ANNUAL REPORT 2019

ALLIANZ NEDERLAND GROEP N.V.

Allianz

CONTENTS

INTRODUCTION

Main changes in 2019

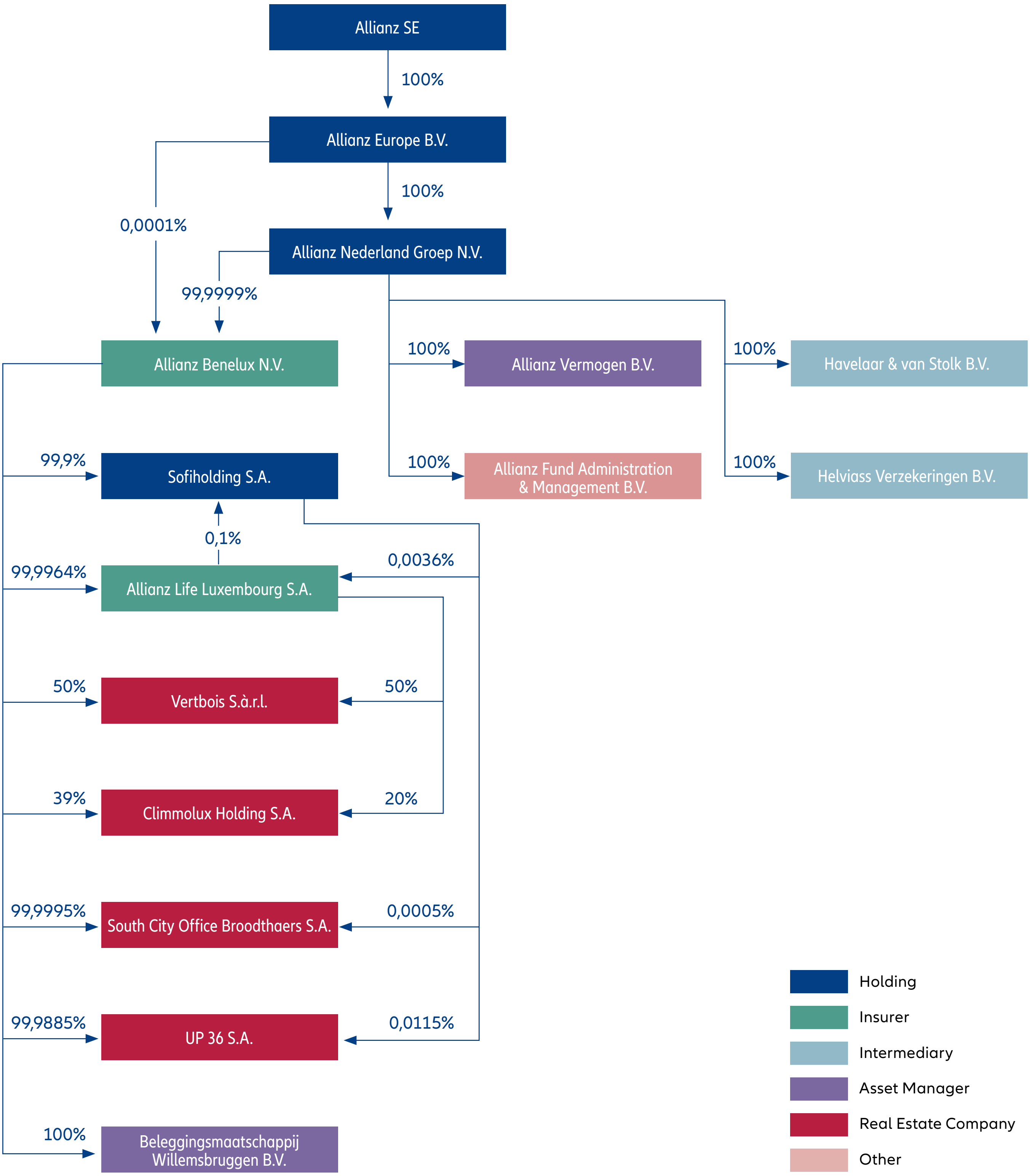
For the year 2019 the financial reporting of Allianz Nederland Groep N.V. (abbreviated as ANG) has changed as it is no longer conducted on a consolidated basis, whereby the relevant figures of the subsidiaries used to be reported in detail. This information can therefore be found for large parts in the reporting of Allianz Benelux N.V. seated in Brussels. Consequently, also the financial results of Allianz Vermogen B.V., Havelaar & van Stolk B.V. and Helviass Verzekeringen B.V. are no longer included on a (detailed) consolidated basis in the annual report of ANG, but reported separately for each company.

Reason for this is the integration of the life insurance company Allianz Nederland Levensverzekering N.V. (abbreviated as ANL) into Allianz Benelux N.V. which has been finalized in March 2019, after approval of the Dutch supervisory authorities (De Nederlandsche Bank), with retroactive effect from 1 January 2019. As a result of this, the Dutch life portfolio has been transferred to a Dutch branch office of Allianz Benelux N.V. which thereby becomes the risk carrier of the former ANL portfolio. The tradename Allianz Nederland Levensverzekering N.V. remains in force. This emphasizes the importance Allianz attaches to the ongoing presence in the Dutch insurance market.

Another consequence of this integration is that prudential supervision on the financial stability of Allianz Benelux N.V. is conducted by the Belgian supervisory authorities (Nationale Bank van België), while market conduct supervision of the Dutch life branch is performed by the Dutch Authority for the Financial Markets (AFM).

Although this report focuses on the holding perspective of ANG, it also includes relevant information on the main subsidiary Allianz Benelux N.V. (amounting to 98% of the total activities).

Organizational chart



About Allianz Benelux N.V.

CONTEXT

As a result of the restructuring of the Benelux activities as described above, Allianz Benelux N.V. has become the most significant subsidiary of Allianz Nederland Groep N.V. and as such relevant information about that entity is proved below.

Allianz Benelux operates within the context of Allianz Group S.E., which is one of the largest financial institutions in the world. In Europe, Allianz is the market leader when it comes to underwriting risks and the development and offering of financial solutions. Allianz operates as an integrated financial enterprise offering risk and asset management products. With its worldwide knowledge of risk management and financial planning, and the innovation strength within the group, Allianz aims to win the loyalty of the customers through expert advice, service and products that meet their needs.

Allianz Benelux has sales of over 4.1 billion euros, and approximately 2,000 full time employees, half of whom work in the Netherlands. This size enables Allianz Benelux to respond decisively and flexibly to changes in the market. Employees are given the room to grow and develop and to play a meaningful role in helping achieve the strategy. Customer centricity and profitable growth are at the heart of this strategy. By investing and maintaining tight control over costs, Allianz Benelux offers customers the best quality and service at the most competitive price. The intention of Allianz Benelux is to continue to innovate in the interests of the customers. management.

STRATEGY

Renewal Agenda 2.0

The strategy of Allianz is linked to the group wide Renewal Agenda which was further detailed in November 2018 by the Group CEO. The five key levers areas remain the same, but Allianz will focus on increased simplicity in internal and external processes and in the products and services offered to clients.

True Customer Centricity

Make superior customer experience the top priority for all actions.

Digital by Default

Move from selected leading assets to become 'digital by default' everywhere.

Technical Excellence

Create superior margins, innovation and growth through best talents and state-of-the-art-skills.

Growth Engines

Systematically exploit new sources for profitable growth.

Inclusive Meritocracy

Reinforce a culture where both people and performance matter.

These levers are combined with the mission and vision to position Allianz in the market. The core values form the ethics compass and the core of the corporate culture. Practically speaking, they reflect what Allianz finds important in how employees act and behave towards customers and thus how Allianz wants to be perceived by customers and other stakeholders.

XCELERATE

With the local implementation program 'Xcelerate' Allianz will be able to radically simplify business offerings and processes to the benefit of the clients.

PURPOSE

With the update of the Group wide Renewal Agenda Allianz has also introduced a worldwide mission statement: 'We secure your future'. Since 1890, all around the globe, we at Allianz have been working hard to secure people's lives and to give courage to our customers for what's ahead.

We are actuaries, advisors and service agents; engineers, lawyers and coders; we are daughters and sons, mothers and fathers, accountants, investors and entrepreneurs – and together we are shaping our industry. Because we know how important it is to have a fair partner at your side that provides solid and sustainable solutions, we strive to do it right – every day.

OUR PROMISE

A trusted partner building on integrity, competence and resilience.

CORE VALUES

Responsible
- Caring
- Connected
- Excellent

DARE TO

Allianz wants to be close to the customers. Not telling them what to do, but empowering them to make their own choice. Challenging them to dare.

REPORT OF THE SUPERVISORY BOARD

Introduction

The Supervisory Board works according to standing orders, documented in a charter, which set out its main tasks, responsibilities and powers. The charter of the Supervisory Board remained the same in 2019, but will change in 2020. The charter will be tuned to the new governance needed, as Allianz Nederland Groep N.V. became the holding company of Allianz Benelux N.V. (Brussels) and Allianz Nederland Levensverzekering N.V. was merged into Allianz Benelux N.V. The Management and Supervisory Board decided to cancel the Audit Committee in the reporting year. The reason is that the main risks will now lie and will also be managed within Allianz Benelux N.V., which has its own Audit Committee.

The responsibilities of the Supervisory Board include:

1. Approval of the annual report, financial statements and notes to the financial statements.
2. Assessment of risk management.
3. Selection and appointment of the external independent auditor.
4. Carefully dealing with any irregularities.

The Supervisory Board passes resolutions on the proposals of the Compensation Committee and, for 2019, the Audit Committee. It also lays down the remuneration policy.

The charter contains provisions for the supply of information, how meetings are to be prepared and conducted, the decision-making protocol and the procedure for dealing with possible conflicts of interest. Finally, the charter includes fit & proper and permanent education requirements. Both the Board of Management and the Supervisory Board conduct an annual self-evaluation.

Meetings of the Supervisory Board

During the year of account, the Supervisory Board dealt extensively with the strategic course of Allianz in the Netherlands, the market and economic trends, the company's outlook and the operating and financial results.

The Supervisory Board held three plenary meetings in 2019. There is a standard annual routine where structural topics are addressed. Between the meetings, there was frequent contact between individual members of the Supervisory Board and the Board of Management, senior management and representatives of the Works Council. The Supervisory Board ensured that it was apprised of current topics within Allianz and the general state of affairs in the company at various levels. The members of the Board of Management, senior management and the heads of the risk functions Internal Audit, Legal, Compliance and Risk issued regular reports, on the basis of which the Supervisory Board conducted its discussions. That enabled the Supervisory Board to keep close track of the operational activities and projects. Minutes of all meetings were taken and the action points and resolutions explicitly recorded. This supports the follow-up on the business agreed during the meetings.

All meetings took place at the headquarters of Allianz Nederland Groep N.V. in Rotterdam. In some cases, a Board Member participated via videoconference, but the Supervisory Board explicitly confirmed that personal attendance is preferred. On a few occasions, a member of the Supervisory Board or a member of the Board of Management was unable to attend a meeting. In those cases, the absent Board Member gave their input to the meeting beforehand and authorized a colleague to exercise their vote if and when needed.

Topics discussed by the Supervisory Board in 2019 were:

1. The financial statements for 2018 including the findings of the external independent auditor, the audit report to the Supervisory Board and the management letters.
2. The appropriation of profit and the dividend proposal for 2018 and 2019 (interim dividend).
3. The budget for 2019.
4. Risk management and the system of governance and internal control for the Dutch activities.
5. Developments in the Dutch insurance market.
6. The merger of Allianz Nederland Levensverzekering N.V. into Allianz Benelux N.V. (Brussels) and associated governance requirements.
7. Developments regarding unit linked insurances.
8. The strategy for the insurance activities in the Netherlands, both in terms of business development and risk management.
9. The move to the new headquarters.
10. The strategy for IT and operations.
11. Employee engagement and development prospects for employees.
12. Derisking pension fund.
13. Changes to the composition of the Management Board and Supervisory Board.
14. Approval of the company's risk appetite.

Risk management

Risk control and risk management were repeatedly on the agenda. The Supervisory Board was informed by the external independent auditor and the internal risk functions Internal Audit, Legal, Compliance and Risk. This included discussing the recommendations from these functions and determining the status of prior recommendations. Where necessary, the Supervisory Board ensured that the agreed actions are pursued.

Performance evaluation

The Supervisory Board evaluated its own performance, that of its individual members and that of the Audit Committee and the Compensation Committee. This took place in a plenary session without external assistance. The evaluation also covered the cooperation with the Board of Management and the exchange of information with the Board of Management. No separate evaluations took place for the Audit Committee or Compensation Committee.

The result of the evaluation is that members of the Supervisory Board individually and collectively are sufficiently critical and independent and complement each other. They satisfy the applicable knowledge and experience requirements from the Supervisory Board's profile. The Supervisory Board is characterized by open and constructive cooperation. The complementarity in competences within the Supervisory Board, which is required for its statutory oversight duties, is also experienced in practice.

The Supervisory Board saw no need to modify its profile. The Supervisory Board experienced its relationship with the Board of Management as positive. The information that was provided to the Supervisory Board was of high quality and took account of the interests of everyone involved in the company and the external environment.

Report from the Audit Committee

The Audit Committee advises the Supervisory Board in plenary sessions about performing its oversight functions for the areas set out in the Audit Charter. A verbal report on every meeting of the Audit Committee is given in the broader Supervisory Board. In the reporting year, the Audit Committee comprised of Mr. Nick van Ommen (chairman) and Mr. Thomas Loesler. Thus, the Committee possessed sufficient knowledge and experience to perform its activities.

Meetings were attended by the CEO, CFO and the risk functions, as well as the external independent auditors. The Audit Committee met twice, in accordance with its routine schedule. At each meeting, members of the Audit Committee conferred with the external independent auditor and Internal Audit.

The following topics were on the agenda of the Audit Committee:
1. The financial statements for 2018 including the findings of the external independent auditor and the audit report to the Supervisory Board.
2. The appropriation of profit and the dividend proposal.
3. Preparation of the Supervisory Board's approval of the risk appetite determined by the Board of Management
4. Determining whether Allianz's activities are in line with its risk appetite.
5. The annual plan of the auditor and follow-up on prior recommendations.
6. Confirmation of the independence of the external independent auditor.

In the year of account, Pricewaterhouse-Coopers Accountants N.V. remained the external independent auditor.

As mentioned above, In the light of the above-mentioned governance changes it has been decided to cancel the Audit Committee of the Company.

Report from the Compensation Committee

The Compensation Committee comprised of Mr Nick van Ommen (chairman), Mrs. Boshnakova and Mr. Thomas Loesler. The Compensation Committee advises the Supervisory Board about performing its oversight functions for the areas set out in the Compensation Committee Charter. A verbal report of the meeting of the Compensation Committee is given to the Supervisory Board.

The Compensation Committee met three times in 2019 according to its routine schedule. Routine members of the meeting were the CEO, the Heads of HR for Allianz in the Benelux and the head of the Legal function.

The main topics on the agenda were as follows:
1. Overseeing Allianz's remuneration policy and its revision. This was also done with a view to the balance between performance and risk control.
2. The structure of the remuneration of the Board of Management and the Supervisory Board.
3. Developments in legislation and the collective labor agreement for the insurance sector.
4. Changing the pension scheme and bringing it up to date with new legal and tax requirements.
5. Redundancy payments in effect.
6. Application of the claw-back scheme and/or changes to variable remuneration.
7. The awarding and payment of variable remuneration on the basis of agreed financial and non-financial targets for the short, medium and long term for all groups with variable remuneration.
8. Setting new financial and non-financial targets, such as for employee engagement, leadership and customer loyalty.
9. Developments in the terms of employment at Allianz itself and sector-wide.

The remuneration of the Board of Management and the Supervisory Board are in line with Allianz's policy.

Composition of the Supervisory Board

Members of the Supervisory Board in the reporting year:
1. Mr Nick van Ommen, chairman of the Supervisory Board (per May 27, 2019), chairman of the Audit Committee and chairman of the Compensation Committee (per May 27, 2019).
2. Mrs Sirma Boshnakova, member of the Supervisory Board, member of the Compensation Committee, member of the Audit Committee (until May 27, 2019) and recommended on behalf of the shareholder
3. Mrs. Monique Donga, member of the Supervisory Board (per March 18, 2019) and recommended on behalf of the Works Council.
4. Mr. Thomas Loesler, member of the Supervisory Board, member of the Compensation Committee, member of the Audit Committee (per May 27, 2019) and recommended on behalf of the shareholder
5. Mr Robert Walvis, chairman of the Supervisory Board and chairman of the Compensation Committee (until May 27, 2019).

Mr. Loesler works for the ultimate shareholder Allianz SE. Apart from their membership of the Supervisory Board, the other members have no relations with Allianz and are therefore independent. Owing to the number of members of the Supervisory Board, Allianz satisfied the Financial Supervision Act and the Articles of Association that stipulate that the Supervisory Board must be composed of at least three members.

Allianz aims for diversity in the composition of the Supervisory Board. To this end, the Supervisory Board has defined a job profile to ensure the necessary strategic diversity. The composition of the Supervisory Board reflects the political, managerial and social experience and specific knowledge and experience in relation to Allianz Benelux's activities in the Netherlands. The Supervisory Board has knowledge of the financial markets.

It also has sufficient specialist financial knowledge. All members have sufficient regulatory experience as well as experience with managing large organizations. This ensures that the Supervisory Board possesses sufficient knowledge and skills to fulfil its oversight function properly.

Lifelong learning

The chairman ensures that a lifelong learning program is established. The aim of the program is to retain and add to the level of knowledge of the Supervisory Board in the areas relevant to its oversight function. The chairman is advised by the secretary about the content of the program, which is reviewed annually.

The topics of the program are revised each year by the Supervisory Board, to accommodate for current and/or urgent topics which may take priority.

Remuneration and dedication

The members of the Supervisory Board receive a fixed remuneration for sitting on the Supervisory Board and for any committees which they chair. The individual members have sufficient time available to fulfil their oversight responsibilities.

Promise

All members of the Supervisory Board have taken the promise and oath for the financial sector.

Words of thanks

The Supervisory Board thanks all employees, the Board of Management and the Works Council for their dedication in the year under review.

The Supervisory Board has complete confidence in Allianz's ability to continue building on its positions in its target markets. The Supervisory Board wishes to thank the staff and managers for all their hard work and encourages them to carry on.

Rotterdam, 8 June 2020

Nick van Ommen
Chairman of the Supervisory Board

REPORT OF THE BOARD OF MANAGEMENT

Developments and financial results

Allianz Nederland Group N.V. (ANG) is a holding company, that holds the insurance and insurance related activities of Allianz SE in the Benelux. ANG employs the Dutch personnel and recharges the costs to the subsidiaries. There are currently no expectations for significant changes in the company's investments, financing activities or operations (including staffing).

The following major events occurred during the year 2019:

- ANG acquired the shares of Allianz Benelux N.V. from Allianz Europe B.V. via a capital increase of EUR 1,779 mn through a contribution in kind.
- A merger between the sister companies Allianz Benelux N.V. and Allianz Nederland Levensverzekering N.V.
- In December a derisking agreement between ANG and the pension fund was agreed.

As a result of this, the Dutch life portfolio was transferred to a Dutch branch office of Allianz Benelux N.V., which thereby becomes the risk carrier of the former ANL portfolio. The trademark Allianz Nederland Levensverzekering remains in force. This emphasizes the importance we attach to our ongoing presence in the Dutch insurance market.

The equity position remained very strong, due to the acquisition of Allianz Benelux, financed via a capital increase the total shareholders' equity increased from EUR 244.3 mn to EUR 1,933.8 mn. Of the total assets 91% was financed via equity per year end 2019 (2018: 72%).

The liquidity position remained stable, Besides the expected payment of EUR 70 mn in respect to the derisking agreement as concluded between the employer and the fund in December 2019, no material outgoing cashflows impacting our liquidity position are expected.

ANG realized a net profit in 2019 of EUR 252.8 mn (2018: EUR 32.2 mn). The result of ANG mainly depends on dividends received from related parties (2019: EUR 252.5 mn; 2018: EUR 28.0 mn).

Board of management

RESPONSIBILITY

The Board of Management is responsible for managing the company and for its day-to-day business. It is guided in its management by the Articles of Association, the Dutch Civil Code and the Financial Supervision Act. The Board of Management works according to standing orders setting out its main tasks, responsibilities and powers. The standing orders also contain provisions for the division of areas of responsibility within the management, the supply of information, how meetings are to be prepared and conducted, the decision-making protocol and the procedure for dealing with possible conflicts of interest. Finally, the standing orders include requirements for the necessary knowledge and experience. The Articles of Association of Allianz Nederland Groep N.V. were amended on 26 March 2019. The standing orders of the Board of Management remained the same in 2019.

In the course of 2019, several changes were made to the Board of Management. Mr A.J.

Bradshaw was appointed to the Board of Management per 1 January 2019. Mrs Coste-Lepoutre resigned from the Board to assume another position within Allianz Group per 15 March 2019. She was succeeded by Mr B. Bourgeois per the same date. Mr W.T. Neven resigned from the Board of Management per 13 December 2019. He will be succeeded by Mrs K.L. Van den Eynde.

The appointment of Mr A.J. Bradshaw as member of the Board of Management was the final appointment made with the consent of De Nederlandsche Bank (Dutch central bank) under the Financial Supervision Act. The composition of the Board of management meets the criteria for a complementary, diverse and cooperative Board of Management. Under the Articles of Association the Board of Management must be made up of at least two Managing Directors. This condition was also met during the year of account.

After the resignation of Mrs C.M. Coste-Lepoutre, no women were present at the Board of Management. With each future appointment, Allianz will take into account the aim to achieve sufficient diversity within the Board of Management. The re-appointment (in 2020) of Mrs K.L. Van den Eynde is proof of that ambition.

LIFELONG LEARNING

In the year under review, the Board of Management participated in the lifelong learning program for the Supervisory Board.

REMUNERATION AND DEDICATION

Part of the remuneration received by the members of the Board of Management is linked to their performance.

RISK MANAGEMENT

Responsibility for risk management lies with the Chief Financial Officer. He has no commercial responsibilities and operates independently of the financial results. Decision-making and risk monitoring are the responsibility of the statutory board of each company that is part of Allianz. Support is provided by advisory committees, as stated in the committee charters. This ensures that the latent and manifest risks, the risk analysis, decision-making on the risk appetite and control procedures are dealt with at the right place.

The Supervisory Board assesses the risk management performed by the Board of Management. The various risks of Allianz Nederland Groep are regularly discussed at the meetings of the Supervisory Board. At the meeting prior to the adoption of the financial statements, the external independent auditor reports on the risk findings and discusses the board report. The risk functions ensure that risks are reported as needed

Governance

Governance at Allianz Nederland Groep N.V. is based on a limited structure regime, applicable to two-tier entities. The main features of this organizational structure under the Articles of Association:

1. Allianz is managed by a Board of Management, which is supervised by a separate and independent Supervisory Board.
2. The Supervisory Board has far-reaching internal powers and the right of assent in respect of certain decision making.
3. The Supervisory Board nominates new members to the Annual General Meeting, which may be preceded by a recommendation from the Annual General Meeting or the Workers Council. The Works Council has the right to make recommendations for at least one-third of the Supervisory Board.

The Board of Management manages the company and is responsible for the implementation of the policy and for day-to-day business. The Supervisory Board oversees and provides both solicited and unsolicited advice to the Board of Management about the strategy, performance and risks associated with the company's activities. In the performance of its duties, the Supervisory Board takes into account the interests of the company and all its stakeholders.

Governance - miscellaneous topics

COMPLIANCE WITH LEGISLATION AND REGULATIONS

Each year, Allianz Nederland Groep and it's subsidiaries must implement new requirements placed by legislation and regulations, new rules, the active stance taken by the regulatory authorities and demands by trade organizations. All have an effect on the tasks and responsibilities of both the Board of Management and the Supervisory Board. Transparency and compliance with internal and external standards goes without saying at Allianz Netherlands. The tasks that the

company is asked to perform in relation to oversight take high priority.
Priority cases included aftercare in relation to unit-linked policies, improving customer information, the analysis of internal risks and controls, further implementation of the General Data Protection Regulation (GDPR), the Insurance Distribution Directive (IDD), new pension regulations and Markets in Financial Institutions Directive (MiFID II) and Packaged Retail and Insurance-based Investments Products (PRIIPs).

REMUNERATION POLICY

Allianz has a remuneration policy. The policy is regularly updated to keep pace with new and changing legislation and regulations and Allianz SE policies. Allianz Nederland Groep and its subsidiaries comply with the requirements for a sound remuneration policy in accordance with the Financial Supervision Act.

OATH OR PROMISE

The oath or promise for the financial sector extends to all persons who can influence the company's risk profile and to employees with direct customer contact. All employees who qualify as such have taken the oath or made the promise. The oath or promise is mandatory to all new employees at Allianz.

CO-DETERMINATION WELL ORGANIZED

Consultation with the Workers Council runs smoothly. Allianz has an engaged Works Council which is capable of putting itself in the position of the employer and of the employees. Allianz often asks a representative of the Works Council to think along with the Board. Consequently, the Works Council is always well informed.

Governance - Risk and Control Functions

INTERNAL AUDIT FUNCTION

The organization of Internal Audit meets all relevant standards, including the Allianz internal standards. Internal Audit reports on a quarterly basis to the statutory Board of Management of Allianz its audit plan & status, results of audit reports and the follow-up on open findings.

COMPLIANCE FUNCTION

The design and operation of the Compliance function has been improved with regard to governance and staffing and is now better able to fulfil the role expected by all stakeholders. Compliance can always report any material or relevant Compliance issues to the Chairman of the Supervisory Board.

COMPLIANCE TOPICS

Further improvements have been made in the reporting year. The main developments in compliance relate to the continuous implementation activities for the Allianz Privacy Renewal Project (in light of the General Data Protection Regulation (GDPR), the continuous implementation of the Insurance

Distribution Directive (IDD) and the periodic assessment of the Internal Risk and Control System (IRCS) and Compliance Risk & Maturity assessment.

INTEGRITY AND ETHICS

Employee integrity is an important condition to win and retain the trust of customers and the market. Yet it is unrealistic to think that improprieties will never take place in a company of this size. Allianz is keen to identify integrity problems on a timely basis and be able to take effective action to prevent possible reputational damage. This is why Allianz has a whistle-blower scheme in place to report misconduct and abuse cases, which goes by the name of SpeakUp! Any case concerning the integrity of the company, its employees, business partners and customers can be reported, e.g. violations of the code of conduct, fraud and suchlike. With SpeakUp!, employees have a digital tool at their disposal which they can use to report abuse cases anonymously. The SpeakUp! tool is hosted by a third party specialized in systems for securely reporting abuse cases.

Cases can be reported by telephone and internet 24/7 without having to go through a call center; this takes place completely outside of Allianz's IT systems. The Dutch Compliance Officer of Allianz is allowed to ask follow-up and verification questions, even after an investigation has been started. The employee's anonymity is guaranteed and it is also made easier for employees to file a report. The scheme is explained in plain language and the employees have received extensive information about the possibilities. Cases are assessed and discussed by the Benelux Integrity Committee, consisting of the Heads of Compliance, Legal, Anti-Fraud, Audit and HR. The Benelux Integrity Committee has a Charter listing their roles and responsibilities.

Principal risks and uncertainties

Allianz Nederland Group N.V. is a holding company and is therefore primarily indirectly exposed to the risks inherent to the business of its subsidiaries. Consequently, those risks are managed at the level of the subsidiaries. Its main subsidiary Allianz Benelux S.A. (98%) is subject to Solvency II regulation. The main activity conducted for Allianz Benelux S.A. is the payment of salaries and pension premiums of the Dutch based employees, and to transfer dividend to Allianz Group.

The company's objective is to preserve its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

An overview of the relevant risk is provided in Note 14- Risk Management.

Outlook

The economic Outlook for Allianz Nederland Groep N.V. depends on the performance of its insurance subsidiaries. A summary of prospects in relation to the economy and business context is discussed in the chapters above.

Since mid-February 2020, we have been closely following developments concerning the Coronavirus and the disease it causes Covid 19. The spread of this disease has gradually turned into a global pandemic that has justified our taking drastic measures to protect our staff, our balance sheet and our critical functions.

As of 25/02, we have decided in line with the recommendations of the Allianz Group to ban all public transport travel between Allianz offices, as well as physical presence at international group meetings. At that time measures and prophylactic recommendations have also been implemented at our offices (e.g. provision of hydro-alcoholic gels for each employee).

As of 17/03, any employee who is able to carry out his or her professional duties from home - which concerns almost all of the company's staff - can no longer go to the office, except in extreme emergencies.

At the time of closing these lines, it can be said that Allianz is successfully facing up to the challenge, thanks to a largely anticipated digitalization that enables it to work remotely to the satisfaction of its stakeholders. The financial impact to Allianz Nederland Groep N.V. is mainly driven by the impact on its subsidiaries. For our main subsidiary Allianz Benelux N.V., the solvency ratio (calculated on the basis of the Solvency II standards) was expected to remain stable based on the stress tests carried out, which has been confirmed by the 2020 Q1 actuals. Therefore, Allianz Benelux does not foresee any shortfall in its solvency. Besides the outcome of the monitoring of the Solvency ratio an expected cash flow analysis was performed and no liquidity issues are expected both for Allianz Benelux and Allianz Nederland Groep N.V. Risks that may emerge from the future development of the Covid-19 pandemic are not yet known

Although further development is uncertain the pandemic does not call into question the continuity of the company's activities during the next twelve months.

Rotterdam, 8 June 2020

Management board	**Supervisory board**
S.L. Laarberg (chairman)	N.J.M. van Ommen (chairman)
B. Bourgeois, CFO (from March 15, 2019)	M.D. Donga (from March 15, 2019)
A.J. Bradshaw (from January 1, 2019)	T. Lösler (from May 15, 2019)
K.L. van den Eynde (from January 22, 2020)	

FINANCIAL STATEMENT 2019 ALLIANZ NEDERLAND GROEP

Financial Statements

Supplementary information to the Finacial Statements

Supplementary information to the Balance Sheet - assets

Supplementary information to the Balance Sheet - Equity and Liabilities

Supplementary information to the Income Statement

Additional information to the Financial Statements

Other information

BALANCE SHEET

Before profit appropriation

as at 31 December 2019

Assets

€ 1,000

	Note	2019	2018[1]	1 Jan, 2018 restated [1]
Investments in subsidiaries	3	2,042,763	263,764	263,764
Financial assets carried at fair value through income	4	1,833	1,933	2,149
Defered tax assets	5	15,651	903	1,212
Other assets	6	39,927	44,717	54,164
Receivables		16,573	32,275	41,442
Property, plant and equipment		19,831	6,961	10,126
Other assets		3,523	5,481	2,596
Cash and cash equivalents	7	31,659	25,760	25,398
Total assets		**2,131,833**	**337,077**	**346,687**
Shareholders' equity	8	1,933,786	244,347	246,348
Issued capital		59,813	59,813	59,813
Share premium		1,855,666	76,667	76,667
Retained earnings		(280,629)	29,459	38,187
Revaluation reserve		46,161	46,161	46,161
Unappropriated result for the period		252,775	32,247	25,520
Other provisions	9	100,506	26,512	27,995
Other liabilities	10	97,541	66,218	72,344
Payables to group companies		42,458	32,776	34,143
Taxes payable		8,336	7,140	7,389
Other payables and accrued liabilities		46,747	26,302	30,812
Total liabilities		198,047	86,522	90,213
Total equity and liabilities		**2,131,833**	**337,077**	**346,687**

1) 2018 figures have been restated, explanation is given in Note 2

INCOME STATEMENT

for the year ended 31 December 2019

€ 1,000

	Note	2019	2018[1)]
Dividend income subsidiaries	11	252,520	28,000
Gains on sale and liquidation related parties		-	1,605
Result from financial assets carried at fair value through income	4	439	-
Other financial income		24	43
Financial income		252,983	29,648
Interest expense and similar expenses		(26)	(87)
Result from financial assets carried at fair value through income	4	-	(88)
Financial expenses	9	(26)	(175)
Net financial income		252,957	29,473
Operating expenses	12	(656)	(431)
Profit before tax		252,301	29,042
Income taxes	13	474	3,205
Profit for the year		**252,775**	**32,247**

1) 2018 figures have been restated, explanation is given in Note 2

STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2019

€ 1,000

	2019	2018
Profit for the year	252,775	32,247
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Changes in actuarial gains and losses on defined benefit plans	(115,825)	(4,636)
Income tax relating to the actuarial gains and losses	26,010	(1,612)
Total items that may never be reclassified to profit or loss	**(89,815)**	**(6,248)**
Total comprehensive income	**162,960**	**25,999**

STATEMENT OF CHANGES IN EQUITY INCOME

€ 1,000

	Paid-in capital	Share premium	Revenue reserves	Revaluation reserve	Net income	Shareholders' equity
Balance as of 01/01/2018	**59,813**	**76,667**	**38,187**	**46,161**	**25,520**	**246,348**
Net income	-	-	-	-	32,247	32,247
Other comprehensive income	-	-	(6,248)	-	-	(6,248)
Total comprehensive income	-	-	(6,248)	-	32,247	25,999
Transfer profit previous years to reserves	-	-	25,520	-	(25,520)	-
Shareholders' dividend	-	-	(28,000)	-		(28,000)
Balance as of 31/12/2018	**59,813**	**76,667**	**29,459**	**46,161**	**32,247**	**244,347**
Acquisition via contribution in kind	-	1,778,999	-			1,778,999
Balance as of 01/01/2019	**59,813**	**1,855,666**	**29,459**	**46,161**	**32,247**	**2,023,346**
Net income	-	-	-	-	252,775	252,775
Other comprehensive income	-	-	(89,815)	-	-	(89,815)
Total comprehensive income	-	-	(89,815)	-	252,775	162,960
Transfer profit previous years to reserves	-	-	32,247	-	(32,247)	-
Shareholders' dividend	-	-	(252,520)	-	-	(252,520)
Balance as of 31/12/2019	**59,813**	**1,855,666**	**(280,629)**	**46,161**	**252,775**	**1,933,786**

CASH FLOW STATEMENT

for the year ended 31 December 2019

€ 1,000

	2019	2018
Profit for the year - excluding dividend income from subsidiaries	(219)	1,042
Dividend received from subsidiaries	252,520	28,000
Other non-cash income/expenses	10,985	(3,070)
Change pensions provision	(48,108)	(4,396)
Change in other receivables and liabilities	35,324	9,268
Income taxes paid	11,736	1,220
Net cash from operating activities	**262,238**	**32,064**
Financial assets carried at fair value	100	216
Net cash from investing activities	**100**	**216**
Lease liabilities paid	(3,918)	(3,918)
Dividend paid to shareholders	(252,520)	(28,000)
Net cash from financing activities	**(252,520)**	**(31,918)**
Change in cash and cash equivalents	**5,900**	**362**
Cash and cash equivalents at 1 January	25,760	25,398
Cash and cash equivalents as at 31 December	**31,660**	**25,760**

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

1 - Basis of preparation

Basis of measurement
On the basis of management's assessment, the financial statements have been prepared on a going concern basis. Assets and liabilities are valued at cost, except for financial instruments as described in note 2. The financial statements of Allianz Nederland Groep N.V. have been prepared in thousands of euro's (€), except when indicated otherwise.

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (IFRS-EU) and with Section 2:363 (g) of the Netherlands Civil Code.

Reporting entity
Allianz Nederland Groep N.V. is legally registered at Coolsingel 139 Rotterdam, it is registered with the Chamber of Commerce under number 24155648. The issued shares in Allianz Nederland Groep N.V. are all held by Allianz Europe B.V. Allianz SE in Germany is the 100% ultimate shareholder in Allianz Europe B.V. Allianz Nederland Group N.V. (ANG) is a holding company, that holds the insurance and insurance related activities of Allianz SE in the Benelux. ANG employs the Dutch personnel and recharges the costs to the subsidiaries. There are currently no expectations for significant changes in the company's investments, financing activities or operations (including staffing). The financial data of Allianz Nederland Groep N.V. and it's subsidiaries have been included in the consolidated annual report and accounts of Allianz SE in Munich.

The financial statements of Allianz Nederland Groep N.V. are approved by the Management Board and by the Supervisory Board on June 8, 2020. The financial statements will be put for adoption to the General Meeting of Shareholders on June 8, 2020. The shareholders meeting can decide against adoption of the financial statements but cannot amend them.

Recognition and derecognition
Financial assets and liabilities are generally recognized and derecognized on the trade date. A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or Allianz transfers the asset and substantially all of the risks and rewards of ownership. A financial liability is derecognized when it is extinguished.

Consolidation
As provided for by IFRS 10.4, consolidated financial statements are not prepared by the Company. Its financial data is consolidated in the financial statements of its ultimate parent company Allianz SE, Munich, Germany. The consolidated financial statements of Allianz SE have been prepared in accordance with IFRS-EU.

Use of estimates and assumptions
The preparation of financial statements requires Allianz Nederland Groep to make estimates and assumptions that affect items reported in the balance sheet and income statement and under contingent liabilities. The estimates are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The actual results may differ from these estimates. The most significant accounting estimates are associated with the impairment of investments in subsidiaries, deferred taxes and reserves for pensions and similar obligations.

Presentation balance sheet
The balance sheet is presented based on a descending order of liquidity of the assets and liabilities.

Foreign currency translation
Allianz Nederland Group's reporting and functional currency is the euro (€). Income and expenses are translated at the rate per transaction date. The monetary assets and liabilities in foreign currency are translated at the closing rate on the balance sheet date. For all non-monetary items in foreign currency carried at historical cost the historical exchange rate at the date of transaction is applied. For all non-monetary items in foreign currency carried at fair value the exchange rate at the date when fair value was determined is applied. Currency gains and losses arising from foreign currency transactions are reported in other income or other expenses respectively in the income statement.

2 - Summary of significant accounting and valuation policies

FIRST TIME ADOPTION IFRS STANDARDS
Per January 1st 2018 Allianz Nederland Groep will report its corporate financial statements in conformity with International Financial Reporting Standards as adopted by the European Union (IFRS-EU). Furthermore the corporate financial statements have been prepared in accordance with Book 2, Chapter 9 of the Dutch Civil Code (BW2), where these regulations precede and/or complement IFRS-EU.

Until 2018, the corporate financial statements of Allianz Nederland Groep N.V. were prepared in accordance with Book 2, Chapter 9 of the Dutch Civil Code (BW2). For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its corporate financial statements, Allianz Nederland Groep N.V. made use of the option provided in section 2:362 (8) of The Netherlands Civil Code. Which means that until 2018 the principles for recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the corporate financial statements of Allianz Nederland Groep N.V. were the same as those applied for the consolidated EU-IFRS financial statements. Participating interests over which significant influence is exercised, were stated on the basis of the equity method. Participating interests over which significant influence is exercised, were stated on the basis of the equity method.

EQUITY IMPACT OF TRANSITION FROM BW2 TO IFRSS

€ 1,000

	31 Dec 2018	1 Jan 2018
Equity IFRS	244,348	246,350
Equity BW2	246,528	278,690
Delta	**(2,180)**	**(32,340)**

EXPLANATION EQUITY IMPACT

€ 1,000

	31 Dec 2018	1 Jan 2018
Shares in related parties	(2,180)	-
Pensions provision	-	(32,340)
Total	**(2,180)**	**(32,340)**

Pensions: per Dec 31 2018 the IFRS valuation of the pensions provision was equal to the BW valuation. Per Dec 31 2018 the IFRS valuation of the pensions provision was equal to the BW valuation.

Investments in subsidiaries: the valuation of the investments in subsidiaries was changed from at-equity to at-cost. In accordance with IAS 27:10 the at-cost value was set at the previous GAAP carrying amount. The aggregate deemed cost of those investments for which deemed cost is their previous GAAP carrying amount is disclosed in Note 3.

PROFIT OR LOSS IMPACT OF TRANSITION FROM BW2 TO IFRS'S

€ 1,000

	Net result 2018 IFRS	Net result 2018 BW2	Net result 2018 Delta
Result net	**32,247**	**38,333**	**(6,086)**
Explanation Profit or loss impact			
Result of subsidiaries	28,000	46,413	(18,413)
Income taxes result of subsidiaries	-	(12,327)	12,327
	28,000	**34,086**	**(6,086)**

Result of subsidiaries/ income taxes: under IFRS's, the result of subsidiaries classified at-cost is equal to the dividends received, under previous BW-GAAP the result of the subsidiaries is equal to the net result as reported in the consolidated EU-IFRS financial statements.

SUPPLEMENTARY INFORMATION ON ASSETS

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any accumulated impairment losses. If any indication exists that the investments in subsidiaries may be impaired, the value in use of the asset is estimated in accordance with the steps as described in IAS 36. In case of an impairment indication, the fair value of equity securities is determined using a valuation technique. Valuation techniques employed include market multiples and discounted cash flow analysis using expected cash flows and a market-related discount rate.

Financial assets carried at fair value through income

These financial assets are measured at fair value and are equity instruments that are classified as held for trading. Changes in fair value are recorded in the income statement as income from financial assets and liabilities carried at fair value through income (net).

Deferred taxes

The calculation of deferred taxes is based on temporary differences between the carrying values of assets and liabilities in the balance sheet and their tax values and on differences arising from the application of uniform valuation policies for consolidation purposes as well as consolidation in the income statement. The tax rate used for the calculation of deferred taxes is the local rate per reporting date; changes to tax rates already adopted as at balance sheet date are taken into account. Deferred tax assets are recognized if sufficient future taxable income is probably available for realization. Deferred tax assets and liabilities are not discounted.

Receivables

Receivables are recorded at face value, net of appropriate valuation allowances. All receivables are short term in nature, hence no expected credit loss model is applied.

Cash and cash equivalents
Cash and cash equivalents include balances with banks payable on demand, balances with central banks, cheques and cash on hand, treasury bills (to the extent that they are not included in trading assets), and bills of exchange which are eligible for refinancing at central banks, subject to a maximum term of three months from the date of acquisition. Cash funds are stated at their face value, with holdings in foreign notes and coins valued at year-end closing prices.

Other assets
Other assets include, receivables, prepaid expenses, equipment and right-of-use assets. Equipment is carried at cost, less accumulated depreciation and impairments. The equipment is all related to leasehold improvements. Depreciation is computed using the straight-line method. Leasehold improvements are depreciated over the shorter of the estimated useful life of the improvements and the respective lease terms. Expenditures to restore the future economic benefit are capitalized if they extend the useful life as improvements. Costs for repairs and maintenance are expensed.

A right-of-use asset and a corresponding lease liability is recognized at the lease commencement date when the leased asset is available for use. The lease liability is measured at the present value of the lease payments due over the lease term, discounted using the Group's implicit rate of the lease. Any options to extend or terminate a lease that the Group is reasonably certain to exercise are included in the lease term. The right-of-use asset is initially recognized at an amount equal to the lease liability adjusted for lease prepayments made or lease incentives received, initial direct costs and any estimated costs to dismantle or restore the leased asset. The right-of-use asset is depreciated over the shorter of the leased asset's useful life or the lease term on a straight-line basis. The right-of-use asset is included in 'Property and equipment' and disclosed separately in note 6. The carrying amount of the lease liability is increased to reflect the unwinding of the discount so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period and is reduced by the lease payments made during the period. Lease liabilities are included within 'Other Liabilities.'

SUPPLEMENTARY INFORMATION ON EQUITY AND LIABILITIES

Shareholders' equity
Paid-up capital: Paid-in capital represents the mathematical value per share received from the issuance of shares.

Share premium: Share premium represents the premium, or additional paid-in capital, received from the issuance of shares.

Retained earnings: Retained earnings include the retained earnings of Allianz Nederland Groep.

Other provisions
Post-employment benefits: defined benefit plans
Allianz Nederland uses the projected unit credit actuarial method to determine the present value of the defined benefit obligation of its defined benefit plans and the related service cost. For each individual defined benefit pension plan, Allianz Nederland recognizes a net defined benefit asset/liability in the balance sheet, adjusted for any effect of limiting a defined benefit asset to the asset ceiling. The deficit or surplus is the present value of the defined benefit obligation less the fair value of plan assets (if any).

Provisions for restructuring
A provision for restructuring is recognized when Allianz Nederland Groep has approved a detailed and formal restructuring plan and the restructuring either has commenced or has been announced publicly before balance sheet date. Future operating costs are not provided for. The provision is valued at the present value of expected future outflow of means. No discounting is applied

Taxes payable
The expected tax payable on the taxable profit, calculated in accordance with local tax laws and regulations.

Other payables and accrued liabilities
Other payables include accounts payable and miscellaneous liabilities. These are reported at the amortized cost. Accrued liabilities are obligations calculated on basis of estimation of future cash flows.

SUPPLEMENTARY INFORMATION ON NET INCOME

Financial income and expenses
Financial income comprises dividends from related parties, dividends from investments, gains on the sale of related parties, gains on the sale of investments, reversal of impairment losses on financial assets, interest income, income on derivatives and foreign currency gains. Distributions from related parties are disclosed as dividend income if the distributions arise from retained earnings created after the acquisition by the Company of the related party; otherwise the distribution is disclosed as return of capital. Dividends are recognized in the period in which they are declared. Interest income is recognised in the period it relates to. Financial expenses comprise impairment losses on financial assets.

Income tax expense
Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Segment reporting
No disaggregated segment information of the Company is presented as the Company only engages in one type of business activity (acting as holding company). The results of the Company are reviewed by its management as a whole and not allocated to underlying sub-components and as such the Company considered to represent only one segment.

OTHER SUPPLEMENTARY INFORMATION

Statement of cash flows
The statement of cash flows, prepared according to the indirect method, shows the structure of and changes in cash and cash equivalents of Allianz Nederland Groep during the financial year from the cash flows arising from operating activities and financing activities. Financing activities include all cash flows from transactions involving the issuing of own shares, participation certificates and subordinated liabilities. Cash flows from operating activities contain all other activities, which belong to the principal revenue-generating activities.

Share based remuneration plans
The equity remuneration plans are cash settled plans. Allianz Nederland accrues the fair value of the award as compensation expense over the vesting period.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS (EFFECTIVE 1 JANUARY 2019)

IFRS 16 Leases
Allianz Nederland Groep has applied IFRS 16 at first time adoption as of 1 January 2018

Other adopted accounting pronouncements
The following amendments and revisions to existing standards became effective for the ANG statutory financial statements as of 1 January 2019:

IAS 19, Plan Amendment, Curtailment or Settlement,
IAS 28, Long-term Interests in Associates and Joint Ventures,
IFRIC 23, Uncertainty over Income Tax Treatments, and Annual Improvements to IFRS Standards 2015 – 2017 Cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23).

These changes had no material impact on the ANG's financial results or financial position.

Recently issued accounting pronouncements
The amendments and interpretations shown in the list below are expected to have no or an insignificant impact on the Company's financial position or performance.

IFRS 3	Definition of a Business,	January 1, 2020
IAS 1/ IAS 8	Definition of Material,	January 1, 2020
IFRS 9	Prepayment features with Negative Compensation,	January 1, 2021

SUPPLEMENTARY INFORMATION TO THE BALANCE SHEET – ASSETS

3 - Investments in subsidiaries

€ 1,000

	2019	2018
Balance as at 1 January	**263,764**	**263,764**
Acquisition	1,778,999	-
Balance as at 31 December	**2,042,763**	**263,764**

The acquisition relates to the acquisition of Allianz Benelux N.V. via a transfer of the shares of Allianz Benelux N.V. by the previous majority shareholder Allianz Europe B.V. (EU) to Allianz Nederland Groep N.V. (ANG). The method of transfer was via a capital increase of EUR 1,779 Mn through contribution in kind of the shares held by Allianz Europe B.V. in Allianz Benelux N.V. leading to an increase of the equity of ANG via share premium.

Directly after the acquisition a merger between sister companies Allianz Benelux N.V. and Allianz Nederland Levensverzekering N.V. was effectuated. Allianz Benelux N.V. issued 543,982 new shares to Allianz Nederland Groep N.V. in exchange for the 40,841 shares in the capital of Allianz Nederland Levensverzekering N.V. The value of Allianz Benelux was converted to a price per share (Allianz Benelux N.V. value divided by the number of shares). The same method was applied to the company being acquired. The value of one share in the capital of the company being acquired divided by the value of one share in the capital of the acquiring company delivers the exchange ratio of 13.3195 shares in the capital of the acquiring company for one share in the capital of the company being acquired. The acquisition and the respective merger were effectuated on March 28, 2019 after receiving the required regulatory approvals, with retroactive effect from 1 January 2019.

As at 31 December 2019, the Company holds the following shares:

Company	Country	Interest 2019 %	Interest 2018 %
Allianz Benelux N.V.	Belgium	100	100[1]
Sofiholding S.A.	Belgium	100	100
Allianz Life Luxembourg S.A.	Luxembourg	100	100
Vertbois S.à.r.l.	Luxembourg	100	100
Climmolux Holding S.A.	Luxembourg	59	59
South City Office Broodthaers S.A.	Belgium	100	100
UP 36 S.A.	Belgium	100	100
Beleggingsmaatschappij Willemsbruggen B.V.	Netherlands	100	100
Allianz Vermogen B.V.	Netherlands	100	100
Allianz Fund Administration & Management B.V.	Netherlands	100	100
Havelaar & van Stolk B.V.	Netherlands	100	100
Helviass verzekeringen B.V.	Netherlands	100	100

1) Allianz Benelux N.V. has 2 non-life branches, one in the Netherlands and one in Luxembourg, and one life branch in the Netherlands.

Investments in subsidiaries are stated at cost less any accumulated impairment losses.

As at 31 December 2019, Allianz Nederland Groep did not recognize any adjustments on the impairment of its investments. Investments are considered to be impaired if objective evidence indicates that one or more events had a negative impact on the estimated future cash flows of that asset. Impairment losses are recognised if the recoverable amount is less than the carrying amount. Impairment losses are reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. The reversal is recognised in the statement of comprehensive income.

4 - Financial assets carried at fair value through income

€ 1,000

	2019	2018
Balance as at 1 January	**1,933**	**2,149**
Purchases	461	474
Sales	(1,000)	(602)
Result	439	(88)
Balance as at 31 December	**1,833**	**1,933**

These assets are directly linked to the share based Restricted Stock Units (RSU) plan, granted to the senior management (Note 16).

5 - Deferred tax assets

The movement in the deferred tax position can be specified as follows:

€ 1,000

	2019	2018
Balance as at 1 January	**903**	**1,212**
Recognised in equity	26,009	(2,293)
Recognised in income	(11,261)	1,984
Balance as at 31 December	**15,651**	**903**

The deferred tax position is fully attributable to the Pensions provision.

6 - Other assets

€ 1,000

	2019	2018
Receivables		
Receivables from group companies	15,960	29,341
Other receivables	613	2,934
Subtotal	16,573	32,275
Other assets		
Prepaid expenses	2,631	4,019
Other assets	892	1,462
Subtotal	3,523	5,481
Property and equipment		
Assets under construction	17,541	753
Right-of-use assets	2,290	6,208
Subtotal	19,831	6,961
Total	**39,927**	**44,717**

The receivables and other assets expire within one year.

PROPERTY AND EQUIPMENT

€ 1,000

	2019	assets u.c.	Right-of-use asset
Carrying amount as at 1 January	**6,961**	**753**	**6,208**
Purchases	16,788	16,788	-
Depreciation	(3,918)	-	(3,918)
Carrying amount as at 31 December	**19,831**	**17,541**	**2,290**
Accumulated depreciation	3,918	-	3,918
Cost as of 31 December	**23,749**	**17,541**	**6,208**

The property and equipment assets are all related to leasehold improvements. Depreciation is computed using the straight-line method. Leasehold improvements are depreciated over the shorter of the estimated useful life (between 5 and 15 years) of the improvements and the respective lease terms.

The asset under construction relates to improvements and refurbishments made to the new premises of the company. At balance sheet date no right of use is applicable due to the ongoing improvements and hence no corresponding lease liability is recorded in respect to the asset under construction. The contractual expected outflows related to this PPE are included in note 15 - Contingent Liabilities, commitments and guarantees.

7 - Cash and cash equivalents

€ 1,000

	2019	2018
Balances with banks payable on demand	429	870
Cash pool balance payable on demand	31,230	24,890
Balance as at 31 December	**31,659**	**25,760**

The entity takes part in the cash pooling arrangement of Allianz SE, under which ANG is allowed to utilise an overdraft facility up to a maximum of EUR 10M

SUPPLEMENTARY INFORMATION TO THE BALANCE SHEET – LIABILITIES

8 - Shareholders' equity

The shareholders' equity comprises the following:

€ 1,000

	2019	2018
Issued capital	59,813	59,813
Share premium	1,855,666	76,667
Revaluation reserve	46,161	46,161
Retained earnings	(280,629)	29,459
Profit for the year	252,775	32,247
Total	**1,933,786**	**244,347**

Issued and paid up capital amounted to EUR 59.8 mn. The company has issued only one type of shares which has a par value of EUR 1,000. The issued shares are owned by Allianz Europe B.V. in Amsterdam. Allianz SE in Munich (Germany) is the ultimate parent company. For the year ended December 31, 2019 the Management Board will propose to shareholders at the General Meeting the distribution of a dividend of EUR 252.5 mn (EUR 4,221.82 per share). This dividend has been distributed as interim dividend in 2019.

SHARE PREMIUM

€ 1,000

	2019	2018
Value stated as of 1/1	**76,667**	**76,667**
Addition	1,778,999	-
Value stated as of 12/31	**1,855,666**	**76,667**

The increase of share premium with EUR 1,779 mn is related to the acquisition of the shares of Allianz Benelux N.V. from the previous majority shareholder Allianz Europe B.V. (EU) which was settled through a contribution in kind of Allianz Benelux N.V. shares as held by Allianz Europe B.V. on ANG shares via share premium.

RETAINED EARNINGS

€ 1,000

	2019	2018
Value stated as of 1/1	**29,459**	**38,187**
Addition from profit	32,247	25,520
Dividend	(252,520)	(28,000)
Pensions IAS-19 gains/losses through equity	(89,815)	(6,248)
Value stated as of 12/31	**(280,629)**	**29,459**

9 - Other provisions

€ 1,000

	2019	2018
Pensions provision	72,123	4,406
Restructuring povision	17,794	11,726
Other accrued liabilities	10,589	10,380
Value stated as of 12/31	**100,506**	**26,512**

The pension plan is financed through Stichting Pensioenfonds Allianz Nederland. Contributions fixed in advance, based on salary, are paid to the pension fund. The beneficiary's right to benefits exists against this fund.

The board of the pension fund consists of at least 6 members. Three members are nominated by the management of the company. Two board members who are delegated on behalf of the participants are nominated by the Works Council, and one board member is elected and nominated by the pension beneficiaries. The board of the pension fund is required by law and by its articles of association to act in the interest of the fund and of all relevant stakeholders in the scheme, i.e. active employees, inactive employees, retirees, employers.

As from January 1, 2020 the pension plan is closed for future accrual and therefore a plan amendment has been accounted. As from January 1, 2020 future accrual will take place in a Defined Contribution plan.

The net amount recognized for the Allianz Nederland defined benefit plans has developed as follows:

€ 1,000

	2019	2018
Present value of defined benefit obligation pensions	-835,456	-651,365
Present value of defined benefit obligation health	-2,123	-2,273
Present value of defined benefit obligation total	-837,579	-653,638
Pension fund assets	765,456	649,232
Funded status	**-72,123**	**-4,406**

Movements in the present value of the defined benefit obligation were as follows:

€ 1,000

	2019	2018
Value stated as of 1/1	**(653,638)**	**(650,041)**
Current service cost	(17,861)	(17,107)
Interest cost	(12,226)	(10,803)
Benefits paid	14,163	13,755
Past service cost - plan amandments/ curtailments	47,833	1,928
Actuarial gain/ (loss) - due to change in demographic assumptions	(3,798)	7,422
Actuarial gain/ (loss) - due to change in discount rate	(146,726)	25,157
Actuarial gain/ (loss) - due to change pension increase assumptions	(69,928)	(31,903)
Actuarial gain/ (loss) - due to unexpected experience	4,602	7,954
Value stated as of 12/31	**(837,579)**	**(653,638)**

The EUR 47,833 past service cost plan amendment gain results from the closing of the DB-plan for future accrual as per January 1, 2020. The impact is determined based on a discount rate of 1.0%. This is the discount rate as per November 12, 2019. The date at which the ANG Board approved the new pension plan. The actuarial loss from change in discount rate was caused by a decrease of the discount rate from 2.00% to 1.10%. The actuarial loss from changes in the pension increase assumptions is caused by an increase of the expected indexation rate from 1.10% to 1.44%. The actuarial gain due to unexpected experience is caused by several relatively small adjustments.

As of December 31, 2019 the total post-retirement health benefits obligation amounted to EUR 2.1 mn (2018: EUR 2.3 mn).

Movements in the fair value of the plan assets were as follows:

€ 1,000

	2019	2018
Value stated as of 12/31 prior year	**649,232**	**645,193**
Interest income on plan assets	12,310	11,667
Return on plan assets greater/ (less) than expected	100,025	(12,584)
Actual employer contributions	17,266	17,671
Actual participant contributions	2,550	2,550
Benefits paid by fund	(13,927)	(13,515)
Admin cost paid by fund	(2,000)	(1,750)
Value stated as of 12/31	**765,456**	**649,232**

The fair value of the plan assets per asset class at the end of the reporting period are as follows:

€ 1,000

	2019	2018
Level 1 (quoted market price):		
Cash and cash equivalents	520,886	5,540
Equity investments	80	141,662
Bonds corporate	159,628	277,599
Bonds government/ government agency	60,435	49,325
Fixed income fund	-	50,919
Other assets	8,548	8,532
Level 2/3 (non-quoted market price)		
Debt instruments - mortgages	-	96,960
Bonds corporate	-	8,892
Currency derivatives	-	151
Interest rate derivatives	15,879	9,652
	765,456	**649,232**

Debt instruments categorised by issuers' credit rating:

	2019	2018
- AAA	19,562	16,253
- AA	92,131	90,761
- A	95,476	156,846
- BBB and lower	12,894	112,875
- not rated	-	106,960
	220,063	**483,695**

The fair values of level 1 equity, debt and real estate instruments are based on quoted market prices in active markets. Whereas the level 2/3 debt instruments and real estate are not based on quoted market prices in active markets.

The plan assets include no shares of Allianz SE (aggregate fair value 31 December 2018: EUR 4,364)

The net periodic benefit costs (expenses minus income) include the following components:

€ 1,000

	2019	2018
Current service cost	17,861	17,107
Interest (income)/expenses	(84)	(864)
Administration cost	2,000	1,750
Participant contributions	(2,550)	(2,550)
Curtailments	(47,833)	(1,928)
Total	**(30,606)**	**13,515**

During the year ended December 31, 2019 net periodic benefit costs of pension plans include costs related to post-retirement health benefits of EUR 43 (2018: EUR 43).

ASSUMPTIONS

For this year's valuation, the mortality table AG Prognosetafel 2018 has been applied (2018: AG Prognosetafel 2018). Projected fluctuations depending on age and length of service have also been used, as well as internal retirement projections.

The most recent actuarial valuation of the defined benefit obligation were carried out at 31 December 2019 by Willis Towers Watson. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

	2019	2018
Discount rate	1.10%	2.00%
Expected rate compensation increase	3.50%	2.80%
Expected future service years	0.00	14.90
Average duration of liabilities in years	0.00	20.20
Life expectancy of a man who is 65-year old	22.00	21.90
Life expectancy of a woman who is 65-year old	23.70	23.60

The discount rate of 2.00% per annum at the start and 1.10% per annum at the end of 2019 is based upon the yields available on high-quality corporate bonds with a term that matches that of the liabilities. The actual rate of pension increase in 2019 was 0.3% (2018: 0.0%). By the end of 2019, the month-end coverage ratio amounted 110.2% (2018: 109.6%) The 12-months average ratio amounted 109.0% per 31 December 2019 (2018: 112.1%).

The increase of the pension increase assumption, for active and inactive participants, from 1,10% to 1,44% resulted in a loss of approximately EUR 70.3mn. The pension increase assumption as per December 31, 2019 is determined such that the DBO is equal to the fair value of the plan assets increased with EUR 70mn.

ASSET LIABILITY MANAGEMENT

Based on the liability profile of the defined benefit obligation and on the regulatory funding requirements, the Allianz pension fund uses models to optimize the asset allocation from a risk return perspective. In its investment policy, the fund makes use of financial derivatives to the extent appropriate. The portfolio structure and the risk profile, calculated including the economic effects of derivatives, must be within the limits set by the Pension fund Management Board. The fund uses derivatives mainly to hedge market risks.

SENSITIVITY ANALYSIS

The sensitivity analyses below have been determined based on changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 50 basis point higher (lower), the DBO would decrease by EUR 88.3 mn (increase by EUR 103.5 mn)
- If the life expectancy increases by one year for both men and women, the DBO would increase by EUR 35.2 mn

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

	2019 target	2019 actual	2018 actual
Equity securities	25.0%	0.0%	21.8%
Real estate	0.0%	0.0%	0.0%
Debt securities	75.0%	30.8%	76.0%
Other	0.0%	69.2%	2.2%
Total	**100.0%**	**100.0%**	**100.0%**

The large differences between the targetted allocation and the actual allocation is a result of the derisking agreement as concluded between the employer and the fund in December 2019. This agreement stipulates that the pension fund will proceed to (re)insurance (buy-in), and where possible, followed by a liquidation of the fund and a collective value transfer.

Conditional on the derisking of the post employee benefits, a funding agreement has been reached with the pension fund, entailing a payment of € 70 million when and if the derisking of the post employee benefits has been executed.

PROVISION RESTRUCTURING PLANS

The provision for restructuring is related to the execution of the Allianz 2017 & 2019 restructuring plans. No discounting is applied

The development of the Provision restructuring plans are as follows:

€ 1,000

	2019	2018
Value stated as of 1/1	**11,726**	**15,556**
Additions	9,585	-
Usage	(3,517)	(3,830)
Amounts released	-	-
Value stated as of 12/31	**17,794**	**11,726**

Allianz strives for continuously simplicity and productivity improvements in esp. the area of digitalization of processes, this will have an impact on our workforce in certain areas of the company.

Therefore on ANG level an addition of EUR 9.6 mn was made to the restructuring provision, the cost of this addition was fully allocated to Allianz Benelux N.V. for staff working for the Dutch Life and P&C branches.

OTHER ACCRUED LIABILITIES

€ 1,000

	2019	2018
Staff related expenses	6,851	6,533
Other	3,738	3,847
Total	**10,589**	**10,380**

The development of the other accrued liabilities were as follows:

€ 1,000

	2019	Staff related expenses	Other
Value stated as of 1/1	10,380	6,533	3,847
Additions to existing provisions	12,043	11,325	718
Release of provisions via payments	-11,318	-10,971	-347
Transfer	-480	-	-480
Amounts released	-36	-36	-
Total	**10,589**	**6,851**	**3,738**

Since the development of the other accrued liabilities is uncertain, the other accrued liabilities are classified as long-term.

10 - Other liabilities

€ 1,000

	2019	2018
Payables to group companies	42,458	32,776
Taxes payable	8,336	7,140
Other payables and accrued liabilities	46,747	26,302
Value stated as of 12/31	**97,541**	**66,218**

The amount payable to group companies includes an amount of EUR 32,721 (2018: EUR 32,721) which is due after more than one year.

OTHER PAYABLES AND ACCRUED LIABILITIES

€ 1,000

	2019	2018
Accounts payable to suppliers	21,784	14,375
Payables to employees	4,907	4,509
Lease liability	19,873	6,875
Other	183	543
Value stated as of 12/31	**46,747**	**26,302**

The other payables and accrued liabilities expire within one year.

SUPPLEMENTARY INFORMATION TO THE INCOME STATEMENT

11 - Dividend income subsidiaries

The Company received cash dividends from subsidiariess of EUR 252.5 million (2018: EUR 28 million cash dividends).

12 - Operating expenses

€ 1,000

	2019	2018
Employee benefits	654	431
Other	2	-
Total	**656**	**431**

13 - Income Taxes

The Companies taxes are comprised of the following:

€ 1,000

	2019	2018
Current income taxes	11,736	1,221
Deferred income taxes	(11,262)	1,984
Total	**474**	**3,205**

The company is part of a tax entity for corporate income tax purposes together with group companies Allianz Vermogen BV, Havelaar & Van Stolk BV, Helviass Verzekeringen BV, Allianz Benelux N.V. (Dutch branches Life and Non-Life) and Allianz Fund Administration and Management BV. Allianz Europe BV is at the head of this single tax entity. The corporate tax is stated for each company according to the portion for which the company involved would be assessed if it were an independent tax payer, taking into account of any tax relief facilities available to the company.

Tax deferrals are recognized if a future reversal of the difference is expected.

The following table shows the reconciliation of the expected tax

€ 1,000

	2019	2018
Anticipated tax rate in %	25.0%	25.0%
Expected tax charge	(63,075)	(7,260)
Tax exempt dividend	63,130	7,000
Tax exempt other	(24)	382
Effect change tax rate	765	3,083
Effect of adjustments previous years	(322)	-
Total	**474**	**3,205**
Effective tax rate %	0.2%	11.0%

The deferred tax position is related to the pensions provision.

The Dutch corporate income tax rate is expected to decrease from 25% in 2019 to 21.7% in 2021. Since the Company's deferred taxes mainly relate to the longer term, the deferred tax positions have been recalculated as per 31 December 2019 using the expected tax rate as from 2021, which is 1.2% higher than the 20.5% we anticipated at 31 December 2018. This resulted in a tax gain of EUR 765.

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

14 - Risk Management

In this section an overview is given of the risk relevant for the holding company level. This includes credit, liquidity, strategic, operational and market risk

STRATEGIC RISK

Strategic risk is the risk of unexpected negative change arising from the adverse effect of management decisions regarding business strategies and their implementation. To ensure the proper implementation of strategic goals in the current business plan, the Company monitors market conditions. In addition, strategic decisions are discussed in various Board of Management level meetings, also at the level of the subsidiaries. The assessment of the associated risk is a fundamental element in these discussions.

OPERATIONAL RISK

Operational risk represents losses resulting from inadequate or failed internal processes, from personnel and systems, or from external events - including legal and compliance risk but excluding losses from strategic risks. This risk is limited at holding level. However, in accordance with Solvency II regulation, its main subsidiary Allianz Benelux S.A. has implemented a framework to mitigate the risk of operational losses to an acceptable low level. With COVID-19 it was decided to work remote for which the possibilities are in place at Allianz Benelux SA. It is expected this will not led to an additional risk of discontinuity of the operational processes

CREDIT RISK

The company's exposure to credit risk is influenced mainly by the default risk of its subsidiary Allianz Benelux S.A. as in that case the Company may not be able to fulfill its obligations to the Dutch personnel base. This risk is assessed very low in view of the fact that Allianz Benelux S.A. holds even more capital than strictly required by Solvency II regulation. ANG is continuously monitoring the Solvency ratio of Allianz Benelux SA also in light of the impact of COVID-19.

LIQUIDITY RISK

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions. Similar as for credit risk, this would occur in case of delayed payments by the subsidiaries. Due to the nature of its main subsidiary the liquidity risk is expected to be low and is closely monitored.

CASH FLOW RISK

The company operates as a holding company and hence has limited own expenses, the salary costs of staff are for the most part charged through to the subsidiaries of Allianz Nederland Groep N.V. Besides the expected payment of € 70 million in respect to the derisking agreement as concluded between the employer and the fund in December 2019, no material outgoing cashflows are expected

MARKET RISK

The objective of market risk management is to manage and control market risk exposures within acceptable parameters by assessing at the end of each reporting period whether there is any indication that assets may be impaired. Exposure to market risk is mainly related to companies in which it invests. However, the subsidiaries are not measured at market value but at historical cost on the balance sheet of Allianz Nederland Groep N.V. and therefore their value is not directly subject to market fluctuations.

The company's objective is to preserve its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

15 - Fair value

INVESTMENTS IN SUBSIDIARIES

If any indication exists that theinvestments in subsidiaries may be impaired, the value in use of the asset is estimated in accordance with the steps as described in IAS 36. In case of an impairment indication, the fair value of equity securities is determined using a valuation technique. Valuation techniques employed include market multiples and discounted cash flow analysis using expected cash flows and a market-related discount rate.

OTHER ASSETS AND LIABILITIES

For other assets and liabilities it is assumed that the notional amount reflects the fair value.

16 - Contingent Liabilities, commitments and guarantees

Group companies are involved in legal proceedings, involving claims by and against them, which arise in the ordinary course of their business. It is not feasible to predict or determine the ultimate outcome of the pending or threatened proceedings. Management does not believe that the outcome of the proceedings will have a material effect on the financial position or results of operations of the Group, after consideration of any applicable provisions.

Allianz Nederland occupies leased premises and has entered into various operating leases covering the long term use of real estate, motor vehicles, data processing equipment and other office items.

As of December 31, 2019 the future minimum lease payments under non-cancellable operating leases were as follows:

€ 1,000

	2019
Due in 1 year or less	3,432
Due in more than 1 and up to 5 years	18,463
Due in more than 5 years	52,592
Total	**74,487**

As of the end of the year, an amount equal to EUR 1 mn (2018: EUR 1 mn), has been granted in respect of guarantees.

17 - Employee information

At the end of 2019 Allianz Nederland employed in the Netherlands a total of 1,028 (2018: 992) employees.

€ 1,000

	2019	2018
Salaries	68,963	62,755
Social security expenses	9,381	7,907
Pensions (income) / expenses	(32,196)	10,427
Total	**46,148**	**81,089**

All personel expenses are charged to subsidiaries. Further detail with regard to the pension expenses is provided in Note 9. The members of the board of management of ANG are not remunerated.

SHARE BASED COMPENSATION PLANS

Shares purchase plan for employees:
Shares in Allianz SE are offered to qualified employees within predefined timeframes at favourable conditions. In order to qualify employees must have been employed in continuous service, or had a position as an apprentice, for a period of six months prior to share offer and notice of termination of employment must not have been served. Share purchase plans also include restrictions relating to the amount that the employee can invest in purchasing shares.

The shares are freely disposable after the expiration of the minimum holding period of three years. The number of shares sold to employees under these plans was 4,227 (2018 : 3,967). The difference between the acquisition price and the market price of Allianz shares of EUR 52.55 (2018 : EUR 45.86) was reported as part of compensation expense.

Restricted Stock Units (RSU) plan
Under the Allianz Sustained Performance Plan (ASPP), Restricted Stock Units (RSUs) – i.e. virtual Allianz shares – are granted to senior management of the Allianz Group worldwide as a stock- based remuneration component. The RSU granted to a plan participant obligate the Allianz Group to pay in cash the average closing price of an Allianz SE share on the last day of the vesting period and the prior nine trading days, or to convert one RSU into one Allianz SE share. The pay-out is capped at a 200 % share price growth above the grant price. The restricted stock units vest after five years. Allianz Group will exercise the restricted stock units on the first stock exchange day after their vesting date. On the exercise date Allianz Group can choose the settlement method for each restricted stock unit. In addition, upon the death of a plan participant, a change of control or notice for operational reasons, the RSUs vest immediately and will be exercised by the company. The RSUs are virtual stocks without dividend payments and a capped pay-out.

A summary of the number and the weighted-average grant date fair value of the non-vested restricted stock units are as follows:

€ 1.000

	2019		2018	
	Number	Weighted average grant date fair value €	Number	Weighted average grant date fair value €
Nonvested as of 1/1	**12,017**	**116.95**	**11,983**	**106.48**
Granted	2,907	158.58	3,186	135.40
Inward from group companies	2,614	162.11	-	-
Outward to group companies	(6,662)	161.66	-	-
Exercised	(1,791)	126.30	(3,152)	90.90
Nonvested as of 12/31	**9,085**	**140.19**	**12,017**	**116.95**

The fair value is calculated by subtracting the net present value of expected future dividend payments until maturity as well as the fair value of the cap from the prevailing share price as of the valuation date. The cap is valued as a European short call option, using prevailing market data as of the valuation date.

The following table provides the assumptions used in calculating the fair value of the RSU 's at grant date:

		2019	2018
Share price	€	197.34	183.80
Average dividend yield	%	4.90	4.80
Average interest rate	%	(0.14)	(0.10)
Expected volatility	%	18.60	20.20

The restricted stock units are accounted for as cash settled plans as Allianz Group intends to settle in cash. Therefore Allianz Group accrues the fair value of the restricted stock units as compensation expense over the vesting period. During the year ended December 31, 2019, Allianz Group recognized compensation expense related to the non-vested restricted stock units of EUR 304 (2018: EUR 369). Taking into account the expired portion of the vesting period, a provision of EUR 1,175 (2018: EUR 1,347) was established on December 31, 2019 and reported under the heading Other accrued liabilities.

18 - Related party transactions

In the normal course of business Allianz Nederland Groep enters into various transactions with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions. Transactions with related parties have taken place at arm's length basis.

Note 3 Investments in subsidiaries gives background to the acquisition of the shares of Allianz Benelux N.V. from Allianz Europe B.V. via a capital increase of EUR 1,779 mn through a contribution in kind of the shares held in Allianz Benelux N.V. by Allianz Europe B.V. and the merger between the sister companies Allianz Benelux N.V. and Allianz Nederland Levensverzekering N.V.

Transactions regarding post-employment benefit plans are transactions with related parties. These transactions are disclosed in Note 9 Other provisions.

All employees of Allianz Nederland as well as the employees of the Dutch Branches of Allianz Benelux NV are employed by Allianz Nederland Groep NV. Consequently Allianz Nederland Groep NV is responsible for the personnel and salary administration. The vendor administration of Allianz Nederland and the Netherlands Branch of Allianz Benelux NV is centrally organized in Allianz Nederland Groep NV. Costs which are directly related to the participating companies, are directly assigned. Costs of Allianz Nederland Groep NV are allocated to the participating entities via allocation keys.

For it's IT operations and services, Allianz Nederland uses the in-house services of Allianz's global operating shared services company. Allianz Nederland Groep NV is part of the fiscal unity corporate tax Allianz Europe BV, Allianz Europe BV is responsible for the corporate tax declaration of the fiscal unity. For the settlement of corporate tax payments between Allianz Nederland Groep and Allianz Europe BV it is decided to act as if the legal entities are individually liable for corporate tax. Allianz Nederland Groep NV is part of the fiscal unity VAT Allianz Nederland, Allianz Nederland Groep NV is responsible for the VAT declaration of its subsidiary companies as well as of the Netherlands Branch of Allianz Benelux NV, Allianz Nederland Groep NV is liable for VAT liabilities of the fiscal unity.

Allianz Nederland Groep NV is involved in the Allianz SE Cashpool facilities to transfer available liquidities on a daily basis.

In 2019 ANG acquired the shares of Allianz Benelux N.V. from Allianz Europe B.V. The method of transfer was via a capital increase of EUR 1,779 Mn through contribution in kind of ANG via share premium.

19 - Independent auditor's fees

Independent auditor's fees can be specified as follows:

€ 1,000

	2019 PwC	2018 PwC
Year end audit services	65	336
Other audit services	-	-
Total	**65**	**336**

The audit fee disclosed in 2019 solely relates to the statutory audit of Allianz Nederland Groep, the audit fee 2018 includes also the consolidated accounts of Allianz Nederland Groep and the annual report and regulatory reporting's of Allianz Nederland Levensverzekering.

20 - Subsequent events

The coronavirus pandemic affects at this stage all aspects of our private and professional life, global health, global economic life and financial markets. Despite the uncertainty generated by this pandemic, Allianz Nederland Group N.V. and both its subsidiaries as well as its parent company are very well prepared to deal with this situation. This applies both to the maintenance of business activity and to the solidity of our financial base. Besides the outcome of the monitoring of the Solvency ratio an expected cash flows analysis was performed and no liquidity issues are expected.

We made arrangements were the vast majority of operations have switched to 'teleworking' mode and this worked out almost imperceptibly. In doing so, the safety of employees and continuity of the business operations has been guaranteed, despite the severe restrictions imposed by the authorities. Monitoring of the Solvency of Allianz Benelux N.V. and liquidity takes place on a monthly basis; if necessary appropriate actions will be taken by management to deal with events and circumstances.

For our main subsidiary Allianz Benelux N.V., the solvency ratio (calculated on the basis of the Solvency II standards) was expected to remain stable based on the stress tests carried out, which has been confirmed by the 2020 Q1 actuals. Therefore, Allianz Benelux does not foresee any shortfall in its solvency. Although further development is uncertain the pandemic does not call into question the continuity of the company's activities during the next twelve months.

It is currently not reasonably possible to estimate the future impact of COVID-19 on our business. Although further development of COVID-19 is uncertain, management is of the opinion that the pandemic does not call into question the continuity of the company's activities.

At the time of closing this report, no other events or incidents likely to modify or influence in any way the financial statements for the financial year 2019 are to be reported.

21- Appropriation of profit

In accordance with article 25 of the articles of association, the General Meeting of Shareholders can dispose of the profit.

The proposed profit appropriation over 2019 is as follows:

€ 1,000

	2019
Interim dividend 2019	252,520
Addition to the other reserves	255
Total profit to be appropriated	**252,775**

Rotterdam, 8 June 2020

Management board

S.L. Laarberg
(chairman)
B. Bourgeois, CFO
(from March 15, 2019)
A.J. Bradshaw
(from January 1, 2019)
K.L. van den Eynde
(from January 22, 2020)

Supervisory board

N.J.M. van Ommen
(chairman)
M.D. Donga
(from March 15, 2019)
T. Lösler
(from May 15, 2019)

OTHER INFORMATION

22 - Appropriation of profit, articles of association

Provisions in the Articles of Association governing the appropriation of profit (article 25)

25.1 The General Meeting shall be authorised to allocate the profit determined by the adoption of the annual accounts and to make distributions, with due observance of the restrictions imposed by law.

25.2 Distributions on shares may only be made up to a maximum of the amount of the distributable equity and, if it concerns an interim distribution, this requirement has been met as evidenced by an interim statement of assets and liabilities as referred to in Article 2;105 paragraph 4 of the Dutch Civil Code. The Company shall file the statement of assets and liabilities at the office of the Trade Register within eight days after the day on which the resolution to make the distribution is announced.

25.3 The authority of the general meeting to make distributions shall apply both to distributions charged to profit not yet reserved and to distributions made on the occasion of the adoption of the annual accounts and to interim distributions.

25.4 A decision to make a distribution shall have no consequences as long as the management board has not given its approval. The managing board shall only withhold its approval if it knows or should reasonably foresee that the company will not be able to continue to pay its due and payable debts after the distribution.

23 - Independent auditor's report

Independent auditor's report

To: the general meeting and the supervisory board of Allianz Nederland Groep N.V.

Report on the financial statements 2019

Our opinion

In our opinion, the financial statements of Allianz Nederland Groep N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2019, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2019 of Allianz Nederland Groep N.V., Rotterdam.

The financial statements comprise:

- the balance sheet as at 31 December 2019;
- the following statements for 2019: the income statement, the statement of other comprehensive income, statement of changes in equity and the cash flow statement; and
- the supplementary notes, comprising the significant accounting and valuation policies and other supplementary information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

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

NEX3QDDFE7WC-1755933456-72

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T: +31 (0) 88 792 00 20, F: +31 (0) 88 792 96 40, www.pwc.nl

Independence

We are independent of Allianz Nederland Groep N.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Emphasis of matter - uncertainty related to the effects of the coronavirus (COVID-19)

We draw attention to note 20 'Subsequent events' in the financial statements in which the Board of Management has described the possible impact and consequences of the coronavirus (COVID-19) on the company and the environment in which the company operates as well as the measures taken and planned to deal with these events or circumstances. This note also indicates that uncertainties remain and that currently it is not reasonably possible to estimate the future impact. Our opinion is not modified in respect of this matter.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the introduction
- the report of the Supervisory Board;
- the report of the Board of Management; and
- the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The Board of Management is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Responsibilities for the financial statements and the audit

Responsibilities of the Board of Management and the supervisory board for the financial statements

The Board of Management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the Board of Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Management should prepare the financial statements using the going-concern basis of accounting unless the Board of Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 8 June 2020
PricewaterhouseCoopers Accountants N.V.

Original has been signed by A.R. Vermeulen RA MSc

Allianz Nederland Groep N.V. - NEX3QDDFE7WC-1755933456-72

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Appendix to our auditor's report on the financial statements 2019 of Allianz Nederland Groep N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

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

Considering our ultimate responsibility for the opinion on the financial statements, we are responsible for the direction, supervision and performance of the audit of the financial statements. In this context, we have determined the nature and extent of the audit procedures for subsidiaries to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole.

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

Allianz Nederland Groep N.V. - NEX3QDDFE7WC-1755933456-72

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CREDITS AND FEEDBACK

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We would very much appreciate hearing what you think about this annual report and welcome your feedback via the following email address: communicatie@allianz.nl.

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