



Annual report 2023

Allianz pojišťovna, a. s.



Annual report 2023

Basic economic data

Brief summary (million CZK)

Selected indicators (million CZK)	2023	2022	2021	2020
Gross premiums written	19,936	18,253	17,409	16,086
Life insurance	4,177	4,145	4,133	3,639
Non-life insurance	15,759	14,107	13,276	12,448
Claims paid	10,295	9,894	8,621	8,094
Life insurance	2,225	2,105	1,954	1,910
Non-life insurance	8,071	7,789	6,667	6,184
Net claims ratio retention in non-life insurance	59.1%	63.0%	60.8%	58.6%
Gross expenses ratio	26.6%	25.7%	26.7%	26.8%
Technical result	2,651	2,490	1,934	1,403
Profit before tax	2,954	2,633	2,047	1,491
Financial placements	32,130	27,913	28,780	27,951
Equity	9,598	7,342	7,679	7,957
Equity ratio (in % of net written premiums)	53.2%	43.9%	47.7%	54.7%
Technical provisions	33,799	31,075	31,022	27,949
Life insurance	17,149	15,703	16,410	15,233
Non-life insurance	16,650	15,371	14,612	12,717
Number of contracts in portfolio (ths)	2,427	2,334	2,270	2,177
Number of employees	661	657	731	751
Number of agents	1,666	1,590	1,310	1,405

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A

text

part

Chairman's statement

Report on the company's business activities
and the state of its assets pursuant to Act No. 90/2012 Coll.

Dear ladies and gentlemen,

It is a great pleasure for me to present to you good news in this annual report. Allianz pojišťovna did very well in 2023 and our results alone are a worthy celebration of the 30th anniversary of presence of the Allianz brand on the Czech market. In 2023, the entire insurance industry faced a number of adverse circumstances including high inflation, rising energy prices, the war in Ukraine and, most recently, the conflict in the Middle East. Despite the challenging geopolitical and macro-economic environment, Allianz pojišťovna achieved excellent results.

The volume of gross written premiums reached **19.9 billion Czech crowns**, adding 8.5% year on year. Both non-life and life insurance contributed to the result. Non-life insurance increased gross written premiums 15.8 billion Czech crowns. Gross written premiums in life insurance rose by 7.8% over the year and reached **nearly 4.2 billion Czech crowns**.

Our excellent performance can be seen, for example, in motor insurance, where written premiums exceeded 10 billion CZK. For eight years now, Allianz clients have been paying for their motor insurance according to the kilometres driven. For 2023, the company refunded nearly 106 million Czech crowns to 22 per cent of the drivers, **setting a new record**. Our "drive less, pay less" motor insurance attracted 604,000 clients so far.

The satisfaction of clients with our products and services is absolutely essential for us. We thus greatly appreciate the excellent feedback we receive from our customers. According to an ongoing independent survey, we are perceived as a "loyalty leader" in non-life insurance and the quality of our products and services in life insurance is seen as "above the market".

Five-star ratings used in every client interaction are another important indicator of customer satisfaction to us.

In this respect, we achieve excellent results in the negotiation of policies as well as in the settlement of insurance claims. For example, client ratings related to the settlement of life insurance claims reached 4.6 stars in December. We are also pleased to see customer ratings of the motor claims settlement process improve to 4.5 stars. The results are also due to the fact that new technology is gradually penetrating the settlement of claims under motor insurance to automate parts of the process or, in some cases, the entire settlement.

The innovations include, for example, the involvement of artificial intelligence or OCR (optical character recognition).



Allianz pojišťovna also attracted the attention of owners of electric and plug-in hybrid vehicles as the Czech market's first insurer to offer comprehensive insurance covering the vehicle along with the battery, wall boxes, adapters, charging cables and other equipment. Since launched in October 2022, the volume of premiums written under the comprehensive electric vehicle insurance has increased significantly every month.

Our efforts related to motor insurance in 2023 also aimed at being well prepared for the many changes to come with the amended legislation in 2024.

In view of the persisting high inflation, we also paid great attention to the risk of underinsurance to which our clients might be exposed. We updated the price lists in contracting engines for determining the recommended indemnities for buildings, and we also actively approached customers whose property insurance was evaluated to be at risk of underinsurance. The offer presented to the clients also included a price bonus, a regular indexation service and a guarantee to not apply underinsurance to protect the client in the future if particular conditions are met.

Our property insurance also includes by default the Home Assistance service, available 24 hours a day, 7 days a week. Our assistance services are now expanded to offer a new version – IT assistance. As part of the service, IT specialists are available to clients (without any limits as per the number of interventions) to assist them in tackling the pitfalls of IT at home in cases where many regular users may fail.

Of course, the great sales and economic results are attributable to the people of Allianz. I am also very proud that in 2023 we have once again received the Edge Assess equal opportunities certificate, serving proof of our leader position in equality on the Czech market. Equality requirements are applied to remunerations as well as development and training, recruitment, talent work or succession planning. Our well-performing sales service is also one of the fastest growing. In 2023, we welcomed **450 new sales agents**. Thus, our network is formed by **almost 1,800 professionals** operating at **335** points of sale across the Czech Republic.

In early 2024, results of the Best Global Brands ranking reflected the strength of the brand of Allianz worldwide. For the fifth year in a row, Allianz was named the world's number one insurer. Moreover, it ranked among the fastest-growing global brands. This also serves proof that in terms of growth, Allianz Group is outperforming its direct rivals and the industry as a whole.

I would like to thank all our employees, internal sales agents and business partners for the great work. Also, I would like to thank our clients for their confidence. We are proud to be part of a strong group that clients trust. Our work every day goes in line with our mission: We secure your future.

Sincerely,
Ing. **Dušan Quis**, Chairman of the Board of Management



Company Profile

Allianz pojišťovna celebrated a major anniversary in 2023 – 30 years of its presence in the Czech Republic. Allianz entered the Czech market in 1993 and has become one of the Czech Republic's top three insurers over the years. It started out by offering life insurance only. Step by step it expanded its portfolio, ranging from private property and liability insurance to commercial property insurance and industrial risk insurance. In 1995, motor hull insurance and travel insurance was introduced to complete the product portfolio. In 1999, Allianz became one of 12 insurance companies offering motor third-party liability insurance. Over the 30 years of operations on the Czech market, the local Allianz Group expanded to include other companies. In October 1997, Allianz penzijní fond (Allianz pension fund) was founded to be transformed into Allianz penzijní společnost (Allianz pension company) in 2013. Another important milestone in the history of Allianz, a merger with Wüstenrot insurance companies was completed in 2016.

In risk reinsurance, Allianz pojišťovna maintains exclusive cooperation with renowned companies, such as Allianz SE, Swiss Re, Munich Re and others. The long tradition and experience, international know-how and capital power of Allianz Group are a guarantee of the company's stability, continued development and modern product offer. Prompt, transparent and modern claims settlement of Allianz pojišťovna forms an integral part of services rendered to clients and ranks at the market's top.

Allianz pojišťovna, celebrating 30 years on the Czech market in 2023, grew in all major insurance segments. Over the 30 years it became a successful company of the 21st century, pursuing

a clear vision and mission. It provides its clients with simple, fair, quick and professional solutions. The company's management and employees provide their knowledge, energy, commitment and skills to build a new, digital and sustainable Allianz that fulfils its climate protection mission in the Czech Republic in line with the group strategy.

The Czech branch of Allianz celebrated its 30th anniversary and March 2023 commemorated the fact that the parent company had been ensuring the safe lives of its clients for 133 years already. Allianz is headquartered in Munich, Germany and is present on all continents of the world.

133

years of existence of the Allianz brand in 2023

125

million private and corporate clients of Allianz all over the world



30

thousand members of staff
providing professional services
to clients across the continents

158

Allianz in the Czech
Republic celebrated
its 30th anniversary in 2023



Allianz pojištovna scored in local product competitions and the global brand value of Allianz rose again.

In its early years, Allianz specialized in transport and accident insurance. Its first foreign branch was opened in London back in 1893. In 1937, it was already helping clients in 20 countries around the world.

Allianz is both a long-term leader and pioneer of the insurance industry. With a rapidly evolving and extensive portfolio of products, Allianz also insured and indemnified passengers from the Titanic and their families. At the same time, it is connected with gigantic buildings. For example, Allianz insured three skyscrapers belonging to the tallest buildings in the world – Petronas Towers in Malaysia, Taipei 101 in Taiwan and Burj Khalifa in the United Arab Emirates.

It also insures the vast majority of Hollywood and Bollywood film productions, is a leading specialist in space insurance and supports sustainable motorsports such as the Formula E Championship. Its Technology Centre has conducted thousands of crash tests since 1980 to improve road safety.

Allianz Group is one of the world's leading insurers and asset managers. With 157,883 employees worldwide, the Allianz Group serves 125 million private and corporate customers in nearly 70 countries. Allianz customers benefit from a wide range of services of personal and business insurance, from property, life and health insurance to assistance services, credit insurance and global corporate insurance.

In fiscal year 2023, the Allianz Group achieved total business volume of approximately **€162** billion. Allianz is also one of the world's largest asset managers, with **€1,712** billion of third-party assets under management at the end of 2023.

Allianz ranks among the most influential brands in insurance and asset management and is recognized for its development in the field of digitization. Systematic integration of environmental and social criteria into all its business processes and investment decisions makes Allianz one of the leading insurers in the Dow Jones Sustainability Index.



**Faster.
Higher.
Even stronger.**
Topping the
podium,
once again.

Interbrand Best Global Brands
World's #1 Insurance Brand

The Allianz brand – world's #1 insurer

In 2023, the Allianz brand reached for the podium again and outperformed its rivals in terms of growth!

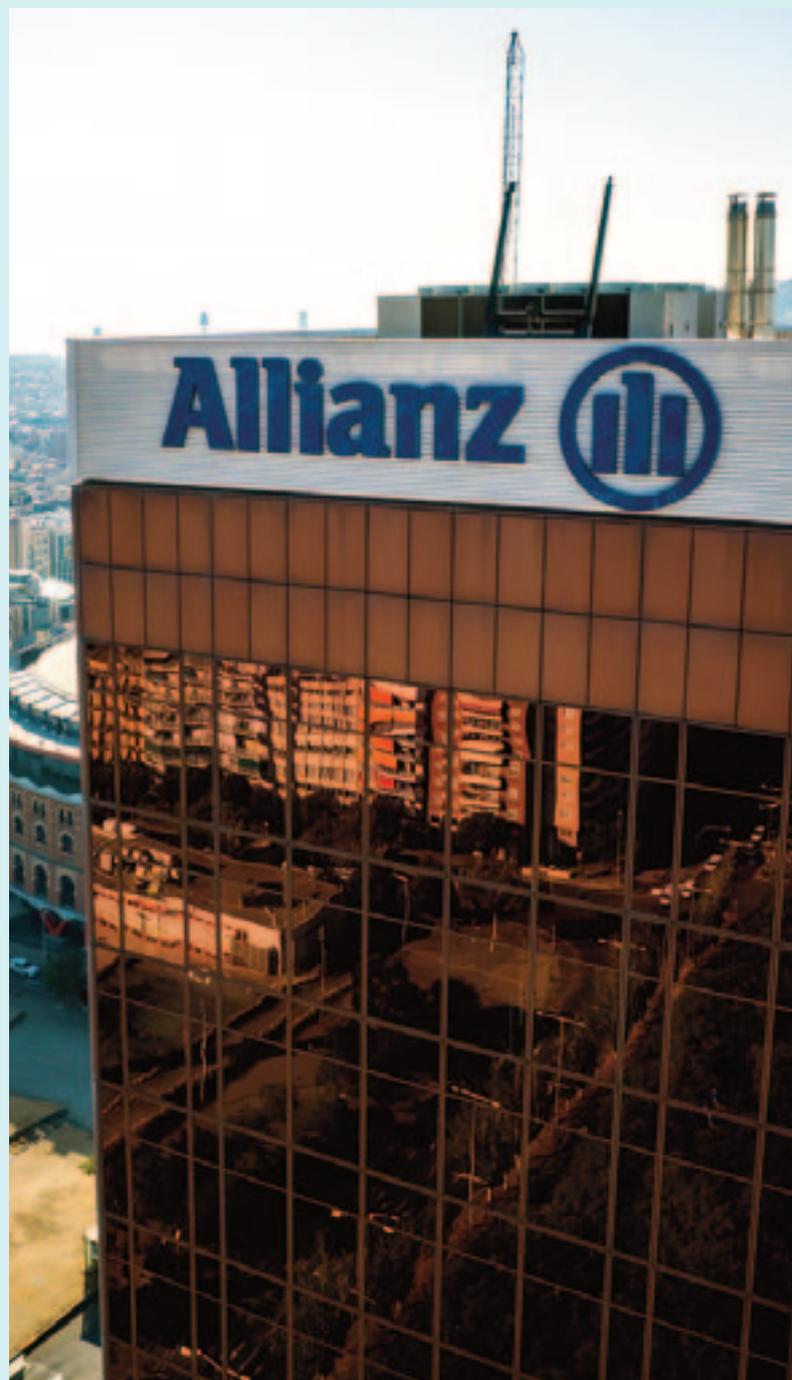
The value of the Allianz brand, the world's #1 insurer, added 11.5% in 2023 to reach 20.85 billion USD. According to the Best Global Brands Ranking 2023, Allianz has been holding the title of world's number one insurance company for five years already. The brand value growth of 11.5% attained in 2023 in such a challenging environment is an incredible achievement.

<https://www.allianz.com/en/about-us/brand/brand-value.html>

Allianz surpassed the 20 billion USD mark for the first time, moving up three positions to the 31st place and ranking among the fastest-growing global brands. The results of Interbrand's Best Global Brands also serve proof that Allianz is outperforming its direct competitors and the industry in terms of growth. Being the #1 insurer is just the beginning. Allianz is looking beyond the boundaries of its industry to compete with the world's most valuable brands. More information is available on the Allianz Group website. <https://www.allianz.com/en/press/news/company/brands/231121-allianz-is-the-top-global-insurance-brand-in-2023.html>

On the 30th anniversary of its existence, Allianz pojišťovna won a number of awards. It dominated Finparáda, a competition that automatically includes all financial products of selected types as offered by insurers, pension and investment management companies and banks in the Czech Republic. Allianz scored five times in the 2023 contest and was named Financial Company of the Year. In the Product of the Year sub-categories, it reached for the first place with its Risk Life Insurance, a winning product for seven years in a row! The Supplementary Pension Savings from Allianz received another gold. Allianz pojišťovna also won the Public Award for the two products. To Allianz, the accolades serve proof that the company's product development and services respect and reflect client needs and demands. The 30th anniversary of Allianz pojišťovna's operations in the Czech Republic also was an occasion to make presents for clients. Clients were offered 30% off their property insurance in the spring and 30% off Allianz Travel insurance during the 2023 summer season.

For 30 years already, Allianz has stood by side of its clients in the Czech Republic whenever they needed it. And it is prepared to watch their back in everything they do and everything that lies ahead. To Allianz, the words are not a mere sales pitch, but an everyday reality.



Board of Management



Ing. Dušan Quis
Chairman



M. A. Venelin Yanakiev
Member



Mag. Robert Altfahrt-Riedler
Member



Mgr. Josef Lukášek
Member



Ing. Petr Hrbáček
Member

Supervisory Board

Petros Papanikolaou Chairman
Ing. Petr Sosík, Ph.D. Member
Eva Koubíková Member

Audit Committee

Members of the Audit Committee as of 31 December 2023:
Ing. František Dostálek Chairman
Ing. Michal Petrman, Csc. Member
Ing. Petr Sosík, Ph.D. Member

Organisational Structure

(as at 31 December 2023)

CEO SECTION DUŠAN QUIS	CFO SECTION VENELIN YANAKIEV	COO SECTION ROBERT ALTFAHRT-RIEDLER	CSO SECTION PETR HRBÁČEK	CPO SECTION JOSEF LUKÁŠEK
LEGAL DEPARTMENT Zdeněk Chudoba	CONTROLLING Radek Stamenov	CLAIMS SETTLEMENT Martin Hlaváč	KOS Alena Pomahačová	CORPORATE INSURANCE PRODUCTS
COMPLIANCE Darina Jašíčková	ACTUARIAL Jarmila Ranošová	IT Jiří Zahálka	NON-LIFE INSURANCE Jan Vícha	PRICING, PORTFOLIO MANAGEMENT, PRODUCT & CLIENT ANALYSES Martin Kalaš
HUMAN RESOURCES Eva Koubíková	INVESTMENTS & TREASURY Petr Podolka	INSURANCE ADMINISTRATION Hana Svatošová	DIGITAL Jan Andrijko	LIFE INSURANCE & BUSINESS ARCHITECTURE Jan Troníček
INTERNAL AUDIT Jiří Machát	ACCOUNTING Anna Švehlová	CUSTOMER SERVICE CENTRE L'ubica Rybáriková	EXTERNAL DISTRIBUTION CHANNELS Radim Krist	LIFE INSURANCE & PRODUCT LEGISLATION Štěpán Hegar
MARKET MANAGEMENT Jan Andrijko	CUSTOMER PAYMENTS Daniela Volhejnová	SECURITY Jozef Repiský	CENTRAL SALES SUPPORT Pavel Martynek	NON-LIFE RETAIL PRODUCTS Veronika Hašplová
INTERNAL AND EXTERNAL COMMUNICATIONS Marie Petrovová	PROCUREMENT & OPERATIONS SUPPORT Michal Chňoupek	ORGANIZATIONAL MANAGEMENT Milan Belica		
RISK MANAGEMENT Kamila Šimonová	TAX Jan Tichý	PROCESS ANALYSIS & TECHNICAL IMPLEMENTATION Katarína Starinská		
PROJECT MANAGEMENT OFFICE Jakub Novotný				
ACTUARIAL FUNCTIONS Dana Stunová				

B+
 B2
 B1
 SE - senior expert

Motor Insurance

Property and Commercial Insurance

Life Insurance

Travel Insurance

Claims Settlement

Sales

Human Resources

21% is the maximum discount available to clients for selected insurance under **Allianz Plus**

21%



Allianz insurance company continued to offer in 2023 of the MyAuto package insurance, which it launched on the market in 2018. The most popular among clients is the insurance by mileage, Allianz Insurance Company records almost 600,000 contracts, where clients have already taken out an annual photographed every year. And those who drive little also pay one in five clients have taken out insurance since the beginning of the and in total Allianz has paid out almost CZK 380 million.



Personal property and liability insurance from Allianz stands among the Czech market's best choices in the long term. The insurance offers high-quality cover for homes and common buildings as well as recreational houses.



Simple design, clear terms and conditions, no nonsense fees, focus on risk insurance and a clear separation of the investment component. All this has attracted clients who invested in Allianz Life insurance in 2023 CZK 405 million.



Travel insurance from Allianz is a comprehensive package of risk covers based on medical expenses insurance with unlimited coverage, supplemented by luggage insurance, liability insurance against damage and other harm, accident insurance and insurance of cancellation fees.



Liquidation of property damage, whether from private insurance property, or those of subcontractors and industry faced in 2023 increased operational pressure, even though our republic was not hit by a major calamity. The total number of reported claims increased by 7% year-on-year and stood at 235,461.



Allianz Insurance Company has once again made a good business performance and will be in the running in 2023. accelerated its year-on-year growth in sales of standard-paying life and non-life insurance.



In 2023, Allianz pojišťovna thoroughly applied an individualized approach to let the members of staff maximize their contribution, pursue a reasonable career path and better align their own and the company's needs. Also, the company realized major investments in its people, working space alterations and technical equipment for the staff.



Motor Insurance

The offer of Allianz pojišťovna for motorists relied on MojeAuto, a set of insurance packages with mileage options for passenger and commercial vehicles up to 3.5 tons, where the chosen annual mileage significantly affects the amount of premiums.



In 2023, Allianz Insurance Company continued to offer the **MojeAuto** package insurance launched in 2018.

The motor insurance package comes in four versions ranging from a basic one to maximum insurance containing all the material covers for comprehensive driver and vehicle protection.

In addition to the fixed scopes of insurance packages, Allianz offered optional **"Direct Settlement"**, an insurance service assisting clients in cases where their vehicle is damaged by another driver holding third-party liability insurance provided by a rival insurer. Allianz pojišťovna clients thus do not have to contact the insurer of the driver at fault, they can ask Allianz to pay the indemnity and claim the cost from the insurer of the driver at fault.

All packages including vehicle assistance in cases of an accident or breakdown are also available with an extended scope provided at extra cost. Specifically, the extra scope offers towing of the client's vehicle up to 750 km according to the client's choice, the towing not being limited to the nearest contracting repair shop. The allowed distance is sufficient to let clients have their vehicle towed home in the event of an accident or mere breakdown, even from usual holiday locations in Europe.

The mileage-based motor insurance packages enjoy great popularity among clients as the number of insured passenger and commercial vehicles up to 3.5 tons placed in the regime

of premiums based on mileage is constantly increasing. Allianz registers almost 600,000 policies under which clients upload a photo of their vehicle's odometer at request once a year. A statement for the past year is issued in turn and their premiums for the next year are determined. The statement shows whether the clients guessed their mileage range right. If they have exceeded it, they have to pay a bit more. On the other hand, if they have driven less, Allianz refunds a proportional part of the premiums or reduces the prescribed premiums. The entire process is fully digitized, simple, easy to understand and based on mutual trust between the client and the insurer. The experience with the cooperation of clients is indeed positive; they deliver the photos on time and correctly. Allianz has been refunding a quarter of its clients due to lower actual mileage for seven years already.

Insurance by mileage also aims at increasing the effectiveness of client segmentation. Allianz discovered that actual mileage is an important variable affecting the client's claims history and that for all drivers there is a very strong correlation between the number of accidents caused and the mileage driven. However, other parameters used by Allianz before still apply. The price of MTPL insurance adapts to the age of both the vehicle and the client, the client's hometown, or if the client avoids accidents or not.

6000



Mileage-based insurance is the most popular with clients; Allianz already registers **almost 600,000 policies**, under which clients post photographs of their odometers once a year. Clients who drive less also pay less - one in five clients has received money back since the start of the insurance; Allianz thus refunded almost 380 million CZK in total.

In order to further increase clients' awareness that their insurance policy is based on mileage, which is related to certain obligations having an impact on the amount of premiums, Allianz launched a new marketing campaign in late 2023. The campaign aims at informing the client that about six months have passed since the beginning of the insurance and that his or her vehicle's odometer should show a particular mileage with regard to the chosen annual limit. At the same time, Allianz points out that if the reading is different (higher or lower), it is not a problem and everything will be settled with the nearest anniversary of the insurance. This is to avoid any unpleasant surprises for clients receiving the anniversary letter and failing to understand the situation, as they tend to terminate the policy due to increased premiums.

The feedback received by Allianz is positive. Allianz plans to maintain the service in 2024 and extend it to all new policies.

2023 was a very successful year for Allianz in terms of motor insurance sales; the company acquired the largest volume of new MTPL policies in the market. The reason why clients opt for Allianz insurance, as seen by the company, is that it offers a simple and transparent product, described in the insurance terms and conditions in a very understandable language without hiding any surprises.

In fleet insurance, Allianz expanded its range of assistance services to include **"Maxi set"** assistance. If the client takes out the extra assistance for a towing vehicle, the towing cover provided by the insurer applies to the towing vehicle as well as any unidentified towed vehicle coupled with the towing vehicle at the time of the accident or breakdown affecting any of the two vehicles.

Allianz keeps abreast of the current trends. In addition to the company's simple and transparent motor insurance product and a high proportion of digitized contracting processes allowing for remote insurance quotes without requiring any signatures, the claims settlement process of Allianz sets up exclusively electronic communication with clients, either via the **MojeAllianz** client portal or in the form of encrypted e-mails.

Also, the number of digital inspections carried out at the start of insurance is increasing. The feedback received from clients is generally positive. Thanks to the high degree of digitization and electronic communication, Allianz saves time for both the company and clients, notably speeds up the transfer of information and shortens the related processes.

In 2023, the settlement of motor hull insurance claims at Allianz saw the launch of a highly automated process, in which artificial intelligence evaluates uploaded photos of damaged vehicles and partially suggests the next steps to be taken (assessing, for example, whether a budget-based settlement is appropriate for a given case, suggesting a particular repair shop or evaluating whether the case is a total loss or not). To work well, the process only needs the client to actively use the claims tracking applications. The specific amount of the indemnity under a budget-based settlement is then available even within hours. Further development is scheduled for 2024, as the experts at Allianz plan to teach artificial intelligence how to calculate the indemnity under insurance claims.

Allianz pojišťovna devoted a large part of 2023 to preparations for the application of changes resulting from the new Act on motor third-party liability, originally supposed to come into force as of 23 December 2023 and later postponed by several months.

In the first phase, the Act introduces increased minimum limits of MTPL insurance to at least CZK 50/50 million for personal injury and material damage, a new ground for cancellation, specification of new types of vehicles requiring insurance, such as electric scooters, and more. Allianz is already prepared for the changes and currently offers a minimum limit of CZK 70/70 million for personal injury and material damage in both retail and fleet MTPL insurance.

However, the implementation of another section of the Act that is required to be put into practice 6 months after the enactment imposes a much bigger challenge for Allianz as well as all other insurers. The section requires information about concluded MTPL policies (and any amendments or expirations) to be transferred to the Czech Insurers' Bureau in real time, i.e. immediately after they occur. Specialists of Allianz pojišťovna across many departments are working intensively on this challenging task to find a solution that lets the company comply with the legal requirements and, most of all, offer a form of contracting that is feasible in the real life of clients.



Personal and commercial property and liability insurance

Personal property and liability insurance from Allianz continues to stand among the market's best choices. The insurance offers full-fledged cover for homes and common buildings as well as recreational houses.

Property insurance

In 2023, Allianz pojišťovna pursued further sales of its successful **MůjDomov** bundled product and improved it to meet the growing market needs.

MůjDomov home insurance is designed to cover both permanently and recreationally used buildings and households. Clients can insure their family houses, weekend houses, cottages, apartments, all automatically including insurance of ancillary structures. To insure a permanently or recreationally used building, clients may also take out supplementary insurance of greenery; household insurance is available with insurance of selected garden items. For permanently or recreationally used buildings, Allianz offers insurance in three different packages: **Komfort, Extra and Max**.

The packages vary in the scope of the offered cover - Komfort is the basic package for clients seeking protection particularly against natural disasters. Extra also covers damages related to water installations or broken glass, while Max also protects the insured against losses caused by robbery, theft, vandalism or electricity, including machinery insurance with a limit of CZK 100,000 per claim. Further, for permanently used households, customers may take out insurance of property kept at designated places, such as cloakrooms or waiting rooms, in hotels or guest-houses, or of selected belongings kept in cars. The insurance is valid in the Czech Republic and Europe.

Max is the most popular package among property insurance clients, attracting approximately 90% of them. In addition to building or household insurance, the bundles include, for

example, liability insurance with a limit amounting up to 20 million crowns or legal consulting over the telephone. Also, owners of households or apartments located above the ground floor of apartment buildings receive a significant bonus reflected in the premiums.

Assistance

With every property insurance, Allianz clients benefit from Home Assistance services, available 24 hours a day, 7 days a week, with a continuously expanding range and increasing quality. The service assists clients in various situations, such as when they are locked out, face an invasion of annoying rodents or insects, deal with a failed household appliance, or need legal advice in neighbour disputes. Also, special assistance is available for apartment buildings.

Assistance services were also expanded in 2023. In August, Allianz pojišťovna launched a new version of assistance services - IT Assistance. As part of the service, IT specialists are available to clients (without any limits as per the number of interventions) to assist them in tackling the pitfalls of IT at home in cases where many regular users may fail, such as a virus-infected computer, mobile phone installation, appliance pairing, smart home, etc. The service is provided to clients by Allianz free of charge until the end of 2024.

Liability insurance

Liability insurance, much alike the offered assistance and basic legal consulting, is automatically part of the basic property insurance package. Indemnity limits let clients choose from three variants: Komfort, Extra and Max.



Personal property and liability insurance from Allianz stands among the Czech market's best choices in the long term. The insurance offers high-quality cover for homes and common buildings as well as recreational houses.

Commercial insurance

Commercial insurance from Allianz offers a wide range of options tailored to the individual needs of businesses. Through these high-quality and continuously innovated insurance products, Allianz provides businesses with an opportunity to easily and promptly take out commercial property insurance (to cover buildings or other business structures, production or operating equipment, freight, etc.), liability insurance covering operations or product defects, business interruption insurance or assistance services.

Allianz has extensive experience with commercial insurance; it covers the needs of the most diverse entities, ranging from businesses to public or government organizations or associations of apartment owners.

The flagship product of Allianz in this area is **Moje Firma**, insurance that is ideal for small and medium-sized businesses seeking protection for their movables and real estates. The product variants are formed in four transparent packages, ranging from a basic one to a maximum protection package.

Clients simply choose one of the four packages according to their needs. **Komfort**, the basic insurance package, is particularly suitable for those who seek protection against natural hazards and liability. Where the business wants to keep its assets better protected against accidental phenomena, usually not caused by people, it should opt for the **Plus** variant. **Extra** provides extensive property and liability protection including insurance against theft or vandalism. **Max** guarantees comprehensive protection, including insurance against machinery and electronics breakdowns, liability for environmental damage and even data recovery insurance.

Professional liability insurance for entities providing specialized services, where insurance is in most cases required by law, is subject to a separate product.

Allianz also provides employers with collective insurance against employee liability for damages caused to the employer which covers all employees of the policyholder. Other traditional products include, for example, vessel insurance or insurance of deposits when renting recreational vessels.

The current situation following the coronavirus pandemic brought a new trend that persisted in 2023 - increased number of parcels transported by land as well as by water or air. Allianz offered a comprehensive solution - goods transport insurance, shipment insurance and carrier liability insurance. Allianz focused on all shipments regardless of the means of transport, while the insurance also covers losses incurred during transit. The client, be it the seller or buyer or freight forwarder, takes out shipment insurance for the actual value of the transported goods from the point of shipment to the point of destination, including any reloading or warehousing along the way. Everything is compliant with the international shipping standards. Also, the road carrier liability insurance for both inland and international transport complies with the CMR Convention on the Contract for the International Carriage of Goods by Road.

Risk of underinsurance

In 2023, Allianz updated the price lists used in client and sales contracting engines for determining the recommended indemnity amount for buildings to maximally protect its clients from the risk of underinsurance. During the year, Allianz also actively approached clients in respect of whom it saw the potential risk of underinsurance under their building insurance. The company ran a mailing campaign and proposed to update the indemnity amount in line with the recommended value according to the current price lists. The offer also included a price bonus, a regular indexation service and a guarantee to not apply underinsurance to protect the client in the future if the particular conditions are met.

Although the interest in updating older insurance policies has already increased in the previous two years (the trend also being pro-actively supported by the sales staff), in 2023 Allianz pojišťovna brought an even easier opportunity to update policies and thus increase the insurance cover. Clients holding property insurance under the company's oldest product (Comprehensive personal property insurance) are offered to update their insurance remotely. The offer consists of a switch to the latest product - MůjDomov in the Max option including the maximum cover and relevant riders. The offer also provides a clear comparison of the original and newly offered scope of insurance, pointing out any potential benefits of the older product.



Also, the number of partial limits applicable to indemnity under household and building insurance was notably reduced as of August 2023. 13 types of partial limits were cancelled (indemnity is now only limited to the loss amount and the maximum agreed indemnity amount). In other cases, the limits were increased and their type was unified to "per claim".

Life insurance

Simple structure, transparent terms, no unreasonable fees, focus on risk covers and a clearly separated investment component are the features of Allianz Život insurance appreciated by clients and professionals, making it one of the market's popular choices. Allianz pojišťovna again won first place with Allianz Život in Finparáda in early 2023, followed by a silver medal in Zlatá koruna.

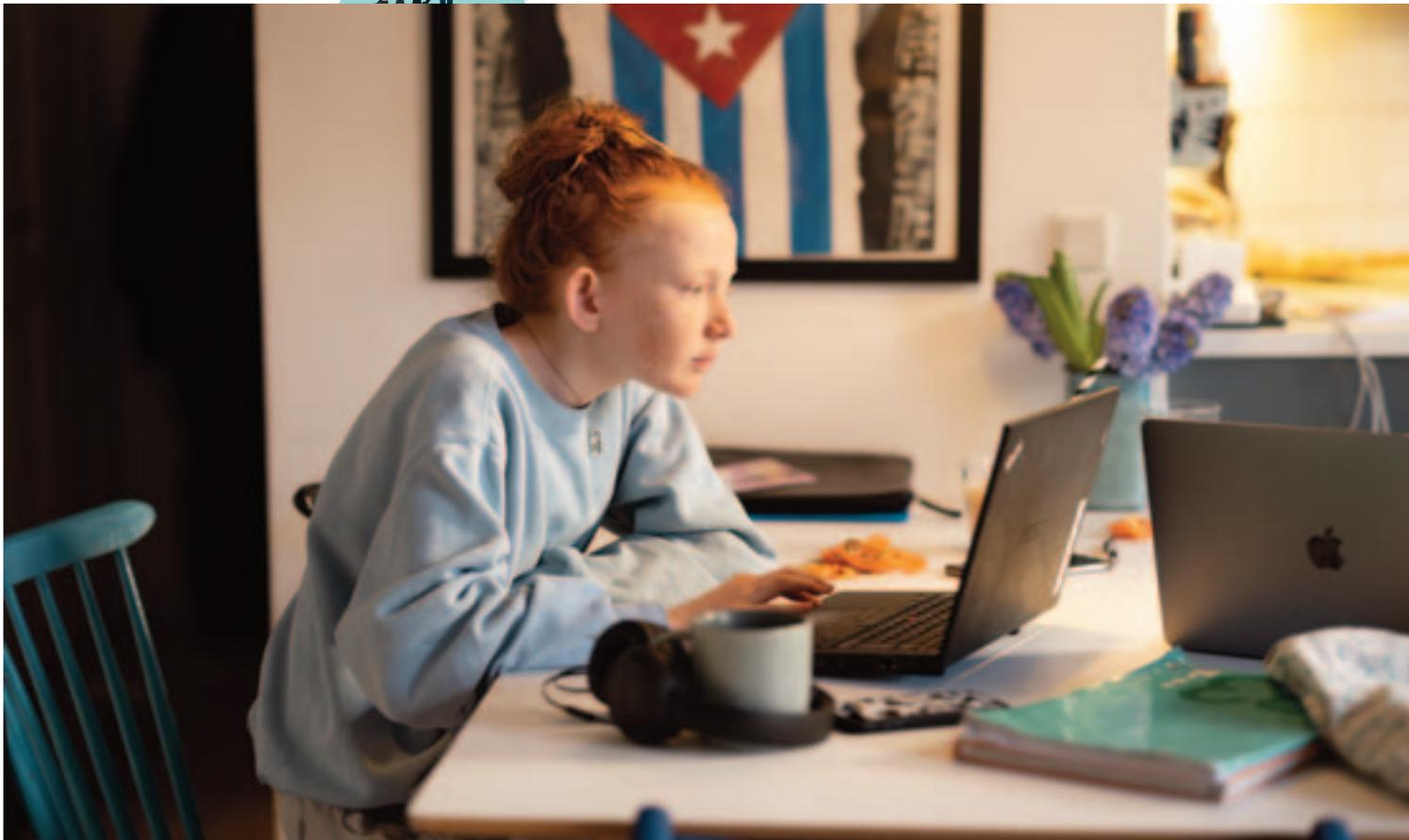
Allianz Život has been the flagship in life insurance since launched in 2017, building on the Rytmus and Rytmus Risk products. It maintained the now standard quality of insurance protection in the form of guaranteed maximum indemnities under supplementary accident insurance, the market's first comprehensive cancer insurance named PRO boj s rakovinou, the PRO ženy supplementary insurance for women, or disability insurance for adults and children. In addition, it brought a new and simple structure of fees and transparent and easy to understand insurance conditions. The price for each part of the insurance

Simple structure, transparent terms, no unreasonable fees, focus on risk covers and a clearly separated investment component are the features of Allianz Život life insurance winning a number of major awards over its existence, often repeatedly.



cover is determined separately and remains unchanged throughout the insurance term. The price for the insurance is lower for clients choosing a healthy lifestyle.

Allianz life insurance offers a choice of three variants – risk life insurance without an investment component, with a regular investment component or with a voluntary investment component (extraordinary premiums). In the case of the investment variant of insurance, the policy can be subject to employer contributions and until the end of 2023 it generated tax benefits of up to CZK 24,000 per tax period for the investment premium paid. As of 2024, the available tax benefits amount up to CZK 48,000 per tax period in the newly implemented form of tax support for old-age savings products. The limit of CZK 48,000 per tax period is aggregated for all savings products including unit-linked life insurance as well as supplementary pension insurance, supplementary pension savings and the new long-term investment product (DIP). Only the taxpayer decides whether he or she will use the increased limit of up to CZK 48,000 per year for some products only or for all the selected products.





405

Simple structure, transparent terms, no unreasonable fees, focus on risk covers and a clearly separated investment component are the features that attracted Allianz clients to invest **405 million CZK** in their life insurance policies.

Allianz Život is continuously improved over time, and 2023 was no different. The main innovations included an increase in the limits for maximum indemnities for selected risks, as well as an increase of the indemnities for which the insurance company requires a medical examination at the insurance start. These updates reflect the growth in prices in the economy as well as rising client income and expenses, logically resulting in a need for insurance protection in higher amounts. Also, guaranteed highest indemnity for severe injuries, immediate payment of indemnity upon injury, PRO boj s rakovinou cancer insurance, or a special cover for mortgage loans named PRO úvěr still apply. Thanks to the guaranteed highest indemnity for 251 serious injuries and impairments, Allianz always pays the same amount or more to the client compared to the Czech market's top five insurers. The highest indemnity guarantee applies to insurance for cases of permanent consequences of an injury and daily compensation insurance. Progressive benefits up to 800% are applied to insurance for cases of permanent consequences. Daily compensation insurance and hospitalization insurance is subject to progressive benefits up to 500%.

In the course of 2023, Allianz worked to expand the range of investment opportunities under Allianz Život to include funds investing with a focus on sustainability aspects. Thus, clients can take into account their personal sustainability preferences when choosing the particular investment component of their insurance.

Digitization in the area of electronic communication with clients and insurance intermediaries and in the process of taking out

insurance, which was launched in recent years, stands firm among Allianz pojišťovna's priorities. Allianz Život life insurance is thus still available on a completely contactless basis. People interested in taking out the insurance policy may do so completely online. The whole meeting between the client and a sales representative takes place via a remote connection; payment of the premium substitutes the act of signing the policy. The prospective life insurance client then submits the required documents on a dedicated page, to which the insurer sends him or her a link by e-mail. For the sake of security, Allianz sends a code to the client's telephone to open the page.

Also in 2023, clients took out life insurance with Allianz to compensate their income in the event of long-term medical treatment or to mitigate the financial impacts of disability. Thus, client demand for life insurance registered by Allianz is stable, without any major changes in 2023.

Life insurance allows clients to secure themselves and their families for cases of undesirable developments of their health condition or even death for many years to come. In 2023, Allianz pojišťovna did not note any interest in special supplementary insurance or similar requests in relation to Covid-19.

Requirements of customers served the basis for product modifications towards setting up a product model with a simple and transparent structure in 2023. Digitalization and simplification had a clearly positive effect on the segment and still acts as a strong impulse to speed up the development of life insurance in line with these trends.

Travel Insurance



Travel insurance by Allianz is designed for both individual travellers and groups. It can be taken out by clients travelling for tourism, sightseeing or business. Discounted annual insurance from Allianz pojištovna is suitable for long-term stays abroad. However, clients frequently travelling for short-term stays in foreign countries should opt for Multitrip, our annual insurance for repeated trips.

150

The basic insurance covers more than 150 sports activities. Allianz pojišťovna offers supplementary insurance for risky sports.

With **Moje Cesta** travel insurance, clients can choose from three packages: **Základ, Optimal and Exkluziv**, featuring many riders to suit holiday travelers as well as experienced globetrotters.

Allianz pojišťovna was the Czech market's pioneer in offering travel insurance with an unlimited medical expenses cover. The feature is particularly appreciated by clients travelling outside of Europe who thus opt for the Optimal or Exkluziv insurance packages offering the bonus.

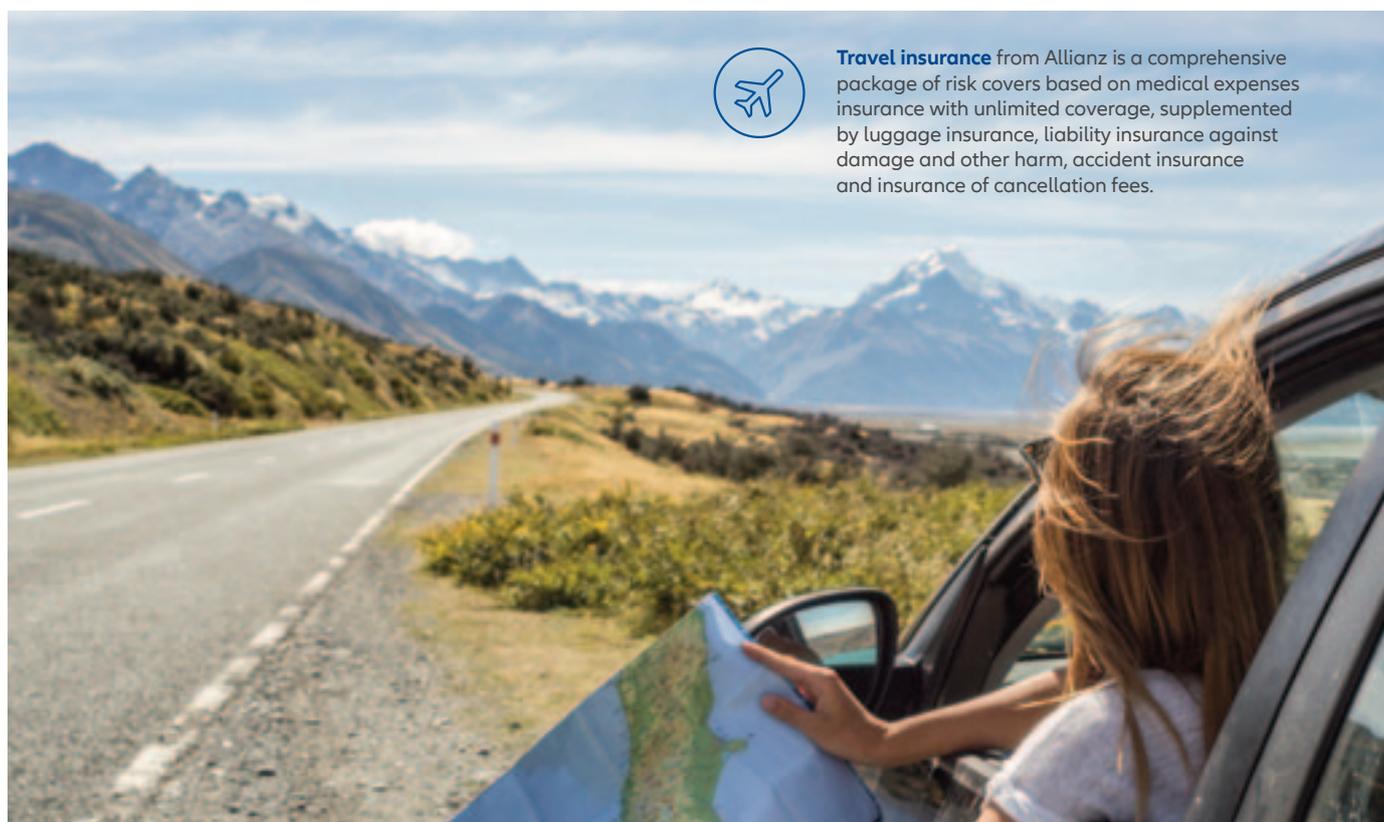
Allianz also offers Moje Československo, a special product designed for clients travelling across the Czech Republic and

within 50 kilometres from the border or to Slovakia. The insurance product includes various assistance services, such as cycling assistance, home assistance, medical consultations by telephone or road assistance for cases of an accident or breakdown, insurance against liability for rented sport equipment, insurance covering luggage kept in a tent or car, or insurance against medical expenses incurred abroad, rescue expenses and pet liability insurance. The insurance focused on the hardships that tourists travelling in and around the Czech Republic may encounter.

Taking out travel insurance online over the internet or telephone became a matter of course; prospective clients can quickly and easily arrange for everything in the comfort of their homes. Also, people deciding to prolong their stay abroad can thus arrange for further insurance in a convenient manner.

The website of Allianz pojišťovna offers a new product developed by Allianz Partners, named **Allianz Travel**. The insurance comes in three options - **Komfort, Extra and Max**, where Extra and Max packages include an unlimited cover for medical expenses incurred abroad. Since 2021 it has been offered by Allianz intermediaries mainly to travel agencies and corporate clients. In 2022 it was expanded to include the retail insurance segment, making the product available online on the website of Allianz. In 2023, also the tied sales representatives of Allianz started offering Allianz Travel in the Agent Max application along with the Moje Cesta and Moje ČeskoSlovensko products. The tied sales agent network discontinued the offer of Moje Cesta and Moje ČeskoSlovensko in late 2023, making the two products available through external sales agents only.

Prompt and transparent claims settlement is inherent to travel insurance from Allianz.



Travel insurance from Allianz is a comprehensive package of risk covers based on medical expenses insurance with unlimited coverage, supplemented by luggage insurance, liability insurance against damage and other harm, accident insurance and insurance of cancellation fees.

Claims Settlement

Compared to the years before, the first half of 2023 was much more peaceful and the first natural disasters occurred with the summer holidays. In late July, several hailstorms ran through the country and caused damages worth CZK 140 million. Stronger windstorms and floods then hit the territory of the Czech Republic at the end of August and accounted for approximately CZK 60 million in claims under insurance from Allianz. At the end of the year, the country was troubled by frost and heavy snowfall even at lower altitudes, which subsequently caused local floods during the rapid warming around Christmas. Nevertheless, 2023 will definitely be one of the calmer years in terms of the long-term trend seen in natural disasters.



However, much alike in the previous years, Allianz faced the challenge of an increasing number of claims driven by successful sales and a growing market share in both life and property insurance. The total number of reported claims increased by 7% year-on-year, stopping at 235,461.

As of 1 July 2023, organizational changes were made in claims settlement in order to streamline and speed up the settlement process. "Standard claims", the organization's largest unit where maximum emphasis is placed on swiftness, simplicity and customer satisfaction with claim settlement, was further strengthened. The team fully covers the reporting of all losses and subsequent settlement of 80% of vehicle and private property claims.

As in previous years, we were successful in improving customer satisfaction, the most challenging area. In 2023, clients rated their satisfaction with vehicle claims settlement with 4.55 stars on a five-star scale. The result attained for property claims settlement was 4.45 stars and life insurance claims received the highest rating of 4.66 stars. The results achieved are all the more valuable as they are based on the opinion of more than 30% of clients who have experienced an insured event and provided us with their feedback. Allianz pojišťovna is one of the market's few insurers who transparently publish their customer satisfaction ratings.

Positive customer experience is particularly affected by prompt settlement of claims, which appears at the top of customer



insurance claims registered by Allianz pojišťovna in 2023

expectation rankings. Accordingly, Allianz focused on significantly reducing the response times at important stages of the process in order to achieve a customer experience of "online" claims settlement, especially for common property and motor insurance claims. Claims closed within two hours of uploading the photographic documentation are no exception. This was unimaginable not long ago, as the usual response time was a couple of days, sometimes a week.

Also, the emphasis put on swift and simple solutions was reflected in the area of mobile inspections. The technical staff of Allianz pojišťovna calculate losses already in the course of the car inspection at the client or in a repair shop to immediately present the loss amount in the form of a repair cost budget. The Covid-19 pandemic fundamentally changed some things, particularly such as the proportion of claims where a mobile technician conducts the physical inspection. Photographs sent by the client are fully sufficient for settling more than 80% of vehicle and property claims. Our mobile technicians physically inspect less than 20% of the claims. Before the pandemic, it was double.

Clients are increasingly using the www.allianz.cz/hlaseni website to quickly report claims. At the end of the year, the share of claims reported via the website reached an all-time record of 59% for motor third-party liability and hull insurance, 65% for life insurance and even 75% for private property and liability insurance. Allianz also noticed the growing popularity of the online claim 



In 2023, the claims settlement staff of Allianz processed 80% of vehicle claims based on photographs sent by the clients. The technicians inspected mere 20%. Artificial intelligence assists in estimating the claim amounts.

status application, used by almost 80% of clients who received a unique link in a mobile text or e-mail message after reporting a claim. These figures clearly show that even something as “complicated” as the settlement of insurance claims can be handled with just a mobile phone in the comfort of the client’s home.

New technologies are further penetrating the settlement of claims under motor insurance to automate parts of the process or, in some cases, the entire settlement. For example, photo documentation of a damaged vehicle uploaded by the client via the online claim status feature is evaluated by artificial intelligence, displaying in real time whether the photo is of sufficient quality and contains the expected view of the vehicle. Artificial intelligence recognizes the damaged parts of the vehicle and immediately estimates the loss amount, also to suggest in turn the optimal procedure for further settlement of the claim.

www.allianz.cz/hlaseni

is available to report vehicle and property insurance claims

24 hours a day

27 days a week
A claim report takes
2 minutes to complete

OCR (optical character recognition) is another example of such technology, used by Allianz to sort documents sent by e-mail in respect of claims. If the client specifies the claim number in the subject of the e-mail, the technology reads the contents of its attachments, sorts the provided documents by type (photo documentation, vehicle registration, invoice for the repair, etc.) and stores them in the claim file.

Windscreen repairs by sealing become increasingly popular with clients and reach 10.5% of all windscreen claims. To support this option, Allianz pojišťovna offers mobile sealing directly at the customer.

Automation is undoubtedly one of the well-proven ways to accelerate claims settlement and ultimately improve the customer experience. The share of automatically closed claims is constantly growing. For windscreen claims, it rose from 30% to 41% year-on-year. For hull damages repaired at contracting repair shops it reached almost 10%. Also, automatic payment of compensations is used under private property insurance, where the indemnity is sent to the client's bank account by the system once the client accepts the budgeted indemnity offer in the online claim status feature.

For property claims, Allianz offers a unique service - Repair from Allianz. The insurance company arranges for repair of the client's damaged property and pays the bill on behalf of the client. Allianz thus meets the needs of its clients and makes it easier for them to deal with property damages. The adjuster offers repair of the damaged property after the first assessment of the claim based on photographic documentation. If the client accepts the offer, the adjuster forwards the order to the Allianz Partners assistance service to carry out an inspection and coordinate all the necessary works. Once the repair is complete, the cost is settled between Allianz pojišťovna and Allianz Partners. The client pays nothing for the service and conveniently enjoys the benefits of Allianz's wide network of contracting partners. Fast, simple and clear.

Health-related claims under motor third-party liability insurance are a specific priority in claims settlement. In this area, determination of compensation amounts requires a very individual approach and high expertise on the part of adjusters. In order to settle health-related claims in a more expedient manner, Allianz continued to pro-actively offer capitalization of open losses with payment of annuities and to increasingly use settlement agreements that generally support legal certainty for both the insurer and the injured party. This effort also prevents unnecessary court disputes over indemnity amounts.



Sales



Although 2023 was not a year of natural disasters, the local economy was hit by negative impacts of the energy crisis and high inflation. However, 2023 was a year of commercial success for Allianz pojišťovna. The company was able to take full advantage of its experience gathered in the previous years and succeeded again in terms of sales.

In 2023, Allianz recorded a nearly 10.5% increase in written premiums year on year. Traditionally, Allianz was successful in motor insurance, achieving a 7.7% increase in written premiums under motor third party liability insurance and an excellent 16.3% increase in motor hull insurance.

In commercial insurance, Allianz pojišťovna largely focused on supporting and improving its Moje Firma package insurance which builds on simplicity and a comprehensive cover against commercial risks. Moje Firma offers protection of movable property, real estates, liability and business-related risks. With an offer of 4 optimally designed packages, it follows the well-proven concept used in retail products.

Allianz pojišťovna maintained its full support for environmental sustainability and new trends resulting from climate change. The promotion of and strict compliance with ESG rules in corporate insurance underwriting already forms an integral part of Allianz's corporate culture.

Despite all the economic challenges caused by external effects, the tied agent sales service is gradually meeting the particular pillars of the network's long-term 2025 Strategy. In addition to the growing number of salespeople in the internal network, we can see an increasing number of clients attended by the network as well as an overall growth of the client base.

The internal network is stable. Tied sales representatives further expand the use of digital tools in the insurance contracting process and subsequent client care.

From the perspective of individual product lines, the internal sales service was very successful in selling Allianz Život life insurance. In total, the network contracted life insurance worth 289,549,779 CZK! The internal agents also did well in sales of the Moje Firma commercial package insurance, concluding a total of 4,788 policies with an aggregate value of 70,446,711 CZK. Sales of other products are stabilized and the long-term priorities in focus of the tied agent sales network include the sale of retail property insurance.

External distribution partners

In 2023, broker sales and MLM networks stayed on top of the wave of success of the previous year. In life insurance, they maintained a stable position despite aggressive pricing on the market. Particularly commercial insurance and fleet insurance saw a very successful year.

The offer of Allianz insurance for brokers was expanded in the course of the year to include Moje Firma. Retail products of the non-life segment did also well. Motor insurance maintained a steady growth despite persisting issues with the supply of new vehicles from manufacturers. Private property insurance also continued to show slight growth. In industry insurance, Allianz still tackles restrictions, yet the sales are growing despite complications. 2023 is one of the most successful years in history in terms of sales. The strategy of focusing Allianz's sales activities

1,800 sales representatives in the tied agent network of Allianz, adding more than 300 over the past two years

Tied agent sales network

For the network of internal sales agents, 2023 was a similarly successful year as it was for the entire Allianz pojišťovna. The network stood up to all challenges and, above all, confirmed its unique position in the sales channel mix. The size of the network is visibly growing. While at the end of 2021 it consisted of around 1,500 salespeople, at the end of 2023 it reached almost 1,800 tied agents.

on selected groups of sales agents has proven effective. Allianz's position with all TOP partners is now even more developed and the number of strategic partners increased in 2023.

Corporate insurance

In cooperation with leasing companies, Allianz further pursued its strategy of diversifying premium rates for new sales and renewals in 2023, supporting the use of online tools implemented at the individual partners. These long-term initiatives now fruited in the growing attractiveness of Allianz's offering and an expanding client base. A large part of the year was also devoted to preparations for the online mode of cooperation with leasing companies to be launched in the second half of 2024. 2023 was a year marked by sales success for Allianz pojišťovna, both in terms of dealership sales and fleet insurance.

In the commercial risk insurance business, Allianz achieved an 8.5% increase, expanding its market share to 10.4%. As mentioned above, sales of the Moje Firma commercial package insurance were also significantly successful with new policies worth more than 70 million CZK.

Online sales and telesales

The share of motor insurance products as well as property insurance taken out online further increased in 2023. The overall growth of the entire market once again significantly exceeded 10% and the range of offered products expanded from the now traditional motor and property insurance towards life insurance, pension savings and products for small and medium-sized businesses.

Allianz pojišťovna's online telesales team surpassed the record result of 2022, strengthened significantly and entered the year 2024 with 65 active salespeople. The direct contracting pillar thus added 10 new sales agents and one sales team. In addition to the historically best figures, the share of contracted property insurance also increased, exceeding 7% of total production. Also in non-life insurance the share of telesales outperforms the overall market share growth.

The acquisition of the year and merger of Srovnejto and Klikpojištění brought a major change in the e-broker market. Following their first acquisition of Porovnej24, Klikpojištění, owned by Hungary's leading online contracting company Netrisk, further expanded its offer to include the ePojištění and Srovnejto brands. This made them the undisputed leader on the Czech market.

Significant developments occurred in life insurance with Rixo successfully extending its offer to become a true rival to traditional distributors in "physical" distribution. Smaller players also did well, strengthening their positions mainly due to the growth of the online market as a whole.

In 2024, Allianz pojišťovna will maintain its focus on the best customer experience in terms of product quality, service in settlement, general customer care, as well as user experience quality and simple contracting.

Bancassurance

With regard to sales of its insurance products to bank clients, Allianz pojišťovna achieved a year-on-year growth of more than 20% in new written premiums in both life and non-life products. The strategic partner, UniCredit Group, played a significant role in achieving the result. Creditas Banka,



Allianz stood the test of 2023 in terms of sales, accelerating the growth of property and particularly small and medium-sized business insurance. Great attention was also paid to insurance products offered to clients of the contracting banks.

MONETA Stavební spořitelna and NN also contributed to the growth in property and motor insurance sales.

New sales practices

Building on expertise gathered in the previous years, Allianz optimizes the procedures and methods of offering and contracting insurance products in banks.

In the case of motor insurance, the bank's digital platforms being an ideal place for online product promotion were combined with the Allianz call centre with insurance specialists providing high-quality advice and service. This procedure resulted in a more than 100% year-on-year increase in new premiums written.

In the case of life insurance, Allianz started to engage its consultants of the tied agent sales network at the bank's branches. The pilot project took place in the fourth quarter of 2022 at 12 UCB branches. With regard to the success achieved, consultants were available at 67 branches by the end of 2023. The consultants provide the bank's clients with the professional know-how and advice needed for the sale of comprehensive risk life insurance. As a result, sales of life insurance added more than 20% year on year in terms of new written premiums, which was notably due to the close cooperation of Allianz's tied sales agents with UniCredit's bankers.

Other banking partners

In 2023, Allianz pojišťovna entered into a framework cooperation agreement with **Fio banka**, focusing on property, motor and digital risk insurance. In setting up the sales procedures, Allianz particularly relies on the experience gained from the cooperation with UniCredit, where the insurance advisors have tried and verified a number of procedures and methods, and combines it with the bank's digital platforms and branch network.

Creditas Banka offers property insurance through the branch network and motor insurance via digital platforms. The bank also scouts for sales opportunities for Allianz's call centre and tied agent sales network. The cooperation was launched in September 2023, followed by increasing sales of motor insurance over the last months of the year. The anticipated number of opportunities created by Creditas Bank using digital channels was exceeded by more than 50%. Improving the promotion of Allianz products in the bank's online environment and maintaining the scouting role are the challenges ahead. The project of offering Allianz property insurance through the branch network of Creditas was launched in the fourth quarter of 2023 and its initial phase will be evaluated at the end of the first quarter of 2024.

J&T Investiční banka, rendering asset management and investment services to affluent clients, has been a new business partner of Allianz pojišťovna since late 2023. The bank will cooperate with Allianz in the area of corporate insurance, fleet insurance and SME insurance. The cooperation parameters, procedures and processes will be set up in the course of the first quarter of 2024; the pilot operation is expected to be launched in the second quarter.

Employees

In 2023, the company responded to the constantly evolving business needs as well as all legislative changes. Allianz thoroughly applied an individualized approach to let the members of staff maximize their contribution, pursue a reasonable career path and better align their own and the company's needs.

The company realized major investments in its people, in working space alterations to follow the recent trends, as well as in technical equipment for members working from home. That is just one of the reasons why in 2023 it ranked once again among the preferred employers in the insurance category of the prestigious Top Employer competition.

Allianz pursues its vision to be a leader in diversity and to provide all employees with equal opportunities. In line with these efforts, the company passed EDGE ASSESS (The Economic Dividends for Gender Equality) certification and obtained its second certificate in 2023.

The in-depth audit confirmed that Allianz focuses on equality of pay of women and men on a regular and systemic basis, that equality of access and opportunities is inherent to the corporate culture and all the company's directives and processes including recruitment, remuneration, education and succession planning. Allianz pojišťovna is fully aware that the company's success relies on its

people, motivated to provide the best service, create and improve the products of Allianz to best reflect the needs of customers. With regard to insurance claims, provision of high-quality service and unrivalled claims settlement is essential. To achieve this, the company maintains a professional team of qualified and properly motivated experts and systematically develops their potential.

Employee benefits

Allianz pojišťovna aims at continuously improving its position among leading insurers as well as among important employers. The company is aware that its results are attained particularly through the high commitment of its people and thus it offers attractive employee benefits taking into account their individual needs.

In 2023, the company continued to offer permanent online medical counseling and the opportunity to arrange for a doctor appointment online. The service is very popular with the employees.



Further, the mental health support programme and the opportunity to benefit from psychotherapeutic care were also available in 2023.

Other major benefits in 2023 included:

- One week of extra leave in addition to the statutory requirement
- Four sick days
- Flexible working hours
- Greater opportunities for working from home
- "Cafeteria benefit plus" points
- Employee shares available at reduced prices and 1 free share
- Annual travel insurance for Europe for just 1 CZK
- Significantly reduced rates for property and life insurance
- Employer contributions to supplementary pension schemes
- Insurance for cases of death or incapacity to work
- Catering at the company's headquarters at reduced prices; catering allowances for employees working outside the headquarters
- T-Mobile programme - special rates for employees and their family members
- Vitamin product packages
- "Mom, Dad, Take Me to Work" event for the employees' children

Allianz Paternity Leave of up to 4 weeks and death and disability insurance are the new benefits introduced in 2023.



In 2023, Allianz thoroughly applied an individualized approach to let the members of staff maximize their contribution, pursue a reasonable career path and better align their own and the company's needs. Also, it realized major investments in its people, working space alterations and technical equipment for the employees.

Training and personal development

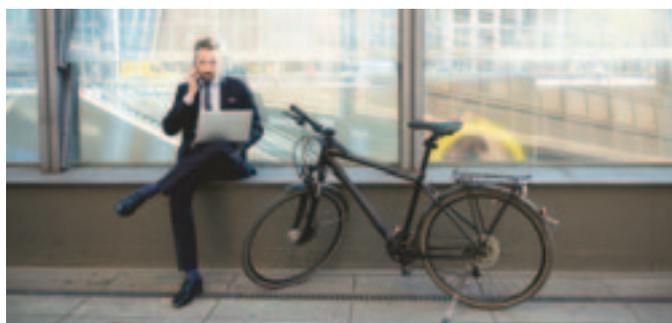
Systematic employee training and development are among the top priorities at Allianz. The company provides its employees with various courses, trainings and comprehensive programs to promote their professional, personal and managerial development.

In 2023, Allianz particularly emphasized development of digital skills, work from home, remote team management, client experience, mental health support, preparations for IDD proficiency testing and a local and CEE mentoring programme.

A new programme was introduced to support the return of parents after parental leave and the career development of women.

Corporate culture

Allianz pojišťovna's corporate culture builds on the corporate value and governance principles of Allianz SE aiming at fulfilling the Group's "We secure your future" mission and a harmonized culture of governance in all its member companies.



In 2023 at Allianz, corporate culture also consisted of an annual employee satisfaction and motivation survey, monitoring the atmosphere at the company and generating new ideas and suggestions to improve employee satisfaction. Long-term strong participation in the voluntary survey (94% in 2023) shows the employees' continued interest in expressing their opinion and contributing to further development of the company.

Also, employee satisfaction in 2023 remained very high in all monitored indices. The employee engagement index increased from 85% to 87%.

Strong emphasis is put on the professional conduct of the company's employees and adherence to internal rules. The fundamental principles are stipulated in the Code of Conduct, Business Ethics and Compliance, followed by all Allianz Group companies since 2005, and in the Employment Rules. Respect for the rules of equal opportunities, equal remuneration and zero tolerance of any discrimination form an inherent part of the corporate culture.

94%

members of staff took part in the annual employee satisfaction and motivation survey in 2023, contributing to the company's further development.

Non Financial Information

Allianz is a highly transparent company pursuing zero tolerance to fraud and corruption in the long term. Confidence of customers and good reputation are result of the company's professional and fair business approach.

Fight against corruption and bribery

In 2023, Allianz pojišťovna continued in supplier controls and staff training with an emphasis on anti-corruption and anti-bribery issues. The topic is covered in the induction training for both new employees and new sales representatives. In addition to the induction training, members of staff undergo anti-corruption e-learning or webex training from time to time. In the course of 2023, suppliers of Allianz were checked in line with Directive 64 - Procurement of goods and services. Processes perceived as possible corruption indicators underwent regular monitoring.

Furthermore, Allianz pojišťovna held an electronic anti-corruption communication campaign. As part of its campaigns, Allianz also drew attention to the risks arising from corruption and bribery, commemorated the World Whistleblower Day (23 June) or the International Anti-Corruption Day (9 December) and informed the staff members about important facts inherent to the areas in question by means of personal and online training, a regular newsletter as well as focused blog posts on the intranet of Allianz.

Fight against corruption and bribery relies on internal documents and directives, especially Directive 167- Guidelines for applying Allianz anti-corruption rules, 168 - Allianz gift and entertainment policy, 182 - Whistleblowing guidelines, 185 - Anti-corruption measures in cooperation with insurance intermediaries, as well as the Code of Ethics of Allianz Group issued in 2021 and Code of Conduct for sales representatives. Allianz continuously assesses corruption risks and bribery according to a defined methodology, which was also the case in 2023. Violations of the Code of Ethics are addressed by the Compliance department and Integrity Committee.

Effective as of 1 August 2023 and in line with Act No. 171/2023 Coll. on the protection of whistleblowers and the AML Act, Allianz pojišťovna introduced an internal whistleblowing system to report unlawful or unethical conduct that has occurred or is to occur in connection with Allianz. Allianz implemented a protected internal reporting channel allowing anonymous, simple and safe reports of unethical conduct and possible violations of legal regulations.

Data protection

Personal data and privacy protection issues become increasingly important in the recent years, both from the perspective of the individuals whose privacy is to be protected and those who encounter others' personal data in their work and who should ensure such protection.

Essential legislation applicable to the manner how personal data are treated derives from Regulation (EU) 2016/679 of the European Parliament and of the Council that came into force as of 25 May 2018 ("GDPR"). In the Czech Republic, GDPR was

amended by local Act No. 110/2019 Coll. on the processing of personal data. Further, Allianz pojišťovna is bound under the Self-Regulation GDPR Standards issued by the Czech Insurance Association so that it monitors and performs the processing of personal data in a manner that is compliant with the regulator requirements for personal data processing.

In April 2018, Allianz Group adopted the Allianz Privacy Standard ("APS") containing the requirements to ensure harmonization in the area of privacy and personal data protection within Allianz Group. Further, the Group introduced the Allianz Binding Corporate Rules (BCR), operating as the legal mechanism enabling the transfer of personal data within Allianz Group to third countries, i.e. outside the EU. Allianz Group also adopted and updates internal binding rules for the handling of personal data, specifically the following: *Functional Rule for Personal Data Incident Management*, *Functional Rule for the Handling of Subject Access Requests (SARs)* and *Data Privacy Complaints (Complaints)*, *Functional Rule for Privacy & Ethics Impact Assessments*.

Rules and requirements applicable to the processing of personal data in compliance with GDPR and APS are implemented in internal processes and documents of Allianz pojišťovna. Personal data and privacy protection at Allianz is particularly subject to Directive 197.11 - Personal data and privacy protection, other directives of Allianz and methodological guidelines issued by Legal and Complaints departments.

Compliant with the Allianz Functional Rule for Personal Data Incident Management, a system to detect, investigate and report personal data breaches is implemented.

Data breaches, exercised data subject rights according to GDPR and privacy complaints were reported as anonymized to Allianz Group Privacy for statistical purposes on a quarterly basis. Information on the processing of personal data provided to data subjects is implemented in Allianz documents and on its websites and was subject to regular review in the course of 2023. A GDPR-compliant system in line with the Group's Functional Rule for the handling of Subject Access Requests ("SARs") was launched.

Czech Allianz companies that are members of the Allianz Privacy Renewal Program Community appointed a Data Protection Officer pursuant to GDPR ("Data Protection Officer"), who was also active during 2023. All Allianz employees and members of staff pass regular training with a focus on the topic of handling of personal data, consisting of four mandatory annual e-learning courses and a voluntary workshop, the Privacy Arena, led by the Data Protection Officer. Another training in the handling of personal data is introduced among the mandatory courses forming part of induction training of recruited members of staff.

The Data Protection Officer prepares a report on DPO activities once a year and submits it to the statutory body of Allianz for approval after the end of a calendar year.

Major activities in 2023:

- Implementation and monitoring of legal and regulatory requirements for personal data processing
- Cooperation and communication with the supervisory authority
- Cooperation and communication with the Czech Insurance Association
- Training activities conducted by the Data Protection Officer in a hybrid form (in person and online)
- Training and cooperation between the Data Protection Officer and Privacy Champions took place in respect of personal data processing
- Analyses and measures were carried out in relation to the use of Instant Messengers, Standard Contractual Clauses, etc.
- Regular audit and control of personal data processors took place
- Internal and group audits of personal data processing processes were carried out
- Processes and projects were evaluated from the perspective of personal data processing according to group rules applicable to Privacy Impact Assessments (“PIA”)
- Records of processing activities maintained by Allianz as the controller and processor were updated

Another directive governs the manner how Allianz employees are to treat information that is sensitive for capital market development. The employees are obliged to ensure the confidentiality of such information and use it for legitimate business purposes only. Unlawful disclosure of internal information, i.e. insider dealing, or market manipulation are not permitted. The issue is further contemplated in Directive 178.02 - Rules of Capital Markets Compliance, which contains rules that are binding upon all employees.

Corporate social responsibility

Allianz helps everyone in need in the long term. For example, for six years, the company has been supporting Černí koně, an NGO running a project to support children suffering from limited mobility. Černí koně manufactures handbikes, special hand-propelled bicycles, and Allianz pojišťovna decided to financially support the production and to engage its members of staff in this initiative. Every year, the employees spin the trainers to raise money for a handbike for another child with limited mobility and in turn to facilitate the child’s social integration among his or her peers. Allianz also has its ambassador, Lukáš Kulháněk, who races on handbikes in Allianz colours. Another of Allianz’s ambassadors, a former successful basketball player and now a promising rower whose dream is to compete at the Paralympics in Paris, also rides a handbike.

Černí koně was also supported by Allianz Group as one of its key projects under the Social Impact Fund – SIF programme in November 2023. Černí koně thus received 35,000 euros, or 840,000 CZK, for the production of special bicycles for children with disabilities. The organization plans to allocate the financial support to 9 children, for whom it will produce new special bicycles with an additional electric drive. The price of one such bicycle amounts to around 100,000 CZK. Allianz also organized a food and toiletry drive in cooperation with the **Central Food**

Bank. The company’s employees collected a total of 208 kg of food and toiletries, all of which was donated immediately to families struck by the economic crisis.

The Christmas Bake Sale was a great success, too. Allianz employees baked for their colleagues and the proceeds from the sale of homemade pastries were donated in favour of elderly citizens living in retirement homes. Specifically, Ježíškova vnučata, an NGO, thus had 16 thousand crowns to make some of their Christmas wishes come true.

In 2023, Allianz employees planted trees with the @drevoprozivot foundation. 2,900 trees were planted at Opočno in the autumn. However, in the aggregate, a total of 9,000 seedlings were returned to nature as part of the afforestation efforts across the country!

In 2021, Allianz started an 8-year partnership with the Olympic and Paralympic movement. The Winter Paralympic Games took place in February 2022 and Allianz’s sports ambassador, para ice hockey goalkeeper Michal Vápenka, represented the Czech team. Allianz will be a proud global partner of the Summer Olympics in France in 2024 and will also offer tailored insurance and comprehensive related services to the athletes.

Allianz pojišťovna supported Život 90 and Klub svobodných matek non-profit organizations in 2023. The employees traditionally joined the Movember and Bike to Work campaigns.

Allianz supports a sustainable future

As an insurer, Allianz considers the consequences of its business and environmental issues in the long term. Indeed, insurance is an instrument used to build resilience to the consequences of various hardships including natural disasters. Insurance provides people with financial stability enabling faster recovery in difficult times and avoiding the trap of poverty. It also helps businesses overcome challenging situations that could otherwise threaten their prosperity or even entire existence.

Environmental responsibility plays a role in decisions made by Allianz regarding the company’s investments and operations as well as regarding the risks insured. Allianz in the Czech Republic is committed to the global Allianz initiative focused on combatting climate change. **ALLIANZ GROUP Building confidence in tomorrow Sustainability Report 2023**
<https://www.allianz.com/en/sustainability.html>

Global environmental program of Allianz Group

Since 2008, Allianz pojišťovna has been engaged in a global environmental project of Allianz Group in order to minimize its negative impact on the environment.

End of support for coal business

Allianz Group is committed to eliminate its coal-based business models by 2040. As of this day, it no longer provides insurance for the construction or operations of coal-fired power plants or coal mines. Also, it does not renew expiring insurance policies applicable to said industrial activities. Allianz pojišťovna also decided to terminate the insurance provided to Počeradý and Chvaletice power plants where it maintained partial contractual obligations.

In line with the group's global strategy, Allianz in the Czech Republic ends its support for the coal industry.

Carbon emissions reduction

Allianz significantly reduces its carbon emissions every year in order to meet the Allianz Group 2025 target. The company's headquarters building, Diamond Point, uses energy from renewable sources only. This also applies to the other tenants who thus contribute to emission reductions as well. The number of business trips is significantly lower as the company uses online communication tools whenever possible.

More information about sustainability

https://www.allianz.cz/cs_CZ/pojisteni/vse-o-allianz/informace-o-udrzitelnosti.html

Digitization

One of the key and fastest developing areas in the past year was the automation of claims settlement, aiming at speeding up and automating the related processes as much as possible. Setting 2 hours as the maximum time for response to the client following the delivery of documents is one of the main targets in the settlement process. In practice, this means that after reporting a claim, the client submits the required documents and Allianz replies within 2 hours. In most cases, the reply consists of a proposed budget and often the case is closed right away. Thus, from the times when the settlement of an insurance claim took days or weeks, we are moving towards a situation where a claim is settled in a few hours, sometimes even less when the settlement is all-automatic without any human intervention. Artificial intelligence and its involvement in the particular processes, such as loss recognition, also helps us a lot in this regard.

The client portal is the main communication channel that simplifies and speeds up communication with the client, contract management and claims settlement as much as possible. Our mobile application lets clients easily control all their insurance matters or pay premiums using Apple Pay and Google Pay.

Working with the customer experience in order to further develop our products, applications and processes in line with the newest trends and with an emphasis on fast and easy solutions and security and protection of client data stands firm among our top priorities.

Employee health

Allianz puts an emphasis on Health & Wellbeing of its employees, also expanding beyond their working conditions. The company provides flexible working hours, opportunity to work from home, 5 sick days and more. It arranges for preventive medical examinations of the employees, supports their workout activities and also covers sports event participation fees.

Open communication

Also in 2023, employees were informed about all important events and changes at the company on a regular basis through digital information media, such as INFO, the company's regular electronic newsletter, or Allianz TV broadcasting. In 2021, Allianz pojišťovna joined the global intranet site to provide its members of staff with important information on a daily basis. In addition, an e-mail address is available to the employees to send their questions, or the Listárna mailbox, where they can also drop their anonymous requests. Members of staff may also report unethical conduct anonymously via the SpeakUp line.

As mentioned above, a strong emphasis is put on the employees' professional conduct and compliance with the company's internal rules including the Code of Conduct and other regulations. Respect for the rules of equal opportunities and zero tolerance to any discrimination form an integral part of the corporate culture.

A summary of all non-financial information concerning Allianz Group including Allianz pojišťovna, a. s. in the Czech Republic, is provided in special reports of the parent company, Allianz SE.

<https://www.allianz.com/en/sustainability/sustainability-report-and-other-publications.html>

The insurance company did not develop any activities during 2023 in the field of research and development. The insurance company had no organizational component abroad during 2023.

The insurance company proceeds in accordance with the applicable legislation within the framework of employment and legal relations and strictly observes it. The insurance company did not acquire any own shares in 2023.

A Word of Thanks from the Board of Management

The Board of Management would like to thank all the sales agents, brokers, external partners, business partners and all the employees for their work for Allianz, as well as for their dedication, enthusiasm and professionalism.

We also thank the shareholder for support and cooperation and our clients for the confidence they have placed in Allianz pojišťovna.

Board of Management

B

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part



Independent Auditor's Report

To the shareholder of Allianz pojišťovna, a.s.

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Allianz pojišťovna, a.s., with its registered office at Ke Štvanici 656/3, Praha 8 (the "Insurance Company") as at 31 December 2023 and of the Insurance Company's financial performance for the year ended 31 December 2023 in accordance with Czech accounting legislation.

What we have audited

The Insurance Company's financial statements comprise:

- the balance sheet as at 31 December 2023;
- the income statement for the year ended 31 December 2023;
- the statement of changes in equity for the year ended 31 December 2023; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and of the Council (the "EU Regulation") and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the "Audit regulations"). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Insurance Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic, with the Act on Auditors and with the EU Regulation. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, the Act on Auditors and the EU Regulation.

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Our audit approach

Overview



Overall materiality represents 1% of the Insurance Company’s gross underwritten premium, which represents CZK 199 million.

Assumptions used in valuing technical provisions with focus on adequacy test (LAT) and IBNR provision.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance as to whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate, on the financial statements as a whole.

Overall Insurance Company materiality	CZK 199 million
How we determined it	Materiality for the Insurance Company was determined as 1% of the gross underwritten premium.
Rationale for the materiality benchmark applied	<p>We have chosen the gross underwritten premium as a benchmark for estimating materiality as it represents industry standard as well as key focus of the Insurance Company’s management and stakeholders. Performance of insurance companies on the market is measured on basis of revenues and gross underwritten premium is one of the main indicators monitored by external users of financial statements.</p> <p>We have applied 1% which is within the range of acceptable quantitative materiality thresholds for Public Interest Entities.</p>



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p data-bbox="225 707 751 797">Assumptions used in valuing technical provisions with focus on adequacy test (LAT) and IBNR provision.</p> <p data-bbox="225 808 751 1144">Valuation of insurance technical provisions is subject to a high degree of estimation with respect to determinants of the valuation models used by the Insurance Company, especially for liability adequacy test (LAT) and incurred but not reported provision (IBNR). Valuation requires usage of actuary models and determination of actual economic and non-economic assumptions which may be influenced by future economic and market conditions and by regulation of insurance business.</p> <p data-bbox="225 1155 751 1301">The assumptions used to assess adequacy of life LAT depend, in particular, on mortality, lapse rates, claim ratios and costs. The interest rates used for discounting are also a key input to this calculation.</p> <p data-bbox="225 1312 751 1480">The assumptions used to assess adequacy of non-life LAT and reasonableness of valuation of life and non-life IBNR provision primarily include earned premium, the cost of claims processing, claim ratios and administrative costs.</p> <p data-bbox="225 1491 751 1581">The valuation of the related insurance liabilities and application of actuarial models and assumptions requires professional judgment.</p> <p data-bbox="225 1592 751 1738">The accounting policies used by management in the area of valuation of technical provisions are disclosed in note I.4. and related other explanatory information in note II.9 to the accompanying financial statements.</p>	<p data-bbox="751 808 1324 954">We obtained an understanding of the Insurance Company's methodologies and procedures to determine the key assumptions, either based on market observable data or management's own experience and estimates.</p> <p data-bbox="751 965 1324 1167">We have involved PwC actuarial specialists in our audit procedures. We discussed the key assumptions, including expectations of the magnitude of impact of the risks associated to the economic environment (e.g. inflation, changes in market trends) and challenged the assumptions and professional judgement.</p> <p data-bbox="751 1178 1324 1458">Further, we discussed changes in existing and new products and potential changes in related actuarial methods of valuing both life and non-life IBNR provision and LAT. We focused on testing the adequacy of insurance premiums, testing the adequacy of liabilities and recalculation of the estimate of the provision for losses incurred but not reported, including evaluation of the impact of inflation on the expected claim ratios.</p> <p data-bbox="751 1469 1324 1727">As part of our audit procedures, we verified a provision for reported but not settled claims on a selected sample of contracts and we further analysed the outcome of claims settlement. We assessed the sufficiency of the total provision for claims, independently reperformed liability adequacy test for premium provisions and assessed the adequacy of the method applied to determine it.</p> <p data-bbox="751 1738 1324 1816">We also assessed the accuracy and completeness of the disclosures in the notes to the financial statements.</p>



How we tailored our audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Insurance Company, the accounting processes and controls, and the industry in which the Insurance Company operates.

Other information

The board of directors is responsible for the other information. As defined in Section 2(b) of the Act on Auditors, the other information comprises the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Insurance Company obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with applicable legal requirements, i.e. whether the other information complies with the legal requirements both in terms of formal requisites and the procedure for preparing the other information in the context of materiality.

Based on the procedures performed in the course of our audit, to the extent we are able to assess it, in our opinion:

- the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with the applicable legal requirements.

In addition, in the light of the knowledge and understanding of the Insurance Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this regard.

Responsibilities of the board of directors, supervisory board and audit committee of the Insurance Company for the financial statements

The board of directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with Czech accounting legislation and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Insurance Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Insurance Company or to cease operations, or has no realistic alternative but to do so.

The supervisory board of the Insurance Company is responsible for overseeing the financial reporting process.

The audit committee of the Insurance Company is responsible for monitoring the financial statements' preparation process.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Audit regulations, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Insurance Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Insurance Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Insurance Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors, supervisory board and audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement showing that we have complied with relevant ethical requirements regarding independence, and we communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board and audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on other legal and regulatory requirements

Information required by the EU Regulation

In compliance with Article 10(2) of the EU Regulation, we provide the following information, which is required in addition to the requirements of International Standards on Auditing:

Consistency of the audit opinion with the additional report to the audit committee

We confirm that the audit opinion expressed herein is consistent with the additional report to the audit committee of the Insurance Company, which we issued today in accordance with Article 11 of the EU Regulation.

Appointment of auditor and period of engagement

We were appointed as the auditors of the Insurance Company for year 2023 by the general meeting of shareholders of the Insurance Company on 6 December 2023. Our uninterrupted engagement as auditors of the Insurance Company has lasted for 6 years.

Provided non-audit services

We declare that the PwC Network has not provided non-audit services to the Insurance Company that are prohibited under Article 5 (1) of the EU Regulation, as amended by the Czech law following Article 5 (3) of the EU Regulation.

In addition to the statutory audit, no other services were provided by us to the Insurance Company.

The engagement partner on the audit resulting in this independent auditor's report is Marek Richter.

28 March 2024

PricewaterhouseCoopers Audit, s.r.o.
represented by Partner

A handwritten signature in blue ink that reads 'Marek Richter'.

Marek Richter
Statutory Auditor, Licence No. 1800

Financial statement

Balance sheet as at 31 December 2023

(in thousands of czech crowns TCZK)

TCZK	2023 Gross	2023 Adjustment	2023 Net	2022 Net
I. ASSETS				
B. Intangible fixed assets, thereof	841,696	732,112	109,584	89,980
C. Investments	32,129,953	-	32,129,953	27,912,901
II. Investments in affiliated undertakings and participating interests	2,024,952	-	2,024,952	1,827,967
1. Participating interests with controlling influence	1,012,748	-	1,012,748	1,012,748
2. Debt securities issued by, and loans and credits to, undertakings - controlling influence	856,337	-	856,337	814,419
3. Interests with significant influence	24,800	-	24,800	800
4. Debt securities issued by, and loans and credits to, undertakings - significant influence	131,067	-	131,067	-
III. Other investments	30,105,001	-	30,105,001	26,084,934
1. Shares and other variable-yield securities, other participating interests	568,434	-	568,434	1,592,136
2. Bonds and other fixed-income securities	26,582,275	-	26,582,275	21,822,602
a) securities valued at fair value	23,806,361	-	23,806,361	18,931,544
b) securities held to maturity	2,775,914	-	2,775,914	2,891,058
5. Other loans and credits	6,469	-	6,469	7,132
7. Other investments	2,947,823	-	2,947,823	2,663,064
D. Investments for the benefit of life assurance policyholders who bear the investment risk	8,156,159	-	8,156,159	6,957,353

The financial statements have been prepared in the Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of the financial statements takes precedence over the English version.

TCZK	2023 Gross	2023 Adjustment	2023 Net	2022 Net
E. Debtors	2,982,165	442,144	2,540,021	2,740,771
I. Receivables arising from direct insurance operations	1,383,088	427,578	955,510	884,362
1. Policyholders, thereof	1,186,114	368,282	817,832	842,525
2. Intermediaries, thereof	196,974	59,296	137,678	41,837
II. Receivables arising from reinsurance operations, thereof	218,831	-	218,831	243,896
III. Other receivables, thereof	1,380,246	14,566	1,365,680	1,612,513
a) Receivables due from entities in which the Company has a controlling influence	17,746	-	17,746	14,567
b) receivables from entities in which the entity has significant influence	13,631	-	13,631	71,848
F. Other assets	448,815	147,452	301,363	304,030
I. Tangible fixed assets other than those listed under "C.I. Land and buildings", and inventories	183,815	147,452	36,363	42,539
II. Cash on accounts in financial institutions and cash in hand	265,000	-	265,000	261,491
G. Temporary asset accounts	1,680,258	-	1,680,258	1,576,819
II. Deferred acquisition costs	1,143,205	-	1,143,205	1,029,308
a) in life-assurance business	821,649	-	821,649	731,210
b) in non-life insurance	321,556	-	321,556	298,098
III. Other temporary asset accounts, thereof	537,053	-	537,053	547,511
a) Estimated receivables	196,423	-	196,423	169,357
TOTAL ASSETS	46,239,046	1,321,708	44,917,338	39,581,854

Balance sheet as at 31 December 2023

(in thousands of czech crowns TCZK)

	2023		2022
II. LIABILITIES			
A. Equity	9,598,226		7,342,122
I. Registered capital, thereof	600,000		600,000
II. Premium	29,782		29,782
IV. Other capital funds	27,660		(1,133,914)
V. Reserve fund and other funds from profit	534,463		534,463
VI. Profit or loss brought forward	5,761,791		5,043,407
VII. Profit or loss for the financial year	2,644,530		2,268,384
C. Technical provisions	24,416,239		22,826,645
1. Provision for unearned premiums			
a) gross amount	4,839,308		4,282,987
b) reinsurance share (-)	169,057	4,670,251	128,080
2. Life assurance provision			
a) gross amount	7,133,256		7,035,240
b) reinsurance share (-)	1,310	7,131,946	1,065
3. Provision for outstanding claims			
a) gross amount	12,960,613		12,220,807
b) reinsurance share (-)	1,056,317	11,904,296	1,161,405
4. Provision for bonuses and rebates			
a) gross amount	575,344		504,011
b) reinsurance share (-)		575,344	504,011
6. Other technical provisions			
a) gross amount	134,402		74,150
b) reinsurance share (-)		134,402	74,150
D. Life assurance technical provision where the investment risk is borne by the policyholders	8,156,159		6,957,354
a) gross amount	8,156,159		6,957,354
b) reinsurance share (-)		8,156,159	6,957,354
E. Provisions	55,618		42,550
3. Other provisions	55,618		42,550

	2023	2022
G. Creditors	1,932,340	1,797,214
I. Payables arising from direct insurance operations, thereof	1,301,139	1,319,475
II. Payables arising from reinsurance operations, thereof	179,817	31,300
V. Other payables, thereof	451,384	446,439
a) Tax liabilities and payables due to social security and health insurance institutions	26,402	21,862
b) Payables to entities in which the Company has a controlling influence	-	129
c) liabilities to parties in which the entity has significant influence	106,827	16,458
H. Temporary liability accounts	758,756	615,969
I. Accrued expenses and deferred revenues	23,548	17,814
II. Other temporary liability accounts	735,208	598,155
TOTAL LIABILITIES	44,917,338	39,581,854

Income statement for the year ended 31 December 2023

(in thousands of czech crowns TCZK)

	2023 Base	2023 Subtotal	2023 Result	2022 Result
I. TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE				
1. Earned premiums, net of reinsurance:				
a) gross premiums written	15,759,145			
b) outward reinsurance premiums (-)	1,384,974	14,374,171		
c) change in the gross provision for unearned premiums (+/-)	550,096			
d) change in the provision for unearned premiums, reinsurance share (+/-)	40,981	509,115	13,865,056	12,589,063
2. Allocated investment return transferred from the non-technical account			668,322	479,995
3. Other technical income, net of reinsurance			876,596	789,209
4. Claims incurred, net of reinsurance:				
a) claims paid:				
aa) gross amount	8,070,699			
bb) reinsurance share (-)	659,146	7,411,553		
b) change in the provision for outstanding claims:				
aa) gross amount	684,091			
bb) reinsurance share (-)	(104,957)	789,048	8,200,601	7,933,877
6. Bonuses and rebates, net of reinsurance			451,642	292,632
7. Net operating expenses:				
a) acquisition costs		1,347,460		
b) change in deferred acquisition costs (+/-)		(23,458)		
c) administrative expenses		2,363,862		
d) reinsurance commissions and profit participation (-)		160,399	3,527,465	3,074,401
8. Other technical expenses, net of reinsurance			1,177,924	1,099,495
10. Sub-total on the technical account for non-life insurance			2,052,342	1,457,862

	2023 Base	2023 Subtotal	2023 Result	2022 Result
II. TECHNICAL ACCOUNT FOR LIFE INSURANCE				
1. Earned premiums, net of reinsurance:				
a) gross premiums written		4,176,690		
b) outward reinsurance premiums (-)		6,747		
c) change in the provision for unearned premiums, net of reinsurance (+/-)		6,229	4,163,714	4,134,778
2. Income from investments:				
a) income from participating interests, with a separate indication of that derived from controlling influence				
b) income from other investments, with a separate indication of that derived from controlling influence:				
aa) income from land and buildings				
bb) income from other investments	210,000	210,000		
c) value adjustments on investments		1,405,997		
d) income from disposal of investments		321,345	1,937,342	1,754,921
3. Unrealised gains on investments			2,068,051	1,563,578
4. Other technical income, net of reinsurance			91,038	90,927
5. Claims incurred, net of reinsurance:				
a) claims paid:				
aa) gross amount	2,224,773			
bb) reinsurance share (-)	912	2,223,861		
b) change in the provision for outstanding claims:				
aa) gross amount	55,714			
bb) reinsurance share (-)	(131)	55,845	2,279,706	2,109,674
6. Changes in other technical provisions, net of reinsurance (+/-):				
a) life assurance provisions:				
aa) gross amount	98,016			
bb) reinsurance share (-)	245	97,771		
b) other technical provisions, net of reinsurance		1,259,057	1,356,828	(680,362)
7. Bonuses and rebates, net of reinsurance			27,165	(34,917)
8. Net operating expenses:				
a) acquisition costs		990,850		
b) change in deferred acquisition costs (+/-)		(90,439)		
c) administrative expenses		574,398		
d) reinsurance commissions and profit participation (-)		600	1,474,209	1,368,749
9. Expenses connected with investments:				
a) investment management charges, including interest		6,841		
c) book value of disposed investments		586,021	592,862	566,475
10. Unrealised losses on investments			879,593	2,478,836
11. Other technical expenses, net of reinsurance			68,010	62,424
12. Allocated investment return transferred to the non-technical account (-)			983,145	641,243
13. Sub-total on the technical account for life assurance			598,627	1,032,082

Income statement for the year ended 31 December 2023

(in thousands of czech crowns TCZK)

	2023 Base	2023 Subtotal	2023 Result	2022 Result
III. NON-TECHNICAL ACCOUNT				
1. Result of the technical account for non-life insurance			2,052,342	1,457,862
2. Result of the technical account for life insurance			598,627	1,032,082
4. Allocated investment return transferred from the technical account for life-insurance			983,145	641,243
6. Allocated investment return transferred to the technical account for non-life-insurance			668,322	479,995
7. Other income			78,829	84,810
8. Other expenses			90,277	102,956
9. Income tax on ordinary activities			309,292	364,660
10. Profit or loss on ordinary activities after tax			2,645,052	2,268,387
15. Other taxes not shown under the preceding items			522	3
16. Profit or loss for the financial year			2,644,530	2,268,384

Statement of changes in equity for the year ended 31 December 2023

(in thousands of czech crowns TCZK)

	Registered capital	Share premium	Reserve funds	Capital funds	Changes in valuation	Profit (loss)	Total
Balance at 1. 1. 2022	600,000	29,782	534,463	555,714	(434,060)	6,393,407	7,679,306
FX gains (losses) and changes in valuation not included in the profit and loss statement					(1,255,568)		(1,255,568)
Net profit/loss for accounting period						2,268,384	2,268,384
Profit shares						(1,350,000)	(1,350,000)
Balance at 31.12. 2022	600,000	29,782	534,463	555,714	(1,689,628)	7,311,791	7,342,122
Balance at 1. 1. 2023	600,000	29,782	534,463	555,714	(1,689,628)	7,311,791	7,342,122
FX gains (losses) and changes in valuation not included in the profit and loss statement					1,161,574		1,161,574
Net profit/loss for accounting period						2,644,530	2,644,530
Profit shares						(1,550,000)	(1,550,000)
Balance at 31.12. 2023	600,000	29,782	534,463	555,714	(528,054)	8,406,321	9,598,226

Notes to the financial statements as at 31 December 2023

I. GENERAL INFORMATION

I.1. Description and principal activities

Allianz pojišťovna, a.s. ("the Company") was entered into the Commercial Register on 23 December 1992 (Identification number 471 15 971).

Shareholders

The Company's sole shareholder is Allianz New Europe Holding GmbH, with its registered office at Hietzinger Kai 101-105, 1130 Wien, Austria.

The ultimate shareholder of the Company is Allianz SE, Königinstraße 28, 80802 München, Germany.

The Company received a licence to carry on insurance activities on 17 December 1992. The Company commenced its insurance activities in 1993.

The Company carries on insurance, reinsurance and relating activities within the following range:

1. Insurance activities in compliance with Section 7 (3) of Act No. 363/1999 Coll., on Insurance and on Amendment to Some Related Laws (the Insurance Act), as amended:
 - in the range of insurance classes I. (a), (b), (c), II., III., VI., VII. of life assurance in part A of Appendix No. 1 to Act No. 277/2009 Coll., the Insurance Act;
 - in the range of insurance classes 1; 2 (a), (b), (c); 3; 4; 5; 6; 7; 8; 9; 10; 11; 12; 13; 15; 16 (b), (c), (d), (e), (f), (h), (i), (j); 17; 18 of non-life insurance in part B of Appendix No. 1 to Act No. 277/2009 Coll., the Insurance Act.
2. Reinsurance activities for non-life insurance.
3. Activities relating to insurance and reinsurance activities:
 - mediation activity under the Insurance Act;
 - advisory activity relating to insurance of individuals and legal entities under the Insurance Act;
 - investigation of claims performed based on insurance agreements under the Insurance Act;
 - mediation activity in the field of building savings or in the field of supplementary pension insurance;
 - educational activities for insurance intermediaries and independent loss adjusters;
 - mediation activity in the field of mortgages.

Registered office of the Company

Allianz pojišťovna, a.s.
Ke Štvanici 656/3
186 00 Praha 8

The Company is recorded in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 1815.

Members of the board of directors and supervisory board as at 31 December 2023:

Members of the board of directors

Chairman: Ing. Dušan Quis, Prague
Members: Ing. Petr Hrbáček, Prague
Mgr. Josef Lukášek, Čelákovice
Mag. Robert Altfahrt-Riedler, Austria
Venelin Yanakiev, Bulgaria

Two members of the Board of Directors or one member of the Board of Directors together with a proxy-holder shall always act jointly on behalf of the Company. In order to sign on behalf of the Company, the signatures are required alongside the printed or written name of the Company.

Members of the Supervisory Board

Chairman: Petros Papanikolaou, Munich, Germany
Members: Eva Koubíková, Prague, Czech republic
Ing. Petr Sosík, Ph.D., Prague, Czech republic

During 2023, there were no changes in the Company's Board of Directors and Supervisory Board.

Organisational structure during the financial year

CEO SECTION DUŠAN QUIS	CFO SECTION VENELIN YANAKIEV	COO SECTION ROBERT ALTFAHRT-RIEDLER	CSO SECTION PETR HRBÁČEK	CPO SECTION JOSEF LUKÁŠEK
LEGAL DEPARTMENT Zdeněk Chudoba	CONTROLLING Radek Stamenov	CLAIMS SETTLEMENT Martin Hlaváč	KOS Alena Pomahačová	KORPORÁTNÍ POJISTNÉ PRODUKTY
COMPLIANCE Darina Jašíčková	ACTUARIAL Jarmila Ranošová	IT Jiří Zahálka	NON-LIFE INSURANCE Jan Vícha	PRICING, PORTFOLIO MANAGEMENT, PRODUCT & CLIENT ANALYSES Martin Kalaš
HUMAN RESOURCES Eva Koubíková	INVESTMENTS & TREASURY Petr Podolka	INSURANCE ADMINISTRATION Hana Svatošová	DIGITAL Jan Andrijko	LIFE INSURANCE & BUSINESS ARCHITECTURE Jan Troníček
INTERNAL AUDIT Jiří Machát	ACCOUNTING Anna Švehlová	CUSTOMER SERVICE CENTRE L'ubica Rybáriková	EXTERNAL DISTRIBUTION CHANNELS Radim Krist	LIFE INSURANCE & PRODUCT LEGISLATION Štěpán Hegar
MARKET MANAGEMENT Jan Andrijko	CUSTOMER PAYMENTS Daniela Volhejnová	SECURITY Jozef Repiský	CENTRAL SALES SUPPORT Pavel Martynek	NON-LIFE RETAIL PRODUCTS Veronika Hašplová
INTERNAL AND EXTERNAL COMMUNICATIONS Marie Petrovová	PROCUREMENT & OPERATIONS SUPPORT Michal Chňoupek	ORGANIZATIONAL MANAGEMENT Milan Belica		
RISK MANAGEMENT Kamila Šimonová	TAX Jan Tichý	PROCESS ANALYSIS & TECHNICAL IMPLEMENTATION Katarína Starinská		
PMO Jakub Novotný				
ACTUARY Dana Stunová				

B+
 B2
 B1
 SE - senior expert

I.2. Compliance with legislation

At the reporting date the Company fully complied with Act No. 277/2009 Coll., on Insurance, as amended (“the Insurance Act”), Act No. 89/2012 Coll., the Civil Code, Act No. 90/2012 Coll., Business Corporations Act, as amended, Act No. 170/2018 Coll., on the Distribution of Insurance and Reinsurance, Act No. 168/1999 Coll., on Liability Insurance for Losses Caused by the Operation of a Motor Vehicle, as amended (“the Act on Motor Third-Party Liability Insurance”), and related implementing decrees and other applicable legislation. The Company carries on both life assurance and non-life insurance.

I.3. Basis of preparation

The accounting records of the Company are maintained and its financial statements have been prepared in accordance with Act No. 563/1991 Coll., on Accounting, as amended; Decree No. 502/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for entities that are insurance companies (“Decree No. 502/2002 Coll.”); Czech Accounting Standards for entities that maintain their accounting records in compliance with Decree No. 502/2002 Coll., as amended, and other relevant legislation.

The accounting records of the Company are maintained in such a manner that the financial statements prepared based on those records give a true and fair view of the Company's financial position and financial performance.

The financial statements are based on the assumption that the Entity will continue as a going concern and that there is no circumstance that would restrict or prevent the Company's ability to continue as a going concern in the foreseeable future.

The current economic situation remains sensitive to geopolitical developments in the world. The impact on financial and commodity markets, supply chains and key macroeconomic indicators with an impact on business, such as the rate of inflation, the level of interest rates, the volatility of currency rates and others, is still significant. The Company's management evaluated the impact of the current economic situation on its business, took into account its effects on the valuation of assets, liabilities and reserves in the Company's financial statements.

All amounts are presented in thousands of Czech crowns (TCZK), except when indicated otherwise.

These financial statements are non-consolidated.

I.4. Significant accounting policies

(a) Tangible and intangible fixed assets

Tangible and intangible fixed assets are recognized at acquisition cost and depreciated using the straight-line basis over their estimated useful lives.

Tangible fixed assets costing less than TCZK 80 and intangible fixed assets costing less than TCZK 60 are charged to the income statement in the year in which they are acquired. The annual depreciation rate reflects the assets' expected useful lives.

The following depreciation rates are used for the individual asset classes:

Fixed Assets	Method	Depreciation rate in %
Software	straight-line	20
Machinery and technical equipment	straight-line	25
Motor vehicles	straight-line	20
Office equipment	straight-line	16.7
Special technical equipment	straight-line	8.3
Investments in rented buildings	straight-line	According to the duration of lease agreement

(Grouped according to material subclasses with the same depreciation rate)

(b) Investments

Securities which are not classified as Participating interests

At the acquisition date securities are recognized at acquisition cost.

Acquisition cost is the amount for which a security has been acquired and includes a proportionate part of any accrued interest and expenses directly associated with the acquisition.

Interest income is defined as:

- For coupon debt securities the accrued coupon specified in issue terms and conditions and the accrued difference between the nominal value and net cost, described as a premium or discount. Net cost is defined as the cost of a coupon bond reduced by the accrued coupon as at the date of acquisition of the security,
- For zero-coupon bonds and bills of exchange/promissory notes the accrued difference between the nominal value and cost.

The Company amortises premiums and discounts on all debt securities. Premiums and discounts are amortised to the income statement on the basis of the effective interest rate method from the date of acquisition to their maturity.

Securities are revalued at their fair value as at the balance sheet date with the exception of securities held to maturity and bonds not intended for trading.

For the purposes of subsequent measurement, securities that are recognised in assets and that are not considered ownership interests with controlling or significant influence are classified as securities at fair value through profit or loss, available-for-sale securities, or held-to-maturity securities.

A security at fair value must meet either of the following conditions:

- a) it is classified as held for trading
- b) upon initial recognition it is designated by the accounting entity as a security at fair value.

An available-for-sale security is a security that is a financial asset and that the insurance company has decided to classify as an available-for-sale security and that has not been classified as a security at fair value, a security held to maturity, or a security not intended for trading.

Fair value means the price published by a domestic or foreign stock exchange or other public (organised) market. The Company applies the most recent published market price as at the date of the financial statements (balance sheet date). If no market value is available or if it does not sufficiently represent the fair value, the fair value is determined with the help of a qualified estimate or if appropriate based on generally accepted valuation models if these generate an acceptable market value estimate. A change in the fair value of securities valued through profit and loss is recognised in the income statement.

A change in the fair value of available for sale securities is recognised in the Other capital funds in equity. At the time of realisation, in particular sales, the respective revaluation differences are transferred to the income statement. Impairment losses on the available for sale securities are recognised in the income statement immediately.

The Company recognises bonds held to maturity at their amortised cost as at the balance sheet date. Securities held to maturity only comprise debt securities that the accounting entity has obvious intent and ability to hold to maturity.

Amortised cost means the price used when first recognised (the acquisition cost), which is gradually increased by accrued interest income, adjusted by amortisation of the discount/premium and decreased by the amount of adjustments. The amount of adjustments to securities held to maturity only reflects the change in the risk profile of the issuer, not the change in the risk free interest rates, per individual securities.

Where securities are denominated in a foreign currency, their value is translated using the current exchange rate published by the Czech National Bank ("ČNB"). The appropriate exchange rate difference is included in the fair value.

For debt securities where, due to legislative amendments, the accounting policy has been changed since they were acquired such that changes in fair value are now recognised in the equity rather than in income statement, the cumulative revaluation differences previously recognised in equity are derecognised and recognised in the income statement only at the moment of sale or maturity of the relevant security.

Investments in affiliated undertakings and participating interests

Participating interests in controlled persons are participations in another enterprise in which the company holds a controlling influence. In addition, other cases where the insurance company is a controlling person are reported under this item. Controlling influence is defined as the insurance company's ability to govern the financial and operating policies of another company in order to obtain benefits from its activities.

The insurance company exercises controlling influence if it meets at least one of the following conditions:

- a) it is a majority shareholder, or
- b) it has the majority of voting rights based on an agreement concluded with another shareholder/other shareholders, or
- c) it has the power to appoint, elect or remove the majority of individuals who constitute the statutory body or are members thereof, or the majority of individuals who are members of the supervisory body of the legal entity of which it is a shareholder.

An ownership interest with significant influence is an ownership interest in an affiliated company which is not a subsidiary and in which the insurance company exercises significant influence. Significant influence is defined as the insurance company's ability to participate in the financial and operating policy decisions of another company, without the ability to exercise controlling influence. The insurance company exercises significant influence if it holds, directly or indirectly, at least 20% of another company's registered capital or voting rights, unless it exercises controlling influence over that company or clearly demonstrates that it is unable to exercise significant influence. If the entity holds less than 20% of another company's registered capital or voting rights, it is presumed that no significant influence exists, unless such influence can be clearly demonstrated.

Investments in affiliated undertakings and participating interests in the form of debt securities issued by the controlled persons or persons in which the accounting entity exercises significant influence, and which are classified as securities at fair value through profit and loss or securities available for sale are presented in C.II.2 Debt securities issued by, and loans and credits to, undertakings - controlling influence.

At the acquisition date and at the balance sheet date, participating interests are recognized at their acquisition cost. The acquisition cost is the amount for which the participating interests were acquired and includes all expenses directly associated with the acquisition. Similarly as for the other assets, as at the balance sheet date the Company assesses whether the participating interests are impaired.

Deposits with financial institutions

As at the acquisition date and as at the balance sheet date, deposits with financial institutions are recognized at acquisition cost increased or decreased by interest income or interest expense. In the notes to the financial statements, the book value of these deposits is considered to be their fair value.

Reverse repurchase agreements

As at the acquisition date and as at the balance sheet date, reverse repurchase agreements with financial institutions are recognized at acquisition cost increased or decreased by interest income or interest expense, similarly as deposits. Hedging securities (collaterals) are recorded in off-balance sheet accounts at fair value. In the notes to the financial statements, the book value of these reverse repurchase agreements is considered to be their fair value.

Derivatives

A derivative is a financial instrument that meets all of the following conditions:

- a) its fair value changes in response to the change in a specified interest rate, price of a security, commodity price, foreign exchange rate, price index, credit rating or credit index, or other variable ("the underlying asset").
- b) it requires a small or no initial net investment compared with other types of contracts based on a similar response to changes in market factors,
- c) it is settled at a future date, with the period from the trade date to the settlement date exceeding that of a spot transaction.

Derivatives are recognised in the balance sheet at fair value. The fair value of financial derivatives is determined as the present value of expected cash flows from these transactions, using valuation models generally accepted on the market. The parameters used in these models, such as foreign exchange rates, yield curves, volatility of financial instruments, etc., are ascertained on the active market.

Hedging derivatives

Hedging derivatives are held at fair value. The method of recognizing this fair value depends on the hedge accounting model applied.

If a derivative hedges the risk of a change in the fair value of recognized assets or liabilities, the hedged item is also measured at fair value due to the hedged risk. Gains and losses from this revaluation of the hedged item attributable to the hedged risk and the hedging derivative are reflected in the income statement.

If a derivative hedges the risk of changes in future cash flows from recognized assets or liabilities, the change in its fair value is recognized in the balance sheet.

Hedge accounting

Hedge accounting can be applied if:

- the hedging is in line with the insurance company's risk management strategy,
- the hedging relationship is formally documented at the inception of the hedging transaction,
- the effectiveness of the hedging relationship is objectively measurable,
- the hedging relationship is highly effective during the accounting period (ie changes in the fair values of the hedged instruments corresponding to the hedged risk range from 80% to 125% against changes in the fair values of the hedged instruments corresponding to the hedged risk),
- In the case of hedging of expected transactions, the occurrence of this transaction is expected with a high probability.

The Company tests the effectiveness of the hedging relationship regularly, but at least once a month on the last day of the calendar month.

Fair value hedging

The Company uses currency swaps and currency forwards to hedge the exchange rate risk that arises from movements in the fair values of available-for-sale securities included in the portfolio of Financial Assets carried at fair value through revaluation to equity. The Company defined the risk of changes in the spot exchange rate as the hedged risk.

Embedded derivatives

In certain cases a derivative may be a component of a hybrid (combined) financial instrument that comprises both a host contract (instrument) and a derivative (referred to as "embedded derivative"), which influences cash flows or otherwise modifies the characteristics of the host instrument.

An embedded derivative is separated from the host instrument and accounted for separately provided all of the following criteria are met at the same time:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host instrument,
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and
- the host instrument is either not carried at fair value or it is carried at fair value but the revaluation is reported in the balance sheet.

Other derivatives – derivatives held for trading

- Financial derivatives which do not meet the requirements for the application of hedge accounting or for which the Company has decided not to apply hedge accounting are carried at fair value with gains (losses) from changes in fair value recognised in profit or loss.

(c) Investments for the benefit of life assurance policyholders who bear the investment risk

Investments for the benefit of life assurance policyholders who bear the investment risk are accounted for separately from other investments.

At the balance sheet date, investments for the benefit of life assurance policyholders who bear the investment risk are revalued at their fair value. In order to preserve the true and fair view of the Company's result for the year, all changes resulting from revaluation at fair value have been reflected in the Company's income statement.

(d) Allowances

The Company creates allowances to receivables and other assets except for investments reported at fair value. Allowances represent a temporary decrease in value of individual assets. The amount of the decrease is determined with the help of a professional risk assessment carried out by the management of the Company. Creation and utilisation of adjustments to receivables arising from direct insurance operations are recognised in Other technical expenses, net of reinsurance, and Other technical income, net of reinsurance.

Allowances to receivables from policyholders are calculated based on an analysis of their recoverability. Allowances to individual receivables are established based on the due date of the respective receivable.

The Company establishes allowances for doubtful receivables based on an analysis of the credit status of customers.

Allowances to bonds held to maturity are accounted for only if there is a risk that the notional principal amount of the bond, the bond yield or both the value and the yield would not be repaid.

Allowances to Investments in affiliated undertakings are determined by the Company in case of a clear reduction in the value of the investment in the amount of the difference between the valuation of the accounting value investment and its fair value.

(e) Write-offs

Receivables are written off based on the Company's decision, which reflects the ageing structure of receivables and a particular receivable being assessed as effectively uncollectible or irrecoverable. This involves a permanent reduction in the value of a receivable. The full book value of the respective receivable is written off.

(f) Impairment of assets

At the balance sheet date the Company assesses whether those assets, which are not carried at fair value or for which changes in fair value are recognised in equity, are impaired. The impairment of an asset is recognised in the income statement.

(g) Deferred acquisition costs

Deferred acquisition costs represent the proportion of the acquisition costs incurred during the current financial year that relates to the revenues of subsequent financial years. At the end of each financial year the Company carries out a liability adequacy test to determine whether the amount of the deferred acquisition costs is appropriate.

Non-life insurance

In respect of non-life insurance, deferred acquisition costs are based on total acquisition costs incurred in the current period and the ratio of the gross provision for unearned premiums at the balance sheet date to the total gross premiums written for the financial year. Direct acquisition costs are deferred on an individual basis according to the deferrals of premium of individual insurance contracts.

Life assurance (other than assurance connected with an investment fund / unit-linked assurance)

In traditional life assurance the Company determines deferred acquisition costs using the zillmerisation method, which is the method used to calculate the life assurance provision, see note I.4.(j). For the currently concluded risk life assurance, deferred acquisition costs in the amount of the initial commission are amortised on the straight-line basis over a period of two years while maintaining the prudence principle and taking into account the risk of lapses and cancellations.

(h) Income tax

Income tax on the profit for the year comprises current income tax and the change in deferred tax. Current income tax comprises the tax liability calculated from the tax base using the effective tax rate and any additional payments or refunds of tax for previous years.

Deferred tax is provided on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and other temporary differences (tax losses carried forward, if any) multiplied by the income tax rates expected to be valid for the periods in which the tax asset/liability is expected to be utilised.

A deferred tax asset is recognised only if the future taxable profits will be probably available against which this asset can be utilised.

(i) Provision for unearned premiums

The provision for unearned premiums is created in respect of life assurance and non-life insurance, except for single premium life assurance, and the main coverage of unit link contracts, when the paid premium is allocated directly to the funds. The provision amount represents the part of gross premiums written which is to be allocated, in terms of time, to the subsequent financial year or to future financial years and is determined as the sum of all amounts calculated for individual contracts using the “pro rata temporis” method.

(j) Life assurance provision

The life assurance provision comprises the sum of the provisions for individual life assurance policies. The life assurance provision is calculated using actuarial methods, including profit shares declared and allocated and a provision for expenses, related to the administration of contracts, after deducting the value of future premiums.

In respect of traditional life assurance, the Company accounts for the provision using the zillmerisation method. The zillmerisation method results in the deferral of acquisition costs for traditional life assurance contracts. These acquisition costs are included in the life assurance provision using actuarial methods. The provision is net of temporary negative balances, which are capitalised and presented as deferred acquisition costs. The acquisition costs are capitalised and deferred in accordance with the prudence principle and taking into account the risk of lapses and cancellations.

(k) Provision for outstanding claims

The provision for outstanding claims in respect of both life and non-life insurance comprises the amount of expected costs in respect of claims:

- a) reported but not settled till the end of period (RBNS),
- b) incurred but not reported till the end of period (IBNR),
- c) provision for liquidation costs (ALAE + ULAE).

The provision for outstanding claims reported by the end of the year represents the sum of all amounts calculated for individual claims.

The provision for outstanding claims created for claims incurred but not reported as at the balance sheet date is determined using statistical methods. The most common methods are: Standard chain ladder, Bornhuetter-Ferguson, Cape Cod, Complementary loss ratio, Frequency-Severity, and other methods using the mortality tables. The provision has been created using the prudence principle. The prudence principle is applied by provisioning on the confidence level determined by the Reserve Committee. IBNR provision includes the effect of expected inflation for claims paid that have already occurred.

The provision for outstanding claims includes all relating external and internal claims handling costs.

The provision is reduced by an estimate of the value of salvage and subrogation recoveries, which were or will be enforced against debtors (the party that caused the damage) or other insurance companies arising from liability insurance. The estimated value of future salvage and subrogation is included directly in the calculation of the total IBNR liability.

When calculating the provision for outstanding claims, no discounting is carried out except for the provision for outstanding claims where claims payments are made in the form of annuities (in particular in terms of motor third-party liability insurance).

When creating the provision for outstanding claims in terms of claims where the insurance company acts as the leading co-insurer, the applicable provisions of the Civil Code are taken into consideration.

Although the board of directors considers that based on the information currently available to them, the provision for outstanding claims is stated fairly, the ultimate liability may vary owing to subsequent events or new information, which may result in significant adjustments to the amounts provided for. Adjustments to the amounts of the provisions are reflected in the financial statements for the period in which the adjustments are made. The procedures and methods used in making estimates are reviewed regularly.

(l) Provision for bonuses and rebates

The provision for bonuses and rebates is created in accordance with the respective terms set out in insurance contracts. In respect of non-life insurance and accidental rider, the provision is created

principally in cases where the Company is liable to refund to policyholders a portion of the premiums relating to the current financial year due to favourable claims experience.

In respect of traditional life assurance, the provision for bonuses and rebates includes shares of surpluses arising as at 31 December of the current period, which have not been allocated to individual insurance contracts and thus are not included within the provision for life assurance.

The provision for bonuses and rebates in respect of unit-linked assurance is intended to cover the liabilities the settlement of which is linked to a certain behaviour of the policyholder exactly specified in the insurance terms and conditions (duration of insurance, manner of insurance termination).

Changes in the provision for bonuses and rebates in the income statement are presented in “Bonuses and rebates”.

(m) Other technical provisions

Other technical provisions include a provision for deficiency in non-life insurance contracts, a provision for liabilities arising from the applied technical interest rate and other technical provisions (if any).

At the end of the accounting period, the board of directors reassesses the amount of other technical provisions based on all information available to them as at the date of preparation of the financial statements.

Provision for insufficient non-life insurance premium

The non-life insurance provision adequacy test is performed together for all types of non-life insurance. The adequacy test of unearned premiums and provisions is performed by calculating the Unexpired Risk Reserve (URR) as at 31 December of each year and by a run-off analysis as at 31 December of each year. The provision for deficiency of unearned premiums is reported under the provision for deficiency in non-life insurance in the Company's financial statements.

The calculation takes into account the best estimate of future payments, including the security margin, and also considers the total risk, which is based on valid contracts, regardless of the method of charging premiums. The test result is assessed together for all non-life insurance risks.

Provision for liabilities arising from the applied technical interest rate

The Company carries out a life assurance liability adequacy test as at the balance sheet date (“the liability adequacy test”)

in order to assess the adequacy of the life assurance provisions (provision for unearned premiums, life assurance provision, provision for bonuses and rebates and life assurance technical provision where the investment risk is borne by the policyholders).

The liability adequacy test is performed using discounted projected cash flows.

The minimum value of liabilities to policyholders is determined using best estimates of the future development of entry parameters adjusted by market value margins.

Where this amount exceeds the amount of the life assurance provisions reduced by any unamortised acquisition costs and other intangible assets, the deficiency is recognised through the creation of a provision for liabilities arising from the applied technical interest rate.

The change in this provision is presented in note II.6.b) in the income statement.

(n) Life assurance technical provision where the investment risk is borne by the policyholders

The life assurance technical provision where the investment risk is borne by the policyholders is intended to cover the liabilities of the Company due to insured persons in those classes of life assurance where, based on an insurance contract, the investment risk is borne by the policyholders.

The amount of the provision is calculated as the sum of liabilities due to insured persons in the amount of their shares of invested premiums from individual life assurance contracts in accordance with the principles included in the insurance contracts.

When life assurance where the investment risk is borne by the policyholders also includes payment of a guaranteed amount, this liability is included within the life assurance provision.

(o) Reinsurance share of technical provisions

Technical provisions are presented as a net liability, i.e. after deduction of the reinsurance share. The amount of this share is calculated based on the terms of the related reinsurance contracts, the method of settlement with reinsurers and in consideration of the prudence principle.

The Company presents the reinsurance share of the provision for unearned premiums, the provision for outstanding claims and the life assurance provision. The reinsurer does not participate in the other technical provisions.

(p) Provisions

Provisions are intended to cover payables or expenses, which are clearly defined and the occurrence of which is either probable or certain but whose amount or timing are uncertain.

Provision for taxes

The provision for taxes is created at the balance sheet date and amounts to the estimated corporate income tax liability due less advances paid. The use (release) of the provision is accounted for when the tax return is filed.

(q) Gross premiums written

Gross premiums written comprise all amounts due during the financial year in respect of insurance contracts regardless of the fact that such amounts may relate in whole or in part to future financial years.

(r) Claims paid

Claims paid comprise the amount assessed for payment based on the claims investigation process, external and internal claims handling costs and a deduction for the salvage value and other recoveries.

Claims paid are recorded upon completion of the investigation of the claim and in the amount of the assessed settlement.

(s) Acquisition costs

Acquisition costs comprise all direct and indirect costs arising from the conclusion of new insurance contracts.

(t) Expenses and income from investments*Accounting treatment of expenses and income from investments and their allocation between the life assurance and non-life insurance accounts*

All expenses and revenues from investments are recorded initially in the technical account for life assurance. Expenses and revenues from investments, which are not related to life assurance activities, are subsequently transferred to the non-technical account. The relevant amount of the expenses and revenues from investments to cover the non-life insurance provisions is subsequently transferred to the technical account for non-life insurance from the non-technical account.

The allocation is calculated using internal evidence of investments related to the respective technical life provisions (including life assurance where the investment risk is borne by the policyholder) and technical non-life provisions. According to this allocation a part of expenses and revenues from life and non-life insurance is determined and the rest of expenses and revenues remains on the non-technical account.

Method of accounting for realised gains and losses upon disposal of investments

The disposal of investments is presented on a gross basis, whereby the revenues from the disposal amounting to the selling price of the relevant financial instruments are recorded separately from the carrying value of the related financial placements.

(u) Loss prevention fund

Under Section 23a (2) of the amendment to Act No. 168/1999 Coll., on Liability Insurance for Losses Caused by the Operation of a Motor Vehicle, which came into effect on 1 January 2015, the Insurance Company is obliged to pay at least 3% of annual premiums collected for motor third-party liability insurance for each calendar year to a Loss Prevention Fund.

(v) Allocation of items between life assurance and non-life insurance

In order to account for items common to both life assurance and non-life insurance, the Company uses a method in compliance with Decree No. 502/2002 Coll. Under this method individual items are grouped according to the class of insurance to which they relate. For items that cannot be allocated directly, the following basis is used:

Expenses and revenues from investments

Expenses and income from investments are allocated between life assurance and non-life insurance using the method stated in point I.4.(t).

Other expenses and income

During the accounting period clearly attributable expenses and income are accounted for directly in the technical account for life assurance or non-life insurance or the non-technical account. Expenses and income that cannot be directly attributed are recorded primarily in the non-technical account and subsequently allocated to the technical account for life assurance or non-life insurance. The allocation is carried out using the activity-based-costing method (ABC). The Company analysed the activities of the business and assigned them to the life and non-life technical segments. The rate for allocation of other revenues and expenses between life and non-life technical accounts is calculated based on the ratio of those segments.

(w) Foreign currency translation

Transactions during the year are recorded at the ČNB rate effective on the transaction date or at the rate at which the transaction was realised.

At the balance sheet date, foreign currency assets and liabilities are translated at the ČNB official rate on that date. Unless stated otherwise, foreign currency gains and losses are recorded in the Company's income statement.

(x) Related parties

Related parties of the Company shall mean:

- parties that can directly or indirectly exercise decisive influence on the Company, and companies where these parties have control or significant influence,
- parties that may directly or indirectly exercise significant influence over the Company,
- members of the statutory, supervisory and management bodies of the Company, or its parent company and persons close to these persons, including companies where these members and persons have control or significant influence,
- subsidiaries and associates and joint ventures.

Significant transactions and balances with related parties are listed in note II.13.

(y) Subsequent events

The impact of events that occurred between the balance sheet date and the date of preparation of the financial statements is recorded in the financial statements if these events provided additional information about the facts that existed at the balance sheet date.

In the event that significant events occurred between the balance sheet date and the date of preparation of the financial statements representing facts that occurred after the balance sheet date, the consequences of these events are described and their impacts quantified in the notes to the financial statements, but are not recorded in the financial statements.

(z) Consolidation

Pursuant to s. 22aa of the Act on Accounting, the financial statements of the Company have been included in the consolidated financial statements of Allianz SE, with its registered office in Munich, Federal Republic of Germany, prepared in compliance with International Financial Reporting Standards. The consolidated financial statements of Allianz SE will be published in accordance with Section §21a of the Act on Accounting. The consolidated financial statements are available at the registered office of Allianz pojišťovna, a.s., Ke Štvanici 656/3, 186 00 Praha 8. As all requirements stipulated in the Act on Accounting have been met, the Company will not prepare consolidated financial statements.

I.5. Change in accounting policies and procedures

In 2023, the Company did not change its accounting methods and procedures.

I.6. Risk management

In compliance with Act No. 277/2009 Coll., on Insurance, and amendment No. 183/2017 Coll. to the Insurance Act dated 1 July 2017, the Company has ensured that the set-up of the internal control system covers all of its operations.

The Company has an effective management system which ensures the ordinary and prudent management of its business activities. The risk management system is governed by an internal policy defining the major requirements for this area. Its adequacy and effectiveness are subject to regular reviews. A three lines of defence principle with several levels of responsibility for control is applied throughout the Company. The board of directors plays a key role in the risk management system and is fully responsible for the Company's risk management strategy and risk appetite. The board of directors has also established a risk committee (RiCo) as a platform providing expert support. The head of RiCo is the chief risk officer, with a direct reporting line to the board of directors and the duty to regularly report the conclusions of the risk committee to the board. The risk management processes are implemented directly in the Company's processes wherever possible, including processes involving strategic decisions as well as everyday business processes that affect the Company's risk profile. This approach ensures that risk management exists primarily as a forward-looking mechanism for risk regulation and only secondarily as a certain process responding to already existing situations.

The Company is exposed to insurance risk, which naturally results from the underwritten insurance contracts as well as other risks, mainly the market risk, credit risk, operational risk, liquidity risk and concentration risk.

The policies and procedures for risk management are comprehensive and interrelated with the policies and procedures for maintenance of the capital determined to cover these risks. The Company uses a standard model for economic capital calculation and risk management. The other risks not incorporated directly in this model are monitored and managed through other tools and methodologies in compliance with the Allianz Group standards, which are an integral part of the own risk and solvency assessment (ORSA).

Investment area

We continue to adjust the structures of individual portfolios to the requirements of asset and liability management (ALM) in order to maximally immunise volatility resulting primarily from changes in interest rates. The current economic and geopolitical situation is associated with an increased degree of uncertainty for investors, which is why we monitored volatility in financial markets. Our capital policy and risk management are counting on increased volatility scenarios and our solvency position is strong enough to absorb potential shocks.

Insurance-technical area

The deterioration of the geopolitical situation due to the war in Ukraine and other regions is monitored in detail by the company as part of the risk assessment. The exposure of the investment and insurance portfolios in these regions is negligible. Furthermore, there is a strict assessment of the existing portfolio and any other transactions with respect to sanction lists using modern compliance tools. The economic impact with regards to further developments in the financial markets are the subject of regular analyses.

The company also closely monitors and analyses the development of the overall economic situation, especially related to inflation, and in the course of 2023 implemented a number of precautions in the insurance-technical area, which aimed to limit the negative effects of inflation.

(a) Non-life insurance risk

The Company is exposed to insurance risk and underwriting risks following from the sale of non-life insurance products.

Insurance risk relates to uncertainty in respect of the period, frequency and amount of damage covered by insurance contracts.

The most significant components of insurance risk are the reserve risk and the premium risk. The premium amount is determined using historical assumptions, which may differ from the actual situation. The risk of trend, risk of estimate, change in assumptions etc. may have a significant impact on determining the amount of provisions. The liability adequacy tests and analysis of sensitivity to change in assumptions are used to eliminate the reserve risk.

In order to manage the insurance risk the Company applies internal policies for development and valuation of products, determination of the technical provisions amount, reinsurance strategy and underwriting rules.

Concentration of insurance risk

A concentration of insurance risk may exist in the event that a particular event or a series of events may significantly influence upon the Company's liabilities. The concentration of insurance risk then determines the extent of the possible impact of these events on the amount of the Company's liabilities. Such concentration may arise from a single insurance contract or through a small number of related contracts, and relates to circumstances that gave rise to significant liabilities. The concentration of insurance risk may arise from accumulation of risks within several individual groups of contracts; it may also arise in low-frequency, high-severity events (e.g. natural disasters) or in the event of significant litigations or legislative amendments.

Geographic concentration

The risks underwritten by the Company are primarily located in the Czech Republic.

(b) Life assurance risk

The Company is exposed to risks resulting from an unfavourable development of assumptions compared to their determining at the moment of valuation of products. This involves, for example, the risk of unfavourable development of mortality or survival, risk of a different development of investment return, risk resulting from an unexpected development of cost inflation or behaviour of clients upon cancellation of the contract. In the above cases the Company is exposed to the danger of a loss resulting from the discrepancy between collected premiums and claims paid, investment returns and expenses.

Other risks are, for example, the objective and subjective risk of the insured. The objective risk is determined by objective factors such as the age, sex, health condition or profession. The subjective risk is determined by subjective factors such as the effort of the insured to survive or maintain a healthy life or the poor financial condition of the insured.

Other risks to which the Company is exposed are as follows:

- risks with a low-frequency occurrence and a significant impact, which in life assurance may represent any claim that affects several persons insured at the same time and in the same place (e.g. natural disasters),
- risk of concentration of high sums assured, which do not constitute a significant part of the portfolio but which may have significant impact on the amount of settlements and as a result also the profit (loss) of the Company.

The goal of risk management is identification, quantification and elimination of risks in order to prevent changes that have a negative impact on the profit (loss) of the Company and the Company's equity.

The Company applies profit testing when valuing insurance products and further the liability adequacy test in order to identify, quantify and eliminate the risks. Profit testing is used to determine adequate insurance rates for the insurance and financial guarantees for individual products and for the determined assumptions.

The purpose of the liability adequacy test is to assess the amount of the life assurance provisions in terms of the updated assumptions. The level of sensitivity of the results to a change in the individual assumptions is also a component of these procedures. In respect of the objective and subjective risks of the insured,

these risks must be assessed individually upon conclusion of the contract, primarily in the event of a higher sum assured. Procedures for identifying and assessing these risks require a qualified assessment of the health condition, or, if appropriate, the financial condition of the client, or the level of risk to which the insured is exposed. Based on information on the health condition, subjective risk and other actuarial risks, the premium rate is determined. In addition to a discount or a surcharge on the premium, certain risks, types of injury or illnesses may be excluded from the insurance, or the amount of the sum assured may be limited. The Company has no significant concentration of exposure to any group of persons insured.

In order to manage the insurance risk, the Company primarily uses reinsurance and a prudent underwriting policy.

Reinsurance strategy

The Company reinsures some of the risks it underwrites in order to control its exposures to losses and to protect its own capital resources. The Company has based its reinsurance scheme primarily on cooperation with the parent company, in combination with reinsurance contracts with external reinsurers.

The Company concludes a combination of proportionate and non-proportionate reinsurance treaties to reduce its net exposure. The maximum net exposure limits (own retentions) for particular business lines are reviewed annually. To provide additional protection the Company uses facultative reinsurance for certain insurance contracts.

(c) Market risk

The Company is exposed to market risk, which follows from trading positions in interest rate, currency and equity instruments that are all exposed to common and specific changes in the market.

The main exposure is that the revenues from investments will not be sufficient to cover the liabilities from insurance contracts.

Market risk is constantly monitored, measured and managed using asset/liability management (ALM). The basic method of ALM involves adjusting the due date of assets to the liabilities from insurance contracts.

Asset/Liability Management (ALM)

The basic goal of ALM is to achieve balance in the structure of assets and liabilities, in particular from the point of view of their maturity, interest rates and currency structure. The aim is to ensure that the assets permanently generate sufficient cash flows in the required currency structure necessary to cover the due liabilities to clients (including the guaranteed revenues).

At the same time, the system must allow for the generation of adequate profit for shareholders.

For this purpose, the Company performs regular monitoring of assets and liabilities, followed by ALM calculation, which enables the Company to monitor and compare the structure of its assets and liabilities in terms of their maturity, achieved and guaranteed interest rates and currency structure. This type of output is one of the underlying tools for making decisions on the further allocation of financial investments.

Interest rate risk

The Company is exposed to interest rate risk due to the impact of up-to-date market interest rate fluctuations. The fair value and investment return may both grow or decrease because of these fluctuations.

Interest rate fluctuations may result in changes of liabilities as well as changes in the value of assets.

Based on a cash flow analysis, the Company prepares portfolios of securities the value of which may change together with a change in the value of liabilities upon a change in the interest rate.

The risk of changes in cash flows because of interest rate changes represents exposure primarily for insurance contracts with a guaranteed interest rate, where the client compares the revenue guaranteed by the contract with the revenue offered in the market. When the market interest rates increase, some types of contracts may show an increase in the lapse rate. On the other hand, in the event of a decrease in the interest rates, an increased number of clients claiming settlement in the form of pension may be observed, or the payment of settlements from contracts with higher guaranteed revenue than the revenue offered in the market, may be deferred.

Price fluctuation risk

The Company is exposed to a price fluctuation risk, which consists in changes in the value of the financial instrument due to changes in market prices. These changes may be caused by factors specific to a single instrument or by the issuers of the instruments or by factors affecting all instruments traded in the capital or money markets.

Currency risk

The Company is exposed to currency risk through transactions in foreign currencies and through its assets and liabilities denominated in foreign currencies. As the currency in which the Company presents its financial statements is the Czech crown (CZK), movements in the exchange rates between these currencies and CZK affect the Company's financial statements.

(d) Credit risk

The Company is exposed to credit risk following from the counterparty failing to pay the amounts due in full.

The main areas of the Company's exposure to credit risk:

- reinsurance share in insurance liabilities
- reinsurer's debt relating to a claim that has already been paid
- outstanding premiums
- counterparty risk relating to derivative transactions
- risk of failure to repay the principal or income from financial investments

Concentrations of credit risk arise where groups of counterparties have similar economic characteristics causing their ability to meet their contractual obligations to be similarly affected by changes in economic or other conditions.

The Company sets its own limits for the structure of investments and for individual issuers/counterparties depending on their credit quality and regularly monitors whether these limits are met. The limits are subject to regular reassessment.

The outstanding premiums are regularly monitored, and the method of creating allowances is described in note I.4. (d).

Recovery of debt from insurance is carried out by the Company in cooperation with an external partner.

(e) Operational risk

Operational risk is the risk of a potential loss due to missing or insufficient internal processes, human resources and systems or other causes, which may arise following both internal and external events.

The Company analyses these risks and designs modifications to work procedures and processes to eliminate any risks associated with operational events.

(f) Liquidity risk

The Company is exposed to liquidity requirements on a daily basis. These requirements are related to claim settlements. Liquidity risk is the risk that the cash necessary for payment of liabilities will not be available at the due date and at adequate cost.

The need for liquidity is continuously monitored in order to ensure the necessary resources.

The Company has access to a diverse funding base. In compliance with the legislation in force it has invested a sufficient portion of its investments in liquid financial instruments.

II. ADDITIONAL DISCLOSURES IN RESPECT OF THE BALANCE SHEET

II.1. Intangible fixed assets

Intangible fixed assets of the Company as at 31 December 2023 and 2022 comprise the following items:

	Software	Acquisition of assets and advances paid	Total
Acquisition cost at 1/1/2023	777,455	2,031	779,486
Additions	62,210	-	62,210
Transfers	2,031	(2,031)	-
Acquisition cost at 31/12/2023	841,696	-	841,696
Accumulated amortisation at 1/1/2023	689,506	-	689,506
Amortisation expense	42,606	-	42,606
Accumulated amortisation at 31/12/2023	732,112	-	732,112
Net book value at 1/1/2023	87,949	2,031	89,980
Net book value at 31/12/2023	109,584	-	109,584

	Software	Acquisition of assets and advances paid	Total
Acquisition cost at 1/1/2022	931,376	6,743	938,119
Additions	62,517	-	62,517
Disposals	(216,438)	(4,712)	(221,150)
Acquisition cost at 31/12/2022	777,455	2,031	779,486
Accumulated amortisation at 1/1/2022	792,861	-	792,861
Amortisation expense	40,957	-	40,957
Disposals	(144,312)	-	(144,312)
Accumulated amortisation at 31/12/2022	689,506	-	689,506
Net book value at 1/1/2022	138,515	6,743	145,258
Net book value at 31/12/2022	87,949	2,031	89,980

II.2. Investments

(a) Investments in affiliated undertakings and participating interests

Participating interests with controlling influence

2023	Participating interest as % of registered capital	Acquisition cost	Adjustment	Fair value	Total registered capital	Total equity	Profit or loss for the financial year
Trade name, registered office							
Allianz penzijní společnost, a.s. Ke Štvanici 656/3, 186 00 Praha 8	100	583,607	-	583,607	50,100	1,650,171	425,521
Allianz kontakt, s.r.o. Ke Štvanici 656/3, 186 00 Praha 8	100	200	-	200	*200	*13,640	*76
Diamond Point, a.s. Ke Štvanici 656/3, 186 00 Praha 8	100	428,941	-	428,941	78,793	273,995	3,905
Total	-	1,012,748	-	1,012,748	129,093	1,937,806	429,502

*) unaudited financial data

Based on the impairment test of the share in Diamond Point, a.s., it is not necessary to charge an adjustment item to the acquisition price.

2022	Participating interest as % of registered capital	Acquisition cost	Adjustment	Fair value	Total registered capital	Total equity	Profit or loss for the financial year
Trade name, registered office							
Allianz penzijní společnost, a.s. Ke Štvanici 656/3, 186 00 Praha 8	100	583,607	-	583,607	50,100	1,411,922	326,752
Allianz kontakt, s.r.o. Ke Štvanici 656/3, 186 00 Praha 8	100	200	-	200	*200	*13,564	*17
Diamond Point, a.s. Ke Štvanici 656/3, 186 00 Praha 8	100	428,941	-	428,941	78,793	282,051	11,110
Total	-	1 012,748	-	1,012,748	129,093	1,707,537	337,879

*) unaudited financial data

Based on the impairment test of the share in Diamond Point, a.s. the adjustment item was in 2022 dissolved due to its redundancy.

Participating interests with significant influence

2023	Participating interest as % of registered capital	Acquisition cost	Adjustment	Fair value	Total registered capital
Trade name, registered office					
Allianz Technology s.r.o. Ke Štvanici 656/3, 186 00 Praha 8	40	24,800	-	24,800	*62,000
Total	-	24,800	-	24,800	62,000

*) unaudited financial data

2022	Participating interest as % of registered capital	Acquisition cost	Adjustment	Fair value	Total registered capital
Trade name, registered office					
Allianz Technology s.r.o. Ke Štvanici 656/3, 186 00 Praha 8	40	800	-	800	2,000
Total	-	800	-	800	2,000

In 2023, the company granted Allianz Technology s.r.o. a loan in the amount of 125,000 thousand CZK.

(b) Debt securities issued by controlled persons and loans provided to them

	Fair value		Acquisition cost	
	2023	2022	2023	2022
Diamond Point, a.s.	856,337	814,419	876,000	876,000
Celkem	856,337	814,419	876,000	876,000

Above bonds are classified as available for sale securities. These bonds are not listed. The bonds are due in 2024. The Company is ready to provide Diamond Point with another form of financing.

(c) Shares and participation certificates

	Fair value		Acquisition cost	
	2023	2022	2023	2022
Issued by financial institutions				
Listed elsewhere	-	-	-	-
Not listed	15,157	16,106	12,695	14,519
Issued by non-financial institutions				
Listed elsewhere	-	952,628	-	881,690
Not listed	553,277	623,402	629,033	629,388
Total	568,434	1,592,136	641,728	1,525,547

Participation certificates held in Allianz's portfolios are traded on European Union markets, namely on the markets of Germany, France, Ireland and Luxembourg.

(f) Other securities held to maturity

	Fair value		Amortized value		Acquisition cost	
	2023	2022	2023	2022	2023	2022
Issued by government sector						
Listed on a recognised CR exchange	2,559,440	2,506,363	2,775,914	2,891,058	2,958,162	2,958,162
Total	2,559,440	2,506,363	2,775,914	2,891,058	2,958,162	2,958,162

(d) Available for sale securities

	Fair value		Acquisition cost	
	2023	2022	2023	2022
Issued by financial institutions				
Listed on a recognised CR exchange	774,432	1,027,850	795,000	1,087,384
Listed elsewhere	827,366	1,051,938	840,835	1,078,975
Not listed	87,474	73,620	98,320	98,320
Issued by non-financial institutions				
Listed on a recognised CR exchange	1,387,839	1,169,193	1,487,058	1,571,818
Listed elsewhere	329,598	387,451	345,837	428,473
Not listed	1,147,950	1,024,701	1,384,463	1,344,427
Issued by government sector				
Listed on a recognised CR exchange	18,722,310	13,853,949	18,569,872	14,863,178
Listed elsewhere	133,175	-	117,522	-
Total	23,410,144	18,588,702	23,638,907	20,472,575

(e) Debt securities valued at fair value through profit and loss

	Fair value		Acquisition cost	
	2023	2022	2023	2022
Issued by financial institutions				
Listed elsewhere	352,333	316,265	355,664	336,128
Not listed	43,884	26,577	40,987	26,599
Total	396,217	342,842	396,651	362,727

(g) Other loans and credits

As at 31 December 2023, the Company had provided other loans to policyholders, guaranteed by the insurance contract entered into, in the amount of TCZK 6,469 (at 31/12/2022: TCZK 7,132).

(h) Other investments

	Nominal value		2023	Fair value 2022
	2023	2022		
Fixed-term transactions	1,326,303	777,295	(9,918)	22,971
Hedge transactions	-	877,294	-	26,054
Options	-	-	70,700	50,535
Reverse repurchase agreements	2,880,000	2,563,685	2,887,041	2,563,685
Total	4,206,303	4,218,274	2,947,823	2,663,065

Reverse repurchase agreements represent short-term transactions with a maximum maturity of 14 days. As at 31 December 2023, the Company acquired treasury bills ISIN CZ0001006936 as collateral in repo operations in the market value of TCZK 2,853,619 (as at 31/12/2022 - TCZK 2,545,252). The treasury bills are recorded in off-balance sheet accounts.

(i) Other investments - derivatives*Trading derivatives*

Fixed term contracts with a positive fair value	Nominal value		2023	Fair value 2022
	2023	2022		
Term currency transactions	-	777,295	-	22,971
Total	-	77,295	-	22,971

Fixed term contracts with a negative fair value	Nominal value		2023	Fair value 2022
	2023	2022		
Term currency transactions	1,326,303	-	(9,918)	-
Total	1,326,303	-	(9,918)	-

Hedge derivatives

Fixed term contracts with a positive fair value	Nominal value		2023	Fair value 2022
	2023	2022		
Term currency transactions	-	877,294	-	26,054
Total	-	877,294	-	26,054

*Remaining maturity of derivatives**Trading derivatives*

As at 31. 12. 2023	Within 3 months	3 months to 1 year	1 to 5 years	Total
Term currency transactions	(9,918)	-	-	(9,918)

As at 31. 12. 2022	Within 3 months	3 months to 1 year	1 to 5 years	Total
Term currency transactions	22,971	-	-	22,971

Hedge derivatives

As at 31. 12. 2023	Within 3 months	3 months to 1 year	1 to 5 years	Total
Term currency transactions	-	-	-	-

As at 31. 12. 2022	Within 3 months	3 months to 1 year	1 to 5 years	Total
Term currency transactions	26,054	-	-	26,054

*Remaining maturity of derivatives in the nominal value**Trading derivatives*

As at 31. 12. 2023	Within 3 months	3 months to 1 year	1 to 5 years	Total
Term currency transactions (+)	1,326,303	-	-	1,326,303

As at 31. 12. 2022	Within 3 months	3 months to 1 year	1 to 5 years	Total
Term currency transactions (+)	777,295	-	-	777,295

Hedge derivatives

As at 31. 12. 2023	Within 3 months	3 months to 1 year	1 to 5 years	Total
Trading derivatives				
Term currency transactions (+)	-	-	-	-
As at 31. 12. 2022				
Trading derivatives				
Term currency transactions (+)	877,294	-	-	877,294

II.3. Investments for the benefit of life assurance policyholders who bear the investment risk

Description	Fair value		Acquisition cost	
	2023	2022	2023	2022
Shares and other variable-yield securities	6,474,304	5,508,465	4,714,123	4,664,935
Debt securities	1,465,473	1,335,590	1,479,107	1,418,093
Deposits with financial institutions	215,000	51,000	215,000	51,000
Free cash	7,340	13,970	-	-
Derivatives	(5,958)	48,328	-	-
Total	8,156,159	6,957,353	6,408,230	6,134,028

II.4. Currency structure of investment

Currency	Shares and variable-yield securities		2023	Debt securities 2022	Other financial placements		Securities where the investment risk is borne by the policyholders	
	2023	2022			2023	2022	2023	2022
CZK	225,492	1,036,067	25,559,049	21,043,085	4,132,825	3,584,365	3,338,231	3,018,692
EUR	342,942	556,069	1,879,563	1,593,936	(9,918)	99,380	4,190,962	3,500,253
USD	-	-	-	-	-	-	626,966	438,408
Total	568,434	1,592,136	27,438,612	22,637,021	4,122,907	3,683,745	8,156,159	6,957,353

II.5. Receivables

31 December 2023	Receivables from policyholders	Receivables from insurance intermediaries	Receivables from reinsurance operations	Other receivables	Total
Due	201,615	139,522	110,688	1,365,294	1,817,119
Overdue	984,499	57,452	108,143	14,952	1,165,046
Total	1,186,114	196,974	218,831	1,380,246	2,982,165
Allowances	368,282	59,296	-	14,566	442,144
Total net	817,832	137,678	218,831	1,365,680	2,540,021

31 December 2022	Receivables from policyholders	Receivables from insurance intermediaries	Receivables from reinsurance operations	Other receivables	Total
Due	170,754	42,876	200,594	1,621,880	2,036,104
Overdue	1,086,010	55,995	43,302	5,199	1,190,506
Total	1,256,764	98,871	243,896	1,627,079	3,226,610
Allowances	414,239	57,034	-	14,566	485,839
Total net	842,525	41,837	243,896	1,612,513	2,740,771

(a) Other receivables

	2023	2022
Inter-company receivables	15,716	3,384
Deferred tax asset	1,027,214	1,206,517
Income tax receivable	296,794	206,814
Advance payments for energy	22,942	19,606
Securities transactions receivables	(405)	84,428
Other receivables	3,419	91,764
Total other receivables (net)	1,365,680	1,612,513

*for details see III.13 (b) Deferred tax assets and liabilities

Income tax advances in the amount of TCZK 664,412 paid by the Company as of December 31, 2023 (as of December 31, 2022: TCZK 583,657) were offset against the income tax provision of TCZK 367,618 created as of December 31, 2023 (as of December 31, 2022: TCZK 376,843).

II.6. Other assets

(a) Tangible fixed assets

Tangible fixed assets	
Acquisition cost at 1/1/2023	186,265
Additions	7,194
Disposals	(9,644)
Acquisition cost at 31/12/2023	183,815
Accumulated depreciation at 1/1/2023	143,726
Depreciation expense	7,399
Disposals	(3,673)
Accumulated depreciation at 31/12/2023	147,452
Net book value at 1/1/2023	42,539
Net book value at 31/12/2023	36,363

Tangible fixed assets	
Acquisition cost at 1/1/2022	200,779
Additions	12,986
Disposals	(27,500)
Acquisition cost at 31/12/2022	186,265
Accumulated depreciation at 1/1/2022	151,540
Depreciation expense	9,960
Disposals	(17,774)
Accumulated depreciation at 31/12/2022	143,726
Net book value at 1/1/2022	49,239
Net book value at 31/12/2022	42,539

(b) Cash on accounts in financial institutions and cash in hand

Cash on accounts in financial institutions and cash in hand as at the balance sheet date totalled TCZK 265,000 (2022: TCZK 261,491). The company has its cash deposited in two creditworthy banks.

II.7. Temporary asset accounts**(a) Deferred acquisition costs for life assurance contracts**

	2023	2022
Traditional life assurance	796,535	706,305
Unit-linked assurance	25,114	24,905
Non-life insurance	321,556	298,098
Total	1,143,205	1,029,308

(b) Estimated receivables

	2023	2022
Estimated premium	172,435	141,369
Other	23,988	27,988
Total	196,423	169,357

The Company discloses in estimated receivables an estimate of industrial and entrepreneurs insurance written premiums for contracts that were not entered into the system at the end of the accounting period and an estimate of the written premiums for December in respect of motor insurance and motor third-party liability insurance, where billing with the intermediaries takes place retrospectively on a monthly basis and billing is based on mileage.

(c) Other temporary asset accounts

	2023	2022
Other prepaid expenses - services	340,630	378,154
Total	340,630	378,154

II.8. Equity**(a) Registered capital**

The registered capital of the Company consists of 600 registered shares in book-entry form with a nominal value of TCZK 1,000 per share. As at 31 December 2023, 100%, i.e. TCZK 600,000, of the registered capital was paid up.

The amount of the Company's registered capital meets the requirements of the Insurance Act, with regard to the insurance classes in which the Company is authorised to carry on insurance activities.

(b) Other capital funds and revaluation differences

	2023	2022
Other capital funds	555,714	555,714
Revaluation of assets and liabilities	(528,054)	(1,689,628)
Total	27,660	(1,133,914)

Revaluation of assets and liabilities at fair value

	2023	2022
Balance at 31/12/2022	(1,689,628)	(434,060)
Balance at 1/1/2023	(1,689,628)	(434,060)
Change in fair value of investments	1,431,674	(1,639,528)
Net losses on investments reclassified to the income statement on disposal, impairment or maturity	6,262	109,184
Change in deferred tax	(276,362)	274,776
Balance at 31/12/2023	(528,054)	(1,689,628)

The significant year-on-year decrease in the negative balance was caused by the positive revaluation of bond positions in connection with the drop in interest rates and market yields, which occurred mainly in the last quarter of the year.

Proposed distribution of current period profit

Profit for the current period	2,644,530
Transfer to reserve fund	-
Profit to be added to retained earnings	2,644,530

The distribution of the 2022 profit is presented in the Statement of Changes in Equity.

No decision was made on the amount of the distribution of the share on profit as at the balance sheet date.

II.9. Technical provisions

(a) Summary of technical provisions

Type of provision	Year	Gross	Reinsurer's share	Net
Provision for unearned premiums	2023	4,839,308	169,057	4,670,251
	2022	4,282,987	128,080	4,154,907
Life assurance provision	2023	7,133,256	1,310	7,131,946
	2022	7,035,240	1,065	7,034,175
Provision for outstanding claims	2023	12,960,613	1,056,317	11,904,296
	2022	12,220,807	1,161,405	11,059,402
Provision for bonuses and rebates	2023	575,344	-	575,344
	2022	504,011	-	504,011
Provision for liabilities arising from the applied technical interest rate	2023	134,402	-	134,402
	2022	74,150	-	74,150
Provision for liabilities of the Bureau	2023	-	-	-
	2022	-	-	-
Life assurance provision where the investment risk is borne by the policyholders	2023	8,156,159	-	8,156,159
	2022	6,957,354	-	6,957,354
Total	2023	33,799,082	1,226,684	32,572,398
	2022	31,074,549	1,290,550	29,783,999

(b) Provision for unearned premiums (gross)

	2023	2022
Non-life insurance	4,710,103	4,160,007
Life assurance	129,205	122,980
Total	4,839,308	4,282,987

(c) Life assurance provision

	2023	2022
Unzillmerised provision	7,175,883	7,087,887
Zillmer adjustment	(42,627)	(52,647)
Zillmerised provision presented in the balance sheet	7,133,256	7,035,240

(d) Provision for outstanding claims (gross)

The provision for outstanding claims at the end of the financial year can be analysed as follows:

	2023	2022
RBNS	7,118,456	6,722,823
IBNR	5,465,208	5,180,700
ALAE + ULAE	376,949	317,284
Total	12,960,613	12,220,807

Claims run-off result

The claims run-off result is the difference between the provision for outstanding claims as at 1 January 2023, the claims payments during 2023 (with respect to claims included within this provision) and the residual amount of this provision as at 31 December 2023.

The net run-off result is as follows:

Class of insurance	2023	2022
Motor insurance	303,697	497,171
Motor third party liability	854,767	161,991
Industry insurance	198,863	26,874
Commercial insurance	138,768	(73,633)
Private property insurance	15,103	29,469
Accident insurance	78,232	103,650
Sickness insurance	26,034	(8,078)
Travel insurance	8,018	4,802
Other	(1,398)	(4,078)
Total	1,622,084	738,168

In 2023, the result of the insurance claims run-off was affected by the dissolution of prudently determined claim reserves for previous claim years for product: liability insurance for damage caused by the operation of the vehicle at the end of 2022 and the creation of a reserve for the uncertainty of inflationary effects in the development of the average amount of claims at the end of 2022. This reserve was determined in non-life insurance outside of standard actuarial methods in the amount of TCZK 831,884. In 2023, there is a gradual dissolution in the total amount of TCZK 97,032 (residual value at the end of 2023 amounts to TCZK 734,852). This movement results in a further increase in the result of insurance claims run-off for the year 2023 compared to the previous year.

Provision for outstanding claims paid in the form of annuities

The gross provision for outstanding claims from motor third party liability insurance paid in the form of annuities after discounting is TCZK 421,787 (2022: TCZK 392,253), and before discounting TCZK 538,714 (2022: TCZK 503,675)

The Company used a wage valorisation rate and a disability pension valorisation rate of 3.5% - 10.0% to calculate the provision for outstanding claims paid in the form of annuities from statutory motor third-party liability insurance for the subsequent years. The provision was further discounted at 5.0% up to the year 2026 and at 1.5% in the following years. The annualised amount of annuities is TCZK 12,846 (2022: TCZK 11,186).

The expected average period, which will elapse before all annuity claims included within the above provision have been paid, is 15 years (2022: 16 years).

(e) Provision for bonuses and rebates (gross amount)

Class of insurance	2023	2022
Non-life insurance	192,554	148,386
Life assurance	382,790	355,625
Total	575,344	504,011

(f) Other technical provisions (gross)

The item Other technical provisions includes the provision for liabilities arising from the applied technical interest rate and the provision for liabilities.

2023	Opening balance	Addition	Utilisation	Closing balance
Provision for liabilities arising from the applied technical interest rate	74,150	89,318	29,066	134,402
Provision for insufficient non-life insurance premium	-	-	-	-
Total	74,150	89,318	29,066	134,402

2022	Opening balance	Addition	Utilisation	Closing balance
Provision for liabilities arising from the applied technical interest rate	367,439	126,328	419,617	74,150
Provision for insufficient non-life insurance premium	-	-	-	-
Total	367,439	126,328	419,617	74,150

II.10. Rezerwy

2023	Opening balance	Addition	Utilisation	Closing balance
Provision for taxes	376,843	367,618	376,843	367,618
Other provisions	42,550	35,370	22,302	55,618
Total	419,393	402,988	399,145	423,237

2022	Opening balance	Addition	Utilisation	Closing balance
Provision for taxes	936,407	376,843	936,407	376,843
Other provisions	54,694	27,856	40,000	42,550
Total	991,101	404,699	976,407	423,236

The provision for taxes is reported in the gross amount. Within the Company's financial statements the provision is reduced by paid advances for current tax. If income tax advances exceed estimated tax, the difference is recognized as other receivables.

II.11. Payables

2023	Payables to policy holders	Payables to insurance intermediaries	Payables from reinsurance operations	Other payables	Total
Due	58,225	324,069	98,834	238,902	720,030
Overdue	916,987	1,858	80,983	212,482	1,212,310
Total	975,212	325,927	179,817	451,384	1,932,340
2022					
Due	56,363	399,738	8,283	266,915	731,299
Overdue	861,147	2,227	23,017	179,524	1,065,915
Total	917,510	401,965	31,300	446,439	1,797,214

(a) Social security and health insurance liabilities

Social security and health insurance liabilities total TCZK 15,525 (2022: TCZK 14,539), of which TCZK 10,559 (2022: TCZK 9,920) relates to social security and TCZK 4,966 (2022: TCZK 4,619) relates to health insurance. None of these liabilities are overdue.

(b) Tax liabilities and subsidies

Tax liabilities amount to TCZK 10,877 (2022: TCZK 6,343).

(c) Long-term payables (maturity over five years)

Long-term payables with a remaining period to maturity in excess of five years as at the balance sheet date amounted to TCZK 0 (2022: TCZK 0).

(d) Payables and receivables due to or from the reinsurer

The Company had a net receivable from reinsurers of TCZK 39,014 (2021: a net receivable of TCZK 212,596).

(e) Payables due to policyholders

Payables due to policyholders overdue include payments received for insurance contracts, that were not registered in the system by the end of the accounting period.

II.12. Temporary liability accounts*Estimated payables*

	2023	2022
Estimated reinsurance premiums	43,073	-
Commissions to intermediaries	482,657	349,487
Services	93,420	124,167
Employee bonuses	116,058	124,500
Total	735,208	598,154

II.13. Intercompany receivables and payables**(a) Receivables and payables due to or from companies in which the Company has a controlling influence**

Company name	Receivables		Payables	
	2023	2022	2023	2022
Short-term				
Allianz penzijní společnost, a.s.	1,517	247	-	102
Allianz kontakt, s.r.o.	536	-	-	27
Diamond Point, a.s.	15,693	14,320	-	-
Total	17,746	14,567	-	129

(b) Other intercompany receivables and payables

Company name	Receivables		Payables	
	2023	2022	2023	2022
AGCS AG Branch Office Belgium	260	-	677	1
AGCS AG Italy Branch	2,285	2,910	6	-
AGCS France	9,128	10,233	4,512	518
AGCS Nederlands	44	2	11	14
Allianz GCS SE Korea branch	159	210	1,056	1,395
Allianz Compania de seguros y Rease	17	-	12	-
Allianz Elementar	820	296	108	34
Allianz GCS Austria Branch	1,886	7,886	0	0
Allianz GCS Hong Kong	663	115	5,901	4
Allianz GCS Marine Insurance company	598	121	581	544
Allianz GCS München	12,185	2,206	21,262	4,172
Allianz GCS Nordic Region	122	97	1,169	20
Allianz GCS Singapore	3	-	2	4
Allianz GCS Spain	225	116	-	-
Allianz GCS Sweden	-	-	-	-
Allianz GCS Switzerland	1,005	910	32	397
Allianz GCS UK	6,379	3,405	3,547	148
Allianz GCS, Hamburg	-	-	-	-
Allianz Global Automotive	3,379	4,276	-	-
Allianz Global Corporate&Speciality Mnichov	-	4,218	20,410	3,028
Allianz Global Risk Nederland	297	-	-	-
Allianz Global Risk US	-	8,005	79	41
Allianz Hungária Biztosító Zrt.	8,527	10,113	-	-
Allianz Insurance PLC	75	7,244	-	96
Allianz Italia s.p.a.	492	2,872	-	-
Allianz SE	83,115	16,611	51,923	884
Allianz Slovenská poisťovňa, a.s.	984	13,965	-	-
Allianz Technology SE	-	-	191,875	-
Allianz Technology, s.r.o.	13,631	71,848	106,827	16,458
Allianz Tiriac Asigurari S.A.	-	-	2,326	4,192
Allianz Zagreb	131	-	-	60
Allinz Suisse	2	-	2	-
AWP P&C Česká republika	2,114	34,852	54,691	137,903
AWP P&C S.A. Switzerland branch	3,648	-	7,070	-
Bajaj Allianz General Insurance Co.	745	478	-	-
Companhia de Seguros Allianz Portugal s.A.	853	419	-	-
OJSC Insurance company Allianz	1,776	1,776	-	-
Single Risk Facility	250	-	1,000	-
Stanislas Haine	320	320	-	-
T.U. Allianz Polska S.A.	114	-	-	15
Total	156,231	205,504	475,079	169,928

All material transactions with related parties were carried out based on the arm's length principle.

(c) Related party transactions

	2023	2022
Revenues		
Received commissions from reinsurers	103,120	105,611
Reinsured premium	477,080	586,888
Revenue services	41,845	39,284
Rental	1,037	747
Total	623,082	732,530
Costs		
Gross ceded premiums	1,087,631	1,001,321
Cost services	618,612	481,436
Rental	66,081	53,339
Other costs	1,436	619
Total	1,773,760	1,536,715

III. ADDITIONAL DISCLOSURES IN RESPECT OF THE INCOME STATEMENT**III.1. Non-life insurance**

Non-life insurance by class of insurance:

2023	Insurance class	Gross premiums written	Gross premiums earned	Gross claims paid	Gross operating expenses	Reinsur. balance
Direct insurance						
	Accident and sickness	1,2,18	217,804	219,870	59,042	27,993 (7,869)
	Motor - other classes	3	6,129,778	5,851,667	3,679,642	1,500,202 (2,394)
	Motor – liability	10	4,440,521	4,319,093,	2,430,582	832,273 (69,338)
	Aviation, marine and transportation insurance	4,5,6,7,11,12	82,683	83,288	(647)	12,785 (72,110)
	Fire and other damage to property	8,9,15,16	3,763,185	3,616,264	1,995,316	1,108,925 (330,156)
	Liability	13	1,125,174	1,118,867	590,855	205,686 (147,620)
	Total 2023		15,759,145	15,209,049	8,754,790	3,687,864 (629,487)

Gross written premium in non-life insurance in 2023 included premium from active reinsurance in the amount of TCZK 413,517 (2022: TCZK 407,523).

2022	Insurance class	Gross premiums written	Gross premiums earned	Gross claims paid	Gross operating expenses	Reinsur. balance
Direct insurance						
	Accident and sickness	1,2,18	177,779	178,450	61,180	24,409 (6,355)
	Motor - other classes	3	5,269,778	5,099,074	2,889,678	1,190,976 (49,533)
	Motor – liability	10	4,122,171	4,064,882	2,672,894	828,805 (107,046)
	Aviation, marine and transportation insurance	4,5,6,7,11,12	68,379	69,293	(52)	11,849 (51,251)
	Fire and other damage to property	8,9,15,16	3,367,308	3,305,205	2,060,202	994,201 (283,666)
	Liability	13	1,101,806	1,089,146	679,943	190,930 (122,689)
	Total 2022		14,107,221	13,806,050	8,363,845	3,241,170 (620,540)

III.2. Life assurance

Gross premiums written in life assurance:

	2023	2022
Individual (special) premiums	4,139,851	4,110,081
Premiums under group contracts	36,839	35,261
Total	4,176,690	4,145,342
Regular premium	3,984,198	3,743,768
Single premium	192,492	401,574
Total	4,176,690	4,145,342
Premiums from contracts without bonuses	2,333,938	2,003,380
Premiums from contracts with bonuses	130,029	147,464
Premiums from contracts where the investment risk is borne by policyholders	1,712,723	1,994,498
Total	4,176,690	4,145,342
Reinsurance balance	(5,121)	(6,202)

Gross written premium in non-life insurance in 2023 and 2022 do not include any premium from active reinsurance.

III.3. Total amount of gross premiums written by country

The total amount of gross premiums written by country in which the insurance contract was concluded:

Country	2023	2022
Czechia	19,882,139	18,181,232
Belgium	96	117
Bulgaria	1,734	1,390
Denmark	-	116
Estonia	43	42
France	48	4,442
Croatia	35	103
Italy	14	2,364
Latvia	14	-
Hungary	2,586	11,963
Netherlands	1,071	918
Poland	3,365	724
Portugal	-	439
Austria	3,678	1,807
Romania	106	5,037
Slovakia	28,698	20,677
Slovenia	283	283
Germany	11,063	8,764
Spain	711	449
Sweden	-	-
Switzerland	-	383
Great Britain	151	11,313
Total	19,935,835	18,252,563

The gross premiums written under direct insurance result from contracts concluded in the Czech Republic, other EU Member States and other states (Switzerland and the Great Britain).

III.4. Bonuses and rebates

The Company granted the following gross bonuses and rebates based on policy conditions and insurance contracts:

	2023	2022
Non-life insurance	407,475	409,014
Life assurance	-	-
Total bonuses and rebates	407,475	409,014

In accordance with the procedures stated in note II.9 (e) of the notes, the Company accounted for the following changes in the provision for bonuses and rebates:

	2023	2022
Non-life insurance		
Creation	575,396	387,790
Release	(531,229)	(504,172)
Change of balance	44,167	(116,382)
Life assurance		
Creation	61,453	17,861
Release	(34,288)	(52,778)
Change of balance	27,165	(34,917)
Total change of balance	71,332	(151,299)

III.5. Commissions and other acquisition costs for insurance contracts

	2023			2022		
	Non-life insurance	Life insurance	Total	Non-life insurance	Life insurance	Total
Commissions						
Initial	1,226,544 ¹⁾	926,410	2,152,954	1,086,927 ¹⁾	817,976	1,904,903
Renewal	1,495,862 ²⁾	138,153	1,634,015	1,267,612 ²⁾	156,342	1,423,954
Total commissions	2,722,406	1,064,563	3,786,969	2,354,539	974,318	3,328,857
Other acquisition costs	132,916	64,440	197,356	149,636	71,637	221,273
Change in deferred acquisition costs	(23,458)	(90,439)	(113,897)	8,153	(69,543)	(61,390)
Total commissions and other acquisition costs	2,831,864	1,038,564	3,870,428	2,512,328	976,412	3,488,740

¹⁾ of which TCZK 12,414 relates to assumed facultative reinsurance in the year 2023 and TCZK 28,231 in the year 2022

²⁾ of which TCZK 45,670 relates to assumed facultative reinsurance in the year 2023 and TCZK 24,218 in the year 2022

The Company discloses renewal commissions in administrative expenses.

Other acquisition costs primarily comprise costs for wages and salaries, promotion, advertising, and other administrative expenses associated with the conclusion of insurance contracts.

III.6. Administrative expenses

	2023	2022
Personnel expenses (payroll, social and health insurance)	544,171	502,634
Rental	63,951	55,099
Depreciation and net book value of disposed fixed assets	43,010	44,297
Renewal commissions and bonifications	1,634,015	1,423,953
Telephone and fax fees, postage	27,305	34,348
Consultancy fees	37,648	36,172
Travel and entertainment	12,901	9,724
Material consumption	2,848	4,249
Other services	129,982	96,793
Other administrative expenses	7,991	10,205
Hardware maintenance and repair	76	727
Software maintenance and repair	1,316	8,121
Data network maintenance and repair	433,046	319,382
Total administrative expenses	2,938,260	2,545,704

The amounts in table III.6. Administrative expenses reflect expenses allocated to claims.

III.7. Other technical expenses and income

2023	Gross	Reinsurance share	Net
Non-life insurance			
Other technical income	876,596	-	876,596
Other technical expenses	(1,177,924)	-	(1,177,924)
Balance – non-life insurance	(301,328)	-	(301,328)
Life assurance			
Other technical income	91,038	-	91,038
Other technical expenses	(68,010)	-	(68,010)
Balance – life assurance	23,028	-	23,028
2022			
Non-life insurance			
Other technical income	789,209	-	789,209
Other technical expenses	(1,099,495)	-	(1,099,495)
Balance – non-life insurance	(310,286)	-	(310,286)
Life assurance			
Other technical income	90,927	-	90,927
Other technical expenses	(62,424)	-	(62,424)
Balance – life assurance	28,503	-	28,503

Based on the amendment to Act No. 168/1999 Coll., on Liability Insurance for Losses Caused by the Operation of a Motor Vehicle, as amended, which came into effect on 1 January 2015, the insurance company recognises the amount of TCZK 130,573 (2022: TCZK 123,039) to be remitted to the Loss Prevention Fund in Other technical expenses in the technical account for non-life insurance.

The balance of other technical expenses and income in non-life insurance comprises the following items:

Non-life insurance	2023	2022
Additions to (-)/Release of (+) allowances to receivables	41,158	(34,845)
Write-off of receivables	(110,406)	(68,597)
Foreign exchange losses (-)/gains (+)	(6,505)	(34,986)
Other technical expenses and income	(225,575)	(171,858)
Reinsurers' share share	-	-
Balance of other expenses and income	(301,328)	(310,286)

The balance of other technical expenses and income in life assurance comprises the following items:

Life assurance	2023	2022
Additions to (-)/Release of (+) allowances to receivables	(3,524)	13,547
Write-off of receivables	(5,799)	(16,132)
Foreign exchange losses (-)/gains (+)	(196)	(83)
Other technical expenses and income	32,547	31,171
Reinsurers' share share	-	-
Balance of other expenses and income	23,028	28,503

III.8. Other expenses and revenues

	2023	2022
Non-technical account		
Other income	78,830	84,810
Other expenses	(90,276)	(102,956)
Balance of other expenses and income	(11,446)	(18,146)

Balance of other expenses and income comprises the following items:

	2023	2022
Foreign exchange gains and losses	5,877	(5,440)
Foreign exchange differences on revaluation	(22,148)	(17,225)
Provisions	(1,248)	(1,856)
Other	6,073	6,375
Balance of other expenses and income	(11,446)	(18,146)

III.9. Employees and management

The average number of employees and executives and remuneration for 2023 and 2022 are as follows:

	Average number of employees	Payroll expense	Social and health insurance	Other expenses
2023				
Employees	582	446,733	144,410	16,099
Executives	44	94,873	26,250	3,419
Total	626	541,606	170,660	19,518
2022				
Employees	591	411,754	133,738	18,114
Executives	51	94,070	26,659	4,139
Total	642	505,824	160,397	22,253

(a) Statutory, Executive and Supervisory Board members' remuneration

In 2023 members of audit committee received remuneration totalling TCZK 420 (2022: TCZK 420) and members of statutory bodies received remuneration totalling TCZK 29,036 (2022: TCZK 28,092)

(b) Statutory, executive and supervisory board members' loans, other receivables and advances

In 2023, the Company did not present any receivables from members of the board of directors or the supervisory board relating to granted loans or advances paid.

(c) Information on remuneration for statutory auditors

Remuneration for statutory auditors is included in the Company's administrative expenses and consists of the audit of statutory financial statements and verification of implementation of IFRS 9 and 17 for the purpose of group reporting TCZK 10,344 (2022: TCZK 11,352)

III.10. Expense allocation between technical accounts and the non-technical account

As at the balance sheet date the total amount of revenues and expenses allocated between the technical accounts for non-life insurance and life assurance and the non-technical account by means of the method stated in note I.4.(v) amounted to TCZK 314,823 (2022: TCZK 161,248).

III.11. Result of non-technical account

The result of the non-technical account as at 31 December 2023 amounted to TCZK 303,375 (2022: TCZK 143,102)

III.12. Result before tax

The result before tax as at 31 December 2023 amounted to TCZK 2,954,344 (2022: TCZK 2, 633,047).

III.13. Taxation

(a) Income tax in the income statement

	2023	2022
Provision for current period income tax	367,618	376,843
Difference between the current income tax relating to prior periods and release of the provision for income tax relating to prior periods	28,810	12,057
Current income tax relating to prior periods	35,535	(5,219)
Change in deferred tax asset /Change in deferred tax liability	(122,671)	(19,021)
Income tax in the income statement	309,292	364,660

The current income tax relating to prior periods the additional tax liability assessed based on additional tax returns or following an inspection by the tax authority.

(b) Deferred tax assets/Deferred tax liabilities

Deferred tax assets and liabilities are as follows:

Temporary differences	Assets		Liabilities		Difference	
	2023	2022	2023	2022	2023	2022
Tangible fixed assets	10,800	8,853			10,800	8,853
Intangible fixed assets			6,413	5,624	(6,413)	(5,624)
Receivables	9,340	9,100			9,340	9,100
Other provisions	1,807	1,045			1,807	1,045
Technical provisions	917,500	823,444			917,500	823,444
Other temporary differences recorded in Income statement	5,655			20,800	5,655	(20,800)
Total	945,103	842,442	6,413	26,424	938,689	816,018
Influence in Income statement					122,671	19,021
Revaluation of assets and liabilities	101,771	378,132	13,246	13,246	88,525	364,887
Total	101,771	378,132	13,246	13,246	88,525	364,887
Influence in Equity					(276,362)	274,776
Deferred tax asset/liability					1,027,214	1,206,518

The impact of changes in deferred tax assets and liabilities on the income statement for 2023 consisted of an income of TCZK 106,589 (2022: profit of TCZK 19,021). The impact of changes in deferred tax assets and liabilities on the equity for 2023 consisted of an decrease of revaluation differences in amount of TCZK 276,362 (2022: increase TCZK 274,776).

Act No. 416/2023 Coll. on Top-up taxes for large multinational groups and large domestic groups was adopted based on EU Council Directive 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups. The aim of the Top-up taxes is to eliminate competition between states over different corporate tax rates by introducing a single minimum tax rate to ensure equal conditions for entities around the world and allow states to better protect their tax bases. Top-up taxes will be collected if the calculated effective tax rate in the given jurisdiction is lower than 15%. Companies in the group whose consolidated annual revenues reported in the consolidated financial statements of the highest parent entity amount to EUR 750 mil. in at least 2 of the 4 reporting periods immediately preceding the given tax period are liable for Top-up taxes.

The Company expects to become a payer of the top-up taxes in the period immediately following the current period. Top-up taxes were not considered in calculating the deferred tax. The Company expects that the tax liability in relation to the Top-up taxes to be immaterial in the following period.

Deferred tax receivable from technical provisions is based on the temporary difference between the recorded value of technical provisions according to Czech Accounting Standards and the reported value of technical provisions according to the Solvency II methodology.

In accordance with the accounting policy described in note I.4.(h), tax rate of 21% (tax rate for accounting periods starting on January 1, 2024 and later) was used for the calculation of deferred tax (as of December 31, 2022: 19%).

IV. OTHER DISCLOSURES

IV.1. Transactions not disclosed in the balance sheet

As at the balance sheet date, the Company did not have any transactions not disclosed in the balance sheet.

IV.2. Contingent liabilities

(a) Co-insurance

The Company is the leading co-insurer in several coinsurance contracts in respect of which a claim of a material amount has been announced as at the end of the accounting period.

The Company considers it unlikely that the beneficiary will file a claim in the full amount against the Company as the leading co-insurer and has therefore only established a provision for outstanding claims amounting to its share.

(b) Membership of the Czech Bureau of Insurers (the Bureau)

As a member of the Bureau, the Company is obliged to guarantee the liabilities of the Bureau pursuant to Section 18 (6) of the Act on Motor Third Party Liability Insurance. The Company contributes to the guarantee fund and creates the provision for liabilities of the Bureau. The amount of the contribution and the provision for liabilities of the Bureau is determined using actuarial methods.

If any of the members of the Bureau would be unable to meet their obligations arising from the statutory motor third-party liability insurance due to insolvency, the Company may become liable to make additional contributions to the guarantee fund.

(c) Membership of the Czech Nuclear Pool

As a member of the Czech Nuclear Pool, the Company, under a "Joint and Several Liability" agreement, has assumed a liability, in proportion to the Company's net retention for the given contract, should one or more members of the Czech Nuclear Pool be unable to fulfil their obligation. The total contingent liability of the Company including joint and several liability is contractually limited to double the retention for the specific insured risk.

IV.3. Subsequent events

The Company's management is not aware of any other significant subsequent events that occurred and required an adjustment or disclosure to the Company's financial statements as at 31 December 2023.

Prague, 28 March 2024

Ing. Dušan Quis
Chair of the Board of Directors



Venelin Yanakiev
Member of the Board of Directors



Report on Relations

This report on relations between related parties, i.e. on business relations to the controlling party, controlled parties and other related parties, is presented based on the obligation stipulated by Act No. 90/2012 Coll. on Commercial Corporations. The parties are members of Allianz Group.

Allianz pojišťovna, a.s. did not enter into any controlling agreement or transfer of profit agreement during the accounting period of 2023 or previous accounting periods. Below are listed those Allianz group companies, with which Allianz pojišťovna, a. s. maintains material business relationships.

The scope of business of Allianz pojišťovna, a. s. is the provision of insurance. Allianz pojišťovna, a. s. is one of the numerous insurers of Allianz Group.

SUMMARY

Controlling party

- Allianz Holding eins GmbH, seated at Wiedner Gürtel 9, 1100 Vienna, Austria, is the direct and sole shareholder of Allianz pojišťovna, a. s. exercising influence over Allianz pojišťovna, a. s. by exercising shareholder rights
- Allianz SE, seated at Kőniginstrasse 28, 80802 Munich, Germany, is the sole owner of Allianz Holding eins GmbH

Controlled parties

- Allianz penzijní společnost, a. s., seated in Prague
- Allianz kontakt, s. r. o., seated in Prague
- Diamond Point, a. s., seated in Prague
- Allianz Technology, s. r. o., seated in Prague

All the aforementioned legal entities were controlled by Allianz pojišťovna, a. s., as the sole shareholder/partner or founder in the last financial year, with the exception of Allianz Technology s.r.o., where Allianz pojišťovna is a shareholder with a 40% stake.

Other related parties

The other related parties are members of Allianz Group and the most important ones are described in the organizational chart of Allianz Group on page 88.

MAJOR ACTS OF THE RECENT ACCOUNTING PERIOD

In 2023, Allianz pojišťovna, a. s. disbursed CZK 1.6 billion as a dividend to its sole shareholder. Thus, in the recent account period, the company carried out an act in a volume exceeding 10% of the company's equity of 7.3 billion CZK as recognized in the last financial statements.

RELATIONS TO THE CONTROLLING PARTY AND CONTROLLED PARTIES EXCEPT FOR REINSURANCE RELATIONSHIPS

Allianz Holding eins GmbH

Allianz Holding eins GmbH is the parent company of Allianz pojišťovna, a. s. On 7 October 2021, the merger of Allianz Holding eins GmbH with the original parent company of Allianz pojišťovna a. s., Allianz New Europe Holding GmbH, was entered

in Austria's Commercial Register. Allianz Holding eins GmbH thus became the sole shareholder of Allianz pojišťovna, a. s.

Allianz SE

Allianz SE performs tasks of the controlling party of the entire group. In 2003, Allianz SE and Allianz pojišťovna, a. s. entered into a management service agreement. This agreement replaced the service agreement of 1994. The management service agreement covers cooperation in management, marketing, IT, HR services (sales techniques training, HR development programs), support for work quality control, development and implementation of an internal controlling system, or secondment of members of staff. As part of fostering cooperation with the parent company, employees are sent out for temporary internships with companies of Allianz SE Group to gather new experience.

In 2006 and 2007, Allianz SE and Allianz pojišťovna, a. s. concluded an IS cost sharing agreement in respect of joint holding operations.

An agreement on cost sharing and HR services as well as an agreement on software licensing and related services were signed in 2009.

In 2010, Allianz pojišťovna, a. s. entered into a cash pooling agreement with Allianz SE.

In 2012, Allianz pojišťovna, a. s. and Allianz SE concluded a consulting agreement in respect of Solvency II regulation.

In November 2013, Allianz pojišťovna, a. s. and Allianz SE entered into the Master treasury agreement for intra-group financial derivatives transactions.

In October 2015, Allianz pojišťovna, a. s. and Allianz SE entered into a cost sharing agreement (Global procurement expenses excluding IT procurement). Allianz pojišťovna, a.s. and Allianz SE also entered into a master cost sharing and service agreement, effective as of 2016. In addition, as of 27 May 2013, the companies concluded a cost sharing agreement in respect of software provided by Towers Watson.

In 2018, the companies concluded an inter-company agreement on the Allianz SE Employee Share Purchase Program 2018. The agreement replaces the original agreement of 2016. An agreement of 2017 for the Allianz Leadership Development Program is concluded between the companies.

In 2019, the companies entered into the Master Service Level Agreement 2.0 Allianz SE Group Center Services stipulating the terms and conditions applicable to the supply of the Group's support services and sharing of related cost.

The companies entered into the Hedging Contract for Allianz Equity Incentives ("AEI") in 2020 to determine the terms of securing potential liabilities of Allianz pojišťovna, a. s. to its Board members and employees under the AEI programme. This agreement replaces the previous agreement of 2017.

Allianz penzijní společnost, a. s.

Allianz penzijní společnost, a. s. is a 100% subsidiary of Allianz pojišťovna, a. s. Allianz penzijní společnost, a. s. and Allianz pojišťovna, a. s. closely cooperate and coordinate their business activities with each other. In 1995, the two companies signed an agreement on cooperation in the sale of supplementary pension schemes by the sales representatives of Allianz pojišťovna, a. s. Also, Allianz pojišťovna, a. s. and Allianz penzijní společnost, a. s. cooperate closely in the area of management, asset management, marketing, IT, and HR services (sales techniques training, HR development programs, parallel employment). A sublease agreement with Allianz pojišťovna, a. s. was concluded in 2014. Effective as of 1 January 2017, an agreement on cooperation and sharing of selected costs was concluded with Allianz pojišťovna, a. s. In 2013, the companies entered into an agreement on cooperation and personal data processing.

Allianz kontakt, s. r. o.

Allianz kontakt, s. r. o. is a 100% subsidiary of Allianz pojišťovna, a. s. Allianz kontakt, s. r. o. provides distribution of insurance products of Allianz pojišťovna, a. s., on the basis of the contract on commercial representation agreed on 01.07.2005, which was updated on 30.11.2018 and subsequently supplemented in 2021 by "Amendment No. 1", when it was changed from "Exclusive commercial representation" to "Non-exclusive commercial representation". In 2012, a sales agency agreement in respect of offering and intermediation of contracts on supplementary pension schemes and former pension savings was concluded between Allianz penzijní společnost, a. s. and Allianz kontakt, s. r. o. as the investment intermediary, effective as of January 2013.

In 2018, an agreement on cooperation and sharing of selected costs was concluded with Allianz pojišťovna, a. s., which agreement also covers personal data processing issues. This agreement replaces the cooperation agreement and personal data processing agreement of 13 March 2013, the IT cooperation agreement of 2 January 2009, and the Interior equipment lease agreement of 1 January 2007. Effective as of 1 January 2022, a cooperation and cost sharing agreement was concluded between Allianz penzijní společnost, a. s. and Allianz kontakt, s. r. o.

Since 2019, Allianz kontakt, s. r. o. has been ensuring the operation of the RecruitMe software within the group.

The following agreements were concluded to this end:

- Service agreement: Regional Data Center Services with Allianz Technology SE, effective as of 1 May 2019
- License agreement for RecruitMe software with Allianz SE, effective as of 3 May 2019
- Project agreement with McKinsey & Company, effective as of 5 June 2019
- Agreement with Allianz pojišťovna, a. s. on software use, dated 12 June 2019
- Agreement with Allianz Hungária Zrt on software use, dated 12 June 2019
- Agreement with ZAD Allianz Bulgaria on software use, dated 20 June 2019
- Agreement with Towarzystwo Ubezpieczeń i Reasekuracji Allianz Polska S.A. and Towarzystwo Ubezpieczeń Allianz Zycie Polska S.A. on software use, dated 26 June 2019
- Agreement with Allianz Tiriac Asigurari S.A. on software use, dated 10 July 2019
- Agreement with Allianz – Slovenská poisťovňa, a. s. on software use, dated 10 July 2019
- Agreement with Allianz Elementar Versicherungs AG on software use, dated 19 August 2019
- Agreement with Allianz Zagreb d. d. on software use, dated 24 September 2019

Since 2021, Allianz kontakt, s. r. o. has been ensuring the operation of the Training Tool software within the group. The following agreements were concluded to this end:

- License agreement for software purchase with Allianz SE, dated 1 October 2020
- Client agreement with Allianz Technology GmbH, Austria, dated 10 November 2020
- Client agreement with Towarzystwo Ubezpieczeń i Reasekuracji Allianz Polska Spółka Akcyjna, dated 29 December 2020
- Client agreement with Allianz Hrvatska d.d., dated 25 March 2021
- Client agreement with ZAD Allianz Bulgaria, dated 16 April 2021
- Client agreement with Allianz pojišťovna, a. s., dated 16 April 2021
- Client agreement with Allianz Tiriac Asigurari SA, dated 11 November 2021
- Client agreement with Allianz-Slovenská poisťovňa, a. s., dated 28 November 2022

On 1 December 2021, Allianz kontakt, s.r.o. notified the Czech National Bank that it will not request extension of the permit to act as an investment intermediary pursuant to Act No. 256/2004 Coll. on capital market undertakings. The company's management decided to discontinue the services covered by the permit as of 31 December 2021.

Diamond Point, a. s.

Diamond Point, a.s. is a 100% subsidiary of Allianz pojišťovna, a. s. Diamond Point, a.s. is the owner of the real property at Ke Štvánici 656/3, where the registered office of Allianz pojišťovna, a. s. is located. A long-term lease relationship is agreed between the companies. Allianz pojišťovna, a. s. holds securities (fixed interest bonds) in the nominal value of CZK 876,000,000, issued by Diamond Point, a. s. in 2013. The bonds are due in 2024. Allianz pojišťovna, a.s. is ready to provide Diamond Point with another form of financing.

Allianz Technology s. r. o.

Allianz Technology s. r. o. was founded in 2022. On 23 March 2022, the company as the buyer entered into an agreement to buy part of enterprise with Allianz pojišťovna, a. s. as the seller to acquire a part of the enterprise identified as the IT department dealing with application operations (IT Infrastructure, Helpdesk & User Support and IT Application Support) and applications and development (Applications & Development, Core & Backend Systems, Sales Frontend Systems, IT Analysis, Architecture & Testing and DWH Development). The transfer became effective as of 1 April 2022.

Following the transfer of the part of enterprise, Allianz Technology s. r. o. and Allianz pojišťovna, a. s. entered into an IT outsourcing agreement on 1 April 2022. Allianz pojišťovna, a.s. AZP owns a 40% stake in Allianz Technology s.r.o. as of the same date - 1 April 2022. Allianz pojišťovna, a.s. concluded on 17 March 2023 with the company Allianz Technology s.r.o. loan agreement in the amount of 125,000 thousand CZK. Allianz pojišťovna, a.s. concluded on 30 November 2023 with the company Allianz Technology s.r.o. an agreement on the provision of a cash bonus in addition to the share capital in the amount of TCZK 24,000.

RELATIONS TO RELATED PARTIES EXCEPT FOR REINSURANCE RELATIONSHIPS**Allianz Slovenská poisťovňa, a. s.**

Cooperation between the companies relies on the cooperation agreement of 1997, which particularly applies to cooperation in the development of insurance products and IT. Also, the companies cooperate in investments.

AWP Solutions ČR a SR, s. r. o.

AWP Solutions ČR a SR, s. r. o. provides Allianz pojišťovna, a. s. with assistance service for foreign medical expenses insurance, travel insurance, motor hull insurance and motor third-party liability insurance and home insurance. The companies also entered into an agreement on telematic services and a cooperation agreement in respect of life insurance assistance.

Allianz Global Corporate & Specialty SE

The company provides Allianz pojišťovna, a. s. with consulting in respect of large and special risk insurance.

Allianz Global Investors Advisory GmbH

The company provides Allianz pojišťovna, a. s. with consulting in respect of investments, as stipulated in the Advisory Agreement of February 2008.

Allianz Investment Management SE

The company provides Allianz pojišťovna, a. s. with consulting in respect of investments, as stipulated in the Service Agreement on Investment Management Services of March 2019.

Allianz Global Investors Europe GmbH

This company provides Allianz pojišťovna, a. s. with investment consulting, as stipulated in the Advisory and Provision of Services Agreement of September 2014.

Allianz Real Estate GmbH

This company provides Allianz pojišťovna, a. s. with investment consulting, as stipulated in the Service Agreement - Real Estate investments of February 2018. Allianz pojišťovna, a. s. also uses instruments of investment management companies Allianz Global Investors GmbH and PIMCO Global Advisors (Ireland) Ltd. for the placement of its assets.

IDS GmbH – Analysis and Reporting Services

This company provides Allianz pojišťovna, a. s. with expert services relating to SPPI (Solely Payment of Principal and Interest) classification and calculation of ECL (Expected Credit Loss) as part of IFRS 9 requirements, subject to the Accession Agreement of Allianz penzijní společnost, a. s. to the Frame Service Level Agreement between Allianz SE – GAR and IDS GmbH – Analysis and Reporting Services dated January 2022.

The company also provides Allianz pojišťovna, a.s. with expert services relating to the supply of market data used for investment asset valuations, subject to the Individual Work and Services Agreement to the Group-internal Master Agreement for Work and Services dated December 2022.

Allianz Deutschland AG

The company cooperates with Allianz pojišťovna, a.s. in customer projects based on an agreement of October 2008. In IT, Allianz pojišťovna, a. s. cooperates with Allianz Deutschland AG, Allianz Hungaria Biztosító Zrt. and Allianz Suisse Versicherungsgesellschaft-AG. Allianz pojišťovna, a. s. also uses instruments of investment management companies Allianz Global Investors GmbH and PIMCO Global Advisors (Ireland) Ltd. for the placement of its assets.

Allianz Technology SE

The following agreements are concluded between Allianz pojišťovna, a. s. and Allianz Technology SE:

- Contract of 2016 for the Global Sanctions Screening Solution
- Master service agreement of 2017
- Sublicense agreement of 2017 for Oracle products
- Participation agreement for Oracle Database Products
- Sublicense agreement of 2018 for Microsoft products
- Microsoft Enterprise Agreement Participation Commitment Allianz Technology GmbH
- Agreement on training of ABAC Allianz Telematics S. P. A.
- Master agreement for telematic services
- Microsoft 365, MS Visio license agreement
- New ServiceNow service desk portal agreement
- SAP service support
- New AZ Connect intranet agreement Allianz Zagreb d. d.

In 2019, an agreement was concluded with Allianz Zagreb d. d. in respect of a licensing arrangement and terms of use of the Claims tracker module.

Harro Development Praha s. r. o.

Allianz pojišťovna, a. s. has been holding a 10% share in the company since 2019.

Rokko Development Praha s. r. o.

Allianz pojišťovna, a. s. has been holding a 10% share in the company since 2020.

RELATIONS TO THE CONTROLLING AND RELATED PARTIES IN REINSURANCE

The following Allianz Group companies participate in the reinsurance program of Allianz pojišťovna, a.s.:

- Allianz SE
- Allianz Global Corporate & Specialty SE
- AWP P&C Česká republika - branch of foreign legal entity (AWP P&C SA, France)
- AWP P&C SA (Switzerland)
- Allianz Hrvatska d. d.

Other group companies are partners to Allianz pojišťovna, a. s. in active and passive facultative reinsurance. Reinsurance is charged based on reinsurance agreements concluded between Allianz pojišťovna, a. s. and Allianz Group companies.

Allianz SE

As the group's reinsurer, Allianz SE plays a crucial role in the reinsurance program of Allianz pojišťovna, a. s. in both life and non-life insurance.

Allianz Global Corporate & Specialty SE

Allianz Global Corporate & Specialty SE participates in the reinsurance program of Allianz pojišťovna, a. s. through

reinsurance for aircraft insurance and directors and officers liability insurance (D&O).

AWP P&C Česká republika - branch of foreign legal entity (AWP P&C SA, France)

In its relationship with Allianz pojišťovna, a.s., AWP P&C Česká republika appears as the reinsurer for travel insurance, vehicle assistance insurance and extended warranty insurance.

AWP P&C SA (Switzerland)

In its relationship with Allianz pojišťovna, a.s., AWP P&C SA (Switzerland) appears as the reinsurer for technical assistance insurance in respect of retail and corporate assets.

Allianz Hrvatska d. d.

CEE MoRE, an agreement covering the use of reinsurance IT software was concluded with Allianz Hrvatska d. d. in 2020.

CLOSING STATEMENT OF THE BOARD OF MANAGEMENT OF ALLIANZ POJIŠŤOVNA, A. S.

The advantage of being a member of the group particularly relates to the strong and well-perceived brand of Allianz, the group's financial background and extensive distribution network, which facilitates the company's sales, improves its position in negotiations with business partners and allows for further development of services for end customers. We hereby declare that the report on relations between related parties, prepared pursuant to Sec. 82 of the Act on Commercial Corporations for the accounting period starting 1 January 2023 and ending 31 December 2023, contains all information required by law.

We hereby declare that we are not aware of any harm incurred by Allianz pojišťovna, a. s. from the above listed agreements, contracts or measures. Furthermore, we declare that no disadvantages arise out of the relationships between the controlling and controlled party or between the controlled party and parties controlled by the same party, and thus the existence of such relationships imposes no risk to Allianz pojišťovna, a. s.

In Prague, on 28. 3. 2024

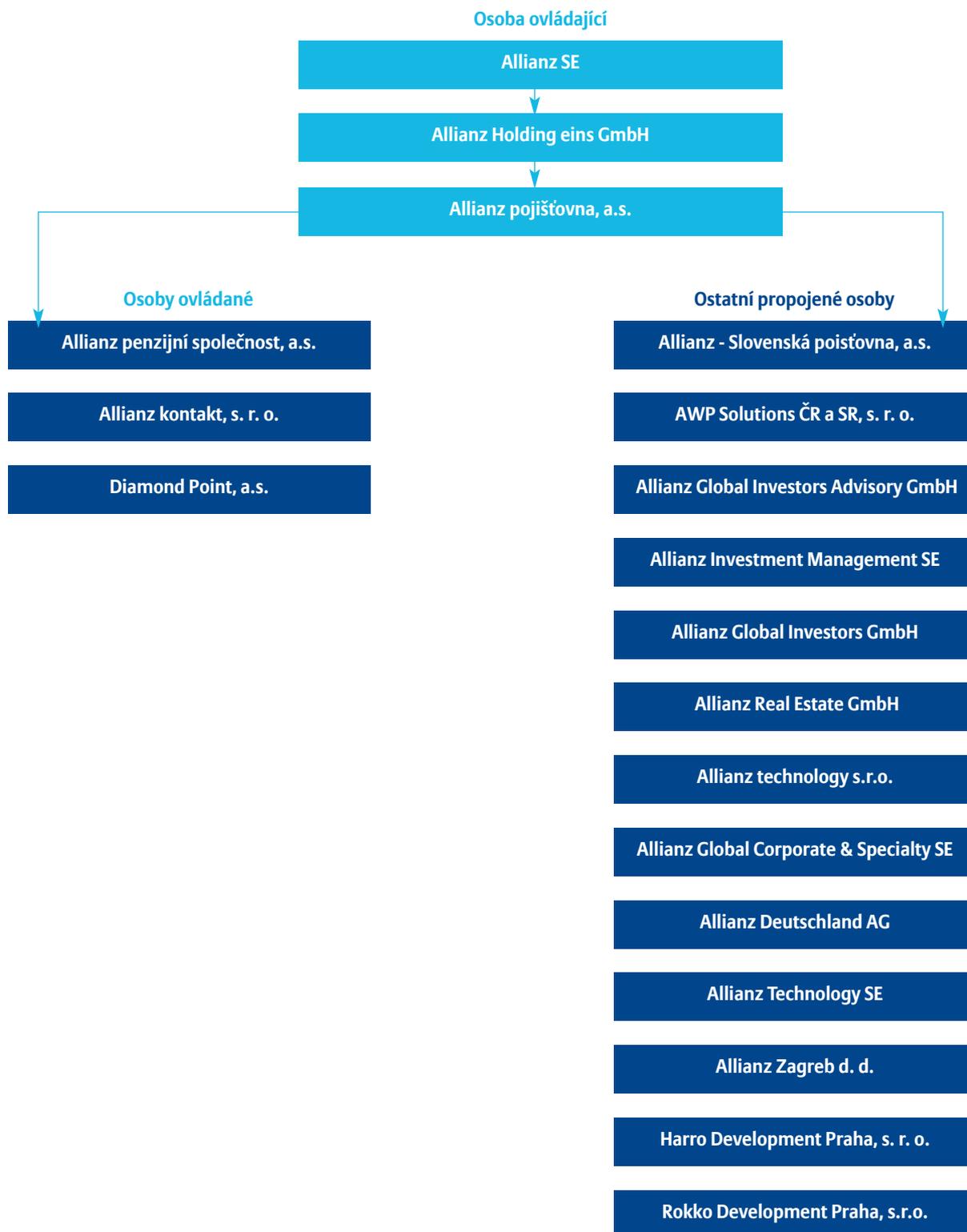
Ing. Dušan Quis
Chairman of the Board of Management



M.A. Venelin Yanakiev
Member of the Board of Management



The important entrepreneurial relations Allianz pojišťovna



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