

Proposal for Mr Claus Clever

Allianz Direct Insurance ComfortDynamic in an existing group contract

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14 January 2023



PENSION SCHEME ComfortDynamic

To benefit from a high proportion of opportunity-oriented investments without needing to worry about anything.

DYNAMIC, COMFORTABLE, SAFE

The ComfortDynamic pension provision scheme offers an attractive balance between potential returns and security by supplementing the high-performance security assets with the opportunity oriented ComfortDynamic special assets. In this way you benefit from an increased share of opportunity-oriented

investments, especially in times of zero and negative interest rates.

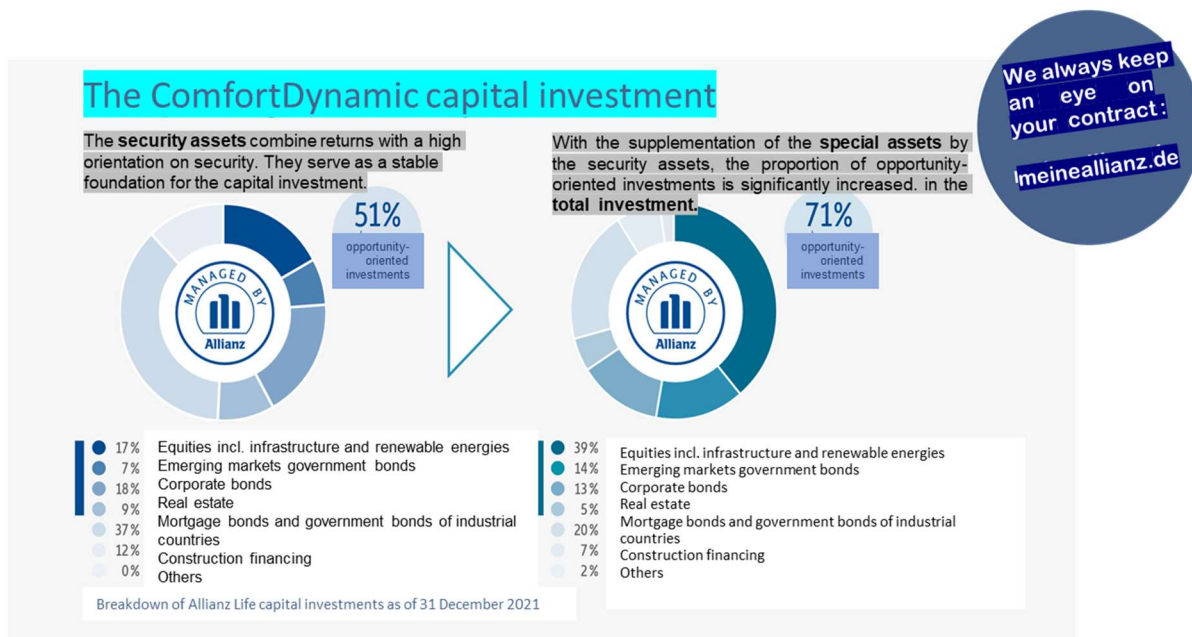
The selection of global investments with a focus on substance values (e.g., shares) may involve fluctuations, so that the policy value may also fall. These fluctuations can be dampened by the high performance security assets.

The security assets thus serve as a stable foundation for the capital

investment and offer security - even with a higher orientation on opportunities.

The investment is managed entirely by Allianz experts, who can react to market changes flexibly without you having to worry about it.

For your contract, the selected guarantee level at **the start of the retirement is 80%** of your paid-in contributions to the pension scheme.



Breakdown of the Allianz Life capital investments as of 31 December 2021

The illustration on the right shows an exemplary, initial total capital investment of a contract **with a 30-year deferment period against monthly regular premium payments** and a guaranteed capital **in the amount of 80 %** of the paid-in contributions for old-age provision on the basis of the shown distribution of the security assets and the distribution of the ComfortDynamic special assets as of 31 December 2021. The actual composition - in particular for other contract designs and other tariffs - may deviate from this. In addition, the distribution may change during the term of the contract and for other deferment periods.

SECURITY

EVEN IN TURBULENT MARKETS



OUR SECURITY PACKAGE

High-performance security assets provide **stability to the capital investment**. You can always rely on our almost 100 years of experience and the investment know-how of our experts.

In the case of high yields, the **dynamic guarantee increase (2)** provides additional security until three years before the date of the commencement of the retirement, which was agreed when the contract was concluded.

As soon as the policy value exceeds the sum of the paid-in premiums including any possibly reached guarantee increases by 30%, the guarantee capital is increased by half of the excess amount in the event of survival.

Thereafter, three years before the commencement date of the retirement payments, agreed upon conclusion of the contract, the **expiry management (3)** will gradually transfer monthly amounts from the ComfortDynamic special assets into the security assets if the value of the participation in the ComfortDynamic special assets amounts to more than 10 percent of the policy value after the reallocation. The reallocated amounts increase the security assets in case of survival.

Already when you take out the contract we promise you a **guaranteed minimum pension** and a **guarantee capital in the event of survival**.

Illustrative presentation



Allianz Direct Insurance ComfortDynamic

Personal suggestion

Your Data

Insured Person

Mr. Claus Clever

Date of birth

01 July 1988

Insurance data

Commencement of insurance

01 February 2023

Application date

14 January 2023

Commencement of pension payouts

01 July 2055

Age at the end of the deferment/contribution period

67 years

Type of confirmation

Defined contribution plan with benefit commitment

Guarantee of pension contributions in percent

80 %

Monthly premium payable

100,00 EUR

No increase of contribution and benefit has been agreed; therefore no inflation compensation has been taken into account.

You can bring forward the agreed start of retirement until 01 July 2050 and postpone it until 01 July 2063 at the latest, provided that the relevant pension regulation does not conflict with this.

Benefits from the pension scheme

- Future pension ComfortDynamic with payout option of capital upon survival on 01 July 2055

At this point you will receive a **lifelong monthly pension**, the amount of which will be guaranteed from the start of the pension payouts.

Your pension paid out (total pension) at the start of the pension depends especially on the development of the value of your total investment.

The following is an example of how your total benefits may develop.

Annual development of value (before deduction of costs) of...	Total benefits (after deduction of costs)		
	Lifelong monthly total pension payouts with today's assumed increasing life expectancy	Lifelong monthly total pension with life expectancy increased by a further 3 years	One-off Total capital payment (alternative payout option)
0.00 %	67.22 EUR	64.11 EUR	32.628.54 EUR
1.50 %	85.28 EUR	80.31 EUR	41.395.84 EUR
2.50 %	100.79 EUR	94.92 EUR	48.926.08 EUR
3.50 %	119.90 EUR	112.91 EUR	58.200.11 EUR
4.50 %	143.49 EUR	135.13 EUR	69.656.15 EUR
5.50 %	172.72 EUR	162.66 EUR	83.844.89 EUR



The total benefits shown are exemplary and therefore not guaranteed. At least you will receive the guaranteed benefits at the start of the pension payouts.

Until the agreed start of retirement on 01.07.2055, the total expense ratio will be between 1.11% and 1.16% depending on the development of values (performance) (e.g., 0.00% to 5.50% annually). It indicates by how much the annual development of values of your old-age provision is reduced after deducting acquisition and sales costs and other expenses until the agreed start of the retirement. When calculating the total expense ratio, only the contribution to old-age provision is taken into account.

If the lifelong monthly pension payouts calculated at the start of the pension were lower than the guaranteed minimum pension stated below,

You would receive the **guaranteed minimum pension** of

64.11 EUR

At the start of the retirement at least a **guaranteed capital** of
will be available for this purpose **upon survival**.

30.120.00 EUR

This results from 80% of the agreed contributions to the old-age provision.

The amount of the pension payouts you will receive will be determined at the moment when you retire. At that point of time, we calculate your lifelong guaranteed pension using the total existing capital at that time and the then calculated pension factor. The total capital is made up of

- the policy value
- the final surplus share and
- the participation in the valuation reserves

The pension factor is used to convert the total capital into monthly pension payments for life. It is calculated at the start of your pension payouts and indicates how much pension you will receive for every 10.000 EUR of the total capital. Based on today's accounting principles, the pension factor would be EUR 20.60; it cannot fall below the **guaranteed pension factor of EUR 16.48**.

In the event of your survival, your guaranteed capital can increase as a result of the dynamic guarantee increase and the expiration management. Up to 3 years before the start of the retirement agreed upon the conclusion of the contract, the dynamic guarantee increase can lead to an increase of the guarantee capital in the event of survival.

After that, if the value develops accordingly, the process management performs a gradual shift of the value of your participation in the ComfortDynamic special assets to the security assets. In doing so the security asset increases in case of survival. The reallocation reduces fluctuations in the policy value during this period.

Benefits in the event of death

- **Capital in the event of death before the start of the retirement:**

In the event of death before 01 July 2055, we will pay a one-off capital amounting to the value of the policy. Benefits resulting from surplus sharing will also be added to this.

- **Benefit payments in the event of death after the start of the retirement**

We pay a one-off amount of capital. The amount of this capital is the sum resulting from

- the policy value
- the final surplus share
- the participation in valuation reserves

at the end of the deferral period. Total pensions already paid will be deducted from this total amount.

Type of surplus use

- Retirement provision

- during the deferment period
- from the start of retirement

Investment in the ComfortDynamic special assets
Supplementary pension

Premiums

monthly

Premiums to be paid

100.00 EUR

Use of Premiums

Since 2011, Allianz bears in mind the United Nations Principles for Responsible Investment (PRI) for the part of the premiums invested in security assets.

In doing so, it takes into consideration environmental protection, social concerns and the aspect of good corporate governance when investing all Insured persons' funds as part of an overall sustainability concept. You can also find detailed **information on the topic of sustainability at <https://www.allianz.com/de/nachhaltigkeit.html>**

This proposal gives you an overview of the insured benefits and the premiums to be paid. For more information, please refer to the insurance information and the insurance conditions.

Notes on developments of value and surplus participation

The development of the value performance of the Allianz ComfortDynamic direct insurance is largely dependent on the performance of the ComfortDynamic special assets and the surplus participation (participation in surpluses and valuation reserves).

The development of the value performance of the ComfortDynamic special assets and participation in surpluses

Before the start of the retirement, the performance of the ComfortDynamic special assets, which our investment experts manage for you, is decisive for the total return. With the promising investment opportunities, we are able to let you participate directly in the development of the capital market.

In addition, we let you participate in the surpluses generated during the deferment period.

The current participation in the surplus before the start of the retirement is made up of the interest and additional surplus shares allocated to your insurance. With the ongoing participation in surplus, surpluses are regularly allocated to your contract. We add these to the policy value.

A final surplus share may also be added. This depends on the earnings situation and is each time determined for the current year and it only applies to contracts that are paid out in that year.

The surpluses mainly come from returns of capital investments. Further surpluses arise if the costs and, for example, the mortality before the start of the pension or the life expectancy from the start of the retirement are lower than assumed in the calculation. The surpluses are determined annually as part of our annual financial statement.

Participation in valuation reserves

Valuation reserves arise if the market value of capital investments is higher than the value at which the capital investments are shown in the balance sheet. Your insurance policy will participate in the valuation reserves at the end of the savings phase according to a cause-oriented procedure. These are recalculated regularly - at least once a year - on fixed cut-off dates and allocated mathematically to the eligible contracts.

Notes on opportunities and risks

General economic factors such as the development on the capital markets, influence the performance of the ComfortDynamic special assets. Our investment experts invest for you in various assets so that you participate directly in the opportunities of the capital markets. The following principle applies: the higher the chances of profit, the greater the risk of suffering a loss. For example, the chances of participating in rising capital markets are generally higher with an investment in shares than in fixed-interest securities. However, the risk of suffering losses in the event of an unfavourable capital market trend is correspondingly higher. Price risks are reduced by the diversification of the investment in the ComfortDynamic special assets but cannot be excluded.

The amount of surpluses depends primarily on the interest rate development on the capital market, the risk development and the costs. In the case of surpluses, we can generally compensate for short-term fluctuations. Longer-lasting changes, on the other hand, can lead to an adjustment of the surplus share rates both upwards and downwards. Especially in a strongly fluctuating capital market environment, more significant changes in the final surplus share are to be expected.

The amount of the valuation reserves depends on the capital market. The valuation reserves fluctuate significantly more than the underlying capital investment. Short-term fluctuations cannot be systematically compensated for by the monthly allocation.

Notes on the reported overall performances

For the total investment (in the ComfortDynamic special assets and in the security assets), a development of value performance is assumed with the percentage stated in each case during the deferment period. Valuation reserves and surpluses are included in this percentage. In the costs applied, a part of the costs relates to the value of your participation in the ComfortDynamic special assets and some to the protection capital. Since we cannot foresee the allocation to the ComfortDynamic special assets and the protection capital for the future, we assume a model share of the ComfortDynamic special assets for the calculation of the effective costs.

In determining the total pension, we have assumed the currently applicable actuarial interest rate from the start of the retirement (the current actuarial interest rate is 0.25%). The actual total benefits are likely to be higher or lower than indicated in this proposal.

Despite the exact representation in Euros, the total benefits are only **non-binding examples**. No contractual claims against us can be derived from the values shown.

Please note that the performance of the ComfortDynamic special assets and the amount of the surplus participation cannot be guaranteed.

Pension factor at the start of the retirement

The pension factor is calculated at the start of the retirement and indicates the amount of the monthly pension guaranteed from the start of the retirement per EUR 10,000 resulting from the sum of the policy value, the final surplus share and participation in the valuation reserves. For the calculation of the pension factor, the actuarial interest rate and the mortality table are used that apply at the time of the beginning of the retirement for comparable pension insurance policies to be newly concluded with immediate pension payment with us.

If we do not offer any comparable pension insurances on the German life insurance market at the start of the retirement, we undertake to set a pension factor that is determined according to recognized actuarial principles and which we therefore consider appropriate and which ensures that we can permanently meet our obligations under the contracts. In this case, we will engage an independent trustee who will review the bases of calculation and confirm their adequacy.

The pension factor at the start of retirement is at least as high as the guaranteed pension factor.

Explanations of the proposal documents and the legally required documents

In the personal suggestion prepared for you we have determined all declared values corresponding to your personal information, i.e., regarding the individual contribution, the term and any additional insurances included in accordance with the binding association recommendation of the German Insurance Association e.V. (GDV). You will also find the so-called total expense ratio there. In your insurance information, which is also required by law, we tell you the so-called effective costs, for the calculation of which legal requirements must also be taken into account.

The calculation methods are basically the same for the effective costs and the total expense ratio.

In addition to the tariff costs, both values also include the collective capital investment costs that arise in the management of the guaranteed assets and include an owner participation. The owner participation describes the part of the generated income that benefits the owners of the insurance company (shareholders).

When calculating the effective costs, transaction costs for the security assets and transaction costs for the ComfortDynamic special assets are also taken into account. The transaction costs arise, among other things, from market fluctuations between the purchase and sale of the underlying capital investments.

Transaction costs are influenced by market changes and are subject to fluctuations. Since the selected product is a long-term investment product, these are not taken into account when calculating the total expense ratio.

Notes on the proposed insurance

Premium payments

The premium is payable until the end of the insurance period in which the insured person dies, at the latest until the end of the deferral period.

Dynamic guarantee increase

The guaranteed capital at maturity can be increased up to three years before the pension commencement date agreed when the contract was concluded if high returns are achieved (dynamic guarantee increase). For this purpose, we check every bank working day whether we can increase your guaranteed capital at maturity. To do this, we transfer part of the ComfortDynamic special assets to the guarantee capital.

The aim of the dynamic guarantee increase is to secure high returns and to continue to be able to take advantage of yield opportunities. If the performance is correspondingly good, the dynamic guarantee increase is possible several times over the term of the contract.

Prerequisite

We will increase your guaranteed capital upon survival if your policy value is at least 130% of the reference value. Since not all of the policy value is invested in the protection capital, it is guaranteed minimum pension does not increase as a result.

You can find details on this in Part A of your insurance conditions in the old age provision module under "Benefits requirements and scope benefits", subsection "What benefits do we provide from the start of the pension?".

Process management

From the third last year before the pension commencement date agreed when the contract was concluded, we check monthly whether part of the value of your participation in the ComfortDynamic special assets can be reallocated to the protection capital and thus increase your guaranteed capital on survival. This is intended to reduce the risks of a reduction in value due to price declines in the last years before the start of the retirement.

Requirements

The reallocation takes place when the value of your participation in the ComfortDynamic achieves the minimum value of the special assets which must be at least 10% of the policy value and the reallocation must be possible within the framework of the value protection concept.

Amount of redeployment

The amount of the reallocation depends on the number of months remaining until the annuity start date agreed when the contract was concluded, the value of your participation in the ComfortDynamic special assets and the policy value.

Impact

Your guaranteed capital on survival increases according to actuarial principles, at least by the reallocation amount. The guaranteed minimum pension does not increase as a result.

Extra payments

During the deferment period, it is possible to increase the old-age provision through additional payments **without a risk assessment** in the period from 01 February 2027 and before 01 June 2051. The amount of the additional payment must be at least EUR 200.00. Additional payments within an insurance year may not exceed a total of 10 times the agreed contributions to the old-age provision for this insurance year and may not exceed a maximum of EUR 30,000. The premium payment method and the amount of the premiums do not change due to additional payments. We will adjust the security assets accordingly.

Attention:

- For each additional payment to the old-age provision, separate surplus participation rates can be determined for a specific period. You can find details on this in the insurance information under "Notes on your own surplus participation rates".

- Acquisition and sales costs as well as administration costs will be charged for each extra payment.