

Annual report 2024

Allianz pojišťovna, a. s.



Annual report 2024

Basic economic data

Brief summary (million CZK)

Selected indicators (million CZK)	2024	2023	2022	2021
Gross premiums written	21,644	19,936	18,253	17,409
Life insurance	4,422	4,177	4,145	4,133
Non-life insurance	17,222	15,759	14,107	13,276
Claims paid	13,316	10,295	9,894	8,621
Life insurance	2,841	2,225	2,105	1,954
Non-life insurance	10,475	8,071	7,789	6,667
Net claims ratio retention in non-life insurance	55.0%	59.1%	63.0%	60.8 %
Gross expenses ratio	26.7%	26.6%	25.7%	26.7 %
Technical result	3,634	2,651	2,490	1,934
Profit before tax	4,132	2,954	2,633	2,047
Financial placements	34,528	32,130	27,913	28,780
Equity	10,916	9,598	7,342	7,679
Equity ratio (in % of net written premiums)	55.6%	53.2%	43.9%	47.7 %
Technical provisions	36,405	33,799	31,075	31,022
Life insurance	17,990	17,149	15,703	16,410
Non-life insurance	18,415	16,650	15,371	14,612
Number of contracts in portfolio (ths)	2,562	2,427	2,334	2,270
Number of employees	683	661	657	731
Number of agents	1,560	1,666	1,590	1,310

Contents



10



20



28



24

PAGES 6-39

A— Text part

08	Chairman's Statement
10	Company Profile
14	2024 at a Glance
16	Board of Management and Supervisory Board
17	Organisational Structure
20	Motor Insurance
22	Property and Commercial Insurance
24	Life Insurance
26	Travel Insurance
28	Claims Settlement
32	Sales
34	Human Resources
36	Non-Financial Information
39	A Word of Thanks from the Board of Management

PAGES 40-92

B— Financial part

42	Independent Auditor's Report to the Shareholder of Allianz pojišťovna, a. s.
48	Balance Sheet as at 31 December 2024
52	Profit and Loss Account for the Year 2024
55	Statement of Changes in Equity for the Year 2024
56	Notes to the Financial Statements 2024
86	Report on Relations between Related Parties
92	Contacts

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,

2024 was a year that once again tested the strength and resilience of the Czech insurance industry. From the perspective of the number of reported claims, the September floods are the largest natural disaster in the history of Allianz on the Czech market. We registered more than 15,000 claims resulting from this catastrophe alone. To compare, in the entire "tornado" year of 2021, there were 7,300 natural disaster claims.

I am proud of my colleagues who got to work virtually as early as the floods were threatening. We sent out information text messages to remind clients how to proceed in the event of an insurance claim. During the floods, we did not wait for the clients to call us, but we pro-actively contacted them, registering many of the claims during the calls right away. A big thank you goes to our colleagues from Jeseník and Krnov, whose offices as well as private property were struck by the flood, yet they immediately started helping their clients. In return, Allianz representatives from municipalities that remained intact came to assist with restoring their outlets. We deployed two mobile offices in the affected areas to let our people work and help clients in reporting claims.

The September floods unveiled the important role of digitization and its usefulness, especially for clients. In September, 85% of our customers used the online form to report their property insurance claims, representing an all-time high of 9,355 reports.

The floods resulted in the highest number of claims in the history of Allianz pojišťovna and the claims volume also reached a historical maximum. Nevertheless, 2024 was a very good year in terms of economic performance, thanks to our prudent approach taken in the years before. Particularly the ability to plan for the long term and build sufficient reserves in good times gives us the stability and resilience to cope with adverse situations and overcome crises. This allows us to fulfil our mission and be a reliable partner to our clients.

In the recent years, the Czech insurance industry has repeatedly pointed out the risk of underinsurance, reminded again by the floods in September. The data shows that the climate is changing. Besides the floods, Czechia in the last five years has been hit by windstorms,

a tornado, hailstorms and other meteorological phenomena that have damaged the property of citizens, companies and municipalities, often repeatedly. Hence, correctly adapted insurance is essential. That's why our people at points of sale help with revising or re-contracting insurance policies, pro-actively encouraging clients to do so.

However, 2024 also brought good news. To name one, the processes of motor third-party liability insurance are now online. The new digitized process from taking out the insurance to online payment and registration of the vehicle in the Czech Insurers' Bureau database usually takes less than a minute. The innovation spares clients of having to carry the green card as a proof of their MTPL insurance in the territory of the Czech Republic. Allianz pojišťovna launched the new system of insurance contracting in July, three months before the relevant law came into force.

In life insurance, we focused on developing a new product to let citizens of the Czech Republic take out insurance for cases when they will need long-term care. We appreciate that by means of tax benefits the government encouraged people to act responsibly in view of the unfavourable demographic trends, which are likely to put increased pressure on social services in the future.

We are very glad to see that we also receive excellent feedback from our clients on the Czech market, perceiving us as a "loyalty leader" in life insurance and rating the quality of our products and services in non-life insurance to be "above the market". We were also delighted to win the Best Non-Life Insurer award, recognizing our pro-client approach once again.

Five-star ratings used in every client interaction are another important indicator of customer satisfaction to us. Improving the customer experience has always been an ongoing topic for us and 2025 will be no different.

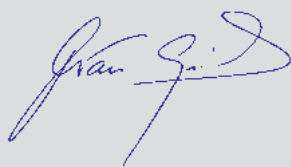
We are aware that the quality of claims settlement is a key issue for our customers. New technology is helping us significantly in this area, allowing us to automate parts of the settlement process or in some

We are very glad to see that we also receive excellent feedback from our clients on the Czech market, perceiving us as a loyalty leader in life insurance and rating the quality of our products and services in non-life insurance to be above the market.

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cases the process as a whole. The innovations include, for example, the involvement of artificial intelligence or OCR (optical character recognition). Incorporating these new technological functionalities in our systems is another major topic on our agenda for this year.

2024 was an extremely challenging year, yet it was also a year of further improvements of the services provided to our customers. A huge thank you goes for this to our employees, colleagues in the sales network and all business partners.



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



Company Profile

In 2024, Allianz pojišťovna completed the second year of the fourth decade of its operations in Czechia. 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 more than 30 years of presence 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) 6 years later. Another important milestone in the history of Allianz, 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 celebrated 30 years on the Czech market in 2023 and grew in all major insurance segments. Over the time 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. One of the major steps taken in 2024 was the electrification of the company's fleet, as 48 electric vehicles replaced the existing

ones with combustion engines. The fleet change is a logical step in the implementation of Allianz Group's strategy to reduce carbon emissions.

Allianz is a proud partner to a wide range of sports teams, organizations, cultural figures, sporting events and educational programmes. It builds relationships with partners supporting diversity, raises awareness of important social issues and educates future generations.

While the Czech branch of Allianz started the fourth decade of its presence on the Czech market, 2024 commemorated the fact that the parent company had been ensuring the safe lives of its clients for 134 years already. Allianz is headquartered in Munich, Germany and is present on all continents of the world.

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, supports sustainable motorsports such as the Formula E Championship, is a global partner of both Olympic and Paralympic Games and the official insurer of Olympic and Paralympic athletes. As part of an 8-year partnership, Allianz has been supporting the two

156
thousand members of staff
render professional service
to clients across continents

The image shows a close-up, low-angle view of a modern glass skyscraper. The Allianz logo, consisting of the word 'Allianz' in a bold, white, sans-serif font followed by a circular emblem containing three vertical bars, is mounted on the building's facade. The glass panels reflect the sky and surrounding environment, creating a complex pattern of light and shadow. The overall tone is professional and corporate.

Allianz

128

million private and corporate clients
of Allianz Group all over the world

movements with tailored insurance solutions and services since 2021. Allianz Technology Centre has conducted thousands of crash tests since 1980 to improve road safety. Allianz Group ranks among the world's leading insurers and asset managers. With more than 156,000 employees worldwide, Allianz Group attends 128 million private and corporate customers in nearly 70 countries. Allianz customers benefit from a wide range of personal and corporate insurance services including property, life and health insurance as well as assistance services or credit insurance and global business insurance.

In the financial year of 2024, Allianz Group reached a total sales volume of approximately 180 billion EUR.

Allianz is also one of the world's largest investors, managing approximately 764 billion EUR on behalf of its insurance clients as at the end of the third quarter of 2024. In addition, the group's asset managers, PIMCO and Allianz Global Investors, managed approximately 1.92 trillion EUR in third-party assets as of the same date.

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.

Allianz remains #1 in the Brand Finance Global 500 ranking for insurance and asset management

Allianz's 28th position among all global brands in Brand Finance Global 500 serves proof of the growing strength of the brand and the trust placed in Allianz by customers, agents and brokers, business partners and employees. The Allianz brand is a strong driver for business and is strengthening its market leadership by leveraging all global platforms.

Awards



Allianz pojišťovna won a number of awards in 2024. In the **VISA Best Insurer** competition, Allianz won the non-life insurance category, mainly thanks to the highest return on equity, third largest market share and cost efficiency. On the client side, it scored well in the area of the price of non-life insurance, technology and clarity of terms and conditions. This earned it the first place in the category of the most client-friendly non-life insurer of the year.

The competition results are based on a detailed and independent survey by Scott & Rose. The firm's analysts evaluate hundreds of objective data and indicators that give a comprehensive picture of the particular financial institutions. Considering each institution from two perspectives - economic and client - is crucial. For insurance companies, six criteria were evaluated as part of the client-based assessment. The most important were the amount of premiums, the range and quality of products provided or the clarity of insurance policies. 14 insurance companies participated in the survey.



In the **Zlatá koruna 2024** competition, Allianz ended third with its product for entrepreneurs in the Business Insurance category. The awarded insurance offers a wide and sufficiently variable cover capable of adapting to the specific needs of clients. Thus, Allianz pojišťovna's repeated success in this segment cannot be a coincidence.



Allianz again scored two first places in the **Finparáda** competition, which automatically includes all financial products offered by insurance, pension and investment companies and banks in the Czech Republic.

In 2024, Allianz won gold in Product of the Year categories - for the eighth time in a row for **Risk Life Insurance** and for **Motor Insurance**.

Allianz ŽIVOT ranked first among **risk life insurance** products. The jury mainly appreciated Allianz ŽIVOT for that it offers discounts for a health lifestyle and guarantees highest indemnity compared to the market's top 5 insurers, where the guarantee covers 251 severe injuries and harms under supplementary daily indemnity insurance and supplementary insurance for cases of permanent consequences of injury. Further, in the case of injury, Allianz pays out the indemnity as early as the diagnosis is determined and checked without waiting for the end of treatment. If the client is hospitalized on a special ICU bed, he or she receives double indemnity. The assessment of the life insurance cost for the client, specifically using new model examples for clients aged 25, 35 and 45 at the start of insurance, shows that Allianz pojišťovna offers insurance at a very favourable price.

In **Motor Insurance**, Allianz was awarded the first place for several key aspects of its product - according to the model examples, it offered the least expensive motor third-party liability insurance and also excelled in product digitization. Allianz pojišťovna offers four motor insurance packages, including cover against injury, natural events, fire and explosion, animal damage, theft, glass damage, vandalism or accidents. It also offers GAP insurance, legal advice, basic assistance or extended assistance (rental of a courtesy vehicle). Another benefit is the "drive less, pay less" principle - the fewer kilometres the client drives, the less he or she pays for the insurance. In addition, clients can receive up to 21% off motor insurance in the Allianz PLUS programme.



Allianz has been with Czech clients whenever they need it for 32 years. And it is ready to have their backs in everything they do and everything that awaits them. For Allianz, this is not just an advertising slogan, but a daily reality. And it proved it in the flood year of 2024.

Already in September, the Allianz Group said it would donate up to EUR 1.5 million to support disaster relief in Central Europe. It allocated the money to the Red Cross and other potential charities and rescue organisations that were active in the affected region. As an initial contribution, the countries most affected, Austria, Poland and the Czech Republic, received EUR 300,000 each.

Employees of Allianz pojišťovna and Allianz penzijní společnost also raised more than 304,000 crowns to help people affected by the floods. They were joined by colleagues from Allianz Partners and Allianz Trade. Allianz pojišťovna then matched the amount to CZK 1 million.



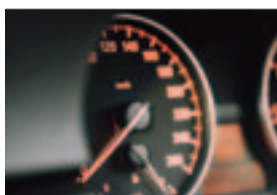
2024 at a Glance

JANUARY

Allianz Group published the traditional **Allianz Risk Barometer**. According to the report, the main business risks for 2024 are cyber-attacks, business interruption hazards and natural disasters.



FEBRUARY



In 2023, Allianz pojišťovna refunded CZK 106 million to drivers. For nine years now, Allianz clients have been paying for their motor insurance according to the kilometres driven. In 2024, the insurance company returned CZK 124 million to almost a quarter of vehicle owners.

Allianz summed up the detected insurance frauds for 2023. The company's detectives investigated 2,191 suspicious claims and saved a total of CZK 373 million.

MARCH

Allianz received the **Edge Assess international equal opportunities certificate** for the second time. An in-depth independent audit confirmed that the company provides equal opportunities and that the gender pay gap is below 1%. Allianz became the first Edge Assess-certified company in Czechia in 2021.

The year's first **Donate Blood with Allianz** event took place again in cooperation with the General University Hospital in Prague. Blood donation became a tradition among the members of Allianz pojišťovna.



APRIL



Allianz started its cooperation with the Czech Red Cross and organized Four Hours for Life, a **first aid training for the employees**.

MAY

In an interview published by oPojištění.cz, a professional insurance website, CEO and Chairman of the Board of Management **Dušan Quis** evaluated the current role of Allianz in the Czech insurance industry over the past 30 years.

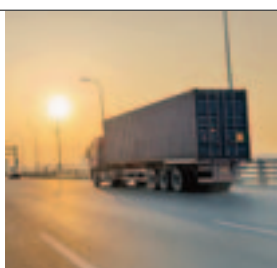
Allianz Group published its latest **Global Insurance Report**, analysing the development of global insurance markets. According to the report, in 2023, the insurance industry grew by 7.5% globally and insurers worldwide collected a total of EUR 6.2 trillion in premiums.

Jiří Charypar, a legend of the insurance industry and one of the founders of Allianz pojišťovna, passed away. He was part of the management of Allianz from the early 1990s until he retired in 2006.

Allianz pojišťovna acceded to the **Women's Empowerment Principles**. It thus joined 9,616 companies from around the world declaring their commitment to gender equality and women's empowerment under the UN Sustainable Development Goals and ESG principles.



JULY



Allianz pojišťovna launched the onlining of motor third-party liability insurance. The new digitized process from taking out the insurance to online payment and registration of the vehicle in the Czech Insurers' Bureau database takes less than a minute.

As a partner of the Olympic and Paralympic movements, the insurance company was present at the **Olympic Festival in Most**, the largest fan zone open during the Summer Olympic Games in France.

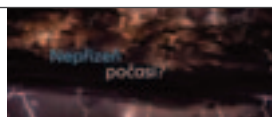
Allianz reached for the **Interbrand Jubilee Award** recognizing successful brands for their exceptional results and growth in the recent years.

AUGUST

Allianz pojišťovna launched a new information service for retail clients – mobile text alerts against bad weather that may cause damage. Back then, no one knew how the service would move from pilot to full operation in less than a month.

On Wednesday, 28 August, the Paralympic Games kicked off in Paris and Allianz was there as a proud partner.

Allianz organized a drive of school supplies for the **Single Mothers' Club**, and throughout the year it provided other material support, including unnecessary company laptops and a lot of children's clothing gathered in a charity drive.



SEPTEMBER

In connection with the risk of floods, Allianz pojišťovna contacted almost a million of its clients via mobile text and e-mail messages. The company drafted basic information for the clients on how to protect their health and property and how to proceed with the settlement of any insurance claims.

Allianz sent out mobile offices to areas most severely struck by the floods, installing them near the flooded branches of the insurance company in Jeseník and Krnov, so that clients could easily report their claims. The mobile offices served 260 clients. In addition, the company also sent several dozen dryers to the affected areas.

Allianz insured hundreds of volunteers of the Czech Red Cross for a symbolic 1 crown. It thus secured them in all their activities performed and hazards taken during the removal of the consequences of the floods.



OCTOBER

For the sixth year in a row, Allianz was **named #1 insurance brand in the Interbrand ranking**. However, the success of Allianz goes beyond winning the **first place among insurers**. In the world top 30 brands ranking, Allianz moved from the 80th position (where it was in 2007) to #29, **joining the top thirty global brands for the first time!**

Also, Allianz ranked 7th in the **Fortune 100 Best Companies to Work For in Europe** in 2024. This award recognizes companies that have built a work culture that excels in the areas of trust, collaboration and inclusion. This is the first time Allianz was listed among the best workplaces in Europe.



NOVEMBER

In partnership with the Association of Certified Fraud Examiners in the U.S. (ACFE), Allianz Group joined an international fraud awareness campaign.

In the Bank and Insurer of the Year 2024 competition organized by Hospodářské noviny, Allianz pojišťovna was named the Most Client-Friendly Non-Life Insurer of 2024 and **Best Non-Life Insurer of 2024**, winning two golds right away!



DECEMBER

Radek Juhaňák, who had been involved in customer experience at Allianz for over ten years, most recently as Head of Claims Reporting, became the new Director of Claims Settlement at Allianz.

Allianz pojišťovna electrified its fleet. The company's representatives took over 48 electric vehicles to replace the existing cars with combustion engines - Skoda Enyaq EVs now account for 80% of the company's fleet.



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 Audit Committee

Petros Papanikolaou
Dr. Jan Gerrit Krämer
Ing. Petr Sosík, Ph.D.
Nina Rita Rotraut Klingspor
Eva Koubíková

Chairman - until 30 April 2024
Member - since 1 April 2024
Member - until 31 March 2024
Member - since 7 May 2024
Member

Members of the Audit Committee as of 31 December 2024:

Ing. František Dostálek
Ing. Michal Petrman, Csc.
Dr. Jan Gerrit Krämer

Chairman
Member
Member - since 1 April 2024

Organisational Structure

(as at 31 December 2024)

CEO SECTION DUŠAN QUIS	CFO SECTION VENELIN YANAKIEV	COO SECTION ROBERT ALTFAHRT-RIEDLER	CSO SECTION PETR HRBÁČEK	CPO SECTION JOSEF LUKÁŠEK
LEGAL DEPARTMENT	CONTROLLING	CLAIMS SETTLEMENT	KOS	CORPORATE INSURANCE PRODUCTS
DATA PROTECTION OFFICER	ACTUARIAL	IT	NON-LIFE INSURANCE	PRICING, PORTFOLIO MANAGEMENT, PRODUCT & CLIENT ANALYSES
COMPLIANCE	INVESTMENTS & TREASURY	INSURANCE ADMINISTRATION	DIGITAL	LIFE INSURANCE & BUSINESS ARCHITECTURE
PEOPLE & CULTURE	ACCOUNTING	CUSTOMER SERVICE CENTRE	EXTERNAL DISTRIBUTION CHANNELS	LIFE INSURANCE & PRODUCT LEGISLATION
INTERNAL AUDIT	CUSTOMER PAYMENTS	SECURITY	CENTRAL SALES SUPPORT	NON-LIFE RETAIL PRODUCTS
MARKET MANAGEMENT	PROCUREMENT & OPERATIONS SUPPORT	ORGANIZATIONAL MANAGEMENT		
INTERNAL AND EXTERNAL COMMUNICATIONS	TAX	PROCESS ANALYSIS & TECHNICAL IMPLEMENTATION		
RISK MANAGEMENT				
PMO				
ACTUARIAL FUNCTIONS				

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 has introduced a new, revolutionary way of concluding insurance contracts in individual compulsory liability insurance with a transparent communication about the moment of insurance inception and a "floating start".



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. In addition to these benefits, Allianz introduced further innovations in 2024, improving the existing supplementary insurance for cases of lost earnings, hospitalization and first degree disability.



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, has succeeded in achieving improvements in customer satisfaction. On a five-star scale, clients rated their satisfaction with vehicle claims handling at 4.61 stars in 2024, compared to 4.44 for property claims handling.




In 2024, the tied agent sales network continued the trends set in the previous successful years, being the fastest growing internal network. Thanks to this, Allianz will gain almost 60,000 new clients in 2024.



Systematic employee training stands among the top priorities at Allianz. In 2024, the company emphasized development of digital skills, AI, work from home, mental health support and preparations for IDD proficiency testing.



Motor Insurance



For the entire insurance industry, including Allianz pojišťovna, the year 2024 was marked by the implementation of changes arising from Act No. 30/2024 Coll. on motor third-party liability insurance. Setting up a new method of insurance contracting and origination with the subsequent immediate transfer of data to the Czech Insurers' Bureau represented the most important procedural change.

The amended legislation had no effect on the products as such (in terms of their scope and structure) and Allianz thus maintained its existing offer of motor insurance products - MojeAuto for retail customers and Allianz Flotila for corporates.

The major or minor changes resulting from the new Act on motor third-party liability insurance (No. 30/2024 Coll.) were aimed at increasing the protection of injured parties, improving the transparency of insurance products, adapting the legislation to the current market needs and fully digitizing and speeding up transfers of data on existing MTPL insurance among insurers, the Czech Insurers' Bureau, vehicle registers and the Czech Police.

Certain modifications were also applied to policies concluded before the law came into force, imposing an obligation to inform the existing clients.

All clients were sent a document listing the significant changes, relating to issues such as the material and territorial scope of insurance, method of establishing valid insurance, limitations on existing exclusions, minimum indemnity limits, liability insurance for new types of vehicles (e.g. electric scooters), new grounds for termination of insurance, etc.

In retail insurance, Allianz introduced a revolutionary new way of taking out insurance with a transparent notice regarding the time of inception and a floating start.

MojeAuto insurance policies are now primarily taken out by payment of the premium with immediate or deferred start of the insurance. The client chooses the desired start of the insurance, provided that the actual start is determined by the moment when the premium is credited to the account of Allianz.

Where immediate start is required, the client can make an instant payment from a generated QR code, being another innovation related to the new scheme, or use the payment gateway. A successful payment appears in the records within seconds. Immediately afterwards, the client receives an electronic confirmation of the start of the insurance along with the green card.

At the same time, details of the originated insurance are sent to the Czech Insurers' Bureau, making them immediately available to the Czech Police and vehicle register. The client can thus drive the vehicle right away, avoiding any problems if stopped by the police or when registering the vehicle.



In 2024, Allianz insurance company returned CZK 124 million to drivers. For the ninth year in a row, Allianz customers have been paying their car insurance according to the kilometres driven. In 2024, the insurance company returned money to almost a quarter of motorists.

MojeAuto (motor insurance for private clients)

MojeAuto, an individually packaged insurance, remains a successfully selling product, as evidenced by the significant growth of the customer base in 2024. The product is specific in that for cars and trucks up to 3,500 kg (accounting for about 75% of the entire MojeAuto portfolio), the premium amount depends on the mileage driven per year.

Insurance with mileage-based premiums is very popular among clients, which is reflected by the constantly growing number of insured vehicles. The client only needs to send a photo of the odometer once a year (the only exception is the first year, when two photos are required). The premiums for the previous and following year are then adjusted based on the photo, allowing clients to pay a fair price based on actual mileage. The system is fully digitized, ensuring simplicity and efficiency. Clients appreciate that the whole process is transparent and based on mutual trust.

The product is available in four different bundles, varying in the provided scope of services and insurance cover. The insurance bundles range from a basic option to the most extensive one offering comprehensive protection for both the driver and the vehicle.

Allianz also offers optional direct settlement (claims settlement with the at-fault party's insurance company) and extended assistance (the extension covers towing of the vehicle up to 750 km, which is particularly useful for clients experiencing trouble far from home, such as on a trip in Europe).

Great emphasis is also put on efforts aimed at continuously simplifying the insurance company's processes and on digitization. In 2024, Allianz further improved its already highly automated claims settlement system using artificial intelligence to analyze received photos of damaged vehicles. The system can quickly evaluate the situation and suggest next steps, significantly reducing the time needed to settle a claim. In cases of budget-based settlement, clients actively using the company's claims tracking app can receive the indemnity in just a few hours.



Allianz introduced a revolutionary new way of taking out insurance with a transparent notice regarding the time of inception and a floating start.

However, if the client does not pay the premium immediately, he or she may do so within a further period of up to 7 days from the initially requested start of the insurance. The policy is concluded and the insurance begins to take effect when the funds are credited to the account of Allianz pojišťovna. This feature thus offers a "floating start". The advantage is that the insurance quote is valid for one week, during which the client is reminded to settle the premium. Thus, if the client forgets or for some reason fails to make the payment immediately after receiving the quote, he or she has enough time to try again and does not have to immediately ask for a different insurance policy. However, if the client fails to pay within the stipulated period, the quote expires after one week and the client must ask for a new one. The client is not insured until the premium is paid according to the new quote.

In fleet and leasing insurance, Allianz pojišťovna further advanced in terms of digitization, full automation and simplification of the processes of creation and termination of motor third-party liability insurance. A simple data exchange via web services is required to create or terminate the insurance, where the method is described and stipulated in the collective policy covering the contractual relationship with the client.

Personal and Commercial Property and Liability Insurance

Personal property and liability insurance from Allianz stands among the market's best choices. It covers homes, permanently and recreationally used buildings and offers full personal liability insurance.

Property insurance

In 2024, Allianz pojišťovna pursued further sales of its successful MůjDomov bundled product and continued to improve 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 permanently or recreationally used buildings, clients may also take out supplementary insurance of greenery; household insurance is available with insurance of selected garden items.

Allianz offers the 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 guesthouses, or of selected belongings kept in cars. The insurance is valid in the Czech Republic and Europe.

Max is the package that is most popular with property insurance clients, attracting more than 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 in 2024, owners of households or apartments located above the ground floor of apartment buildings received a significant bonus reflected in the premiums.

In order to further improve the quality of its services to clients, Allianz proceeded with additional modifications of its price lists in view of recommended building insurance indemnity amounts and minimum indemnity amounts (as a measure to protect clients from potential underinsurance) and started to use updated flood maps for a more accurate assessment of the risk of flood damage.

In addition, Allianz pojišťovna launched a new version of the transparent and unique Allianz Plus benefit programme this year. The programme offers significant benefits (increased indemnity) to clients holding policies for multiple products (property insurance, life insurance or motor insurance) with Allianz.



of insured clients choose the **Max package** to protect their homes. In addition to building or household insurance, the bundle includes liability insurance or legal consulting over the telephone.

Assistance

With every property insurance, Allianz clients benefit from Home Assistance services, available on 24/7 a basis, 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. To name another of the numerous pro-client product modifications made last year, the limit per assistance intervention increased from CZK 5,000 to CZK 10,000 in April.

Allianz pojišťovna also offers 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 2025.



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.

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 extensive 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.

The Plus variant is appreciated by businesses wishing to keep their assets better protected against accidental phenomena, usually not caused by people. 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 2024 - increased number of parcels transported by land as well as by water or air. Allianz thus further worked on its comprehensive solution - goods transport insurance, shipment insurance and carrier liability insurance. The company focused on all shipments regardless of the means of transport, where the insurance also covers losses incurred during transit, fully compliant with the international shipping standards. The shipment insurance is intended for sellers, buyers as well as freight forwarders transporting the goods.

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.

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 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 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 Život life insurance won a number of major awards over its existence, often repeatedly. 2024 was no different, marked by the product's eight gold in the life insurance category of the Finparáda competition.



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 the insurance, the employer may contribute to the policy and, from 2024, it is possible to take advantage of tax benefits of up to CZK 48,000 for the premiums paid for investments under a newly introduced form of tax support for retirement 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 CZK 48,000 per year for some products only or for all the selected products.

Allianz Život is continuously improved over time, and 2024 was no different. The main innovations included improvements to the existing supplementary insurance for cases of lost earnings, hospitalization and first degree disability. The modifications were Allianz pojišťovna's response to the changing needs of clients in real life. Also, guaranteed highest indemnity for severe injuries, immediate payment of indemnity upon injury, PRO boj s rakovinou 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%.

251

is the number of serious injury types for which Allianz guarantees the highest benefit, always paying the same amount or more to the client compared to the Czech market's top five insurers.

Already 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. In 2024, clients were thus able to 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 confirming and 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 2024, clients took out life insurance with Allianz particularly 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 2024.

Requirements of customers served the basis for product modifications towards setting up a product model with a simple and transparent structure in 2024. Digitization 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

Allianz Travel is a travel insurance product developed by Allianz Partners and Allianz pojišťovna acts as its main distributor. The insurance is designed for clients travelling for tourism, sightseeing or business. The year-round insurance is suitable for long-term stays abroad, while the Multitrip option, representing an annual insurance for repeated trips, is advisable in the case of short-term but frequent trips abroad.

Allianz pojišťovna has been offering **Allianz Travel** since 2021, when it started to gradually phase out the original Moje cesta product, first in collective insurance offers. In 2022, the offer was extended 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, specifically in the Agent Max application. External sales representatives switched to the new insurance in February 2024.

Allianz Travel offers three insurance levels - Komfort, Extra and Max. The travel insurance is another Allianz product adhering to the tradition of insurance with an unlimited medical expenses cover. The feature is particularly appreciated by clients travelling outside Europe who thus opt for the Extra or Max insurance packages offering the bonus.

Insurance against trip cancellation fees without a deductible, available in packages or separately, also receives widespread attention. Optional packages covering risky sports or risky work are popular just as well.

Given the simplicity of the product, taking out travel insurance online over the internet or telephone is an attractive option; prospective clients can quickly and easily arrange for everything in the comfort of their homes. Clients of Allianz deciding to extend their stay abroad are able to take out consecutive insurance conveniently from the foreign country.

In addition to individual insurance, Allianz Travel is also designed for collective travel insurance, i.e. for business trips as well as organized trips, such as from a travel agency or transport company.

Prompt and transparent claims settlement, particularly including reliable and high-quality medical assistance, is inherent to travel insurance.



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.



150

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





Claims Settlement

The year 2024 was marked by a number of challenges for Allianz pojišťovna, testing the company's readiness and ability to respond effectively to unpredictable situations. From the perspective of the number of reported claims, the first half of the year was comparable to that of 2023. However, when summer arrived, the number of claims increased significantly due to storms with torrential rain. In September, the Czech Republic suffered one of the most severe disasters in its modern history. The pressure low named Boris affected the weather over Czechia and the surrounding countries of Central and Southern Europe, also including Italy and the Balkans. In the Czech Republic, it caused severe floods resulting in enormous damage. Claims related to this disaster and reported to Allianz reached CZK 3 billion. The end of the year was calmer, without major complications associated with adverse weather conditions.

For Allianz pojišťovna and its employees, 2024 will be remembered as a truly eventful and challenging year. The Claims Settlement department showed extraordinary determination and effort in the challenging times with the sole aim of settling as many claims as possible in the shortest possible time. Thanks to the company's long-term strategy focused on digitization, process streamlining and on increasing the expertise of its staff, Allianz was able to respond quickly and minimize the impacts of the disaster on its clients. The introduction of new technology and automation of processes enabled us to accelerate the claims settlement procedure and thus increase customer satisfaction.

The total number of reported claims increased by 13% year-on-year and stood at 270,725.

The increase was mainly due to the aforementioned natural disasters, but the growing share of Allianz pojišťovna in the life and non-life insurance market also played an important role.

In July 2024, Allianz introduced a new service of sending mobile text alerts. The company's clients are warned in advance of approaching natural disasters such as hail, strong winds, ice and other potentially dangerous phenomena. The main objective of the service is to ensure that customers have sufficient time to take the necessary measures to protect their property and, together with

their insurer, reduce the risk of damage. This initiative proved to be very effective, having a demonstrably positive impact on damage prevention. Clients are very appreciative of this new service, which fact is reflected in their feedback and satisfaction. Mobile text alerts are sent by Allianz pojišťovna to a group of 248,933 clients, free of any charges. By the end of 2024, Allianz staff successfully sent out 163,026 mobile text alerts to help ensure timely response and protect customer property. As it is very gratifying to provide such a valuable and beneficial service, the company will be developing it further in the coming year.

Much alike in previous years, Claims Settlement was able to improve in one of the most challenging areas, namely customer satisfaction. On a five-star scale, clients in 2024 rated their satisfaction with vehicle claims with 4.61 stars, while for property claims it was 4.44. The results achieved are all the more valuable as they are based on the ratings of more than 25% of clients who have experienced an insured event and provided Allianz with their feedback. Allianz pojišťovna is one of the market's few companies who openly publish their customer satisfaction ratings. A key factor for a positive customer experience is the speed of claims settlement and minimum paperwork for the client. Thus, Allianz focuses on reducing the response time and on requiring only a minimum number of documents from the client when settling a claim.



Property claims settlement speeded up notably in 2024. More than 80% of motor and property claims are fully covered by photos from clients; mobile technicians physically inspect less than 20% of claims.



Also, the emphasis put on swift and simple solutions was reflected in the area of mobile inspections for motor insurance claims. 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. Digitization, also accelerated by the Covid pandemic, significantly changed some of the claims settlement processes. This was particularly evident in the proportion of claims physically inspected by a technician. 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.

www.allianz.cz/hlaseni

is available to report vehicle and property insurance claims

24 hours a day

7 days a week

2 A claim report takes 2 minutes to complete



During the floods, 85% of clients used the online form to report property damage, an all-time high with a total of 9,355 reported claims.

Clients increasingly prefer to use the www.allianz.cz/hlaseni website for quick reporting of claims. By the end of the year, the share of claims reported in this manner reached a new high of 62% for MTPL and motor hull claims, 84% for life insurance claims and 75% for property and personal liability insurance claims. In September, during the floods, 85% of clients used the online form to report property damage, an all-time high with a total of 9,355 reported claims. Allianz also saw the increasing popularity of its online claim status application, now used by an average of 80% of clients dealing with an insurance claim. These clients

receive a unique link in a mobile text or email message after reporting a claim, allowing them to track the progress of the settlement.

New automation technology and artificial intelligence became an integral part of the claims settlement, notably speeding up the process also in 2024. Using all modern tools available makes it possible, for example in respect of vehicle claims, to quickly identify incoming client documents, check whether the provided photographic documentation is sufficient, categorize the damage





and suggest the most suitable and fastest solution to the claim. The adjuster may also use state-of-the-art tools to quickly and easily check the wording of the insurance terms and conditions and rapidly identify important documents on file. And if, for example, a client agrees to a repair cost estimate for a property insurance claim, the payment can be sent immediately by wire transfer without further waiting.

The proportion of automatically closed claims is steadily increasing, which serves proof to the efficiency and reliability of the company's digital processes. In the past year, this proportion for windscreen claims increased from 41% to 48%, meaning that almost half of the claims are settled without major manual interventions. For other motor claims handled by contracted repair shops, the automation rate reached almost 10%.

Automatic payment of the indemnity is also successfully implemented in private property insurance. Once a budget-based settlement of the claim is accepted via the online claim status application, the indemnity is automatically sent to the client's bank account. This process enables quick and smooth claims settlement, leading to higher customer satisfaction. In 2024, 60% of claims were successfully closed in this manner, which shows the growing trust of clients in Allianz pojišťovna's digital solutions and their willingness to use modern technology for fast and convenient claims handling. This trend towards automation not only increases the efficiency of the company's internal processes, but also speeds up

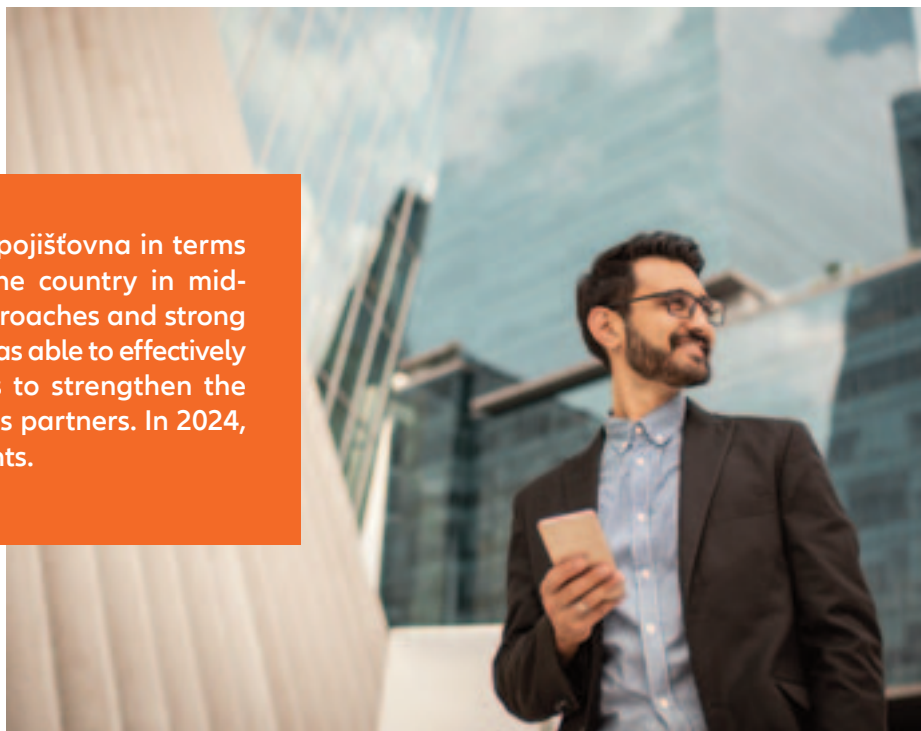
the claims settlement process, which is key to maintaining a high level of customer satisfaction. Allianz pojišťovna continues to focus on innovations and on improving its services to provide its clients with the best possible experience.

The settlement of personal injury claims under motor third party liability insurance is a specific area that requires an individual approach and high expertise of the adjusters. In 2024, as in previous years, Allianz continued to pro-actively offer capitalization of suitable annuity claims. The company also used settlement agreements to enhance legal certainty for the injured party and the insurer, ensure fair compensation and help prevent unnecessary litigations over indemnity amounts.

In 2024, a total of 36,914 claims were settled in life insurance. The results for the year showed that claims settlement in life insurance is in excellent shape, as evidenced by the high level of customer satisfaction monitored through the star ratings. Life insurance claims achieved an overall 4.66 star rating. Allianz attained these excellent results by adapting to the needs of its clients, especially through its comprehensive product - Allianz ŽIVOT. The simplicity of reporting a claim, the clarity of settlement letters and the speed of claim settlement also contributed to the success. Further, simplification of internal procedures, methodology updates, use of all communication means as well as attentive care from our adjusters, true experts in their domains, had a clear positive impact.

Sales

2024 was a year of success for Allianz pojišťovna in terms of sales, despite the floods that hit the country in mid-September. Thanks to its innovative approaches and strong focus on customer service, the company was able to effectively address the flood damages as well as to strengthen the relationships with its clients and business partners. In 2024, Allianz acquired almost 60,000 new clients.



Allianz also performed well from a market perspective. In 2024, the company recorded a nearly 8.7% increase in written premiums year on year, measured according to the Czech Insurance Association's methodology. Traditionally, Allianz was successful in motor insurance, achieving a 9.2% increase in written premiums under motor third party liability insurance and an excellent 13.3% increase in motor hull insurance.

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. This fact is evidenced by the Allianz sustainable product certification granted for the company's industrial property insurance product in 2024. The certification is based on the strict requirements of the EU Taxonomy and is used within Allianz for products that properly reflect climate-related risks and support customers in actively protecting their assets against the adverse impacts of climate change.

Tied agent sales network

In 2024, the network of internal sales representatives continued the trends set in the previous successful years. The tied agent sales network (KOS) confirmed its unique position within the distribution channel mix, being the fastest growing internal network for the third year in a row. While at the end of 2021 it consisted of around 1,500 salespeople, at the end of 2024 it reached almost 1,900 tied agents.

The tied agent sales network thus continues to comply with the specific pillars of the long-term KOS 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, both supported by long-term and one-off sales campaigns.

The campaigns focus on specific products and cross-selling. The initiatives launched in 2024 supported sales of Moje Firma, a unique insurance product with more than 5,000 new policies for the tied

agents, as well as property insurance sales with a cashback campaign for 100,000 clients. In view of the amended legislation, KOS sales agents notably increased their focus on pension products. They also participated in joint projects of Allianz within Central and Eastern Europe.

From the perspective of individual product lines, the internal sales service is steadily successful in selling life, motor as well as property insurance. For example, the network did very well in selling Allianz ŽIVOT with a total volume of new insurance policies approaching CZK 290 million or property insurance with more than 30,000 policies. The tied sales representatives also continue to expand the use of digital tools in the insurance contracting process and subsequent client care.

External distribution partners

Allianz values the excellent business cooperation with its external partners. The year 2024 was a very successful one, both for Allianz and its partners. Significant growth was recorded in the motor and property insurance segments, which confirms Allianz's strong market position and ability to respond to the needs of its clients. The two segments brought new business opportunities and boosted the company's competitiveness. By contrast, life insurance saw a milder increase, prompting reflection on strategies for improvement in this segment in the coming years. Nevertheless, Allianz maintained a stable position among its business partners as well as their confidence.

Corporate insurance

In terms of cooperation with lease companies in vehicle insurance embedded in financing instalments, the year 2024 was largely marked by the implementation of the new Act on motor third party liability insurance that called for putting online all the processes involved, particularly those related to taking out and terminating the insurance. It was a large-scale project that required the engagement of sometimes multiple contractors of the particular

partners. Despite the extensive workload, 2024 was also the most successful year so far in terms of new sales and client base growth in the history of Allianz. Thanks to the implementation of a new technical solution for calculating premiums and taking out insurance, further measures were introduced to better manage pricing, competitiveness and profitability.

In fleet insurance, Allianz continued to scout for prospective clients to offer its superior insurance cover at fair premiums. This initiative led to improvements in terms of sales, actuarial results and customer satisfaction.

In business insurance, Allianz pojišťovna built on its successful previous years and achieved excellent sales results. The year 2024 was devoted to careful work with the client portfolio and to adjusting the insurance cover to the high inflation environment. The unique Moje Firma business insurance product settled well in the corporate product range. In late 2024, Allianz pojišťovna also launched updates to its modular Pro Podnikatele insurance, with a particular focus on the digitization of the process. The floods in September 2024 had an impact on corporate and business insurance, much alike the other segments.

Online sales and Telesales

The year 2024 was marked by continued growth. Although the pace of growth was not as fast as in previous years, the Allianz Telesales team achieved excellent results and reaffirmed its key role in the business model. The number of Telesales representatives of Allianz pojišťovna exceeded 80 in 2024, significantly contributing to the company's growth and strengthening its position. The share of newly contracted property insurance continued to increase,

reaching 8% of the total production and serving proof to the successful strategy. Allianz also further maintains its successful cooperation with online aggregators for a steady growth.

Bancassurance

In 2024, Allianz pojišťovna recognized significant year-on-year growth in sales of its insurance products to bank clients, specifically in written premiums for both life and non-life products.

Building on the expertise gained in previous years, Allianz continues to pursue a dynamic approach to campaign management with a strong emphasis on online platforms. In motor insurance, the company managed to effectively interconnect the banks' digital platforms, serving as an ideal place for online product promotion, with the Telesales team and bank advisors. These efforts further improved the quality of advice and service rendered by insurance specialists. Allianz pojišťovna cooperates closely with bank branches up to the level of interlinking a branch with an Allianz sales representative, making the cooperation one of the key factors for growth.

60,000

new clients for Allianz
pojišťovna in 2024



Staff

In 2024, 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 2024 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. To this end, the company passed a certification and was named a Great Place to Work (GPTW) in 2024. This certificate recognizes companies that have built a work culture that excels in the areas of trust, collaboration and inclusion. It reflects the efforts of everyone at Allianz creating an environment where people feel supported and involved.

Allianz also became a signatory to the Women Empowerment Principles (WEPs) in 2024 and thus joined other organizations that show their commitment and active efforts in the field of inclusive corporate culture, gender equality and support for women. WEPs follow the UN Sustainable Development Goals.

Allianz pojiškovna 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.

94%

members of staff took part in the annual employee satisfaction and motivation survey in 2024, contributing to the company's further development.





The annual Employee Satisfaction and Motivation Survey monitoring the atmosphere in the company showed a high level of satisfaction with the Employee Engagement index increasing from 87% to 91% year on year.

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 2024, 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.

Other major benefits in 2024 included:

- One week of extra leave in addition to the statutory requirement
- Up to five 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
- Yearly 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

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 2024, Allianz particularly emphasized development of digital skills, AI, work from home, remote team management, client experience, mental health support, preparations for IDD proficiency testing and a local and CE mentoring programme.

Also, the company maintained its programme supporting the return of parents after parental leave and the career development of women.

Corporate culture

Allianz pojišťovna's corporate culture builds on the corporate values 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 2024 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 2024) shows the employees' continued interest in expressing their opinion and contributing to further development of the company. At the same time, employee satisfaction in 2024 remained very high in all monitored indices. The employee engagement index increased year-on-year from 87% to 91%.

Strong emphasis is also 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.

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 2024, 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 2024, 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, the company 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 2024. Violations of the Code of Ethics are addressed by the Compliance department and Integrity Committee.

In 2024, the Consumer Protection Standard - S271 was adopted, stipulating the principles of distribution of insurance products, customer protection and including the Code of Conduct for sales representatives.

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

Allianz puts maximum emphasis on the protection of personal data and privacy of all persons whose personal data it processes in the course of its activities. The company implements, manages and regularly monitors organizational and technical measures designed to secure and protect personal and other data.

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 2024.

In July 2024, a system for handling and managing the rights of data subjects under Articles 15-20 of GDPR according to the group's Functional Rule for Handling of Subject Access Requests (SARs) was implemented in One Trust, the group privacy application. Exercised rights of data subjects are managed and communicated with the data subjects through the application.

In August 2024, an internal programme for the implementation of Regulation (EU) 2024/1689, the Artificial Intelligence Act, was launched, under which internal processes are being prepared for the full effect of the Act over a two-year period.

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 2024. 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, as well as Privacy Arena trainings and workshops 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.

Other major activities in 2024:

- 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
- The measures in place in relation to the use of Instant Messengers, Standard Contractual Clauses, etc. were monitored
- Regular audit and control of personal data processors took place
- A group audit of DARE personal data processing processes was 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 pojišťovna has a long history of helping those in need and is proud to be a stable partner of many aid organisations.

Already in 2023, the company established a partnership with the Czech Red Cross and thanks to this cooperation, a year later it was able to effectively help in areas affected by the catastrophic floods

beyond its commitments to the clients. For a symbolic CZK 1 it also insured hundreds of Czech Red Cross volunteers who worked directly in the municipalities hit by the disaster. As part of this cooperation the company also organized a fundraising campaign, among the members of Allianz pojišťovna, Allianz penzijní společnost, Allianz Partners and Allianz Trade. Allianz pojišťovna more than doubled the amount, making the total contribution reach CZK 1,000,000.

As part of other initiatives, Allianz contributed to buying new equipment for the pre-school and elementary and art schools in Jeseník, which were also struck by the floods.

Černí koně and handbikes

For eight years already, Allianz pojišťovna has supported Černí koně, an NGO running a project to support children suffering from limited mobility. Černí koně manufactures handbikes, special hand-propelled bicycles, and Allianz decided to financially support the production and to engage its members of staff in this initiative. Every year, the employees spin bike trainers to raise money for a new handbike for children with limited mobility. The handbikes let them participate in outdoor activities with their peers or families, which facilitates better social integration of the physically disadvantaged children.

Allianz also has its ambassador, Lukáš Kulhánek, who races on handbikes in Allianz colours. Tomáš Nevěčný, another of Allianz's ambassadors, a former successful basketball player and now a promising rower, also rides a handbike.

Partnership with the Olympic and Paralympic Movement

In 2021, Allianz Group agreed on an eight-year partnership with the Olympic and Paralympic Movement. The partnership is also being fulfilled in the Czech Republic. In 2024, Allianz was a proud global partner of the Olympic and Paralympic Games in Paris. It offered tailored insurance for the athletes as well as a full range of related services. The year brought a number of events for Allianz pojišťovna staff related to Olympic and Paralympic topics, such as meetings with sports ambassadors Alexander Choupenitch, Diana Cholenská, Michal Vápenka and Tomáš Nevěčný. Allianz was also present at the Olympic Festival in Most, where visitors had a chance to try a variety of sports.

The Olympic activities also includes beneficial projects, such as the largest school sports project in the Czech Republic - the Olympic track and field competition organized under the auspices of the Czech Olympic Committee. The project aims at encouraging children to enjoy sports actively. The Olympic track and field competition project was successful in obtaining a significant contribution from the global Social Impact Fund and Allianz Group's MoveNow programme in 2024.

ParaGames for future Paralympic athletes

Since 2023, Allianz pojišťovna has been a partner of ParaGames, a project of the Czech Paralympic Committee. The company thus helps to promote sports for children with mental or physical disabilities and to spread awareness of parasports. One wheelchair-accessible school is selected in each of the republic's regions to provide facilities for sports, where children have a chance to try

out athletics for the physically and visually impaired, goalball, wheelchair basketball, boccia, table tennis or can ride on a hand-bike trainer. All the activities are supervised by experienced students of applied physical education. In addition, Czech national and Paralympic athletes assist the children with their first steps in sports. Sports are accompanied by a discussion on the topic of parasport and the Paralympic Games with representatives of the Czech Paralympic Committee and top athletes.

Fundraising for children and people in need

Allianz pojišťovna employees organize various types of fundraisings to support a number of NGOs all-year round. For example, they donated obsolete laptops to children selected by the Single Mothers' Club and, in cooperation with the Ukrainian Embassy, unnecessary computer displays were sent to Ukrainian schools. The Back to School drive of school supplies, organized by the Single Mothers' Club, to which Allianz pojišťovna employees contributed both material and financial donations, was a great success.

Allianz also organized a food and toiletry drive in cooperation with the Central Food Bank. The LaFresca canteen and the employees of Allianz Trade also took part in the initiative. Together, 182 kg of food and toiletries were collected. Everything was in turn directed to the clients of the Food Bank who needed the help.

The Christmas Mini Fair was also very popular with the employees, raising money to support public benefit projects. The organizations presented at the fair included Centrum Seňorina, a centre helping families struck by Alzheimer's disease, the Prague Society for Early Care, or Práh publishing house with Vlčí poezie, a collection of poems published as a tribute to the author, one of the students shot in December 2023 at the Faculty of Arts at Charles University.

The company is also keen to support meaningful employee activities and initiatives, such as baking for a good cause. The breakfast of delicacies baked and prepared by employees delighted their colleagues as well as the Animals in Need organization, to which the proceeds from the event went.

Volunteering

Employee volunteering initiatives are also focused on environmental protection. Allianz pojišťovna has a volunteer ECO team that organizes such environmental events. The World Cleanup Day with the Allianz team participating in cleaning up Prague's Stromovka Forest Park, or the Volunteer Day at the Pastvina community garden, where the company's employees helped take care of the garden and the animals, are just some of the projects.

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 prepares a special report on the topic of sustainability every year.

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 phase out its coal-based business models by 2040 at the latest. 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 also decided last year to terminate the insurance provided to Počerady and Chvaletice power plants where it maintained partial contractual obligations. In line with 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. It gave a major boost to this initiative at the end of 2024, when it electrified its corporate fleet with 48 new electric vehicles, replacing cars with combustion engines.

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.

All information is available at

<https://www.allianz.com/en/sustainability/sustainability-hub.html>

Digitization

One of the key areas continues to be the automation of processes, especially in the area of claims handling. Our long-term goal in the claims process is to provide feedback to the client after delivery of documents within a maximum of 2 hours. That is, after reporting a claim, the client delivers the documents and Allianz gets back to us within 2 hours, in most cases with a budget proposal and often closes the case immediately. The whole process of settling a claim no longer takes days, maybe weeks, but short hours. Artificial intelligence, which is used to recognise the extent of the damage and also for preliminary budget calculations, is very helpful in this respect.

The client portal, as the main communication channel, simplifies and speeds up communication with the client, their contract management and also the claims settlement process. We are continuously expanding the client portal and making new possibili-

ties available to our clients. Thanks to the mobile app, the client can control everything easily from his mobile phone, pay the contract via Apple / Google pay, etc.

A key area for Allianz employees is to work with the customer experience and in connection with it to further develop products, applications and also processes so that they always reflect new trends, speed and simplicity of solutions with an emphasis on security and protection of client data.

Employee health

Allianz puts an emphasis on Health & Wellbeing of its employees, also expanding beyond their working conditions. The company provides flexible working hours, home office, 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 2024, 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-hub/sustainability-report-and-other-publications.html>

The insurance company did not develop any activities during 2024 in the area of research and development. During 2024, the insurance company did not have any foreign organisational unit.

The insurance company acts in accordance with the applicable legislation and strictly complies with it within the framework of labour relations.

The insurance company did not acquire any own shares in 2024.

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

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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 2024 and of the Insurance Company's financial performance for the year ended 31 December 2024 in accordance with Czech accounting legislation.

What we have audited

The Insurance Company's financial statements comprise:

- the balance sheet as at 31 December 2024;
- the income statement for the year ended 31 December 2024;
- the statement of changes in equity for the year ended 31 December 2024; 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



Materiality	Overall materiality represents 1% of the Insurance Company's gross underwritten premium, which represents CZK 216 million.
Key audit matters	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 216 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	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. We have applied 1% which is within the range of acceptable quantitative materiality thresholds for Public Interest Entities.



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>Assumptions used in valuing technical provisions with focus on adequacy test (LAT) and IBNR provision.</p> <p>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 actuarial 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>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>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>The valuation of the related insurance liabilities and application of actuarial models and assumptions requires professional judgment.</p> <p>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>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>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>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>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>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 2024 by the general meeting of shareholders of the Insurance Company on 1 October 2024. Our uninterrupted engagement as auditors of the Insurance Company has lasted for 7 years.

Provided non-audit services

We declare that no services prohibited under Article 5 (1) of the EU Regulation, as amended by the Czech law following Article 5 (3) of the EU Regulation, have been provided.

We have not provided the Insurance Company any services other than the mandatory audit of the statutory financial statements and the audit of specific information for the purposes of consolidation of the Allianz SE group.

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

31 March 2025

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

Marek Richter
Statutory Auditor, Licence No. 1800

Financial statement

BALANCE SHEET AS AT 31 DECEMBER 2024

(in thousands of czech crowns tczk)

TCZK	2024 Gross	2024 Adjustment	2024 Net	2023 Net
I. ASSETS				
B. Intangible fixed assets, thereof	866,042	720 527	145,515	109,584
C. Investments	34,528,483	-	34,528,483	32,129,953
II. Investments in affiliated undertakings and participating interests	2,095,972	-	2,095,972	2,024,952
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	927,358	-	927,358	856,337
3. Interests with significant influence	24,800	-	24,800	24,800
4. Debt securities issued by, and loans and credits to, undertakings - significant influence	131,066	-	131,066	131,067
III. Other investments	32,432,511	-	32,432,511	30,105,001
1. Shares and other variable-yield securities, other participating interests	519,064	-	519,064	568,434
2. Bonds and other fixed-income securities	30,087,302	-	30,087,302	26,582,275
a) securities valued at fair value	28,421,200	-	28,421,200	23,806,361
b) securities held to maturity	1,666,102	-	1,666,102	2,775,914
5. Other loans and credits	4,778	-	4,778	6,469
7. Other investments	1,821,367	-	1,821,367	2,947,823
D. Investments for the benefit of life assurance policyholders who bear the investment risk	8,618,238	-	8,618,238	8,156,159

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	2024 Gross	2024 Adjustment	2024 Net	2023 Net
E. Debtors	3,830,786	380,760	3,450,026	2,540,021
I. Receivables arising from direct insurance operations	1,308,928	366,194	942,734	955,510
1. Policyholders, thereof	1,173,577	348,039	825,538	817,832
2. Intermediaries, thereof	135,351	18,155	117,196	137,678
II. Receivables arising from reinsurance operations, thereof	1,134,242	-	1,134,242	218,831
III. Other receivables, thereof	1,387,616	14,566	1,373,050	1,365,681
a) Receivables due from entities in which the Company has a controlling influence	16,518	-	16,518	17,746
b) Receivables from entities in which the entity has significant influence	128	-	128	13,631
F. Other assets	449,048	142,534	306,514	301,363
I. Tangible fixed assets other than those listed under "C.I. Land and buildings", and inventories	171,518	142,534	28,984	36,363
II. Cash on accounts in financial institutions and cash in hand	227,530	-	227,530	265,000
G. Temporary asset accounts	1,736,435	-	1,736,435	1,680,258
II. Deferred acquisition costs	1,206,605	-	1,206,605	1,143,205
a) in life-assurance business	805,917	-	805,917	821,649
b) in non-life insurance	400,688	-	400,688	321,556
III. Other temporary asset accounts, thereof	529,830	-	529,830	537,053
a) Estimated receivables	229,134	-	229,134	196,423
TOTAL ASSETS	50,029,032	1 243,821	48,785,211	44,917,338

BALANCE SHEET AS AT 31 DECEMBER 2024

(in thousands of czech crowns tczk)

		2024		2023
II. LIABILITIES				
A. Equity		10,915,513		9,598,226
I. Registered capital, thereof		600,000		600,000
II. Premium		29,782		29,782
IV. Other capital funds		92,899		27,660
V. Reserve fund and other funds from profit		534,463		534,463
VI. Profit or loss brought forward		6,144,321		5,761,791
VII. Profit or loss for the financial year		3,514,048		2,644,530
C. Technical provisions		24,865,798		24,416,239
1. Provision for unearned premiums				
a) gross amount	5,443,180		4,839,308	
b) reinsurance share (-)	153,563	5,289,617	169,057	4,670,251
2. Life assurance provision				
a) gross amount	7,186,251		7,133,256	
b) reinsurance share (-)	1,466	7,184,785	1,310	7,131,946
3. Provision for outstanding claims				
a) gross amount	14,499,147		12,960,613	
b) reinsurance share (-)	2,766,251	11,732,895	1,056,317	11,904,296
4. Provision for bonuses and rebates				
a) gross amount	566,109		575,344	
b) reinsurance share (-)		566,109		575,344
6. Other technical provisions				
a) gross amount	92,391		134,402	
b) reinsurance share (-)		92,391		134,402
D. Life assurance technical provision where the investment risk is borne by the policyholders		8,618,238		8,156,159
a) gross amount	8,618,238		8,156,159	
b) reinsurance share (-)		8,618,238		8,156,159
E. Provisions		617,088		55,618
2. Provisions for taxation		546,765		
3. Other provisions		70,323		55,618

	2024	2023
G. Creditors	2,852,044	1,932,340
I. Payables arising from direct insurance operations, thereof	1,392,196	1,301,139
II. Payables arising from reinsurance operations, thereof	1,088,964	179,817
V. Other payables, thereof	370,884	451,384
a) Tax liabilities and payables due to social security and health insurance institutions	35,454	26,402
c) Liabilities to parties in which the entity has significant influence	58,987	106,827
H. Temporary liability accounts	916,530	758,756
I. Accrued expenses and deferred revenues	21,761	23,548
II. Other temporary liability accounts	894,769	735,208
TOTAL LIABILITIES	48,785,211	44,917,338

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of czech crowns tczk)

	2024 Base	2024 Subtotal	2024 Result	2023 Result
I. TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE				
1. Earned premiums, net of reinsurance:				
a) gross premiums written	17,222,278			
b) outward reinsurance premiums (-)	1,370,689	15,851,589		
c) change in the gross provision for unearned premiums (+/-)	599,222			
d) change in the provision for unearned premiums, reinsurance share (+/-)	(15,506)	614,728	15,236,861	13 865,056
2. Allocated investment return transferred from the non-technical account			889,235	668,322
3. Other technical income, net of reinsurance			873,499	876,596
4. Claims incurred, net of reinsurance:				
a) claims paid:				
aa) gross amount	10,475,437			
bb) reinsurance share (-)	1,575,198	8,900,239		
b) change in the provision for outstanding claims:				
aa) gross amount	1,182,036			
bb) reinsurance share (-)	1,709,330	(527,294)	8,372,945	8 200,601
6. Bonuses and rebates, net of reinsurance			432,835	451,642
7. Net operating expenses:				
a) acquisition costs		1,514,571		
b) change in deferred acquisition costs (+/-)		(79,133)		
c) administrative expenses		2,612,373		
d) reinsurance commissions and profit participation (-)		155,770	3,892,041	3,527,465
8. Other technical expenses, net of reinsurance			1,153,330	1,177,924
10. Sub-total on the technical account for non-life insurance			3,148,444	2,052,342

	2024 Base	2024 Subtotal	2024 Result	2023 Result
II. TECHNICAL ACCOUNT FOR LIFE INSURANCE				
1. Earned premiums, net of reinsurance:				
a) gross premiums written		4,421,933		
b) outward reinsurance premiums (-)		11,267		
c) change in the provision for unearned premiums, net of reinsurance (+/-)		4,638	4,406,028	4,163,714
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	405,717	405,717		
c) value adjustments on investments		1,401,103		
d) income from disposal of investments		163,975	1,970,795	1,937,342
3. Unrealised gains on investments			2,133,938	2,068,051
4. Other technical income, net of reinsurance			98,430	91,038
5. Claims incurred, net of reinsurance:				
a) claims paid:				
aa) gross amount	2,840,970			
bb) reinsurance share (-)	3,350	2,837,620		
b) change in the provision for outstanding claims:				
aa) gross amount	356,498			
bb) reinsurance share (-)	605	355,893	3,193,513	2,279,706
6. Changes in other technical provisions, net of reinsurance (+/-):				
a) life assurance provisions:				
aa) gross amount	52,995			
bb) reinsurance share (-)	156	52,839		
b) other technical provisions, net of reinsurance		420,069	472,908	1,356,828
7. Bonuses and rebates, net of reinsurance			6,434	27,165
8. Net operating expenses:				
a) acquisition costs		947,685		
b) change in deferred acquisition costs (+/-)		15,732		
c) administrative expenses		602,292		
d) reinsurance commissions and profit participation (-)		1,931	1,563,778	1,474,209
9. Expenses connected with investments:				
a) investment management charges, including interest		7,406		
b) value adjustments on investments		62,914		
c) book value of disposed investments		178,429	248,749	592,862
10. Unrealised losses on investments			1,182,093	879,593
11. Other technical expenses, net of reinsurance			68,842	68,010
12. Allocated investment return transferred to the non-technical account (-)			1,387,078	983,145
13. Sub-total on the technical account for life assurance			485,796	598,627

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of czech crowns tczk)

	2024 Base	2024 Subtotal	2024 Result	2023 Result
III. NON-TECHNICAL ACCOUNT				
1. Result of the technical account for non-life insurance			3,148,444	2 052,342
2. Result of the technical account for life insurance			485,796	598,627
4. Allocated investment return transferred from the technical account for life-insurance			1,387,078	983,145
6. Allocated investment return transferred to the technical account for non-life-insurance			889,235	668,322
7. Other income			97,262	78,829
8. Other expenses			96,862	90,277
9. Income tax on ordinary activities			618,435	309,292
10.Profit or loss on ordinary activities after tax			3,514,048	2 645,052
15. Other taxes not shown under the preceding items			-	522
16. Profit or loss for the financial year			3,514,048	2 644,530

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

(in thousands of czech crowns tczk)

	Registered capital	Share premium	Reserve funds	Capital funds	Changes in valuation	Profit (loss)	Total
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
Balance at 1. 1. 2024	600,000	29,782	534,463	555,714	(528,054)	8,406,321	9,598,226
FX gains (losses) and changes in valuation not included in the profit and loss statement					65,239		65,239
Net profit/loss for accounting period						3,514,048	3,514,048
Profit shares						(2,262,000)	(2,262,000)
Balance at 31.12. 2024	600,000	29,782	534,463	555,714	(462,815)	9,658,369	10,915,513

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

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 Allianz Holding eins 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 2024:

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

Members:	Nina Rita Rotraut Klingspor, Austria Mgr. Eva Koubíková, Czech republic Dj. Jan Gerrit Krämer, Austria
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During 2024, there were no changes in the Company's Board of Directors. Changes in the Supervisory Board in 2024:

- The chairmanship of Mr. Petros Papanikolaou in the supervisory board was terminated.
- The membership of Mrs. Nina Rita Rotraut Klingspor in the supervisory board was created.
- The membership of Mr. Ing. Petr Sosík, Ph.D. in the supervisory board was terminated.
- The membership of Mr. Dr. Jan Gerrit Krämer. in the supervisory board was created.

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 Radek Juhaňák	KOS Alena Pomahačová	KORPORÁTNÍ POJISTNÉ PRODUKTY Pavel Martynek
DATA PROTECTION OFFICER	ACTUARIAL Jarmila Ranošová	IT Jiří Zahálka	NON-LIFE INSURANCE Jan Vícha	PRICING, PORTFOLIO MANAGEMENT, PRODUCT & CLIENT ANALYSES Martin Kalaš
COMPLIANCE Zdeněk Chudoba (pověřen vedením)	INVESTMENTS & TREASURY Petr Podolka	INSURANCE ADMINISTRATION Hana Svatošová	DIGITAL Jakub Novotný	LIFE INSURANCE & BUSINESS ARCHITECTURE Jan Troníček
PEOPLE & CULTURE Eva Koubíková	ACCOUNTING Anna Švehlová	CUSTOMER SERVICE CENTRE Jaroslav Kosina (pověřen vedením)	EXTERNAL DISTRIBUTION CHANNELS Radim Krist	LIFE INSURANCE & PRODUCT LEGISLATION Štěpán Hegar
INTERNAL AUDIT Jiří Machát	CUSTOMER PAYMENTS Daniela Volhejnová	SECURITY Jozef Repiský	CENTRAL SALES SUPPORT Andrea Provazníková	NON-LIFE RETAIL PRODUCTS Veronika Hašplová
MARKET MANAGEMENT Jakub Novotný	PROCUREMENT & OPERATIONS SUPPORT Michal Chňoupek	ORGANIZATIONAL MANAGEMENT Milan Belica		
INTERNAL AND EXTERNAL COMMUNICATIONS Marie Petrovová	TAX	PROCESS ANALYSIS & TECHNICAL IMPLEMENTATION Katarína Starinská		
RISK MANAGEMENT Kamila Šimonová				
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 impairment. The amount of impairment 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, and in C.II.4. Debt securities issued by, and loans and credits to, undertakings - significant influence respectively. In the event the Company provides loans to such undertakings, they are held on the respective lines at amortized costs.

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) Top-up taxes

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 income. 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 at least the equivalent of EUR 750 mil. in at least 2 of the 4 reporting periods immediately preceding the given tax period are liable for Top-up taxes.

(j) 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.

(k) 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 admini-

stration 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.

(l) 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.

(m) 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".

(n) 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.

(o) 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.

(p) 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.

(q) Provisions

Provisions are intended to cover obligations or expenses, which are clearly defined and the occurrence of which is either probable or certain but whose amount or timing are uncertain. The provision recognised as at the balance sheet date represent the best estimate of expenses that will be probably incurred, or the amount of liability that is required for their settlement.

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.

(r) 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.

(s) 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.

(t) Acquisition costs

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

(u) 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 company uses the so-called "net" method when accounting for the realization of investments and, in accordance with it, accounts for the net profit or loss from the realization.

(v) 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.

(w) 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.(u).

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.

(x) 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.

(y) 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.

(z) 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.

(aa) Consolidation

Pursuant to §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 2024, 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.

(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.

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.

(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

II. ADDITIONAL DISCLOSURES IN RESPECT OF THE BALANCE SHEET

II.1. Intangible fixed assets

Intangible fixed assets of the Company as at 31 December 2024 and 2023 comprise the following items:

	Software	Acquisition of assets and advances paid	Total
Acquisition cost at 1/1/2024	841,696	-	841,696
Additions	87,871	-	87,871
Disposals	(63,525)	-	(63,525)
Acquisition cost at 31/12/2024	866,042	-	866,042
Accumulated amortisation at 1/1/2024	732,112	-	732,112
Amortisation expense	51,940	-	51,940
Amortisation disposal	(63,525)	-	(63,525)
Accumulated amortisation at 31/12/2024	720,527	-	720,527
Net book value at 1/1/2024	109,584	-	109,584
Net book value at 31/12/2024	145,515	-	145,515

	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

II.2. Investments

(a) Investments in affiliated undertakings and participating interests

Participating interests with controlling influence

2024	Participating interest as % of registered capital	Acquisition cost	Impairment	Net Book value	Share 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	1,592,418	354,538
Allianz kontakt, s.r.o. Ke Štvanici 656/3, 186 00 Praha 8	100	200	-	200	*200	*15,758	*2,164
Diamond Point, a.s. Ke Štvanici 656/3, 186 00 Praha 8	100	428,941	-	428,942	78,793	283,740	11,242
Total	-	1,012,749	-	1,012,749	129,093	1,891,917	367,944

*) 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.

2023

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

Participating interests with significant influence

2024	Participating interest as % of registered capital	Acquisition cost	Net Book Value	Impairment	Total registered capital	Other capital contribution
Trade name, registered office						
Allianz Technology s.r.o. Ke Štvanici 656/3, 186 00 Praha 8	40	24,800	-	24,800	2,000	60,000
Celkem	-	24,800	-	24,800	2,000	60,000

2023

Allianz Technology s.r.o. Ke Štvanici 656/3, 186 00 Praha 8	40	24,800	-	24,800	2,000	60,000
Total	-	24,800	-	24,800	2,000	60,000

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

	2024	Fair value 2023	2024	Acquisition cost 2023
Diamond Point, a.s.	-	856,337	-	876,000
Total	-	856,337	-	876,000

The aforementioned debt securities were repaid in 2024. The Company provided a loan in the amount of CZK 900,000 thousand in 2024 to Diamond Point, a.s. The amortized value of the loan as of 31 December 2024 is CZK 927,358 thousand.

(c) Shares and participation certificates

	2024	Fair value 2023	2024	Acquisition cost 2023
Issued by financial institutions				
Not listed	12,070	15,157	11,092	12,695
Issued by non-financial institutions				
Not listed	506,994	553,277	555,147	629,033
Total	519,064	568,434	566,239	641,728

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

	2024	Fair value 2023	2024	Amortized value 2023	2024	Acquisition cost 2023
Issued by government sector						
Listed on a recognised CR exchange	1,422,189	2,559,440	1,666,102	2,775,914	1,721,281	2,958,162
Total	1,422,189	2,559,440	1,666,102	2,775,914	1,721,281	2,958,162

(d) Available for sale securities

	2024	Fair value 2023	2024	Acquisition cost 2023
Issued by financial institutions				
Listed on a recognised CR exchange	799,297	774,432	795,000	795,000
Listed elsewhere	468,416	827,366	482,730	840,835
Not listed	97,448	87,474	98,320	98,320
Issued by non-financial institutions				
Listed on a recognised CR exchange	1,573,991	1,387,839	1,657,327	1,487,058
Listed elsewhere	313,605	329,598	325,468	345,837
Not listed	1,243,260	1,147,950	1,384,463	1,384,463
Issued by government sector				
Listed on a recognised CR exchange	23,282,427	18,722,310	23,253,428	18,569,872
Listed elsewhere	261,088	133,175	240,753	117,522
Total	28,039,532	23,410,144	28,237,489	23,638,907

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

	2024	Fair value 2023	2024	Acquisition cost 2023
Issued by financial institutions				
Listed elsewhere	357,189	352,333	360,467	355,664
Not listed	24,479	43,884	21,892	40,987
Total	381,668	396,217	382,359	396,651

(g) Other loans and credits

As at 31 December 2024, the Company had provided other loans to policyholders, guaranteed by the insurance contract entered into, in the amount of TCZK 4,778 (31 December 2023: TCZK 6,469).

(h) Other investments

	Nominal value		Fair value	
	2024	2023	2024	2023
Fixed-term transactions	1,306,271	1,326,303	(6,779)	(9,918)
Options	-	-	89,994	70,700
Reverse repurchase agreements	1,738,000	2,880,000	1,738,152	2,887,041
Total	3,044,271	4,206,303	1,821,367	2,947,823

Reverse repurchase agreements represent short-term transactions with a maximum maturity of 14 days. As at 31 December 2024, the Company acquired treasury bills ISIN CZ0001007306 as collateral in repo operations in the market value of TCZK 1,718,482 (31 December 2023 - TCZK 2,853,619). The treasury bills are recorded in off-balance sheet accounts.

(i) Other investments - derivatives*Trading derivatives*

Fixed term contracts with a negative fair value	Nominal value		Fair value	
	2024	2023	2024	2023
Term currency transactions	1,306,271	1,326,303	(6,779)	(9,918)
Total	1,306,271	1,326,303	(6,779)	(9,918)

*Remaining maturity of derivatives**Trading derivatives*

As at 31 December 2024	Within 3 months	3 months to 1 year	1 to 5 years	Total
Term currency transactions	(6,779)	-	-	(6,779)

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

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

As at 31 December 2024	Within 3 months	3 months to 1 year	1 to 5 years	Total
Term currency transactions (+)	1,306,271	-	-	1,306,271

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

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

Description	2024	Fair value 2023	Acquisition cost 2024	Acquisition cost 2023
Shares and other variable-yield securities	6,791,455	6,474,304	4,318,476	4,714,123
Debt securities	1,758,356	1,465,473	1,774,228	1,479,107
Deposits with financial institutions	-	215,000	-	215,000
Free cash	94,094	7,340	-	-
Derivatives	(25,667)	(5,958)	-	-
Total	8,618,238	8,156,159	6,092,704	6,408,230

II.4. Currency structure of investments

Currency	Shares and variable-yield securities		Debt securities	2023	Deposits and other financial placements		Securities where the investment risk is borne by the policyholders	
	2024	2023	2024	2023	2024	2023	2024	2023
CZK	210,798	225,492	28,226,098	25,559,049	3,928,896	4,132,825	3,019,993	3,338,231
EUR	308,266	342,942	1,861,204	1,879,563	(6,779)	(9,918)	4,663,720	4,190,962
USD	-	-	-	-	-	-	934,525	626,966
Total	519,064	568,434	30,087,302	27,438,612	3,922,117	4,122,907	8,618,238	8,156,159

II.5. Receivables

31 December 2024	Receivables from policyholders	Receivables from insurance intermediaries	Receivables from reinsurance operations	Other receivables	Total
Due	215,485	118,283	1,119,862	1,386,633	2,840,263
Overdue	958,092	17,068	14,380	983	990,523
Total	1,173,577	135,351	1,134,242	1,387,616	3,830,786
Allowances	348,039	18,155	-	14,566	380,760
Total net	825,538	117,196	1,134,242	1,373,050	3,450,026

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

(a) Other receivables

	2024	2023
Inter-company receivables	16,646	15,716
Deferred tax asset*	1,346,148	1,027,214
Income tax receivable	-	296,794
Advance payments for energy	23,834	22,942
Securities transactions receivables	(424)	(405)
Allowances	(14,566)	(14,566)
Other receivables	1,412	17,985
Total other receivables (net)	1,373,050	1,365,680

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

Income tax advances in the amount of TCZK 379,795 paid by the Company as of 31 December 2024 (as of 31 December 2023: TCZK 664,412) were offset against the income tax provision of TCZK 926,560 created as of 31 December 2024 (as of 31 December 2023: TCZK 367,618).

II.6. Other assets**(a) Tangible fixed assets**

	Tangible fixed assets
Acquisition cost at 1/1/2024	183,815
Additions	3,604
Disposals	(15,901)
Acquisition cost at 31/12/2024	171,518
Accumulated depreciation at 1/1/2024	147,452
Depreciation expense	7,650
Disposals	(12,568)
Accumulated depreciation at 31/12/2024	142,534
Net book value at 1/1/2024	36,363
Net book value at 31/12/2024	28,984

	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

(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 277,530 (2023: TCZK 265,000). The company has its cash deposited in two creditworthy banks.

II.7. Temporary asset accounts**(a) Deferred acquisition costs for life insurance and non-life insurance contracts**

	2024	2023
Traditional life insurance	781,107	796,535
Unit-linked insurance	24,810	25,114
Non-life insurance	400,688	321,556
Total	1,206,605	1,143,205

(b) Estimated receivables

	2024	2023
Estimated premium	198,644	172,435
Other	30,490	23,988
Total	229,134	196,423

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

	2024	2023
Other prepaid expenses - services	300,696	340,630
Total	300,696	340,630

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 2024, 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

	2024	2023
Other capital funds	555,714	555,714
Revaluation of assets and liabilities	(462,815)	(528,054)
Total	92,899	27,660

Revaluation of assets and liabilities at fair value

	2024	2023
Balance at 31/12/2023	(528,054)	(1,689,628)
Balance at 1/1/2024	(528,054)	(1,689,628)
Change in fair value of investments	46,832	1,431,674
Net losses on investments reclassified to the income statement on disposal, impairment or maturity	33,702	6,262
Change in deferred tax	(15,295)	(276,362)
Balance at 31/12/2024	(462,815)	(528,054)

Proposed distribution of current period profit

Profit for the current period	3,514,048
Transfer to reserve fund	-
Profit to be added to retained earnings	3,514,048

The distribution of the 2023 profit is presented in the Statement of Changes in Equity.

No decision was made on the amount of the dividend distribution 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	2024	5,443,180	153,563	5,289,617
	2023	4,839,308	169,057	4,670,251
Life assurance provision	2024	7,186,251	1,466	7,184,785
	2023	7,133,256	1,310	7,131,946
Provision for outstanding claims	2024	14,499,147	2,766,251	11,732,896
	2023	12,960,613	1,056,317	11,904,296
Provision for bonuses and rebates	2024	566,109	-	566,109
	2023	575,344	-	575,344
Provision for liabilities arising from the applied technical interest rate	2024	92,391	-	92,391
	2023	134,402	-	134,402
Life insurance provision where the investment risk is borne by the policyholders	2024	8,618,238	-	8,618,238
	2023	8,156,159	-	8,156,159
Total	2024	36,405,316	2,921,280	33,484,036
	2023	33,799,082	1,226,684	32,572,398

(b) Provision for unearned premiums (gross)

	2024	2023
Non-life insurance	5,309,325	4,710,103
Life insurance	133,855	129,205
Total	5,443,180	4,839,308

(c) Life assurance provision

	2024	2023
Unzillmerised provision	7,220,157	7,175,883
Zillmer adjustment	(33,906)	(42,627)
Zillmerised provision presented in the balance sheet	7,186,251	7,133,256

(d) Provision for outstanding claims (gross)

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

	2024	2023
RBNS	9,424,818	7,118,456
IBNR	4,654,470	5,465,208
ALAE + ULAE	419,859	376,949
Total	14,499,147	12,960,613

The provision for outstanding claims as of the reporting date represents TCZK 1,780,000 for floods (RBNS: TCZK 1,680,000; IBNR: TCZK 80,000). The value of the provisions for floods is fully reinsured.

Claims run-off result

The claims run-off result is the difference between the provision for outstanding claims as at 1 January 2024, the claims payments during 2024 (with respect to claims included within this provision) and the residual amount of this provision as at 31 December 2024.

The net run-off result is as follows:

Class of insurance	2024	2023
Motor insurance	312,197	303,697
Motor third party liability	1,733,626	854,767
Industry insurance	346,437	198,863
Commercial insurance	248,279	138,768
Private property insurance	116,325	15,103
Accident insurance	41,278	78,232
Sickness insurance	(20,992)	26,034
Travel insurance	10,191	8,018
Other	(10,377)	(1,398)
Total	2,776,964	1,622,084

In 2024, 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 and the dissolution of reserves for uncertainty in inflationary impacts on average claim sizes. This reserve was determined in non-life insurance outside of standard actuarial methods in the amount of TCZK 734,852 as of 31 December 2023. In 2024, this reserve was completely dissolved. This movement results in a further increase in the result of insurance claims run-off for the year 2024 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 416,436 (2023: TCZK 421,787), and before discounting TCZK 543,335 (2023: TCZK 538,714).

The Company used a wage valorisation rate and a disability pension valorisation rate of 3.5% - 8.0% 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 3.0% up to the year 2028 and at 1.5% in the following years. The annualised amount of annuities is TCZK 13,230 (2023: TCZK 12,846).

The expected average period, which will elapse before all annuity claims included within the above provision have been paid, is 15 years (2023: 15 years).

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

Class of insurance	2024	2023
Non-life insurance	176,884	192,554
Life assurance	389,225	382,790
Total	566,109	575,344

(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.

2024	Opening balance	Addition	Utilisation	Closing balance
Provision for liabilities arising from the applied technical interest rate	134,402	440,775	482,786	92,391
Provision for insufficient non-life insurance premium	-	-	-	-
Total	134,402	440,775	482,786	92,391

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

II.10. Provisions

2024	Opening balance	Addition	Utilisation	Closing balance
Tax provision	367,618	926,560	367,618	926,560
Other provisions	55,618	43,210	28,505	70,323
Total	423,236	969,770	396,123	996,883

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	423,236

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

II.11. Payables

2024	Payables to policy holders	Payables to insurance intermediaries	Payables from reinsurance operations	Other payables	Total
Due	988,426	375,244	1,088,331	287,387	1,762,050
Overdue	25,684	2,842	633	83,497	1,089,994
Total	1,014,110	378,086	1,088,964	370,884	2,852,044
2023					
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

(a) Social security and health insurance liabilities

Social security and health insurance liabilities total TCZK 18,046 (2023: TCZK 15,525), of which TCZK 12,404 (2023: TCZK 10,559) relates to social security and TCZK 5,643 (2023: TCZK 4,966) relates to health insurance. None of these liabilities are overdue.

(b) Tax liabilities and subsidies

Tax liabilities amount to TCZK 17,408 (2023: TCZK 10,877).

(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 (2023: TCZK 0).

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

The Company had a net receivable from reinsurers of TCZK 45,278 (2023: a net receivable of TCZK 39,014). The increase in receivables is primarily due to the reinsurers' share in the settlement of insurance claims caused by floods, for which the Company has received advances from the reinsurer, held against liabilities from reinsurance operations.

(e) Payables due to policyholders

The item Payables due to policyholders includes received payments for insurance contracts in the renewal process and payments for insurance contracts that were not recorded in the system by the end of the accounting period. In the previous period, these payments were presented in the overdue line.

II.12. Temporary liability accounts

Estimated payables

	2024	2023
Estimated reinsurance premiums	34,400	43,073
Commissions to intermediaries	629,984	482,657
Services	108,934	93,420
Employee bonuses	121,451	116,058
Total	894,769	735,208

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	2024	Receivables 2023	2024	Payables 2023
Short-term				
Allianz penzijní společnost, a.s.	263	1,517	-	-
Allianz kontakt, s.r.o.	1,092	536	-	-
Diamond Point, a.s.	15,163	15,693	-	-
Total	16,518	17,746	-	-

The loan provided to Diamond Point, a.s. is disclosed in the Note II.2.b. and is not included in the above table.

(b) Other intercompany receivables and payables

Company name	2024	Receivables 2023	2024	Payables 2023
AGCS AG Branch Office Belgium	365	260	89	677
AGCS AG Italy Branch	3,980	2,285	-	6
AGCS France	7,176	9,128	-	4,512
AGCS Netherlands	-	44	-	11
Allianz Compania de seguros y Rease	17	17	14	12
Allianz Elementar	36	820	-	108
Allianz GCS Austria Branch	919	1,886	-	-
Allianz GCS Hong Kong	-	663	-	5,901
Allianz GCS Marine Insurance company	7,296	598	130	581
Allianz GCS München	529	12,185	6,718	21,262
Allianz GCS Nordic Region	50	122	1,280	1,169
Allianz GCS SE Korea branch	-	159	459	1,056
Allianz GCS Singapore	-	3	-	2
Allianz GCS Spain	140	225	-	-
Allianz GCS Switzerland	1,444	1,005	2,700	32
Allianz GCS UK	1,878	6,379	644	3,547
Allianz General Laos	305	-	-	-
Allianz Global Automotive	-	3,379	-	-
Allianz Global Corporate&Speciality London	63	-	-	-
Allianz Global Corporate&Speciality Munich	12,912	-	13,420	20,410
Allianz Global Risk Nederland	158	297	-	-
Allianz Global Risk US	501	-	586	79
Allianz Holding eins GmbH	33	-	-	-
Allianz Hungária Biztosító Zrt.	9,917	8,527	-	-
Allianz Insurance PLC	112	75	-	-
Allianz Italia s.p.a.	477	492	-	-
Allianz SE	988,456	83,115	1,026,553	51,923
Allianz Slovenská poisťovňa, a.s.	-	984	1,294	-
Allianz,SNA bldg. Hazmieh, Bei	98	-	-	-
Allianz Technology SE	-	-	56,911	191,875
Allianz Technology SE Munich Wallisellen	-	-	1,281	-
Allianz Technology SE organizačná zložka	-	-	11,469	-
Allianz Technology, s.r.o.	128	13,631	58,987	106,827
Allianz Tiriac Asigurări S.A.	-	-	2,326	2,326
Allianz Zagreb	212	131	1,832	-
Allinz Suisse	7	2	7	2
AWP Health and Life SA	2,690	-	-	-
AWP P&C Česká republika	18,075	2,114	44,063	54,691
AWP P&C S.A. Switzerland branch,	13,975	3,648	12,974	7,070
Bajaj Allianz General Insurance Co.	763	745	-	-
Companhia de Seguros Allianz Portugal S.A.	394	853	-	-
IDS GmbH-Analysis and Reporting Services	-	-	36	-
OJSC Insurance company Allianz	452	1,776	-	-
Single Risk Facility	250	250	1,000	1,000
Stanislas Haine	320	320	-	-
T.U. Allianz Polska S.A.	-	114	68	-
Total	1,074,128	156,231	1,244,841	475,079

In 2023, the Company provided a loan to Allianz Technology s.r.o. in the amount of TCZK 125,000. The amortized value of the loan as of 31 December 2024 amounts to TCZK 131,066 (as of December 31 2023: TCZK 131,067). The value of the loan is not included in the receivables value in the table above. All material transactions with related parties were carried out based on the arm's length principle.

(c) Related party transactions

	2024	2023
Revenues		
Received commissions from reinsurers	98,508	103,120
Reinsured premium	1,372,429	477,080
Revenue services	45,177	41,845
Rental	2,043	1,037
Total	1,518,157	623,082
Costs		
Gross ceded premiums	1,140,546	1,087,631
Cost services	694,501	618,612
Rental	65,521	66,081
Other costs	1,302	1,436
Total	1,901,870	1,773,760

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

Non-life insurance by class of insurance:

2024	Insurance class	Gross premiums written	Gross premiums earned	Gross claims paid	Gross operating expenses	Reinsur. balance
Direct insurance						
Accident and sickness	1,2,18	186,713	190,052	54,820	18,910	(2,400)
Motor – other classes	3	6,944,236	6,619,955	4,043,257	1,537,666	19,203
Motor – liability	10	4,850,956	4,696,320	1,802,602	1,163,068	(23,776)
Aviation, marine and transportation insurance	4,5,6,7,11,12	89,429	86,785	(3,259)	12,221	(65,908)
Fire and other damage to property	8,9,15,16	3,930,999	3,827,044	5,234,405	1,066,830	2,239,898
Liability	13	1,219,945	1,202,900	525,648	249,116	(112,914)
Total 2024		17,222,278	16,623,056	11,657,473	4,047,811	2,054,103

Gross written premium in non-life insurance in 2024 included premium from active reinsurance in the amount of TCZK 469,431 (2023: TCZK 413,517). In 2024, the Company paid claims related to floods in gross amount of TCZK 1,324,203.

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)

III.2. Life assurance

Gross premiums written in life assurance:

	2024	2023
Individual (special) premiums	4,380,194	4,139,851
Premiums under group contracts	41,739	36,839
Total	4,421,933	4,176,690
Regular premium	4,200,577	3,984,198
Single premium	221,356	192,492
Total	4,421,933	4,176,690
Premiums from contracts without bonuses	2,608,266	2,333,938
Premiums from contracts with bonuses	112,163	130,029
Premiums from contracts where the investment risk is borne by policyholders	1,701,504	1,712,723
Total	4,421,933	4,176,690
Reinsurance balance	(5,225)	(5,121)

Gross written premium in life insurance do not include any premium from active reinsurance in 2024 and 2023.

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	2024	2023
Czechia	21,600,313	19,882,139
Belgium	174	96
Bulgaria	374	1,734
Estonia	42	43
France	217	48
Croatia	46	35
Italy	47	14
Lithuania	1	-
Latvia	53	14
Hungary	2,845	2,586
Netherlands	335	1,071
Poland	460	3,365
Austria	3,983	3,678
Romania	94	106
Slovakia	24,115	28,698
Slovenia	190	283
Germany	9,634	11,063
Spain	1,288	711
Great Britain	-	151
Total	21,644,211	19,935,835

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:

	2024	2023
Non-life insurance	448,504	407,475
Life assurance	-	-
Total bonuses and rebates	448,504	407,475

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:

	2024	2023
Non-life insurance		
Creation	409,320	575,396
Release	(424,989)	(531,229)
Change of balance	(15,669)	44,167
Life assurance		
Creation	42,706	61,453
Release	(36,272)	(34,288)
Change of balance	6,434	27,165
Total change of balance	(9,235)	71,332

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

	Non-life insurance	Life insurance	2024 Total	Non-life insurance	Life insurance	2023 Total
Commissions						
Initial	1,365,767 ¹⁾	878,003	2,243,770	1,226,544 ¹⁾	926,410	2,152,954
Renewal	1,663,750 ²⁾	150,429	1,814,179	1,495,862 ²⁾	138,153	1,634,015
Total commissions	3,029,517	1,028,432	4,057,949	2,722,406	1,064,563	3,786,969
Other acquisition costs	148,804	69,682	218,486	132,916	64,440	197,356
Change in deferred acquisition costs	(79,133)	15,732	(63,401)	(23,458)	(90,439)	(113,897)
Total commissions and other acquisition costs	3,099,188	1,113,846	4,213,034	2,819,864	1,038,564	3,870,428

¹⁾ of which TCZK 7,844 relates to assumed facultative reinsurance in the year 2024 and TCZK 12,414 in the year 2023

²⁾ of which TCZK 48,644 relates to assumed facultative reinsurance in the year 2024 and TCZK 45,670 in the year 2023

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. Správní režie

	2024	2023
Personnel expenses (payroll, social and health insurance)	572,734	544,171
Rental	68,198	63,951
Depreciation and net book value of disposed fixed assets	49,931	43,010
Renewal commissions and bonifications	1,814,179	1,634,015
Telephone and fax fees, postage	31,293	27,305
Consultancy fees	26,971	37,648
Travel and entertainment	16,955	12,901
Material consumption	3,242	2,848
Other services	144,366	129,982
Other administrative expenses	7,517	7,991
Hardware maintenance and repair	-	76
Software maintenance and repair	3,385	1,316
Data network maintenance and repair	475,894	433,046
Total administrative expenses	3,214,665	2,938,260

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

III.7. Other technical expenses and income

2024	Gross	Reinsurance share	Net
Non-life insurance			
Other technical income	873,499	-	873,499
Other technical expenses	(1,153,330)	-	(1,153,330)
Balance – non-life insurance	(279,831)	-	(279,831)
Life assurance			
Other technical income	98,430	-	98,430
Other technical expenses	(68,842)	-	(68,842)
Balance – life insurance	29,588	-	29,588
2023			
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 insurance	23,028	-	23,028

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 144,277 (2023: TCZK 130,573) 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	2024	2023
Additions to (-)/Release of (+) allowances to receivables	12,918	41,158
Write-off of receivables	(72,994)	(110,406)
Foreign exchange losses (-)/gains (+)	(3,680)	(6,505)
Other technical expenses and income	(216,075)	(225,575)
Reinsurers' share	-	-
Balance of other expenses and income	(279,831)	(301,328)

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

Life insurance	2024	2023
Additions to (-)/Release of (+) allowances to receivables	39,701	(3,524)
Write-off of receivables	(44,257)	(5,799)
Foreign exchange losses (-)/gains (+)	1,428	(196)
Other technical expenses and income	32,716	32,547
Reinsurers' share	-	-
Balance of other expenses and income	29,588	23,028

III.8. Other expenses and revenues

	2024	2023
Non-technical account		
Other income	97,262	78,830
Other expenses	(96,862)	(90,276)
Balance of other expenses and income	400	(11,446)

Balance of other expenses and income comprises the following items:

	2024	2023
Foreign exchange gains and losses	4,414	5,877
Foreign exchange differences on revaluation	(9,378)	(22,148)
Provisions	(336)	(1,248)
Other	5,700	6,073
Balance of other expenses and income	400	(11,446)

III.9. Employees and management

The average number of employees and executives and remuneration for 2024 and 2023 are as follows:

	Average number of employees	Payroll expense	Social and health insurance	Other expenses
2024				
Employees	627	475,926	153,559	17,033
Executives	48	98,028	27,562	3,508
Total	675	573,954	181,121	20,541
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

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

In 2024, members of audit committee received remuneration totalling TCZK 420 (2023: TCZK 420) and members of statutory bodies received remuneration totalling TCZK 30,374 (2023: TCZK 29,036)

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

In 2024, 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 for the purpose of group reporting TCZK 7,896 (2023: TCZK 10,344)

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.(w) amounted to TCZK 497,843 (2023: TCZK 314,823).

III.11. Result of non-technical account

The result of the non-technical account as at 31 December 2024 amounted to TCZK 498,243 (2023: TCZK 303,375)

III.12. Result before tax

The result before tax as at 31 December 2024 amounted to TCZK 4,132,483 (2023: TCZK 2,954,344).

III.13. Taxation

(a) Income tax in the income statement

	2024	2023
Provision for current period income tax	926,560	367,618
Difference between the current income tax relating to prior periods and release of the provision for income tax relating to prior periods	5,375	28,810
Current income tax relating to prior periods	20,729	35,535
Change in deferred tax asset/Change in deferred tax liability	(334,229)	(122,671)
Income tax in the income statement	618,435	309,292

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

The Company is a payer of the top-up taxes. Top-up taxes were not considered in calculating the deferred tax. The Company does not have a tax liability for the year 2024 in relation to the Top-up taxes.

(b) Deferred tax assets/Deferred tax liabilities

Deferred tax assets and liabilities are as follows:

Temporary differences	2024	Assets 2023	2024	Liabilities 2023	2024	Difference 2023
Tangible fixed assets	11,345	10,800			11,345	10,800
Intangible fixed assets			7,144	6,413	(7,144)	(6,413)
Receivables	9,317	9,340			9,317	9,340
Other provisions	6,638	1,807			6,638	1,807
Technical provisions	1,253,858	917,500			1,253,858	917,500
Other temporary differences recorded in Income statement		5,655	1,096		(1,096)	5,565
Total	1,281,158	945,103	8,240	6,413	1,272,918	938,689
Influence in Income statement					334,229	122,671
Revaluation of assets and liabilities	86,476	101,771	13,246	13,246	73,230	88,525
Total	86,476	101,771	13,246	13,246	73,230	88,525
Influence in Equity					(15,295)	(276,362)
Deferred tax asset/liability					1,346,148	1,027,214

The impact of changes in deferred tax assets and liabilities on the income statement for 2024 consisted of an income of TCZK 334,229 (2023: income of TCZK 122,671). The impact of changes in deferred tax assets and liabilities on the equity for 2024 consisted of a decrease of revaluation differences in amount of TCZK 15,295 (2023: decrease TCZK 276,362).

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.

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.

The Company does not recognize any form of asset related to the current surplus of the Bureau's 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 have occurred and would require adjustment of the Company's financial statements as of December 31, 2024.

Prague, 31 March 2025

Ing. Dušan Quis
Chairman 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 financial year of 2024 or previous financial years. 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 Königinstrasse 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

In the recent financial year, all of the aforementioned legal entities were controlled by Allianz pojišťovna, a. s. as the sole shareholder or owner, except for Allianz Technology s.r.o., in which Allianz pojišťovna holds 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 90.

MAJOR ACTS OF THE RECENT FINANCIAL YEAR

In 2024, Allianz pojišťovna, a. s. disbursed CZK 2.262 billion as dividend to its sole shareholder. Thus, in the recent accounting period, the company carried out an act in a volume exceeding 10% of the company's equity of CZK 9.6 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.

In 2024, an agreement was concluded between Allianz Holding eins GmbH and Allianz pojišťovna, a. s., which sets out the terms and conditions for the performance and remuneration of regional support services (Master Service Level Agreement 2.0 - Allianz Holding eins GmbH CE Regional Services).

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 to implement Solvency II regulation.

As of May 2013, the companies maintain a cost sharing agreement in respect of software provided by Towers Watson.

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.

An agreement of 2017 for the Allianz Leadership Development Program is concluded between the companies.

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.

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).

In 2013, the companies entered into an agreement on cooperation and personal data processing.

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.

Allianz kontakt, s. r. o.

Allianz kontakt, s. r. o. is a 100% subsidiary of Allianz pojišťovna, a. s. and distributes Allianz pojišťovna's insurance products on the basis of a sales representation agreement concluded on 1 July 2005, updated on 30 November 2018 and subsequently amended in 2021 by "Amendment No. 1", changing the "Exclusive sales representation" to "Non-exclusive sales 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.

On 1 December 2021, Allianz kontakt, s. r. o. notified the CNB that it will not take steps to extend its authorisation to act as an investment intermediary under Act No. 256/2004 Coll. on Capital Market Business. The company's management has decided not to continue to provide services within the scope of this authorisation after 31 December 2021.

The following agreements were concluded to this end:

- 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

Following the transfer of part of the plant of Allianz kontakt, s.r.o. to Allianz Technology s.r.o., an IT Supply Outsourcing Agreement was concluded on 1 April 2022 between Allianz kontakt, s.r.o., Allianz Technology s.r.o. and Allianz Technology SE.

Diamond Point, a. s.

Diamond Point, a.s. is a 100% subsidiary of Allianz poisťovňa, a. s. Diamond Point, a.s. is the owner of the real property at Ke Štvanici 656/3, where the registered office of Allianz poisťovňa, a. s. is located. A long-term lease is agreed between the companies. Allianz poisťovňa, a. s. held securities (fixed interest bonds) in the nominal value of CZK 876,000,000, issued by Diamond Point, a. s. in 2013. The bonds were redeemed at maturity in 2024. As part of refinancing the maturing bonds, Allianz poisťovňa, a.s. granted a TCZK 900,000 intercompany loan to Diamond Point, a.s. The loan matures in 2029.

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 poisťovňa, 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., Allianz poisťovňa, a. s. and Allianz Technology SE entered into an IT supply outsourcing agreement on 1 April 2022. As of the same date - 1 April 2022 - Allianz poisťovňa, a. s. holds a 40% stake in Allianz Technology s. r. o. On 17 March 2023, Allianz poisťovňa, a. s. concluded a CZK 125,000 thousand loan agreement with Allianz Technology s. r. o. On 30 November 2023, Allianz poisťovňa, a. s. and Allianz Technology s. r. o. entered into an agreement on a CZK 24,000 thousand cash contribution outside the registered capital.

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.

AP Solutions GmbH Česká republika - branch of foreign legal entity (AP Solutions GmbH, Germany) (AWP Solutions ČR a SR, s. r. o. until August 2024)

AP Solutions GmbH Česká republika, branch of a foreign legal entity, provides Allianz poisťovňa, a. s. with assistance services for the insurance of medical expenses abroad, travel insurance, motor

hull and third party liability insurance, and household insurance. In 2024, a cooperation agreement was concluded for the provision of the service "Dr. Chat - doctor on the phone." and a contract for co-operation in the provision of registration services.

Allianz Global Corporate & Specialty SE

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

Allianz Global Investors Advisory GmbH

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

PIMCO Prime Real Estate GmbH (Allianz Real Estate GmbH until 2023)

This company provides Allianz poisťovňa, a. s. with investment consulting, as stipulated in the Service Agreement - Real Estate Investments of February 2018. Allianz poisťovňa, 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 poisťovňa, 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 poisťovňa, 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 poisťovňa, a.s. in customer projects based on an agreement of October 2008. In IT, Allianz poisťovňa, a. s. cooperates with Allianz Deutschland AG, Allianz Hungaria Biztosító Zrt. and Allianz Suisse Versicherungsgesellschaft-AG. Allianz poisťovňa, a. s. also uses instruments of invest-

ment management companies Allianz Global Investors GmbH and PIMCO Global Advisors (Ireland) Ltd. for the placement of its assets.

Allianz Technology SE

On 1 April 2022, following the transfer of a part of the enterprise of Allianz pojišťovna, a. s. to Allianz Technology s. r. o., Allianz pojišťovna, a. s., Allianz Technology s. r. o. and Allianz Technology SE entered into an IT supply outsourcing agreement, replacing, among other things, a number of previously concluded agreements between Allianz pojišťovna, a. s. and Allianz Technology SE.

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)
- AWP Health and Life SA (France)
- 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., this branch of the foreign legal entity 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.

AWP Health and Life SA (France)

In its relationship with Allianz pojišťovna, a. s., AWP Health and Life SA (France) acts as the reinsurer for collective personal insurance.

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 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.

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 2024 and ending 31 December 2024, contains all information required by law.

Prague, 31 March 2025

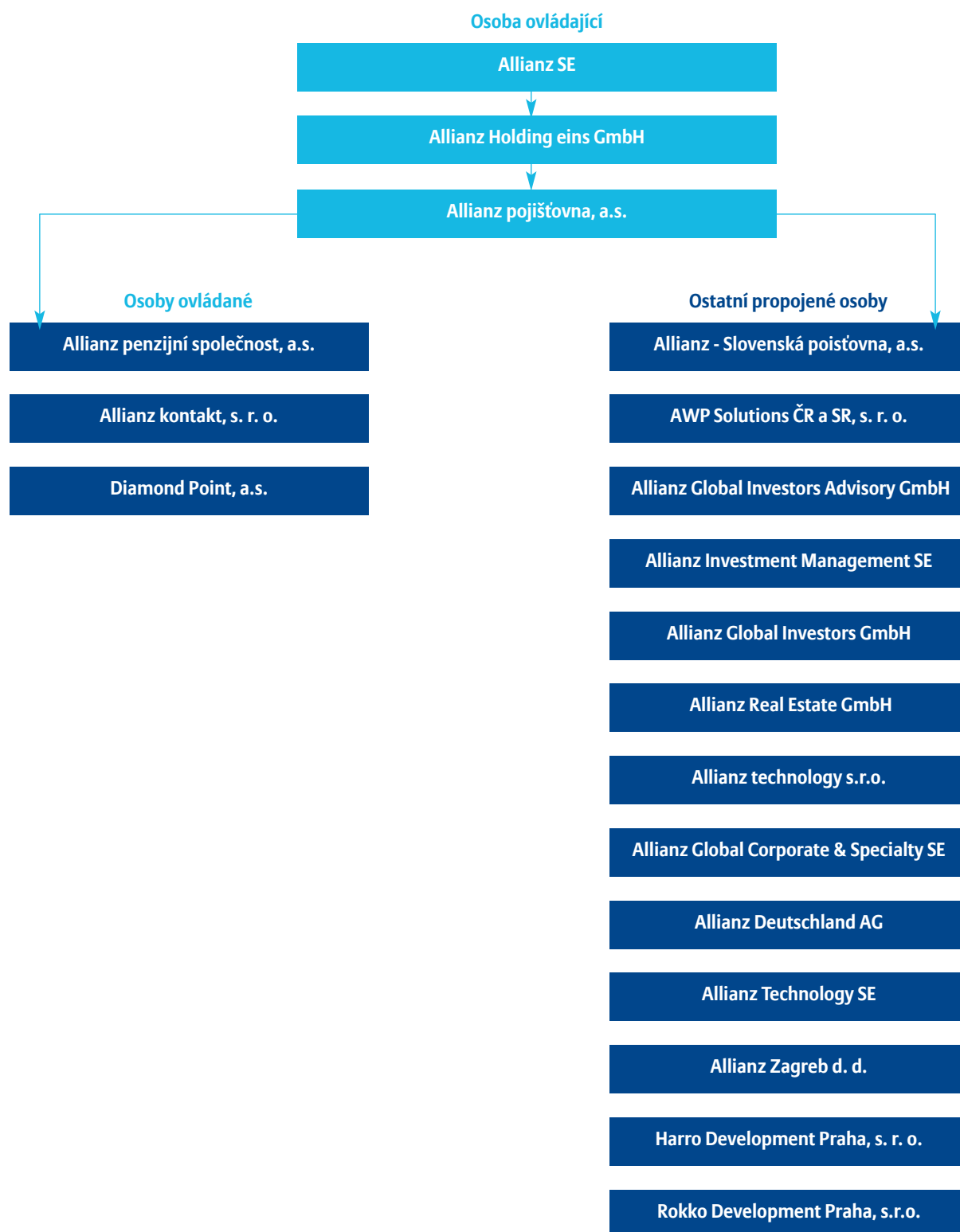
Ing. Dušan Quis
Chairman of the Board
of Management



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



The important entrepreneurial relations Allianz pojišťovna



Contacts

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Regional department South-West Bohemia
Plovární 478/1, 301 00 Plzeň

Regional department Ústí nad Labem
Špitálské náměstí 3517, 400 01 Ústí nad Labem

Regional department North-East Bohemia
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Regional branch Liberec
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Regional department Brno I, II
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Regional department Ostrava
28. října č. 29, 702 00 Ostrava

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