

Allianz Nederland Groep N.V.  
**Annual Report 2020**



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# INTRODUCTION

## About Allianz Nederland Groep N.V.

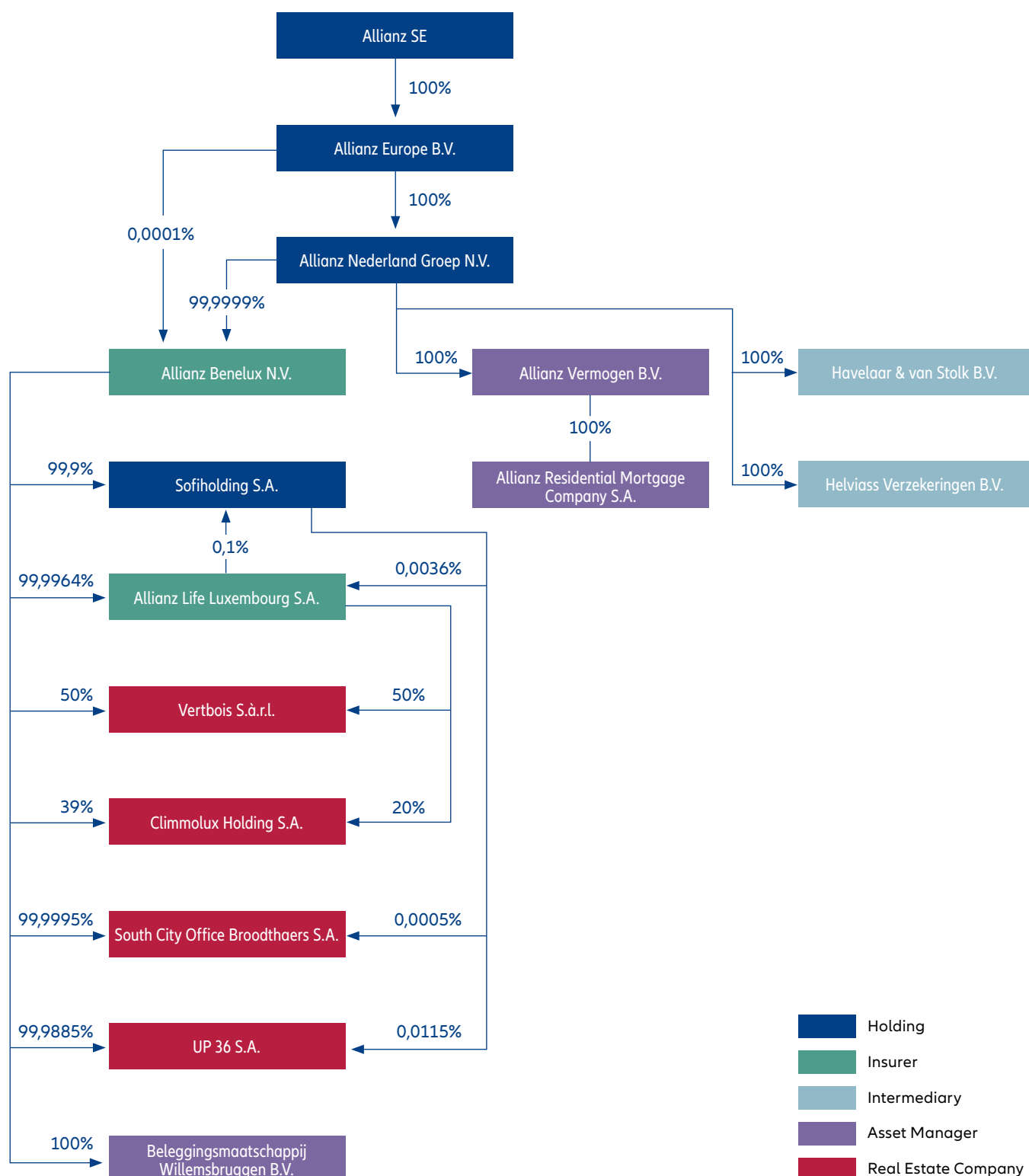
Allianz Nederland Groep N.V. (ANG) is a holding company, that holds the insurance and insurance related activities of Allianz SE in the Benelux. ANG employs the Dutch personnel and recharges the costs to its subsidiaries.

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.

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.

## Organizational chart



# REPORT OF THE SUPERVISORY BOARD

## Introduction

The Supervisory Board works according to standing orders, written down in a charter, which set out its general duties and powers and roles and responsibilities. In 2020, the Supervisory Board has adopted a new charter, which has been adapted to the new governance and now reflects that Allianz Nederland Groep N.V. has become the holding company of Allianz Benelux N.V. (Brussels), as well as the fact that Allianz Nederland Levensverzekering N.V. was merged into Allianz Benelux N.V. on 1 January 2019.

### **The responsibilities of the Supervisory Board include:**

1. Supervision of financial reporting.
2. Assessment of risk management.
3. Nomination and assessment of the external auditor.

The Supervisory Board passes resolutions on the proposals of the Compensation Committee. It also lays down the remuneration policy.

The charter contains provisions for the supply of information, the preparation and conduct of meetings, the decision-making protocol and the procedure for dealing with possible conflicts of interest. Finally, the charter includes requirements with regard to the Supervisory Board's profile, size, expertise, independence and diversity. 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 2020. There is a standard annual routine where structural topics are addressed. A new version of this standard annual routine was adopted in 2020.

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, the head of Risk Management and the external auditors 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.

Due to the COVID-19 pandemic, all meetings took place remotely in 2020, via video-conferencing. On a few occasions, 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.

The exceptional situation caused by the COVID-19 pandemic (remote meetings only) and the cancellation of one of the meetings, prompted the Supervisory Board to postpone its annual performance evaluation. The evaluation will be performed in 2021.

**Topics discussed by the Supervisory Board in 2020 were:**

1. The quarterly financial and business results.
2. The statutory financial statements for 2019 including the findings of the external auditor, the audit report to the Supervisory Board and the management letter.
3. The appropriation of profit for 2019.
4. The budget for 2021.
5. Risk management and the system of governance and internal control for the Dutch activities.
6. Developments in the Dutch insurance market.
7. The effects of the COVID-19 pandemic on staff and business.
8. The developments with regard to Allianz Direct and associated governance requirements.
9. Developments regarding unit linked insurances and the status of regulatory surveys.
10. The strategy for the insurance activities in the Netherlands, both in terms of business development and risk management.
11. The move to the new headquarters and the new way of working.
12. Developments with regard to IT and operations.
13. Employee engagement and development prospects for employees.
14. Derisking pension fund.
15. 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 independent auditor and the internal Risk Management function. This included discussing the recommendations from these parties and determining the status of prior recommendations. Where necessary, the Supervisory Board ensured that the agreed actions are pursued.

## Report from the Compensation Committee

The Compensation Committee comprised of Mr Nick van Ommen (chairman), Mrs. Monique Donga and Mr. Thomas Lösler. The Compensation Committee advised 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 twice in 2020. Routine members of the meeting were the Regional CEO, the CEO Netherlands, 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, 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, to the extent allowed by law.
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 and the applicable laws.

## Composition of the Supervisory Board

### Members of the Supervisory Board in the reporting year:

1. Mr. Nick J.M. van Ommen, Chairman of the Supervisory Board (per 1 January, 2018 and chairman of the Compensation Committee (per 27 May 2019).
2. Mrs. Monique Donga, member of the Supervisory Board (per 15 March 2019), Member of the Compensation Committee, recommended on behalf of the Works Council.
3. Mr. Thomas Lösler, member of the Supervisory Board, member of the Compensation Committee, member of the Audit Committee (per 15 May 2019) and recommended on behalf of the shareholder

Mr. Lösler 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.

The members of the Supervisory Board are appointed by the General Meeting of Shareholders for a period of four years, with the possibility of reappointment. 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 ample knowledge of the financial markets and is diverse in experience, background and gender. It 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.

In the current composition, one-third of the Supervisory Board members is female.

## 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 that may take priority.

In 2020, a lifelong learning session was organized about the Allianz Customer Model.

## 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 in their dedication.

Rotterdam, 31 May 2021

**Nick J.M. van Ommen**

Chairman of the Supervisory Board





# REPORT OF THE BOARD OF MANAGEMENT

## Developments and financial results

Allianz Nederland Groep 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 its subsidiaries. There are currently no expectations for significant changes in the company's investments, financing activities or operations (including staffing).

ANG realized a net profit in 2020 of € 64.9 mn (2019: € 252.8 mn). The result of ANG mainly depends on dividends received from its subsidiaries, in 2020 € 62 mn (2019: € 252.5 mn). The decrease in dividend is a direct result of the dividend restrictions issued in 2020 by the NBB to safeguard the equity positions of the Belgian insurance companies during the COVID pandemic.

The equity position remained very strong. The total shareholders' equity increased from € 1,934 mn to € 1,998 mn. Of the total assets 92% was financed via equity per year end 2020 (2019: 91%).

The liquidity position remained stable. No material outgoing cashflows substantially impacting our liquidity position are currently expected in 2021.

## 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. In 2020, the Board of Management adopted a new set of standing orders, in alignment with those of the Supervisory Board.

One change was made to the Board of Management in 2020. Mrs K.L. Van den Eynde was appointed to the Board of Management per 1 January 2020, as the successor of Mr W.T. Neven.

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 members. As the Board of Management comprised four members, this condition was met during the year of account.

With the appointment of Mrs K.L. Van den Eynde, one quarter of the Managing Directors was female. With each future appointment, Allianz will continue to take into account the aim to achieve sufficient diversity within the Board of Management.

### 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. The risk functions ensure that risks are reported as needed.

## Governance

### TWO-TIER BOARD

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 Nederland Groep N.V. 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 Works 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.

### COMPLIANCE WITH LEGISLATION AND REGULATIONS

Each year, Allianz Nederland Groep N.V. must implement new requirements flowing from 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 go without saying at Allianz Netherlands. The tasks that the company is asked to perform in relation to oversight take high priority.

### REMUNERATION POLICY

Allianz has a remuneration policy. The policy is regularly updated to keep pace with new and changing legislation and regulations and Allianz Group policies. Allianz Netherlands complies 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 Works 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.

### RISK AND CONTROL FUNCTIONS

The Internal Audit function 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 and status, results of audit reports and the follow-up on open findings.

The Compliance function has been improved with regard to staffing and is able to fulfil the role expected by all stakeholders. Compliance reports to the Board of Management semi-annually and may report any material or relevant Compliance issue to the Chairman of the Supervisory Board.

Activities of compliance comprise the implementation of General Data Protection Regulation (GDPR) requirements 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. 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, anonymously if so desired. The SpeakUp! tool is hosted by a third party and cases can be reported by telephone and internet 24/7. Cases are assessed and discussed confidentially by the Benelux Integrity Committee, which operates according to a Charter.

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 relevant risks is provided in Note 19 – Risk Management.

## Outlook

The economic Outlook for Allianz Nederland Groep N.V. depends on the performance of its insurance subsidiaries. At the date of issuance of this Annual Report and based on current information regarding natural catastrophes and capital market trends, the Board of Management has no indication that Allianz Nederland Groep is facing any major adverse developments.

The COVID-19 pandemic continues to have a significant impact on individuals, society, business and the wider economy across the globe. The insurance industry was hit, but Allianz has responded quickly, has introduced measures to mitigate the adverse impact and still continues to run its business profitably.

In February 2021 Allianz Nederland Groep reached an agreement to acquire RABO PGGM PPI. With this intended acquisition, which still has to be approved by the regulators, we can offer our advisers and clients more possibilities to design a pension scheme the way they want it.

Rotterdam, 31 May 2021

## Principal risks and uncertainties

Allianz Nederland Groep 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 in service of Allianz Benelux S.A. is the payment of salaries and pension premiums of the Dutch based employees, and to transfer dividend to Allianz Group.

### Management board

S.L. Laarberg  
(chairman)  
B. Bourgeois  
(CFO)  
A.J. Bradshaw  
K.L. van den Eynde

### Supervisory board

N.J.M. van Ommen  
(chairman)  
M.D. Donga  
T. Lösler

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# **FINANCIAL STATEMENTS 2020 ALLIANZ NEDERLAND GROEP N.V.**

**BALANCE SHEET**

Before profit appropriation  
as at 31 December 2020

€ 1,000

	Note	2020	2019
<b>Non-current assets</b>			
Property and equipment	3	77,749	19,831
Investments in subsidiaries	4	2,042,763	2,042,763
Financial assets carried at fair value through income	5	1,762	1,833
		2,122,274	2,064,427
<b>Current assets</b>			
Receivables from group companies	6	41,217	15,960
Deferred tax assets	7	139	15,651
Other assets	8	6,568	4,136
Cash and cash equivalents	9	251	31,659
		48,175	67,406
<b>Total assets</b>		<b>2,170,449</b>	<b>2,131,833</b>
<b>Shareholders' equity</b>	10		
Share capital		59,813	59,813
Share premium		1,855,666	1,855,666
Revaluation reserve		-	46,161
Retained earnings		17,780	(280,629)
Unappropriated result for the period		64,868	252,775
<b>Total equity</b>		<b>1,998,127</b>	<b>1,933,786</b>
<b>Non-current liabilities</b>			
Loans from group companies	11	37,500	32,721
Provisions	12	18,119	98,205
Other liabilities	13	68,806	19,873
		124,425	150,799
<b>Current liabilities</b>			
Payables to group companies	14	201	9,737
Provisions	12	2,709	2,301
Current tax liability	15	7,141	8,336
Other liabilities	13	37,846	26,874
		47,897	47,248
<b>Total liabilities</b>		<b>172,322</b>	<b>198,047</b>
<b>Total equity and liabilities</b>		<b>2,170,449</b>	<b>2,131,833</b>

**INCOME STATEMENT**

for the year ended 31 December 2020

€ 1,000

	Note	2020	2019
Dividend income subsidiaries	16	62,000	252,520
Income from financial assets carried at fair value through income	5	-	439
Other financial income		53	24
<b>Financial income</b>		<b>62,053</b>	<b>252,983</b>
Expenses from financial assets carried at fair value through income	5	(16)	-
Interest expense and similar expenses		(9)	(26)
<b>Financial expenses</b>		<b>(25)</b>	<b>(26)</b>
<b>Net financial income</b>		<b>62,028</b>	<b>252,957</b>
Operating expenses	17	(446)	(656)
<b>Profit before tax</b>		<b>61,582</b>	<b>252,301</b>
Income taxes	18	3,286	474
<b>Profit for the year</b>		<b>64,868</b>	<b>252,775</b>

**STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 31 December 2020

€ 1,000		
	2020	2019
Profit for the year	64,868	252,775
Items that will not be reclassified to profit or loss		
Changes in actuarial gains and losses on defined benefit plans	(678)	(115,825)
Income tax relating to the actuarial gains and losses	151	26,010
Total items that may never be reclassified to profit or loss	(527)	(89,815)
<b>Total comprehensive income</b>	<b>64,341</b>	<b>162,960</b>



## STATEMENT OF CHANGES IN EQUITY

€ 1,000

	Paid-in capital	Share premium	Retained earnings	Revaluation reserve	Net income	Shareholders' equity
<b>Balance as of 31/12/2018</b>	<b>59,813</b>	<b>76,667</b>	<b>29,459</b>	<b>46,161</b>	<b>32,247</b>	<b>244,347</b>
Acquisition via contribution in kind	-	1,778,999	-	-	-	1,778,999
<b>Balance as of 01/01/2019</b>	<b>59,813</b>	<b>1,855,666</b>	<b>29,459</b>	<b>46,161</b>	<b>32,247</b>	<b>2,023,346</b>
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)
<b>Balance as of 31/12/2019</b>	<b>59,813</b>	<b>1,855,666</b>	<b>(280,629)</b>	<b>46,161</b>	<b>252,775</b>	<b>1,933,786</b>
Net income	-	-	-	-	64,868	64,868
Other comprehensive income	-	-	(527)	-	-	(527)
Total comprehensive income	-	-	(527)	-	64,868	64,341
Transfer revaluation reserve to retained earnings	-	-	46,161	(46,161)	-	-
Transfer profit previous years to reserves	-	-	252,775	-	(252,775)	-
Shareholders dividend	-	-	-	-	-	-
<b>Balance as of 31/12/2020</b>	<b>59,813</b>	<b>1,855,666</b>	<b>17,780</b>	<b>-</b>	<b>64,868</b>	<b>1,998,127</b>

**CASH FLOW STATEMENT**

for the year ended 31 December 2020

€ 1,000

	2020	2019
Profit for the year - excluding dividend income from subsidiaries	(418)	(219)
Dividend received from subsidiaries	62,000	252,520
Change in other assets and liabilities	(29,709)	27,157
Pensions	(70,760)	63
Change other provisions	(15,261)	(14,835)
Income taxes	11,921	11,736
<b>Net cash from operating activities</b>	<b>(42,227)</b>	<b>276,422</b>
Property & equipment	(5,803)	(17,541)
Financial assets carried at fair value	(412)	(461)
<b>Net cash from investing activities</b>	<b>(6,215)</b>	<b>(18,002)</b>
Lease nett	(247)	-
Long term financing received	17,279	-
Dividend paid to shareholders	-	(252,520)
<b>Net cash from financing activities</b>	<b>17,032</b>	<b>(252,520)</b>
<b>Change in cash and cash equivalents</b>	<b>(31,409)</b>	<b>5,900</b>
Cash and cash equivalents at 1 January	31,660	25,760
<b>Cash and cash equivalents as at 31 December</b>	<b>251</b>	<b>31,660</b>

# 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 Art. 2:363 (g) of the Dutch Civil Code.

### **Reporting entity**

Allianz Nederland Groep N.V. is a company domiciled in the Netherlands. The address of the Company's registered office is Coolsingel 120 Rotterdam. The file number at the Chamber of Commerce is 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 Groep 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 its subsidiaries have been included in the consolidated annual report and accounts of Allianz SE, Königinstrasse 28, 80802 Munich.

The financial statements of Allianz Nederland Groep N.V. are approved by the Management Board and by the Supervisory Board on 31 May, 2021. The financial statements will be put for adoption to the General Meeting of Shareholders on 31 May, 2021. 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 consolidated financial statements requires Allianz Nederland Groep to make estimates and assumptions that affect items reported in the consolidated 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 shares in related parties, deferred taxes and reserves for employee related obligations.

### **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

### SUPPLEMENTARY INFORMATION ON ASSETS

#### **Property and equipment**

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 (between 5 and 15 years) 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 incremental borrowing rate. 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'. Lease liabilities are included within 'Other Liabilities.'

#### **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.

#### **Other assets**

Other assets include receivables and prepaid expenses. Receivables are recorded at face value, net of appropriate valuation allowances.

#### **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.

### **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.

#### **Provisions**

##### **Post-employment benefits: defined benefit plans**

Per 1 January 2020 the defined benefit plan is closed for future accrual. Future accrual will take place in a defined contribution plan.

##### **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.

##### **Lease Liabilities**

The lease liabilities are measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method.

Right-of-use assets and lease liabilities for short-term leases and leases of low-value assets are not recognized. Furthermore are right-of-use assets and lease liabilities for vehicle leases not recognized.

#### ***Other payables and accrued liabilities***

Other payables and accrued liabilities include accounts payable and miscellaneous liabilities. These are reported at the amortized cost. In case accrued liabilities are long-term these are calculated on basis of an estimation of future cash flows.

#### ***Taxes payable***

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

### **SUPPLEMENTARY INFORMATION ON NET INCOME**

#### ***Financial income and expenses***

Financial income comprises dividends from investments, interest income, gains on the sale of investments and reversal of impairment losses on financial assets. Distributions from subsidiaries 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 recognized in the period it relates to. Financial expenses comprise impairment losses on financial assets, interest on leases and interest expenses on borrowings.

#### ***Income tax expense***

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized 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 recognized 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 recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. 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 realized.

#### ***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. Investing activities include the cash flows from transactions related to the financial assets carried at fair value. 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.

#### ***Activities in the field of research and development***

The Company is not engaged in such activities.

### **RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS**

The following amendments and revisions to existing standards became effective for the Allianz Nederland Groep statutory financial statements as of 1 January 2020:

- IFRS 3, Definition of a business
- IAS 1 and IAS 8, definition of material
- Amendments to References to the Conceptual Framework in IFRS Standards

These changes had no material impact on the Allianz Nederland Groep financial results or financial position.

## RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In addition to the above-mentioned accounting pronouncements that recently became effective, the following amendments, revisions and interpretations have been issued by the IASB but are not yet effective for or have not been adapted early by Allianz Nederland Groep.

Standard/ Interpretation	Effective date
IFRS 9 and IFRS 16, Interest Rate Benchmark Reform	1 January, 2021
IFRS 3, Updating a reference to the Conceptual Framework	1 January, 2022
IAS 16, Property Plant and equipment: Proceeds before intended use	1 January, 2022
Annual Improvements to IFRS Standards 2018-2020 cycle (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)	1 January, 2022

The amendments and interpretations are not expected to have a material impact on the financial position and financial results of Allianz Nederland Groep. Early adoption is generally allowed but not intended by Allianz Nederland Groep.

# SUPPLEMENTARY INFORMATION TO THE BALANCE SHEET – ASSETS

## 3 - Property and equipment

€ 1,000

	2020	2019
Equipment	22,513	-
Assets under construction	-	17,541
Right-of-use assets	55,236	2,290
<b>Balance as at 31 December</b>	<b>77,749</b>	<b>19,831</b>

Movements in the carrying amount of property and equipment were as follows:

€ 1,000

	2020	Equipment	assets u,c,	Right-of-use asset
Purchase price	23,749	-	17,541	6,208
Depreciation	(3,918)	-	-	(3,918)
<b>Carrying amount as at 1 January</b>	<b>19,831</b>	<b>-</b>	<b>17,541</b>	<b>2,290</b>
Addition IFRS 16 Right-of-Use	57,384	-	-	57,384
Purchases	5,803	-	5,803	-
Transfers	-	23,344	(23,344)	-
Depreciation	(5,269)	(831)	-	(4,438)
<b>Carrying amount as at 31 December</b>	<b>77,749</b>	<b>22,513</b>	<b>-</b>	<b>55,236</b>
Accumulated depreciation	9,187	9,187	-	8,356
<b>Cost as of 31 December</b>	<b>86,936</b>	<b>86,936</b>	<b>-</b>	<b>63,592</b>

The equipment assets and the assets under construction 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. No property, plant and equipment has been pledged as security.

The right-of-use asset at balance sheet 2020 is related to the new Allianz office Coolsingel 120. The office has been in use since 1 June 2020. The corresponding lease liability is recorded in other liabilities (Note 13). Further information about the lease arrangements is provided in Note 22.

## 4 - Investments in subsidiaries

€ 1,000

	2020	2019
<b>Balance as at 1 January</b>	<b>2,042,763</b>	<b>263,764</b>
Acquisition	-	1,778,999
<b>Balance as at 31 December</b>	<b>2,042,763</b>	<b>2,042,763</b>

As at 31 December 2020, the Company holds the following shares:

Company	Country	Interest 2020 %	Interest 2019 %
Allianz Benelux N.V.	Belgium	100	100
Allianz Vermogen B.V.	Netherlands	100	100
Havelaar & van Stolk B.V.	Netherlands	100	100
Helviass verzekeringen B.V.	Netherlands	100	100

On 1 January 2020 Allianz Vermogen B.V. (acquiring company) merged with Allianz Fund Administration and Management B.V. (disappearing company). At the time of the merger there were no more activities in Allianz Fund Administration and Management B.V.

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

As at 31 December 2020, 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 recognized 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 recognized. The reversal is recognized in the statement of comprehensive income.

## 5 - Financial assets carried at fair value through income

€ 1,000

	2020	2019
<b>Balance as at 1 January</b>	<b>1,833</b>	<b>1,933</b>
Purchases	412	461
Sales	(467)	(1,000)
Result	(16)	439
<b>Balance as at 31 December</b>	<b>1,762</b>	<b>1,833</b>

These assets are directly linked to the share based Restricted Stock Units (RSU) plan, granted to the senior management (Note 23).

## 6 - Receivables from group companies

€ 1,000

	2020	2019
Receivables from group companies	41,217	15,960
Less receivables > 1 year (non-current assets)	-	-
<b>Current assets</b>	<b>41,217</b>	<b>15,960</b>

The receivables from group companies expire within one year.

## 7 - Deferred tax assets

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

€ 1,000

	2020	2019
<b>Balance as at 1 January</b>	<b>15,651</b>	<b>904</b>
Recognised in equity	151	26,009
Recognised in income	(15,663)	(11,262)
<b>Balance as at 31 December</b>	<b>139</b>	<b>15,651</b>

The deferred tax position is fully attributable to the Pensions provision

## 8 - Other assets

€ 1,000

	2020	2019
<b>Receivables</b>		
Other receivables	453	613
Prepaid expenses	4,250	2,631
Other assets	1,865	892
<b>Total</b>	<b>6,568</b>	<b>4,136</b>

The receivables and other assets expire within one year.

## 9 - Cash and cash equivalents

€ 1,000

	2020	2019
Balances with banks payable on demand	251	429
Cash pool balance payable on demand	-	31,230
<b>Balance as at 31 December</b>	<b>251</b>	<b>31,659</b>

The entity takes part in the cash pooling arrangement of Allianz SE, under which ANG is allowed to utilize an overdraft facility up to a maximum of € 10 mn.



# SUPPLEMENTARY INFORMATION TO THE BALANCE SHEET – EQUITY AND LIABILITIES

## 10 - Shareholders' equity

The shareholders' equity comprises the following:

€ 1,000	2020	2019
Issued capital	59,813	59,813
Share premium	1,855,666	1,855,666
Revaluation reserve	-	46,161
Retained earnings	17,780	(280,629)
Profit for the year	64,868	252,775
<b>Total</b>	<b>1,998,127</b>	<b>1,933,786</b>

As at 31 December 2020 and 31 December 2019, the Company's authorized capital consists of 113.125 shares. The Company's issued capital as per 31 December 2020 and 31 December 2019 consists 59,813 fully paid-in shares. The company has issued only one type of shares which has a nominal value of € 1,000.

The issued shares are owned by Allianz Europe B.V. in Amsterdam. Allianz SE in Munich (Germany) is the ultimate parent company.

### SHARE PREMIUM

€ 1,000	2020	2019
<b>Value stated as of 1/1</b>	<b>1,855,666</b>	<b>76,667</b>
Addition	-	1,778,999
<b>Value stated as of 31/12</b>	<b>1,855,666</b>	<b>1,855,666</b>

The increase of share premium in 2019 with € 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. 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	2020	2019
<b>Value stated as of 1/1</b>	<b>(263,927)</b>	<b>-</b>
Transfer from revaluation reserve	-	46,161
Addition from profit	252,775	32,247
Dividend	-	(252,520)
Pensions IAS-19 gains/losses through equity	(527)	(89,815)
<b>Value stated as of 31/12</b>	<b>(11,679)</b>	<b>(263,927)</b>

## 11 - Loans from group companies

€ 1,000	2020	2019
<b>Balance as at 1 January</b>	<b>32,721</b>	<b>32,721</b>
Addition	65,000	-
Paid	(47,721)	-
<b>Outstanding loans as at 31 December</b>	<b>50,000</b>	<b>32,721</b>
Payable within 1 year	12,500	-
<b>Non-current</b>	<b>37,500</b>	<b>32,721</b>

Repayment of the loan is scheduled in 4 instalments of € 12.5 mn at the end of each year, the 1st reimbursement shall take place in December 2021. The loan bears an interest rate of 0.2825% negative.

## 12 - Provisions

€ 1,000	2020	2019
Pensions and similar obligations	2,040	72,123
Restructuring plans	9,062	17,794
Other provisions	7,017	8,288
<b>Value stated as of 31/12</b>	<b>18,119</b>	<b>98,205</b>

### PENSIONS AND SIMILAR OBLIGATIONS

Until 31 December 2019 the pension plan was financed through Stichting Pensioenfonds Allianz Nederland Groep (SPANG). Contributions fixed in advance, based on salary, were paid to the pension fund.

As from 1 January 2020 Allianz Nederland Groep has terminated the administration agreement with SPANG. As of this date SPANG is a closed pension fund. The employer will no longer register new members. The defined benefit plan is closed for future accrual. Future accrual will take place in a Defined Contribution plan.

As per 1 July 2020 SPANG fully re-insured the pension-rights with insurer Lifetri-Klaverblad Levensverzekering N.V. (Lifetri), by means of a so-called buy-in, whereby the fund continued to provide services to its members. On 2 November 2020, DNB issued a 'Statement of No Objection'. The value transfer will take place on 1 January 2021. After the transfer of value to Lifetri, a short period of time is needed to settle the SPANG pension fund in full. In the course of 2021, SPANG will be legally liquidated.

The net amount recognized for pensions and similar obligations has developed as follows:

€ 1,000	2020	2019
Present value of defined benefit obligation pensions	-	(835,456)
Present value of defined benefit obligation health	(2,040)	(2,123)
Present value of defined benefit obligation total	(2,040)	(837,579)
Pension fund assets	-	765,456
<b>Funded status</b>	<b>(2,040)</b>	<b>(72,123)</b>

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

€ 1,000	2020	2019
<b>Value stated as of 01/01</b>	<b>(837,579)</b>	<b>(653,638)</b>
Current service cost	-	(17,861)
Interest cost	(4,579)	(12,226)
Benefits paid	7,225	14,163
Past service cost - plan amendments/ curtailments	-	47,833
Actuarial gain/ (loss) - due to change in demographic assumptions	42	(3,798)
Actuarial gain/ (loss) - due to change in discount rate	(39)	(146,726)
Actuarial gain/ (loss) - due to change pension increase assumptions	(64,988)	(69,928)
Actuarial gain/ (loss) - due to earnings related assumptions	(114)	-
Actuarial gain/ (loss) - due to unexpected experience	-	4,602
Settlement 1-7-2020	897,992	-
<b>Value stated as of 31/12</b>	<b>(2,040)</b>	<b>(837,579)</b>

As of 31 December 2020 the €2.0 mn defined benefit obligation concerns the post-retirement health benefit obligation (2019: € 2.1 mn).

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

€ 1,000	2020	2019
<b>Value stated as of 01/01</b>	<b>765,456</b>	<b>649,232</b>
Interest income on plan assets	4,364	12,310
Return on plan assets greater/ (less) than expected	64,421	100,025
Actual employer contributions	70,760	17,266
Actual participant contributions	-	2,550
Benefits paid by fund	(7,009)	(13,927)
Admin cost paid by fund	-	(2,000)
Settlement 1-7-2020	(897,992)	-
<b>Value stated as of 31/12</b>	<b>(2,040)</b>	<b>765,456</b>

The actual employer contribution mainly consists of € 70 mn premium that was paid in June 2020 to the pensionfund when the conditions as agreed in the derisking and funding agreement of December 2019 had been fulfilled.

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

€ 1,000	2020	2019
Current service cost	-	17,861
Interest (income)/expenses	215	(84)
Administration cost	-	2,000
Participant contributions	-	(2,550)
Curtailments	-	(47,833)
<b>Total</b>	<b>215</b>	<b>(30,606)</b>

During the year ended 31 December 2020 net periodic benefit costs of pension plans include costs related to post-retirement health benefits of € 22 (2019: € 43).

### 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 is at follows:

€ 1,000	2020	2019
<b>Value stated as of 1/1</b>	<b>17,794</b>	<b>11,726</b>
Additions	-	9,585
Usage	(2,732)	(3,517)
Transferred to group company	(6,000)	-
<b>Value stated as of 31/12</b>	<b>9,062</b>	<b>17,794</b>

Allianz strives for continuously simplicity and productivity improvements in especially the area of digitalization of processes. This will have an impact on our workforce in certain areas of the company. The expectation is that this provision will be settled in the period 2022 – 2024.

### OTHER PROVISIONS

€ 1,000	2020	2019
Staff related provisions	7,075	6,851
Other provisions	2,651	3,738
<b>Total</b>	<b>9,726</b>	<b>10,589</b>
Less: current	2,709	2,301
<b>Non-current</b>	<b>7,017</b>	<b>8,288</b>

The development of the other provisions were as follows:

€ 1,000	2020	Staff related expenses	Other
<b>Value stated as of 1/1</b>	<b>10,589</b>	<b>6,851</b>	<b>3,738</b>
Additions to existing provisions	7,413	5,470	1,943
Release of provisions via payments	(6,529)	(4,502)	(2,027)
Amounts released	(1,747)	(744)	(1,003)
<b>Value stated as of 31/12</b>	<b>9,726</b>	<b>7,075</b>	<b>2,651</b>

## 13 - Other liabilities

€ 1,000

	2020	2019
Lease liability	68,806	19,873
Accounts payable to suppliers	13,328	21,784
Payables to employees	5,495	4,907
Repayment on Loan	12,500	-
Other	6,523	183
<b>Value stated as of 31/12</b>	<b>106,652</b>	<b>46,747</b>
Less: current other liabilities	37,846	26,874
<b>Non-current other liabilities</b>	<b>68,806</b>	<b>19,873</b>

The development of the lease liability was as follows:

€ 1,000

	2020	2019
<b>Value stated as of 1/1</b>	<b>19,873</b>	<b>6,875</b>
Additions	53,435	17,583
Payments	(4,685)	(4,585)
Interest	183	-
<b>Value stated as of 31/12</b>	<b>68,806</b>	<b>19,873</b>

Further information about the lease liability is provided in Note 22 Lease arrangements.

## 14 - Payables to group companies

€ 1,000

	2020	2019
Payables to group companies	201	9,737
<b>Value stated as of 31/12</b>	<b>201</b>	<b>9,737</b>

The payables to group companies expire within one year.

## 15 - Current tax liability

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

€ 1,000

	2020	2019
Balance as at 1 January	8,336	7,139
(Decrease) / Increase	(1,195)	1,197
<b>Balance as at 31 December</b>	<b>7,141</b>	<b>8,336</b>

# SUPPLEMENTARY INFORMATION TO THE INCOME STATEMENT

This position mainly consists of payroll related taxes.

## 16 - Dividend income subsidiaries

The company received cash dividends from subsidiaries of € 62 million (2019: € 252.5 million cash dividends).

## 17 - Operating expenses

€ 1,000	2020	2019
Employee benefits	443	654
Other	3	2
<b>Total</b>	<b>446</b>	<b>656</b>

The employee benefits relate to the Restricted Stock Units (RSU) plan, refer to Note 23 for more details in respect to the plan.

## 18 - Income Taxes

The companies taxes are comprised of the following:

€ 1,000	2020	2019
Current income taxes	18,949	11,736
Deferred income taxes	(15,663)	(11,262)
<b>Total</b>	<b>3,286</b>	<b>474</b>

The company is part of a fiscal unity for corporate income tax purposes together with group companies Allianz Vermogen BV, Havelaar & Van Stolk BV, Helviass Verzekeringen BV and Allianz Benelux SA (Dutch branches Life and Non-Life). Allianz Europe BV is at the head of this fiscal unity. 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	2020	2019
Anticipated tax rate in %	25.0%	25.0%
Expected tax charge	(15,395)	(63,075)
Tax exempt dividend	15,500	63,130
Tax exempt cost	(124)	(24)
Result from tax rate change	2,332	765
Result of adjustments previous years revenue/(cost)	973	(322)
<b>Total</b>	<b>3,286</b>	<b>474</b>
Effective tax rate %	5.3%	0.2%

The deferred tax position is related to the pensions provision.

Per year-end 2019 the Dutch corporate income tax rate was 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 had been recalculated as per 31 December 2019 using the expected tax rate as from 2021.

As in 2020 the Dutch government cancelled its plan to reduce in 2021 the general corporate income tax rate to 21.7%, a tax gain was realized on the recalculation of the deferred tax position.

# ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

## 19 - 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. This has not led to 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 S.A. 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. Moreover, in view of the derisking of the pension fund, the future cash flows risk related to the pension premiums has been mitigated.

### 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.

## 20 - Fair value

### INVESTMENTS IN SUBSIDIARIES

If any indication exists that the shares in related parties 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

Due to the short-term nature for other assets and liabilities it is assumed that the notional amount reflects the fair value.

## 21 - Contingent liabilities, commitments and guarantees

Subsidiaries 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, 2020 the future minimum lease payments under non-cancellable operating leases were as follows:

€ 1,000	
	2020
Due in 1 year or less	1,103
Due in more than 1 and up to 5 years	2,170
Due in more than 5 years	-
<b>Total</b>	<b>3,273</b>

As of the end of the year no amount had been granted in respect of guarantees (2019: € 1 mn)

## 22 - Lease arrangements

As of 31 December 2020, the maturities for lease liabilities were as follows:

€ 1,000			
	Future minimum lease payments	Interest	Present value of minimum lease payments
Due in 1 year or less	4,180	300	3,880
Due in more than 1 and up to 5 years	17,484	1,017	16,467
Due in more than 5 years	49,579	1,120	48,459
<b>Value stated as of 31/12</b>	<b>71,243</b>	<b>2,437</b>	<b>68,806</b>

The lease liability is related to the Allianz office in Rotterdam. For the calculation of the present value an incremental borrowing rate was applied of 0.45%

For the year ended 31 December 2020, the total cash outflow for leases amounted to € 8.2 mn. All lease expenses are charged to subsidiaries.

## 23 - Employee information

At the end of 2020 Allianz Nederland Groep N.V. employed a total of 1,065 (2019: 1,028) employees. The employees are located in the Netherlands.

€ 1,000		
	2020	2019
Salaries	70,061	68,963
Social security expenses	8,736	9,381
Pensions expenses / (income)	13,435	(32,196)
<b>Total</b>	<b>92,232</b>	<b>46,148</b>

All personal expenses are charged to subsidiaries. Further detail with regard to the pension expenses is provided in Note 12. The members of the Board of Management 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 7,319 (2019: 4,227). The difference between the acquisition price and the market price of Allianz shares of € 41.94 (2019: € 52.55) was reported as part of compensation expense.

#### Restricted Stock Units (RSU) plan

Under the Allianz Sustained Performance Plan (ASPP), Restricted Stock Units (RSU's) – 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 RSU's

vest immediately and will be exercised by the company. The RSU's 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				
	2020		2019	
	Number	Weighted average grant date fair value €	Number	Weighted average grant date fair value €
<b>Nonvested as of 1/1</b>	<b>9,085</b>	<b>140</b>	<b>12,017</b>	<b>117</b>
Granted	2,802	147	2,907	159
Inward from group companies	-	-	2,614	162
Outward to group companies	-	-	(6,662)	162
Exercised	(2,300)	113	(1,791)	126
<b>Nonvested as of 31/12</b>	<b>9,587</b>	<b>148</b>	<b>9,085</b>	<b>140</b>

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:

		2020	2019
Share price	€	202,46	197,34
Average dividend yield	%	5.80	4.90
Average interest rate	%	(0.62)	(0.14)
Expected volatility	%	19.20	18,60

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 31 December 2020 Allianz Group recognized compensation expense related to the non-vested restricted stock units of € 443 (2019: € 655). Taking into account the expired portion of the vesting period, a provision of € 1,151 (2019: € 1,175) was established on December 31, 2020 and reported under the heading Other accrued liabilities.

## 24 - Related parties 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.

All employees of Allianz Nederland as well as the employees of the Dutch branch of Allianz Benelux N.V. are employed by Allianz Nederland Groep N.V. Consequently, Allianz Nederland Groep N.V. is responsible for the personnel and salary administration. The vendor administration of Allianz Nederland and the Dutch branch of Allianz Benelux N.V. is centrally organized in Allianz Nederland Groep N.V. Costs which are directly related to the participating companies, are directly assigned. Costs of Allianz Nederland Groep N.V. are allocated to the participating entities via allocation keys, without any surcharge.

Allianz Nederland Groep N.V. is part of the fiscal unity corporate tax Allianz Europe BV, Allianz Europe B.V. is responsible for the corporate tax declaration of the fiscal unity. For the settlement of corporate tax payments between Allianz Nederland Groep N.V. and Allianz Europe B.V. it is decided to act as if the legal entities are individually liable for corporate tax. Allianz Nederland Groep N.V. is part of the fiscal unity VAT Allianz Nederland, Allianz Nederland Groep N.V. is responsible for the VAT declaration of its subsidiary companies as well as of the Netherlands branch of Allianz Benelux N.V., Allianz Nederland Groep N.V. is liable for VAT liabilities of the fiscal unity.

Allianz Nederland Groep N.V. is involved in the Allianz SE cashpool facilities to transfer available liquidities on a daily basis.

## 25 - Independent auditor's fees

Independent auditor's fees can be specified as follows:

€ 1,000		
	2020 PwC	2019 PwC
Audit of financial statements	48	65
Other audit engagements	-	-
Tax services	-	-
Other non-audit services	-	-
<b>Total</b>	<b>48</b>	<b>65</b>

The audit fee disclosed solely relates to the statutory audit of Allianz Nederland Groep N.V.

## 26 - Subsequent events

The company was not subject to any subsequent events that significantly impacted the company's financial results after the balance sheet date and before the financial statements were authorized for issue.

## 27 - Appropriation of profit

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

The proposal to the General Meeting of Shareholders is to appropriate the total profit of € 64,868 to the other reserves.

Rotterdam, 31 May 2021

### **Management board**

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

### **Supervisory board**

N.J.M. van Ommen  
(chairman)  
M.D. Donga  
T. Lösler



# OTHER INFORMATION

## 28 - 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 authorized 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.

## 29 - 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 2020

#### 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 2020, 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 2020 of Allianz Nederland Groep N.V., Rotterdam.

The financial statements comprise:

- the balance sheet as at 31 December 2020;
- the following statements for 2020: the income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement; and
- the supplementary information to the financial statements, comprising the significant accounting policies and other explanatory 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.

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### *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 regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

### *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:

- introduction;
- report of the supervisory board;
- 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 report of the board of management 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.

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### ***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, 2 June 2021  
PricewaterhouseCoopers Accountants N.V.

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

*Allianz Nederland Groep N.V. - XHYACVRZAKFD-94253980-51*

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## ***Appendix to our auditor's report on the financial statements 2020 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.

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.

# CREDITS AND FEEDBACK

## IMPRINT

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](mailto:communicatie@allianz.nl).

## PUBLICATION

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