SOLVENCY AND FINANCIAL CONDITION REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

ALLIANZ INSURANCE PLC

Insurers
Chartered

Allianz

CONTENTS

SUMMARY

This is the Solvency and Financial Condition Report ("SFCR") for Allianz Insurance plc ("Allianz" or "the Company").

Solvency II, effective from January 1, 2016, is a harmonised EU-wide insurance regulatory regime that aims to improve customer protection and modernise supervision of insurance companies by their local regulators. Following the end of the Brexit transition period on December 31, 2020 the Prudential Regulatory Authority ("PRA") continues to apply the Solvency II framework in the United Kingdom ("UK") including requiring the mandatory publication of an SFCR as per the Solvency II Directive[1].

The SFCR is made up of 5 key sections that together give a comprehensive overview of the Company's business strategy and performance, its system of governance, its risk profile, its current valuation for Solvency II purposes, and its capital management approach and current capital position.

The ultimate parent undertaking is Allianz Societas Europaea ("Allianz SE"). Globally, Allianz SE is a financial services provider with more than 100 million retail and corporate customers in more than 70 countries. In 2021 it had revenue of €148.5bn and made an operating profit of €13.4bn. More information about Allianz SE and its operations around the world can be found on the Allianz SE website[2].

The COVID-19 pandemic continued to impact the Company's 2021 business results and the way the business operated as further lockdowns and restrictions were enforced. Allianz responded to this using well established business resilience and crisis management. Throughout 2021 Allianz continued to meet its solvency and capital requirements as required by regulation.

SECTION A - BUSINESS AND PERFORMANCE

Business model & strategy

Allianz Insurance plc is a wholly owned subsidiary of the Allianz Holdings plc group of companies ("the Group") which is one of the largest general insurers in the UK measured by gross written premium. The Company offers a wide range of products focused predominantly in the commercial, animal health and legal expenses insurance markets. The Company distributes its products almost entirely in the UK.

In 2021 the Group announced a strategic restructuring of its operations ("the Restructure") to create distinct Personal and Commercial trading divisions, supported by a number of integrated service functions. The new structure simplifies and streamlines the Group's operations and is designed around customer needs and the opportunity to focus on and share technical excellence and expertise. The changes predominantly affect the operational management and reporting of lines of business within the Company and other Group companies as opposed to the legal entities. Full details can be found in section A.1.

The Company's business strategy "Simplicity Wins - Renewal Agenda 2.0" focuses on the key strategic objectives of Outperform, Transform and Rebalance. Outperform focuses on further improving productivity and benchmarking our capabilities against best-in-class to continually improve our customer experience. Transform targets reducing complexity and becoming more digital, and Rebalance encourages focus on new growth opportunities. Allianz continues to focus on these themes locally to drive the business forward and focus on our customers.

The Company continues to receive recognition for its achievements securing nine nominations at the 2021 British Insurance Awards. Allianz also achieved the Gold Award for 'Excellence in Technology' and a Bronze for 'Customer Champion of the Year' at the Insurance Times Awards, both for online customer support. Allianz was also named 'Commercial Lines Insurer of the Year' at the British Claims Awards while Allianz Legal Protection was named 'Insurance Provider of the Year' at the Personal Injury Awards.

[1] Directive 2009/138/EC, as amended by Directive 2014/51/EU, articles 51–56
[2] www.allianz.com

SUMMARY CONTINUED

Financial performance

The Company has a quota share reinsurance arrangement with an Allianz SE Group reinsurance company. UK management remains responsible for optimising the results of the business prior to this quota share. For this reason, and to facilitate comparisons with prior years, the numbers quoted in this commentary are before quota share, unless stated otherwise.

In 2021 the Company achieved a combined operating ratio of 95% (2020: 103%) and an underwriting profit of £88m (2020 underwriting loss: £58m).

Gross written premiums reduced to £1,860m from £1,880m in 2020, a 1.0% decrease. However, excluding accounts in run-off, premiums grew 1.6%. Commercial lines decreased by 2.7% with premiums adversely impacted by COVID-19 as well as underlying corrective action taken in the Property and Liability accounts more than offsetting the double-digit growth within the Engineering account. Personal lines premiums increased by 2.6% with the animal health account seeing double-digit growth, largely offset by the impacts from the exit of a partnership contract as well as the motor and household accounts reducing as they continue to run-off.

The COVID-19 pandemic has continued to impact claims performance in 2021 with results benefitting from continued frequency reductions, particularly in the first half of the year when lockdowns were enforced, however frequencies began to increase throughout the second half of the year as restrictions were eased. On an underlying basis, increased medium and large experience within Liability lines and increased large claims in Commercial Motor and Motor Trade were partially offset by increased Business Interruption reinsurance recoveries.

Further commentary by line of business is set out in section A.2 of this report.

Overall investment income was £48m for the year. This compared to investment income of £45m in 2020. Section A.3 provides further detail of the Company's investment activities.

SECTION B - SYSTEM OF GOVERNANCE

The Company's Board of Directors have overall oversight of the business, while day to day running is conducted by Management. The actions of these managers take place within the confines of the System of Governance; a set of rules and processes to ensure that the business is run prudently and in compliance with the Solvency II regulations. Adherence to these processes is overseen by established committees. Further details of the membership and scope of these committees is provided in section B.1.

Risk Management System

The Company operates a “three lines of defence” model to risk management. The Risk Management System is embedded in the operations of the Company and is managed by the Chief Risk Officer (“CRO”).

The Own Risk and Solvency Assessment (“ORSA”) process forms a substantial part of the Company’s Risk Management System. Produced at least annually, the ORSA report is provided to the Board to inform them of all risks facing the Company and outlines how these are assessed and managed. The ORSA process is overseen by the Board Risk Committee.

Allianz has been granted approval by the PRA to use an internal model to assess its capital requirements. A full governance framework is in place to ensure that the appropriateness of the internal model is independently assessed and reviewed by the Board at least annually.

SECTION C - RISK PROFILE

Allianz is exposed to a number of risks including underwriting risk, market risk, credit risk, liquidity risk and operational risk. These risks are proactively identified, managed and mitigated using appropriate tools and methods.

The main quantitative tool used by the Company to measure and steer risks is the internal model. The model profiles the Company’s distribution of risks and determines its regulatory capital requirements. Specific commentary on each type of risk to which the Company is exposed is provided in sections C.1 to C.6.

The Company also conducts extensive stress testing and sensitivity analysis to adequately understand the risks to which it is exposed. A risk sensitivity analysis is provided and discussed in Section C.7.

SECTION D - VALUATION FOR SOLVENCY PURPOSES

Section D reviews the balance sheet of the Company. The balance sheet is the main mechanism by which the solvency of the Company – the amount of funds it has available to protect it and its policyholders against a shock – is assessed.

Under Solvency II the assets and liabilities are reported at fair value; that is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This valuation principle is broadly similar to that stipulated by International Financial Reporting Standards (“IFRS”) and used for the preparation of the Company’s 2021 Annual Report and Financial Statements, but there are notable exceptions including the treatment of goodwill, intangible assets, deferred acquisition costs and future premium. Section D provides a reconciliation between IFRS and Solvency II reporting and commentary to explain differences.

Technical provisions represent an estimate of the current amount required to transfer insurance obligations immediately to another insurance entity and include the funds the Company has put aside specifically to pay future claims. Section D.2 examines in detail the separate elements that make up the technical provision and explains the actuarial methods and assumptions used.

SUMMARY CONTINUED

SECTION E - CAPITAL MANAGEMENT

Own Funds refers to the capital available within the Company for the purpose of absorbing shocks. The amount of Own Funds required by Solvency II is defined by the Minimum Capital Requirement ("MCR") and the Solvency Capital Requirement ("SCR"). The MCR is the level of Own Funds below which the Company may no longer legally continue to trade, while the SCR is the minimum level treated as acceptable in normal circumstances by the Solvency II regime.

As at December 31, 2021 Allianz's MCR amounts to £189m and is covered by £829m of eligible Own Funds (tier 1 only). As at December 31, 2021 Allianz's SCR amounts to £562m and is covered by £877m of eligible Own Funds (£829m tier 1 and £48m tier 3). Allianz's Solvency ratio (that is, the percentage coverage of the SCR by Own Funds) is therefore 156%. Allianz has fully complied with the SCR throughout the period.

Further information about the quality of the Own Funds and the makeup of the SCR is provided in sections E.1 and E.2.

Allianz uses an internal model to determine its capital requirements as opposed to the default standard formula prescribed by Solvency II. The key differences between the two methods are outlined in section E.4.

STATEMENT OF DIRECTORS' RESPONSIBILITIES AND AUDITORS' REPORT

Finally, the SFCR contains a Statement of Directors' Responsibilities and the independent auditors' opinion in respect of those parts of the SFCR which are audited.

A. BUSINESS AND PERFORMANCE

This section is unaudited.

A.1 BUSINESS

Allianz Insurance plc (Registered address; 57 Ladymead, Guildford, GU1 1DB) is a public limited company incorporated in the UK under company no 84638.
It is supervised by the PRA (Registered address; Bank of England, 20 Moorgate, London, EC2R 6DA), in respect of financial and prudential matters, and by the Financial Conduct Authority ("FCA"), (Registered address; 12 Endeavour Square, London, E20 1JN), in respect of conduct matters.

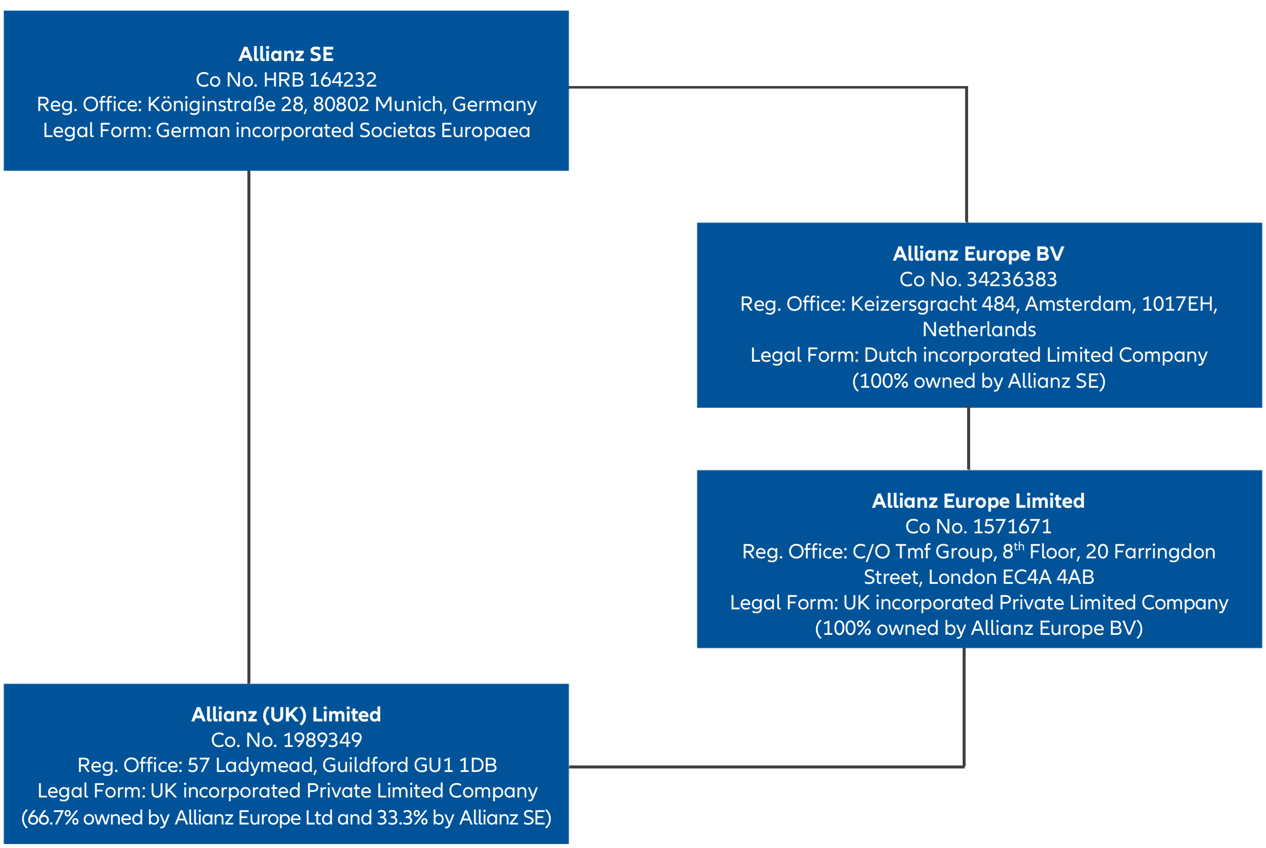
The Company is a wholly owned subsidiary (via intermediate holding companies) of Allianz SE, incorporated in Germany (Registered address; Königinstraße 28, 80802 München, Germany).

The German Federal Financial Supervisory Authority ("Bundesanstalt für Finanzdienstleistungsaufsicht" – "BaFin"), (Registered address; Dreizehnmorgenweg 13–15, 53175 Bonn) is responsible for the financial supervision of the group headed by Allianz SE.

Allianz's external auditor is PricewaterhouseCoopers LLP, (Registered address; 7 More London Riverside, London, SE1 2RT).

The structure charts below describe the position of Allianz (UK) Limited ("Allianz UK") within the Allianz SE group, including details of the holders of qualifying holdings in the Company, and also its material related undertakings.

ALLIANZ (UK) LIMITED AND ITS PARENT COMPANIES

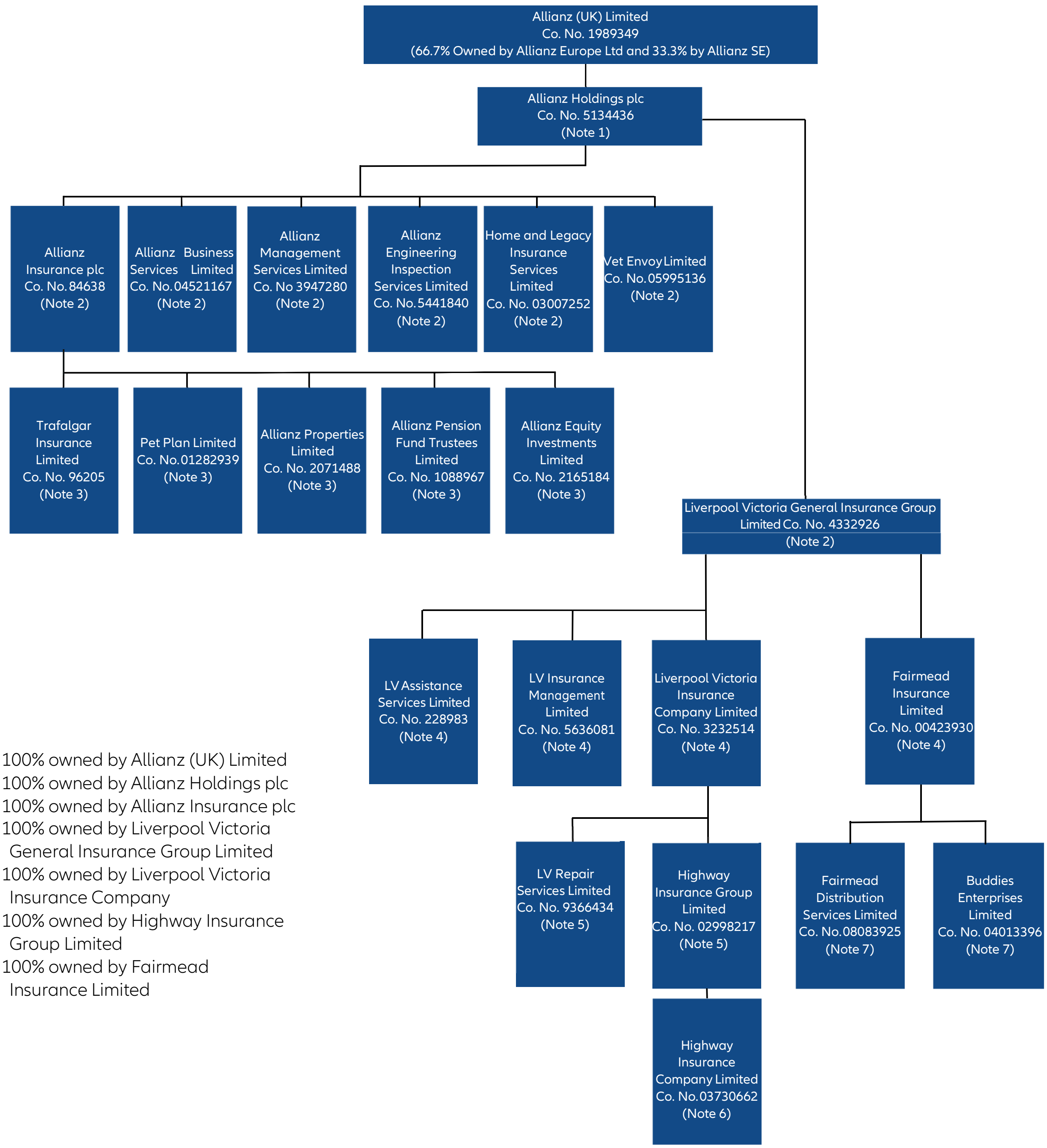


A. BUSINESS AND PERFORMANCE CONTINUED

ALLIANZ (UK) LIMITED AND ITS SUBSIDIARIES

All Allianz UK Group companies shown on this page are UK incorporated. As at December 31, 2021, all Allianz UK companies had their registered offices at 57 Ladymead, Guildford, GU1 1DB.

All Allianz UK companies shown on this page are private limited companies except for Allianz Holdings plc and Allianz Insurance plc which are public limited companies.



1. 100% owned by Allianz (UK) Limited
2. 100% owned by Allianz Holdings plc
3. 100% owned by Allianz Insurance plc
4. 100% owned by Liverpool Victoria General Insurance Group Limited
5. 100% owned by Liverpool Victoria Insurance Company
6. 100% owned by Highway Insurance Group Limited
7. 100% owned by Fairmead Insurance Limited

A. BUSINESS AND PERFORMANCE CONTINUED

The material lines of business written by the Company are motor vehicle liability, other motor, fire and other damage to property, general liability, legal expenses and miscellaneous financial loss (includes animal health). As a result of historical activity, there are also provisions in respect of non-proportional marine, aviation and transport reinsurance. As a result of underwriting motor vehicle liability and general liability there are provisions in respect of annuities stemming from non-life insurance obligations other than health insurance obligations. The only material geographical area in which the Company carries out business is the UK.

In 2021, the Group was restructured to create two trading divisions, Allianz Personal and Allianz Commercial, supported by the integrated shared services of Finance, Risk and Human Resources. Therefore, the animal health products sold by the Company now form part of the Allianz Personal business along with products sold by Liverpool Victoria General Insurance Group Limited ("LVGIG"), while the commercial and legal expenses products form Allianz Commercial. This structure aligns with the distinct needs of individual customer groups and gives more scope to benefit from shared knowledge and scale whilst simplifying the business and enabling focus on specific markets.

The COVID-19 pandemic continued to have an impact on the Company's operations throughout 2021 as further lockdowns and restrictions were enforced. The operational risks from COVID-19 were addressed by maintaining homeworking capability. In 2021 the Company launched an 'adopt and adapt' phase for our New 'Ways of Working' approach, which will run into 2022, enabled by the changing pandemic situation. This was co-created with our people and provides a fantastic opportunity to change the way we work to help us achieve our goals, and maintain our focus on doing what's right for our customers and business, whilst offering our people more flexibility about where they work where possible.

Whiplash Reforms went live in the year for all accidents on, or after, May 31, 2021. The impact of the reforms has started to materialise through both lower frequency and lower severity in personal injury claims, although uncertainty remains around the exact level of benefits at this early stage due to possible delays in reporting new claims.

The SFCR and all tables within it are presented in pounds sterling rounded to the nearest million which is consistent with the presentation in the IFRS financial statements. The QRTs are presented in pounds sterling rounded to the nearest thousand. Rounding differences of +/- one unit can occur.

A. BUSINESS AND PERFORMANCE CONTINUED

A.2 UNDERWRITING PERFORMANCE

The table below summarises Allianz's premium volume and underwriting performance in 2021 and 2020, split by Solvency II line of business. The table shows the performance net of reinsurance including the whole account quota share.

	2021			2020		
	Gross Written Premium (£m)	Net Earned Premium (£m)	Combined Operating Ratio	Gross Written Premium (£m)	Net Earned Premium (£m)	Combined Operating Ratio
Motor vehicle liability	400	226	93%	409	239	79%
Other motor	143	82	93%	149	89	95%
Fire and other damage to property	469	246	92%	525	273	144%
General liability	219	119	134%	191	106	101%
Miscellaneous financial loss	599	338	84%	574	340	89%
Legal Expenses	30	15	97%	32	14	99%
Total	**1,860**	**1,026**	**95%**	**1,880**	**1,061**	**103%**

The Company has a quota share reinsurance arrangement with an Allianz SE Group reinsurance company. Previously the arrangement was that 40% of the underwriting result was ceded however the contract was amended with effect from January 1, 2021 so that 40% of premiums and claims were ceded and the Company receives a contribution of 27% of ceded earned premiums against incurred expenses and commission. This has the benefit of improving the solvency position by reducing the capital the Company is required to hold. Further, it keeps the profits generated by the UK business entirely within the wider Allianz SE Group. UK management remains responsible for optimising the results of the business prior to this quota share.

Since the Company's performance is managed prior to the application of the reinsurance quota share arrangement, and to facilitate comparisons with the prior year, the following commentary on underwriting performance quotes numbers excluding quota share. The commentary has also been written based on the Company's local lines of business as this is how its performance is managed. As part of Solvency II regulation separate Solvency II lines of business have been defined, where appropriate these are also referenced in brackets.

Allianz commercial lines (Solvency II lines of business; motor vehicle liability, other motor, fire and other damage to property, general liability and legal expenses) gross written premiums decreased from £1,284m in 2020 to £1,250m in 2021. Premiums have been adversely impacted by COVID-19 as well as underlying corrective action taken in the Property and Liability accounts. The

underwriting profit is £45m, supported by reduced claims frequencies as a result of COVID-19 (Solvency II lines of business; motor vehicle liability, other motor, general liability), particularly in the first half of the year, as well as strong performance in the Engineering business. On an underlying basis, increased medium and large experience within Liability lines (Solvency II line of business; general liability) and increased large claims in Commercial Motor and Motor Trade (Solvency II lines of business; motor vehicle liability and other motor) were partially offset by Business Interruption reinsurance recoveries. The underwriting result has improved from an £111m loss in 2020.

Allianz personal lines (Solvency II lines of business; motor vehicle liability, other motor, fire and other damage to property and miscellaneous financial loss) gross written premiums increased from £595m in 2020 to £611m in 2021 with double-digit growth in Animal Health (Solvency II line of business; miscellaneous financial loss) largely offset by the impacts from the exit of a partnership contract (Solvency II line of business; miscellaneous financial loss) as well as the motor and household accounts (Solvency II lines of business; motor vehicle liability, other motor and fire and other damage to property) reducing as they continue to run-off. The overall personal underwriting profit is £49m, supported by continued profitable growth in Animal Health partially offset by Payment Protection Insurance ("PPI") redress payments relating to historic policies. This is a deterioration from £60m underwriting profit in 2020.

A. BUSINESS AND PERFORMANCE CONTINUED

A.3 INVESTMENT PERFORMANCE

The table below summarises the investment performance during 2021 of the funds directly invested by the Company and provides a comparison with the prior year.

								2021			2020		
(£m)	Carrying value 31/12/2019	Net additions /(disposals)	Net unrealised gains /(losses)	Carrying value 31/12/2020	Net additions /(disposals)	Net unrealised Gains /(losses)	Carrying value 31/12/2021	Net realised gains /write downs	Income	Expense	Net realised gains /write downs	Income	Expense
Fixed Income	**2,071**	**125**	**38**	**2,234**	**94**	**(70)**	**2,258**	**5**	**42**	**(4)**	**6**	**42**	**(3)**
Government	479	(46)	9	442	40	(18)	464	1	6	(4)	4	6	(3)
Securitised	432	13	(5)	440	(35)	5	410	1	5	-	–	6	–
Corporates	1,160	158	34	1,352	89	(57)	1,384	3	31	-	2	30	–
Deposits	**6**	**–**	**–**	**6**	**-**	**-**	**6**	**-**	**-**	**-**	**–**	**–**	**–**
Collective Investment Undertakings	**102**	**19**	**(1)**	**120**	**19**	**(3)**	**136**	**-**	**5**	**-**	**3**	**2**	**–**
Loans	**205**	**27**	**3**	**235**	**19**	**(3)**	**251**	**-**	**1**	**-**	**–**	**1**	**–**
Total	**2,384**	**170**	**40**	**2,595**	**132**	**(76)**	**2,651**	**5**	**48**	**(4)**	**9**	**45**	**(3)**

The table above shows the investments held directly by the Company. Investment in real estate, small as a proportion of total assets, is held by a subsidiary Company, Allianz Properties Limited ("APL"), which is treated as a participation in this report and so is not shown in the table.

The investment strategy of the Company has continued to concentrate on minimising risk to the core insurance operations from which the investment cash flows are derived. The Company invests insurance assets to ensure the security, liquidity and quality of the portfolio as a whole, while taking into account the business model and nature and duration of its insurance liabilities.

Government bonds include an allocation to emerging market issuers. Securitised bonds in the portfolio consist entirely of asset backed securities whilst covered bonds in the portfolio are classified under corporates. Exposure to loans includes a commercial real estate loan and two intercompany loans, to Allianz Management Services Limited ("AMS") and APL. The market value of the loans at December 31, 2021 was £123.8m and £3.5m respectively.

The allocation to high quality corporate bonds remained overweight in order to enhance yield. The Company made small investments in both an existing (£4.2m) and new private debt fund (£3.8m) and made a further commitment to a commercial real estate debt fund in order to enhance return and provide diversification benefit. The Company continues to use the expert investment management facilities available within the wider Allianz SE Group, particularly in managing the fixed interest portfolio.

Investment income in 2021 was £48m compared with £45m in 2020, due to rising yields. Unrealised gains decreased across the portfolio, particularly in corporate bonds, due to rising spreads. Investment expenses increased slightly compared with the previous year.

A. BUSINESS AND PERFORMANCE CONTINUED

A.4 PERFORMANCE OF OTHER ACTIVITIES

In 2021, the company incurred £16m (2020: £16m) other expenses in management charges from a fellow Group undertaking for administrative and claims management services.

Finance costs increased from £17m in 2020 to £37m in 2021. In 2021, the Company recognized an additional £34m charge to cover the expected total redress in respect of PPI claims. This followed a review to identify additional potential claims, redress of which started in December 2021 and has continued into 2022. Legal proceedings are underway to seek recovery of costs from the agent

A.5 OTHER INFORMATION

A restructuring charge of £7m (2020: £1m) was incurred in 2021 relating to organisational design changes. An integration charge of £7m (2020: £3m) was incurred in 2021 relating to the costs involved in business integration with LVGIG and system decommissioning.

No dividends were received from subsidiaries in 2021.

The solvency ratio as at December 31, 2021 is 156% (2020: 152%).

The impact of COVID-19 continues to evolve and there remains uncertainty. Our existing Risk Management framework is designed to cope with stresses and is responding well to the situation.

Following the Russian military invasion of Ukraine on February 24th 2022, the on-going conflict is a new source of uncertainty for the Company. Management have reviewed the risks to the Company, considering in particular, underwriting and direct investment exposures along with the wider macro-economic impacts of sanctions, information security threats and potential disruption to the supply chain.

Whilst the Company has no direct underwriting exposure to Russia or Ukraine, a minimal level of travel insurance claims are anticipated arising from trip cancellations and repatriations. All of our policies include a War exclusion, and at this stage we are not expecting any material impact on our premium levels in the short term. We are monitoring closely any impacts of the event in Ukraine on claims' supply chains and inflation for our core Motor and Property & Casualty portfolios. As of today, we believe these are within our normal trading parameters, however, long term effects are uncertain and dependent on the duration of the disruption.

Our investment portfolio is well diversified and high quality. Since the crisis commenced, market values of corporate and emerging market bonds have declined due to rising spreads. Values of developed market bonds initially benefited from a flight to safety but have since declined as yields increased. Securitised assets, real estate and private debt funds have been relatively unaffected by the crisis and continue to provide stable income. We have limited direct investment exposure to Russian, Ukrainian and Belarussian issuers through emerging market debt investments. The emerging market debt is carefully monitored and an impairment charge of £1.5m has been recognised during Q1 2022. Overall liquidity remains strong with a sufficient level of cash being retained in the Allianz SE Group cash pool (an Allianz SE treasury service which optimises surplus cash returns by investing in short term money market instruments).

The wider macro-economic impacts including those arising from sanctions include further upward pressure on inflation, particularly driven by rising energy costs, increasing the pressure on our customers and increasing the cost of our claims liabilities. The Company also recognises that in response to sanctions, there is a risk of state sponsored cyber-attacks targeted at the UK, resulting in disruption to national infrastructure or third party organisations in the supply chain. Through monitoring of emerging threats and identification of incidents, our organisational structure enables a coordinated response to cyber events within our local and global Crisis Management framework.

Management are taking particular care with our people, ensuring that communications are focused on wellbeing and providing additional support to colleagues who are personally impacted by the conflict.

Allianz continues to meet its solvency and capital requirements as required by regulation.

B. SYSTEM OF GOVERNANCE

This section is unaudited.

B.1 GENERAL INFORMATION ON SYSTEM OF GOVERNANCE

THE BOARD AND ITS COMMITTEES

The Company leverages the governance structure of its parent Company, Allianz Holdings plc, and the Group. The Boards of the Company and Allianz Holdings plc have the same Directors. On December 31, 2021, the Board of the Company comprised a non-executive chair, five non-executive Directors and two executive Directors.

In 2021, two changes were initiated which have resulted in an increase to the number of Directors on the Board of Allianz Holdings plc and the Company. On November 30, 2021, Jon Dye resigned as a Director of the Company and Allianz Holdings plc and as CEO of Allianz Holdings plc. Colm Holmes was appointed as an executive Director of the Company and Allianz Holdings plc and as CEO of Allianz Holdings plc. In July 2021, following the Restructure, Simon McGinn was appointed as an additional executive Director of the Company and Allianz Holdings plc. Given a delay in receiving regulatory approvals, both of these appointments to the relevant boards were not made until February 22, 2022. There are now four executive Directors of the Company.

The Allianz Holdings plc Board is responsible for deciding the business strategy and for ultimate oversight of the conduct and performance of the Group as a whole. It is also responsible for the external reporting of the Group.

The Board of the Company considers the Group strategy and develops the strategy of the Company, monitors its performance and has oversight of the conduct of the Company. The Board of the Company considers the external reporting of the Company.

The Allianz Holdings plc Board has established a number of committees and a system of internal control to ensure the efficient and effective operation of the Group's businesses. The Committees are responsible for oversight of their subject matter on behalf of the Company and other subsidiaries in the Group. The Company's Board is satisfied that the governance structure is appropriate and that the Committees effectively consider matters on behalf of the Company.

The Board regularly reviews its effectiveness and during 2021 it undertook a self-assessment effectiveness review led by the Chair, Paul Evans, in conjunction with the Chief Legal Officer and Company Secretary. The effectiveness review was forward looking and focused on opportunities to enhance governance effectiveness and covered the Boards of the Company, Allianz Holdings plc and other regulated entities in the Group, as well as the Board Committees.

The legal Directors of the Company's Board as at December 31, 2021 are detailed below, as well as their memberships of the Allianz Holdings plc Board Committees. Richard Hudson and Jon Dye were not directors at the end of 2021 but are included to illustrate their committee memberships for part of the reporting period.

		Executive Committee	Board Risk Committee	Audit Committee	Finance & Investment Committee	Compensation and Nomination Committee	Customer and Conduct Committee
Richard Hudson [1]	Non-Executive Director - Chair		x	x		x	
Paul Evans [2]	Non-Executive Director - Chair		x	x		x	x
Christian Dinesen	Non-Executive Director		x	Chair		x	
Denise Larnder	Non-Executive Director		Chair	x			x
Rosanne Murison	Non-Executive Director		x	x		Chair	Chair
Andrew Torrance	Non-Executive Director		x	x	x	x [3]	x
Christopher Townsend	Non-Executive Director		x [4]	x [4]		x [4]	x [4]
Jon Dye [5]	Chief Executive Officer, AzH*	Chair			Chair		
Fernley Dyson	Chief Financial Officer, AzH*	x			x		
Stephen Treloar	Chief Executive Officer, AzP**	x			x		

1 – Resigned from all roles with effect from May 14, 2021
2 – Appointed to all roles with effect from May 14, 2021
3 – Appointed as a member with effect from November 24, 2021
4 – Removed as a member with effect from November 24, 2021
5 – Resigned from all roles with effect from November 30, 2021

* Allianz Holdings plc
** Allianz Personal

B. SYSTEM OF GOVERNANCE CONTINUED

Potential conflicts of interest between the Company, its policyholders and other companies in the Group are regularly identified and managed. The processes in place to manage those conflicts include documented requirements for governance and appropriate independence. The Company's Board maintains and regularly reviews a register of the interests of the Directors.

The Customer & Conduct Committee is responsible for oversight of material customer and conduct matters both current and emerging, including reviewing matters from a customer impact perspective. The Committee is responsible for highlighting such matters that may require attention by the Company's Board, the Board of Allianz Holdings plc or by the Allianz SE Group. Membership of the Committee during the year comprised an independent non-executive director who acted as Chair, at least three other members who must be independent non-executive Directors and one of whom must be the Board Risk Committee Chair. In addition, the Chief Executive Officers ("CEO") of Allianz Holdings plc Group and LVGIG were members of the Committee. During 2021, following the Restructure, the executive members of the Committee comprised the CEO of Allianz Holdings plc, the CEO of Allianz Personal (formerly the CEO of LVGIG) and the CEO of Allianz Commercial.

The Board Risk Committee is responsible for oversight of risks (current and emerging), the links between different risks, the Enterprise Risk Management Framework within which the Company manages those risks, and the activities of the Risk department. The Committee is also responsible for highlighting any risk issues that may require attention by the Company's Board, the Board of Allianz Holdings plc or Allianz SE Group. Membership of the Committee comprises a non-executive director who acts as chair and at least three other independent non-executive Directors.

The Audit Committee is responsible for the oversight of policies and procedures relating to internal control and financial/regulatory reporting, to ensure the independence and effectiveness of internal and external audit functions and the integrity of financial and narrative statements for the Company. The Committee is responsible for highlighting such matters that may require attention by the Company's Board, the Board of Allianz Holdings plc or by the Allianz SE Group. Membership of the Committee comprises an independent non-executive Director, who acts as Chair, and at least two other members who must be independent non-executive Directors.

The Compensation & Nomination Committee is responsible for oversight of all compensation and nomination matters relating to executives and employees of the Company and the Group. The Committee's responsibilities include the design, governance and operation of the Group's compensation system; identifying local risk takers and to control their compensation according to applicable regulations; reviewing the size, structure, and composition of the Board; identifying non-executive Director candidates when vacancies arise; reviewing the leadership needs of the organisation; and reviewing gender pay gaps and diversity and inclusion matters. The Committee is responsible for highlighting matters that may require attention by the Company's Board, the Allianz Holdings plc Board or Allianz SE Group. Membership of the Committee comprises an independent non-executive Director who acts as Chair and at least two other members who must be independent non-executive Directors. For part of the year the Chief HR Officer was a member of the Committee, however this role is no longer part of the membership in order to align with UK best practise and the requirements of the Corporate Governance Code.

No senior management appointment is made without the applicant undertaking a comprehensive assessment to determine the level of his or her management skills. The Committee also reviews any Board performance evaluation process and recommendations.

The Finance and Investment Committee has responsibility for oversight and management of the investment portfolios of the Group (including the Company's portfolio) and for overseeing their investment-related risks. The Committee also has responsibilities concerning, and reports by exception on, investment risk matters to the Board Risk Committee. In addition to its investment portfolio responsibilities, the Committee's objectives include overseeing the planning and development of the Group asset allocation and investment income, overseeing the Group capital structure and liquidity position, and approving individual investment transactions with significant impact for companies within the Group. Membership of the Committee comprises the Group CEO as Chair, the Group Chief Financial Officer ("CFO") who acts as Deputy Chair, the Group Chief Investment Officer ("CIO") and the Regional CIO of Allianz Investment Management SE, an independent non-executive Director of the Company, the CEO of Allianz Personal (previously CEO of LVGIG), the CEO of Allianz Commercial and the Deputy CFO of the Group (previously CFO of LVGIG). The composition of the Committee changed during the year following the Restructure, when the role of Allianz Commercial CEO was added as an additional member.

There is also an Executive Committee of Allianz Holdings plc (previously known as the Management Board), which met monthly during 2021 to monitor business performance against strategy, compliance and risk management, discuss developing issues and to make material operational decisions.

The members of the Allianz Holdings Executive Committee as at December 31, 2021 are:

- Colm Holms – CEO elect (Chair)
- Stephen Treloar – CEO (Allianz Personal)
- Fernley Dyson – CFO
- Julie Harrison – Chief HR Officer
- Simon McGinn – CEO (Allianz Commercial)
- John Berry – CRO
- Stephanie Smith – Chief Operations Officer (resigned effective December 31, 2021)

There were five changes to the Executive Committee during the reporting period which were: the resignation of Neil Clutterbuck with effect from 31 August 2021 and the resignation of Graham Gibson, Kieran O'Keeffe and Kevin Wenzel with effect from 24 November 2021, which were changes due to the Restructure; the resignation of Jon Dye with effect from 30 November 2021; the resignation of Stephanie Smith with effect from 31 December 2021; and the

B. SYSTEM OF GOVERNANCE CONTINUED

appointment of Colm Holmes with effect from 1 December 2021. Following the end of the period, Gavin Drescher (acting Chief Operating Officer) was appointed to the Executive Committee with effect from January 6, 2022.

The CEOs of Allianz Commercial and Allianz Personal also have a respective Executive Committee, consisting of the senior leadership of each distinct business. The Allianz Commercial Committee is responsible for the management of the Allianz Commercial business, including the majority of the Company's business, and was previously the Allianz Insurance plc Executive Committee.

The following four key functions required by Solvency II are each headed by the following individuals:

- Risk Function: John Berry – Chief Risk Officer, AZH
- Compliance Function: Margo Young – Chief Compliance Officer, AZH
- Actuarial Function: Phil Singh – Chief Actuarial Officer, AZH
- Internal Audit Function: Matthew Cox – Chief Audit Officer, AZH (with effect from September 6, 2021 replacing Andrew Gascoyne who left the role August 31, 2021)

Key function authority, operational independence and resource are described in sections B.3 – B.6 of this report. All members of the Company's Board and Allianz Holdings Executive Committee, the heads of the four key functions and certain other senior managers have been approved by the PRA and/or the FCA.

The Senior Managers and Certification Regime ("SM&CR") sets out the prescribed responsibilities which must be allocated to specific individuals in insurance companies. The following table sets out which role within the Company is responsible for the execution of each specific responsibility.

B. SYSTEM OF GOVERNANCE CONTINUED

Prescribed Responsibility	Allocation
Senior Managers Regime	SMF1 Chief Executive
Certification Regime	SMF1 Chief Executive
Conduct rules training and reporting	SMF1 Chief Executive
Responsibilities map	SMF2 CFO
Anti-financial crime policies and controls	SMF1 Chief Executive
Obligations in Insurance for Fitness and Propriety	SMF9 Chair
Leading development of the firm's culture by the governing body as a whole	SMF9 Chair
Overseeing adoption of the firm's culture in the day-to-day management of the firm	SMF1 Chief Executive
Responsibility for production and integrity of firm's financial information and its regulatory reporting	SMF2 CFO
Management of the allocation and maintenance of the firm's a) capital and b) liquidity	SMF2 CFO
Responsibility for the performance of the firm's ORSA	SMF4 CRO
Induction, training and professional development of all members of the firm's governing body	SMF9 Chair
Induction, training and professional development of all the firm's SMF managers and Key Function Holders	SMF1 Chief Executive
Oversight of the independence, autonomy and effectiveness of Whistleblowing policies and procedures	SMF10 Chair of Audit Committee
Development and implementation of remuneration policies and practices	SMF12 Chair of Remuneration Committee
Obligations in respect of outsourced operational functions and activities	SMF1 Chief Executive
Development and maintenance of the firm's business model by the governing body	SMF1 Chief Executive

B. SYSTEM OF GOVERNANCE CONTINUED

Solvency II legislation requires that the System of Governance be subject to regular internal review. The Group, including the Company, conducts this review annually and it is intended to be a consolidated cross-functional assessment of elements of the System of Governance through all relevant sources for evaluation. Entity level control assessment testing forms part of the review, and is carried out by the Internal Audit department. Adequacy assessment of certain System of Governance elements, as selected by the Allianz SE Group, are also reviewed. There was were four material observations in the 2021 System of Governance review that are relevant to report back to Allianz SE Group, these were:

1. Governance Effectiveness Review – Focusing on work arising from a Board Effectiveness Review of the Group and the Company's Board;
2. Alignment - Integration activity of the LVGIG Group into the Allianz Holdings plc Group including, but not limited to, organisational changes as a result of combining the businesses;
3. Allianz SE Group IT changes – Allianz SE Group driven IT changes and impacts on IT governance (e.g. operational resilience due to changes in underlying IT controls), and the potential further outsourcing of IT systems/processes;

Delegated Authority – review and alignment of existing Delegated Authority arrangements in different business areas and across the expanded group to ensure consistency.

The requirement to conduct the System of Governance review is reflected in the Allianz SE Group Governance and Control Policy, and mirrored in the Allianz Holdings plc Governance and Control Policy. The System of Governance review is assessed by the Governance and Control Committee, which is a sub-committee of the Allianz Holdings plc Executive Committee, and was assessed for 2021 as being adequate in proportion to the nature, scale and complexity of the risks inherent in the business. The System of Governance review was also reviewed by the Board Risk Committee, and Allianz Holdings plc Board, ahead of a Statement of Accountability Attestation being completed by Colm Holmes and Fernley Dyson and returned to Allianz SE Group.

REMUNERATION PRINCIPLES

Allianz's remuneration framework has been constructed to ensure that it is competitive and provides a balance of both fixed and variable pay but does not encourage excessive risk taking. The framework and the processes within it are reviewed by the Compensation and Nomination Committee. The review also monitors the remuneration frameworks consistency with the Company's identified risk appetite.

The Compensation and Nomination Committee is responsible for the sign off of all remuneration decisions affecting the senior executive managers of the Company. This ensures impartiality of decision-making and ensures there are no conflicts of interest in respect of remuneration decisions and is guided by Group principles and requirements.

The remuneration of all employees comprises a combination of basic salary, appropriate benefits and a performance related bonus. In the case of senior employees the bonus is paid as a combination of cash and long-term equity incentives whose value is related to the share price of Allianz SE. The performance related bonus is based upon a combination of company performance against targets and personal performance against specific personal objectives. Personal objectives comprise both business and behavioural components which receive equal emphasis. The most senior managers complete a 360-degree feedback process to contribute to their assessment. There is also a standard compliance objective. It is the responsibility of managers to ensure that personal targets in place are objective and understood by the participants.

External non-executive directors receive fixed remuneration.

In this context "persons who exercise significant influence" are deemed equivalent to "People with Significant Control" as defined by the Companies Act 2006, together with the people with significant control over those people and so on to the ultimate group shareholder.

B.2 FIT & PROPER REQUIREMENTS

The Company requires that all Directors and other senior managers possess integrity, good repute, specific skills, knowledge and the experience necessary to execute their respective roles. This requirement has been aligned to satisfy the requirements of the PRA and/or FCA within the UK regulatory SM&CR, including all managers identified as Key Function Holders and/or Key Function Performers. The individuals, with the support of their line managers, are responsible for ensuring that their skills, knowledge and experience remain adequate and are kept up to date.

Processes are undertaken to assess the fitness and propriety of individual managers and directors subject to the SM&CR prior to those persons joining the Company or assuming a relevant position. Thereafter, annually throughout their employment, a detailed attestation is required from the relevant individual. This includes declarations concerning:

- Criminal proceedings or investigations against them or any firm over which they have held influence;
- Civil proceedings and bankruptcy orders or liquidation or similar proceedings against them or any firm over which they have held influence;
- Disciplinary proceedings or findings against them;
- Regulatory proceedings or findings against them or any firm over which they have held influence;
- Compliance with procedures concerning personal account dealings in Allianz SE and other securities; and
- Potential or actual conflicts of interest.

B. SYSTEM OF GOVERNANCE CONTINUED

B.3 RISK MANAGEMENT SYSTEM INCLUDING OWN RISK & SOLVENCY ASSESSMENT

RISK MANAGEMENT SYSTEM

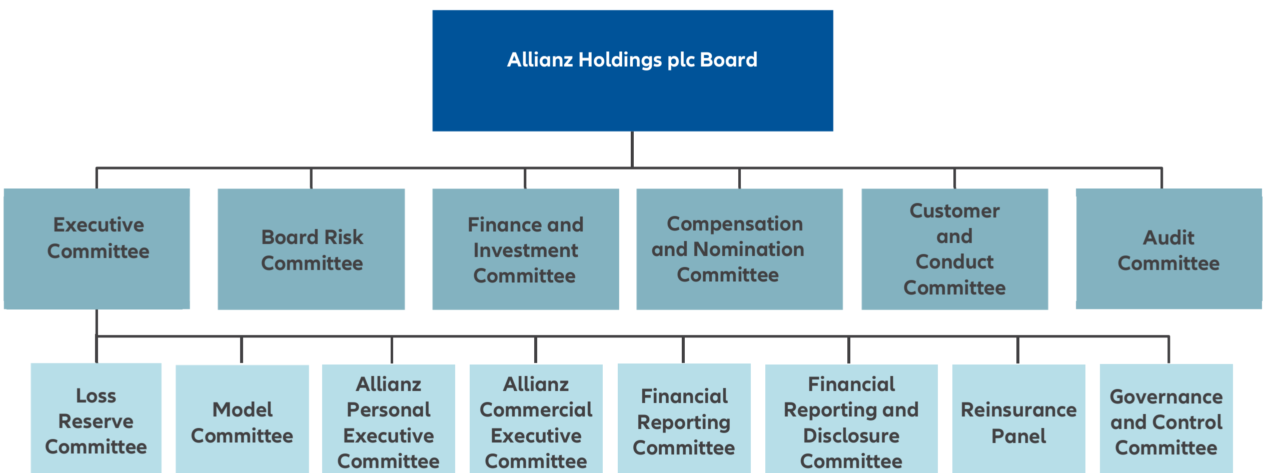
The design and operation of the Risk Management System is the responsibility of the CRO. The Risk Management System encompasses all levels of the Company's management. The components of the system, described below, are embedded in the operations of the organisation.

The system is built around the Three Lines of Defence model:

- The first-line of defence comprises risk taking units which are responsible for delivering profit or loss.
- The second-line comprises independent risk controlling units, including Risk and Compliance, which oversee the framework in which the business works.
- The third-line of defence is the Internal Audit function, which reviews the activities of both first and second lines of defence.

The Board of Directors and Executive Committee are responsible for setting the firm's strategy and risk appetite, with the support and challenge of the Risk function.

As already described, a comprehensive committee structure is in place to ensure that risks are considered at the appropriate level. The diagram below gives further details of the Board Committees.



The Board identifies and prioritises all the material risks facing its business, supported by the Executive Committee, the Board Risk Committee and the Risk function. After identifying the risks the Executive Committee ensures arrangements are put in place to control those risks, along with the respective Executive Committees for Allianz Personal or Allianz Commercial. Risk and control policies are documented.

To ensure risk management is fully integrated into the business and effective control is maintained, key risks and controls are owned by members of the Executive Committee and the respective Commercial and Personal Executive Committees. Members of the Executive Committee and their direct reports take first-line accountability for the identification and management of all risks in the organisation.

The main risks are kept under regular review by the Board via reports from the Risk function to the Board Risk Committee. The Executive Committee is supported in its oversight of risk by a number of sub-committees including the operational Executive Committees for Allianz Commercial and Allianz Personal.

The role and responsibilities of the CRO, the Executive Committee, and its sub committees, are laid down in relevant terms of reference.

The CRO is supported by a full-time Risk function consisting of risk and actuarial professionals. It has responsibility for the calculation of risk capital and validation of the risk capital model, the development and monitoring of the implementation of risk policies, the identification and monitoring of risks, including conduct risk, and the management testing of the key controls that mitigate risk.

The Risk function has a reporting line independent of first-line functions, and independence is prescribed by written policy and overseen by the Board Risk Committee.

In order to ensure comprehensive coverage of the risk landscape, risk analysis is undertaken within a risk taxonomy which is also represented in the design of the internal model (refer to section C).

B. SYSTEM OF GOVERNANCE CONTINUED

The local risk taxonomy is split into three broad groups of risk types:

1. Quantified: Market, Credit, Insurance and Operational
2. Unquantified: Reputational, Liquidity and Strategic
3. Cross-risks: Aggregation and accumulation, Conduct, Group and Emerging

Modelled risks are quantified using the internal capital model and recalculated in a full model run each quarter. Risk tolerance limits are used to monitor quantifiable risks regularly. A number of qualitative risk assessment processes covering all risks are undertaken by the first-line of defence, with support, challenge and oversight from the risk team. The results of these assessments are used to inform key business decisions and planning.

INTERNAL MODEL GOVERNANCE AND VALIDATION

Allianz received approval from the PRA as a member of the College of Supervisors of the Allianz SE Group to use the Allianz SE Group internal model to calculate its SCR and following Brexit received separate written notice from the PRA confirming their internal model approval, this was dated January 6th, 2021. A full governance framework is in place including defined roles and responsibilities based on requirements laid down by Allianz SE Group.

The Board is responsible for confirming the ongoing appropriateness of the internal model at least annually, and for approving internally any major model change and associated application for regulatory approval.

The Board Risk Committee is responsible for making a recommendation to the Board on those subjects, and for monitoring remediation action for identified model weaknesses. It is complemented by the Model Committee, which is an executive sub-committee of the Executive Committee but is also authorised to make recommendations to the Board Risk Committee in relation to matters within its remit. The Model Committee undertakes detailed reviews of modelling decisions and validations and makes recommendations to the Board Risk Committee.

All components of the internal model are subject to independent validation, either locally or at Allianz SE Group level. For each component of the model maintained at group level, a suitability assessment is produced by the Risk function on a rolling cycle over 3 to 5 years (timing is dependent on the materiality of the component). The suitability assessment allows the Risk function to review the appropriateness of the component as it pertains to the Company. These validation components are brought together in an Annual Validation Report. All parts of the validation suite are reviewed in depth by the Model Committee on behalf of the Board Risk Committee. The Board Risk Committee reviews the recommendations of the Model Committee and applies a top-down, high-level validation of the model and its results.

ORSA PROCESS

The ORSA process forms a substantial part of the Risk Management System described above. The ORSA consists of a number of interlinked sub-processes, including but not limited to:

- Top risk assessments;
- Internal Risk and Control System;
- Stress and scenario testing;
- Internal capital modelling; and
- Corporate strategy and planning;

The Board is responsible for setting Allianz's business strategy and risk appetite. Business strategy is determined by the Board and its implementation in terms of types of business, business volumes, capital requirements, financial performance and other appropriate measures, is set out in the business plan. The business plan is prepared annually and outlines the goals in support of corporate strategy to be implemented by the Executive Committee and supporting Executive Committees throughout the business.

The risk strategy and appetite are agreed by the Board with reference to the latest versions of the Allianz SE Group Risk Strategy and Risk Appetite. These include specific principles around capital management which give the Board comfort that the Company can rely on its ultimate parent for support. The Company manages risk in line with the stated risk appetite through its Enterprise Risk Management framework. This consists of ORSA processes which identify, evaluate, treat, mitigate and monitor events or combination of events, so that through an informed decision making process the likelihood and consequences of occurrence are within limits considered acceptable by the Board.

The ORSA covers the overall solvency needs from a forward-looking perspective taking into account the company risk profile, approved risk tolerance limits and the business strategy and the significance with which the company risk profile deviates from the assumptions underlying the internal capital model. The ORSA is an integral part of the development and monitoring of the business strategy and is taken into account on an ongoing basis in strategic decisions. The roles and responsibilities relating to the ORSA include the Board setting the process requirements and challenging and signing off the ORSA report.

The ORSA report is produced annually coincident with the production of the corporate plan, and is supported by quarterly updates to the Board Risk Committee. The ORSA may also be updated following any event that materially changes the risk profile of the organisation.

B. SYSTEM OF GOVERNANCE CONTINUED

A full non-regular ORSA process may be required after any event that could substantially alter the overall conclusions of the most recent (regular annual) ORSA report. The following potential trigger events have been identified:

- Large UK-based natural catastrophe events that have a significant impact on the company risk portfolios;
- Major change in business situation e.g. merger, acquisition or divestiture activity which would require the Company to assess the impact on its current and projected solvency;
- Significant capital market dislocation that has a material impact on the Company investment portfolios;
- Material regulatory intervention;
- Significant changes to the risk capital model;
- Significant changes to reinsurance arrangements;
- Significant changes in regulation or legislation, e.g. material changes to capital requirements; and
- Materialisation of a significant non-quantified risk (e.g. strategic, reputational or liquidity risk).

In 2021, a comprehensive analysis of the potential impact of different economic scenarios has been regularly performed. The COVID-19 pandemic and its impacts have also been considered as part of the regular ORSA process, with the Risk function being involved across the business in evaluating emerging risks.

The ORSA process is underpinned by individual accountabilities and processes undertaken by first-line managers across the organisation.

These include but are not limited to defined authority levels for claim handling and underwriting, and limits on investment risk-taking.

The major sub-processes which contribute to the ORSA process are:

- The setting of risk strategy and appetite by the Board, on the advice of the Board Risk Committee and CRO;
- The development of strategy and a business plan by the Executive Committees within the defined risk appetite;
- The approval of policies and standards in the management of risk by appropriate governance bodies and the monitoring of compliance with those policies and standards by the Risk function;
- A number of Risk evaluation processes, including:
  - The maintenance of a top risk register, including a record of the controls around those risks.
  - The regular analysis of the impact of specific stress scenarios.
  - The operation of the internal model.
  - The maintenance of a register of key operational risks.
- Regular internal reporting on risk exposure and control to governance bodies inside the organisation; and
- Regular external reporting to regulators and to the public, as required by Solvency II and UK regulation.

B. SYSTEM OF GOVERNANCE CONTINUED

The Company uses Allianz SE's risk based internal model to determine its solvency needs. This capital model is directly based on the risk profile of the Company (refer to section C) and is used as the primary input for decisions on capital management (refer to section E). The CFO ensures that recommendations to the Board on capital management take account of risk management activities, including internal model calculations. The Company's policy on capital management is documented and approved by the Board.

Dividends are planned through the Company's annual planning mechanisms, taking into account the Board's requirement to hold an appropriate buffer of capital over SCR and also the requirements to fund planned growth or absorb planned increased risk.

B.4 INTERNAL CONTROL SYSTEM

To ensure an effective internal control system, all functions cooperate to exchange necessary information and advice. Second and third-line functions maintain open lines of communication with first-line functions, and regularly attend key committees at all levels.

With specific regard to the integrity of financial reporting, the Risk function oversees the operation of a process of internal control via the Integrated Risk and Control System ("IRCS"). Under IRCS, processes relevant for financial reporting are tested by first-line management and discussed with the Risk function. Internal Audit tests the operating effectiveness of entity level controls. Senior managers across the organisation, culminating in the CFO and the CEO, are held accountable for the effective design and performance of processes within their span of control. The IRCS process, including the reporting of deficiencies and their remediation, is monitored by the Audit Committee.

COMPLIANCE FUNCTION

Compliance is a key function within the Internal Control System of the Group. The function's primary responsibilities and activities are:

- To support and monitor compliance with applicable law, regulations and administrative provisions to protect the Company against compliance and conduct risks.
- To advise senior management, committees and the Board on compliance with laws, regulations and administrative provisions adopted pursuant to the Solvency II Directive.

The activities and processes of the compliance function are not exclusively performed by the Compliance department but may be delegated to, or supported by, other departments, business areas, Internal Audit, Risk, and Actuarial, or external resources.

The Compliance department comprises a full-time team of compliance professionals led by the Chief Compliance Officer. It is a second-line function reporting into the CRO, but with dotted lines to the Board Risk Committee and Group Chief Compliance Officer for Allianz SE Group; independence of the function is ensured by written policy and by the oversight of the Board Risk Committee. The Compliance Department produces an annual plan in consultation with the Risk and Internal Audit functions for approval by the Executive Committee and the Board. Delivery of this plan, findings from monitoring exercises and remediation of those findings are overseen by the Executive Committee and the Board Risk Committee.

B.5 INTERNAL AUDIT FUNCTION

The Internal Audit function comprises a full-time team of audit professionals led by the UK Chief Audit Officer. It reports to the Audit Committee Chair to ensure independence from first and second-line functions and to the CEO for administrative purposes; independence and objectivity is supported by a written audit policy and by the oversight of the Audit Committee. The Internal Audit function produces an annual audit plan in consultation with the Executive Committee, the second-line functions and the Board. Delivery of this plan, findings from audits and remediation of those findings are overseen by the Audit Committee.

The primary responsibilities and activities of the function are to:

- Carry out reviews of major business activities focusing on the areas of greatest risk to the business together with in-depth reviews of corporate functions and provide specialist expertise such as IT audit capability; and
- Assess adherence to and monitor the overall effectiveness of internal systems and controls, risk management, procedures and policies.

B. SYSTEM OF GOVERNANCE CONTINUED

B.6 ACTUARIAL FUNCTION

Solvency II requires that each company has an Actuarial function to:

- Coordinate the calculation and validation of technical items under IFRS and Solvency II, including technical provisions calculations;
- Ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- Assess the sufficiency and quality of the data used in the calculation of technical provisions;
- Compare best estimates against experience;
- Inform the Board of the reliability and adequacy of the calculation of technical provisions;
- Express an opinion on the overall underwriting policy;
- Express an opinion on the adequacy of reinsurance arrangements;
- Contribute to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements;
- Prepare an annual report on the actuarial function (Actuarial Function Report); and
- Report the results of the reserve valuations to the Board and Group via the Audit Committee.

The Actuarial function's independence is supported by written policy. It recommends the level of technical provisions to the Own Funds Committee. The work of the Actuarial function, and its independence, is overseen on behalf of the Board by the Board Risk Committee.

The Actuarial function consists of the Chief Actuary who is supported by a team of actuarial professionals with a depth of experience. The Chief Actuary holds an appropriate Institute & Faculty of Actuaries Chief Actuary Practising Certificate and is the approved SMF20 Chief Actuary Function Holder. The Actuarial function reports on compliance with the above requirements by producing an Actuarial Function Report.

B.7 OUTSOURCING

Allianz has a local outsourcing policy that aligns with the key principles of the corresponding document at the Allianz SE group level and the requirements of Solvency II. This local policy provides necessary local further guidance, particularly in the area of underwriting and claims activities, for example concerning delegated authorities.

The Local Outsourcing Policy ("LOP") sets out a clear framework for the management of outsourcing (as defined by the Group Outsourcing Policy). Compliance with the policy is overseen by the local outsourcing function, who, with the procurement team, also provide expert advice on setting up, managing and terminating outsourcing and other contracts. Suppliers are risk assessed by Procurement at the point of initial engagement, and at intervals throughout the lifetime of the contract, drawing advice from safeguarding functions as and where required. Critical or important function suppliers are managed closely by the supplier relationship management team, who support the business in ensuring that the appropriate monitoring and oversight is in place for these suppliers.

Critical or important functions or services are defined by specific criteria set out in the LOP. These are reviewed at least annually by the Executive Committee on behalf of the Board, and the review process is monitored by the Board Risk Committee.

The table below outlines the critical or important functions or activities that are outsourced, and the jurisdiction in which the service providers are located.

The Company does not outsource outside the Group any of the four key functions – Risk, Compliance, Actuarial and Internal Audit – as defined by Solvency II.

B. SYSTEM OF GOVERNANCE CONTINUED

Activity outsourced	Fellow member of the Allianz SE Group	Outsourcing Provider's Jurisdiction
Delegated authority to handle specific claims and/or underwriting of specific segments	N	United Kingdom
Handling of run-off claims and provision of specific underwriting expertise	Y N	Germany United Kingdom
Provision of document preparation, printing and distribution	N	United Kingdom
IT services including hosting, development and support of business services	Y N N	United Kingdom & India Ireland USA
Application development and maintenance, customer and business services	Y	India
Information technology infrastructure provision	Y	Germany
Asset and Real Estate Management	Y N	United Kingdom United Kingdom
Pension Advisory services	N	United Kingdom
Management Services, including provision of staff	Y	United Kingdom

B.8 ANY OTHER INFORMATION

The Group continuously monitors the effectiveness and adequacy of its System of Governance, including the effectiveness of specific functions, and believes them to be operating effectively. This assessment takes into account the nature, scale and complexity of the risks inherent in its business.

There has been no need for specific changes to the System of Governance as a result of the COVID-19 pandemic. This is because the System of Governance is designed to be robust to significant external events.

During the COVID-19 pandemic, there has been continued involvement and input from the Board, including from the non-executive directors. The Board has received regular updates describing the financial and operational impacts on the Company. Feedback has been provided on these topics to executive management.

The Risk function is responsible, among other things, for assessing risks and monitoring risk capital. This also includes the ongoing assessment of risks resulting from COVID-19.

In order to assess current developments, the Risk function has analysed the current and potential future impacts of the current pandemic. Financial risks have been closely monitored by means of at least monthly assessment of the Company's solvency position, which includes the assessment of the impacts on the pension fund.

Our ability to continue to meet our customers' needs has been supported by a move to the new 'Ways of Working' approach, which includes increased flexibility for employees and the adoption of hybrid working. Operational risks associated with this move have been mitigated by the investments made by the Company in IT to support this home working. Further information on the monitoring of risks is provided within Section C.

C. RISK PROFILE

This section is unaudited.

This section provides information on the Company overall risk profile followed by a description of each risk category in detail.

Risk is measured and steered using a number of quantitative and qualitative tools. The main quantitative tool is the approved internal model, under which the Company derives its risk capital from potential adverse developments of Own Funds. The resulting profile provides an overview of how risks are distributed over different risk categories and determines the regulatory capital requirements in accordance with Solvency II.

The Company uses a combination of processes, such as expert judgement and incident management, to identify, assess and control qualitative risks. Qualitative risks are regularly monitored by management to ensure that they do not materially impact on the operational activities necessary for the achievement of business plans.

During 2021 no significant changes were made to the internal model that impacted the Company. There were no other material changes in the methods used to assess risks during 2021. Compared with 2020, credit spread risk and longevity risk have decreased following a pensioner buy-in transaction within the Allianz Retirement and Death Benefits Fund ("ARDBF") in November 2021, which insured the majority of the current pensioners and dependants.

The Company insures only non-life insurance risks though it is also exposed to some life insurance risks because it settles certain claims as Periodic Payment Orders ("PPOs"). These make up a small proportion of the Company's overall claims. As a result of its asset management activities to support its primary business activities, the Company is also exposed to market and credit risks.

The ARDBF has exposure to life insurance risks as well as further market and credit risks. AMS, a fellow Allianz Holdings plc Group subsidiary, is the sponsoring employer of the ARDBF, however the Company allows for the risks associated with the ARDBF as part of its solvency capital requirement assessment because an IAS 19 pension deficit, should it arise, would be deducted from the Company's Own Funds.

In order to adequately understand its risk exposures, the Company extensively uses stress testing and sensitivity analysis for all material risks and events. Information on the Company's risk sensitivities, including a description of methods used, the assumptions made and the outcome of stress testing and sensitivity analysis for material risks is provided in section C.7. The Company does not use Special Purpose Vehicles to transfer risk and is not exposed to risk from positions off its balance sheet, except in relation to securitised investments, as described in section C.3 Credit Risk.

C.1 UNDERWRITING RISK

Underwriting risk consists of:

- Premium risk and reserve risk for the insurance business;
- Longevity risk for the pension fund; and
- Business risk.

The capital held for underwriting risk before diversification within this category or with other risk categories is £577m.

The key underwriting risk concentration for the Company is geographical – almost all of its business is written in the UK so it is exposed to UK government decisions, such as the change in the Personal Injury Discount Rate. Nevertheless, its insurance portfolio is geographically dispersed across England, Scotland, Wales and Northern Ireland in order to help reduce concentration and potential impacts from a Natural Catastrophe risk perspective, and it displays significant diversity within its product set, as illustrated by the table in section A.2.

The geographical diversity of the Company risk exposure has remained stable over 2021.

PREMIUM RISK

The Company receives premiums from its customers and provides insurance protection in return. Changes in profitability over time are measured based on combined ratios and their fluctuations. The Company faces the risk that underwriting profitability is less than expected because there are more claims than expected, or claims are higher in value than expected on average.

Premium risk is subdivided for the purposes of assessment into natural catastrophe risk, non-catastrophe risk and terror risk. The undiversified risk capital as at December 31, 2021 for each of these was £110m, £135m and £14m respectively. The calculation of premium risk capital is derived from actuarial models that are used to derive loss distributions and from external models for natural catastrophe risk.

The Company actively manages its premium risk. There are clear underwriting limits and restrictions, and other controls, including file reviews, underwriting authorities and training, defined and monitored by the Chief Underwriting Officer and Pricing Director. There is a product development process which defines governance around product development, including review by both the Technical and Risk teams.

Peak risks including accumulation risks are mitigated by reinsurance agreements, and their continued effectiveness is overseen by a reinsurance panel, which is a sub-committee of the Executive Committee.

C. RISK PROFILE CONTINUED

The Underwriting Committees provide review and oversight of the underwriting risk and technical underwriting control environment. It acts as the prime interface between the Technical department, the Risk and Compliance department and the Board Risk Committee on underwriting risk matters.

RESERVE RISK

The Company holds reserves for claims resulting from past events that have not yet been settled. If the claims reserves are insufficient to cover claims to be settled in the future due to unexpected changes, losses would be incurred. Claims reserves could be under-estimated if, for example, more claims had occurred in the past than have been estimated or average amounts paid per claim to settle these are higher than expected.

The Company monitors the development of reserves for insurance claims on a line of business level quarterly through a reserving exercise assessing the unpaid claims reserves both gross and net of reinsurance. In addition, it conducts annual reserve uncertainty analyses based on similar methods to those used for premium risk calculations. Allianz SE performs regular independent reviews of these analyses and representatives participate in the local Reserve Committee meetings.

Section D.2 (Technical Provisions) covers reserve risk in more detail. The undiversified risk capital as at December 31, 2021 was £236m.

LIFE INSURANCE RISKS

Technical provisions held in respect of PPO claims are classified as annuities stemming from non-life insurance contracts and are also subject to longevity risk. The longevity risk from these technical provisions is assessed within the reserve risk module of the internal model and is therefore categorised as reserve risk in the SCR breakdown (in section E.2).

The ARDBF is subject to a number of life risks. The only material risk is longevity, the risk that members live longer than expected and therefore the pension fund liabilities increase. The Company holds risk capital against this risk; the risk diversifies very well against other risks and so is of limited materiality in combination. The undiversified risk capital for longevity risk as at December 31, 2021 was £65m.

BUSINESS RISK

The business risks for the Company include cost risks associated with expenses incurred in administering policies transpiring to be higher than expected, or that new business volumes decrease to a level that does not allow the Company to absorb its fixed costs. The undiversified risk capital for business risk as at December 31, 2021 was £17m and after allowing for diversification against other risks it is of limited materiality in combination.

C.2 MARKET RISK

The guiding principle for the Company's investment risk management, covering market risk, credit risk and liquidity risk, is the Prudent Person Principle (Article 132 of the Solvency II EU Directive).

The Company meets the Prudent Person Principle by employing a professional CIO, who is supported by the global and specialist expertise of Allianz Investment Management. It also invests with reference to a Strategic Asset Allocation ("SAA") which defines its long-term investment strategy for the investment portfolio as a whole.

The Company is directly exposed to movements in financial markets through its own investments. In addition, the Company is indirectly exposed to movements in financial markets through the investments of the ARDBF, as described previously, any IAS 19 pension deficit would be deducted from the Company's Own Funds.

The risk capital before diversification within this category and with other risk categories allocated to market risks amounts to £425m. The main driver is credit spread risk.

The Company assesses its market risk exposure via quantitative and qualitative processes carried out by the Investment and Risk functions, including regular dialogue between the functions and formal reporting to the Finance & Investment Committee and the Board Risk Committee.

When setting up the SAA, care is taken to ensure an adequate target level of asset quality and security (for example, ratings and collateral) together with a sustainable return, as well as sufficient liquidity.

The Company only invests in assets it can properly identify, measure, monitor, manage, control, report and appropriately integrate in its solvency assessment. The table in section A.3 provides information on the investment portfolio as at December 31, 2021.

The SAA is the main mechanism used to mitigate investment risk – it covers both the target value of assets in particular asset classes and the matching of duration between the asset and liability portfolios. Compliance with the SAA is monitored by the Risk function and by the Board Risk Committee with support from the Finance & Investment Committee.

The Company has no material concentration of market risks, as illustrated by the table in section A.3.

The Company performs stress testing and sensitivity analysis in order to understand the impact of certain changes in market variables on its solvency position. Details of these analyses are provided in section C.7.

C. RISK PROFILE CONTINUED

EQUITY RISK

The only equity risk exposure relates to the strategic participations which the Company holds. The undiversified risk capital for equity as at December 31, 2021 was £17m and is therefore small.

INTEREST RATE RISK

Movements in interest rates can cause the value of the Company's investments to move adversely relative to its technical provisions which are discounted on the Solvency II balance sheet. Exposure to this risk is mitigated substantially by undertaking asset-liability matching exercises, and in particular by setting a target for matching as part of the SAA. The undiversified risk capital for interest rate risk as at December 31, 2021 was £92m.

CREDIT SPREAD RISK

Credit spread is the difference in yield between two assets of similar maturity but different credit quality.

The Company is directly exposed to credit spread risk through its investments in fixed income assets – such as bonds. Credit spread risk is mitigated by managing the credit quality of the fixed interest portfolio by monitoring the credit ratings and large exposures in the portfolio, in conjunction with stress testing to assess the sensitivity of credit spread risk to movements in spreads.

The ARDBF is exposed to credit spread risk through its investments in fixed income assets such as bonds – moving adversely relative to its liabilities (which are valued under IAS19 using corporate bond yields). The Company allows for this as part of its SCR assessment. The total undiversified credit spread risk as at December 31, 2021 was £195m. There has been a significant reduction in credit spread risk compared to that at the end of 2020 following the pensioner buy-in within the ARDBF during 2021.

INFLATION RISK

The Company is exposed to changing inflation rates due to its non-life insurance obligations. Since inflation increases both claims and costs, higher rates of inflation will lead to greater liabilities. The SCR also allows for inflation risk relating to the ARDBF pension obligation. This risk is mitigated by investment in index linked bonds and other inflation-linked assets, although the mitigation is not perfect because of caps and floors in the sensitivity of pension liabilities to inflation indices. The undiversified risk capital for inflation risk as at December 31, 2021 was £10m.

CURRENCY RISK

Currency risk is not a material risk as almost all the Company's insurance business is written in British Pounds and there are limited historical insurance liabilities in other currencies. It is mitigated by ensuring that where such exposures do exist they are matched by appropriate assets. The Company tolerates the currency risk inherent in outsourcing services to Allianz Technology India and Allianz Technology based in Germany, which charge in Indian Rupees and Euros respectively.

REAL ESTATE RISK

Direct and fund real estate investments are held (by a strategic participation) to diversify the portfolio and take advantage of expected long-term returns and increased short-term yields. The key risk from these holdings is a decrease in property values. Real estate risk is mitigated by maintaining a diverse, high quality property portfolio and by taking advice from professional property managers. The undiversified risk capital for real estate risk as at December 31, 2021 was £108m.

DERIVATIVES

The Company uses a derivative to hedge against fluctuations in share price within long-term incentive plans awarded to senior managers. In addition, with regard to the emerging market investment portfolio the Company has currency forward contracts in order to hedge the USD and EUR denominated bonds held in this portfolio.

C.3 CREDIT RISK

The Company's credit risk exposure arises from its investment portfolio and reinsurance counterparties. Credit risk arising from the investment portfolio accounts for the most significant part of the pre-diversified credit risk. Credit risk is measured as the potential economic loss in the value of the Company's portfolio due to changes in the credit quality of its counterparts ("migration risk") or the inability or unwillingness of the counterparty to fulfil contractual obligations ("default risk").

The risk capital before diversification with other risk categories allocated to credit risk amounts to £79m.

The only material concentrations of credit risk is in respect of fellow Allianz SE Group companies. The Company's current reinsurance programme is placed with Allianz Re Dublin Designated Activity Company ("Allianz Re Dublin dac"), for all risks. In respect of reinsurance, the credit rating of Allianz Re Dublin dac is such that an impact on Allianz would only be felt in the event of a major global shock impacting the ability of reinsurance to respond to a major localised shock, such as a 1:200 natural catastrophe in the UK.

C. RISK PROFILE CONTINUED

The Company is exposed to off balance sheet credit risk in respect of the collateral maintained by issuing institutions to back certain securitised investments. This credit risk is managed by means of a careful selection of counterparties and by ensuring over-collateralisation of securitised investments.

The Company monitors and manages credit risk exposures and concentrations monthly to ensure it is able to meet policyholder obligations when they are due and to maintain adequate capital and solvency positions. Limits are set and monitored by counterparty, with limits varying by type of investment and by counterparty credit rating.

This credit risk monitoring includes monitoring of off- balance sheet exposures, to ensure that the risk mitigation techniques which give rise to the exposures remain effective.

C.4 LIQUIDITY RISK

Liquidity risk is the risk that requirements for current or future payment obligations cannot be met. Liquidity risk is not modelled within the internal model because capital is not an appropriate mitigant. Instead, the Company closely monitors liquidity risk on a quarterly basis through scenarios.

The nature of the Company's core business limits its exposure to liquidity risk, to the extent that it has negligible residual risk in normal circumstances.

Premiums are received well in advance of liabilities and most assets are traded in deeply liquid markets so that funds are available from the selling of these without a material discount except in the most extreme situations.

The Company monitors the liquidity position under stressed scenarios, including major claim events and extreme reductions in market liquidity, to ensure that should large amounts of liquidity be required at short notice adequate liquidity would be available. Even in the most extreme modelled situation, the Company liquidity intensity ratio remains sufficiently below the risk appetite of 80%.

There have been no material changes in exposure to liquidity risk over the reporting period and the Company has no major concentrations which affect its liquidity risk. There are a small number of specific predictable large cash transfers out per year. These are managed closely by the accounting function in conjunction with the CIO.

C.5 OPERATIONAL RISK

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, or from external factors other than financial risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The risk capital before diversification with other risk categories allocated to operational risk amounts to £75m.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk. Compliance with these standards is supported by a programme of periodic reviews.

The main operational risks identified are those related to information security, provision of IT services and political risk associated with regulatory change; these are included on the risk register reviewed by the Board Risk Committee for the Board. The main concentration of operational risk relates to the provision of services by Allianz Technology, a fellow subsidiary of the Allianz SE group.

The key mitigants around operational risk are the development and maintenance of controls to address the risks, this is documented in a risk catalogue which is reviewed annually to ensure appropriate mitigation is in place for identified risks. First-line governance forums and the Personal and Commercial Risk Committees undertake monitoring of operational risks, including reviewing operational losses and key control failings on a quarterly basis. Operational risks are assessed as per the IRCS and an annual plan is produced with progress against this plan reported to the Personal and Commercial Risk Committees.

Concentration of internal operational risks, in so far as it exists in relation to business continuity, compliance and outsourcing risks, is monitored and managed through second-line and first-line review and oversight. In addition, the Internal Audit department assesses the effectiveness of the internal control system through planned reviews of business activities.

C. RISK PROFILE CONTINUED

C.6 OTHER MATERIAL RISKS

STRATEGIC RISK

Strategic risk is defined as negative effects on capital and earnings due to business policy decisions, changes in the economic environment, deficient or insufficient implementation of decisions, or a failure to adapt to changes in the economic environment. Strategic risks are mitigated by the review of strategies and plans by the Board and Allianz SE. They are evaluated and analysed as an input to the strategy and planning process and as part of the review of corporate plans by the CEO, CFO and CRO.

REPUTATIONAL RISK

Reputational risk is the risk of an unexpected negative change in the Company's value as a result of a decline in the reputation of the Company in the eyes of its customers, regulators or staff. Reputational risks are mitigated by the implementation of policies on external and internal communication, and by active management of the relationships between the Company and its regulators. They are evaluated and analysed in discussions between the Risk function and the corporate communications team.

CONDUCT RISK

Conduct risk is defined as the risk that inappropriate decisions, actions, and/or processes impact the ability to achieve fair customer outcomes. Conduct risk considerations arise for all business activities and risk categories. The Company endeavours to execute its business activities appropriately, seeking to ensure that there is no risk of significant detriment to customers, the Company itself or corporate partners as a result of inappropriate delivery. The Company aim is for a customer centric culture throughout the business, in order to help mitigate conduct risk.

Conduct risk is also mitigated by internal processes and is reinforced by thorough training and communication programmes. It is evaluated and analysed by the Risk and Compliance function in conjunction with the first-line.

C.7 ANY OTHER INFORMATION

RISK SENSITIVITY ANALYSIS

In order to adequately understand its risk exposures, the Company uses stress testing and sensitivity analysis for all material risks and events. The primary mechanism for this analysis is the internal model, which is itself a stress testing model, assessing the impact on the total balance sheet of stresses on specific parameters.

These stresses are used to identify the most material impacts to the Company and then feed into investment decisions and underwriting activities as well as areas of focus for monitoring.

It is also periodically used to perform investigations into specific real-world scenarios of relevance to the Company, across all risk types, and also to undertake regular analyses of one-factor stresses. This analysis covers both the direct impact on the balance sheet and also secondary impacts on solvency. All these analyses are reported to the Board Risk Committee, and are also used as input into decisions about capital requirements.

As at December 31, 2021 the Company's Solvency ratio (that is, the percentage coverage of the SCR by Own Funds) was 156%. The table below shows the results of the sensitivity analysis for one-factor stresses, covering both market and non-market risks. The results include the impact on Own Funds, the subsequent impact on the SCR and the resulting combined impact on the Company's Solvency ratio. The impact on Solvency ratio is the absolute change in percentage points (%p).

The results in the below table demonstrate the impact of a one-factor stress with all other variables being held constant, as at December 31, 2021. While in reality there are interactions between the risks and movements in one variable would coincide with or cause movements in other variables, this analysis provides an insight into the relative sensitivity of the Solvency ratio to the different individual risks.

The results are reasonable given the strategy and business of the Company.

C. RISK PROFILE CONTINUED

The results represent the estimated direct quantitative impact of the stresses and do not consider future management actions that could potentially alleviate the situation. Examples of possible recovery options that the Company's management could decide to action following a stress include changing the investment portfolio to address market or credit risk, requesting capital from Allianz SE, altering the business portfolio and changing reinsurance arrangements.

	Impact on Own Funds (£m)	Impact on SCR (£m)	Impact on Solvency ratio
Market risk			
Interest Rates: 100bps increase	10	(6)	4%p
Interest Rates: 100bps decrease	(34)	3	(7%)p
Credit Spreads: 100bps increase relative to swaps	(88)	12	(19%)p
Credit Spreads: 100bps decrease relative to swaps	96	(21)	24%p
Inflation: 100bps increase	(48)	(13)	(5%)p
Inflation: 100bps decrease	37	(5)	8%p
Equity: 30% decrease in equity markets	(8)	(3)	(1%)p
Real estate: 10% decrease in property markets	(18)	(3)	(2%)p
Non-market risk			
Premium risk: 1 in 10 year event	(61)	9	(13%)p
Reserve risk: 1 in 10 year event	(83)	13	(18%)p
Credit risk: 1 in 10 year event	(14)	–	(3%)p

Over 2021 uncertainties continued in relation to the ongoing COVID-19 pandemic. The impact of the COVID-19 pandemic on each of the main risk categories covered above (Underwriting, Market, Credit, Liquidity and Operational) is described below:

- Underwriting risk was impacted by an increase in reserve risk for claims for business interruption following lockdowns at the beginning of the pandemic, although was offset by lower than expected claim frequencies on other lines of business such as motor, liability and pet. The claim frequency impacts from COVID-19 have been carefully projected by the Actuarial function across all lines of business.
- Market risk was impacted by increased market volatility however markets did stabilise over the last year.
- Credit risk was not materially impacted by downgrades and defaults in 2021.
- Liquidity risk continued to be managed through regular scenario analysis and mitigated by our strategic asset allocation which focuses on liquid investments in gilts and corporate bonds. The Company had readily available funds to meet customer claims and to continue to meet the Company's financial obligations as they fell due.
- Operational risk was initially impacted by home working, although the associated risks were identified and actively mitigated through specific IT investments and revisions to processes associated with home working.

D. VALUATION FOR SOLVENCY PURPOSES

SCOPE OF REPORT AND INTRODUCTION

The scope of this section of the report is to represent the excess of assets over liabilities of the Company.

The recognition, measurement and valuation policies for IFRS reporting purposes applied by the Company are summarised in notes 1.4 and 2 within the Allianz Insurance plc Annual Report and Financial Statements. This report summarises any differences to those valuation policies for solvency purposes.

The table below shows the IFRS balance sheet of the Company as at December 31, 2021 and the key reclassifications and valuation differences between that and the balance sheet used for solvency purposes.

D. VALUATION FOR SOLVENCY PURPOSES CONTINUED

	IFRS Balance Sheet (£m)	Reclassifications (£m)	Valuation Difference (£m)	Solvency II Balance Sheet (£m)
Assets				
Goodwill	3	–	(3)	–
Deferred acquisition costs	70	–	(70)	–
Intangible assets	29	–	(29)	–
Deferred tax asset	8	(6)	46	48
Property and equipment held for own use	9	–	–	8
Investments				
Holdings in related undertakings, including participations	232	–	131	363
Government bonds	461	4	–	465
Corporate bonds	1,366	18	–	1,384
Securitised bonds	409	1	–	410
Collective investment undertakings	135	–	–	135
Accrued interest	23	(23)	–	–
Derivatives	4	9	–	13
Deposits other than cash equivalents	6	–	–	6
Loans and mortgages	256	–	(6)	250
Reinsurance recoverables from:				
Non-life and health similar to non-life	1,301	(43)	(155)	1,103
Life and health similar to life, excluding health and index-linked and unit-linked	110	–	60	170
Insurance and intermediaries receivables	757	(739)		18
Reinsurance receivables	10	–	–	10
Receivables (Trade, not insurance)	62	(3)	–	59
Cash and cash equivalents	7	–	–	7
TOTAL ASSETS	**5,258**	**(782)**	**(26)**	**4,450**
Liabilities				
Technical provisions				
Best Estimate – non-life	2,797	(739)	(237)	1,821
Risk Margin – non-life	–	–	103	103
Best Estimate – life	147	–	102	249
Risk Margin – life	–	–	64	64
Provisions other than technical provisions	39	5	–	44
Deposits from reinsurers	917	11	3	931
Insurance and intermediaries payables	70	–	(15)	55
Reinsurance payables	53	(53)	–	–
Deferred tax liabilities	6	(6)	–	–
Payables (trade, not insurance)	71	–	–	71
Other liabilities	242	–	(7)	235
TOTAL LIABILITIES	**4,342**	**(782)**	**13**	**3,573**
Excess of assets over liabilities	**916**	**–**	**(39)**	**877**

D. VALUATION FOR SOLVENCY PURPOSES CONTINUED

D.1 ASSETS

Participations are valued using the adjusted equity method, that is, at their IFRS Net Asset Value, adjusted for Solvency II valuation differences.

Goodwill, intangible assets and deferred acquisition costs are valued at nil.

Receivables have been reported in the Solvency II balance sheet at the value included under IFRS accounts. This is deemed market consistent given that the receivables are due within 12 months and therefore the discounting effect of the time value of money is not deemed significant.

In the case of insurance-related receivables, the difference between IFRS and Solvency II balance sheet mainly relates to the recognition of certain premiums that are included in the receivables under IFRS, while they are recognised within technical provisions in the Solvency II balance sheet, because such premiums are not yet due by the balance sheet date.

Loans have been included in the Solvency II balance sheet at their market value. The Company has three loans; two are with fellow Group Companies (with AMS and APL) and one is an infrastructure loan.

The AMS intercompany loan is repayable in equal annual instalment of £16m over 10 years, up to September 30, 2029. The loan carries interest at the Bank of England base rate plus 0.25% and is guaranteed by Allianz SE. The loan is valued in the Solvency II balance sheet using a discounted cash flow model and the fair value at December 31, 2021 is £124m.

The APL intercompany loan is a facility (up to £47m) and is repayable by 31 December 2026. The loan carries interest at the Bank of England base rate plus 0.50%. The loan is valued in the Solvency II balance sheet using a discounted cash flow model and the market value of the loan at December 31, 2021 is £3m.

The infrastructure loan is valued in the Solvency II balance sheet using a discounted cash flow model. The cost and the market value is £30m.

Where there are quoted prices in active markets for identical assets, these assets are classified as "Level 1". Investments classified as Level 1 are reported in the Solvency II balance sheet at the value included in the IFRS accounts.
Where there are inputs other than quoted prices that are observable either directly or indirectly these assets are classified as "Level 2". According to Article 10 of the Delegated Regulation 2015/35, Level 2 investments are valued using quoted market prices in active markets for similar assets with adjustments to reflect factors specific to the asset, including the condition or location of the asset, the extent to which inputs relate to items that are comparable to the asset and the volume or level of activity in the markets within which the inputs are observed. The value used for the preparation of the IFRS accounts is considered a fair approximation of the market value according to Solvency II rules, therefore no adjustment has been made to the value included in the IFRS accounts except for the reclassification of accrued interest.

Where inputs that are not based on observable market data are used, these assets are classified as "Level 3". Investments classified as Level 3 are valued using an income approach for both IFRS and Solvency II balance sheets and are covered in section D.4 Alternative Valuation Methods.
The split of investment classifications is provided in the table below.

	Level 1 (£m)	Level 2 (£m)	Level 3 (£m)	Total (£m)
Government bonds	33	432	–	**465**
Corporate bonds	–	1,368	16	**1,384**
Securitised bonds	12	398	–	**410**
Collective investment undertakings	–	80	55	**135**
Total	**45**	**2,278**	**71**	**2,394**

D. VALUATION FOR SOLVENCY PURPOSES CONTINUED

For the following classes of asset there is no material difference in valuation between the Solvency II balance sheet and the IFRS accounts: Property and equipment held for own use, and cash and cash equivalents. Full details on the valuation methodology used are disclosed in the Allianz insurance plc Annual Report and Financial Statements referred to in the introduction to this section.

For all material classes of assets there have been no changes to the recognition or valuation basis in the year.

Assumptions and judgements that affect the reported amounts of assets are disclosed in the Allianz Insurance plc Annual Report and Financial Statements.

DEFERRED TAXES

Deferred taxes, except deferred tax assets arising from the carry forward of unused tax losses, are valued on the basis of the difference between the values ascribed to assets and liabilities recognised and valued in accordance with the Solvency II Directive, and the values ascribed to assets and liabilities as recognised and valued for tax purposes. The valuation difference relating to deferred taxes mainly results from differences in technical provisions and insurance receivables for Solvency II.

Temporary differences between the Solvency II value of the assets and liabilities and their corresponding tax base as defined in IAS 12 are assessed, and any deferred tax asset or liability is adjusted or set up as required. The methods used to value deferred tax assets and/or liabilities under IAS 12 are disclosed in the Allianz Insurance plc Annual Report and Financial Statements.

The tax rates used in the calculation are the applicable UK tax rates. For losses and claims equalisation reserve balances this is a blended rate based on the applicable rate at the time the deferred tax items are expected to reverse. Deferred tax on all other items is calculated at the rate that was in force on the reporting date.

The UK Government announced its intention in the budget of March 3, 2021 to legislate to increase the rate of corporation tax from 19.0% to 25.0% with effect from April 1, 2023. This legislation was substantively enacted on May 24, 2021. Consequently, deferred tax on temporary timing differences has been recognised at 25% as at December 31, 2021.

The Solvency II to IFRS valuation differences, their applicable tax rate and the deferred tax impact are outlined below.

	Valuation differences before deferred tax (£m)	Tax rate applied	Deferred tax impact (£m)	Net differences between IFRS and SII (£m)
Goodwill	(3)	0%	–	(3)
Deferred acquisition costs	(70)	25%	18	(52)
Intangible assets	(29)	0%	–	(29)
Holdings in related undertakings, including participations	131	0%	–	131
Loans and mortgages	(6)	25%	2	(4)
Reinsurance recoverables from non-life and health similar to non-life	(155)	25%	39	(116)
Reinsurance recoverables from life and health similar to life, excluding health and index-linked and unit-linked	60	25%	(15)	45
Technical provisions– Best Estimate – non-life	(237)	25%	59	(178)
Technical provisions– Risk Margin – non-life	103	25%	(26)	77
Technical provisions– Best Estimate – life	102	25%	(26)	76
Technical provisions– Risk Margin – life	64	25%	(16)	48
Deposit from reinsurers	3	25%	(1)	2
Insurance and intermediaries receivables	(15)	25%	4	(11)
Other Liabilities	(7)	25%	2	(5)

D. VALUATION FOR SOLVENCY PURPOSES CONTINUED

D.2 TECHNICAL PROVISIONS

The table below shows the technical provisions both gross and net of reinsurance by Solvency II line of business.

SII line of business	Gross (£m)				Net (£m)			
	Claims Provision	Premium Provision	Risk Margin (1)	SII Technical Provision	Claims Provision	Premium Provision	Risk Margin (1)	SII Technical Provision
Motor vehicle liability insurance	652	56	50	757	361	12	50	42
Other motor insurance	8	22	1	30	4	1	1	5
Fire and other damage to property insurance	429	24	7	461	157	(4)	7	160
Miscellaneous financial loss	71	(56)	1	16	43	(152)	1	(108)
Legal expenses insurance	6	(17)	2	(8)	11	(41)	2	(28)
General liability insurance	545	25	39	609	317	(1)	39	356
Non-proportional marine, aviation and transport reinsurance	57	–	1	59	12	–	1	13
Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	249	–	64	312	79	–	64	143
Total	**2,016**	**53**	**166**	**2,236**	**983**	**(185)**	**166**	**964**

(1) Unaudited

BASIS

Technical provisions are calculated in respect of all insurance obligations to policyholders.

The value of the technical provisions corresponds to the current amount required to transfer insurance obligations immediately to another insurance entity.

The technical provisions consist of the claims provision, premium provision and risk margin, and these elements are calculated separately. Each element is calculated by line of business, both gross of reinsurance and for associated reinsurance recoveries. For each line of business, the approach taken is the same, and the methods and assumptions used for each line of business are based on the actual exposure and experience of that line of business.

D. VALUATION FOR SOLVENCY PURPOSES CONTINUED

METHODS AND ASSUMPTIONS

The calculation of the technical provisions is based on up-to-date and credible information and realistic assumptions and is performed using actuarial and statistical methods relevant to the line of business.

CLAIMS PROVISION

The claims provision is based on the IFRS claims provision, with the addition of an allowance for future claims handling and investment management expenses. A payment pattern derived from historical data for each line of business is applied to each element of the claims provision to obtain future cash flows, which are discounted to reflect the time value of money in line with Solvency II requirements. A final adjustment is made as described below in respect of future premiums.

PREMIUM PROVISION

To calculate the premium provision, the IFRS Unearned Premium Reserve ("UPR"), adjusted to allow for future premium development arising from mid-term adjustments or cancellations and premiums relating to business written but not incepted, is used as an exposure measure.

Future loss ratio assumptions, derived separately for each line of business, are applied to the adjusted UPR to obtain an estimate of future claims. Allowances are also made for future expenses, profit commission and levies. A payment pattern is applied to each element of the premium provision to obtain future cash flows, which are discounted in line with Solvency II requirements.

Under IFRS, future premiums are held as receivables on the balance sheet. Under Solvency II, all future cash flows arising from insurance contracts, including future premiums, must be included within the technical provisions. Accordingly, the portion of IFRS receivables that is not overdue is transferred to the technical provisions under Solvency II.

The receivables are adjusted for future premium development and future premiums relating to business written but not incepted consistent with the UPR adjustment described above, and are discounted. Future premiums relating to business that has already been earned are included within the claims provision, whereas the unearned and written but not incepted parts are assigned to the premium provision.

Negative premium provisions may arise when future premium is greater than future claims and expenses. Future claims and expenses are based on adjusted UPR. On a gross basis, the following lines have a negative premium provision:

- Miscellaneous financial loss, which is predominately animal health business, has high future premiums due to regular premium payments. This exceeds the expected claims and expenses estimated.
- Legal expenses insurance has high future premiums due to the fact that all the future premium for our legal protection (After The Event) business is assumed to be unearned. This is because premiums are paid on claim settlement and depend on the outcome of the claim.

On a net basis, there is the impact of the Whole Account Quota Share ceded funds which reduces claims but there is no corresponding Whole Account Quota Share premium as no premium is paid on the Quota Share. Therefore, the net premium provision is lower than the gross premium provision and on some classes this pushes the net premium provision to be negative. This is purely presentational from an Own Funds perspective, as there is an equal and opposite adjustment outside of the technical provisions on the Market Value Balance Sheet.

RISK MARGIN

The risk margin is calculated by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the insurance obligations over their lifetime. The risk margin is unaudited.

Our approach to estimating future SCRs is based on the current SCR as a proportion of best estimate provisions, adjusted to reflect the increased levels of risk inherent in the claims reserves over time. It uses ratios to assess premium risk and reserve risk capital throughout the runoff period, and grossing up factors to scale up for other risks.

This approach is based on the following assumptions:

- The current ratios of reserve risk capital to net reserves by line of business will increase over the run-off of personal lines due to loss of diversification.
- The run-off profile of non-insurance risks follows that of the insurance risks (for example operational risk will not reduce faster or slower than reserve risk).
- The risk margin is held to cover run-off of an ongoing entity, which benefits from its existing diversification between reserve risk and premium risk.

The cost of capital rate used in the calculation of the risk margin is set by the European Insurance and Occupational Pensions Authority at 6%.

D. VALUATION FOR SOLVENCY PURPOSES CONTINUED

UNCERTAINTY

The Solvency II basis has inherent uncertainty around the discount benefit arising from future movements in the yield curve and payment patterns. Other than discounting, the assumptions that have the greatest effect on the movement of provisions are those that affect the expected level of claims. Uncertainty around the level of claims can come from a number of sources, including, but not limited to:

- Claim reporting patterns being different from those expected;
- Claims settlement amounts being different in aggregate to that expected; for example, as a result of different levels of inflation;
- The impact of a future change in Ogden discount rate;
- Reinsurance recoveries being different to the levels expected;
- Claim handling costs being different from those expected; and
- The emergence of currently unknown latent diseases at a different level from that expected.

The calculation of the technical provisions requires a number of assumptions in addition to those supporting the IFRS calculations. Key additional assumptions include:

- Future loss ratio assumptions drive the allowance for future claims within the best estimate premium provision;
- Future expense assumptions are required for claims management expenses, future policy administrative expenses and future investment management expenses as well as future reinsurance costs (net of future recoveries) and levies; and
- Future cash-flow assumptions are used for the discounting calculation.

Sensitivity analysis has been conducted to understand how the technical provisions react to changes in the key assumptions documented above. The results are shown below:

Sensitivity	Change in net technical provisions (£m)	% change in net technical provisions
Increase future loss ratios by 1%p	6.8	0.7%
Decrease future loss ratios by 1%p	(6.8)	(0.7)%
Increase risk yield by 0.5%p	(48.9)	(5.1)%
Decrease risk yield by 0.5%p	54.4	5.6%
Delay payment time by 1 year	(14.3)	(1.5)%
Advance payment time by 1 year	9.8	1.0%

Note that the sensitivities increasing and decreasing the risk yield include the impact on settled PPOs and PPO IBNER and IBNR.

There is ongoing uncertainty relating to COVID-19. COVID-19 has had a direct impact on claims from business interruption covers. Additionally, there are indirect impacts such as reduced claim frequency due to lower activity levels as a result of government restrictions. The COVID-19 impacts have been allowed for in both the claims provision and premium provision of the technical provisions.

The ultimate cost of business interruption claims has been estimated using claims based analysis, taking into account the unique considerations for different policy wordings. Reinsurance recoveries have been estimated reflecting the agreed operation of the Catastrophe excess of loss reinsurance treaty, and the underlying uncertainty associated with the gross claims. Particular uncertainties include: how the gross claims will settle in relation to the different lockdowns, the date of emergence of gross claims which have not yet been reported, and whether or not they fall within the Catastrophe excess of loss hours clause for reinsurance recovery. Expert judgement has been applied in estimating an allowance to reflect the uncertainty surrounding the Catastrophe excess of loss reinsurance recovery. Separately reinsurance recoveries from the Property excess of loss reinsurance treaty have been allowed for. The total undiscounted net ultimate cost of business interruption claims in respect of the claims provision is estimated to be £133m, before the Whole Account Quota Share. There is significant uncertainty surrounding the ultimate cost of these claims, for example the outcome of legal proceedings and agreements.

The indirect impacts such as reduced claim frequency due to lower activity levels as a result of government restrictions have continued into 2021 and have been considered, with allowances made in the actuarial claims projections within the claims provision and the future loss ratios in the premium provision. This is another area of uncertainty, requiring expert judgement.

MATCHING AND VOLATILITY ADJUSTMENTS

No matching adjustment or volatility adjustment is applied to the risk free yield curve used to discount the technical provisions.

REINSURANCE RECOVERABLES

Reinsurance recoverables are calculated separately for the claims provision and premium provision. The following cash flows are taken into account:

Cash inflows:

- Recoverables from reinsurance contracts for claims payments and related expenses.

Cash outflows:

- Future premiums for reinsurance contracts; and
- Counterparty default adjustment.

D. VALUATION FOR SOLVENCY PURPOSES CONTINUED

For the main lines of business the Company purchases excess of loss contracts with sufficiently high retentions for only relatively few large claims to be recoverable. Any difference in timing between expected claims settlement and related reinsurance recoveries is reflected in the timing of the reinsurance cash flows.

For the claims provision, reinsurance recoveries for outstanding claims are calculated on a case by case basis. Incurred but not reported provisions for outstanding claims are estimated at both gross and net levels separately.

For the premium provision, future claims within the premium provision are calculated both gross and net of reinsurance and the reinsurance recoverable is calculated as the difference between them. Future net claims are based on a loss ratio method consistent with the gross claims projection. The net UPR is adjusted to ensure that contract boundaries are consistent between the gross liabilities and the reinsurance recoveries on those liabilities. This involves removing any reinsurance exposure related to future new business and including additional reinsurance exposure for current business covered by the reinsurance treaties incepting on January 1, 2022. This is based on an assumed management action to renew the reinsurance programme at the next renewal date under terms and conditions similar to those which currently apply. Correspondingly, a share of the future reinsurance premiums for these contracts relating to current business is also allowed for within the technical provisions.

Reinsurance future premiums are included within the technical provisions based on the payment terms of the individual reinsurance contracts. In respect of the Whole Account Quota Share contract with Allianz Re Dublin dac the assumed management action continues to be that this cover remains in place throughout the run-off of the liabilities. Allowance is made for the expected future cash flows arising from this arrangement.

A counterparty default adjustment is held to reflect the expected amount of losses due to default of reinsurance counterparties. This consists of the bad debt provision held under IFRS in respect of run-off Marine business, as well as a further default adjustment in respect of PPO reinsurance recoveries, given the very long term relationship involved with the reinsurers for these exposures.

D. VALUATION FOR SOLVENCY PURPOSES CONTINUED

DIFFERENCES BETWEEN SOLVENCY II AND IFRS

The following table shows a breakdown of the differences between IFRS provisions (net of reinsurance and deferred acquisition costs) and Solvency II technical provisions by Solvency II line of business.

The first column shows the IFRS technical provisions net of reinsurance and deferred acquisition costs. The final column shows the Solvency II net technical provisions including the risk margin.

The most significant adjustment is in respect of future premiums and exposures, which mainly reflects the inclusion of future premiums within the technical provisions, rather than being held as debtors on the IFRS balance sheet. This is most material for the miscellaneous financial loss line which contains a significant amount of regular premium from animal health. In the case of the miscellaneous financial loss and legal expenses insurance, this adjustment causes overall technical provisions to be negative.

Sundry adjustments include adjustments in respect of expenses and counterparty defaults, which are not material individually.

The discounting adjustment for the annuities line is positive because reserves for the PPOs contained within this line are already discounted under IFRS and the adjustment reflects a lower discount rate assumed under Solvency II (based on a prescribed risk-free rate) than that assumed for IFRS. The discounting adjustment for the motor vehicle liability insurance line is also positive because reserves for potential PPOs are included in this line and a similar discounting impact is observed.

The Solvency II risk margin is a material component of the technical provisions that is not required under IFRS. The risk margin for the annuities line is most significant as a proportion of overall provisions, due to the long duration of the PPOs contained with this line and high capital charges that PPOs attract under Solvency II. The risk margin is unaudited.

SII line of business	IFRS provisions (£m)	Adjustment in respect of future premiums and exposures (£m)	Sundry adjustments (£m)	Discounting adjustment (£m)	Risk margin (£m)	SII technical provisions (£m)
Motor vehicle liability insurance	451	(96)	2	15	50	422
Other motor insurance	45	(40)	–	–	1	5
Fire and other damage to property insurance	258	(104)	1	(2)	7	160
Miscellaneous financial loss	240	(349)	–	(1)	1	(108)
Legal expenses insurance	46	(77)	–	1	2	(28)
General liability insurance	373	(52)	3	(7)	39	356
Non-proportional marine, aviation and transport reinsurance	13	1	(2)	(1)	1	13
Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	39	–	7	32	64	143
Total	1,465	(718)	12	38	166	963

D. VALUATION FOR SOLVENCY PURPOSES CONTINUED

MATERIAL CHANGES IN ASSUMPTIONS

	Gross (£m)			Net (£m)		
	2021	2020	Change	2021	2020	Change
Best estimate	2,070	2,065	5	797	745	52
Risk Margin	166	119	48	166	119	48
SII Technical Provisions	2,236	2,184	53	963	863	100

The table above shows the change in the technical provisions from 2020 to 2021, both gross and net of reinsurance.

Overall, the net technical provisions have increased by £100m over the year.

The increase in best estimate is driven by a £41m increase in premium provision. Premium provision has increased due to a 2021 change to the Whole Account Quota Share contract whereby the funds withheld in respect of the premium provision are based on UPR net of a fixed commission rather than net of deferred acquisition costs. This change does not impact Solvency II Own Funds, as there is an equal and opposite adjustment for the funds withheld outside of the technical provisions on the Market Value Balance Sheet.

Future loss ratios have also increased, reflecting reduced frequency benefits following easing of COVID-19 related government restrictions over the year.

The net claims provision has increased by £11m in the year, made up of an increase in PPO reserves following a change in the assumed inflation for PPO claims to a flat 3%. Previously the assumed inflation varied by year, equal to 3% at year one, and gradually moved to the risk free yield curve plus 1.5% from year ten onwards. This is partially offset by increased discount benefit due to the increase in the risk-free yield curve over the year.

The risk margin has increased by £48m in the year, driven by the change in the assumed inflation for PPO claims and also an increase in reserves for potential PPO claims.

Assumptions are subject to a regular review cycle with the period between reviews chosen to reflect the materiality of the assumption.

SIMPLIFICATIONS

The calculation of the technical provisions is carried out using materially appropriate, complete and correct data and using valuation methods which are appropriate to the nature and complexity of the insurance technical risks. The limitations of the calculation methodology are identified and understood. Selection of the appropriate method is based on expert judgement, considering the quality, quantity and reliability of the available data and analysis of all important characteristics of the business. The assumptions and parameters used in each method are clear and explicitly identified. The key drivers and uncertainties associated with the best estimate are explored and described.

For some elements of the technical provisions, simplified methods are applied that are appropriate to the nature and complexity of the risks. These are outlined below.

For the premium provision, the reinsurance recoverables are estimated as the difference between the best estimate provisions gross and net of reinsurance. This is defined as a simplified method under Solvency II and is appropriate because the exposure assumptions underlying the gross and net estimates of future claims use consistent contract boundaries.

The risk margin is estimated using an adjusted proportional proxy method to project future SCRs. It uses ratios to assess premium risk and reserve risk capital throughout the runoff period allowing for the changing nature of the liabilities through the run off period and grossing up to allow for other risks, adjusted to reflect the changing levels of riskiness of the claims reserves over time. This method is defined by Solvency II regulation as a simplification. The risk margin is unaudited.

D.3 OTHER LIABILITIES

Differences between IFRS and Solvency II balance sheet relating to the valuations of deposits from reinsurers and other liabilities arise from the reclassification of interest on funds withheld under the quota share contract from other liabilities and reinsurance recoverables from non-life and health similar to non-life to deposits from reinsurers. Reinsurance payables are also reclassified to technical provisions. Provisions other than technical provisions have been reclassified to other liabilities, derivatives and receivables.

For all other classes of liability there is no difference between the IFRS valuation and the Solvency II balance sheet valuation. Full details on valuation methodologies can be found in the Allianz Insurance plc Annual Report and Financial Statements.

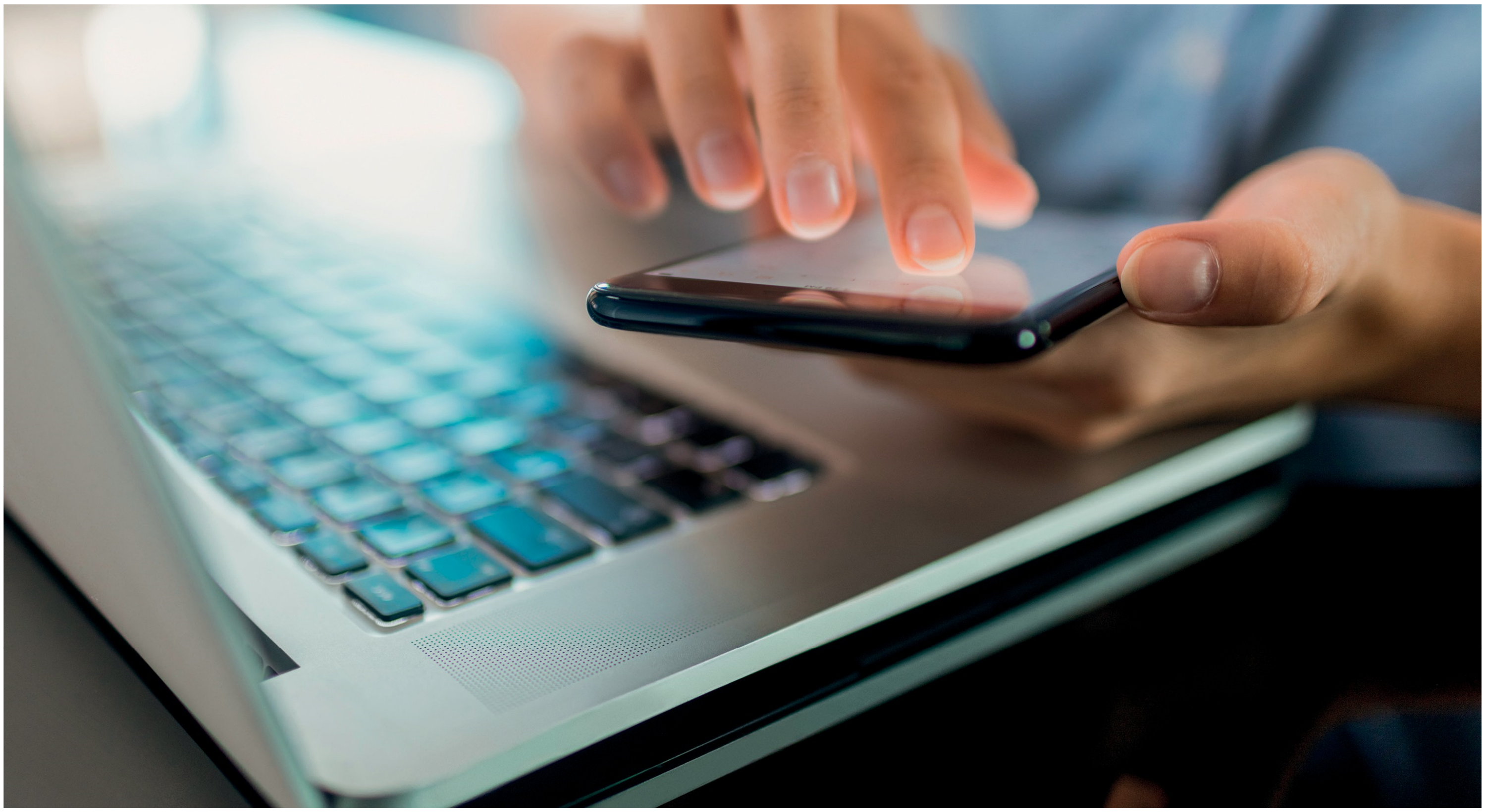
D.4 ALTERNATIVE VALUATION METHODS

The Company holds an infrastructure bond along with managed fund investments which are classified as Level 3. The infrastructure bond is valued using an income approach for Solvency II purposes and involves discounting future cash flows (coupon and principal payments). The valuation of the various fund investments is conducted by independent third party valuation service providers on a quarterly basis. Full details on the valuation methodology can be found in the Allianz Insurance plc Annual Report and Financial Statements.

D. VALUATION FOR SOLVENCY PURPOSES CONTINUED

D.5 ANY OTHER INFORMATION

There is no other material information on the valuation of assets or liabilities.



E. CAPITAL MANAGEMENT

E.1 OWN FUNDS

One of the core objectives of the Company strategy is to maintain its financial strength. Capital is a resource that supports the risk bearing capacity of the Company, forming a foundation for the Company's long-term viability and the trust of its customers.

The Company maintains a formal capital management policy, and capital management planning is embedded within the main planning process, with a time horizon of three years.

The Company applies an integrated risk capital framework, taking into account appetite and capital allocation across the Company. Capital management protects the Company's Own Funds in line with the Allianz Risk Strategy and Appetite. Both risk considerations and Own Funds needs are integrated into management processes through the attribution of risk and allocation of Own Funds to the various lines of business.

A core element of the approach to capital management is the approval by the Board of any dividends or requests for additional capital. This approval is subject to maintaining an adequate local buffer over the SCR.

The current liquidity plan and solvency projections reflect all planned changes in Own Funds for the next three years.

There were no material changes over the reporting period with regards to objectives, policies and processes employed by the Company for managing its Own Funds.

The table below shows the breakdown of the Own Funds by tier, and the SCR coverage. The SCR figures are unaudited.

Tier 1	2021 (£m)	2020 (£m)	Movement (£m)
Ordinary shares	173	173	–
Share premium	5	5	–
Reconciliation reserve	651	714	(63)
Total tier 1	**829**	**892**	**(63)**
Tier 3			
Net deferred tax assets	48	19	29
Total tier 3	**48**	**19**	**29**
Total eligible own funds to meet the SCR	**877**	**911**	**(34)**
SCR	562	600	(38)
SCR coverage ratio*	**156%**	**152%**	**4%**
Total eligible own funds to meet the MCR	**829**	**892**	**(63)**
MCR	189	184	5
MCR coverage ratio	**439%**	**485%**	**(46)%**

*There is no allowance for a foreseeable dividend.

E. CAPITAL MANAGEMENT CONTINUED

Only tier 1 and tier 2 Own Funds are eligible to meet the MCR so tier 3 Own Funds have been excluded from the MCR coverage ratio. No Own Fund items for the Company are subject to transitional measures for their inclusion in tier 1. The Company does not have any tier 2 Own Funds. There are no restrictions on the eligibility of available Own Funds to support the SCR and MCR, and no matching adjustment portfolio exists. The Company has no subordinated debt, or ancillary Own Fund items. No Own Fund items were issued or redeemed during the year. The reconciliation reserve is made up of retained earnings and reconciliation adjustments from IFRS to Solvency II balance sheet only.

The sensitivity of the Own Funds to both market and non-market risks is provided in the table in section C.7. The significant changes in Own Funds over the reporting period are provided in the table below. The changes in tier 1 capital over the reporting period are all within the reconciliation reserve.

	£m
Profit after tax earned by the company in the year	22
Net unrealised losses after tax on the investment portfolio	(61)
Other valuation differences	5
Total movement over year	**(34)**

As at December 31, 2021 there is no difference between the excess of assets over liabilities and Own Funds.

RECONCILIATION BETWEEN IFRS AND SOLVENCY II EXCESS OF ASSETS OVER LIABILITIES

The Solvency II excess of assets over liabilities amounts to £877m, whereas the IFRS excess of assets over liabilities amounts to £916m. The difference of £39m is largely attributable to six key drivers, previously analysed in section D and summarised in the table opposite. The risk margin in the following table is unaudited.

	£m
IFRS excess of assets over liabilities	**916**
Goodwill and intangible assets (IFRS balance sheet items that are not recognised in the Solvency II balance sheet)	(32)
Differences in the valuation of loans and mortgages	(6)
Difference in the valuation of derivatives	9
Risk margin (a Solvency II balance sheet item that is not recognised in IFRS)	(167)
Differences in recognition and valuation of technical provisions and reinsurance recoverable (including associated receivable/payable and DAC)	(18)
Inclusion of participations at Solvency II value	131
Deferred taxes on the above mentioned balance sheet valuation differences	46
Other adjustments	(2)
Solvency II excess of assets over liabilities	**877**

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

This sub-section is unaudited with regards to information on the SCR.

The Company has received approval to use an internal model to determine its SCR. The SCR at December 31, 2021 amounts to £562m, and the MCR amounts to £189m.

The calculation of the MCR follows the methodology described in the Solvency II regulation. It uses the SCR as an input parameter for determining the possible range for the MCR, as well as the standard set of inputs required by the formula-based calculation.

A split of the SCR by the different risk categories modelled by the internal model is shown in the following table.
The comparative figures for 2020 and the movement over the reporting period are also shown.

E. CAPITAL MANAGEMENT CONTINUED

The total diversified SCR for the Company decreased by £38m over the year from £600m to £562m.

The movement is predominately driven by a decrease in Credit Spread Risk and Longevity Risk following a pensioner buy-in transaction within the ARDBF in November 2021, which insured the majority of the current pensioners and dependents and reduced the risk exposure within the Pension fund.

E.3 USE OF VARIOUS OPTIONS IN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

This sub-section is unaudited.

Because the Company uses an internal model rather than the standard formula, simplifications, undertaking-specific parameters and the duration-based equity risk sub-module are not applicable.

Category of risk	Capital (£m)		
	2021	2020	Movement
Underwriting risk	**577**	**628**	**(51)**
Premium risk	260	273	(14)
Longevity risk	65	123	(58)
Reserve risk	236	214	22
Business risk	17	17	(1)
Market risk	**425**	**530**	**(106)**
Equity risk	17	18	(1)
Interest rate risk	92	85	7
Credit spread risk	195	299	(104)
Inflation risk	10	24	(14)
Currency risk	2	1	1
Real estate risk	108	103	5
Credit risk	**79**	**86**	**(7)**
Operational risk	**75**	**75**	-
Sum of standalone risks	**1,155**	**1,319**	**(164)**
Diversification benefit	(593)	(719)	126
SCR	**562**	**600**	**(38)**

E. CAPITAL MANAGEMENT CONTINUED

E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA CALCULATION

This sub-section is unaudited.

The scope of the internal model is the whole of the business of the Company. It also covers the risks inherent in the ARDBF which is sponsored by AMS, a fellow subsidiary of the Group.

The risk categories covered by the internal model are presented and explained in section C.

The table below outlines at a high level the key material differences between the methodologies underlying the internal model applied to the Company and the Standard Formula, including identification (highlighted in bold) of risks modelled within the internal model but not within the Standard Formula.

Risk Module	Methodologies used by Allianz Insurance plc Internal Model
Underwriting Risk for Non-life	Differences in calibration, based on specific local experience, and split between attritional, large and catastrophic claims. Explicit allowance modelled for variability of rate strength. Catastrophe risk modelled using an externally supplied model. Risk mitigating effect of reinsurance replicated closely. **Lapse risk and underperformance of new business risk modelled explicitly**. Risks aggregated using a copula and Monte Carlo simulation.
Equity	Differences in calibration, based on specific local experience.
Interest rate	Model includes consideration of changes to the yield curve other than simply parallel shifts.
Property	Differences in calibration, based on specific local experience.
Spread	Differences in calibration, based on specific local experience. **Sovereign bonds are assumed to be subject to spread risk. Spread risk applies to both assets and spread-sensitive liabilities.**
Concentration	No separate concentration risk module; concentration risk covered by the credit risk module.
Credit risk/counterparty default risk	Differences in calibration, based on specific experience. **Credit risk is calculated for current market value of exposure of entire fixed interest, cash and reinsurance assets plus an allowance for possible future exposure in an insurance stress scenario.**
Pension fund risk	**Longevity risk is modelled, based on specific local experience.**
Intangible asset risk	Intangible asset risk is not covered by the internal model.
Operational Risk	Capital based on specific scenarios, modelled using a frequency and severity approach, and aggregated using Monte Carlo simulation.
Aggregation	Aggregation uses a Gaussian copula applied using Monte Carlo simulation.

E. CAPITAL MANAGEMENT CONTINUED

USE OF THE INTERNAL MODEL

The internal model is widely integrated into the Company's Enterprise Risk Management System and is the primary method used to understand the material and quantifiable risks inherent in the Company's business. To that end it is used for a number of purposes, in particular for comparison of different risk categories and segments. It is a fundamental element for risk based and forward looking steering.

Uses of the model are documented internally and include:

- Setting the risk strategy;
- Setting risk tolerance limits;
- Risk and capital reporting;
- Calculating capital requirements;
- Capital management, including the affordability of dividends and requirements for capital injections;
- Setting the business strategy;
- Capital allocation between lines of business;
- Underwriting, reserving and pricing of lines of business and accounts;
- Setting the reinsurance strategy;
- Strategic asset allocation;
- Performance management;
- Merger and acquisition transactions;
- Stress and scenario testing; and
- Planning.

METHODOLOGICAL APPROACH OF THE INTERNAL MODEL

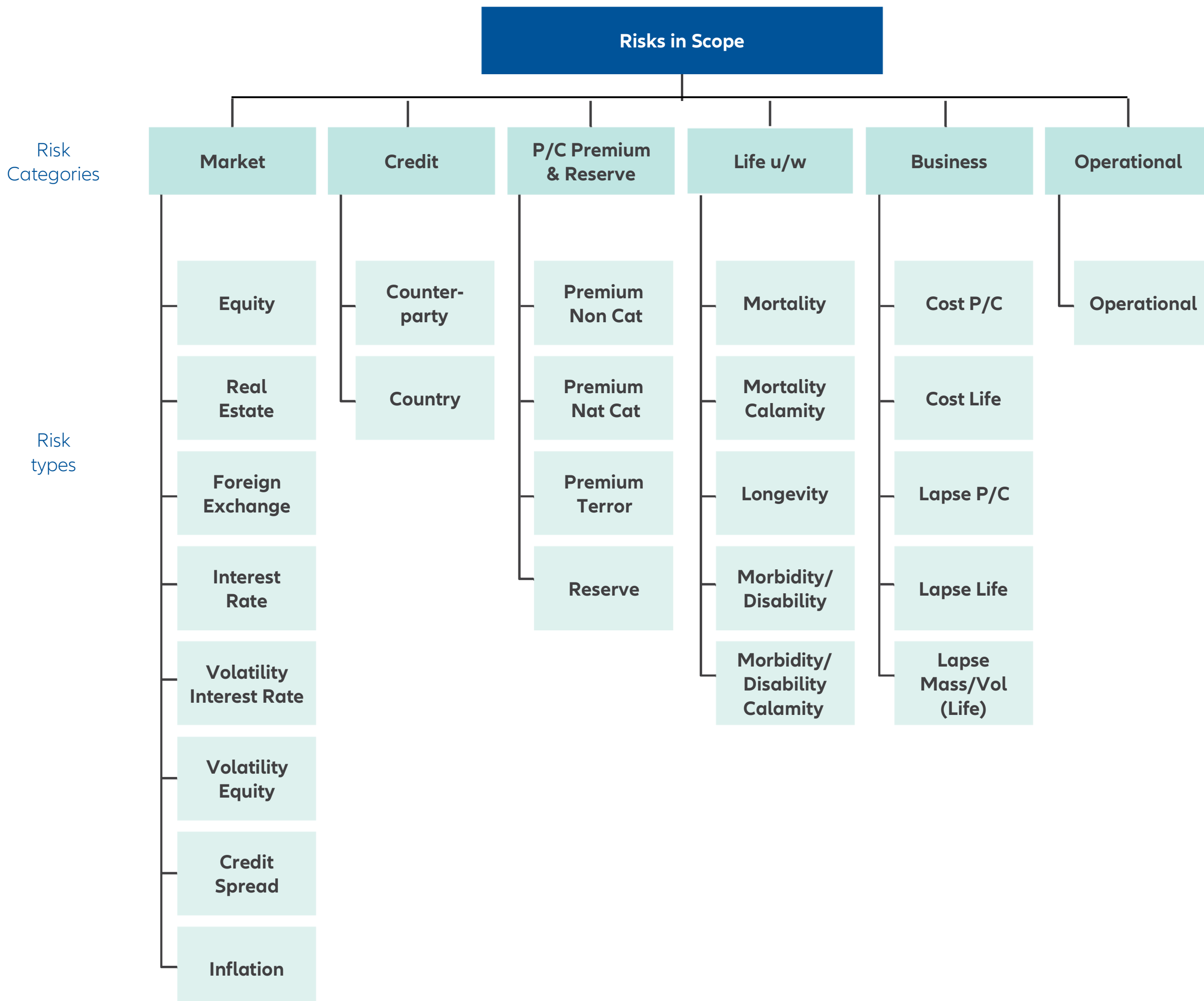
The internal risk capital model is based on a Value-at-Risk approach using a Monte Carlo simulation model. The starting point of the risk calculation is the Solvency II balance sheet and the allocation of each item to the relevant risk categories. Risk capital for each category is defined as the change in economic value over the projected time period based on the underlying distribution assumptions for each risk factor. Where possible, the distributions are calibrated to market data or the Company's internal historical data. Where appropriate, expert judgement is used to support historical data analysis within the confines of a defined and documented governance process.

Following this approach, the maximum loss in the portfolio value is determined within a specified timeframe ("holding period") and probability of occurrence ("confidence level"). The risk capital is computed as the 99.5th percentile Value at Risk from the profit and loss distribution for a one year holding period, where in each scenario the change in economic value is derived from the joint realisation of all risk factors. Accordingly the SCR is calculated using exactly the risk measure and time period specified in article 101(3) of the Solvency II Directive (Directive 2009/138/EC).

The internal model contains different risk categories, which can themselves be further subdivided into different risk types. For each level the internal model delivers risk capital figures on a standalone basis, that is before diversification with other risk types or categories, but also on an aggregated level taking diversification into account.

E. CAPITAL MANAGEMENT CONTINUED

The risk categories available in the Allianz SE Group internal model, as applied by the Company, and the aggregation structure of the model, are outlined below.



The Company's pension fund risk is modelled as a life insurance risk, and is captured partly under the market risk and credit risk categories and longevity risk in the life underwriting category.

The following modules are not used by the Company because there is no material exposure to the risks modelled therein:

Module	Reason
Mortality, Mortality Calamity	Death benefits are not material within the pension fund
Morbidity/Disability, Morbidity/Disability Calamity	Disability benefits are not material within the pension fund
Cost Life, Lapse Life, Lapse mass/Vol (Life)	Modules not applicable because the pension fund book is closed to new entrants and there is no material risk associated with withdrawal

E. CAPITAL MANAGEMENT CONTINUED

For the aggregation of risks, the internal model uses a copula to derive an overall distribution of risk for the whole of the Company, from which the 99.5th percentile is taken as the SCR. The dependency structure between risks of the copula is given by a matrix of correlations. Where possible, correlation parameters are derived for each pair of market risks through statistical analysis of historical market data, considering observations over several years. Where historical market data or other portfolio-specific observations are insufficient or not available, correlations are set according to a well-defined process using expert judgement.

MODEL CHANGES

Allianz has a defined and approved policy for making changes to its internal model. This policy includes internal validation and governance processes to ensure that proposed changes are appropriate for the Company's business.

During 2021 minor changes were made to the internal model in order to address validation findings. There were no other material changes in the methods used to assess risks during 2021.

NATURE AND APPROPRIATENESS OF DATA

Various sources of data are used as input for the internal model and for the calibration of parameters. A control framework is in place to ensure that the data is accurate, complete and appropriate.

Where possible, the input data is identical to data used for other purposes, for example the calculation of the insurance liabilities for the purposes of IFRS reporting or the valuation of the IFRS balance sheet.

E.5 NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND NON-COMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT

The Company has complied continuously with the MCR and the SCR.

E.6 ANY OTHER INFORMATION

In view of the Solvency II solvency ratio of 156% as at December 31, 2021 and the stress tests performed, Allianz does not expect any breach of its Solvency Capital Requirement and anticipates that it will remain suitably capitalised going forward.

DIRECTORS' RESPONSIBILITY STATEMENT

We acknowledge our responsibility for preparing the SFCR in all material respects in accordance with the PRA Rules and the Solvency II Regulations.

We are satisfied that:

a throughout the financial year in question, the insurer has complied in all material respects with the requirements of the PRA Rules and the Solvency II Regulations as applicable to the insurer; and

b it is reasonable to believe that the insurer has continued so to comply subsequently and will continue so to comply in future.

By order of the Board

Fernley Dyson
Director
Allianz Insurance plc
Registered Number: 84638

April 8, 2022

AUDITORS' REPORT

Report of the external independent auditor to the Directors of Allianz Insurance plc ('the Company') pursuant to Rule 4.1 (2) of the External Audit Part of the PRA Rulebook applicable to Solvency II firms.

Report on the Audit of the relevant elements of the Solvency and Financial Condition report.

OPINION

Except as stated below, we have audited the following documents prepared by the Company as at 31 December 2021:

- The 'Valuation for solvency purposes' and 'Capital Management' sections of the Solvency and Financial Condition Report of the Company as at 31 December 2021, ('**the Narrative Disclosures subject to audit**'); and
- Company templates S02.01.02, S12.01.02, S17.01.02, S23.01.01, S28.01.01 ('**the Templates subject to audit**').

The Narrative Disclosures subject to audit and the Templates subject to audit are collectively referred to as the '**relevant elements of the Solvency and Financial Condition Report**'.

We are not required to audit, nor have we audited, and as a consequence do not express an opinion on the **Other Information** which comprises:

- Information contained within the relevant elements of the Solvency and Financial Condition Report set out above which is, or derives from the Solvency Capital Requirement, as identified in the Appendix to this report;
- The 'Summary', 'Business and performance', 'System of governance' and 'Risk profile' elements of the Solvency and Financial Condition Report;
- Company templates S.05.01.02, S.19.01.21 and S.25.03.21; and
- The written acknowledgement by management of their responsibilities, including for the preparation of the Solvency and Financial Condition Report ('**the Responsibility Statement**').

To the extent the information subject to audit in the relevant elements of the Solvency and Financial Condition Report includes amounts that are totals, sub-totals or calculations derived from the Other Information, we have relied without verification on the Other Information.

In our opinion, the information subject to audit in the relevant elements of the Solvency and Financial Condition Report of the Company as at 31 December 2021 is prepared, in all material respects, in accordance with the financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based, as modified by relevant supervisory modifications, and as supplemented by supervisory approvals and determinations.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Solvency and Financial Condition Report in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the directors' going concern assessment and challenging the material assumptions made using our knowledge of the business, review of regulatory correspondence and obtaining further corroborative evidence;
- Evaluating management's solvency scenario analysis and challenging management's key assumptions. As the Solvency Capital Requirement and Risk Margin are not subject to audit, we considered the governance over the production of this information and its consistency with other available information and our understanding of the business;
- Considering information obtained during the course of the audit and publicly available market information to identify any evidence that would contradict management's assessment of going concern (including the impacts of Covid-19);
- Enquiring and understanding the actions taken by management to mitigate the impacts of Covid-19, including review of Board Risk Committee minutes and attendance at all Audit Committees; and
- Assessing the disclosures made by management in the financial statements and checked the consistency of the disclosures with our knowledge of the company based on our audit and the other procedures listed here.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date on which the Solvency and Financial Condition Report is authorised for issue.

In auditing the Solvency and Financial Condition Report, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the Solvency and Financial Condition Report is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the

AUDITORS' REPORT CONTINUED

Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

EMPHASIS OF MATTER – BASIS OF ACCOUNTING

We draw attention to the 'Valuation for solvency purposes' and 'Capital Management' sections of the Solvency and Financial Condition Report, which describe the basis of accounting. The Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the PRA Rules and Solvency II regulations, and therefore in accordance with a special purpose financial reporting framework. The Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the Prudential Regulation Authority. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

OTHER INFORMATION

The Directors are responsible for the Other Information.

Our opinion on the relevant elements of the Solvency and Financial Condition Report does not cover the Other Information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Solvency and Financial Condition Report, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the Solvency and Financial Condition Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Solvency and Financial Condition Report or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE SOLVENCY AND FINANCIAL CONDITION REPORT

The Directors are responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the PRA rules and Solvency II regulations which have been modified by the modifications, and supplemented by the approvals and determinations made by the PRA under section 138A of FSMA, the PRA Rules and Solvency II regulations on which they are based, as detailed below:

- *Approval to use a full internal model and the approval of subsequent major changes thereto.*

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE RELEVANT ELEMENTS OF THE SOLVENCY AND FINANCIAL CONDITION REPORT

It is our responsibility to form an independent opinion as to whether the information subject to audit in the relevant elements of the Solvency and Financial Condition Report is prepared, in all material respects, in accordance with financial reporting provisions of the PRA Rules and Solvency II regulations on which they are based.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 decision making or the judgement of the users taken on the basis of the Solvency and Financial Condition Report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK and European regulatory principles, such as those governed by the Prudential Regulation Authority and the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the Solvency and Financial Condition Report. We also considered those laws and regulations that have a direct impact on the Solvency and Financial Condition Report such as UK and European regulatory principles. We evaluated management's incentives and opportunities for fraudulent manipulation of the Solvency and Financial Condition Report (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of technical provisions. Audit procedures performed included:

- Discussions with the Board of Directors, management, internal audit, senior management involved in the Risk and Compliance functions and the company's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluation of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- Assessment of matters reported on the company's whistleblowing helpline and fraud report and the results of management's investigation of such matters;
- Reading key correspondence with the Prudential Regulation Authority and the Financial Conduct Authority in relation to compliance with laws and regulations;

AUDITORS' REPORT CONTINUED

- Testing significant accounting estimates and judgements such as the valuation of technical provisions as included in the key audit matter section below;
- Reviewing relevant meeting minutes including those of the Board Risk Committee and Audit Committee;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the Solvency and Financial Condition Report. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

USE OF THIS REPORT

This report, including the opinion, has been prepared for the Board of Directors of the Company in accordance with External Audit rule 2.1 of the Solvency II firms Sector of the PRA Rulebook and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose or to any other party save where expressly agreed by our prior consent in writing.

OTHER MATTER

The Company has authority to calculate its Solvency Capital Requirement using an internal model ("the Model") approved by the Prudential Regulation Authority in accordance with the Solvency II Regulations. In forming our opinion (and in accordance with PRA Rules), we are not required to audit the inputs to, design of, operating effectiveness of and outputs from the Model, or whether the Model is being applied in accordance with the Company's application or approval order.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with Rule 4.1 (3) of the External Audit Part of the PRA Rulebook for Solvency II firms we are also required to consider whether the Other Information is materially inconsistent with our knowledge obtained in the audit of the Company's statutory financial statements. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
7 More London Riverside
London
SE1 2RT
8 April 2022

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APPENDIX

RELEVANT ELEMENTS OF THE SOLVENCY AND FINANCIAL CONDITION REPORT THAT ARE NOT SUBJECT TO AUDIT

The relevant elements of the Solvency and Financial Condition Report that are not subject to audit comprise:

- The following elements of template S.02.01.02:
  - Row R0550: Technical provisions – non-life (excluding health) – risk margin
  - Row R0590: Technical provisions – health (similar to non-life) - risk margin
  - Row R0640: Technical provisions – health (similar to life) – risk margin
  - Row R0680: Technical provisions – life (excluding health and index-linked and unit-linked) – risk margin
  - Row R0720: Technical provisions – Index-linked and unit-linked – risk margin.
- The following elements of template S.12.01.02:
  - Row R0100: Technical provisions calculated as a sum of BE and RM – Risk margin.
- The following elements of template S.17.01.02
  - Row R0280: Technical provisions calculated as a sum of BE and RM – Risk margin
- The following elements of template S.23.01.01
  - Row R0580: SCR
  - Row R0740: Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds.
- The following elements of Company template S.28.01.01
  - Row R0310: SCR
- Elements of the Narrative Disclosures subject to audit identified as 'unaudited'.

S.02.01.02

Balance sheet

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	
Deferred tax assets	R0040	48,452
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	8,500
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2,776,425
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	363,117
Equities	R0100	0
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	2,258,999
Government Bonds	R0140	464,524
Corporate Bonds	R0150	1,384,010
Structured notes	R0160	
Collateralised securities	R0170	410,465
Collective Investments Undertakings	R0180	134,785
Derivatives	R0190	13,430
Deposits other than cash equivalents	R0200	6,093
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	250,386
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	250,386
Reinsurance recoverables from:	R0270	1,272,768
Non-life and health similar to non-life	R0280	1,103,086
Non-life excluding health	R0290	1,103,086
Health similar to non-life	R0300	
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	169,682
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	169,682
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	17,628
Reinsurance receivables	R0370	10,264
Receivables (trade, not insurance)	R0380	58,871
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	6,547
Any other assets, not elsewhere shown	R0420	
Total assets	R0500	4,449,842
Liabilities		
Technical provisions - non-life	R0510	1,923,836
Technical provisions - non-life (excluding health)	R0520	1,923,836
TP calculated as a whole	R0530	
Best Estimate	R0540	1,821,166
Risk margin	R0550	102,670
Technical provisions - health (similar to non-life)	R0560	0
TP calculated as a whole	R0570	
Best Estimate	R0580	
Risk margin	R0590	
Technical provisions - life (excluding index-linked and unit-linked)	R0600	312,358
Technical provisions - health (similar to life)	R0610	0
TP calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	312,358
TP calculated as a whole	R0660	
Best Estimate	R0670	248,536
Risk margin	R0680	63,821
Technical provisions - index-linked and unit-linked	R0690	0
TP calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	44,859
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	931,030
Deferred tax liabilities	R0780	0
Derivatives	R0790	22
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	54,910
Reinsurance payables	R0830	0
Payables (trade, not insurance)	R0840	71,271
Subordinated liabilities	R0850	0
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	
Any other liabilities, not elsewhere shown	R0880	234,538
Total liabilities	R0900	3,572,825
Excess of assets over liabilities	R1000	877,017

S.05.01.02 - 01

Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110				393,510	150,239		468,397	219,088		29,839		599,325					1,860,397
Gross - Proportional reinsurance accepted	R0120																	
Gross - Non-proportional reinsurance accepted	R0130																	
Reinsurers' share	R0140				172,002	65,705		223,525	101,306		13,572		239,821					815,933
Net	R0200				221,507	84,533		244,871	117,782		16,266		359,504					1,044,464
Premiums earned																		
Gross - Direct Business	R0210				394,853	151,558		470,401	219,329		37,947		565,600					1,839,688
Gross - Proportional reinsurance accepted	R0220																	
Gross - Non-proportional reinsurance accepted	R0230															272		272
Reinsurers' share	R0240				172,678	66,287		224,670	100,603		22,926		226,566			170		813,899
Net	R0300				222,175	85,271		245,732	118,727		15,021		339,034			102		1,026,061
Claims incurred																		
Gross - Direct Business	R0310				240,431	84,569		143,669	177,999		29,284		420,874					1,096,826
Gross - Proportional reinsurance accepted	R0320																	
Gross - Non-proportional reinsurance accepted	R0330															2,095		2,095
Reinsurers' share	R0340				100,253	33,827		52,190	73,566		19,352		168,423			784		448,395
Net	R0400				140,178	50,741		91,479	104,434		9,932		252,452			1,311		650,526
Changes in other technical provisions																		
Gross - Direct Business	R0410																	
Gross - Proportional reinsurance accepted	R0420																	
Gross - Non- proportional reinsurance accepted	R0430																	
Reinsurers'share	R0440																	
Net	R0500																	
Expenses incurred	R0550				69,544	26,607		134,532	54,637		4,670		31,608			414		322,013
Other expenses	R1200																	
Total expenses	R1300																	322,013

S.05.01.02 - 02

Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410									
Reinsurers' share	R1420									
Net	R1500									
Premiums earned										
Gross	R1510									
Reinsurers' share	R1520									
Net	R1600									
Claims incurred										
Gross	R1610						2,152			2,152
Reinsurers' share	R1620						648			648
Net	R1700						1,504			1,504
Changes in other technical provisions										
Gross	R1710									
Reinsurers' share	R1720									
Net	R1800									
Expenses incurred	R1900									
Other expenses	R2500									
Total expenses	R2600									

S.12.01.02 - 01

Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010																
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020																
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	R0030								248,536		248,536						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080								169,682		169,682						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090								78,855		78,855						
Risk Margin	R0100								63,821		63,821						
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	R0110																
Best estimate	R0120																
Risk margin	R0130																
Technical provisions - total	R0200								312,358		312,358						

S.17.01.02

Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050																	0
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	R0060	0	0	0	55,588	21,890	0	23,914	24,679	0	-16,592	0	-56,451	0	0	319	0	53,347
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140				43,875	20,620		27,818	25,238		24,842		95,899			370		238,663
Net Best Estimate of Premium Provisions	R0150	0	0	0	11,713	1,270	0	-3,904	-559	0	-41,435	0	-152,350	0	0	-51	0	-185,316
Claims provisions																		
Gross	R0160	0	0	0	651,756	7,577	0	429,397	544,986	0	5,853	0	70,889	0	0	57,360	0	1,767,819
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240				291,166	4,017		272,557	227,936		-4,876		28,310			45,314		864,424
Net Best Estimate of Claims Provisions	R0250	0	0	0	360,590	3,560	0	156,841	317,050	0	10,729	0	42,579	0	0	12,046	0	903,396
Total Best estimate - gross	R0260	0	0	0	707,344	29,467	0	453,312	569,665	0	-10,739	0	14,438	0	0	57,680	0	1,821,166
Total Best estimate - net	R0270	0	0	0	372,303	4,830	0	152,937	316,491	0	-30,706	0	-109,771	0	0	11,996	0	718,080
Risk margin	R0280	0	0	0	49,983	595	0	7,357	39,430	0	2,403	0	1,472	0	0	1,429	0	102,670
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	R0290																	0
Best estimate	R0300																	0
Risk margin	R0310																	0
Technical provisions - total																		
Technical provisions - total	R0320	0	0	0	757,327	30,062	0	460,669	609,096	0	-8,336	0	15,910	0	0	59,109	0	1,923,836
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	335,041	24,637	0	300,375	253,174	0	19,967	0	124,209	0	0	45,684	0	1,103,086
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	422,286	5,425	0	160,294	355,921	0	-28,302	0	-108,299	0	0	13,425	0	820,750

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Non-life Insurance Claims Information

Accident year / Underwriting year	Z0020	1

Gross Claims Paid (non-cumulative)

		Year										
		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											11,676
N-9	R0160	643,544	219,036	69,458	36,957	35,244	20,194	11,038	2,160	1,122	-562	
N-8	R0170	647,992	223,559	53,529	49,371	39,562	14,697	4,480	7,546	639		
N-7	R0180	763,633	224,783	67,257	43,349	34,689	28,561	16,562	18,883			
N-6	R0190	832,923	303,024	76,697	43,550	43,888	27,930	12,747				
N-5	R0200	844,552	237,168	56,321	59,909	84,797	31,583					
N-4	R0210	786,078	246,512	71,878	60,270	48,923						
N-3	R0220	783,729	259,197	66,554	53,086							
N-2	R0230	740,964	252,497	77,625								
N-1	R0240	648,451	284,094									
N	R0250	597,322										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	11,676	11,676
	R0160	-562	1,038,193
	R0170	639	1,041,374
	R0180	18,883	1,197,718
	R0190	12,747	1,340,759
	R0200	31,583	1,314,330
	R0210	48,923	1,213,662
	R0220	53,086	1,162,566
	R0230	77,625	1,071,086
	R0240	284,094	932,545
	R0250	597,322	597,322
Total	R0260	1,136,017	15,355,472

Gross undiscounted Best Estimate Claims Provisions

		Development year										
		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											154,853
N-9	R0160	552,094	235,585	131,421	86,948	54,174	35,417	20,238	16,053	16,142	18,884	
N-8	R0170	479,825	239,001	132,454	72,843	45,101	23,064	19,180	21,513	16,896		
N-7	R0180	546,183	261,830	176,968	151,510	98,911	56,644	69,241	44,161			
N-6	R0190	599,047	239,470	148,324	88,635	47,470	47,597	43,343				
N-5	R0200	493,480	279,858	185,164	145,245	86,728	61,693					
N-4	R0210	514,602	253,846	160,966	132,699	105,356						
N-3	R0220	511,302	246,963	199,835	164,322							
N-2	R0230	518,553	279,319	213,516								
N-1	R0240	802,122	482,884									
N	R0250	508,597										

		Year end (discounted data)
		C0360
	R0100	150,568
	R0160	18,005
	R0170	16,243
	R0180	41,530
	R0190	40,542
	R0200	58,208
	R0210	101,657
	R0220	159,715
	R0230	207,135
	R0240	472,318
	R0250	501,900
Total	R0260	1,767,819

S.19.01.21 - 02 **Underwriting**

Non-life Insurance Claims Information

Accident year / Underwriting year	Z0020	2

Gross Claims Paid (non-cumulative)

		Development year										
		0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											0
N-9	R0160	0	0	0	0	0	0	0	0	0	0	
N-8	R0170	0	0	0	0	0	0	0	0	0		
N-7	R0180	0	0	0	0	0	0	0	0			
N-6	R0190	0	0	0	0	0	0	0				
N-5	R0200	0	0	0	0	0	0					
N-4	R0210	0	0	0	0	0						
N-3	R0220	0	0	0	0							
N-2	R0230	0	0	0								
N-1	R0240	0	0									
N	R0250	0										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	0	0
	R0160	0	0
	R0170	0	0
	R0180	0	0
	R0190	0	0
	R0200	0	0
	R0210	0	0
	R0220	0	0
	R0230	0	0
	R0240	0	0
	R0250	0	0
Total	R0260	0	0

Gross undiscounted Best Estimate Claims Provisions

		Development year										
		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											0
N-9	R0160	0	0	0	0	0	0	0	0	0	0	
N-8	R0170	0	0	0	0	0	0	0	0	0		
N-7	R0180	0	0	0	0	0	0	0	0			
N-6	R0190	0	0	0	0	0	0	0				
N-5	R0200	0	0	0	0	0	0					
N-4	R0210	0	0	0	0	0						
N-3	R0220	0	0	0	0							
N-2	R0230	0	0	0								
N-1	R0240	0	0									
N	R0250	0										

		Year end (discounted data)
		C0360
	R0100	0
	R0160	0
	R0170	0
	R0180	0
	R0190	0
	R0200	0
	R0210	0
	R0220	0
	R0230	0
	R0240	0
	R0250	0
Total	R0260	0

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	172,759	172,759			
Share premium account related to ordinary share capital	R0030	5,244	5,244			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	650,562	650,562			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	48,452				48,452
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	877,017	828,565			48,452
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	877,017	828,565			48,452
Total available own funds to meet the MCR	R0510	828,565	828,565			
Total eligible own funds to meet the SCR	R0540	877,017	828,565			48,452
Total eligible own funds to meet the MCR	R0550	828,565	828,565			
SCR	R0580	561,801				
MCR	R0600	188,912				
Ratio of Eligible own funds to SCR	R0620	1.56				
Ratio of Eligible own funds to MCR	R0640	4.39				

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Own funds

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	877,017
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	226,455
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	650,562
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	128,297
Total Expected profits included in future premiums (EPIFP)	R0790	128,297

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Solvency Capital Requirement (for undertakings on Full Internal Models)

Unique number of component	Components description	Calculation of the Solvency Capital Requirement
C0010	C0020	C0030
10370I	Interest rate vola risk	24
10390I	Interest rate risk	92,132
10399I	Diversification within interest rate risk	0
10410I	Equity risk	17,339
10420I	Equity vola risk	0
10499I	Diversification within equity risk	0
10600I	Real estate risk	108,138
10700I	Credit spread risk	194,676
10900I	FX risk	2,221
11010I	Inflation risk (insurance business)	106,936
11010P	Inflation risk (pension scheme)	29,386
19900I	Diversification within market risk	-263,950
20100I	Type 1 counterparty default risk	22,850
20200I	Type 2 counterparty default risk	1,973
20310I	Other counterparty default risk - investment credit risk	54,007
20390I	Other counterparty default risk - other	0
29900I	Diversification within counterparty default risk	0
30200P	Longevity risk	64,577
50150I	Premium non-cat risk	135,263
50210I	Reserve risk	236,039
50310I	Non-life catastrophe risk: natural (aka Premium nat-cat risk)	109,921
50330I	Non-life catastrophe risk: man-made (aka Premium Terror risk)	14,445
50399I	Diversification within non-life catastrophe risk	0
50400I	Lapse risk	11,115
50590I	Cost risk	5,513
50599I	Diversification within business risks	-1,722
59900I	Diversification within non-life underwriting risk	-150,660
70100I	Operational risk	74,789
80300I	Loss absorbing capicity of deferred taxes	0
80491I	Internal Model Capital add-on: Multi-usage of buffers	0
80492I	Internal Model Capital add-on: Replications	0
80493I	Internal Model Capital add-on: Ring fenced funds	0
80494I	Internal Model Capital add-on: Others	0
80495I	Regulatory Add-ons	0
80496I	Residuals	0

		C0100
Total undiversified components	R0110	865,013
Diversification	R0060	-303,212
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional)	R0160	0
Solvency capital requirement excluding capital add-on	R0200	561,801
Capital add-ons already set	R0210	0
Solvency capital requirement	R0220	561,801
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	R0310	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds (other than those related to business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional))	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

		C0109
Approach based on average tax rate	R0590	2

		C0130
Amount/estimate of LAC DT	R0640	0
Amount/estimate of LAC DT justified by reversion of deferred tax liabilities	R0650	
Amount/estimate of LAC DT justified by reference to probable future taxable economic profit	R0660	
Amount/estimate of LAC DT justified by carry back, current year	R0670	
Amount/estimate of LAC DT justified by carry back, future years	R0680	
Amount/estimate of Maximum LAC DT	R0690	

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Minimum Capital Requirement (Only life or only non-life insurance or reinsurance activity)

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	R0010	187,256

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0	0
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	372,303	218,707
Other motor insurance and proportional reinsurance	R0060	4,830	87,334
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	152,937	241,196
General liability insurance and proportional reinsurance	R0090	316,491	121,458
Credit and suretyship insurance and proportional reinsurance	R0100	0	0
Legal expenses insurance and proportional reinsurance	R0110	0	16,266
Assistance and proportional reinsurance	R0120	0	0
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	359,504
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	11,996	0
Non-proportional property reinsurance	R0170	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	1,656

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	0	
Obligations with profit participation - future discretionary benefits	R0220	0	
Index-linked and unit-linked insurance obligations	R0230	0	
Other life (re)insurance and health (re)insurance obligations	R0240	78,855	
Total capital at risk for all life (re)insurance obligations	R0250		0

Overall MCR calculation

		C0070
Linear MCR	R0300	188,912
SCR	R0310	561,801
MCR cap	R0320	252,811
MCR floor	R0330	140,450
Combined MCR	R0340	188,912
Absolute floor of the MCR	R0350	3,126
Minimum Capital Requirement	R0400	188,912

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Registered in England number 84638
Registered office: 57 Ladymead, Guildford,
Surrey GU1 1DB, United Kingdom.

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