeCycle, second pillar solutions for self-employed in companies or ProLink Life Plan tutorials. Another advantage: the training courses from the Allianz Digital Academy are valid for refresher training points because both Allianz and our supplier are accredited by the FSMA for the purpose of broker refresher training obligations.

During the past financial year, like the enhancement of the Training area for brokers, the Distribution department encouraged and prioritised initiatives that helped to ensure compliance with sectoral standards, confirming our commitment alongside and at the service of brokers by looking to the long- term. One example is the launch by the Non-Life Claims department of four new structured messages established based on the Telebib2 standards. These standards allow for the data exchanged to be integrated directly and automatically into the management software of the brokerage firm. It should be

noted that these new developments followed from previous initiatives linked to improving our accessibility and the average telephone waiting time, as well as faster processing of files.

In addition to efforts to strengthen training for our partners and improve our service levels, improving communication with brokers was another major focus in 2021. It resulted, among other things, in the launch in June of a bi-weekly newsletter. Wanting to respond to comments stating that our information emails were being sent too frequently, which made recipients less inclined to open them, we now group together, as much as possible, all new information in a single newsletter, whether it be Life or Non-Life, products, innovations, tools, information on funds, regulations, etc. The layout and methodology followed is such that readers find the titles of the articles with a short description on the first page. They can then get more detailed information about the articles they are interested in by clicking on a second screen.

In 2021, it should also be emphasised that Allianz in Belgium has become the title sponsor of Belgian athletics for 4 years. We have already started to reap the first fruits of this new partnership. Its positive impact should continue to grow in the future, benefiting not only our positioning and our activities, but also society by proudly flying the flag for Belgian sport. Our sustained presence at all levels, from competitions and professional athletes to amateur sports via local clubs will generate new synergies bringing new business opportunities that we will be keen to seize. Sporting events are also an ideal opportunity to meet our preferred brokers and distribution partners. This is how the Allianz Memorial Van Damme, a sporting event of national and international renown much loved by Belgians, allowed us to meet in- person with our main brokers and distribution partners on 3 September at the King Baudouin stadium in Brussels. It was an opportunity to share the values conveyed by the athletic world and to which Allianz fully adheres and which it intends to promote: vitality, accessibility, diversity and inclusion.

A.3.2 In the Netherlands

In the Netherlands, Allianz further strengthened its position in the direct distribution channel for Individual insurance with the Allianz Direct brand, plebiscited in 2021. The portfolio was grown further thanks to the expansion of the product range (fire and third-party liability).

The intermediaries market for insurance for Individuals remains under pressure. Despite updating its product range for Individuals, Allianz has not managed to stabilise the portfolio.

Due to the increase in commercial activity and a limited number of bankruptcies due to the COVID-19 pandemic in the Netherlands, the Professional segment recorded strong growth in 2021. Higher turnover, better performance and greater customer satisfaction have enabled Allianz to consolidate its position in this segment. Also in the automotive partnerships sector, Allianz has improved customer satisfaction, revenues and profitability, thereby strengthening its leading position in this sector.

Allianz's leading position in the MidCorp segment was further strengthened in 2021 thanks to strong growth in sales (particularly in Non-Motor) and improved returns.

- Allianz Direct continues to grow in the direct distribution channel Allianz Direct bid farewell to the old IT platforms.

In late 2019, AllSecur became Allianz Direct. In addition to the Netherlands, Allianz Direct also includes the Allianz companies operating in the same segment in Germany, Italy and Spain. Allianz Direct is therefore both a company and the group's European direct insurance label.

For Allianz Direct, 2021 meant, among other things, 'clearing out' the old IT system. The last Auto policies have been migrated to the central European platform, as has the entire Home insurance portfolio. In the last quarter of 2021, the old platform was archived and deactivated. Allianz Direct Nederland has therefore moved to the new platform.

As in 2020, the Covid-19 pandemic has had a positive effect on the results of motor insurance policies. Thanks to widespread teleworking, the number of kilometres travelled on Dutch roads has significantly decreased, resulting in fewer road accidents and a reduction in the frequency of accidents. The portfolio also experienced significant growth last year, partly due to good value for money for both products sold through this channel.

In 2021, we formalised the “Agile” organisation within teams. In addition to the advantages of the Agile method, the local organisation, similar to that of the development teams in Germany, makes it possible to make changes to the central IT system more quickly. The advantage of the central platform is that all data are similar across countries, such that data- driven priorities can be set for European initiatives bringing about changes.

At the end of 2021, preparations began for expanding the current product range, with a travel insurance policy to be launched in 2022. In addition, this year we will review Allianz Direct’s claims handling processes to make it even easier for customers to report a claim and reduce the processing time.

- Growth in the professional segment

Allianz again experienced strong growth in the Corporate segment in 2021. More specifically, revenue from non-auto insurance premiums increased significantly. Improving our service to our advisors has also contributed to this.

In the area of guaranteed income insurance, Allianz also experienced strong growth in 2021 due to its good position in the market and the low impact of Covid-19. In the Life segment, the increase in receipts was due to the acquisition of the PPI (Pensioen Premie Instelling) structure and direct annuities.

The various restrictions imposed during the COVID-19 epidemic have partly driven up income from online SME insurance. However, selecting a policy, as well as taking it out online via the Allianz website, have become easier. More and more business owners are discovering Allianz through its website. And thanks to fair pricing, we are able to increase our sales in the self-employed and SME segment. This can be done directly online (as in the Life and Income segments) or in hybrid form, where the customer receives an offer via an Allianz intermediary after an initial indication of the premium amount.

- Positioning of the Allianz brand

As in previous years, Allianz brand communication was mainly aimed at the Professionals segment. The positioning of the Allianz brand in this segment has been improved by focusing even more on the topics dear to business owners.

Allianz mainly presents itself, via the online channel, as an insurer for business owners in the Netherlands. Through a targeted content strategy, we have demonstrated our knowledge of SMEs (“thought leadership”) and can offer business owners real added value, for example in terms of risk management and prevention.

Self-employed workers (zzp’ers), small and medium-sized enterprises (mkb’ers) and directors/main shareholders (dga’s) are increasingly turning towards and being informed via social media. Allianz is increasingly reaching these target groups via e.g. Facebook and LinkedIn with blogs, feature articles and survey results.

In addition, Allianz has strengthened its brand positioning with a broader target group through its partnership with the International Olympic Committee and the International Paralympic

Committee (IOC/IPC). Various campaigns and activities have been carried out to improve awareness of the Allianz brand.

- Improving digitisation

In 2021, our Paperless programme has again significantly improved the digital transmission of documents to customers and intermediaries, contributing to more effective cooperation with our distribution partners by accelerating processes and enabling Allianz to significantly reduce costs.

For insurance intermediaries, we have developed the “Allianz Bedrijven” portal for SMEs. As a result, many more requests were processed automatically and we were able to improve the STP ratio. In addition, the look and feel has been significantly revamped and brought into line with a significant new development. This is the introduction of MyAllianz Broker for intermediaries. This portal offers advisors a quick and easy overview of their portfolio at Allianz, customer documents and, therefore, efficient insurance management of their Allianz customers. In addition, MyAllianz Broker offers quick access to various other Allianz portals.

A.4 Activities and outlook

A.4.1 Individual insurance

A.4.1.1 *Individual Life Business*

There was a significant increase in premium income in 2021: up 10.1% compared to 2020. Total revenue came to EUR 782 M in 2021 compared with EUR 710 M in 2020. If only flexible type products such as Branch 21 and Branch 23 are taken into account, growth even hit a rate of 15%. Indeed, following the sale to Monument Assurance Belgium NV (MAB) of approximately 90,000 classic Life insurance policies on 1 April 2021, the total income from this closed portfolio decreased by approximately EUR 35 M.

The increase in 2021 was mainly due to growth in branch 23 new business (which now accounts for 75% of total new business) compared to that of branch 21. The drop recorded in branch 21 naturally continued following the repositioning by both Allianz and the market in branch 23 products in Individual Life, and low interest rates in the market.

New business in branch 23 of investment fund products amounted to EUR 481 million, representing an increase of 14.4% compared to 2020. Low interest rates continued to encourage investors to turn to investments with a slightly higher level of risk for an also higher potential return.

The collaboration established three years ago with Crelan Bank again contributed significantly to this growth and largely offset the decrease in new business realised by certain brokers, in particular IFA brokers. In 2021, new business realised with Crelan bank represented approximately 50% of total new business in investment products.

New business in Protection products with periodic premiums fell compared with 2020 (-9%). It can be accounted for by a decrease in new business in 3rd and 4th pillar activities (-23%), returning to pre-2020 production levels. 2020 was indeed an exceptional year for the 3rd pillar, well above the targets set. The good news is that new business realised in the 2nd pillar has continued to grow despite the health situation, which has, over the past 2 years, weakened business sectors that are important for the self-employed and small companies:

+ 1.5%, mainly in periodic premiums, with single premiums linked to back-service financing remaining stable. Overall portfolio revenue for this pillar increased by 10% in 2021. Even in this context, Allianz continued to grasp all opportunities in this “Protection” market.

Overall, revenue achieved over the entire portfolio in Protection policies was higher than in 2020 (+9.2%), with strong growth in premiums linked to death and work disability cover.

In Life Investments, Allianz wishes to accommodate brokers who are looking for investment products that meet their customers’ diverse needs: more dynamic investment and a higher potential return. This was done via Allianz ActiveInvest and Allianz Excellence which, thanks to the wide range of investment funds on offer, offer brokers room for discretion and to provide advice in line with their customers’ personal situation and wishes. This was also achieved via the launch of a new product Allianz for a Better World.

For the Allianz Excellence product, Allianz has further expanded its offering by proposing 6 new funds from different partners (Pictet, Pimco, M&G, Allianz Benelux). These funds invest in high-growth themes such as climate, environment, health, artificial intelligence and offer the possibility of investing in a new geographical area with AZ Allianz GI All China Equity.

The discussions that continued in 2020 to secure an extension of the offer, with a focus on ESG funds, led to the launch of Allianz for a Better World: 3 funds of different risk levels that invest in companies with sustainable and long-term business models and offer solutions to achieve the Sustainable Development Goals (SDGs) established by the United Nations.

It should also be noted that alongside the development of the product and funds offering, Allianz aims to be transparent with regard to its customers in terms of risk management. Thus, since March, a document entitled “PRE-CONTRACTUAL SFDR DISCLOSURE” contains all the information on the integration by Allianz of sustainability risks in its investment decision-making process as well as on the environmental and/or social characteristics of the investment options offered as part of its products.

As regards branch 21, marketing for investment products is still suspended.

We have continued to promote the solution put in place 2020 for reinvesting 8-year policies linked to the branch 21 Invest for Life (Dynamic) 3A range that have reached maturity: Allianz Opportunity. These four products are a combination of the Invest for Life (Dynamic) 3A funds and one or two branch 23 funds, depending on the desired level of risk.

New business in 2021 was successfully bolstered by several marketing actions at different times: These actions applied to both new contracts and additional premiums on existing contracts.

The “redesigned” ProLink Life Investment software has been made available to all brokers (excluding IFA) since September 2021. By way of reminder, this software enables the broker to input all data, including the information necessary for anti-money laundering, FATCA and CRS checks, and to issue the offer or contract. It offers more user-friendliness and new functionalities such as improved versions of the “Relative risk limitation” and “Gradual transfer of savings” management options and a much faster rate of arbitrage processing. A Bridge project will be launched in 2022 to continue and accelerate the modernisation of Individual Life solutions. It will be based on local solutions enabling a smooth transition to modern integrated tools for both the broker and the customer.

In Life Protection, Allianz capitalised on the new concept introduced in 2020 within the Plan for Life + product: Lifecycle. Life Cycle offers the customer peace of mind thanks to the automated reduction in risk exposure according to the remaining term while being transparent on asset allocation: it offers three risk profiles (Growth - Moderate - Defensive). This new approach satisfied consumer needs and gave brokers an additional asset to meet this demand: since its launch, 25% of new business has already been carried out in Life Cycle!

As with Investment Life, 3 new investment funds have also been added to the Plan for Life

+ product.
All of these innovations were of course implemented in the ProLink Life Plan software that enables the broker to very quickly prepare proposals and then to very easily turn them into contracts. The various changes all aim to allow greater flexibility and autonomy for the broker.

A.4.2 Individual P&C Business

We achieved strong results in another remarkable year, marked by the health, social and economic consequences of the COVID-19 pandemic. In addition, the terrible flooding disaster that occurred in July is etched in our memories. We have done everything we can to support the victims. As an insurer, we have also assumed our responsibility to support the government in compensating for the damage suffered. We continue to help our customers by contributing to their future. Every day, our employees dedicate themselves to our customers.

Turnover in the private client portfolio in Belgium amounted to EUR 140.7 M, which was below our expectations. The portfolio’s results were below what we had forecast in the plan and the combined ratio reached 100.7%, mainly due to the Fire portfolio where the effects of the July floods are clearly visible.

The Covid situation and the drop in traffic volumes, particularly during the first half of 2021, had a positive effect on our Auto results. Despite this potentially significant impact, it is not fully reflected in our results and remains a point of caution. We will continue to refine more segmented pricing, based on an individual risk profile, using new knowledge gained from the latest technologies.

In 2021, we regularly made the price of our fire insurance more attractive. As a result, new business grew significantly and we ended up with premium income of EUR 50.7 M, above the targets set by the plan. In the future, we will continue to explore how we can select customer groups for more attractive rates, while translating the positive margin achieved through smarter pricing into better rates for them.

In collaboration with our employees, who have largely worked from home, we have managed to improve the level of service for our distribution partners.

A.4.3 Life & Health Operations

IN BELGIUM

An eventful year for our services for individuals offering (including self-employed). During another year exposed to the pandemic, service level results were put under pressure.

The level of service of our Contact Center Life, which combines availability and frontline support, was once again tested not only due to growth in Life, but also because of the launch of our new investment platform at the end of the year. In addition, a number of experienced employees who had reached pension age left Allianz and new colleagues were recruited and trained.

The correct and harmonious handling of new business is and remains a priority, both in the area of Investment and in that of Prevention. With regard to payments, we have placed the emphasis on continuous improvement of our level of service in order to best meet our customers' expectations. This has allowed us to reduce turnaround times.

We are continuing to invest in improving Compliance monitoring (Risk Grading, Economic Sanctions, compliance points in integrated IT management (STP)) and anti-fraud measures in order to improve the quality and security of our processes. In these areas, we have invested by training and deploying specialist managers to support operational activities and significantly reduce waiting times for acceptance of new applications presenting a compliance/fraud or money laundering risk.

In 2021, the action plans of the operational teams mainly focused on:

The efficiency requirements of our processes and working methods, by promoting and applying the LEAN methodology in all our Life services

Support for intensive cooperation between teams

Particular attention was also paid to optimising the efficient use of our tools by brokers, with a view to more automated management (Straight Through Processing or STP) given the strong 2nd and 3rd pillar growth in Protection and the various marketing actions in Investment.

Another priority was the declarations to Sigedis, the federal pension management platform, in order to best fulfil our obligations.

Finally, we have also made sure to implement the internal audit recommendations and to improve our privacy protection controls.

Projects

The SAAS-Life project (new management platform for Individual Life) was successfully launched in Q4 2020. In 2021, we worked to improve the platform and rolled it out to all brokers in the fourth quarter.

In addition, our PLP platform was updated for greater stability and new functions related to surrenders and termination benefits have been added. Our specialised portfolio of INAMI contracts has, for the first time in 2021, benefited fully from the digital exchange of data with INAMI and the possibility of automatically processing the associated incoming premiums.

We have also invested hugely in operational reporting to monitor and adjust workloads, to maintain the expected level of quality (SLA) and to increase the productivity of the different teams.

We continued to develop paperless initiatives, taking a first step towards more digital communication, not only with our brokers but also with our customers, making the inclusion of their email address mandatory for any underwriting.

Finally, we paid particular attention to action plans aimed at increasing the satisfaction of ouremployees, with the positive outcome of a further significant increase in our results in the annual AES survey measuring employee satisfaction.

IN THE NETHERLANDS

General information

2021 was a successful year, during which all product lines achieved significant growth and we were able to welcome many new customers. In addition to this autonomous growth, we also completed the migration of the Rabo PGGM PPI portfolio in December 2021.

Last year, we continued to improve our processes and move forward with digitisation.

Our brokers and customers appreciate our level of service. The proof of this can be found in both the results of the NPS survey and the small number of complaints. And to end the year on a high note, the level of satisfaction of our employees also continued to increase in 2021. We therefore look back at 2021 with pride and are committed to doing everything possible in 2022 to continue to earn this trust and improve the quality of our service with regard to our customers and our brokers.

Here is how these results were achieved by production line.

Death insurance

In 2021, we welcomed about the same number of new customers as the previous year. Distribution via both our brokers and our DiY channel contributed to this. The most important improvement in our service offering is undoubtedly the new electronic health declaration which is very easy to use. We are also very pleased with the cooperation with our external partner Sedgwick on medical underwriting.

Occupational disability insurance

New business for this business line also grew strongly in 2021. Both distribution channels contributed to this strong growth. For medical opinions, as in 2020, we are working with our external partner Sedgwick to process new applications.

Individual Life

Service levels in our semi-closed portfolio also performed well in 2021.

Since 01/01/17, these activities have been outsourced to our partner Infosys. They are in charge of the Service and Claims activities for this portfolio. This collaboration has worked perfectly for years, both qualitatively and quantitatively.

The legal projects were also successfully completed. The Ruijter models and reference letters were issued on time and the workload was well distributed thanks to phased dispatches. Follow-up of Investment insurance was also carried out in accordance with expectations.

Pension insurance

Thanks to our network of brokers, we are recording strong growth in the group insurance segment.

Last year, in addition to the usual contracts with SMEs, we also concluded a number of MidCorp contracts. As already mentioned above, the successful migration of the Rabo PGGM PPI portfolio represents the largest contribution in terms of Pension Programme for the year.

Finally, the legal aspects, such as the identification of beneficial owners (UBO), were completed and sent within the deadlines.

Payment of annuities

This concerns the Direct Ingaande Lijfrente and Direct Ingaand Pensioen production lines. This segment also showed strong growth in both distribution channels. Service levels and customer satisfaction were positively perceived.

Group Revenue

This mainly concerns the WIA and Verzuim lines. Service levels remained positive and stable.

A.4.4 P&C Operations

IN BELGIUM As part of “We secure your future”, Claims represents an important component of the company. Thanks to efficient and especially customer-oriented claims management, we give our customers the opportunity to focus on the future again. We are here for them and ready for what is to come.

New employees joined us in 2021.

On 1 September 2021, a new Work Accident and Bodily Injury Manager took up his duties, followed on 24 September 2021 by a new Property Damage and Legal Protection Manager.

This management team in Belgium is now complete and ready to realise the ambitions of Allianz Benelux.

The objectives are motivating and ambitious: rapid handling of FNOL (first notice of loss), documentary monitoring and traceability, continued compliance with increasingly strict regulations and, last but not least, fluid and proper handling of our claims cases. Every day, our motivated managers look after the future of our customer and those who have suffered damage.

The Claims division wants to be a leader within the company and in the Benelux. To this end, we have taken many initiatives, centred on three pillars: efficiency, customer satisfaction and Benelux harmonisation.

Let's start with the most important, customer satisfaction. One of the cornerstones of our policy is improving service levels. Last year, we managed to make progress in this area in several teams. Given the increased absenteeism due to the pandemic and the large amount of water damage in Limburg and Wallonia in July, this was challenging and was a major success. We have achieved this through renewed processes, innovations and the great dedication of our employees.

Not only was 2021 another year of Covid-19 restrictions, where we had to rely on everyone's resilience to continue to perform at their best in ever changing circumstances, we also had to deal with unforeseen charges as we were also hit by unprecedented flooding.

No one could forget the images of streets transformed into torrents that devastated everything. Entire houses were swept away, families lost their homes and sometimes even a relative.

From the outset, Allianz BE was ready to provide the best assistance to its policyholders, as quickly as possible, using all means at its disposal and in all departments. No one remained indifferent to this disaster.

2000 claims (BE) were managed by a team of employees from different departments: Property, Auto, Foreign Claims, Personal Injury, Inspection, Technical Claims and Third- Party Liability. The employees in Claims showed that when determined and united we can achieve a great deal together. Action plans were prepared and daily communication on the status of the situation and the measures to be taken was provided and, via our brokers and social media channels, our customers were informed as well and as quickly as possible. At the end of 2021, we can even say that, thanks to this strong cooperation, there is no backlog of still-open flood-related cases.

The Claims department closely monitors changes in legislation. We participate in Assuralia's consultation meetings and try to play an active role in supporting positive changes in the insurance industry and claims handling.

The BE Claims department is also in the middle of preparing the planned audit of our Personal Injury (Work Accidents and Personal Injury) departments. We work closely with our Dutch claims colleagues to ensure maximum uniformity subject only to justified differences. Our colleagues in charge of claims in Portugal will also contribute their vision and processes for the BE Work Accidents department. During the audit, the company's compliance with Assuralia's codes of conduct, the efficient and customer-oriented organisation of the service and the appropriate training of its employees will, among other things, be assessed. These periodic reviews ensure that we constantly challenge ourselves and strive to improve in an ever-changing world.

In 2021, we implemented several projects aimed at increasing efficiency, quality and customer satisfaction. For example, through automated data analysis, we have made it easier for personal injury managers to get a better overview of their cases. The quality of claims management has also improved.

In addition, in September, we entered into a partnership at Benelux level with a renowned organisation specialising in meteorological forecasts and measurements. These combine a multitude of data, such as satellite information, radar information, measuring stations and a 3D lightning measurement network, which provides weather information 130 times more accurate than what is generally available on the market. With this weather forecast information, combined with the risk addresses in our portfolio, we can better estimate the extent to which our policyholders' assets could be affected by a forecasted weather disaster. This will allow us to adjust our internal and external claims handling and loss settlement capacity in a timely manner. From 1 January 2022, we will also have the advanced claims verification system. This will allow us to better determine whether a claim is valid.

Finally, in 2022, we want to be able to warn our customers in advance of future weather disasters. This would allow them to take action in time to prevent damage, which would be a huge benefit for both the customer and Allianz.

In 2022, we will continue and intensify the integration of our Claims activities at Benelux level, in order to improve quality, harmonise and achieve cost reductions wherever possible. This is why we are going to further extend our centralised control of provider management and move towards maximum standardisation of our tools and procedures.

In 2021, the COVID pandemic did not interrupt the improvement in our level of service. On the contrary, we have become accustomed to working from home and are able to optimise the services provided with our resources and staff.

In 2022, we will continue both in Belgium and The Netherlands, to improve our processes, work more efficiently and anticipate possible trends in terms of claims handling in the coming years. For example, we are seeing more and more alternative electric mobility devices appearing on the streets and cities are starting to design their infrastructure in a more "smart cities" oriented manner. Claims closely monitors these trends in order to be as prepared as possible for any consequences that they might have on regulations and reserves. "Behind you for what's ahead" or a carefree future! We're all for it!

A.4.5 Corporate insurance

A.4.5.1 *Highlights*

The effects of the Covid-19 pandemic are also reflected in MidCorp Belgium income, particularly in the Work Accidents and Auto portfolios.

Additional efforts have been made to structurally improve the profitability of the portfolio and to strengthen our position with our distribution partners.

With regard to the vehicle fleet, we note a one-off impact due to the pandemic, including a decrease in the frequency of claims due to lockdowns and an increase in homeworking. Moreover, we also note that the automotive market has become much more rigid comparedto previous years.

Premium income from the Work Accidents portfolio also suffered due to the situation caused by Covid-19. In order to improve the structural profitability of the portfolio, new measures were taken in specific risk segments, as was the case in previous years. New investments in our prevention programme have delivered a positive customer experience. Further tightening of the market enabled us to partly offset the decline with strong growth in new business (doubling compared to 2020).

In Property, premium income remained stable. We have noted a tightening of the market and we expect this to continue in 2022. The July floods had a negative impact on the result, but overall, the results were positive thanks to a targeted sales appetite.

In the Liability segment, premium income also remained stable. The trend towards improved profitability, which began in previous years, has been confirmed.

The Technical Insurance portfolio grew slightly, mainly thanks to the "Decennial Liability - Peeters Law" product. New business in CAR (Contractors' All Risks) policies decreased slightly. The improvement in results was mainly due to the increase in the prices for this insurance in previous years.

The Marine portfolio grew slightly, mainly due to the rise in commodity prices.

A.4.5.2 *Employee Benefits*

Group insurance

2019 and 2020 were marked by exceptional growth in cash inflows, mainly due to the recovery of a number of large deals. This year, turnover is returning to a historic long-term growth rate of around 5%.

The 2021 turnover of Allianz Benelux s.a. totalled EUR 303.6 M, a decrease of EUR 49 M compared to the previous year which saw EUR 52 M in write-backs of pension funds.

Recurring premiums fell by 1%, from EUR 201 M in 2020 to EUR 199 M in 2021. The causes of this were low inflation, the coronavirus crisis and the internal transfer of recurring premiums in branch 21 to single premiums managed in unit-linked.

In recent years, Allianz Benelux SA has worked hard to develop solutions in branch 23 in order to offer both employers and employees attractive alternatives to branch 21. The Allianz LifeCycle Pension Plan product in particular, a DC plan paired with a Lifecycle approach with Glidepath, is unique in the Belgian market.

In addition to branch 23 DC solutions, we have also developed an attractive offering for Cash Balance and Defined Benefit plans aimed at larger companies (MidCorp) and international customers. It is based on a diversified range of funds with an excellent track record. Our expertise and the reputation we have gained in the market offers prospects for the coming years.

The decision to temporarily suspend new business in branch 21 due to the continuing low interest rates in financial markets was confirmed in 2021. The ambitious choice to focus solely on Unit-Linked underwriting was risky. However, the demand for Unit-Linked and hybrid solutions and the offering of such products in the market has been increasing since then and we are facing new challenges to stay ahead of the competition.

Since the 2020 roll-out of the first phase of the EB portal, we have been in direct contact with members whose pension statements are offered in digital form. In 2021, we focused on further developing the EB portal to enable members to liquidate their contracts in a fully digital manner, further increasing user-friendliness for our customers.

Despite the difficult working conditions as a result of the coronavirus measures, both at our customers and within our company, we again achieved a very good result when reporting data to DB2P. More than 99.5% of declarations were made within the set end of August deadline.

However, the quality of service was under severe pressure and a certain number of measures were immediately taken to remedy this.

To conclude, it should be noted that a major reengineering project has been launched with the aim of sustaining and accelerating the development of EB business. This is an end-to- end project that involves going over the organisation, processes and IT systems with a fine- tooth comb.

Health

In 2021, revenue increased by 2% in the health insurance branch.

If only group contracts are taken into account, the increase is even 2.5%.

Outsourcing of management of our group hospitalisation insurance portfolio continued in 2021 and was fully completed in January 2022.

While we saw a significant decrease in hospitalisations in 2020 due to Covid-19, the situation seems to have normalised in 2021.

After the launch of the Comfort Plus package within the Allianz Medical Plan v2.0 (AMP) product in October 2020, it became the dominant package in our AMP portfolio in 2021.

The collaboration with our rehabilitation partner WPO/Rehalto, covering psychosocial risks in the event of work disability, was reassessed in 2021. Process optimisation, GPDR compliance, and improved impact were considered.

A.4.6 Ceded reinsurance

Results 2021

On a like-for-like basis, the volume of business underwritten in the Benelux, excluding that ceded to the “Pan European QS P&C” reinsurance treaty, increased slightly for 2021 in the major residential and commercial risks segment, mainly in the Netherlands.

The floods in July seriously impacted reinsurance coverage in 2021. As a result, the reinsurer’s overall result was EUR -13.1 M.

The “Pan European QS P&C” treaty maintained its structure compared with 2021, with cession stabilising at 45%. However, the rate of commission, already revised in accordance with the benchmark procedure to 30.25% for the 2021 financial year, increased to 31.9% for the 2022 financial year.

Disposal: market and renewal 2022

The effect of July’s severe flood damage was reflected in the pricing of natural disaster reinsurance programmes for 2022.

Generally speaking, we noted a worldwide increase in the prices of CATNAT cover, which marked the end of the soft market and reversed the trend.

Renewals were mainly in line with recent years, with price increases only being observed on a risk-adjustment basis.

Given the optimisation carried out in recent years, the priorities of our non-proportional Fire, Technical Risks and Natural Disasters treaties have not been reviewed for 2022. However, our annual natural disaster coverage has been adjusted to meet market conditions.

The strategy remains the optimal stabilisation of our income in the face of natural risks given the qualitative aspect of our fire risk portfolio.

The placement of reinsurance treaties in 2022 continues to be based on the Group's "Rio Completion" strategy launched in September 2014 and extended since 2016. Allianz Re remains our main reinsurer with a 100% stake. The retrocession and risk capital management strategy is optimised by and in complete synergy with the Allianz Group.

The "facob" fire reinsurance structure supported by Allianz Re is now fully implemented, which has simplified and optimised the management and coverage of quality risks.

An appropriate structure for high exposure risks (also called "single risk facility") is also available to limit commitments.

The 2022 renewal of our Life/Health treaties was established on the same basis as in 2021 without change to our retentions. Reinsurance rates were maintained in Belgium with some adjustments in the Netherlands. The negative impact linked to the Covid-19 situation has been confirmed, however the effects on reinsurance are limited to a few cases of reduced duration in the disability business line. In death, there were no cases.

The collateral effects of the Covid crisis in 2020 mainly stemmed from the limited access to treatment for serious illnesses.

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 portfolios.

A.4.7 Reinsurance accepted

The number of treaties under run-off management was 18 as at 31 December 2021.

Reserves and IBNR at the end of 2021 amounted to € 98,820 and € 663,334, the latter accounting for 671% of reserves.

The treaties covering asbestos transferred to Allianz Re America have reached maturity under the transfer agreement and will generate no more results.

Our portfolio of international programmes manages 58 programmes across the Third Party Liability, Auto, Marine and Fire branches including local policies and the accepted reinsurance inherent in non-Benelux coverage. This portfolio is currently stable and the reserves related to its management amounted to € 73,449 as at 31/12/2021.

A.5 Investment policy

Life GP

2021 was marked by the transfer to Monument Re of 1.5 billion in assets representing the transfer of our high guaranteed rate commitments in Individual Life. These assets consisted mainly of Belgian government bonds (OLO) and Belgian mortgage loans. This enabled us to reduce our overweighting on Belgium relative to the VA (Volatility Adjuster = EIOPA reference portfolio used to calculate the valuation of commitments) and also consequently the volatility of our solvency ratio. The aim of this transfer of high guaranteed rate commitments was to improve our solvency ratio, which at the end of 2021 was at 150%, stable compared to the 151% at the end of 2020 while being penalised by the negative impact of expenses.

At the same time, we renewed our existing hedges against the widening of the OLO spread via our spread lock strategy against the Bund (Belgian forward sale against German forward purchase).

Another highlight of 2021 was the regulator's request to maintain a solvency rate of at least 150% over the first half of the year in order to be able to pay our dividend to the parent company. Given our management ratio of 145%, it was necessary to dynamically manage our exposure to capital-intensive assets such as equities, regulated real estate companies and high-yield emerging market bonds to maintain our ratio at this level.

The fluctuating rates offered investment opportunities enabling us to maintain a policy of reducing the duration gap in Life which fell from -0.48 at the end of 2020 to -0.14 at the end of 2021. Overall (Life and Non-Life), the "zero duration gap" policy still applies.

Allianz and other insurers have also committed to participating in various regional initiatives (Flanders - Brussels - Wallonia) to support the economy following the Covid crisis. These are structured very differently depending on the regions with a risk part (private equity) and another part in the form of debt.

At the end of the year, we completed, with other group entities, the financing of EUR 75 M (of which EUR 51 M for Belgium) of a subordinated loan to enable Crelan to increase its equity within the context of the takeover of AXA Banque. This financing, granted on favourable terms, is the result of the good commercial collaboration that has existed between Allianz Benelux and Crelan for many years.

Given the negative level of short-term interest rates, we have initiated a Repurchase Agreement activity to give us a cash buffer for opportunity investing or to reimburse our clients in Invest For Life (run-off product) without having to sell assets urgently. This modest business (200 M) could incidentally be expanded if market conditions are still favourable in 2022.

Our equity management is structured around 2 main areas: the first consisted of dynamically managing exposure via ETFs, mainly in the first half of the year by adopting a short-term hedging policy. In the second half of the year, this exposure was reduced in favour of an increase in our direct investments via the mandate given to Allianz GI, a direct exposure that in light of the transition to the new IFRS 9/17 rules is more attractive from an accounting perspective since it has less impact on the volatility of the result. These direct equity investments will see their change in market value pass through (OCI = Other Comprehensive Income) equity rather than through the income statement.

At the end of August, we opted for longer-term protection (end of 2022) given the growing uncertainty regarding the level of the financial markets and the capital savings that this could represent at the end of 2021 and for 2022.

With regard to Belgian regulated real estate companies, we have refocused our portfolio on the stocks most exposed to growth sectors, namely logistics, healthcare and student rooms. We have, among other things, completely divested our position in Befimmo (offices).

A socially responsible investment approach, commonly called ESG (Environment Social & Governance), is being taken not only in terms of managing own assets but also as part of our development in Branch 23, where, in October, we launched a new product called Allianz for a Better World consisting of 3 profiled funds meeting the very strict requirements of Art. 9 of the SFDR (Sustainable Finance Disclosure Regulation) legislation.

Non-Life

Technical results were particularly good in 2021 given the moderate impact of natural disasters (particularly the July floods in Belgium and the Netherlands) thanks to the reinsurance of these risks and the planned contribution of the regional authorities above a certain level of damage.

Allianz has also committed alongside other Belgian insurers to lend large amounts at zero rates to finance reconstruction.

Investments in equities, non-existent since July 2020, may once again be anticipated from 2022. This did not prevent us from contributing to the excellent performance of Belgian real estate companies constituting a separate asset class (real estate) which saw significant performance in 2021 with a total increase of 26.7% in price and 31.1% in return (coupons reinvested).

To counter the lack of return on direct bond issues, we continued to take advantage of the high distributed return on bond funds managed by our Pimco colleagues, which were mainly invested in USD denominated bonds and hedged in euros.

The rise in inflation, particularly in Europe, favoured our ILB (Inflation Linked Bonds) assets, which are mainly present in the face of commitments linked to our Work Accident cover. Given that a large proportion of assets are profiting from European rather than Belgian inflation, we benefited not only from this spread but also from the offset effect in liabilities of the indexation of annuities to be paid. We should have a catch-up in liabilities in 2022 but the positive impact in 2021 is significant.

Ring-fenced funds

The size of the funds ring-fenced in Individual Life, mainly backed by the Invest for Life 3A and Invest for Life Dyn 3A products, saw a significant fall in its technical provisions due to the absence of a guaranteed rate granted during renewals (0%) and also the 8-year maturity being reached for the majority of contracts (run-off situation). Provisions fell by around EUR 390 M, reducing them to EUR 1.4 billion at the end of 2021, i.e. more than 20% down year- on-year.

In terms of ring-fenced funds in EB (Employee Benefits), we have not seen any buy-outs in 2021 but have in the general portfolio. In addition, we won the tender for a new 4-year contract with the national lottery (Win for Life).

A.6 Mortgage loans

A.6.1 Activity

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

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

On 18 August 2020, Allianz Benelux (Belgium) and Monument Re agreed to transfer a closed portfolio of classic Life policies for individuals as well as 4.500 mortgage loans (approximately 2/3 of our portfolio) to Monument Assurance Belgium (MAB). The official transfer of these contracts took place on 1 April 2021.

The size of our mortgage portfolio has therefore been considerably reduced. As at 31/12/2020, our turnover was EUR 708 M compared with EUR 290 M one year later. New contract business in 2021 reached EUR 41 M compared with EUR 48 M in 2020. The aim is to stabilise the existing portfolio and offset early repayments via new business.

Since 1 May 2021, new contracts contain a very significant cross-selling component. Indeed, Allianz is focusing on new mortgage loans linked to a new or existing Allianz insurance contract as collateral, offering borrowers the opportunity to pay monthly instalments throughout the term of their loan. This financial arrangement is attractive from a tax perspective for many borrowers.

On 17 December 2021, a new cooperation agreement was signed between Allianz Benelux nv and MeDirect Bank nv. Allianz Benelux will sell new real estate loans under the name Allianz Me home loans through the Allianz credit broker network. MeDirect will be the full financing partner for these real estate loans. No new loan has yet been signed in 2021.

A.6.2 Structure, organisation and IT

The Mortgage Team (name of the Allianz Mortgage Loans Front Office in Belgium) has been reorganised. Since 1 May 2021, Allianz Benelux SA and Stater Belgium SA have decided to extend their collaboration. Since then, Stater has taken on various tasks of the Allianz Front Office. Credit brokers enter their mortgage applications via the new Hypconsolight application and also upload the necessary supporting documents.

A.7 Real estate

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

MAIN COMMENTS:

2021 was characterised by an economic recovery despite the ongoing Covid pandemic. There was significant economic growth and the inflation rate was 2.44% at the end of the year, constantly rising.

Although rental transactions in the Brussels office market were still 14% below the pre- pandemic average, 2021 ended with a rebound in activity, and the vacancy rate stabilised between 7.5 and 8% (3.2% in the City Centre, and 5% in the Northern Quarter).

In terms of investments, the momentum of 2020 continued in 2021 and transactions reached EUR 2.28 billion, with the prime yield at 3.5%.

MAIN COMMENTS ON THE PORTFOLIO

The market value of investment properties remained stable at constant scope; there were no new direct acquisitions by the company.

With regard to real estate allocation via investment funds and platforms, in 2021, Allianz Benelux continued to invest in the direct holding structure Yao NewRep and funds dedicated mainly to logistics and residential (Rheingold, Vesteda, Iput, AEW Logistis, FRI2). For all these investments, the market value at the end of 2021 was EUR 225.2 M compared with EUR 190 M at the end of 2020, an increase of 18.5% after disposals, acquisitions and an increase in value.

The company has renewed major leases in its office portfolio in Brussels and the vacancy rate is currently 10.4%.

B GOVERNANCE MEMORANDUM

B.1 INTRODUCTION

This memorandum is intended to satisfy the requirement stipulated by the overarching circular NBB_2016_31 revised in September 2018 and May 2020 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 nine and current version of the Allianz Benelux sa ('AzBNL') Governance Memorandum was approved by the plenary session of the Board of Directors on 01/04/2021.

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 2021, to summarize and consolidate the current situation of the execution of the action plan 2021 and the actions to be taken in 2022.

This document will be uploaded on eCorporate by April 8, 2022.

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] two tier system.

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

a) Board of Directors

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

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

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

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

Besides the exercise of the powers and responsibilities reserved for it by the law or the articles of association, it is the task of the Board of Directors, on the one hand, to define the general strategy of the company as well 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 18 December 2020, the Board determines its internal regulations and the ones of each committee, specifying its role, composition and functioning.

The powers of the Boards were deeply reviewed by the SGM of the company on 15/03/17.The aim was to take into consideration the new risk approach developed by the aforementioned overarching circular dated 05/07/16 and reviewed by NBB in September 2018 and May 2020.

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

Defining the company's objectives and values;

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

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

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

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

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

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

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

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

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

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

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

b) Board of Management

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

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

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

- Via the articles of association of the company (article 17);
- Via the notarised delegation of powers, granted by the Board of Directors and reviewed once per year (as a rule, in December) by a notarial deed published in the appendices to the Belgian Official Gazette in January;
- 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.

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.

Nevertheless, the Board of Management may distribute its duties among its members.
Its method of operation is defined by the Board of Directors.
At least three members of the Board of Management have the status of directors (currently 4 of which 3 CEOs (Regional, Belgium and Netherlands) and the Regional CFO).
The Chairman and members of the Board of Management are appointed and removed by the Board of Directors on a proposal from the Board of Management.
Their remuneration and the duration of their mandate are determined by the Board of Directors via the Remuneration Committee.
Under the supervision of the Board of Directors, the members of the Board of Management exercise real influence over the general conduct of the company propose strategic guidelines, policies and priorities to the Board of Directors and ensure their implementation; they also present the business plans and annual budget for the company to the Board of Directors. This list is not exhaustive.

The Board of Management also:

- Implements the strategy and the policy defined and validated by the Board of Directors by transposing them in processes and procedures;
- Manages the activity of the company according to the set strategic objectives and by respecting the limits of risk tolerance defined by the Board and the development of the management structure;

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

- Informs the regulatory authority and auditor, in accordance with applicable procedures, on the financial situation and management structure, the organisation, control and independent control functions.

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

The Board of Management, which has all necessary powers for carrying out the effective management and day-to-day management of the company, is assisted in this task by senior managers (Executives) who have received and regularly receive, by special delegation of the Board of Directors, specific powers[5] 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 18/09/2020.

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

a) Powers not able to be delegated pursuant to law and the articles of association;
b) Any disputes with an international component or which exceed EUR 6,200,000, without taking into account the disputes resulting from insurance operations;
c) All real estate transactions with a value exceeding EUR 20,000,000;
d) Any creation of companies, sale of controlled companies or acquisition of control of a company;
e) Any purchase, sale, or disposal of securities or any other type of asset (except within the context of the day-to-day management of the company's investment portfolio) where the value exceeds EUR 20,000,000;
f) Any project where expenditures will exceed EUR 15,000,000, particularly relating to the large-scale hiring or dismissal of personnel, fees owed to external consultants, IT equipment and systems and data processing, advertising;
g) Any subscription operations (except for operations carried out under the freedom to provide services) or financial operations outside Belgium.

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

c) Audit Committee

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

Powers:

- Right to require the production of any relevant information or document;

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

- Conduct or arrange for the carrying out of any investigation;
- Use the services of the Internal Audit Department without taking its place;
- Seek any opinion, declaration or comment from the approved auditor appropriate to its mission;
- Report to the Board of Directors on any matter, activity or issue that it wishes to address or on any department or process that it intends to audit;
- Verify the validity, completeness and accuracy of draft annual or six-monthly accounts;
- Verify the validity of intragroup transactions that come within its remit and ensure that they are of an arm's length nature;
- Examine and approve resources, both in terms of manpower and equipment/software provided to the Internal Audit Department, the compliance unit and the person in charge of the actuarial function to carry out its missions;
- Familiarize itself with reports on the activities of some independent control functions (Internal Audit), excluding Risk Management which reports to the Risk Committee, and the heads of the actuarial function (HAF), Compliance (CCO) and Risk Management (CRO) who submit their reports to the plenary session of the Board of Management,)[7];
- 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[8] for the financial component and 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.

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.

[7] Without prejudice of the duty of each Head of Control function (except the Head of IA reporting to the Audit committee) to directly report to the plenary session of the Board of Directors at least once a year, in accordance with art. 54 §1, par.3 of the Belgian Supervisory Law.

[8] And the ICRS, new risk control and reporting process of the company aligned with Allianz group

Powers:

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

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

a) Risk Committee (RiCo)

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

Powers:

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

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

This work includes:

Giving its opinion to the Board of Management regarding the adequacy (i) of the organisation of resources and competencies put in place to identify, measure, manage and declare ther 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 tems of underwriting, technical provisions, definition of reinsurance transfers, investments, management of assets and liabilities, and management of cash are in line with the risk strategy adopted and the corporate model chosen, without losing sight of the reputational aspect associated with the sale of products to customers ;

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

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

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

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

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

Analysing and approving calculations of risk capital;

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

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

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

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

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

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

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

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

Defining limits by ensuring regular monitoring and taking action 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.

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.

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

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

Decision-making process

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

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

B.2.1.2 *Composition and running*

a) Board of Directors

AzBNL is managed by a Board of Directors of **13** members which meets at least **4** times per year[13] 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
Other members of the Board of Management who are not directors

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

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

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

In August 2016[14], the composition of the Board of Directors has been adapted to take into account the opportunity to reduce the numbers of executive directors offered by provision 45 §1, par.2 of the new Belgian Supervisory Law.

Only the Regional CEO, CEOs Belgium & Netherlands & CFO are still members of the Board of Directors. This is a change with the previous organization valid since 04/2017.

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

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

Independent directors

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

The composition of the Audit committee was adapted in 2017 to comply with the rule that obliges this body to have a majority of independent directors among its members (Act of 7 December 2016) even though since the law of 27/06/21 modifying the Belgian Insurance Supervisory law, it is no longer required to have a majority of independent directors in the Audit committee but at least one.

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, which is contained in **annex 13** of this memorandum.

The Board of Directors only conducts its work when a majority of either executive or non-executive members are present or represented. The Chairman leads discussions and decisions are mainly taken by consensus. Detailed minutes record the work and any elements of decisions.

a) Board of Management

[14] Approved by the Board of Directors during its meeting of June 20, 2016.

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

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

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

Administrative duties are taken up by the Az BNL Secretaries.

b) Audit Committee

Composition: 4 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. So the new rule enacted by the provisions 48 and 49 of the law dated 07/12/16 and enhanced by the rule 1.5.2 of the NBB Overarching Circular of 2016_31 of 2016 reviewed in September 2018 and May 2020 is fully respected.
The Committee is chaired by an experienced supervisory director, specialising in financial management, business ethics and good governance, who is independent and not chairman of the Board of Directors.

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

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

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

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

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

c). Remuneration Committee

Composition: **3** members of the Board of Directors ((including 1 independent director); the Chairman of the Board of Management and the CEO Belgium 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 Q2 and Q4).

d). Risk Committee (RiCo)

Composition: 6 supervisory directors whose 1 independent one, Guests: Chairman of the Audit committee, CEOs BE & NL, CFO, member of the Board in charge of risk management, CRO, Head of Corporate Actuarial, head of Actuarial function BE, head of RM NL, + 2 Group Risk representatives.

Meetings of the Committee are held each quarter. Any member of the Risk Committee may also request a meeting at short notice for the purpose indicated in the notice of meeting.

B.2.2 Remuneration

The remuneration policy of Az BNL was reviewed again by the Board of Directors on 17 December 2021.This policy shall be updated each year as required by the SII rules and the chapter 8 of the NBB Overarching circular about governance dated 05/07/16 reviewed in 09/18 and 05/20.

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

Az BNL is considered by the group as a SOE (Significant Operating Entity[19]), 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.

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, 6 persons are in scope: Chief Transformation Officer, Chief Corporate Services, Chief Information Officer, Chief Risk Officer, Chief Investment Officer, , Head of Claims

Key Function Holders
On top of categories A&B belonging to the KFHs, the head of 5 independent control functions: Chief Risk officer (Sr. Exec), Chief Compliance Officer, Head of Actuarial Function Head of (Internal) Audit also in cat. B), Heads of Legal NL & BE, Head of Accounting.

C. Risk Takers

Under this concept, the policy aims 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,

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

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 215 employees (certain functions) get a variable remuneration in a range of 10 to 15%.

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

a) Governance principles

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

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

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

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

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

b) Board of Directors

BoD members are not remunerated as such (qualitate qua) when they get wages as Az Group entity or Az BNL employee. 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 80.000 EUR per accounting year.

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

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 F39/V61.
Other BoM members and the Chief Information Officer have a mix depending of the grade (F55/V45). 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 38%), 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. Clawback clauses exist to prevent too much risk appetite and sanction negative behaviours (see § of Deferral below). In case of compliance breach, the variable remuneration may not be paid or can be restricted.
Severance payments are admitted but limited to defined projects and only paid after their full achievement.The variable remuneration regime might be subject to downwards adjustment to reflect Az BNL exposure to current for future risks, taking into account risk profile and cost of capital.

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

The variable remuneration for AGS 16 to 20 includes Group Incentive plans (ASPP[22] + 2 components (Annual Bonus & AEI).

d) *Control process*

[22] Allianz Sustained Performance Plan

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.

An annual performance management process is organized to consider quantitative and qualitative aspects of individual performance including behaviours.

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

e) *Deferral*

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

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

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

To control or adapt this remuneration process, some key functions are involved at Group and Az BNL level. Risk management, Legal and Compliance, Corporate Finance, Accounting and of course HR.
Each of them has to check whether the regime is adequate according to the rules they have to comply with.

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

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

f) *Pension schemes*

There is a pension regime for executive Belgian BoM members.

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

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

Each employee is automatically covered by this EB scheme if this one is 25 year old.
This scheme is in 2 parts:
- a guarantee on survival (in case of life) at the end of the contract.
- a capital to be paid in case of death before end of contract

The employees' contribution is equal to 1% of the yearly remuneration +7,5% of the difference between annual salary (T) and the limit of the pension amount as set in plan T1, € 66.586,49 (2020). 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), € 60.026,75 (2021).

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 functions).

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

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

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

Eligibility: All Allianz Executives (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" RSU
  - the RSU vest after 4 years following the grant
  - the RSU 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

B.2.3 Shareholders

AzBNL is a composite insurance company and a wholly owned subsidiary of Allianz Group since 17/08/11 held by two holding companies, mainly by Allianz Nederland Groep BV, a company incorporated under Dutch law, and secondarily (for one share) by Allianz EuropeNV, a company also incorporated under Dutch law, which are in turn wholly owned by Allianz Group, through l the parent company Allianz SE.

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

AzBNL is therefore a public limited company.

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

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

a) Ways of controls

First, the shareholder is represented into the governance bodies of the company by one main delegate, Dr Thomas Loesler, Head of Business Division Western Southern Europe (H5), who is non-executive director of the company, permanent guest of the Audit committee, member of the Risk committee and Compensation committee.

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 and December.

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

As a rule, new regulations and project can be 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 Business committees steered by a member of the BoM.

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

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

It is not different today with the current composition of the Board of Directors:

- a chairman that is strictly non-executive and particularly well versed in all managing, financial actuarial and risk matters with an experienced capacity to challenge the figures;

- at least one specialist in the supervision of subsidiaries, with particular expertise in accounting and operational reporting;
- an independent director retired from public regulatory institutions but with extensive experience in the areas of sound governance, compliance, regulatory risks and legal issues;
- an independent director, CEO of a major group, well versed in investment-related issues, particularly real estate-related;
- another director experienced in Insurance companies management.
- another director specialised in complex risk management and governance issues.
- another independent director having a strong experience in the oversight of financial undertakings.

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

Mandates with a maximum term of 6 years are spread out over time. 1 mandate expires at the GM of May 2022, 2 in 2023, 1 in 2024, 3 in 2025, 4 in 2026, 1 in 2027 and eventually 1 in 2028.

b) *Significant transactions concluded with shareholders*

In 2020, there was one transaction concluded with Allianz group ot other OEs of the group. The sale of the building Cortenbergh 150. The audit committee controlled the at arm's length ' dimension of the project.

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

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

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

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.

This is a pure treasury account offering to Az BNL some interests paid by Allianz SE, the top parent company.

3- Outsourcing of our main IT services

The company entrusted Allianz Technology, an Az Group specialised company delivering IT services, with the obligations to manage a wide part of our main IT environment (mainframes, servers, devices, etc…).The Master Service Agreement between parties was reviewed and signed on 09/12/16. It will be completed and extended to a broader cooperation with Az Tech through 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 to come into force as from 01/01/22.

Real Estate Management agreement

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

This process was finalised by end of April 2018.

4- Allianz Direct collaboration agreement

The direct underwriting business developed under the brand Allsecur by the Dutch branch will be steered by a German structure dedicated to this BtoC P&C insurance activity, named Allianz Direct Germany through a new Dutch branch. The decision to transfer existing direct portfolios managed by the Dutch branch of Az BNLwas made in December 2020 but the set up of this transfer will take place in H1 2021. In the meantime, the co-leadership and coresponsibility of the Az SE top manager (H10) on the one hand and the BoM of Allianz Benelux will be maintained with a specific attention to protect Allianz Board members in terms of liabilities through a cooperation agreement obliging both parties (Allianz SE – H10 and Allianz Benelux sa) to respect strict governance rules.

5- Shareholders' agreements

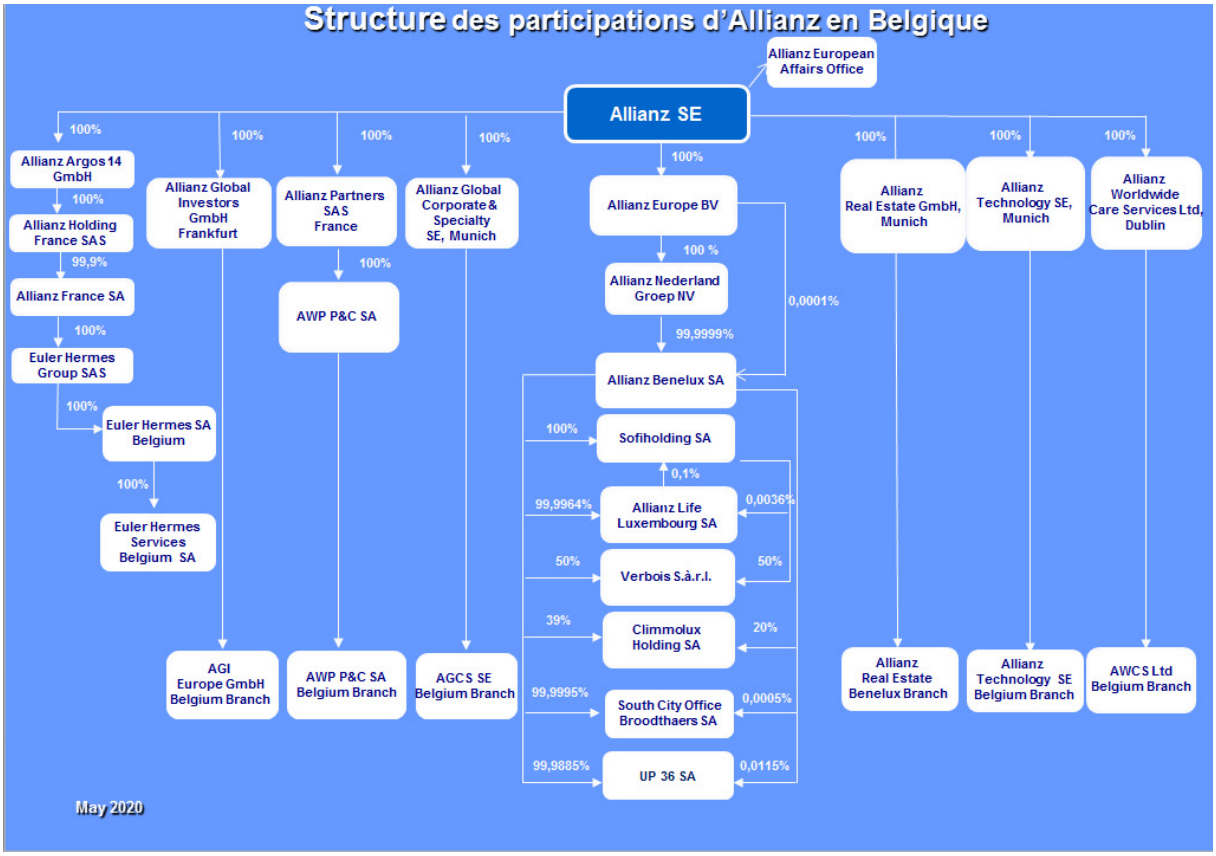
As already said above, Allianz SE holds 100% of the Allianz Benelux shares through 2 of its subsidiaries. Therefore, there is no shareholders" agreements for the management of the shareholding.

Az BNL is basically a public limited company.

There is neither cross-ownership nor cross-shareholding aiming Az BNL.

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

Shareholding structure



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

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

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

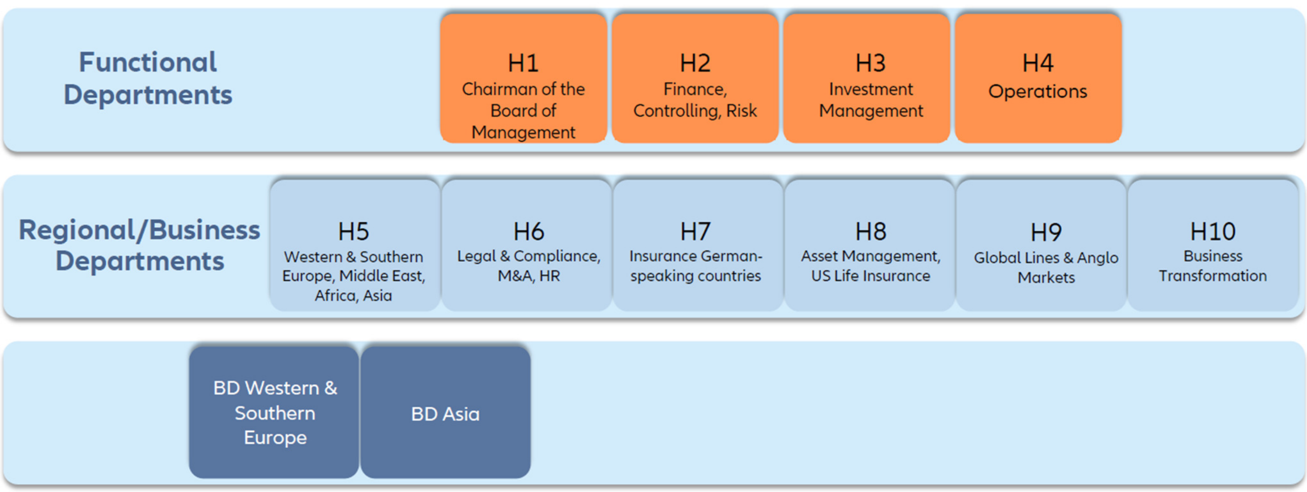
The Benelux area is considered by the group as a sub-region where a maximum integration is sought for aligning processes, maximizing synergies, exchanging best practices/experiences, strengthening businesses, simplifying structures and finally improving customer's services and products, this last objective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

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 compositeregulatory status of Allianz Benelux sa is very attractive from a Solvency II perspective.

Exercise of Control

It should be specified that in the structure of the Allianz Group, the 3 countries of the Benelux region are under the control of the H5 division (Insurance Europe, Middle East, Africa & Asia) headed by Sergio Balbinot, member of the Vorstand (Allianz SE Board of Management) since 2015 and, by delegation, through several of his deputies such as Dr Thomas Loesler for auditing. 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.



Since 01/01/22, Allianz Benelux is still in the scope of H5 but under the responsibility of MrsSirma Boshnakova, new member of the Board of Management of Allianz SE (Vorstand) in charge of Allianz Partners, Allianz Direct, Allianz France, Allianz Italy, Allianz Turkey and Allianz Benelux.

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 14 December 2018, and by the Board of Directors of ALL on 7 December, 2018.This policy has been updated each year since as required by the SII rules and the chapter 2 of the NBB Overarching circular 2016_31 about governance dated 05/07/16 and updated in September 2018 and May 2020. The 2021 revised policy was approved by the Board od Directors of Az BNL on 17 December 2021 and by the Board of Directors of ALL on 10 December 2021 and is applicable as from 01/01/22.

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 (e.g., , Chief Information Officer, Chief Corporate Actuarial[31], Chief technical Non-Life also Chief Underwriting Officer), other Managers of the 2nd line of defence (e. g. Heads of legal), and other significant functions (e.g, and Head of Accounting & Financial consolidation).

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.

B.3.1.3 *Procedure*

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

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

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

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

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

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

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

[31] until 31/12/18

When the file is ready, the Company Secretary may send it to NBB with the personal materials and 3 additional documents: job description, screening list and evaluation report summary.

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 :

1- Insurance & Financial market
2- Economic model & undertaking's strategy
3- System of governance
4- Financial & actuarial analysis
5- Regulatory requirements & framework

In 2018, the Company secretary systematically verified this important set of requirements. Fortunately, the most recent candidates had very positive background & a high quality profile.

Evaluation : this new aspect is applied and respected since January 2019.

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 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), 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 2018, HR reviewed all the files of significant representatives (Board members, Independent control functions & Key function holders).

Evaluation: OK. Next review in 2022.

B.3.2 External Functions and Incompatibilities

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

- Company's leaders: executive, non-executive directors + members of the Board of management and other relevant Officers (key function holders).

- In-scope undertakings: any legal entity in which an insurance company's leader can serve an external mandate, including not-for-profit organisations. A mandate into the Belgian Insurer association Assuralia is out of scope. Entities without legal status are not in scope as well.
- Mandate: includes any function or responsibility in the management or control of the legal entity.

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

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

What does each of those principles mean?

a) Prevention of any conflict of interest

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

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

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

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

The audit committee is in charge to control this 'at arms's length' principle when an intra-group deal is at stake (in 2020 : the sale of the building Cortenbergh 150 to 3 Az companies, in 2021, the Allianz Direct Carve-out).

Evaluation : Overall, this aspect is not a problem for Az BNL candidates (confirmed in 2020).

A check will be launched in Q1 2022 to verify the mandates held by Direct Reports to BoM members (35 Officers or Heads of).

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.

Overall, this aspect is not a problem for Az BNL candidates (confirmed in 2020)

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, 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: conflict of interest, respect of the social interest of Az BNL, reinforcement of the sound and prudent management of the company.

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

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

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

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

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

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

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

Actions:

Both Az website and eManex updated in 2021 .

Review of the capital markets policy to take into account MAR directive done in 2020. A new BNL Capital Market policy was approved by BoM & BoD in June 2020 followed by an e-learning training closed by end of 09/20.

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

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

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

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

Insurance contracts are nevertheless allowed.

The sole price reduction accepted when a Director or an officer wants to sign such an insurance contract is the 30% mandatory limit rule applicable for any employee working in an insurance company and formalized by the provision 38§28 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 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. No advantage no privilege are 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 situation 2021 is clear.

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

Conclusion : except some limited measures mentioned in this chapter above, there is no significant change or elements requiring action.

B.4 RISK MANAGEMENT SYSTEM, ORSA PROCESS and RM FUNCTION

B.4.1 Risk Management System

B.4.1.1 *Risk governance*

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

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

- Promotion of a strong risk management culture, supported by a robust risk governance structure.
- Protect our capital base and support effective capital management.

- Integration of risk considerations and capital needs into management and decision-making.

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

B.4.1.1.1 Three lines of defence

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

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

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

  Note that performing operational key controls is part of the first line risk mitigation activities.
- The “second line of defence” is made up of independent assurance functions, namely Risk, Actuarial and Compliance. They are responsible for setting and overseeing the framework within which the business can take risks within the defined risk appetite.
- Internal Audit forms the “third line of defence”. On a periodic basis, Internal Audit independently reviews risk governance implementation, performs quality reviews of risk processes and tests adherence to business standards, including the adherence to the risk management system and to the internal control framework.
- Clear roles and responsibilities for the three lines of defence are of key importance to reach the desired risk culture within Allianz. For that purpose, Allianz Group has designed a ‘Corporate Rule Book’, that is, a framework consisting of policies, standards and guidelines. All entities within the Allianz Group are required to adhere to this framework. To enable that, Allianz Group has defined a set of ‘Entity Level Controls’. These are used by business managers to verify if they have adequately implemented the corporate rules that are relevant to their business domain. They are also used by Internal Audit to conduct an ‘Entity Level Control Assessment’ (ELCA) in which deficiencies in the local implementation are formally addressed.

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 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 (ICS) is put in place.

The *governance principles* of the Risk Function are:

- It is established as an independent function with unrestricted information access, in order to allow objective risk management and to prevent conflicts of interest.
- It operates *under the direction of the CRO* with a direct reporting line to the BoM and BoD.

The *responsibilities* of the Risk Function are:

- Proposing the Risk strategy and appetite to the BoM/BoD;
- Overseeing the execution of the Risk management processes;
- Monitoring and reporting the Risk profile including the calculation and reporting of the SCR;
- Supporting the BoM/BoD through the analysis and communication of Risk management related information and by facilitating the communication and implementation of its decisions;
- Escalation to the BoM/BoD in case of material and unexpected increases of Risk exposure;
- Reporting the Solvency Assessment as well as any further material Risk management related information to Group Risk.

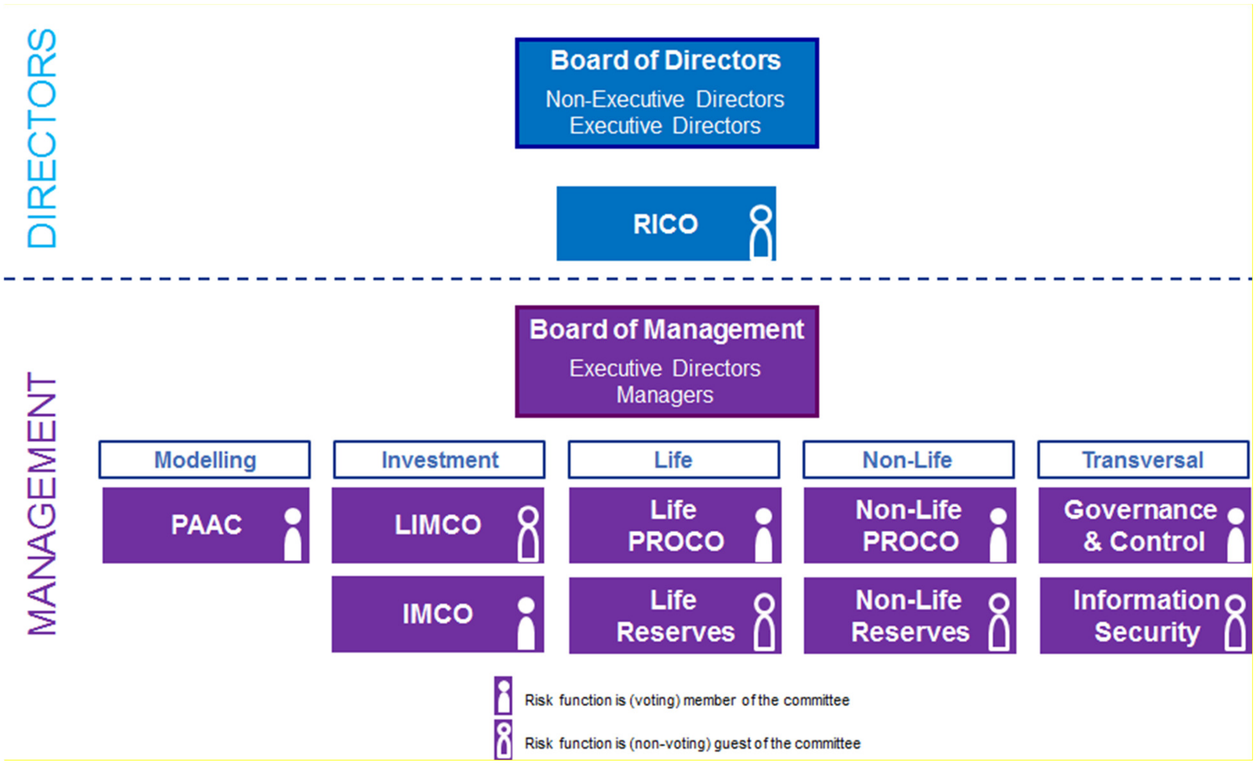
More specifically, the Risk Function performs the following *activities* throughout the year:

- Top Risk Assessment, with quarterly update to the BOM and RiCo
- Monitoring of Az BNL Solvency Ratio and risk limits, with quarterly update to the BOM and RiCo
- Participation as second line of defence to the Product Approval Process (Life, Non-Life)
- Operational Risk Management : monitoring of risks, issues, incidents, maintenance of the IRCS (Internal Risk Control System)
- Data Quality Management in the context of solvency reporting
- Quarterly SCR closing process
- Update of parameters and assumptions relevant to the SCR closing process
- Quarterly ALM reporting and ALM meeting
- Participation as second line of defence to the Investment Management decisions
- Projections for SAA determination during Strategic Dialogue
- Projections of SCR and solvency ratio during Planning Dialogue
- Annual update of risk appetite and risk limits, following Planning Dialogue, approved by BOM, Rico and BOD

- Coordination of regulatory and internal stress tests, communication to the BOM and RiCo
- Coordination on answering supervisor requests, follow-up on regulatory changes
- Annual ORSA report, approved by Rico and BOD.

The RiCo members meet on a quarterly basis

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



B.4.1.1.3 Actuarial function

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

- Conduct second line oversight on the calculation of technical reserves;
- Take in charge the appropriateness and consistency of models, methodologies, assumptions and change policy are adequate;
- Gives an opinion on the completeness, accuracy, appropriateness and timeliness of data used in actuarial processes;
- Analyze the best estimates compared to the experience;

- Give information to the board about reliability and adequacy of the calculation of the technical reserves;
- Follow up of the calculation of the reserves in case where there is not an appropriate actuarial method possible to estimate the obligation of the insurer;
- Express an opinion about the underwriting policy;
- 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.

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 section 6.1.2 of 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.

Allianz Group has developed an integrated approach for a more rational identification and measure of operational risks. This approach, referred to as *Integrated Risk and Control System* (IRCS), reduces the silo based risk management approach by the joint involvement of Operational Risk Management, Compliance Management and IT Risk Management throughout the internal control process.

The initial rollout of IRCS was finalized in the first quarter of 2018 and since then, reviewed annually with a permanent focus on organizational changes This resulted in a database of all key[64] risks including documentation of associated key controls (i.e. serving as mitigation measures for the key risks). The key risks and associated controls have been identified through extensive assessments, called *Risk Control Self Assessments* (RCSA), which are conducted in close collaboration with the business. As to keep the IRCS database up to date, the RCSA 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 IRCS database. All of this contributes to operational risk awareness within the 1st line of defence. Note that the ELCA process has also been integrated with the RCSA process, i.e. the Entity Level Controls are included in the IRCS database.

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

- <u>Forward-looking perspective</u>: a *Risk and Control Self-Assessment* (RCSA) is carried out by 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 ORM 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.

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

- Each functional division or department is asked to position itself regarding the scale of the risks they are exposed. The assessment concerns vulnerability to the inherent risk both in terms of frequency (occurrence of the event) and severity (financial and reputational impact) and is aimed at determining the actual risk (i.e. given the existing control environment) score.
- This self-assessment is challenged by the Compliance and Risk management functions.

Monitoring:

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

- <u>Backward-looking perspective</u> (learning from experience) through *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 50K). Learning from historical operational losses is essential in the identification of process or system weaknesses, and correction of the IRCS. Moreover, it facilitates sharing of information between operating entities.

AzBNL has setup a dedicated quarterly Operational Risk Management meeting (ORMm)[65] to discuss with responsible stakeholders (both from 1st and 2nd line of defence) the outcome of the above mentioned processes. This meeting is chaired by the COO. It facilitates active follow-up on operational risk topics (e.g. issue reporting, collecting operational losses) as well as monitoring of past events and emerging operational risks. Subsequently, the ORMm provides a consolidated overview and advice to the Risk Committee (RICo).

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 Alianz.

- In line with the 'three lines of defence' system, risk management processes are embedded wherever possible directly within business processes, including strategic, tactical as well as day to day decisions impacting the Risk profile. This approach ensures that Risk management exists foremost as a forward looking mechanism to steer Risk and only secondarily as reactionary process requirements.

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

[65] Formerly called Operational Risk Management Committee (ORMCo).

solvency of AzBNL. The Solvency Assessment constitutes the "Own Risk and Solvency Assessment (ORSA)".[66]

- 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

B.4.1.3 *Risk strategy principles*

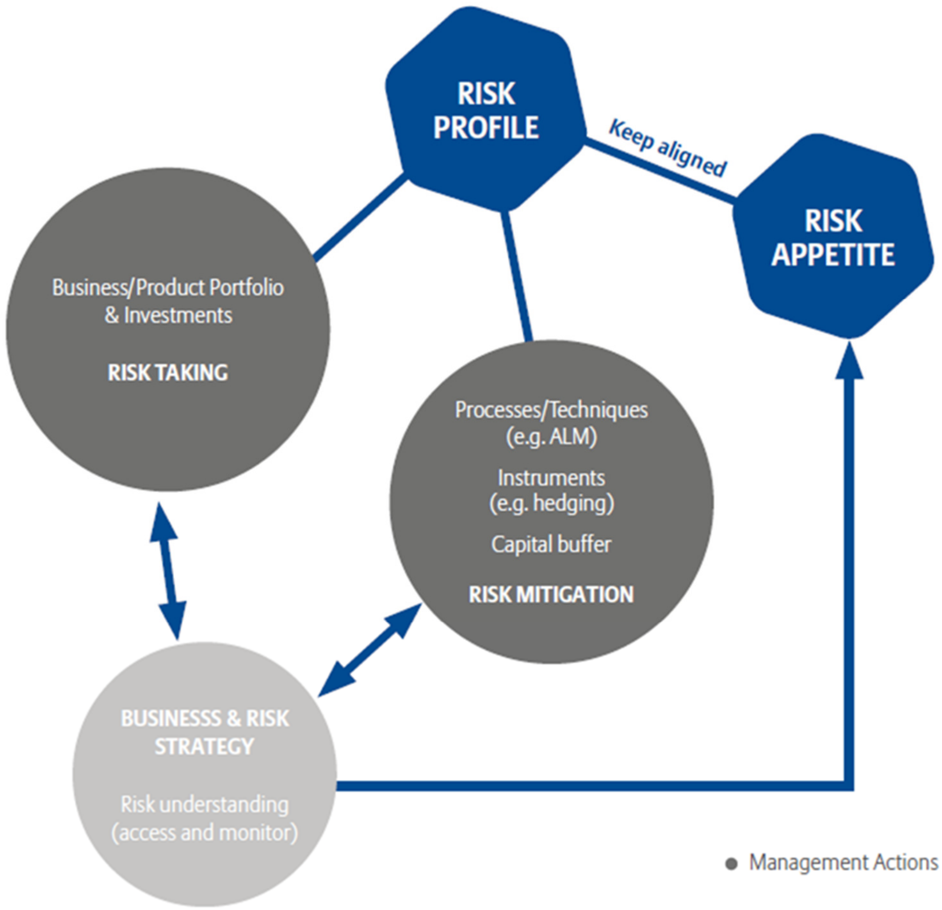
The Risk Strategy is a core element of the AzBNL risk management framework. It promotes a risk-return approach for managing the risks that the company is willing to face in pursuing its business strategy, while preserving adequate solvency and liquidity at all times.

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

This section describes the elements in terms of which the risk appetite is defined 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:

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



B.4.1.3.1 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. In particular, the Board of Management makes sure that risks taken to realise the chosen business strategy are well understood and that corresponding risk management actions are defined.

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

- The Strategic Dialogue (SD) takes place in the middle of the year (June) between Az BNL and the Group. The goal of this meeting is to achieve a mutual understanding about the strategic direction and the related risk-return mix. Financial targets regarding dividends and capital needs are compared with the capital limits framework in place.

- In the Planning Dialogue (PD), which takes place in autumn (End of November) , the forecast for the current year and the plan for the next three years are presented by Az BNL to the Group. The main focus is on the bottom-up plan for the budget (next) year, with an additional 2 years also being planned and presented. The OE plan details the strategy as agreed in the preceding Strategic Dialogue.

B.4.1.4 *Other specific items*

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 a Allianz internal rating "waterfall", and then this rating is verified and/or adjusted (e.g. manually downgraded) by credit analysts considering:

- Primarily Moody's Market Implied Ratings (MIR) and
- Other available information sources useful to assess the credit quality of counterparty, its industry sector and the macroeconomic environment.

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

- Rating agency analysis and credit opinions,
- Research vendor products,
- Sell-side research,
- National central banks and statistical offices,
- Multi-lateral sources (e.g. IMF, ECB, OECD),
- Euler Hermes country risk reports and Euler Hermes 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 adjustement and volatility adjustement

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

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

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.5 Internal Control System

B.5.1 Relationship between the three lines of defence

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

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

The second and third line functions closely cooperate, maintain reciprocal oversight and are aware of the concrete tasks and competencies of each sister function.

B.5.2 Role of the second line departments

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

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

The Actuarial Function is expected to provide a holistic actuarial oversight of the company. All of his 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 Head of Actuarial function) and the Board of Management does not hesitate to respond, consult or request additional work.

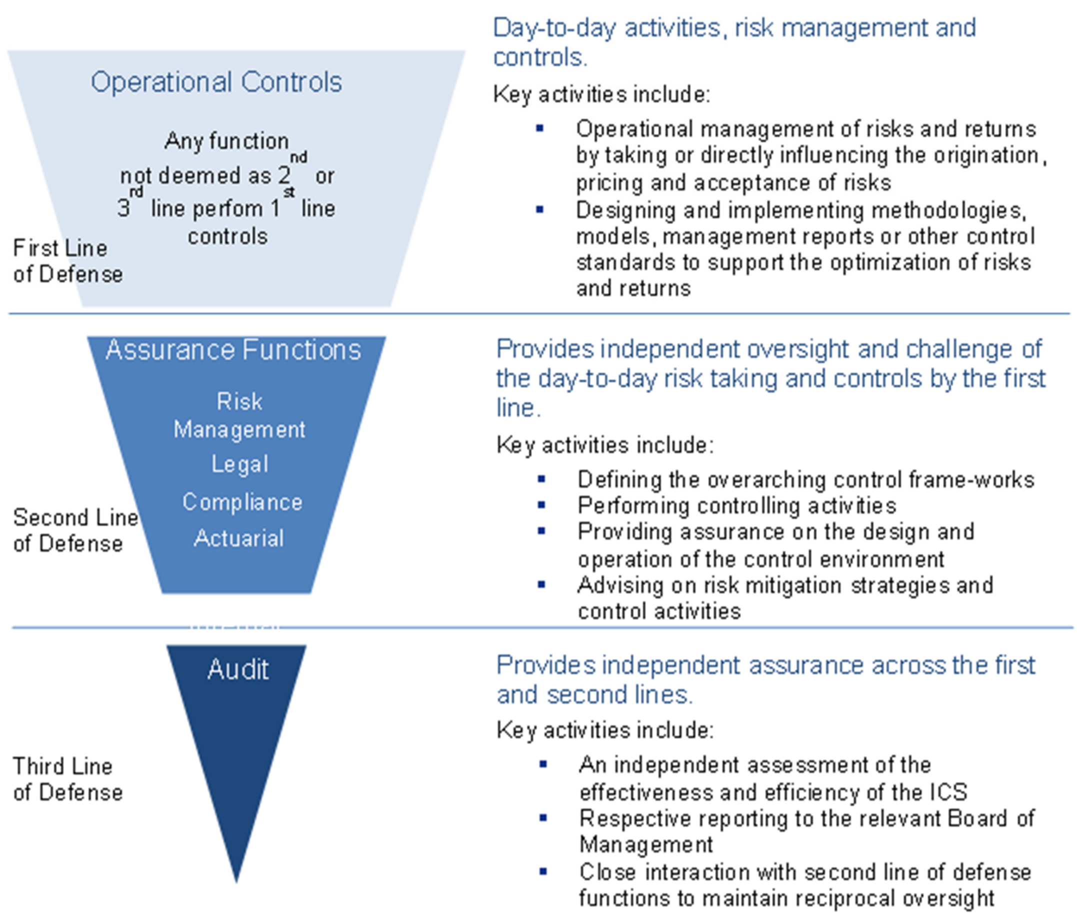
Risk management is responsible to Maintain the transparency on the risk and internal control framework and to facilitate the communication and implementation of the risk committee decisions.

B.6 INTERNAL AUDIT FUNCTION

B.6.1 Fundamental Principles

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

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



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

- Integrity
- Objectivity
- Confidentiality
- Competency

B.6.2 Objectives

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

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

B.6.3 Tasks

Internal Audit serves the organization in the following manner:

- Internal Audit informs the CEO's, the Board of Management, the Audit Committee and the Financial Reporting and Disclosure Committee of the adequacy, efficiency and effectiveness of the Internal Controls and Risk Management/Controlling Systems within the company. This includes monitoring the realization of agreed-upon measures for improvements as well as receiving, investigating and following up on possible occurrences of fraud and management override. Additional committees who have governance oversight over these areas may be informed.
- Based on a comprehensive, risk-oriented audit plan, Internal Audit conducts audits of the Internal Control and the Risk Management/Controlling Systems which are integrated into business processes and structures of the company. Furthermore, unplanned audits, as per management's request or due to new risk developments, are also performed.

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

B.6.4 Structure

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

B.6.5 Reporting line and Organizational independence

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

Independence Function is also thought, for instance in terms of reporting[74], objectives, target setting, compensation or by any other means. Internal Audit must avoid conflicts of interest in fact or appearance. Internal Auditors and the Internal Audit function have the authority to express assessment and recommendations but cannot give orders (except in cases of suspicion of illegal activities/fraud).

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

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

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

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

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

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

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

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

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

The Compliance function is separated from the Internal Audit function.

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

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

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

B.6.6 Individual independence and objectivity

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

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

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

B.6.7 Unrestricted information access Confidentiality

The Internal Audit Function shall have the right to communicate with any employee and obtain access to any information, records or data necessary to carry out its responsibilities, to the extent legally permitted. It has the responsibility and the right to review activities, procedures and processes in all areas of the Benelux, without limitation. Internal Audit has the unlimited right to obtain information[75] 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 (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[76], 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

[75] 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.

[76] Az BNL fully applies this principle.

rules, and verify the compliance with decisions taken as a consequence thereof. The Head of Internal Audit must be and is familiar with all Internal Audit relevant standards, publications and practices.

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

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

B.6.10 Audit related principles and procedures

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

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

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

The Internal Audit Function establishes a framework of audit related written principles and procedures.
In this regard, the Allianz Group and the Benelux Audit Policy are supplemented by the Standard Audit Manual (SAM) which is developed by and vetted with the Allianz Group IAAC. As a "living" document, the SAM provides more detailed discussions on the Allianz Standards on auditing which are compulsory and, consistent with the Allianz Group Governance and Control Policy framework structure. Both are therefore required of the Benelux Internal Audit function. Additionally, Group Audit, together with the IAAC, further 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 2021, the Benelux Audit Policy has been updated to reflects alignement with Group Audit Policy, version 10.0. A precision was added under section C concerning the coverage of entities as defined in the System of Governance.

The updated Benelux Audit Policy has been approved during the Benelux Board of Management of 21 September and by the Benelux Audit Committee of 24 September 2020 and is effective as of 15 December 2021.

B.6.11 Outsourcing or delegation of Internal Audit tasks

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

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

B.7 ACTUARIAL FUNCTION

B.7.1 General regulation of the function

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 committee

An appropriate committee structure or comparable management meetings have to be set upin 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 recommendsto the Board of Management the required levels of technical reserves. The Actuarial FunctionHolder shall participate in the Reserve Committee.

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

- The P&C Loss Reserve Committee
- The Life Reserve Committee
- The Risk Committee (RiCo)

- The Product Approval Committee (ProCo) Non-Life
- The Product Approval Committee (ProCo) Life
- The Parameter and Assumption Approval Committee (BeNePAAC)
- The Solvency II Closing Committee

The Smart Circle Committee

B.8 OUTSOURCING

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

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. This was done in November 2019 and approved by the relevant Boards in December 2019 and January 2020.

Due to update of the NBB Overarching circular on Governance expectations 2016_31 in May 2020 reviewed in May 2020,the process was adapted to take into account the news regulatory requirements; especially the the 2 annexes 4 (notification form for CIFS outsourcing) and 5 (Compliance statement) on one hand, and the newe rules to manage cloud outsourcing with the integration of requirement and disclosing obligations coming from the Royal Decrees of 31/07/20 approving the NBB and FSMA regulations of respectively 12/05 and 30/06/20.

The Chief Operating Officer is the owner of the respect of this policy for which principles are defined by the Group but local requirements prevail. Any deviation must be validated by the group and Heads of legal have to inform about any potential deviations : we maintain a threshold of 500 k (annual basis) for classic (not for CIFS) outsourcings since 2016.

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)
- *One materiality threshold is applicable: cost wise, 500 K per year for a simple outsourcing to exclude some small items (de minimis principle)*
- 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) is currently implemented to manage those duties in Allianz Benelux sa/nv.

B.8.3 General outsourcing principles

6 main requirements must be respected:

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

  A database held by the Local Outsourcing is fed with any new outsourcing project with the duty to collect Fit &Proper documents (VIS), contracts and required documents (insurance blue chart, back-up system evidence, etc…)
- Contingency plan (how to avoid losses) and exit strategy have to be developed in case of CIFS

- Priority to Group Internal outsourcing if may be as for IT services (limiting the risk, giving more flexibility)
- Principle of proportionality applicable (intensity without bypassing requirements is depending on the nature, scope, importance and complexity of the project)
- Ultimate responsibility of Az BNL anyway
- Outsourcing of key functions (out of Independent control functions that cannot be outsourced) is prohibited unless the Group Key Function Holder can agree (this is theoretical and shall be avoided because a strict prohibition is generally foreseen in the local regulations of the Benelux area).

B.8.4 Governance principles

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

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

  This means that this responsible person (generally the head of the function or service involved) has to comply with compliance requirements and control the proper execution of the outsourcing process. He/she must F&P compliant for him or herself and competent to challenge the provider) .
- *special rules when a key function is subject to outsourcing* (only possible to Group internal provider and if legally admitted)
- *adequate segregation of responsibilities* (no function elsewhere in the group, no relationship with the candidate provider, only for one business ownership of a key function)
- -*exclusion of any detrimental project* which could (i) jeopardize the quality of the Az BNL governance system or the quality of the internal audit function, (ii) unduly increase the operational risk, (iii) endanger the regulator's capacity to verify that Az BNL respect the SII rules, impair the quality level of services for policyholders, insured and beneficiaries
- *continuity protection rules applicable* (protection of knowledge and documentation)
- *specific control of the CCO on new projects of CIFS outsourcing to be sure that each process is conducted in full respect of chapter 7 of the aforementioned NBB Overarching circular of 2016 reviewed in May 2020.*

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

Action: to review all existing CIFS outsourcing files to disclose them to NBB and also to FSMA in case of cloud by end of 2021.

B.8.5 Outsourcing processes

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

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

In a nutshell, we can summarize them as follows:

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

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

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

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

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

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

B.8.6 Local Outsourcing Function

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

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

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

B.9 .OTHER INFORMATION

Nihil.

C RISK PROFILE

Allianz has set up a comprehensive risk management framework to maintain the risk profile within its risk appetite and to promote a strong risk management culture. This framework is laid down in the Allianz Corporate Rules Book. Additionally, AzBNL defines its risks according to the Allianz Risk Taxonomy.

AzBNL has the advantage of being a composite insurer, allowing it to gain from the diversification between Life and Non-Life business. This has been further strengthened by the the incorporation the Non-Life business of Allianz Nederland Schade in 2014, the acquisition of the Non-Life portfolio of Aegon in 2017 and finally the incorporation of the Life business of Allianz Nederland Leven in 2019 into AzBNL.

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)[2].

The Strategic Asset Allocation (SAA) defines the long-term investment strategy for the overall investment portfolio.

Based on the information available to us as of end of March, we expect the AzBNL to continue to be sufficiently capitalized and compliant with Solvency Capital Requirements. However, especially an ongoing COVID-19 pandemic, a possible stagflation, and the war in Ukraine and an escalation of geopolitical conflicts can materially affect our capitalization. The pandemic caused disruptions in global supply chains, leading to a rise in global inflation which could potentially develop into a stagflation. At the beginning of the year 2022, stagflation risk further increased with the military intervention of Russia in Ukraine. The repercussions of the war in Ukraine and an escalating of geopolitical conflicts are unpredictable and have the potential to significantly impact international financial markets and economies, e.g., due to higher inflation from energy prices in a sustained low interest rates environment, lower equity prices, a widening of credit spreads for corporate bonds and lower rated government bonds, as well as a rise in credit defaults. In addition, as a response to economic sanctions by the West, the likelihood of state-sponsored cyber-attacks or attacks by non-state actors on critical infrastructure increased, potentially provoking a strong U.S. response and risking a cyber war with extensive economic damage. AzBNL is carefully monitoring the development of the COVID-19 pandemic, inflation, the war in Ukraine and the geopolitical situation, and is managing its portfolios to ensure that AzBNL has sufficient resources to meet the solvency capital needs.

[2] 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.

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).

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 disability as 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.

Due to the integration of the Dutch Life business in AzBNL, the exposure to pure term insurance has increased. Also, longevity risk has increased due to life-long annuities which are offered in the Dutch product mix.

Lapse risk resulting from the life endowment products is limited, for several reasons. The first and main reason is the fiscal constraint linked to most of the products. The policyholder would lose a significant tax advantage if he surrenders before the contractual term. A second reason is the current low interest rate market environment. Most products provide a minimum guarantee above the current market rates, therefore terminating the contract would be unprofitable for the policyholders. A third reason is the market value adjustment clause present in some savings contracts that allows AzBNL to take a compensation for the financial loss due to an early surrender.

As a result of its strong position in the Workers Accident business and other Health business, AzBNL has a significant exposure to disability and longevity risk.

C.1.3 Reinsurance

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

The quota share reinsurance rate of 45% for Non-Life business has been kept unchanged over the past reporting period.

C.2 Market risk

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

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

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

C.2.1 Equity risk

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

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

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

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

C.2.2 Interest rate risk

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

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

C.2.3 Spread risk

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

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

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

As AzBNL's asset portfolio is overweighted in Belgian government bonds in comparison with the weights in the VA portfolio, a partial spread hedge has been implemented, which basically swaps the spread of part of the Belgian government bonds with that on German government bonds (which are underweighted in the actual portfolio compared to the VA portfolio). In this way the mismatch between the overall spread fluctuations of assets and liabilities is reduced.

C.2.4 Currency risk

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

C.2.5 Real estate risk

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

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 the euro area
- Covered bonds: typically bonds of high credit quality issued by banks and covered by loan collateral
- Corporate bonds: diversified portfolio of corporate issuers of various sectors with a limited 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 t 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. Allianz Group has implemented a Group-wide risk management process by which all Allianz Operating Entities (OEs) must ensure effective controls or other risk mitigation activities are in place for all significant operational risks. As the operational risk landscape is shifting due to digitalization and transformation efforts, the control landscape will need appropriate adjustment. This approach is called the Integrated Risk and Control System (IRCS)

Fundamental to the IRCS is the concept of an integrated approach. While there are several different sources of operational risks (e.g., Reporting risks, Compliance risks, Information & Technology risks) the process towards their management always follows the same basic formula; significant operational risks must be identified, assessed and prioritized for improved management and it must be ensured that the controls underlying their management are effective.

Operational risks identified and assessed during the IRCS serve as the source of operational risk candidates for inclusion in the scope of the Top Risk Assessment.

Reputational risk assessments form an integral part of the top risk assessment 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 IRCS framework. It is based on COBIT 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

To determine AzBNL's sensitivity towards the risks described above, several stress scenarios are considered. The following table provides some important sensitivities.

2022 EOY Solvency Ratio (PD21 Projection)		140%	
Scenarios		**Solvency ratio after stress**	**Δ Solvency Ratio**
S1	EQ -30% / IR -50bps	114%	-26%
S2	EQ -30% / IR +100bps	120%	-20%
S3	Spreads up (rating specific)	105%	-35%
S4	Insurance Loss	127%	-13%

It shows that spread widening has the strongest adverse effect of them on the Solvency ratio. This aligns with the explanation given in section C.2.3 regarding the suboptimal effect of the Volatility Adjustment.

These sensitivities are used to determine the so-called Management Ratio, reflecting AzBNL's risk appetite level for the solvency ratio. In accordance with Allianz Group methodology, they are defined as follows:

- Standard stresses for equity, interest rate, spread and underwriting losses:
  - EQ-30% & IR - 50bps
  - EQ-30% & IR -+ 100bps
  - Spread up, depending on type and rating[3]
  - Underwriting stress as calculated by the Standard Formula divided by 3
- Locally specific stress scenario, if relevant

Management Ratio is defined as: 100% + Stress Impact (= maximum impact of stresses above), upon which a discretionary top-up can be applied if deemed applicable by the RiCo. See further in section E.1.1 for more details on how the Management Ratio is used for capital management.

[3] 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.

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 diversification of insurance risks: between Life, Non-Life and Health business, geographically between three countries and between different types of products.
- Allianz Group has designed a system to manage counterparty concentrations related to credit and equity exposures on a Group wide basis.

D VALUATION OF ASSETS AND OTHER LIABILITIES AND VALUATION OF TECHNICAL PROVISIONS

D.1 Valuation for Solvency purposes

D.1.1 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)[80] or which wish to become established here.

Market Value Balance Sheet (MVBS) and Own Funds information have to be collected both for 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 and Luxembourg)
-Non-Life activities (Belgium, Netherlands and Luxemburg).

D.1.2 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 Sovlency II

Assets 31 12 2021	Solvency II value (MVBS)	Statutory accounts value re-mapped to MVBS line	MVBS adjustments
Goodwill		9	-9
Deferred acquisition costs		1	-1
Intangible assets	0	33	-33
Property, plant & equipment held for own use	**139**	**117**	**22**
Investments (other than assets held for index-linked and unit-linked contracts)	**11.921**	**9.785**	**2.136**
Property (other than for own use)	176	110	66
Holdings in related undertakings, including participations	561	288	273
Equities	369	293	76
Equities - listed	363	288	75
Equities - unlisted	6	5	1
Bonds	9.444	7.802	1.642
Government Bonds	6.504	5.032	1.472
Corporate Bonds	2.940	2.770	170
Collective Investments Undertakings	1.351	1.283	68
Derivatives	19	9	10
Other investments	0	0	0
Assets held for index-linked and unit-linked contracts	**6.915**	**6.915**	**0**
Loans and mortgages	**4.403**	**4.051**	**352**
Loans on policies	701	604	97
Loans and mortgages to individuals	2.738	2.585	153
Other loans and mortgages	964	862	102
Reinsurance recoverables from:	**1.212**	**1.332**	**-120**
Non-life and health similar to non-life	1.145	1.252	-107
Non-life excluding health	1.136	1.240	-104
Health similar to non-life	9	12	-3
Life and health similar to life, excluding health and index-linked and unit-linked	73	80	-7
Health similar to life	67	56	11
Life excluding health and index-linked and unit-linked	6	24	-18
Life index-linked and unit-linked	-6	0	-6
Deposits to cedants	**1**	**1**	**0**
Insurance and intermediaries receivables	**152**	**166**	**-14**
Reinsurance receivables	**35**	**225**	**-190**
Receivables (trade, not insurance)	**233**	**229**	**4**
Cash and cash equivalents	**116**	**116**	**0**
Any other assets, not elsewhere shown	**7**	**4**	**3**
Total assets	25.132	22.986	2.146

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	d Deferred acquisition costs are acquisition costs relating to contracts in force at the balance sheet date which are carried forward from one reporting period to subsequent reporting periods, relating to the unexpired periods of risks. In relation to life insurance business, acquisition costs are deferred when it is probable that they will be recovered. Cash flows relating to deferred acquisition costs are included in the best estimate of the technical provisions in the MVBS and are not recognized separately on the asset side. Therefore, the MVBS does not contain an asset for deferred acquisition costs. For further details, please refer to the section on "technical provisions". DAC in the Local Gaap corresponds to the unearned commission in the P&C activity. In Life, no DAC are recognized under local GAAP.
c.	Intangible assets	This line item includes intangible assets other than goodwill. Intangible assets are non-monetary assets without physical substance. They are only recognized in the MVBS when they are separable and there is evidence of exchange transactions for the same or similar assets, indicating it is saleable in the market place. They are measured at fair value with their market price. The difference between Local Gaap and MVBS relates to a valuation difference between the carrying amount recognized in Local Gaap and the fair value recognized in the MVBS (which is 0).
d.	Deferred tax assets	Deferred tax assets are the amounts of income tax recoverables 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 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 deferred tax calculation takes into account the tax regulations specific to particular assets and liabilities in the applicable tax regime. In case of DTA the availability of probable future taxable profit against which the deferred tax asset can be used has to be demonstrated. The delta of DTA in MVBS relates to deferred taxes on temporary differences mainly resulting from revaluation adjustments of technical provisions and intangibles.
e.	Property, plant and equipment	Property, plant and equipment held for own use includes tangible assets which are intended for permanent use and property held by the group for own use. It also includes property for own use under construction. Property, plant and equipment is measured at fair value. The fair value is mainly determined based on the income approach or, in some cases, on the market approach using market prices 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 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 property other than for own use. Investment property 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 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 property is measured at amortized cost under Local Gaap while it is included at fair value in the MVBS.
g.	Holdings in related undertakings, including participations	The participation value is based on the undertaking’s share of the excess of assets over liabilities of the related undertaking’s MVBS (adjusted equity method). When calculating the participation value for undertakings other than insurance or reinsurance, and where the use of quoted market prices or the adjusted equity method is not practicable, the equity method can be used instead, i.e. the participation value is based

		on the undertaking's share of the excess of assets over liabilities of the related undertaking's IFRS balance sheet (where goodwill 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 market prices 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 IAS 39 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 the assets to which they are linked. 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 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 not covered by positions of investments indicated above. There is no difference between Local Gaap and MVBS values.

n.	Assets held for index-linked and unit-linked funds	Assets held for index-linked and unit-linked funds are defined as assets held for insurance products where the policyholder bears the risk. Index-linked and unit-linked assets are measured at fair value. The fair value for assets held for index-linked and unit-linked funds is mainly determined by market prices. There is no difference between Local Gaap and MVBS values as both Local Gaap and MVBS measure Assets held for index-linked and unit-linked funds at fair value.
o.	Loans and mortgages	Loans and mortgages include “loans and mortgages to individuals”, “other loans” and “mortgages and loans on policies”. Loans and mortgages are financial assets created when creditors lend funds to debtors, with or without collateral, including cash pools. Loans on policies are loans made to policyholders that are 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 payments

		in relation to compensation of insurance events and unsettled insurance claims. Payments in relation to other events or settled insurance claims shall be accounted for outside the amounts recoverable from reinsurance contracts and other elements of the technical provisions. Cash in-flows include: • recoverables from reinsurance contracts for claims payments or benefits and recoverables for related expenses, and • reinsurance commission and profit participation as specified in individual reinsurance contracts. Cash out-flows include: • future premiums for reinsurance contracts, and • interest on reinsurance deposits (if applicable). The result from the calculation of reinsurance recoverables is adjusted to take into account the expected losses due to default of the counterparty. That adjustment shall be based on an assessment of the probability of default of the counterparty and the average loss resulting therefrom (loss-given-default). The calculation of CDA involves three conceptual steps: • the estimation of inputs (e.g., best estimate of reinsurance recoverables, duration of the amounts, recovery rate – in case a simplification is applied the parameters for recovery rate and the treatment of collaterals are provided centrally), • parameters provided by the Allianz Group (reinsurance rating and probability of default within the next 12 months, recovery rate used for simplification (50 %) – collaterals are not considered), and • the calculation of CDA. The Group Reserving Guidance explicitly requires AZ Benelux Actuarial Function to test assumptions for the usage of the simplification and to deviate from the simplifications in case these are not appropriate. ***LIFE*** The amounts recoverable from reinsurance contracts are calculated consistently with the boundaries of the underlying insurance or reinsurance contracts to which they relate. The calculation of reinsurance recoverables leads either to the recognition of reinsurance recoverables calculated as a whole or the best estimate for the reinsurance recoverable. No RM is reported in the section of the reinsurance recoverables as the RM

		recognized within the technical provisions is already net of reinsurance. In addition, a credit default adjustment (CDA) is calculated. The best estimate of technical provisions has to be calculated gross, i.e., amounts recoverable from reinsurance contracts are not deducted. Cash in-flows include recoverables from reinsurance contracts for claims payments or benefits and recoverable related expenses. Cash out-flows include future premiums for reinsurance contracts. The result from the calculation of reinsurance recoverables is adjusted to take into account expected losses due to default of the counterparty. That adjustment is based on an assessment of the probability of default of the counterparty and the average loss resulting therefrom (loss-given-default). The calculation of CDA involves three conceptual steps: • local estimation of inputs (e.g., reinsurance recoverables, duration), • gather centrally provided parameters (reinsurance rating and 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 market value 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 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, giro order, 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 proxy for 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

Liabilities 31 12 2021	Solvency II value (MVBS)	Statutory accounts value re-mapped to MVBS line	MVBS adjustments
Technical provisions – non-life	2.085	2.309	-224
Technical provisions – non-life (excluding health)	1.932	2.152	-220
Best Estimate	1.879		
Risk margin	52		
Technical provisions - health (similar to non-life)	153	157	-4
Best Estimate	128		
Risk margin	25		

The following table shows the consolidated MVBS technical provisions on Aggregated-LoB basis for all OEs in scope.

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 was 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 and extreme 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 inand 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 the calculation of the provisions for claims outstanding include benefits, expenses and premiums relating 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 recognised 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 recognition of 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 to apply 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 applied to 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 out a 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) using the risk-free rate (including volatility adjustment) for the respective maturity. Group entities calculating the SCR using the Allianz internal model base the calculation of the RM on the internal model SCR. For standard model only legal entities the risk margin is based on the standard formula SCR. Diversification between lines of business is taken into account. The required cost of capital rate for the RM calculation is based on the EIOPA definition.

The local Actuarial Function has to take on responsibility for the RM. Deviations from the general approach are allowed where necessary. The selected approach needs to be documented (and justified) and the appropriateness of the underlying assumptions and simplifications have to be justified and documented. Simplifications should always be applied carefully. 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 of areas, 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 need to 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 overor underestimate the true underlying risk. However, expert judgment is not applied in isolation unless 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 following ways:

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 are used.

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.5.6 Annuities

Annuities-like claims are exhibiting characteristics of life-like claims as they are affected by mortality, legislative changes and revision risks. Before claims are officially recognized as an annuity, the claims estimate is being set up using non-life techniques. Only after the annuity is officially recognized, the mentioned life-like risk drivers can be considered in the evaluation and selected methods.

D.5.7 Asbestos and other latent claims

Due to the long latency of asbestos claims, methods projecting the future cost of claims 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 for a number of countries from industry publications, research articles and conferences. This information is then periodically updated in order for Allianz to stay appraised of emerging development of asbestos liabilities.

D.5.8 Discounting and cash flow of technical provisions

To evaluate the market value of technical provisions, cash flow patterns, discounted loss 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 official yield curve to be used

The unwind of discount is considered. As discounting is applied to future cash payments to arrive at a present value for the technical provisions, it becomes necessary to unwind that discount for each successive period to arrive at the undiscounted value at the date of payment.

D.5.9 Inappropriate data quality

In case there is insufficient data of appropriate quality to apply, reliable actuarial 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.5.10Material 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

Liabilities 31 12 2021	Solvency II value (MVBS)	Statutory accounts value re-mapped to MVBS line	MVBS adjustments
Technical provisions - life (excluding index-linked and unit-linked)	**12.413**	**10.940**	**1.473**
Technical provisions - health (similar to life)	1.606	1.229	377
Best Estimate	1.517		
Risk margin	88		
Technical provisions – life (excluding health and index-linked and unit-linked)	10.807	9.710	1.097
Best Estimate	10.664		
Risk margin	142		
Technical provisions – index-linked and unit-linked	**6.766**	**6.915**	**-149**
Best Estimate	6.693		
Risk margin	74		

The following table shows the consolidated MVBS technical provisions on Aggregated-LoB basis for all OEs in scope.

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 was 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 other words, at the time the balance sheet is drawn up, all contractual obligations are carried at their expected value (discounted for time value) plus the RM.

In accordance with Solvency II, an allowance for the cost of holding non-hedgeable risk capital is required. No RM is required for hedgeable financial risks as these are transferred through the capital markets. RM is required for non-hedgeable risks – the financial risks other than interest rate risks as well as insurance and operational risks that cannot be transferred through the capital markets.

The cost of capital is the expected cost of transferring the non-hedgeable financial, insurance and operational risks to another insurer or reinsurer and other market participants.

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

At Allianz Group, credit risk with respect to reinsurers is assumed to be fully hedgeable and is, therefore, excluded from the calculation of the RM.

Appropriate diversification benefits between Lines of Business (LoB) are reflected in the calculation of RM at the reporting entity level. It is noted, that diversification between Life and non-life LoB is not allowed under Solvency II.

For calculating the cost of holding the non-hedgeable SCR, it is necessary to project the non-hedgeable SCR over the whole projection period, apply diversification and then compute 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 equal to 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-hedgeable 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 of the 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 consideration is 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, invesment, 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 on the 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.

Liabilities 31 12 2021	Solvency II value (MVBS)	Statutory accounts value re-mapped to MVBS line	MVBS adjustments
Technical provisions – non-life	2.085	2.309	-224
Technical provisions – non-life (excluding health)	1.932	2.152	-220
Best Estimate	1.879		
Risk margin	52		
Technical provisions - health (similar to non-life)	153	157	-4
Best Estimate	128		
Risk margin	25		
Technical provisions - life (excluding index-linked and unit-linked)	12.413	10.940	1.473
Technical provisions - health (similar to life)	1.606	1.229	377
Best Estimate	1.517		
Risk margin	88		
Technical provisions – life (excluding health and index-linked and unit-linked)	10.807	9.710	1.097
Best Estimate	10.664		
Risk margin	142		
Technical provisions – index-linked and unit-linked	6.766	6.915	-149
Best Estimate	6.693		
Risk margin	74		
Provisions other than technical provisions	45	45	0
Pension benefit obligations	139	6	133
Deposits from reinsurers	1.006	1.011	-5
Deferred tax liabilities	69	10	59
Derivatives	3	1	2
Debts owed to credit institutions	224	223	1
Financial liabilities other than debts owed to credit institutions	25	25	0
Insurance & intermediaries payables	202	200	2
Reinsurance payables	40	216	-176
Payables (trade, not insurance)	66	67	-1
Any other liabilities, not elsewhere shown	147	252	-105
Total liabilities	23.229	22.218	1.011
Excess of assets over liabilities	1.904	768	1.136

Table 2 : Reconciliation of liabilities in accordance with Belgian accounting standards and Solvency II.

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 contigent liability.

D.8.2 Provisions other than technical provisions

Provisions other than technical provisions refer to liabilities of uncertain timing and amount, excluding those reported under “Pension benefit obligations”. The provisions are 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 Group 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.

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.

There are no differences for deposits from reinsurers recorded under Local Gaap and MVBS.

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 liabilitiy is recognized as a 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 IAS 39 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 of the other derivatives is mainly determined using the income approach. Valuation techniques applied for the income approach mainly include discounted cash flow models as well as the Black-Scholes-Merton model. Main observable input parameters include volatilities, yield curves observable at commonly quoted intervals and credit spreads observable in the market.

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 adjustement for the probability of default of the counterparty according to the Belgian accounting standards and MVBS.

There a no material differences Belgian accounting strandard 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 Q4-2021 is given below. The value of the Own Funds is obtained by deducting the accrued dividend of 107m€ from the Net Asset Value.

MVBS - Q4 2021					
ASSETS	mn€	%	**LIABILITIES**	mn€	%
Investments	**11.921**	**47%**	**TPs Non-life & Health NSLT**	**2.085**	**9%**
Equity	369	1%	Best Estimate	2.007	9%
Property	176	1%	Risk Margin	77	0%
Participation	561	2%	**TPs Life & Health SLT**	**12.413**	**53%**
Bonds	9.444	38%	Best Estimate	12.181	52%
Investment funds	1.351	5%	Risk Margin	231	1%
Other investments	19	0%	**TPs Life index-unit-linked**	**6.766**	**29%**
Assets held for unit-linked	**6.915**	**28%**	Best Estimate	6.693	29%
Loans & mortgages	**4.403**	**18%**	Risk Margin	74	0%
Reinsurance recoverables	**1.212**	**5%**	**Deferred Tax Liabilities**	**69**	**0%**
Non-life and Health NSLT	1.145	5%	**Payables**	**309**	**1%**
Life and Health SLT	73	0%	**Deposits from reinsurers**	**1.006**	**4%**
Life index- unit-linked	6	0%	**Pension benefit obligations**	**139**	**1%**
Receivables	**420**	**2%**	**Other Liabilities**	**442**	**2%**
Cash and Cash equivalent	**116**	**0%**	**SUB-TOTAL**	23.229	**100%**
Other Assets	**146**	**1%**	**NET ASSETS VALUE**	1.904	-
TOTAL	**25.132**	**100%**	**TOTAL**	**25.132**	-

E.1.1 Capital Management at Allianz Benelux SA

One of the main targets of the AzBNL capital management is to an adequate level of capital to fulfil regulatory requirements in an efficient manner.

It is also in Allianz SE's interest to provide all Operating Entities with ongoing financial and operational support to fulfil any regulatory and financial obligations as they fall due. At the same time, Allianz SE targets to maintain any excess capital readily available at Allianz SE level in order to be able to respond quickly to any local capital needs arising.

Management Ratio

AzBNL sets a Risk Appetite Solvency Ratio at composite level above the regulatory required minimum level of 100%. This so-called Management Ratio is determined by adding on top of the regulatory minimum a resilience buffer which is strong enough to withstand certain adverse stress events, both financial as insurance losses as defined by Allianz Group.

Consequently, this ensures compliance with the minimum regulatory requirement even after those moderate to severe financial stresses or losses from the insurance portfolio.

The Management Ratio reflecting the current overall risk appetite of AzBNL has been lowered to 140% for 2022 and onward. This follows from a reduction of the risk profile of the company resulting in lower relative severity of the severe financial and insurance-based stresses used to calibrate the management ratio.

Alert and Action Barriers

Thresholds below the Management Ratio are defined with the purpose to trigger pre-emptive capital management actions in case of unfavorable movements in the solvency position. Currently the so-called alert barrier is determined at the level of 130% and the so-called action barrier at 125%.

Capital Management

In case of a breach of either of the above mentioned capital levels, AzBNL will agree on measures to either prevent further decline of the solvency ratio, or to reestablish the required capital level in due time. These measures may include the planned profits of the legal entity to be withheld locally, capital increases, re-insurance or investment de-risking.

Dividend Policy

Dividend approval is granted considering the capital requirements over the plan horizon and sensitivities to the capitalization based on the plan data and reflect a long-term sustainable pay-out ratio. These considerations form the basis for the annual proposal for the dividend payment to the annual general meeting of AzBNL.

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 potential extreme losses (corresponding to 1/200 year extreme events). The MCR reflects the absolute minimum level of own funds the (re)insurance undertaking must hold at all times.

The table below shows an adequately capitalized insurance company with a Solvency Ratio of 150% as of end 2021, which is well above the required level of 100%. Consequently, also the Minimum Capital requirement is well above the required level.

Table 4: Overview of the SCR and MCR (4Q 2021)

Standard Model	Q4 2020	Q4 2021	Δ
Required Capital (SCR)	1.184 m€	1.196 m€	12 m€
Own funds (OF) - after dividend	1.787 m€	1.797 m€	10 m€
Solvency Ratio (OF/SCR)	**151%**	**150%**	**-1%**
Minimum Capital Requirement (MCR)	533 m€	538 m€	6 m€
Solvency Ratio (OF/MCR)	336%	334%	-3%

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

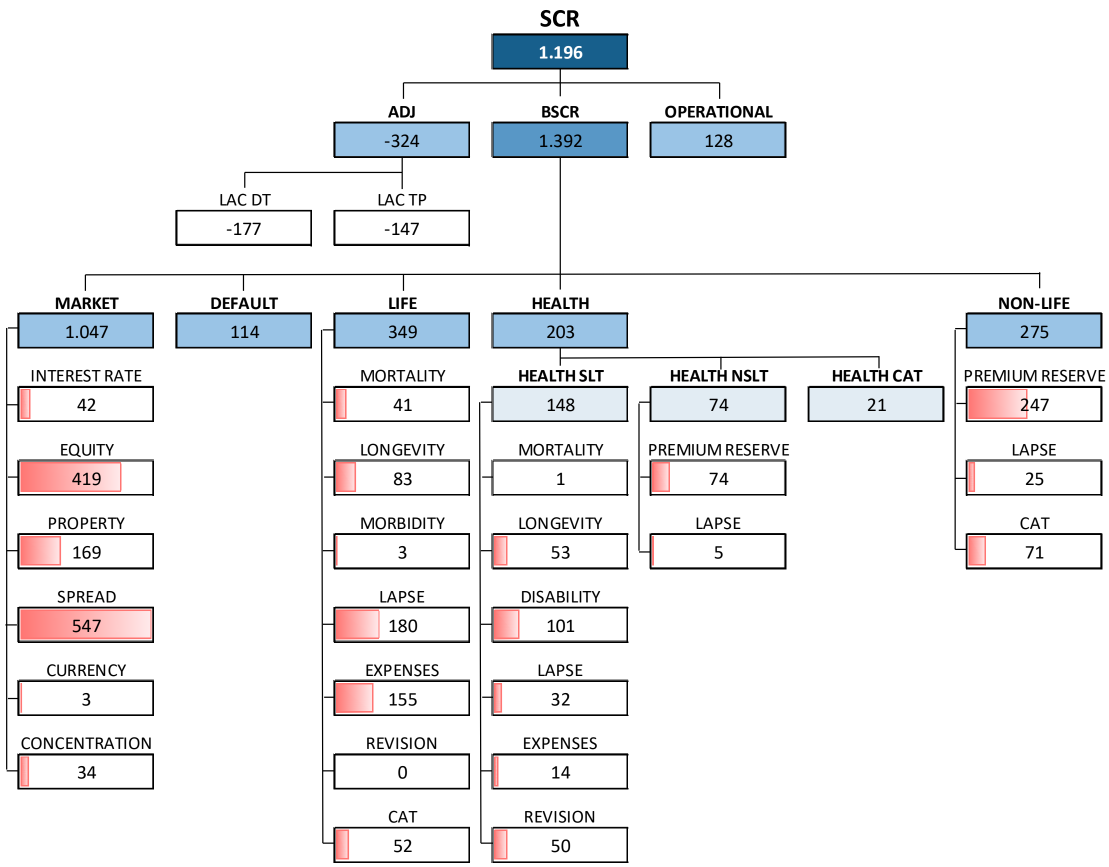
AzBNL uses the Standard Formula to calculate its Solvency Capital Requirements. The SCR is the combination of the (net) Basic SCR, the loss-absorbing capacity of Deferred Taxes and the operational risk. The BSCR, in turn, is the combination of five risk modules[81], corrected by the diversification effects 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. Table 5 and the graph below provide an overview of these components.

Table 5: Solvency Capital Requirement split by risk modules

Standard Model SCR	2021 Q4
SCR	**1.196**
Operational risk	128
Loss-absorbing capacity of Deferred taxes	-177
Net Basic SCR (BSCR)	1.245
TP Relief	-147
Diversification effect, between:	-595
Gross Market risk	1.047
Gross Counterparty Default risk	114
Gross Life Underwriting risk	349
Gross Health Underwriting risk	203
Gross Non-Life Underwriting risk	275

[81] 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 TREE - RISK GRANULARITY BNL 2021Q4



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 by 45% and floored by 25% of the SCR. Moreover, an Absolute Minimum Capital Requirements (AMCR) is defined which imposes an absolute floor on the MCR. Table 6 shows the calculation for AzBNL's MCR.

Table 6: Minimum Capital Requirements Calculation

Standard Model MCR	2021 Q4
Non-life Insurance Obligations	190
Life Insurance Obligations	414
Linear MCR	**605**
SCR	1196
MCR cap	538
MCR floor	299
Absolute floor of the MCR	7
Combined MCR	**538**

E.2.3 Evolution of SCR

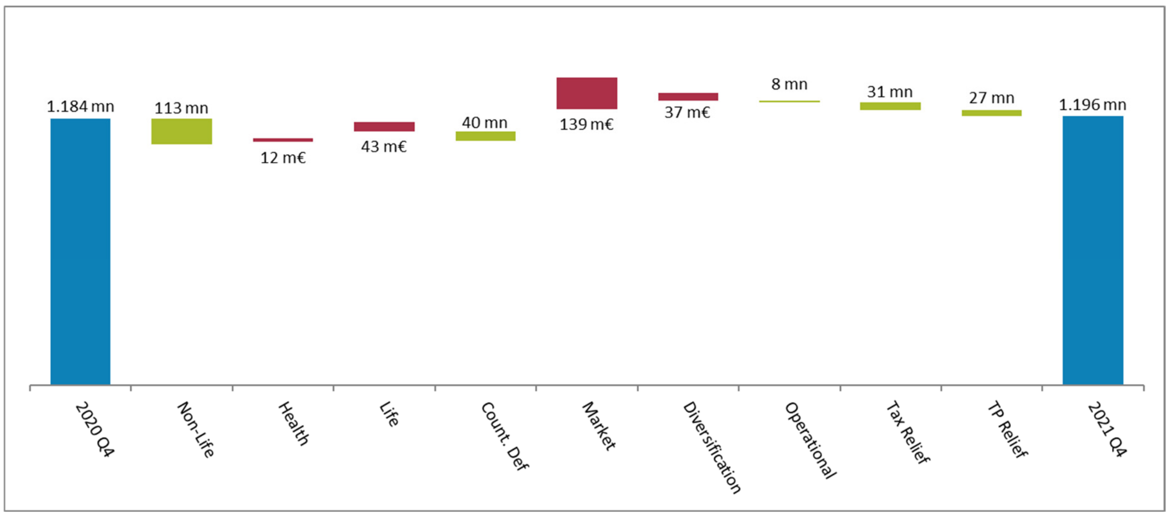
The table and graph below gives an high level overview of the annual movement of the Solvency Ratio and its components.

The annual overall change of the SCR is split into categories in the waterfall graph below.

Overall SCR remained quite stable from 2020 to 2021, the main movements observed are:

- Increase in the Market risk mainly driven by a strong recovery of the equity markets over 2021, resulting in an increase in the relative risk charge for equity (through the “Symmetric Adjustment”) and a growing production of unit-linked business.
- Reduction of Non-Life Underwriting risks due to the implementation of the Loss Portfolio Transfer reinsurance agreement.

Table 7: Breakdown of the SCR evolution



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

Allianz is well prepared to address potentially adverse future events -– such as an ongoing COVID-19 pandemic, economic stagflation, the war in Ukraine and escalating geopolitical conflicts – due to our strong internal limit framework, stress testing, internal model, and risk management practices. We are carefully monitoring especially the development of the geopolitical conflicts, and are managing our portfolios to ensure that the Group and its entities have sufficient resources to meet their solvency capital needs.

E.2.7 Any other information

E.2.7.1 Loss Absorbing Capacity of Deferred Taxes (LAC DT)

Deferred taxes are relevant to the solvency of AzBNL, both as a position within the solvency balance sheet and as an adjustment to the SCR via the loss absorbing capacity of deferred taxes (LAC DT). Given that AzBNL is a cross-border entity with activities in Belgium, Luxembourg and the Netherlands, deferred taxes are assessed separately for each fiscal jurisdiction. Due to immateriality of the Luxembourgish branch, only Belgium and the Netherlands will be mentioned in this chapter.

Deferred tax position

As of Q4 2021, the Belgian operations show a net deferred tax liability of 31 mEUR while the Dutch operations show a net deferred tax liability of 38 mEUR, leading to an overall net deferred tax liability of 69 mEUR in the solvency balance sheet of AzBNL.

Aside from the direct deferred taxes in the Solvency balance sheet, there are also deferred taxes in the participations modelled using a look-through approach for SCR purposes. The table below gives an overview of the deferred tax position of these participations (as of Q4 2021 all participations showed a net deferred tax liability)

Participation	Net DTL position (mEUR)
Sofiholding	0.5
South City (non-life)	1.6
VertBois	4.7
Willemsbruggen, Rotterdam	0.7
South City (life)	4.9
Climmolux	2.8
YAO NEWREP	0.7
Total Participations	15.8

Table 8: Deferred tax position of AzBNL participations.

Loss absorbing capacity of deferred taxes (LAC DT)

AzBNL assesses the loss absorbing capacity of deferred taxes in line with the solvency delegated acts (updated in 2019) and the relevant circular of the National bank of Belgium (updated in 2020). The Dutch tax rules changes foreseen in the Belastingplan 2021 are taken into account.

The maximum LAC DT is the change in the value of deferred taxes resulting from an instantaneous loss equal to the pre-tax SCR. The actual LAC DT is the sum of two components. The first is the reversal of the net deferred tax liability, the second is a notional deferred tax asset, both resulting from the instantaneous loss. The notional deferred tax asset is justified with a recoverability test using profits of the past (loss carry-back) or profits of the future (loss carry-forward).

The reversal of the net deferred tax liability is the sum of 69 mEUR and an additional 8 mEUR contributed by the participations with a look-through approach.

The corporate tax rules in the Netherlands allow to offset losses against the taxable profit of the previous year. This results in a notional deferred tax asset of 18 mEUR justified by the loss carry-back in the Dutch branch.

The notional deferred tax asset justified with loss carry-forward relies on profits generated by new business. The new business considered for LAC DT purposes is a risk-adjusted version of the projections supporting the business plan of AzBNL. The adjustments make sure that there is no double-counting with the future profits already accounted for in the solvency balance sheet, and translate those future profits in a stressed situation after the SCR loss event. The volume and pricing impacts of the SCR loss event were agreed upon together with subject matter experts for each line of business and can be found in appendix.

Lastly, prudential haircuts are applied to reflect the increasing uncertainty of profits projected beyond the business plan horizon. The total amount of notional deferred tax asset recovered with the carry-forward of losses is 31 mEUR for the Belgian and 51 mEUR for the Dutch activities.

Summing those components leads to a LAC DT of 177 mEUR as presented in the table below. It should be remarked upon that the 110mEUR of Dutch LAC DT plus the 3mEUR derived from the look-through participations is the maximum LAC DT that the Dutch activities can recognise. The combination of net DTL, carry-back and and carry-forward leads to a surplus of 15mEUR of taxable profits in the Netherlands that cannot be used as LAC DT.

(mEUR)	Belgium	Netherlands	Allianz Benelux
Reversal of net DTL (solvency balance sheet)	31	38	69
Reversal of net DTL (participations with look-through)	5	3	8
Notional DTA(Loss carry-back)		18	18
Notional DTA (Loss carry forward)	31	51	82
Total LAC DT	**67**	**110**	**177**

Table 9: Overview of LAC DT @Q4 2021

Appendices

Report:	SE.02.01.b
Reporting entity:	RC020
Due date:	Dec 31, 2021
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Variant of Solvency II template S.02.01.b with ECB add-ons
Balance sheet

		Solvency II value	Statutory accounts value	Reclassification adjustments
Assets		C0010	C0020	EC0021
Goodwill	R0010		9.404.588,16	
Deferred acquisition costs	R0020		790.595,30	
Intangible assets	R0030	0,00	33.405.335,67	
Deferred tax assets	R0040	0,00	0,00	
Pension benefit surplus	R0050		0,00	
Property, plant & equipment held for own use	R0060	139.429.320,00	116.602.956,91	
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	11.920.729.718,63	9.785.206.698,12	
Property (other than for own use)	R0080	175.770.000,00	110.216.560,62	
Holdings in related undertakings, including participations	R0090	560.857.600,00	288.199.521,29	
Equities	R0100	369.390.750,00	292.500.190,96	
Equities - listed	R0110	363.159.660,00	287.749.421,27	
Equities - unlisted	R0120	6.231.090,00	4.750.769,69	
Bonds	R0130	9.444.311.398,63	7.802.198.573,60	
Government Bonds	R0140	6.503.970.790,00	5.032.176.775,01	
Corporate Bonds	R0150	2.940.340.608,63	2.770.021.798,44	
Structured notes	R0160		0,00	
Collateralised securities	R0170		0,30	
Collective Investments Undertakings	R0180	1.351.037.620,00	1.283.455.528,17	
Derivatives	R0190	19.362.350,00	8.636.323,48	
Deposits other than cash equivalents	R0200		0,00	
Other investments	R0210		0,00	
Assets held for index-linked and unit-linked contracts	R0220	6.914.917.450,00	6.914.917.449,84	
Loans and mortgages	R0230	4.402.980.471,37	4.051.244.509,01	
Loans on policies	R0240	701.300.360,00	604.183.403,13	
Loans and mortgages to individuals	R0250	2.737.927.840,00	2.585.239.124,02	
Other loans and mortgages	R0260	963.752.271,37	861.821.981,86	
Reinsurance recoverables from:	R0270	1.212.217.750,00	1.332.384.713,73	
Non-life and health similar to non-life	R0280	1.145.208.880,00	1.252.405.951,05	
Non-life excluding health	R0290	1.136.479.060,00	1.240.472.212,94	
Health similar to non-life	R0300	8.729.820,00	11.933.738,11	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	72.854.090,00	79.978.762,68	
Health similar to life	R0320	66.673.020,00	56.398.065,37	
Life excluding health and index-linked and unit-linked	R0330	6.181.070,00	23.580.697,31	
Life index-linked and unit-linked	R0340	-5.845.220,00	0,00	
Deposits to cedants	R0350	823.470,00	823.469,01	
Insurance and intermediaries receivables	R0360	151.513.100,00	166.036.930,40	
Reinsurance receivables	R0370	34.958.500,00	225.074.449,20	
Receivables (trade, not insurance)	R0380	232.508.850,00	230.323.381,34	
Own shares	R0390		0,00	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400		0,00	
Cash and cash equivalents	R0410	115.782.810,00	115.711.286,12	
Any other assets, not elsewhere shown	R0420	6.517.610,00	4.121.022,81	
Total assets	R0500	25.132.379.050,00	22.986.047.385,62	

Liabilities		Solvency II value	Statutory accounts value	Reclassification adjustments
		C0010	C0020	EC0021
Technical provisions - non-life	R0510	2.084.692.510,00	2.308.584.569,07	
Technical provisions - non-life (excluding health)	R0520	1.931.562.340,00	2.151.943.566,52	
TP calculated as a whole	R0530			
Best Estimate	R0540	1.879.386.050,00		
Risk margin	R0550	52.176.290,00		
Technical provisions - health (similar to non-life)	R0560	153.130.170,00	156.641.002,55	
TP calculated as a whole	R0570			
Best Estimate	R0580	128.025.050,00		
Risk margin	R0590	25.105.120,00		
Technical provisions - life (excluding index-linked and unit-linked)	R0600	12.412.695.950,00	10.939.661.538,86	
Technical provisions - health (similar to life)	R0610	1.606.168.450,00	1.229.445.104,96	
TP calculated as a whole	R0620			
Best Estimate	R0630	1.516.929.130,00		
Risk margin	R0640	89.239.320,00		
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	10.806.527.500,00	9.710.216.433,90	
TP calculated as a whole	R0660			
Best Estimate	R0670	10.664.453.070,00		
Risk margin	R0680	142.074.430,00		
Technical provisions - index-linked and unit-linked	R0690	6.766.491.140,00	6.914.917.448,66	
TP calculated as a whole	R0700			
Best Estimate	R0710	6.692.523.130,00		
Risk margin	R0720	73.968.010,00		
Other technical provisions	R0730			
Contingent liabilities	R0740			
Provisions other than technical provisions	R0750	44.668.440,00	44.668.443,78	
Pension benefit obligations	R0760	138.839.030,00	6.132.309,61	
Deposits from reinsurers	R0770	1.005.798.570,00	1.010.721.708,87	
Deferred tax liabilities	R0780	69.061.290,00	10.350.517,39	
Derivatives	R0790	2.645.450,00	1.477.906,48	
Debts owed to credit institutions	R0800	223.780.790,00	222.518.815,19	
Debts owed to credit institutions resident domestically	ER0801	223.780.790,00		
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	24.853.570,00	24.853.578,91	
Debts owed to non-credit institutions	ER0811	24.853.570,00		
Debts owed to non-credit institutions resident domestically	ER0812	24.853.570,00		
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	202.261.630,00	200.014.233,92	
Reinsurance payables	R0830	40.325.840,00	216.418.660,70	
Payables (trade, not insurance)	R0840	66.018.490,00	66.549.194,39	
Subordinated liabilities	R0850			
Subordinated liabilities not in basic own funds	R0860			
Subordinated liabilities in basic own funds	R0870			
Any other liabilities, not elsewhere shown	R0880	146.502.250,00	251.191.533,29	
Total liabilities	R0900	23.228.634.950,00	22.218.060.459,12	
Excess of assets over liabilities	R1000	1.903.744.100,00	767.986.926,50	

Report:	S.05.01.b
Reporting entity:	RC020
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Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**	78.843.618,51	101.589.731,25	98.613.799,49	437.871.767,54	282.381.454,81	44.487.158,47	364.741.245,77	111.344.319,25		10.460.841,23		47.549,68					1.530.381.486,00
Gross - Proportional reinsurance accepted	**R0120**	13.531.603,90		169.597,02	11.308,00		34.673,31	136.236,37	350.848,61									14.234.267,21
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**	7.683.622,10	11.610.332,69	3.912.900,67	214.080.195,58	134.444.850,61	21.849.358,69	180.796.872,44	53.343.412,04	0,00	7.439.498,80	0,00	473.117,48					635.634.161,10
Net	**R0200**	84.691.600,31	89.979.398,56	94.870.495,84	223.802.879,96	147.936.604,20	22.672.473,09	184.080.609,70	58.351.755,82	0,00	3.021.342,43	0,00	-425.567,80					908.981.592,11
Premiums earned																		
Gross - Direct Business	**R0210**	78.964.516,91	100.475.867,97	98.613.799,49	440.595.025,79	286.361.743,65	45.132.109,50	361.775.084,15	108.603.899,01	0,00	10.705.420,93	0,00	42.881,51					1.531.270.348,91
Gross - Proportional reinsurance accepted	**R0220**	13.423.113,49	0,00	169.597,02	-101.641,96	0,00	34.673,31	136.310,11	350.848,61	0,00	0,00	0,00	0,00					14.012.900,58
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**	7.682.296,84	11.615.334,79	3.912.900,67	213.254.269,66	134.765.209,09	22.787.698,66	179.138.063,11	52.389.408,55	0,00	9.032.025,22	0,00	544.467,23					635.121.673,82
Net	**R0300**	84.705.333,56	88.860.533,18	94.870.495,84	227.239.114,17	151.596.534,56	22.379.084,15	182.773.331,15	56.565.339,07	0,00	1.673.395,71	0,00	-501.585,72					910.161.575,67
Claims incurred																		
Gross - Direct Business	**R0310**	56.020.911,19	69.644.565,70	111.873.679,07	248.685.229,94	125.166.772,29	16.791.871,99	217.371.056,08	50.279.327,58	0,00	2.036.352,57	0,00	-624,41					897.869.142,00
Gross - Proportional reinsurance accepted	**R0320**	10.980.913,38	0,00	39.317,63	-757.912,12	-918.463,89	-76.101,58	-1.560.355,87	741.340,60	0,00	0,00	0,00	0,00					8.448.738,15
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**	5.451.622,03	4.872.052,98	1.236.138,43	121.668.695,90	65.154.781,68	10.888.127,42	149.410.931,02	20.758.529,16	0,00	1.660.981,99	0,00	-5.356,93					381.096.503,68
Net	**R0400**	61.550.202,54	64.772.512,72	110.676.858,27	126.258.621,92	59.093.526,72	5.827.642,99	66.399.769,19	30.262.139,02	0,00	375.370,58	0,00	4.732,52					525.221.376,47
Changes in other technical provisions																		
Gross - Direct Business	**R0410**		4.800.000,00															4.800.000,00
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non-proportional reinsurance accepted	**R0430**																	
Reinsurers' share	**R0440**																	
Net	**R0500**		4.800.000,00															4.800.000,00
Expenses incurred	**R0550**	8.283.465,21	12.948.658,75	19.760.511,75	85.723.113,49	58.491.811,55	6.412.289,19	53.710.119,63	28.925.424,62	0,00	4.213.222,89	0,00	654.847,15					279.123.464,23
Administrative expenses																		
Gross - Direct Business	**R0610**	2.850.108,27	4.751.147,00	2.858.692,27	20.036.299,73	18.915.143,43	1.362.971,28	12.540.986,57	4.926.234,85	0,00	937.359,91	0,00	-49.172,48					69.129.770,83
Gross - Proportional reinsurance accepted	**R0620**																	
Gross - Non-proportional reinsurance accepted	**R0630**																	
Reinsurers' share	**R0640**																	
Net	**R0700**	2.850.108,27	4.751.147,00	2.858.692,27	20.036.299,73	18.915.143,43	1.362.971,28	12.540.986,57	4.926.234,85	0,00	937.359,91	0,00	-49.172,48					69.129.770,83
Investment management expenses																		
Gross - Direct Business	**R0710**	360.659,57	194.526,54	652.537,94	834.305,05	525.302,84	95.984,71	804.047,27	300.773,62	0,00	38.292,68	0,00	15.605,98					3.822.036,20
Gross - Proportional reinsurance accepted	**R0720**																	
Gross - Non-proportional reinsurance accepted	**R0730**																	
Reinsurers' share	**R0740**																	
Net	**R0800**	360.659,57	194.526,54	652.537,94	834.305,05	525.302,84	95.984,71	804.047,27	300.773,62	0,00	38.292,68	0,00	15.605,98					3.822.036,20
Claims management expenses																		
Gross - Direct Business	**R0810**	827.927,62	3.398.743,42	9.779.768,11	34.139.962,19	18.144.147,63	3.098.819,83	20.658.744,13	16.547.416,67	0,00	2.085.696,91	0,00	-191,10					108.681.035,41
Gross - Proportional reinsurance accepted	**R0820**																	
Gross - Non-proportional reinsurance accepted	**R0830**																	
Reinsurers' share	**R0840**																	
Net	**R0900**	827.927,62	3.398.743,42	9.779.768,11	34.139.962,19	18.144.147,63	3.098.819,83	20.658.744,13	16.547.416,67	0,00	2.085.696,91	0,00	-191,10					108.681.035,41
Acquisition expenses																		
Gross - Direct Business	**R0910**																	
Gross - Proportional reinsurance accepted	**R0920**																	
Gross - Non-proportional reinsurance accepted	**R0930**																	
Reinsurers' share	**R0940**																	
Net	**R1000**																	
Overhead expenses																		
Gross - Direct Business	**R1010**	4.244.769,75	4.604.241,79	6.469.513,43	30.712.546,52	20.907.217,65	1.854.513,37	19.706.341,66	7.150.999,48	0,00	1.151.873,39	0,00	688.604,75					97.490.621,79
Gross - Proportional reinsurance accepted	**R1020**																	
Gross - Non-proportional reinsurance accepted	**R1030**																	
Reinsurers' share	**R1040**																	
Net	**R1100**	4.244.769,75	4.604.241,79	6.469.513,43	30.712.546,52	20.907.217,65	1.854.513,37	19.706.341,66	7.150.999,48	0,00	1.151.873,39	0,00	688.604,75					97.490.621,79
Other expenses	**R1200**																	
Total expenses	**R1300**																	279.123.464,23

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Premiums, claims and expenses by line of business

		Line of Business for: life obligations						**Life reinsurance obligations**		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**	0,00	420.600.363,22	1.127.871.528,11	327.466.162,47	0,00	0,00	0,00	0,00	1.875.938.053,80
Reinsurers' share	**R1420**	0,00	7.277.527,97	6.075.315,93	10.224.026,79	0,00	0,00	0,00	0,00	23.576.870,69
Net	**R1500**	0,00	413.322.835,25	1.121.796.212,18	317.242.135,68	0,00	0,00	0,00	0,00	1.852.361.183,11
Premiums earned										
Gross	**R1510**	0,00	420.600.363,22	1.127.871.528,11	327.466.162,47	0,00	0,00	0,00	0,00	1.875.938.053,80
Reinsurers' share	**R1520**	0,00	7.277.527,97	6.075.315,93	10.224.026,79	0,00	0,00	0,00	0,00	23.576.870,69
Net	**R1600**	0,00	413.322.835,25	1.121.796.212,18	317.242.135,68	0,00	0,00	0,00	0,00	1.852.361.183,11
Claims incurred										
Gross	**R1610**	0,00	776.227.412,53	483.406.987,88	140.223.264,94	0,00	0,00	0,00	0,00	1.399.857.665,35
Reinsurers' share	**R1620**	0,00	4.262.875,82	3.860.871,54	6.709.265,90	0,00	0,00	0,00	0,00	14.833.013,26
Net	**R1700**	0,00	771.964.536,71	479.546.116,34	133.513.999,04	0,00	0,00	0,00	0,00	1.385.024.652,09
Changes in other technical provisions										
Gross	**R1710**	0,00	-200.679.930,75	1.349.658.568,08	186.419.982,06	0,00	0,00	0,00	0,00	1.335.398.619,39
Reinsurers' share	**R1720**	0,00	0,00	0,00	1.498.155,06	0,00	0,00	0,00	0,00	1.498.155,06
Net	**R1800**	0,00	-200.679.930,75	1.349.658.568,08	184.921.827,00	0,00	0,00	0,00	0,00	1.333.900.464,33
Expenses incurred	**R1900**	0,00	78.381.519,64	71.859.857,34	11.947.509,29	0,00	0,00	0,00	0,00	162.188.886,27
Administrative expenses										
Gross	**R1910**	0,00	35.764.485,33	23.617.684,92	2.174.331,71	0,00	0,00	0,00	0,00	61.556.501,96
Reinsurers' share	**R1920**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Net	**R2000**	0,00	35.764.485,33	23.617.684,92	2.174.331,71	0,00	0,00	0,00	0,00	61.556.501,96
Investment management expenses										
Gross	**R2010**	0,00	8.382.065,39	1.488.884,08	2.053.415,83	0,00	0,00	0,00	0,00	11.924.365,30
Reinsurers' share	**R2020**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Net	**R2100**	0,00	8.382.065,39	1.488.884,08	2.053.415,83	0,00	0,00	0,00	0,00	11.924.365,30
Claims management expenses										
Gross	**R2110**	0,00	2.565.831,44	1.487.834,33	560.286,41	0,00	0,00	0,00	0,00	4.613.952,18
Reinsurers' share	**R2120**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Net	**R2200**	0,00	2.565.831,44	1.487.834,33	560.286,41	0,00	0,00	0,00	0,00	4.613.952,18
Acquisition expenses										
Gross	**R2210**	0,00	32.470.635,06	35.026.139,55	3.321.962,43	0,00	0,00	0,00	0,00	70.818.737,04
Reinsurers' share	**R2220**	0,00	801.497,58	394.463,11	837.596,67	0,00	0,00	0,00	0,00	2.033.557,36
Net	**R2300**	0,00	31.669.137,48	34.631.676,44	2.484.365,76	0,00	0,00	0,00	0,00	68.785.179,68
Overhead expenses										
Gross	**R2310**	0,00	0,00	10.633.777,57	4.675.109,58	0,00	0,00	0,00	0,00	15.308.887,15
Reinsurers' share	**R2320**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Net	**R2400**	0,00	0,00	10.633.777,57	4.675.109,58	0,00	0,00	0,00	0,00	15.308.887,15
Other expenses	**R2500**									
Total expenses	**R2600**									162.188.886,27
Total amount of surrenders	**R2700**	0,00	391.185.503,29	297.945.688,99	31.552.188,00	0,00	0,00	0,00	0,00	720.683.380,28

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Premiums, claims and expenses by country

		Home Country	Total Top 5 and home country	Top 5 countries (by amount of gross premiums written) - life obligations
	R1400			(NL) Netherlands
		C0220	**C0280**	**C0230**
Premiums written				
Gross	**R1410**	1.085.191.533,19	1.548.471.891,33	463.280.358,14
Reinsurers' share	**R1420**	7.277.527,97	13.352.843,90	6.075.315,93
Net	**R1500**	1.077.914.005,22	1.535.119.047,43	457.205.042,21
Premiums earned				
Gross	**R1510**	1.085.191.533,19	1.548.471.891,33	463.280.358,14
Reinsurers' share	**R1520**	7.277.527,97	13.352.843,90	6.075.315,93
Net	**R1600**	1.077.914.005,22	1.535.119.047,43	457.205.042,21
Claims incurred				
Gross	**R1610**	913.823.894,13	1.259.634.400,41	345.810.506,28
Reinsurers' share	**R1620**	4.262.875,82	8.123.747,36	3.860.871,54
Net	**R1700**	909.561.018,31	1.251.510.653,05	341.949.634,74
Changes in other technical provisions				
Gross	**R1710**	640.713.430,09	1.148.978.637,33	508.265.207,24
Reinsurers' share	**R1720**	0,00	0,00	0,00
Net	**R1800**	640.713.430,09	1.148.978.637,33	508.265.207,24
Expenses incurred	**R1900**	2.953.819,02	29.214.162,32	26.260.343,30
Other expenses	**R2500**		121.027.214,66	
Total expenses	**R2600**		150.241.376,98	

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Premiums, claims and expenses by country

		Home Country	Total Top 5 and home country	Top 5 countries (by amount of gross premiums written) - non-life obligations	
	R0010			(NL) Netherlands	(LU) Luxembourg
		C0080	**C0140**	**C0090**	**C0090**
Premiums written					
Gross - Direct Business	**R0110**	457.454.445,50	1.530.381.486,00	1.042.819.213,66	30.107.826,84
Gross - Proportional reinsurance accepted	**R0120**	13.954.858,81	14.234.267,21	279.408,40	
Gross - Non-proportional reinsurance accepted	**R0130**				
Reinsurers' share	**R0140**	147.429.716,24	635.634.161,10	471.179.784,66	17.024.660,20
Net	**R0200**	323.979.588,07	908.981.592,11	571.918.837,40	13.083.166,64
Premiums earned					
Gross - Direct Business	**R0210**	459.118.651,73	1.531.270.348,91	1.041.978.978,31	30.172.718,87
Gross - Proportional reinsurance accepted	**R0220**	13.733.418,44	14.012.900,58	279.482,14	
Gross - Non-proportional reinsurance accepted	**R0230**				
Reinsurers' share	**R0240**	149.670.718,70	635.121.673,82	468.041.365,67	17.409.589,45
Net	**R0300**	323.181.351,47	910.161.575,67	574.217.094,78	12.763.129,42
Claims incurred					
Gross - Direct Business	**R0310**	323.700.608,85	888.228.706,95	537.364.822,42	27.163.275,68
Gross - Proportional reinsurance accepted	**R0320**	11.257.506,17	11.257.506,17		
Gross - Non-proportional reinsurance accepted	**R0330**				
Reinsurers' share	**R0340**	96.363.162,58	361.151.966,70	247.928.074,83	16.860.729,29
Net	**R0400**	238.594.952,44	538.334.246,42	289.436.747,59	10.302.546,39
Changes in other technical provisions					
Gross - Direct Business	**R0410**		4.800.000,00	4.800.000,00	
Gross - Proportional reinsurance accepted	**R0420**				
Gross - Non-proportional reinsurance accepted	**R0430**				
Reinsurers' share	**R0440**				
Net	**R0500**		4.800.000,00	4.800.000,00	
Expenses incurred	**R0550**	154.204.824,40	347.053.280,41	186.806.679,16	6.041.776,85
Other expenses	**R1200**				
Total expenses	**R1300**		347.053.280,41		

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Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance				Accepted reinsurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations		Insurance with profit participation on Accepted reinsurance (Gross)	Index-linked and unit-linked insurance on Accepted reinsurance (Gross)	Other life insurance on Accepted reinsurance (Gross)	Annuities stemming from non-life accepted insurance contracts and relating to insurance obligation other than health insurance obligations (Gross)	**Total (Life other than health insurance, incl. Unit-Linked)**		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0010**																				
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0020**																				
Technical provisions calculated as a sum of BE and RM																					
Best Estimate																					
Gross Best Estimate	**R0030**	8.618.862.250,00		6.496.679.600,00	195.844.290,00		378.352.880,00	1.667.237.190,00							17.356.976.210,00		45.116.620,00		1.459.653.220,00	12.159.290,00	1.516.929.130,00
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	**R0040**	9.092.750,00		-5.748.750,00	-87.400,00			-2.620.930,00							635.670,00				61.886.090,00	4.863.420,00	66.749.510,00
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	**R0050**	9.092.750,00		-5.748.750,00	-87.400,00			-2.620.930,00							635.670,00				57.772.620,00	4.863.420,00	62.636.040,00
Recoverables from SPV before adjustment for expected losses	**R0060**																		4.113.470,00		4.113.470,00
Recoverables from Finite Re before adjustment for expected losses	**R0070**																				
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	9.092.740,00		-5.757.530,00	-87.700,00			-2.911.660,00							335.850,00				61.809.590,00	4.863.420,00	66.673.010,00
Best estimate minus recoverables from reinsurance/SPV and Finite Re	**R0090**	8.609.769.510,00		6.502.437.130,00	195.931.990,00		378.352.880,00	1.670.148.850,00							17.356.640.360,00		45.116.620,00		1.397.843.630,00	7.295.870,00	1.450.256.120,00
Risk margin	**R0100**	77.959.530,00	73.968.020,00			64.114.910,00									216.042.460,00	39.677.090,00			49.200.980,00	361.250,00	89.239.320,00
Amount of the transitional on Technical Provisions																					
Technical provisions calculated as a whole	**R0110**																				
Best Estimate	**R0120**	0,00		0,00	0,00		0,00	0,00							0,00						
Risk margin	**R0130**	0,00	0,00			0,00									0,00						
Technical provisions - total	**R0200**	8.696.821.780,00	6.766.491.910,00			2.109.704.980,00									17.573.018.670,00	84.793.710,00			1.508.854.200,00	12.520.540,00	1.606.168.450,00
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0210**	8.687.729.040,00	6.772.337.140,00			2.112.616.640,00									17.572.682.820,00	84.793.710,00			1.447.044.610,00	7.657.120,00	1.539.495.440,00
Best Estimate of products with a surrender option	**R0220**	8.395.273.570,00	6.747.727.050,00			2.045.581.750,00									17.188.582.370,00						
Gross BE for Cash flow																					
Cash out-flows																					
Future guaranteed and discretionary benefits	**R0230**		6.825.346.170,00			2.427.312.420,00									18.084.339.660,00	203.638.300,00			1.390.524.260,00	12.087.670,00	1.606.250.230,00
Future guaranteed benefits	**R0240**	8.607.260.110,00													8.607.260.110,00						
Future discretionary benefits	**R0250**	224.420.960,00													224.420.960,00						
Future expenses and other cash out-flows	**R0260**	403.661.810,00	479.593.660,00			80.350.450,00									963.605.920,00	43.539.740,00			37.421.990,00	71.620,00	81.033.350,00
Cash in-flows																					
Future premiums	**R0270**	689.624.450,00	612.407.640,00			462.081.120,00									1.764.113.210,00	201.624.420,00			12.273.030,00		213.897.450,00
Other cash in-flows	**R0280**																		43.542.980,00		43.542.980,00
Percentage of gross Best Estimate calculated using approximations	**R0290**																				
Surrender Value	**R0300**	6.369.164.530,00	6.623.614.820,00			858.301.650,00									13.851.081.000,00	0,00			0,00	0,00	0,00
Best estimate subject to transitional of the interest rate	**R0310**	0,00	0,00			0,00									0,00	0,00			0,00	0,00	0,00
Technical provisions without transitional on interest rate	**R0320**	8.696.821.780,00	6.766.491.910,00			2.109.704.980,00									17.573.018.670,00	84.793.710,00			1.508.854.200,00	12.520.540,00	1.606.168.450,00
Best estimate subject to volatility adjustment	**R0330**	8.618.862.250,00	6.692.523.890,00			2.045.590.070,00									17.356.976.210,00	45.116.620,00			1.459.653.220,00	12.159.290,00	1.516.929.130,00
Technical provisions without volatility adjustment and without others transitional measures	**R0340**	8.711.366.130,00	6.776.945.320,00			2.115.188.310,00									17.603.499.760,00	85.037.820,00			1.513.841.040,00	12.520.410,00	1.611.399.270,00
Best estimate subject to matching adjustment	**R0350**	0,00	0,00			0,00									0,00	0,00			0,00	0,00	0,00
Technical provisions without matching adjustment and without all the others	**R0360**	8.711.366.130,00	6.776.945.320,00			2.115.188.310,00									17.603.499.760,00	85.037.820,00			1.513.841.040,00	12.520.410,00	1.611.399.270,00

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Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010																	
Direct business	R0020																	
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 as a whole	R0050																	
Technical provisions calculated as a sum of BE and RM																		
Best Estimate																		
Premium provisions																		
Gross - Total	R0060	-1.428.180,00	-3.841.860,00	7.944.160,00	23.659.880,00	6.956.090,00	-1.258.030,00	24.304.590,00	-3.667.940,00				-2.698.380,00					49.970.330,00
Gross - Direct Business	R0070	-1.560.470,00	-3.846.170,00	7.944.160,00	23.659.880,00	6.956.090,00	-1.258.030,00	24.303.520,00	-3.667.940,00				-2.698.380,00					49.832.660,00
Gross - accepted proportional reinsurance business	R0080	132.290,00	4.310,00					1.070,00										137.670,00
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	-180.120,00	-961.010,00	-886.510,00	9.328.210,00	2.913.110,00	-16.270,00	14.906.770,00	-2.403.980,00				-2.960.060,00					19.740.140,00
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0110	-180.120,00	-961.010,00	-886.510,00	9.328.210,00	2.913.110,00	-16.270,00	14.906.770,00	-2.403.980,00				-2.960.060,00					19.740.140,00
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	-180.120,00	-960.830,00	-887.670,00	9.310.270,00	2.912.500,00	-17.560,00	14.913.720,00	-2.414.420,00				-2.958.210,00					19.717.680,00
Net Best Estimate of Premium Provisions	R0150	-1.248.060,00	-2.881.030,00	8.831.830,00	14.349.610,00	4.043.590,00	-1.240.470,00	9.390.870,00	-1.253.520,00				259.830,00					30.252.650,00
Claims provisions																		
Gross - Total	R0160	27.681.030,00	21.271.100,00	76.398.800,00	1.165.668.540,00	55.864.730,00	34.692.560,00	217.652.360,00	343.997.040,00		2.181.230,00		6.645.840,00		5.387.540,00			1.957.440.770,00
Gross - Direct Business	R0170	21.671.120,00	21.271.100,00	76.398.800,00	1.155.903.390,00	55.864.730,00	34.689.450,00	217.595.810,00	343.640.960,00		2.181.230,00		6.647.030,00					1.935.863.620,00
Gross - accepted proportional reinsurance business	R0180	6.009.910,00			9.765.150,00	0,00	3.110,00	56.550,00	356.080,00				-1.190,00					16.189.610,00
Gross - accepted non-proportional reinsurance business	R0190														5.387.540,00			5.387.540,00
Total recoverable from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0200	894.080,00	4.169.570,00	5.698.420,00	730.336.990,00	24.661.990,00	15.955.690,00	120.459.010,00	216.296.750,00				2.785.280,00		4.608.430,00			1.125.866.210,00
Recoverables from reinsurance (except SPV and Finite Reinsurance) before adjustment for expected losses	R0210	894.080,00	4.169.570,00	5.698.420,00	730.336.990,00	24.661.990,00	15.955.690,00	120.459.010,00	216.296.750,00				2.785.280,00		4.608.430,00			1.125.866.210,00
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	894.080,00	4.169.570,00	5.694.790,00	730.063.730,00	24.655.020,00	15.947.220,00	120.453.650,00	216.220.370,00				2.784.340,00		4.608.430,00			1.125.491.200,00
Net Best Estimate of Claims Provisions	R0250	26.786.950,00	17.101.530,00	70.704.010,00	435.604.810,00	31.209.710,00	18.745.340,00	97.198.710,00	127.776.670,00		2.181.230,00		3.861.500,00		779.110,00			831.949.570,00
Total Best estimate - gross	R0260	26.252.850,00	17.429.240,00	84.342.960,00	1.189.328.420,00	62.820.820,00	33.434.530,00	241.956.950,00	340.329.100,00		2.181.230,00		3.947.460,00		5.387.540,00			2.007.411.100,00
Total Best estimate - net	R0270	25.538.890,00	14.220.500,00	79.535.840,00	449.954.420,00	35.253.300,00	17.504.870,00	106.589.580,00	126.523.150,00		2.181.230,00		4.121.330,00		779.110,00			862.202.220,00
Risk margin	R0280	221.340,00	7.595.280,00	17.288.500,00	31.721.630,00	1.014.330,00	709.410,00	3.552.860,00	14.846.190,00		99.090,00		127.340,00		105.440,00			77.281.410,00
Amount of the transitional on Technical Provisions																		
TP as a whole	R0290																	
Best Estimate	R0300																	
Risk margin	R0310																	
Technical provisions - total																		
Technical provisions - total	R0320	26.474.190,00	25.024.520,00	101.631.460,00	1.221.050.050,00	63.835.150,00	34.143.940,00	245.509.810,00	355.175.290,00		2.280.320,00		4.074.800,00		5.492.980,00			2.084.692.510,00
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	713.960,00	3.208.740,00	4.807.120,00	739.374.000,00	27.567.520,00	15.929.660,00	135.367.370,00	213.805.950,00				-173.870,00		4.608.430,00			1.145.208.880,00
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	25.760.230,00	21.815.780,00	96.824.340,00	481.676.050,00	36.267.630,00	18.214.280,00	110.142.440,00	141.369.340,00		2.280.320,00		4.248.670,00		884.550,00			939.483.630,00
Line of Business: further segmentation (Homogeneous Risk Groups - HRG)																		
Premium provisions - Total number of homogeneous risk groups (HRGs)	R0350	2	7	1	5	5	4	6	5		1		2					
Claims provisions - Total number of homogeneous risk groups (HRGs)	R0360	3	11	1	18	17	8	28	17		3		9		1			
Cash-flows of the Best estimate of Premium Provisions (Gross)																		
Cash out-flows																		
Future benefits and claims	R0370		32.469.130,00	91.997.050,00	117.846.210,00	68.461.750,00	11.349.180,00	144.005.680,00	39.029.150,00				1.263.460,00					506.421.610,00
Future expenses and other cash-out flows	R0380		12.161.290,00	20.438.370,00	60.405.420,00	45.755.880,00	5.623.230,00	75.237.060,00	33.401.610,00				2.785.400,00					255.808.260,00
Cash in-flows																		
Future premiums	R0390		46.963.330,00	104.491.250,00	154.712.570,00	107.289.840,00	18.230.770,00	195.025.000,00	76.177.940,00				6.747.220,00					709.637.920,00
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0400																	
Cash-flows of the Best estimate of Claims Provisions (Gross)																		
Cash out-flows																		
Future benefits and claims	R0410		17.972.920,00	76.300.990,00	1.112.916.420,00	81.349.760,00	35.180.680,00	211.965.250,00	330.737.520,00		1.608.120,00		6.097.710,00		5.351.630,00			1.879.481.000,00
Future expenses and other cash-out flows	R0420		538.830,00	97.810,00	64.591.600,00	3.324.420,00	942.170,00	6.202.230,00	16.286.800,00		573.060,00		539.300,00		35.910,00			93.132.130,00
Cash in-flows																		
Future premiums	R0430																	
Other cash-in flows (incl. Recoverable from salvages and subrogations)	R0440				11.839.440,00	28.809.380,00	1.430.300,00	515.110,00	3.027.340,00				-8.820,00					45.612.750,00
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	0,00	0,00		0,00		0,00		0,00			0,00
Technical provisions without transitional on interest rate	R0470	26.474.170,00	25.024.520,00	101.631.460,00	1.221.050.110,00	63.835.260,00	34.143.950,00	245.509.820,00	355.175.290,00		2.280.270,00		4.074.800,00		5.492.980,00			2.084.692.630,00
Best estimate subject to volatility adjustment	R0480	26.252.830,00	17.429.240,00	84.342.960,00	1.189.328.480,00	62.820.930,00	33.434.540,00	241.956.960,00	340.329.100,00		2.181.180,00		3.947.460,00		5.387.540,00			2.007.411.220,00
Technical provisions without volatility adjustment and without others transitional measures	R0490	26.482.670,00	25.149.170,00	101.631.460,00	1.222.570.950,00	63.876.170,00	34.171.320,00	245.673.700,00	355.731.560,00		2.282.200,00		4.078.560,00		5.504.290,00			2.087.152.050,00

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Non-life Insurance Claims Information

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

Development year

Year		**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**
Prior	**R0100**								
N-14	**R0110**	0	0	0	0	0	59.273.530,00	19.209.710,00	347.070,00
N-13	**R0120**	395.282.610,00	264.611.760,00	62.971.630,00	38.973.340,00	18.419.270,00	32.625.580,00	10.929.420,00	8.218.520,00
N-12	**R0130**	422.512.590,00	211.669.960,00	53.177.100,00	29.742.110,00	42.102.580,00	19.885.770,00	13.410.470,00	7.184.410,00
N-11	**R0140**	429.555.470,00	228.607.170,00	55.370.440,00	52.614.140,00	17.799.100,00	18.432.920,00	12.353.390,00	12.749.750,00
N-10	**R0150**	424.991.270,00	207.191.550,00	71.980.900,00	24.243.800,00	21.387.670,00	16.567.630,00	13.186.960,00	11.354.000,00
N-9	**R0160**	358.442.940,00	195.120.060,00	42.265.930,00	22.569.650,00	17.312.700,00	18.591.860,00	13.864.090,00	9.464.920,00
N-8	**R0170**	349.790.320,00	182.978.590,00	38.296.500,00	24.641.850,00	25.082.980,00	16.815.530,00	13.094.700,00	8.393.560,00
N-7	**R0180**	341.742.400,00	172.336.370,00	47.367.900,00	32.229.160,00	25.848.950,00	19.992.660,00	14.126.980,00	11.341.880,00
N-6	**R0190**	356.713.000,00	195.061.360,00	60.085.250,00	34.534.760,00	22.932.520,00	20.267.950,00	15.015.600,00	
N-5	**R0200**	407.783.560,00	232.323.130,00	61.557.580,00	31.924.840,00	24.302.950,00	18.989.500,00		
N-4	**R0210**	345.321.230,00	219.486.360,00	58.760.170,00	32.010.840,00	23.657.420,00			
N-3	**R0220**	360.603.830,00	229.477.570,00	59.691.660,00	35.389.360,00				
N-2	**R0230**	348.396.650,00	231.662.080,00	59.135.120,00					
N-1	**R0240**	294.858.480,00	168.131.170,00						
N	**R0250**	317.056.350,00							

Year		**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15 & +**
		C0090	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**
Prior	**R0100**								23.962.710,00
N-14	**R0110**	338.380,00	178.100,00	391.430,00	175.650,00	121.570,00	251.670,00	153.860,00	
N-13	**R0120**	19.593.730,00	6.678.430,00	5.386.520,00	4.028.990,00	2.804.220,00	3.338.000,00		
N-12	**R0130**	13.326.860,00	7.661.350,00	4.881.330,00	15.129.340,00	6.313.650,00			
N-11	**R0140**	8.365.750,00	7.620.290,00	4.692.170,00	4.369.580,00				
N-10	**R0150**	9.073.470,00	6.984.130,00	3.591.360,00					
N-9	**R0160**	8.339.940,00	8.033.340,00						
N-8	**R0170**	7.361.840,00							
N-7	**R0180**								
N-6	**R0190**								
N-5	**R0200**								
N-4	**R0210**								
N-3	**R0220**								
N-2	**R0230**								
N-1	**R0240**								
N	**R0250**								

Gross Claims Paid (non-cumulative) - Current year, sum of

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	23.962.710,00	23.962.710,00
	R0110	153.860,00	80.440.970,00
	R0120	3.338.000,00	873.862.020,00
	R0130	6.313.650,00	846.997.520,00
	R0140	4.369.580,00	852.530.170,00
	R0150	3.591.360,00	810.552.740,00
	R0160	8.033.340,00	694.005.430,00
	R0170	7.361.840,00	666.455.870,00
	R0180	11.341.880,00	664.986.300,00
	R0190	15.015.600,00	704.610.440,00
	R0200	18.989.500,00	776.881.560,00
	R0210	23.657.420,00	679.236.020,00
	R0220	35.389.360,00	685.162.420,00
	R0230	59.135.120,00	639.193.850,00
	R0240	168.131.170,00	462.989.650,00
	R0250	317.056.350,00	317.056.350,00
Total	R0260	705.840.740,00	9.778.924.020,00

Gross undiscounted Best Estimate Claims Provisions - Development
(absolute amount)

Development year

Year		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340	C0350
Prior	R0100																246.045.120,00
N-14	R0110	320.527.020,00	148.955.110,00	102.453.690,00	79.268.080,00	61.045.360,00	49.853.980,00	61.399.780,00	47.481.530,00	36.652.600,00	35.676.250,00	33.116.130,00	30.642.660,00	29.421.580,00	26.131.330,00	27.264.600,00	
N-13	R0120	321.737.100,00	148.075.610,00	79.281.370,00	57.357.230,00	48.358.840,00	65.481.110,00	61.835.950,00	68.272.960,00	53.442.130,00	46.307.530,00	41.094.280,00	31.275.970,00	31.240.610,00	29.387.430,00		
N-12	R0130	299.314.790,00	138.373.830,00	85.406.520,00	66.915.210,00	80.948.530,00	64.302.850,00	48.515.020,00	51.997.910,00	40.526.540,00	32.780.100,00	31.280.250,00	26.224.980,00	19.802.300,00			
N-11	R0140	286.750.890,00	127.752.300,00	90.352.240,00	107.582.980,00	86.779.860,00	69.392.150,00	66.359.480,00	55.781.660,00	49.898.900,00	41.922.320,00	38.803.750,00	34.279.670,00				
N-10	R0150	264.235.090,00	136.260.640,00	144.945.920,00	123.346.060,00	91.272.470,00	89.176.160,00	76.467.570,00	66.726.150,00	53.809.280,00	49.363.040,00	46.464.350,00					
N-9	R0160	247.764.300,00	187.281.140,00	115.419.840,00	94.254.850,00	90.989.960,00	72.347.360,00	62.925.360,00	45.171.620,00	39.486.050,00	30.534.670,00						
N-8	R0170	340.610.470,00	175.026.890,00	126.713.710,00	129.139.990,00	103.457.690,00	86.701.020,00	70.293.110,00	69.451.650,00	57.539.590,00							
N-7	R0180	365.823.650,00	196.412.250,00	190.545.660,00	155.912.460,00	127.458.350,00	103.054.320,00	94.876.710,00	78.965.230,00								
N-6	R0190	365.822.230,00	253.810.980,00	187.111.950,00	153.672.360,00	119.296.060,00	97.714.980,00	77.897.800,00									
N-5	R0200	447.892.760,00	237.556.160,00	178.509.740,00	141.384.110,00	125.434.920,00	108.632.670,00										
N-4	R0210	416.535.690,00	232.971.700,00	165.709.800,00	137.242.420,00	125.611.740,00											
N-3	R0220	433.186.840,00	252.195.030,00	201.962.930,00	164.479.610,00												
N-2	R0230	517.678.730,00	300.945.330,00	233.200.340,00													
N-1	R0240	403.568.710,00	230.219.460,00														
N	R0250	470.495.200,00															

Gross discounted Best Estimate

		Year end (discounted data)
		C0360
	R0100	214.991.860,00
	R0110	27.182.280,00
	R0120	29.319.830,00
	R0130	19.773.530,00
	R0140	34.196.420,00
	R0150	46.373.850,00
	R0160	30.417.430,00
	R0170	57.292.120,00
	R0180	78.621.130,00
	R0190	77.553.380,00
	R0200	108.130.110,00
	R0210	124.998.650,00
	R0220	163.915.530,00
	R0230	232.346.940,00
	R0240	229.786.770,00
	R0250	450.701.360,00
Total	R0260	1.925.601.190,00

Gross Reported but not Settled Claims (RBNS) - Development year

(absolute amount)

Development year

Year		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
		C0400	C0410	C0420	C0430	C0440	C0450	C0460	C0470	C0480	C0490	C0500	C0510	C0520	C0530	C0540	C0550
Prior	R0100																195.856.700,00
N-14	R0110	239.485.140,00	137.910.680,00	95.025.690,00	71.970.480,00	53.747.740,00	40.247.880,00	32.972.310,00	23.209.160,00	17.934.130,00	16.742.010,00	14.282.240,00	12.828.590,00	10.732.700,00	9.425.980,00	8.483.560,00	
N-13	R0120	244.505.800,00	139.815.200,00	79.235.610,00	57.570.800,00	40.828.110,00	59.514.440,00	57.942.270,00	61.606.030,00	47.266.180,00	43.480.700,00	33.342.740,00	28.690.860,00	27.322.050,00	25.973.210,00		
N-12	R0130	225.165.390,00	127.480.050,00	84.559.950,00	59.182.640,00	75.640.300,00	60.143.270,00	44.051.040,00	46.327.510,00	36.090.860,00	32.811.830,00	26.952.450,00	22.527.390,00	15.094.850,00			
N-11	R0140	214.809.810,00	106.197.090,00	74.600.250,00	101.496.920,00	81.542.530,00	63.807.040,00	60.681.120,00	49.588.110,00	43.895.330,00	37.844.670,00	31.746.490,00	27.868.320,00				
N-10	R0150	194.337.120,00	105.755.340,00	137.604.740,00	111.910.780,00	80.885.360,00	76.629.470,00	65.810.220,00	59.442.370,00	49.121.670,00	41.653.450,00	39.134.400,00					
N-9	R0160	168.330.500,00	161.898.930,00	114.251.960,00	86.587.010,00	81.020.920,00	64.213.440,00	49.991.140,00	38.045.140,00	31.784.980,00	23.666.960,00						
N-8	R0170	284.366.070,00	160.599.530,00	117.881.830,00	119.799.230,00	89.371.070,00	76.440.530,00	63.628.860,00	56.257.880,00	45.718.660,00							
N-7	R0180	312.190.500,00	181.104.830,00	173.876.010,00	138.858.670,00	113.484.530,00	92.530.730,00	81.107.210,00	67.901.950,00								
N-6	R0190	311.672.440,00	221.598.660,00	157.853.100,00	126.683.880,00	105.486.570,00	79.771.980,00	62.162.500,00									
N-5	R0200	368.370.600,00	203.984.380,00	157.020.950,00	129.065.860,00	107.752.100,00	88.866.140,00										
N-4	R0210	343.504.650,00	201.507.710,00	148.324.200,00	118.813.040,00	97.945.750,00											
N-3	R0220	371.626.320,00	225.721.100,00	167.044.370,00	135.814.820,00												
N-2	R0230	419.197.460,00	255.152.920,00	196.090.610,00													
N-1	R0240	303.938.480,00	177.946.590,00														
N	R0250	341.808.070,00															

Gross Reported but not Settled

		Year end (discounted data)
		C0560
	R0100	161.905.430,00
	R0110	23.797.610,00
	R0120	26.029.640,00
	R0130	15.096.160,00
	R0140	27.914.340,00
	R0150	39.071.530,00
	R0160	23.679.500,00
	R0170	45.149.960,00
	R0180	66.113.570,00
	R0190	61.739.180,00
	R0200	88.277.720,00
	R0210	97.689.560,00
	R0220	135.411.260,00
	R0230	193.378.200,00
	R0240	174.164.890,00
	R0250	327.493.970,00
Total	R0260	1.506.912.520,00

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Impact of long term guarantees measures and transitional

		Amount with Long Term Guarantee measures and transitionals	Impact of the Long Term Guarantee measures and transitionals (Step-by-step approach)								
			Without transitional on technical provisions	Impact of transitional on technical provisions	Without transitional on interest rate	Impact of transitional on interest rate	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 matching adjustment set to zero	Impact of all LTG measures and transitionals
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions	R0010	21.263.879.680,00	21.263.879.680,00	0,00	21.263.879.680,00	0,00	21.296.531.323,26	32.651.643,26	21.296.531.323,26	0,00	32.651.643,26
Basic own funds	R0020	1.796.844.100,00	1.796.844.100,00	0,00	1.796.844.100,00	0,00	1.773.556.089,50	-23.288.010,50	1.773.556.089,50	0,00	-23.288.010,50
Excess of assets over liabilities	R0030	1.903.744.100,00	1.903.744.100,00	0,00	1.903.744.100,00	0,00	1.880.456.089,50	-23.288.010,50	1.880.456.089,50	0,00	-23.288.010,50
Restricted own funds due to ring-fencing and matching portfolio	R0040	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Eligible own funds to meet Solvency Capital Requirement	R0050	1.796.844.100,00	1.796.844.100,00	0,00	1.796.844.100,00	0,00	1.773.556.089,50	-23.288.010,50	1.773.556.089,50	0,00	-23.288.010,50
Tier I	R0060	1.796.844.100,00	1.796.844.100,00	0,00	1.796.844.100,00	0,00	1.773.556.089,50	-23.288.010,50	1.773.556.089,50	0,00	-23.288.010,50
Tier II	R0070	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Tier III	R0080	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Solvency Capital Requirement	R0090	1.196.297.750,00	1.196.297.750,00	0,00	1.196.297.750,00	0,00	1.205.723.838,82	9.426.092,21	1.205.723.838,82	0,00	9.426.088,82
Eligible own funds to meet Minimum Capital Requirement	R0100	1.796.844.100,00	1.796.844.100,00	0,00	1.796.844.100,00	0,00	1.773.556.089,50	-23.288.010,50	1.773.556.089,50	0,00	-23.288.010,50
Minimum Capital Requirement	R0110	538.333.990,00	538.333.990,00	0,00	538.333.990,00	0,00	542.575.727,47	4.241.741,49	542.575.727,47	0,00	4.241.737,47

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35		C0010	C0020	C0030	C0040	C0050
Ordinary share capital (gross of own shares)	R0010	292.251.740,00	292.251.740,00		0,00	
Share premium account related to ordinary share capital	R0030	258.346.510,00	258.346.510,00		0,00	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070	13.000.000,00	13.000.000,00			
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	1.233.245.850,00	1.233.245.850,00			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160	0,00				0,00
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	1.796.844.100,00	1.796.844.100,00		0,00	0,00
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	1.796.844.100,00	1.796.844.100,00		0,00	0,00
Total available own funds to meet the MCR	R0510	1.796.844.100,00	1.796.844.100,00		0,00	
Total eligible own funds to meet the SCR	R0540	1.796.844.100,00	1.796.844.100,00		0,00	0,00
Total eligible own funds to meet the MCR	R0550	1.796.844.100,00	1.796.844.100,00		0,00	
SCR	R0580	1.196.297.750,00				
MCR	R0600	538.333.990,00				
Ratio of Eligible own funds to SCR	R0620	150,2004%				
Ratio of Eligible own funds to MCR	R0640	333,7787%				

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Solvency Capital Requirement - for undertakings on Standard Formula

Article 112? (Y/N)	**Z0010**	(2) Regular reporting

Basic Solvency Capital Requirement

		Net solvency capital requirement	Gross solvency capital requirement
		C0030	**C0040**
Market risk	**R0010**	897.302.731,26	1.046.806.138,64
Counterparty default risk	**R0020**	110.271.692,50	113.570.043,52
Life underwriting risk	**R0030**	331.768.137,56	348.989.832,78
Health underwriting risk	**R0040**	202.943.697,84	202.943.697,84
Non-life underwriting risk	**R0050**	275.223.311,83	275.223.311,83
Diversification	**R0060**	-572.252.785,32	-595.477.052,29
Intangible asset risk	**R0070**	0,00	0,00
Basic Solvency Capital Requirement	**R0100**	1.245.256.785,67	1.392.055.972,33

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

		Non-life activities	Life activities
		MCR(NL,NL) Result	MCR(NL,L)Result
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010	154.358.306,24	0,00

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020	25.539.091,74	38.701.160,00	0,00	0,00
Income protection insurance and proportional reinsurance	R0030	14.235.251,66	111.313.670,00	0,00	0,00
Workers' compensation insurance and proportional reinsurance	R0040	79.536.458,48	93.473.330,00	0,00	0,00
Motor vehicle liability insurance and proportional reinsurance	R0050	449.982.389,43	223.723.500,00	0,00	0,00
Other motor insurance and proportional reinsurance	R0060	35.253.687,39	150.716.500,00	0,00	0,00
Marine, aviation and transport insurance and proportional reinsurance	R0070	17.505.338,42	22.633.370,00	0,00	0,00
Fire and other damage to property insurance and proportional reinsurance	R0080	106.591.159,36	180.464.480,00	0,00	0,00
General liability insurance and proportional reinsurance	R0090	126.570.969,15	59.795.420,00	0,00	0,00
Credit and suretyship insurance and proportional reinsurance	R0100	0,00	0,00	0,00	0,00
Legal expenses insurance and proportional reinsurance	R0110	2.181.229,98	300,00	0,00	0,00
Assistance and proportional reinsurance	R0120	0,00	0,00	0,00	0,00
Miscellaneous financial loss insurance and proportional reinsurance	R0130	4.121.421,56	5.829.700,00	0,00	0,00
Non-proportional health reinsurance	R0140	0,00	0,00	0,00	0,00
Non-proportional casualty reinsurance	R0150	779.109,97	0,00	0,00	0,00
Non-proportional marine, aviation and transport reinsurance	R0160	0,00	0,00	0,00	0,00
Non-proportional property reinsurance	R0170	0,00	0,00	0,00	0,00

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		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	36.139.523,49	414.339.835,91

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210	0,00		8.394.441.288,04	
Obligations with profit participation - future discretionary benefits	R0220	0,00		224.420.960,05	
Index-linked and unit-linked insurance obligations	R0230	0,00		6.692.523.130,21	
Other life (re)insurance and health (re)insurance obligations	R0240	1.445.297.562,60		2.045.590.822,00	
Total capital at risk for all life (re)insurance obligations	R0250		8.268.963.817,00		36.586.184.284,26

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Overall MCR calculation		**C0130**
Linear MCR	**R0300**	604.837.665,64
SCR	**R0310**	1.196.297.746,81
MCR cap	**R0320**	538.333.986,07
MCR floor	**R0330**	299.074.436,70
Combined MCR	**R0340**	538.333.986,07
Absolute floor of the MCR	**R0350**	7.400.000,00
Minimum Capital Requirement	**R0400**	538.333.990,00

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Notional non-life and life MCR calculation		**Non-life activities**	**Life activities**
		C0140	**C0150**
Notional linear MCR	**R0500**	190.497.829,73	414.339.835,91
Notional SCR excluding add-on (annual or latest calculation)	**R0510**	376.782.296,18	819.515.450,63
Notional MCR cap	**R0520**	169.552.033,28	368.781.952,78
Notional MCR floor	**R0530**	94.195.574,05	204.878.862,66
Notional Combined MCR	**R0540**	169.552.033,28	368.781.952,78
Absolute floor of the notional MCR	**R0550**	3.700.000,00	3.700.000,00
Notional MCR	**R0560**	169.552.033,28	368.781.952,78