

ANNUAL REPORT 2018



Allianz pojišťovna, a. s.

BASIC ECONOMIC DATA

BRIEF SUMMARY MILLION EUR

| Selected indicators (million EUR) | 2018 | 2017 | 2016 | 2015 |
|--|--------|--------|--------|--------|
| Gross premiums written | 13,375 | 12,891 | 13,003 | 12,031 |
| Life insurance | 2,935 | 2,905 | 2,968 | 3,125 |
| Non-life insurance | 10,440 | 9,986 | 10,035 | 8,906 |
| Claims paid | 7,891 | 8,925 | 8,945 | 7,739 |
| Life insurance | 2,276 | 3,276 | 3,078 | 2,837 |
| Non-life insurance | 5,615 | 5,649 | 5,867 | 4,902 |
| Net claims ratio retention in non-life insurance | 57,4% | 64,6 % | 65,1% | 61,1% |
| Gross expenses ratio | 25,2% | 25,0 % | 26,0% | 24,7% |
| Technical result | 2,006 | 1,076 | 810 | 886 |
| Profit before tax | 2,085 | 1,007 | 865 | 981 |
| Financial placements | 23,177 | 22,585 | 21,532 | 19,127 |
| Equity | 6,162 | 5,281 | 4,500 | 4 615 |
| Equity ratio (as % of net written premiums) | 50,8% | 45,1 % | 38,3% | 42,6% |
| Technical provisions | 25,408 | 25,975 | 26,965 | 25,286 |
| Life insurance | 14,094 | 14,993 | 16,697 | 16,364 |
| Non-life insurance | 11,314 | 10,982 | 10,268 | 8,922 |
| Number of contracts in portfolio (thousand) | 2,033 | 1,949 | 2,142 | 2,038 |
| Number of employees | 821 | 889 | 885 | 827 |
| Number of agents | 1,388 | 1,265 | 1,337 | 1,530 |

The basic economic data for 2016 and 2017 reflect the merger of Allianz pojišťovna, a. s., (successor company), Wüstenrot pojišťovna, a. s. (dissolved company) and Wüstenrot, životní pojišťovna, a. s. (dissolved company). The economic results for 2014-15 are data for Allianz pojišťovna, a. s. only.

CONTENTS

A— Text part

Pages 8-30

- 08 Chairman's Statement
- 10 Company Profile
- 11 Awards and Prizes
- 12 Board of Management and Supervisory Board
- 13 Organisational Structure
- 14 Motor Insurance
- 16 Property and Commercial Insurance
- 18 Life Insurance
- 20 Travel Insurance
- 22 Claims Settlement
- 24 Sales
- 26 Human Resources
- 28 Non-Financial Information
- 30 A Word of Thanks from the Board of Management

B— Financial Part

Pages 32-83

- 34 Independent Auditor's Report to the Shareholders of Allianz pojišťovna, a. s.,
- 40 Balance Sheet as at 31 December 2018
- 44 Profit and Loss Account for the Year 2018
- 47 Statement of Changes in Equity for the Year 2018
- 48 Notes to the Financial Statements 2018
- 78 Report on Relations between Related Parties

- 84 Contacts



TEXT PART

A

CHAIRMAN'S STATEMENT

DEAR LADIES AND GENTLEMEN,

2018 was a very successful year for Allianz. We celebrated 25 years of our presence in the Czech market. We started from scratch and over the time we grew into the country's third biggest insurer. We concluded over 10 million policies, insure more than 1.2 million Czech drivers, property owners or tourists, as well as more than 100 thousand businesses. Last year, we added a number of medal positions to the many dozens of our earlier prestigious awards and prizes.

In the Insurer of the Year 2018 competition, we won the Insurance Innovator title for Allianz CZ, an application ensuring that clients always have all information at hand. Also, we scored in the Zlatá koruna competition by winning the market's Best Life Insurance category with our product Allianz Život free of absurd fees. We reached for four medals in the competition in total with both life and non-life insurance products, including our popular motor insurance based on actual yearly mileage. More than 250 thousand motorists took out this particular insurance so far.

To mention some of the news and innovations of 2018, we have cancelled percentage-based deductibles in motor hull insurance. A fixed deductible is considered more transparent as it does not directly depend on the paid out amount; vehicle owners thus immediately know the exact amount they will pay in the case of an insurance claim.

Another important moment of last year was the conclusion of a long-term agreement on cooperation in Central and Eastern Europe between Allianz Group and UniCredit. The partnership with Allianz will give UniCredit clients access to our insurance in CEE countries including the Czech Republic.

The company's net profit in 2018 (according to Czech accounting standards) amounted to CZK 1,719 million. The equity of Allianz pojišťovna is CZK 6,2 billion and the balance sheet sum rose to CZK 32,6 billion. Total gross written premiums for 2018 reached the volume of CZK 13,4 billion, thus adding 3,7 % year on year. In non-life insurance, we collected CZK 10.2 billion in written premiums according to Czech Insurance Association methodology. The same figure for life insurance amounted to CZK 2,8 billion.

I want to thank our employees, insurance advisors and business partners for their professional work. We see improvement of our products and services as a never-ending process to always stay in our focus. Of course, I would like to thank all our clients for their confidence and I wish to assure them that they will always be our top priority.

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




COMPANY PROFILE

Allianz pojišťovna is a 100% subsidiary of Allianz New Europe Holding GmbH and part of the world's leading insurance group of Allianz.

Allianz pojišťovna entered the Czech market in 1993 and has become one of the top three insurers in the Czech Republic over the years.

It started out by offering only life insurance. Step by step it expanded its portfolio, ranging from private property and liability insurance to commercial property insurance and industrial risks insurance. In 1995, motor hull insurance and travel insurance was introduced to complete the product portfolio. In 1999, Allianz became one of 12 insurance companies offering liability insurance.

Over the 25 years, Allianz Group in the Czech Republic expanded to include other companies. In October 1997, Allianz penzijní fond (Allianz pension fund) was founded to be transformed into Allianz penzijní společnost (Allianz pension company) after 6 years. At the end of 2012, Allianz Nadační fond (Allianz endowment fund) was established and there was a merger with Wüstenrot insurance companies in 2016.

In risk reinsurance, Allianz pojišťovna maintains exclusive cooperation with renowned companies, such as Allianz SE, Swiss Re, Munich Re and others. The long tradition and experience, international know-how and capital power of Allianz Group are a guarantee of the company's stability and continued development.

Prompt, transparent and modern claims settlement of Allianz pojišťovna forms an integral part of services rendered to clients and ranks at the top in the market.

Over the 25 years of its existence Allianz proved its ability to take action in both product development and claims settlement. It stood the tests imposed by natural disasters, outperformed the local insurance market in growth, introduced new services and updated the existing ones while always pursuing further innovations.

AWARDS AND PRIZES 2018

In 2018, Allianz pojišťovna was named Customers' Insurer in the Bank of the Year competition. This gold completed its extensive collection of prestigious awards of 2018 for the company's innovative products and services. Two products - Allianz Auto and Allianz Život (Life) attained particular success in the competitions.

Allianz reached for the first medals at the outset of the year in the **Finparáda.cz - Financial Product of 2017** competition, which automatically registers all financial products of selected types offered in Czechia by banks, insurers, pension and investment management companies. In the Finparáda.cz - Financial Product of the Year competition, Allianz ranked first in "Life risk insurance", defending its win in the same category last year. In the aggregate, it is the fifth gold won by Allianz Život in addition to other medal positions in other renowned competitions.

The Allianz Život life insurance quickly became popular among clients for the absence of absurd fees and for an opportunity to structure the product to suit individual needs, as well as an optional investment component that is not required for the policy. Moreover, popularity of the insurance is particularly based on its affordable price for people who take care of own health and obtain a discount on the premiums.

Allianz also scored in the 16th annual **Zlatá koruna** (Golden Crown) competition awarding the Czech market's best financial products. The competition rates products based on a model consisting of various criteria and comparing the products' economic, quality and security characteristics. Allianz won gold for the Best Life Insurance in the Czech market, again with Allianz Život free of absurd fees. In total, the company reached for four medal positions with both life and non-life products - it ended second in the Non-Life Insurance category for Allianz Domov with general and legal assistance (home insurance) and third in the same category for the popular Allianz Auto insurance based on actual yearly mileage. Silver in the Pension Savings category for Allianz Penze with automatic tax awarded to Allianz penzijní společnost completed the medal collection.

In the **Insurer of the Year 2018** competition, Allianz won the Insurance Innovator title for Allianz CZ, an application ensuring that clients always have all information at hand. Also, the application can be used to deal with all simpler tasks relating to the insurance or pension company. Allianz was the first to demonstrate how easy it is to control policies and access all important information via a mobile telephone. Allianz CZ is available to all clients for download via the App Store (iOS) or Google Play (Android). It is the sixth win for Allianz in the ten years of the competition's history, which makes Allianz the most innovative insurer of the last decade. Moreover, this year marks a hat-trick in this particular category. Two years ago, Allianz celebrated success with its Rytmus Risk life insurance, followed by motor insurance with rates based on actual mileage last year. Innovations are the fuel of development and Allianz reaffirmed its leading position in the future of Czech insurance.

In late November at **Bank of the Year 2018**, a competition awarding services and products of financial companies operating in the Czech Republic, including insurers, particularly from the customer experience perspective, Allianz won one gold and one silver. Results of most of the eight announced categories rely on the votes of a professional jury consisting of about 50 members - experts from the financial sector, public authorities, academics and politics as well as representatives of leading corporations in the Czech Republic. In this competition, Allianz was named **Customers' Insurer** and ranked second in the Insurer of the Year category, wrapping up the very successful year 2018.

BOARD OF MANAGEMENT



Dušan Quis
Chairman



Sonia Slavtcheva
Member



Petr Hrbáček
Member



Josef Lukášek
Member



Alexander Hollmann
Member

* Alexander Hollman was appointed a member on 1 January 2019.

SUPERVISORY BOARD

Petros Papanikolaou
Kay Müller
Martin Wricke

Chairman, since 31. 7. 2015
Member, since 25. 6. 2015
Member, since 1. 1. 2018

ORGANISATIONAL STRUCTURE

(AS OF 31 DECEMBER 2018)

| CEO SECTION DUŠAN QUIS | CFO SECTION SONIA SLAVTCHEVA | COO SECTION ALEXANDER HOLLMANN | CSO SECTION PETR HRBÁČEK | CPO SECTION JOSEF LUKÁŠEK |
|---|---|---|---|---|
| LEGAL Zdeněk Chudoba | CONTROLLING Tomáš Lain | CLAIMS SETTLEMENT Martin Hlaváč | KOS Petr Hladný | PORTFOLIO MANAGEMENT AND CUO Karel Pilař |
| COMPLIANCE -- | RISK MANAGEMENT & ACTUARIAL Kamila Šimonová | LIFE & HEALTH CLAIMS SETTLEMENT Hana Svatošová | REGIONAL DIRECTORS Josef Zelenka Petr Špičák | REINSURANCE Václav Bohdanecký |
| HR AFFAIRS & DEVELOPMENT Eva Koubíková | INVESTMENTS & TREASURY Petr Podolka | PMO & DIGITALIZATION Jan Andrijko | EXTERNAL DISTRIBUTION CHANNELS Vítězslav Havliš | PRODUCT DEVELOPMENT Ema Lanzendörferová |
| INTERNAL AND EXTERNAL COMMUNICATIONS Václav Bálek | TAX Jan Tichý | IT Jiří Zahálka | ALLIANZ AKADEMY David Ječmenka | METHODOLOGY Veronika Hašplová |
| INTERNAL AUDIT Jitka Kazimírová | ACCOUNTING Anna Švehlová | INSURANCE ADMINISTRATION - NON-LIFE Andrea Johnová | CENTRAL SALES SUPPORT Petr Hampejs | CORPORATE INSURANCE SUPPORT Kateřina Šustrová |
| MARKET MANAGEMENT Martin Dolanský | CUSTOMER PAYMENTS Daniela Volhejnová | INSURANCE ADMINISTRATION - LIFE, PENSION Darina Kocsisová | MOTOR & FLEET INSURANCE Karel Platl | |
| | PROCUREMENT & FACILITIES Sandra Tomášková | CUSTOMER SERVICE CENTRE Vacancy | INDUSTRIAL AND ENTREPRE-NEURIAL INSURANCE Jan Vícha | |
| | | SECURITY Libor Hrbek | INDUSTRIAL & COMMERCIAL INSURANCE Jan Vícha | |
| | | | REBR Radim Krist | |

MOTOR INSURANCE

In 2016, Allianz was the first insurer in the Czech Republic to start calculation of MTPL insurance rates (and motor hull and glass insurance) based on actual yearly mileage. The principle applied to the calculation of premiums derives from a simple assumption: the shorter time a driver spends on the road, the less risk he or she is exposed to. Allianz aims at drivers who are less risky based on long-term analyses.

Thus, again in 2018, Allianz offered MTPL insurance (optionally in combination with glass insurance) at attractive rates to drivers travelling up to 10 thousand kilometres a year. This annual mileage applies to virtually a half of all Czech drivers. The price of insurance increases progressively for drivers travelling more.

Thus, the insurance follows a well-established concept where the client estimates his or her annual mileage when taking out the policy. If the driver actually drives fewer kilometres during the year, the insurance company refunds him or her money at the insurance anniversary. On the other hand, the driver must pay more for exceeding the mileage limit. Only a photograph of the mileage indicator taken by the client when concluding the insurance and then at every anniversary is required. Clients send in the photographs electronically. The confidence pays off; more than 97% of the clients send mileage photographs in time, both when taking out the insurance and at anniversaries.

Actual mileage is not the only criterion considered by Allianz. The price of MTPL insurance also adapts to the age of the driver, the driver's home town or municipality, or how safe he or she is on the road, i.e. if the driver avoids accidents or not.

The year 2018 demonstrated again that a concept built on simplicity, transparency and confidence in the client is the right way to go. Clients appreciate these aspects and named Allianz the Customers' Insurer of 2018 in a brand new category of the Bank of the Year 2018 awards.

In 2018, Allianz continued to offer more favourable terms to no-claim drivers while thoroughly reflecting accident claims in premiums applicable to risky drivers. Also, Allianz kept an important benefit for new clients who can use the full range of assistance service while they are not Allianz clients yet due to deferred start of insurance, if the insurance policy has been concluded by payment of the premiums.

In 2018, Allianz Auto insurance with its "I drive little, I pay little" claim attracted over 250 thousand clients.



PROPERTY AND COMMERCIAL INSURANCE

Personal property and liability insurance from Allianz stands among the Czech market's best choices in the long term. The insurance offers high-quality cover for homes and common buildings as well as for apartment buildings and recreational houses. Non-life insurance from Allianz in general belongs to the market's most awarded insurance products.

In 2018, sales of property insurance from Allianz relied on the Allianz Domov product. Clients appreciate the product for flexibility, as it proposes an optimal solution to fit their needs along with an opportunity to individually adjust the form of the concluded insurance. Up to three buildings and three households can be insured under one policy.

The buildings insurance can also cover mobile homes or selected ancillary buildings erected on a separate land plot. Also, house owners may take out machinery insurance applicable to electric gates, automatic garage doors, as well as control rooms of intelligent houses. Clients can have their home insurance cover things brought in by their guests, items kept in designated places (such as cloakrooms and waiting rooms) or in hotels and other accommodation facilities, or property kept in campus and boarding houses, as well as personal belongings kept in cars.

Building and home insurance is available subject to different indemnity limits: low, medium and high. In addition, clients can define different amounts for specific risks, or increase certain indemnity limits to suit their requirements and needs. In liability insurance from Allianz, clients may increase the basic cover limit up to CZK 30 million.

Also, they can take out insurance for cases of causing damage in accommodation facilities or damage to vested items. Furthermore, the insurance can be extended to cover employee liability towards employers. As part of assistance services, Allianz pojišťovna also launched cyclist assistance that will get the insured cyclist back home in case of an emergency (flat tire, bicycle damaged in an accident). In addition, Allianz offers optional extended assistance including IT help via remote access, good in situations involving a forgotten password, for example. Insurance of liability for

damage or harm caused by performance of the office of a statutory body of a cooperative in the administration of an apartment building is another standard insurance cover.

Allianz is a modern insurer keeping in mind its online clients and various online innovations. Thus, Allianz made the modular insurance product available on its website to clients who prefer to take out insurance online. In 2018, the company also launched Allianz CZ, a mobile application giving the clients of Allianz a view of their policies or insurance claims, to which they can upload attachments as required. For this application, Allianz was named Insurance Innovator in the Best Insurer competition.

In the segment of commercial insurance, Allianz pojišťovna offers an extensive range of options. Commercial insurance covers the needs of the most diverse entities, ranging from businesses to public or government organizations or associations of apartment owners.

Clients requiring highly variable and flexible insurance opt for PRO Podnikatele, a business insurance product offering tailored covers to suit the client's current and specific needs.

Comprehensive commercial insurance is particularly designed for medium-sized and smaller businesses and is taken out in the form of affordable packages with three different indemnity limits - Normal, Optimal and Exkluziv Plus. Through these high-quality and continuously innovated insurance products, Allianz provides businesses with an opportunity to easily and promptly take out commercial property insurance (to cover buildings or other business structures, production or operating equipment etc.) as well as liability or freight insurance.

Property insurance for private individuals and businesses also includes Home Assistance with an ever-increasing range and quality of service. Also, special assistance is available for apartment buildings.

Professional liability insurance for entities providing specialized services, where insurance is in most cases required by law, is subject to a separate product. In 2018, Allianz improved its professional liability insurance to make it simpler and more attractive, and to extend its scope and territorial validity.

Other traditional products include, for example, car dealership insurance, repair shop insurance, user car dealership insurance, vessel insurance or insurance of deposits when renting a recreational vessel.

In 2018, Allianz pojišťovna further improved the quality of service provided to clients and communications with them. It keeps working on improving the style of communication when providing information in an effort to communicate with its clients in a simple, brief and most of all easy form.

Allianz offers high-quality protection for all types of real property to ensure your home or business.



LIFE INSURANCE

Simple structure, transparent terms, no absurd fees, focus on risk covers and a clearly separated investment component are features of the Allianz Život insurance attractive to both clients and professionals, as confirmed by various awards won by Allianz in Zlatá koruna or Finparáda competitions in 2018.

Allianz Život was a new product launched in 2016 to replace the Rytmus and Rytmus Risk products. It maintained the now standard quality of insurance protection in the form of guaranteed maximum indemnities under supplementary accident insurance, the market's first comprehensive cancer insurance named PRO boj s rakovinou, the PRO ženy supplementary insurance for women, or disability insurance for adults and children. In addition, it brought a new graphic design, simple structure of fees and easy to understand insurance conditions.

Further progress took place through digitalization in electronic communications with clients and insurance intermediaries as well as in the process of taking out the insurance, where policies concluded online become increasingly popular.

The year 2018 also brought important and long-awaited changes in legislation relating to the protection of personal data and distribution of insurance. Both new regulations aim at affording more protection to consumers.

Requirements of customers served the basis for product modifications and setting up a product model with a simple and transparent structure in 2018.

*Allianz ŽIVOT
is is an easily structured
life insurance with clear
conditions and no absurd fees.*



TRAVEL INSURANCE

Travel insurance from Allianz is focused on medical expenses insurance with unlimited coverage, supplemented by luggage insurance including delayed luggage and flight, liability insurance against damage and other harm, accident insurance and insurance of cancellation fees subject to a single deductible amount.

The medical expenses cover also applies to risk related to terrorism, search and rescue activities of the Mountain Rescue Service and selected types of leisure sports.

Travel insurance is available to clients for their individual or group tourist trips, as well as to corporate clients for business trips. Long-term stays or repeated short trips abroad can be insured with Allianz on special terms, applicable to policies for twelve or six months. Special rates also apply to yearly insurance covering repeated short-term stays. The basic insurance encompasses over 150 sports activities. Also, Allianz offers supplementary insurance for risky sports. Taking out travel insurance online over the internet or telephone becomes increasingly popular, letting clients quickly and easily arrange for everything in the comfort of their homes. Also, people deciding to prolong their stay abroad can thus arrange for further insurance in a convenient manner. Clients travelling only a short distance from the Czech border can take out a more cost-effective package consisting of medical expenses insurance with a limited cover of CZK 3 million and liability

insurance. Travel insurance from Allianz is also available for trips within the Czech Republic.

Other important components of travel insurance include liability insurance, trip cancellation fee insurance, luggage insurance or accident insurance. Included in travel insurance free of charge, extensive and high-quality assistance is available to every client via AWP P&C Česká republika. Prompt and transparent claims settlement is inherent to our travel insurance.

Allianz travel insurance stands for a comprehensive package of risks providing optimal insurance protection to clients travelling in the Czech republic and abroad. The insurance offers a wide range of insurance covers and at the same time is unique for the absence of a limit applicable to medical expenses abroad.

*Travel the world for leisure
or business with Allianz travel
insurance*



CLAIMS SETTLEMENT

Settlement of insurance claims has a crucial impact on customer experience as well as the insurer's business result. Allianz thus carried on the simplification and efficiency improvement of its claims adjustment process with an emphasis put on customer satisfaction. Elimination of inflation impacts generated by growing prices of work and spare parts as well as amended legislation (particularly in respect of health-related losses) was a continued challenge.

NON-LIFE INSURANCE

In early 2018, the customer centre for registering insurance claims was equipped with new Cisco UCCE 11.5 contact centre technology implemented by T-Mobile. With this platform, Allianz acquired a number of supporting tools that resulted in reduced cost, increased comfort of the work of consultants, new reports, and more comprehensive management of the customer centre operations. The number of questions required to register a claim under motor insurance was reduced to simplify the service. Allianz devoted time and effort to develop the technical knowledge of its consultants and successfully tested accelerated settlement of minor hull claims, where clients get a budgeted indemnity offer already when reporting the claim by telephone. The indemnity is then paid to clients after submitting the required documents. Review of the knowledge database also notably facilitated the search for required information.

In October 2018, the Claims Registration department organizationally moved from the Customer Service Centre to the Claims Settlement section, which will lead to further development of professional knowledge of the first-line staff and higher customer satisfaction.

Motor insurance claims adjustment focused on improving process efficiency, slowing down the growth of indemnity costs and increasing the working comfort of the staff. Claims adjustment successfully incorporated the process of mobile glass repairs done at the customer, particularly appreciated by clients with minor chip defects. Thus, Allianz similarly introduced the offer of mobile windshield replacement in the course of the year.

Attention was paid to the strengthening of controlling mechanisms monitoring adequacy of repair costs charged by repair shops, and the invoiced repair costs were much often recalculated according to standards and procedures recommended by manufacturers. Mobile technicians were provided with tablets with tools for investigation and online calculation of losses, including direct access to the Cebicom communication platform enabling

the sharing and sending of documents related to insurance claims. With this equipment, mobile technicians are able to propose an indemnity amount to the client right at the inspection site. Also, simplified remote inspections based on photographs taken by clients were introduced.

Settlement of health-related losses is back under Non-life claims settlement as of May 2018. This change corresponds to the nature of the adjusted claims from the perspective of processes (related to vehicle losses under MTPL insurance) as well as legislation (performance for loss under the Civil Code and Act on motor third-party liability insurance). Health-related losses become one of the priorities of claims settlement. The purpose is to ensure effective claims settlement compliant with the new indemnification principles arising out of the "new" Civil Code. The abolition of flat rates when determining compensations for health-related losses requires an individual approach in specific cases, thorough investigation into the facts affecting the indemnity amount, and greater use of indemnity agreements promoting legal certainty for both the insurer and the injured.

Settlement of property insurance claims saw simplification of processes applicable to small-scale losses, now handled over the telephone by an offer of budgeted performance, which reduces the time required for the administration. Wording of claim settlement letters was adjusted in order to attain a form that is simpler and easier to understand.

In respect of industrial property losses, capacities for the adjustment of claims under property and liability insurance, machinery insurance, as well as claims related to crops under agricultural insurance, were increased.

An agreement with most insurers in the Czech market on simplified cooperation in co-insurance claims was reached. These initiatives and activities helped successfully meet the challenge of a long-term increase of the number of industrial insurance claims.

LIFE INSURANCE

The objective set for 2018 was to increase customer satisfaction monitored by means of Net Promoter Score (NPS); the annual increase reached 6.5 percentage points. The excellent results are due to simplification of online reporting of insurance claims and updated wording of claim settlement letters, now written in a simple language that is easy to understand. Also, faster claims adjustment had a positive effect. Working procedures and methodological guidelines were updated in the course of the year to reflect amended legislation and GDPR. Partial modifications to internal systems for a more comfortable and faster work of claims adjusters were implemented along.

Claims settlement plays an essential role in customer experience and good repute of the insurer

SALES

From the perspective of sales, 2018 was the best year in the history of Allianz pojišťovna, with all distribution channels contributing to the result. Particular success was achieved in retail insurance, entirely in line with the long-term strategy of Allianz in the Czech Republic.

TIED AGENT SALES NETWORK

In the long term, Allianz makes intensive investments in the development of its Tied Agent Network in terms of quantity development (taking the form of managerial training and development of a structure of management or opening of new insurance offices in “white areas”) and particularly quality development. The investments aim at building a network of professional finance advisors with extensive knowledge of the financial market and own facilities in all towns with 10 thousand inhabitants or more.

In 2018, a new front-end was successfully implemented in the network along with various product changes. Also, the network used international know-how of Allianz Group and participated in a number of group projects managed from the Munich headquarters, such as Recruitment Excellence. Remarkable effort was made to comply with all legal requirements brought by the new Insurance Distribution Act.

In the tied agent salesforce, 2018 was a year of growth in all areas of retail insurance in terms of both new business (11% up year on year) and existing client base (4% up year on year).

In retail insurance, the tied agent sales network remains the key distribution channel as it holds over one half of the retail client base of Allianz pojišťovna and a similar situation is expected to be maintained in 2019.

ALLIANZ DIRECT, ONLINE SALES AND TELESALES

In 2018, the Allianz Direct distribution channel attained further growth in sales, particularly in motor insurance. Allianz Direct successfully carried on the last year's success of Telesales and expanded the number of sales specialists to 30. With modern technology, the sales specialists are able to sell and respond to the needs of prospects interested in insurance 7 days a week from any place offering an internet connection.

In online sales of motor insurance via external partners, cooperation is now limited to one strategic partner who was able to provide guarantees for an unbiased comparison of product quotes and fulfill the expected growth in 2018. The result was a 100% increase in motor insurance sales compared to the year before.

Travel insurance and property insurance also recorded notable growth. The growth is also supported by a much more dynamic online market and, to a certain extent, changed behaviour of customers who increasingly often see the website of Allianz as a place to take out an insurance product with the same level of support as in traditional distribution channels.

Also, 2018 saw a successful launch of new sales models relying on cooperation with leasing companies, where customers are offered a continued insurance cover via the Telesales channel.

MLM AND BROKER POOLS

The year 2018 saw further success in the sales of Allianz ŽIVOT (Partners ŽIVOT) life insurance giving an opportunity to clients to choose between a pure risk insurance policy or investment-linked life insurance with a regular or one-off component. Sales of the Partners ŽIVOT product were notably supported by the introduction of an optional biometric signature when concluding new policies, as well as the successful launch of a new system of sales discounts on life insurance at the end of the year.

Motor insurance in 2018 attracted even more attention of external distributors with the unique design of the motor third-party liability insurance product taking into account actual annual mileage. Also, extended implementation of Allianz web services at external partners contributed to the fulfilment of sales plans for motor insurance.

2018 was one of the best years in the history of external distributors of Allianz (MLM networks and Broker Pools). The annual growth of new production in life insurance reached 60%. Retail motor insurance even outperformed life insurance (66% up year on year).

Thus, the position of Allianz with major external partners notably improved in 2018. The most important partners include Partners FS, OVB Allfinanz, Fincentrum, Broker Consulting and Broker Trust.

The distribution model of Allianz sales relies on multiple channels. The model proved to be very effective again in 2018 and generated new business growth in all areas, particularly in retail insurance.

CENTRAL BROKERS, INDUSTRIAL INSURANCE

In 2018, Allianz further pursued its strategy for industrial insurance relying on growth in the medium risk segment. However, overall results were affected by losing certain large non-profitable clients and redevelopment of agricultural insurance. Thus, Allianz pojišťovna focused on profitability, particularly in property insurance.

The client base in industrial insurance added more than 2% year on year. In the segment of commercial insurance, Allianz was able to attain stable increases of the client base with higher increases particularly in apartment buildings and professional liability. The entire year was marked by more intensive cooperation with regional brokers, achieving particular success in the commercial insurance sector and private insurance. The base of commercial insurance customers rose over the year by more than 10%, which makes 2018 one of the best years in the history of Allianz.

In central broker sales, Allianz pojišťovna built on the successful cooperation with its biggest business partners, attaining success in both client base growth and portfolio profitability. This distribution channel recorded rapid growth particularly in fleet insurance, where the client base added nearly 15% while maintaining sound profitability.

LEASING AND DEALERSHIPS

In the segment of insurance sold in financing instalments, Allianz put even more emphasis on profitability and its improvement compared to the years before. Segmentation of rates similar to that applicable to retail motor insurance was gradually reflected in this insurance sector, which improved the loss ratio step by step. Also, Allianz focused on new business opportunities. The company entered into an important business partnership with one of the leading operating lease providers. This business acquisition generated a record-high growth of the volume of new business (71% up year on year) as well as the client base of insurance in financing instalments (27% up year on year).

Retail motor insurance sold via vehicle dealerships grew at a record-breaking pace in 2018. Premiums from new business in 2018 thus added nearly 50% compared to the same figure of 2017. The success

is attributed to, inter alia, the long-term strategy of care of this particular sales channel, mainly consisting of a uniform business approach to vehicle dealerships regardless of who attends them. Regional managers of dealership sales make no difference whether the care is provided by Allianz sales representatives, insurance brokers, leasing companies or other insurance intermediaries.

Moreover, this model allows the effective management of the distribution channel also after the Insurance and Reinsurance Distribution Act comes into force. Comprehensive care including software equipment, training, communication of product news etc., remains among the top priorities.

BANCASSURANCE AND ALLIANZ FINANCE

The year 2018 in bancassurance saw the launch of a strategic cooperation in the sale of insurance with UniCredit Bank Czech Republic and Slovakia, covering the Czech Republic as well as the region of CEE (Central and Eastern Europe). The new acquisition will bring a very strong business partner from the banking sector for the upcoming years, which unlocks opportunities for deeper cooperation in intermediation of Allianz insurance as well as reciprocal intermediation of UCB bank products at Allianz.

The successful bancassurance cooperation with Wüstenrot stavební spořitelna, exclusive intermediary of Allianz insurance among building savings companies, continued last year. The outlook for development and progress of reciprocal cooperation with Wüstenrot is also very positive with regard to the sales and market objectives of Wüstenrot in the Czech financial market for the upcoming years.

Allianz Financial Group in the Czech Republic is actively and successfully represented among loan product intermediaries, particularly with regard to consumer home loans, via its subsidiary Allianz kontakt, s.r.o. When acting as a loan intermediary, Allianz kontakt mostly uses the base sales network of Allianz pojišťovna and selected external business partners. The volume of intermediated loans in 2018 exceeded CZK 2 billion. The biggest providers of such intermediated loans are Wüstenrot Hypoteční banka, Komerční banka and UniCredit Bank.

HUMAN RESOURCES

From the perspective of Human Resources, 2018 was again one of the most successful years in the history of Allianz in the Czech Republic. During the year, the company made major investments in its people as well as in working space alterations to follow the recent trends. As part of the Work Well project, Allianz operates a gym in the headquarters building, organizing regular health exercises and relaxation courses for the members of staff. Also, Allianz kept its last year's second place in Top Employer, a prestigious competition.

Allianz pojišťovna is fully aware that the company's success relies on its people, motivated to provide the best service, create and improve the products of Allianz to best reflect the needs of customers. With regard to insurance claims, provision of a high-quality insurance cover and an unrivalled claims settlement service is essential. To achieve this, the company maintains a professional team of qualified and properly motivated experts and systematically develops their potential.

TRAINING AND PERSONAL DEVELOPMENT

Employee training and development are among the top priorities at Allianz. The company provides its employees with various courses, trainings and comprehensive programs to promote their professional, personal and managerial development. In 2018, Allianz ran the Allianz pojišťovna - corporate education project, co-financed by the European Union under the Operational Programme Employment. The education program consisted of the following courses:

- General IT
- Soft and managerial skills on all management levels
- Expert IT
- Accounting, economy and legal

The extensive offer of courses also included:

- Soft skills with a focus on Self-motivation, Presentation skills, Difficult communication
- Professional training - MS Excel on all levels in collaboration with external contractors
- Language courses - group and individual training
- Induction training for new employees
- Training abroad and certifications for selected specialized professions
- Attendance at conferences and professional meetups
- Allianz Academy- product trainings
- Extracurricular education and training, such as expert certifications, ACCA etc.

Furthermore, we carried on the successful training concept named Learning from each other. As part of this initiative, members of staff

share their knowledge with each other and present the departments they work at. Also, a meeting with MUDr. Michaela Karsten on "What human memory can do" was held for the employees under the Work Well initiative.

EMPLOYEE BENEFITS

Allianz pojišťovna aims at continuously improving its position among leading insurers as well as among important employers. The company is aware that its results are attained particularly through the high commitment of its people, and thus it offers attractive employee benefits.

The most significant benefits in 2018 were:

- One week of extra leave in addition to the statutory requirement
- Four sick days
- Flexible working hours
- Possibility to work from home
- Free beverages at the workplace
- Catering at the company's headquarters at reduced prices; catering allowances for employees working outside the headquarters
- Employer contribution to an employee's supplementary pension scheme
- Annual travel insurance for the employees and their family members for 1 CZK
- Basic life insurance for the case of death due to any cause
- 50% discount on tickets to Minor Theatre
- As a part of a partnership with the Prague Botanical Garden, 50% discount on tickets
- T-Mobile program - special rates for employees and their family members
- Cafeteria system (BENshop)
- Taxi service - company rates for the employees, also applicable to private trips
- Health and relaxation exercises at the workplace
- 1 or 2 workdays for volunteering activities
- Employee events, such as the Sports Day, Cinema Day, or a St. Nicholas show for children

CORPORATE CULTURE

Allianz pojišťovna's corporate culture is built on the corporate values and management culture principles of Allianz SE aiming at fulfilling the Group's mission and a harmonized culture of governance in all its member companies. At Allianz, corporate culture also includes an annual employee motivation survey, monitoring the atmosphere at the company and generating new ideas and suggestions to improve employee satisfaction. Long-term strong participation in the voluntary survey (91% in 2018) shows the employees' continued interest in expressing their opinion and contributing to further development of the company.

Strong emphasis is put on the professional conduct of the company's employees and adherence to internal rules. The fundamental principles are stipulated in the Code of Conduct, Business Ethics and Compliance, followed by all Allianz Group companies since 2005. Respect for the rules of equal opportunities and zero tolerance of any discrimination form an integral part of the corporate culture. Major events fostering the corporate culture of Allianz include regular meetings of the staff and management on official anniversaries and other occasions, as well as other sport and social employee events promoting teamwork.

Allianz made major investments in its people as well as in working space alterations to follow the recent trends. In 2018, the company continued in its Work Well project to promote a healthy lifestyle and harmonize the professional and personal lives of employees.

NON-FINANCIAL INFORMATION

Allianz is a highly transparent company pursuing zero tolerance to fraud and corruption in the long term. Confidence of customers and good reputation are result of the company's professional and fair business approach.

Allianz is a socially responsible company respecting the environment, supporting corporate volunteering, taking care of the health of its staff and, most of all, pursuing a professional and fair approach.

OPEN COMPANY

Already in 2017, Allianz held several rounds of a campaign named "Leaders in Integrity", organized within Allianz Group all over the world. The campaign included both targeted workshops with the company's higher and top management and communication and interactive activities focused on all members of staff. The objective of this initiative is to point out the meaning and value of integrity during negotiations, to give insight into situations that might turn into a decision-making dilemma, and to show options for tackling such dilemmas. The given topic was presented to the employees by means of mobile game Allianz D.A.R.E. and by means of posting an electronic questionnaire about integrity, available to every employee to find out his or her very own perception of integrity.

FIGHT AGAINST CORRUPTION AND BRIBERY

In 2018, Allianz continued in supplier controls or staff training with an emphasis on anti-corruption and anti-bribery issues. The topic is covered in the induction training for both new employees and new sales representatives. In addition to the induction training, members of staff undergo anti-corruption e-learning training from time to time. In the course of the year, suppliers of Allianz were checked in line with Directive 64 - Procurement of goods and services. Also, all beneficiaries of donations from Allianz Nadační fond are subject to checks and controls. Processes perceived as possible corruption indicators undergo regular monitoring. Furthermore, Allianz held an electronic anti-corruption communication campaign. Fight against corruption and bribery relies on internal documents and directives, especially Directive 167- Guidelines for applying Allianz anti-corruption rules, 168 - Allianz gift, entertainment and hospitality policy, 182 - Whistleblowing guidelines, and 185 - Anti-corruption measures in cooperation with insurance intermediaries, as well as the Code of conduct for employees and Code of conduct for sales representatives. Allianz continuously assesses corruption risks and bribery according to a defined methodology.

DATA PROTECTION

Personal data and privacy protection issues become increasingly important in the recent years, both from the perspective of the individuals whose privacy is to be protected and those who encounter others' personal data in their work and who should ensure such protection. Essential legislation applicable to the manner how personal data are treated derives from Regulation (EU) 2016/679 of the European Parliament and of the Council that came into force as of 25 May 2018 ("GDPR").

In April 2018, Allianz Group adopted the Allianz Privacy Standard ("APS") containing binding corporate rules of Allianz as well as minimum requirements to ensure harmonization in the area of privacy and personal data protection within Allianz Group. Rules and requirements applicable to the processing of personal data in compliance with GDPR and APS are implemented in internal processes and documents of Allianz. The rules and processes of personal data and privacy protection are standardized in Directive 197.04 - Personal data and privacy protection.

Furthermore, Allianz Group adopted rules applicable to Privacy Impact Assessments ("PIA"). Allianz Czech Republic implemented a PIA tool and ran privacy impact assessments on processes involving high risk to the rights and freedoms of data subjects. Compliant with the Allianz Functional Rule for Personal Data Incident Management adopted in May 2018, a system to detect and report personal data breaches was introduced. Data breach incidents are reported to Allianz Group, GD&DP, on a quarterly basis. Data subjects were informed about the processing of personal data at Allianz by the effective date of GDPR. Information on the processing of personal data provided to data subjects is implemented in Allianz documents and websites. A GDPR-compliant system in line with the Group's Functional Rule for the handling of Subject Access Requests ("SARs") was launched.

Allianz companies that are members of the Allianz Privacy Renewal Program Community appointed a Data Protection Officer pursuant to GDPR. All employees of Allianz passed a training on the issue of handling of personal data; the personal data training is also incorporated in mandatory trainings for newly recruited members of staff and is provided electronically in the form of eLearning as well as personally by the Data Protection Officer as part of the induction training. In 2018, the company's management was informed about the progress of implementation of data protection rules on a quarterly basis.

Another directive governs the manner how Allianz employees are to treat information that is sensitive in terms of capital market development. The employees are obliged to ensure the confidentiality of such information and use it for legitimate business purposes only. Illegal disclosure of internal information, i.e. insider dealing, or market manipulation are not permitted. The issue is further contemplated in Directive 178.02- Rules of Capital Markets Compliance, which contains rules that are binding upon all employees.

CORPORATE SOCIAL RESPONSIBILITY

CSR forms another integral part of the corporate culture of Allianz pojišťovna. Both the company and people of Allianz feel responsibility to others. This idea gave birth to the "D Day - Day that counts" initiative.

VOLUNTEERING

Allianz employees take a keen interest in **D Day - Day that counts**, the company's volunteering project which helps non-profit organizations. In the program, all employees have an opportunity to voluntarily take part in various activities in cooperation with non-profit organizations. In 2018, **200 employees** participated in the corporate volunteering program. 38 of them decided to help twice and the **total number of volunteers** thus rose to **238**. **37 events** were held in the program, generating a total of **1904 hours** of volunteer work. The project supported **15 non-profit organizations**, mostly focusing on environmental issues. To support the idea, Allianz also grants a paid day off to each employee for a D Day event.

ENVIRONMENT

Since 2008, Allianz pojišťovna has been engaged in a global environmental project of Allianz Group in order to minimize its negative impact on the environment. Through specific measures, the company pursues reduced consumption of energy, water and paper. Increased efficiency in waste management is also among the company's priorities. Business trips of Allianz employees are carried out with an effort to minimize the carbon footprint. One decade after its launch, the program at Allianz still offers room for further improvements: for example, another waste recycling bin for cardboard was introduced recently to complement the three original ones.

CONTRIBUTIONS TO INDIVIDUALS AND ORGANIZATIONS FOR SPECIAL CARE

Allianz pojišťovna in cooperation with Allianz nadační fond (Allianz Endowment Fund) grants financial donations to people or organizations in difficult life situations, e.g. for treatment not covered under statutory health insurance, vehicles, or other and special personal equipment.

A summary of all non-financial information concerning Allianz Group including Allianz pojišťovna, a. s. in the Czech Republic is provided in a special report of the parent company, Allianz SE.

https://www.allianz.com/en/investor_relations/results-reports/annual-reports.html

https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/annual-report/ar-2018/en-AR-Group-2018.pdf

EMPLOYEE HEALTH

Allianz puts an emphasis on **Work Well and healthy life style of its employees**, also expanding beyond their working conditions.

- Flexible working hours, home office, 4 sick days etc. Much alike the year before, **all employee events in 2018 were held to support their health.**
- 2 Health Days and 8 Preventive Medical Examinations - workplace ergonomics, office exercise, as well as eye, skin mark examinations, blood tests, or a special project focused on very frequent diseases in women and men.
- Support aimed at physical activities and reimbursement of starting fees within Allianz World Run, Night Run, Bike to Work etc.
- Provision of workshops on topics such as Time Management, Assertiveness, Effective Communication, Mental Hygiene.

OPEN COMMUNICATION

Employees are informed about all important events and changes at the company at regular meetings with the company's management as well as through digital information media, such as INFO, the company's regular electronic newsletter, Allianz TV broadcasting, or the intranet site. Also, an e-mail address is available to the employees to send their questions, or the Listárna mailbox, where they can also drop their anonymous requests.

As mentioned above, a strong emphasis is put on the employees' professional conduct and compliance with the company's internal rules including the Code of Conduct and other regulations. Respect for the rules of equal opportunities and zero tolerance of any discrimination form an integral part of the corporate culture. Teamwork is promoted by means of regular employee meetings with the company's management as well as sports and social employee events.

A WORD OF THANKS FROM THE BOARD OF MANAGEMENT

The Board of Management would like to thank all sales agents, brokers, external partners, business partners and all employees for their work for Allianz pojišťovna, their dedication, enthusiasm and professionalism.

We also thank the shareholder for support and cooperation and clients for the trust they have placed in Allianz pojišťovna.

Board of Management

FINANCIAL PART

B



English translation

Independent auditor's report

to the shareholder of Allianz pojišťovna, a.s.

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Allianz pojišťovna, a.s., with its registered office at Ke Štvanici 656/3, Praha 8 ("the Company") as at 31 December 2018, and of its financial performance for the year then ended in accordance with the Czech accounting legislation.

What we have audited

The Company's financial statements comprise the following:

- the balance sheet as at 31 December 2018;
- the income statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and of the Council ("the EU Regulation") and Standards on Auditing of the Chamber of Auditors of the Czech Republic. These standards consist of International Standards on Auditing (ISAs) which may be supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Act on Auditors, EU Regulation and Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and accepted by the Chamber of Auditors of the Czech Republic, and we have not provided any prohibited non-audit services and we fulfilled our other ethical responsibilities in accordance with these regulations.

PricewaterhouseCoopers Audit, s.r.o., Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic
T: +420 251 151 111, F: +420 251 156 111, www.pwc.com/cz

PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No. 021.



Shareholder of Allianz pojišťovna, a.s.
Independent auditor's report

Our audit approach

Overview



Materiality

Overall materiality represents 1 % of Company's gross underwritten premium and has been estimated at CZK 100 million.

Audit scope

We conducted our statutory audit work for the Company as a whole.

Key audit matter

Valuation of technical provisions.

As part of designing our audit, we determined the materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance as to whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

| | |
|--|--|
| Overall materiality | CZK 100 million |
| How we determined it | The Company materiality has been determined as 1% of Company's gross underwritten premium. |
| Rationale for the materiality benchmark applied | We have chosen the gross underwritten premium as a benchmark for estimating materiality as it represents the industry standard as well as the key focus of the management and stakeholders. Performance of insurance companies on the market is measured on the basis of revenues and the gross underwritten premium is one of the main indicators, which are monitored by external users of financial statements. |



Shareholder of Allianz pojišťovna, a.s.
Independent auditor's report

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the key audit matter

Valuation of technical provisions

Valuation of insurance technical provisions is subject to high degree of estimation with respect to determinants of the valuation models used. Valuation requires usage of the actuary models and the determination of actual economic and non-economic assumptions which may be affected by the future economic and political conditions and by the regulation of insurance business.

Assumptions used to measure life insurance liabilities depend in particular on mortality, lapse rates, costs, and the current value of money is equally important. The interest rate used for discounting is also a key input to this calculation.

Based on realized earnings, earnings are credited to clients' contracts, and valuation of the related obligation for bonuses also requires expert judgment and application of actuarial models and assumptions.

The assumptions used for the valuation of non-life insurance contracts are primarily related to the lapse rates, the cost of processing claims, claim ratios, allocated and expected bonuses and discounts and other assumptions applied in the liability adequacy tests.

The accounting policies used by management in the area of valuation of technical provisions are disclosed in note I.4. i)-n) and related other explanatory information in note II.9 to the accompanying financial statements.

We have involved PwC actuarial specialists in our audit procedures to verify the models and the assumptions used. We have assessed the accuracy of the calculations and the validity of the key assumptions and parameters determined by the Company on the basis of the available market data as well as our historical experience.

In order to assess the model used to test the adequacy of insurance liabilities, we specifically focused on recalculating the present value of future cash flows from insurance policies.

We have discussed the changes in existing products as well as in the parameters in new products and related actuarial methods of valuing both life and non-life insurance.

In the area of non-life insurance, we focused on checking of the calculation of the adequacy of premiums, testing the adequacy of the liabilities and recalculating the estimate of the provision for claims incurred but not reported.

In the course of our audit procedures, we have tested the provision for reported but not settled claims on the sample of contracts and analyzed the result of claims settlement. We further assessed the sufficiency of the amount of the total provision for insurance claims and assessed the adequacy of the applied methods to determine it.

We also assessed the accuracy and completeness of the disclosures in the notes to the financial statements.

How we tailored our audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and specifics of the industry in which the Company operates.

The year 2018 was the first year of our audit of the Company. To properly define the scope of the audit, we focused on the process of taking over the engagement from the previous auditor and familiarizing ourselves with the control environment and current matters that the Company addresses in the business and regulatory areas.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report therein. The Board of Directors is responsible for the other information.



Shareholder of Allianz pojišťovna, a.s.
Independent auditor's report

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other financial and non-financial information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Company obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law and regulation, in particular, whether the other information complies with laws and regulations in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Board of Directors and the Supervisory Board for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting legislation and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the financial reporting process. The Audit Committee is responsible for monitoring of the financial statements compilation process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above-stated requirements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or taken together, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above-stated requirements, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls 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 controls.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by the Board of Directors.



**Shareholder of Allianz pojišťovna, a.s.
Independent auditor's report**

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 on the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Audit Committee with a statement showing that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with the Supervisory Board and the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In compliance with Article 10(2) of the EU Regulation, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Consistency of the Audit Opinion with the Additional Report to the Audit Committee

We confirm that the audit opinion expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued today in accordance with Article 11 of the EU Regulation.

Appointment of Auditor and Period of Engagement

We were appointed as the auditors of the Company for year 2018 by the sole shareholder in the capacity of general meeting on 30 October 2017. The year 2018 is the first year as the auditor of the Company.

Provided Non-audit Services

PwC Network did not provide to the Company any prohibited services referred to in the Article 5.1 of the EU Regulation. The non-audit services are disclosed in the note III.9 to the financial statements.

Non-financial Information

In accordance with the Act on Accounting, the Company does not disclose the non-financial information in accordance with § 32g of the Act on Accounting, as the non-financial information will be disclosed by the consolidating entity Allianz SE, with its registered office in Germany.

29 March 2019

PricewaterhouseCoopers Audit, s.r.o.
represented by

Marek Richter
Statutory Auditor, Licence No. 1800

Translation note

This version of our report is a translation from the original, which was prepared in the Czech language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the Czech version of our report takes precedence over this translation.

BALANCE SHEET AS AT 31 DECEMBER 2018

(In thousands of Czech crowns TCZK)

| | 2018 Gross | 2018 Adjustment | 2018 Net | 2017 Net |
|--|-------------------|--------------------|-------------------|-------------------|
| I. ASSETS | | | | |
| A. Receivables for subscribed registered capital | | | | |
| B. Intangible fixed assets, thereof | 961,934 | 778,531 | 183,403 | 210,943 |
| b) Goodwill | | | | |
| C. Investments | 23,304,639 | 127,569 | 23,177,070 | 22,585,279 |
| I. Land and buildings, thereof | | | | |
| 1. Land | | | | |
| 2. Buildings | | | | |
| a) Investments - self-occupied | | | | |
| II. Investments in affiliated undertakings and participating interests | 1,879,619 | 127,569 | 1,752,050 | 1,788,352 |
| 1. Participating interests with controlling influence | 1,012,748 | 127,569 | 885,179 | 885,179 |
| 2. Debt securities issued by, and loans and credits to, undertakings - controlling influence | 866,870 | | 866,870 | 903,173 |
| 3. Participating interests with significant influence | | | | |
| 4. Debt securities issued by, and loans and credits to, undertakings - significant influence | | | | |
| III. Other investments | 21,425,021 | | 21,425,021 | 20,796,927 |
| 1. Shares and other variable-yield securities, other participating interests | 2,548,886 | | 2,548,886 | 1,964,824 |
| 2. Bonds and other fixed-income securities | 18,100,602 | | 18,100,602 | 16,895,038 |
| a) bonds and other fixed-income securities valued at fair value through profit and loss | 13,974,089 | | 13,974,089 | 12,721,761 |
| b) bonds and other fixed-income securities held to maturity | 4,126,513 | | 4,126,513 | 4,173,277 |
| 3. Investments in investment associations | | | | |
| 5. Other loans and credits | 11,341 | | 11,341 | 11,122 |
| 6. Deposits with financial institutions | 52,066 | | 52,066 | 252,238 |
| 7. Other investments | 712,125 | | 712,125 | 1,673,705 |
| IV. Deposits with ceding undertakings | | | | |
| D. Investments for the benefit of life assurance policyholders who bear the investment risk | 5,756,436 | | 5,756,436 | 6,403,217 |

| | 2018 Gross | 2018 Adjustment | 2018 Net | 2017 Net |
|---|-------------------|--------------------|-------------------|-------------------|
| E. Debtors | 1,360,326 | 326,418 | 1,033,908 | 1,104,558 |
| I. Receivables arising from direct insurance operations | 1,113,919 | 314,341 | 799,578 | 725,067 |
| 1. Policyholders, thereof | 1,002,886 | 216,504 | 786,383 | 710,321 |
| a) Receivables due from entities in which the Company has a controlling influence | | | | |
| b) Receivables due from entities in which the Company has a significant influence | | | | |
| 2. Intermediaries, thereof | 111,033 | 97,837 | 13,196 | 14,746 |
| a) Receivables due from entities in which the Company has a controlling influence | | | | |
| b) Receivables due from entities in which the Company has a significant influence | | | | |
| II. Receivables arising from reinsurance operations, thereof | 113,234 | | 113,234 | 219,384 |
| a) Receivables due from entities in which the Company has a controlling influence | | | | |
| b) Receivables due from entities in which the Company has a significant influence | | | | |
| III. Other receivables, thereof | 133,173 | 12,077 | 121,096 | 160,106 |
| a) Receivables due from entities in which the Company has a controlling influence | | | | |
| b) Receivables due from entities in which the Company has a significant influence | | | | |
| F. Other assets | 1,405,224 | 181,761 | 1,223,462 | 1,105,669 |
| I. Tangible fixed assets other than those listed under "C.I. Land and buildings", and inventories | 256,722 | 181,761 | 74,960 | 90,865 |
| II. Cash on accounts in financial institutions and cash in hand | 1,148,502 | | 1,148,502 | 1,014,804 |
| IV. Other assets | | | | |
| G. Temporary asset accounts | 1,191,775 | | 1,191,775 | 513,192 |
| I. Accrued interest and rent | 18 | | 18 | 89 |
| II. Deferred acquisition costs | 573,503 | | 573,503 | 418,956 |
| a) in life-assurance business | 375,934 | | 375,934 | 253,142 |
| b) in non-life insurance | 197,569 | | 197,569 | 165,814 |
| III. Other temporary asset accounts, thereof | 618,253 | | 618,253 | 94,147 |
| a) Estimated receivables | 83,901 | | 83,901 | 70,919 |
| TOTAL ASSETS | 33,980,333 | 1,414,279 | 32,566,054 | 31,922,858 |

BALANCE SHEET AS AT 31 DECEMBER 2018

(In thousands of Czech crowns TCZK)

| | 2018 | | 2017 |
|--|-------------------|-----------|-------------------|
| II. LIABILITIES | | | |
| A. Equity | 6,161,501 | | 5,280,983 |
| I. Registered capital, thereof | 600,000 | | 600,000 |
| a) Changes in registered capital | | | |
| II. Premium | 29,782 | | 29,782 |
| III. Revaluation fund | | | |
| IV. Other capital funds | 287,837 | | 376,113 |
| V. Reserve fund and other funds from profit | 534,463 | | 534,463 |
| VI. Profit or loss brought forward | 2,990,358 | | 2,968,419 |
| VII. Profit or loss for the financial year | 1,719,061 | | 772,206 |
| B. Subordinated liabilities | | | |
| C. Technical provisions | 18,498,424 | | 18,346,978 |
| 1. Provision for unearned premiums | | | |
| a) gross amount | 3,181,147 | | 3,012,761 |
| b) reinsurance share (-) | 172,675 | 3,008,472 | 169,444 |
| 2. Life assurance provision | | | |
| a) gross amount | 6,408,266 | | 6,507,440 |
| b) reinsurance share (-) | 906 | 6,407,360 | 288 |
| 3. Provision for outstanding claims | | | |
| a) gross amount | 8,921,329 | | 8,707,419 |
| b) reinsurance share (-) | 979,598 | 7,941,732 | 1,055,294 |
| 4. Provision for bonuses and rebates | | | |
| a) gross amount | 568,988 | | 519,982 |
| b) reinsurance share (-) | | 568,988 | 519,982 |
| 6. Other technical provisions | | | |
| a) gross amount | 571,872 | | 824,402 |
| b) reinsurance share (-) | | 571,872 | 824,402 |
| D. Life assurance technical provision where the investment risk is borne by the policyholders | 5,756,436 | | 6,403,217 |
| a) gross amount | 5,756,436 | | 6,403,217 |
| b) reinsurance share (-) | | 5,756,436 | 6,403,217 |
| E. Provisions | 305,392 | | 53,922 |
| 1. Provisions for pensions and similar obligations | | | |
| 2. Provisions for taxation | 247,873 | | 3,789 |
| 3. Other provisions | 57,519 | | 50,133 |

| | 2018 | | 2017 |
|--|-------------------|--|-------------------|
| F. Deposits received from reinsurers | | | |
| G. Creditors | 1,235,721 | | 1,248,255 |
| I. Payables arising from direct insurance operations, thereof | 904,190 | | 770,817 |
| a) Payables to entities in which the Company has a controlling influence | | | |
| b) Payables to entities in which the Company has a significant influence | | | |
| II. Payables arising from reinsurance operations, thereof | 103,708 | | 173,092 |
| a) Payables to entities in which the Company has a controlling influence | | | |
| b) Payables to entities in which the Company has a significant influence | | | |
| III. Payables arising from debt securities, thereof | | | |
| a) Payables to entities in which the Company has a controlling influence, thereof | | | |
| aa) Convertible bonds | | | |
| b) Payables to entities in which the Company has a significant influence, thereof | | | |
| ba) Convertible bonds | | | |
| IV. Amounts owed to credit institutions, thereof | | | |
| a) Payables to entities in which the Company has a controlling influence | | | |
| b) Payables to entities in which the Company has a significant influence | | | |
| V. Other payables, thereof | 227,823 | | 304,346 |
| a) Tax liabilities and payables due to social security and health insurance institutions | 22,119 | | 53,374 |
| b) Payables to entities in which the Company has a controlling influence | | | |
| c) Payables to entities in which the Company has a significant influence | | | |
| VI. Guarantee Fund of the Bureau | | | |
| VII. Loss prevention fund | | | |
| H. Temporary liability accounts | 608,580 | | 589,503 |
| I. Accrued expenses and deferred revenues | 14,516 | | 14,362 |
| II. Other temporary liability accounts, thereof | 594,064 | | 575,141 |
| TOTAL LIABILITIES | 32,566,054 | | 31,922,858 |

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

(In thousands of Czech crowns TCZK)

| tis. Kč | 2018 Base | 2018 Subtotal | 2018 Result | 2017 Result |
|---|--------------|------------------|----------------|----------------|
| I. TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE | | | | |
| 1. Earned premiums, net of reinsurance: | | | | |
| a) gross premiums written | 10,440,131 | | | |
| b) outward reinsurance premiums (-) | 1,068,408 | 9,371,724 | | |
| c) change in the gross provision for unearned premiums (+/-) | 165,732 | | | |
| d) change in the provision for unearned premiums, reinsurance share (+/-) | 3,097 | 162,635 | 9,209,089 | 8,802,272 |
| 2. Allocated investment return transferred from the non-technical account | | | 109,176 | (168,564) |
| 3. Other technical income, net of reinsurance | | | 503,655 | 546,373 |
| 4. Claims incurred, net of reinsurance: | | | | |
| a) claims paid: | | | | |
| aa) gross amount | 5,615,497 | | | |
| bb) reinsurance share (-) | 557,532 | 5,057,965 | | |
| b) change in the provision for outstanding claims: | | | | |
| aa) gross amount | 155,527 | | | |
| bb) reinsurance share (-) | -75,719 | 231,246 | 5,289,211 | 5,687,149 |
| 5. Changes in other technical provisions, net of reinsurance (+/-) | | | (27,312) | (93,562) |
| 6. Bonuses and rebates, net of reinsurance | | | 339,001 | 312,945 |
| 7. Net operating expenses: | | | | |
| a) acquisition costs | | 800,833 | | |
| b) change in deferred acquisition costs (+/-) | | (31,755) | | |
| c) administrative expenses | | 1 683,472 | | |
| d) reinsurance commissions and profit participation (-) | | 164,646 | 2,287,905 | 2,299,499 |
| 8. Other technical expenses, net of reinsurance | | | 620,949 | 667,867 |
| 10. Sub-total on the technical account for non-life insurance | | | 1,312,166 | 306,183 |

| | 2018 Base | 2018 Subtotal | 2018 Result | 2017 Result |
|---|--------------|------------------|----------------|----------------|
| II. TECHNICAL ACCOUNT FOR LIFE ASSURANCE | | | | |
| 1. Earned premiums, net of reinsurance: | | | | |
| a) gross premiums written | | 2,934,616 | | |
| b) outward reinsurance premiums (-) | | 6,290 | | |
| c) change in the provision for unearned premiums, net of reinsurance (+/-) | | 2,520 | 2,925,806 | 2,901,789 |
| 2. Income from investments: | | | | |
| a) income from participating interests, with a separate indication of that derived from controlling influence | | | | |
| b) income from other investments, with a separate indication of that derived from controlling influence | | | | |
| aa) income from land and buildings | | | | |
| bb) income from other investments | 16,000 | 16,000 | | |
| c) value adjustments on investments | | 583,062 | | |
| d) income from disposal of investments | | 7,177,662 | 7,776,724 | 6,510,006 |
| 3. Unrealised gains on investments | | | 596,980 | 1,088,694 |
| 4. Other technical income, net of reinsurance | | | 76,002 | 98,056 |
| 5. Claims incurred, net of reinsurance: | | | | |
| a) claims paid: | | | | |
| aa) gross amount | 2,275,830 | | | |
| bb) reinsurance share (-) | 14 | 2,275,816 | | |
| b) change in the provision for outstanding claims: | | | | |
| aa) gross amount | 58,383 | | | |
| bb) reinsurance share (-) | 23 | 58,361 | 2,334,177 | 3,324,209 |
| 6. Changes in other technical provisions, net of reinsurance (+/-): | | | | |
| a) life assurance provisions: | | | | |
| aa) gross amount | (99,174) | | | |
| bb) reinsurance share (-) | 618 | (99,792) | | |
| b) other technical provisions, net of reinsurance | | (872,000) | (971,791) | (1,800,842) |
| 7. Bonuses and rebates, net of reinsurance | | | 11,161 | 51,031 |
| 8. Net operating expenses: | | | | |
| a) acquisition costs | | 588,656 | | |
| b) change in deferred acquisition costs (+/-) | | (122,792) | | |
| c) administrative expenses | | 411,392 | | |
| d) reinsurance commissions and profit participation (-) | | 465 | 876,791 | 761,432 |
| 9. Expenses connected with investments: | | | | |
| a) investment management charges, including interest | | 5,697 | | |
| b) value adjustments on investments | | 50,049 | | |
| c) book value of disposed investments | | 7,054,980 | 7,110,726 | 5,939,416 |
| 10. Unrealised losses on investments | | | 1,062,951 | 1,681,911 |
| 11. Other technical expenses, net of reinsurance | | | 71,262 | 74,954 |
| 12. Allocated investment return transferred to the non-technical account (-) | | | 186,404 | (203,859) |
| 13. Sub-total on the technical account for life assurance | | | 693,831 | 770,293 |

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

(In thousands of Czech crowns TCZK)

| | 2018 Base | 2018 Subtotal | 2018 Result | 2017 Result |
|---|--------------|------------------|----------------|----------------|
| III. NON-TECHNICAL ACCOUNT | | | | |
| 1. Result of the technical account for non-life insurance | | | 1,312,166 | 306,183 |
| 2. Result of the technical account for life assurance | | | 693,831 | 770,293 |
| 3. Income from investments: | | | | |
| a) income from participating interests, with a separate indication of that derived from controlling influence | | | | |
| b) income from other investments, with a separate indication of that derived from controlling influence | | | | |
| aa) income from land and buildings | | | | |
| bb) income from other investments | | | | |
| c) value adjustments on investments | | | | |
| d) income from disposal of investments | | | | |
| 4. Allocated investment return transferred from the technical account for life-assurance | | | 186,404 | (203,857) |
| 5. Expenses connected with investments: | | | | |
| a) investment management charges, including interest | | | | |
| b) value adjustments on investments | | | | |
| c) book value of disposed investments | | | | |
| 6. Allocated investment return transferred to the technical account for non-life-insurance | | | 109,176 | (168,564) |
| 7. Other income | | | 57,615 | 58,695 |
| 8. Other expenses | | | 55,453 | 93,098 |
| 9. Income tax on ordinary activities | | | 363,506 | 234,650 |
| 10. Profit or loss on ordinary activities after tax | | | 1,721,881 | 772,130 |
| 11. Extraordinary income | | | | |
| 12. Extraordinary expenses | | | | |
| 13. Extraordinary profit or loss | | | | |
| 14. Income tax on extraordinary activities | | | | |
| 15. Other taxes not shown under the preceding items | | | 2,820 | (76) |
| 16. Profit or loss for the financial year | | | 1,719,061 | 772,206 |

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDEN 31 DECEMBER 2018

(In thousands of Czech crowns TCZK)

| | Registered capital | Own shares | Share premium | Reserve funds | Capital funds | Changes in valuation | Profit (loss) | Total |
|--|-----------------------|---------------|------------------|------------------|------------------|-------------------------|------------------|-----------|
| Balance at 1.1. 2017 | 600,000 | | 29,782 | 534,463 | 555,714 | (188,576) | 2,968,419 | 4,499,802 |
| Correction of fundamental errors | | | | | | | | |
| FX gains (losses) and changes in valuation not included in the profit and loss statement | | | | | | 8,975 | | 8,975 |
| Net profit/loss for accounting period | | | | | | | 772,206 | 772,206 |
| Profit shares | | | | | | | | |
| Transfers to funds | | | | | | | | |
| Reduction of funds | | | | | | | | |
| Shares issued | | | | | | | | |
| Reduction in registered capital | | | | | | | | |
| Own shares purchased | | | | | | | | |
| Other changes | | | | | | | | |
| Balance at 31.12. 2017 | 600,000 | | 29,782 | 534,463 | 555,714 | (179,601) | 3,740,625 | 5,280,983 |
| Balance at 1.1. 2018 | 600,000 | | 29,782 | 534,463 | 555,714 | (179,601) | 3,740,625 | 5,280,983 |
| Change of accounting method | | | | | | | (210,268) | (210,268) |
| Correction of significant errors | | | | | | | | |
| FX gains (losses) and changes in valuation not included in the profit and loss statement | | | | | | (88,276) | | (88,276) |
| Net profit/loss for accounting period | | | | | | | 1,719,061 | 1,719,061 |
| Profit shares | | | | | | | (540,000) | (540,000) |
| Transfers to funds | | | | | | | | |
| Reduction of funds | | | | | | | | |
| Shares issued | | | | | | | | |
| Reduction in registered capital | | | | | | | | |
| Own shares purchased | | | | | | | | |
| Other changes | | | | | | | | |
| Balance at 31.12. 2018 | 600,000 | | 29,782 | 534,463 | 555,714 | (267,877) | 4,709,418 | 6,161,499 |

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2018

I. GENERAL INFORMATION

I.1. Description and principal activities

Allianz pojišťovna, a.s. ("the Company") was entered into the Commercial Register on 23 December 1992 (Identification number 471 15 971).

Shareholders

The Company's sole shareholder is Allianz New Europe Holding GmbH, with its registered office at Hietzinger Kai 101-105, 1130 Wien, Austria.

The Company received a license to carry on insurance activities on 17 December 1992. The Company commenced its insurance activities in 1993.

The Company carries on insurance, reinsurance and relating activities within the following range:

1. Insurance activities in compliance with Section 7 (3) of Act No. 363/1999 Coll., on Insurance and on Amendment to Some Related Laws (the Insurance Act), as amended:

in the range of insurance classes I. (a), (b), (c), II., III., VI., VII. of life assurance in part A of Appendix No. 1 to Act No. 277/2009 Coll., the Insurance Act;

in the range of insurance classes 1; 2 (a), (b), (c); 3; 4; 5; 6; 7; 8; 9; 10; 11; 12; 13; 15; 16 (b), (c), (d), (e), (f), (h), (i), (j); 17; 18 of non-life insurance in part B of Appendix No. 1 to Act No. 277/2009 Coll., the Insurance Act.

2. Reinsurance activities for non-life insurance.

3. Activities relating to insurance and reinsurance activities:

- mediation activity under the Insurance Act;
- advisory activity relating to insurance of individuals and legal entities under the Insurance Act;
- investigation of claims performed based on insurance agreements under the Insurance Act;
- mediation activity in the field of building savings or in the field of supplementary pension insurance;
- educational activities for insurance intermediaries and independent loss adjusters;
- mediation activity in the field of mortgages.

Registered office of the Company

Allianz pojišťovna, a.s.
Ke Štvanici 656/3
186 00 Praha 8

The Company is recorded in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 1815.

Members of the board of directors and supervisory board as at 31 December 2018:

Members of the board of directors

Chairman: Ing. Dušan Quis, Prague
Members: Ing. Sonia Mihaylova Slavtcheva, MBA, Prague
Ing. Petr Hrbáček, Prague
Mgr. Josef Lukášek, Čelákovice

Alexander Hollman was appointed a member on 1 January 2019.

Two members of the Board of Directors or one member of the Board of Directors together with a proxy-holder shall always act jointly on behalf of the Company. In order to sign on behalf of the Company, the signatures are required alongside the printed or written name of the Company.

Members of the Supervisory Board

Chairman: Petros Papanikolaou, Munich, Germany
Members: Kay Müller, Munich, Germany
Martin Wricke, Essen, Germany

Changes in the board of directors and supervisory board in 2018:

The membership of RNDr. Jakub Strnad, Ph.D. in the board of directors was terminated on 14 May 2018.

Since 14 May 2018 Ing. Dušan Quis is a member and Chairman of the board of directors of the Company.

The membership of Martin Wricke in the supervisory board was created on 1 January 2018.

Organisational structure during the financial year

| RESORT CEO DUŠAN QUIS | RESORT CFO SONIA SLAVTCHEVA | RESORT COO ALEXANDER HOLLMANN | RESORT CSO PETR HRBÁČEK | RESORT CPO JOSEF LUKÁŠEK |
|--|--|---|---|--|
| LEGAL | CONTROLLING | CLAIMS | SALES ????? | PORTFOLIO MANAGEMENT AND CUO |
| COMPLIANCE TEMPORARY DEPUTY | RISK CONTROLLING AND ASCTURIAL MATHEMATICS | LIFE & HEALTH CLAIMS | COUNTRY DIRECTORS | REINSURANCE |
| HUMAN RESOURCES | ASSET MANAGEMENT | IT | ALLIANZ AKADEMY | PRODUCT DEVELOPMENT IMPLEMENTATION |
| INTERNAL AND EXTERNAL COMMUNIATION | ACCOUNTING | PMO AND DIGITALIZATION | CENTRAL SALES SUPPORT | METHODOLOGY |
| INTERNAL AUDIT | CUSTOMER PAYMENT | MANAGEMENT OF INSURANCE - NON-LIFE | EXTERNAL DISTRIBUTION CHANNEL | METHODOLOGICAL SUPPORT OF COPORATE INSURANCE |
| MARKET MANAGEMENT | PROCUREMENT & FACILITIES | MANAGEMENT OF INSURANCE LIFE, PENSION | INDUSTRIAL CARS AND FLEET | |
| | TAXET | CALL CENTRE | INDUSTRIAL AND BUSINESS INSURANCE | |
| | | SECURITY | ALLIANZ DIRECT | |
| | | | BROKER CHANNEL | |

I.2. Compliance with legislation

At the reporting date the Company fully complied with Act No. 277/2009 Coll., on Insurance, as amended (“the Insurance Act”), Act No. 89/2012 Coll., the Civil Code, Act No. 38/2004 Coll., on Insurance Intermediaries and Independent Loss Adjusters, as amended, Act No. 90/2012 Coll., Business Corporations Act, as amended, Act No. 170/2018 Coll., on the Distribution of Insurance and Reinsurance, Act No. 168/1999 Coll., on Liability Insurance for Losses Caused by the Operation of a Motor Vehicle, as amended (“the Act on Motor Third-Party Liability Insurance”), and related implementing decrees and other applicable legislation. The Company carries on both life assurance and non-life insurance classes.

I.3. Basis of preparation

The accounting records of the Company are maintained and its financial statements have been prepared in accordance with Act No. 563/1991 Coll., on Accounting, as amended; Decree No. 502/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for entities that are insurance companies (“Decree No. 502/2002 Coll.”); Czech Accounting Standards for entities that maintain their accounting records in compliance with Decree No. 502/2002 Coll., as amended, and other relevant legislation.

The accounting records of the Company are maintained in such a manner that the financial statements prepared based on those records give a true and fair view of the Company's financial position and financial performance.

The financial statements are based on the assumption that the Entity will continue as a going concern and that there is no circumstance that would restrict or prevent the Entity's ability to continue as a going concern in the foreseeable future.

All amounts are presented in thousands of Czech crowns (TCZK), except when indicated otherwise.

These financial statements are non-consolidated.

I.4. Significant accounting policies

(a) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at acquisition cost and depreciated using the straight-line basis over their estimated useful lives.

Tangible fixed assets costing less than TCZK 40 and intangible fixed assets costing less than TCZK 60 are charged to the income statement in the year in which they are acquired. The annual depreciation rate reflects the assets' expected useful lives.

The following depreciation rates are used for the individual asset classes:

| Fixed Assets | Method | Depreciation rate in % |
|-----------------------------------|---------------|--|
| Software | straight-line | 20 |
| Machinery and technical equipment | straight-line | 25 |
| Motor vehicles | straight-line | 20 |
| Office equipment | straight-line | 16.7 |
| Special technical equipment | straight-line | 8.3 |
| Investments in rented buildings | straight-line | According to the duration of lease agreement |

(grouped according to material subclasses with the same depreciation rate)

(b) Investments

Securities which are not classified as Participating interests

At the acquisition date securities are stated at acquisition cost. Acquisition cost is the amount for which a security has been acquired and includes a proportionate part of any accrued interest and expenses directly associated with the acquisition.

Interest income is defined as:

- (for coupon debt securities) the accrued coupon specified in issue terms and conditions and the accrued difference between the nominal value and net cost, described as a premium or discount. Net cost is defined as the cost of a coupon bond reduced by the accrued coupon as at the date of acquisition of the security,
- (for zero-coupon bonds and bills of exchange/promissory notes) the accrued difference between the nominal value and cost.

The Company amortises premiums and discounts on all debt securities. Premiums and discounts are amortised to the income statement on the basis of the effective interest rate method from the date of acquisition to their maturity.

Securities are revalued at their fair value as at the balance sheet date with the exception of securities held to maturity and bonds not intended for trading.

For the purposes of subsequent measurement, securities that are recognised in assets and that are not considered ownership interests with controlling or significant influence are classified as securities at fair value through profit or loss, available-for-sale securities, or held-to-maturity securities.

A security at fair value must meet either of the following conditions:

- it is classified as held for trading
- upon initial recognition it is designated by the accounting entity as a security at fair value.

An available-for-sale security is a security that is a financial asset and that the insurance company has decided to classify as an available-for-sale security and that has not been classified as a security at fair value, a security held to maturity, or a security not intended for trading.

Fair value means the price published by a domestic or foreign stock exchange or other public (organised) market. The Company applies the most recent published market price as at the date of the financial statements (balance sheet date). If no market value is available or if it does not sufficiently represent the fair value, the fair value is determined with the help of a qualified estimate or if appropriate based on generally accepted valuation models if these generate an acceptable market value estimate.

A change in the fair value of securities valued through profit and loss is recognised in the income statement.

A change in the fair value of available for sale securities is recognised in the Other capital funds in equity. At the time of realization, in particular sales, the respective revaluation differences are transferred to the income statement. Impairment losses on the available for sale securities are recognised in the income statement immediately.

The Company recognises bonds held to maturity at their amortised cost as at the balance sheet date. Securities held to maturity only comprise debt securities that the accounting entity has obvious intent and ability to hold to maturity.

Amortised cost means the price used when first recognised (the acquisition cost), which is gradually increased by accrued interest income, adjusted by amortisation of the discount/premium and decreased by the amount of adjustments. The amount of adjustments to securities held to maturity only reflects the change in the risk profile of the issuer, not the change in the risk free interest rates, per individual securities.

Where securities are denominated in a foreign currency, their value is translated using the current exchange rate published by the Czech National Bank (“ČNB”). The appropriate exchange rate difference is included in the fair value.

For debt securities where, due to legislative amendments, the accounting policy has been changed since they were acquired such that changes in fair value are now recognised in the income statement rather than in equity, the cumulative revaluation differences

previously recognised in equity are derecognised and recognised in the income statement only at the moment of sale or maturity of the relevant security.

Investments in affiliated undertakings and participating interests

Participating interests in controlled persons are participations in another enterprise in which the company holds a controlling influence. In addition, other cases where the insurance company is a controlling person are reported under this item. Controlling influence is defined as the insurance company's ability to govern the financial and operating policies of another company in order to obtain benefits from its activities.

The insurance company exercises controlling influence if it meets at least one of the following conditions:

- it is a majority shareholder, or
- it has the majority of voting rights based on an agreement concluded with another shareholder/other shareholders, or
- it has the power to appoint, elect or remove the majority of individuals who constitute the statutory body or are members thereof, or the majority of individuals who are members of the supervisory body of the legal entity of which it is a shareholder.

An ownership interest with significant influence is an ownership interest in an affiliated company which is not a subsidiary and in which the insurance company exercises significant influence. Significant influence is defined as the insurance company's ability to participate in the financial and operating policy decisions of another company, without the ability to exercise controlling influence. The insurance company exercises significant influence if it holds, directly or indirectly, at least 20% of another company's registered capital or voting rights, unless it exercises controlling influence over that company or clearly demonstrates that it is unable to exercise significant influence. If the entity holds less than 20% of another company's registered capital or voting rights, it is presumed that no significant influence exists, unless such influence can be clearly demonstrated.

Investments in affiliated undertakings and participating interests in the form of debt securities issued by the controlled persons or persons in which the accounting entity exercises significant influence, and which are classified as securities at fair value through profit and loss or securities available for sale are presented in C.II.2 Debt securities issued by, and loans and credits to, undertakings - controlling influence.

At the acquisition date and at the balance sheet date, participating interests are stated at their acquisition cost. The acquisition cost is the amount for which the participating interests were acquired and includes all expenses directly associated with the acquisition. Similarly as for the other assets, as at the balance sheet date the Company assesses whether the participating interests are impaired.

Deposits with financial institutions

As at the acquisition date and as at the balance sheet date, deposits with financial institutions are stated at acquisition cost increased or decreased by interest income or interest expense. In the notes to the financial statements, the book value of these deposits is considered to be their fair value.

Reverse repurchase agreements

As at the acquisition date and as at the balance sheet date, reverse repurchase agreements with financial institutions are stated at acquisition cost increased or decreased by interest income or interest expense, similarly as deposits. Hedging securities (collaterals) are recorded in off-balance sheet accounts at fair value. In the notes to the financial statements, the book value of these reverse repurchase agreements is considered to be their fair value.

Derivatives

A derivative is a financial instrument that meets all of the following conditions:

- a) its fair value changes in response to the change in a specified interest rate, price of a security, commodity price, foreign exchange rate, price index, credit rating or credit index, or other variable ("the underlying asset").
- b) it requires a small or no initial net investment compared with other types of contracts based on a similar response to changes in market factors,
- c) it is settled at a future date, with the period from the trade date to the settlement date exceeding that of a spot transaction.

Derivatives are recognised in the balance sheet at fair value. The fair value of financial derivatives is determined as the present value of expected cash flows from these transactions, using valuation models generally accepted on the market. The parameters used in these models, such as foreign exchange rates, yield curves, volatility of financial instruments, etc., are ascertained on the active market.

Hedging derivatives

The Company does not use hedge accounting and therefore does not account for hedge derivatives.

Embedded derivatives

In certain cases a derivative may be a component of a hybrid (combined) financial instrument that comprises both a host contract (instrument) and a derivative (referred to as "embedded derivative"), which influences cash flows or otherwise modifies the characteristics of the host instrument.

An embedded derivative is separated from the host instrument and accounted for separately provided all of the following criteria are met at the same time:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host instrument,
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and
- the host instrument is either not carried at fair value or it is carried at fair value but the revaluation is reported in the balance sheet.

Other derivatives – derivatives held for trading

- Financial derivatives which do not meet the requirements for the application of hedge accounting or for which the Company has decided not to apply hedge accounting are carried at fair value with gains (losses) from changes in fair value recognised in profit or loss.

(c) Investments for the benefit of life assurance policyholders who bear the investment risk

Investments for the benefit of life assurance policyholders who bear the investment risk are accounted for separately from other investments.

At the balance sheet date, investments for the benefit of life assurance policyholders who bear the investment risk are revalued at their fair value. In order to preserve the true and fair view of the Company's result for the year, all changes resulting from revaluation at fair value have been reflected in the Company's income statement.

(d) Allowances

The Company creates allowances to receivables and other assets except for investments reported at fair value. Allowances represent a temporary decrease in value of individual assets. The amount of the decrease is determined with the help of a professional risk assessment carried out by the management of the Company. Creation and utilisation of adjustments to receivables arising from direct insurance operations are recognised in Other technical expenses, net of reinsurance, and Other technical income, net of reinsurance.

Allowances to receivables from policyholders are calculated based on an analysis of their recoverability. Allowances to individual receivables are established based on the due date of the respective receivable.

The Company establishes allowances for doubtful receivables based on an analysis of the credit status of customers.

Allowances to bonds held to maturity are accounted for only if there is a risk that the notional principal amount of the bond, the bond yield or both the value and the yield would not be repaid.

(e) Write-offs

Receivables are written off based on the Company's decision, which reflects the ageing structure of receivables and a particular receivable being assessed as effectively uncollectible or irrecoverable. This involves a permanent reduction in the value of a receivable. The full book value of the respective receivable is written off.

(f) Impairment of assets

At the balance sheet date the Company assesses whether those assets, which are not carried at fair value or for which changes in fair value are recognised in equity, are impaired. The impairment of an asset is recognised in the income statement.

(g) Deferred acquisition costs

Deferred acquisition costs represent the proportion of the acquisition costs incurred during the current financial year that relates to the revenues of subsequent financial years. At the end of each financial year the Company carries out a liability adequacy test to determine whether the amount of the deferred acquisition costs is appropriate.

Non-life insurance

In respect of non-life insurance, deferred acquisition costs are based on total acquisition costs incurred in the current period and the ratio of the gross provision for unearned premiums at the balance sheet date to the total gross premiums written for the financial year. Direct acquisition costs are deferred on an individual basis according to the deferrals of premium of individual insurance contracts.

Life assurance (other than assurance connected with an investment fund / unit-linked assurance)

In traditional life assurance the Company determines deferred acquisition costs using the zillmerisation method, which is the method used to calculate the life assurance provision, see note 1.4.(j). For the currently concluded risk life assurance, deferred acquisition costs in the amount of the initial commission are amortised on the straight-line basis over a period of two years while maintaining the prudence principle and taking into account the risk of lapses and cancellations.

Unit-linked assurance (life assurance where the investment risk is borne by the policyholder)

In unit-linked assurance the Company determines deferred acquisition costs using actuarial methods, based on the value of expected future deductions from initial units determined to cover the acquisition costs.

(h) Income tax

Income tax on the profit for the year comprises current income tax and the change in deferred tax. Current income tax comprises the tax liability calculated from the tax base using the effective tax rate and any additional payments or refunds of tax for previous years.

Deferred tax is provided on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and other temporary differences (tax losses carried forward, if any) multiplied by the income tax rates expected to be valid for the periods in which the tax asset/liability is expected to be utilised.

A deferred tax asset is recognised only if the future taxable profits will be probably available against which this asset can be utilised.

(i) Provision for unearned premiums

The provision for unearned premiums is created in respect of life assurance and non-life insurance, except for single premium life assurance. The provision amount represents the part of gross premiums written which is to be allocated, in terms of time, to the subsequent financial year or to future financial years and is determined as the sum of all amounts calculated for individual contracts using the “pro rata temporis” method.

(j) Life assurance provision

The life assurance provision comprises the sum of the provisions for individual life assurance policies. The life assurance provision is calculated using actuarial methods, including profit shares declared and allocated and a provision for expenses, related to the administration of contracts, after deducting the value of future premiums.

In respect of traditional life assurance, the Company accounts for the provision using the zillmerisation method. The zillmerisation method results in the deferral of acquisition costs for traditional life assurance contracts. These acquisition costs are included in the life assurance provision using actuarial methods. The provision is net of temporary negative balances, which are capitalised and presented as deferred acquisition costs. The acquisition costs are capitalised and deferred in accordance with the prudence principle and taking into account the risk of lapses and cancellations.

(k) Provision for outstanding claims

The provision for outstanding claims in respect of both life and non-life insurance comprises the amount of expected costs in respect of claims:

- a) reported but not settled till the end of period (RBNS),
- b) incurred but not reported till the end of period (IBNR).

The provision for outstanding claims reported by the end of the year represents the sum of all amounts calculated for individual claims.

The provision for outstanding claims created for claims incurred but not reported as at the balance sheet date is determined using statistical methods. The most common methods are: Standard chain ladder, Bornhuetter-Ferguson, Cape Cod, Complementary loss ratio, Frequency-Severity, and other methods using the mortality tables. The provision has been created using the prudence principle. The prudence principle is applied by provisioning on the confidence level determined by the Reserve Committee. At present, the confidence level amounts to 75% in respect of all classes of insurance, with the exception of motor third-party liability insurance the confidence level of which amounts to 85%.

The provision for outstanding claims includes all relating external and internal claims handling costs.

The provision is reduced by an estimate of the value of salvage and subrogation recoveries, which were or will be enforced against debtors (the party that caused the damage) or other insurance companies arising from liability insurance. The estimated value of future salvage and subrogation is included directly in the calculation of the total IBNR liability.

When calculating the provision for outstanding claims, no discounting is carried out except for the provision for outstanding claims where claims payments are made in the form of annuities (in particular in terms of motor third-party liability insurance).

When creating the provision for outstanding claims in terms of claims where the insurance company acts as the leading co-insurer, the applicable provisions of the Civil Code are taken into consideration.

Although the board of directors considers that based on the information currently available to them, the provision for outstanding claims is stated fairly, the ultimate liability may vary owing to subsequent events or new information, which may result in significant adjustments to the amounts provided for. Adjustments to the amounts of the provisions are reflected in the financial statements for the period in which the adjustments are made. The procedures and methods used in making estimates are reviewed regularly.

(l) Provision for bonuses and rebates

The provision for bonuses and rebates is created in accordance with the respective terms set out in insurance contracts. In respect of non-life insurance and accidental rider, the provision is created principally in cases where the Company is liable to refund to policyholders a portion of the premiums relating to the current financial year due to favourable claims experience.

In respect of traditional life assurance, the provision for bonuses and rebates includes shares of surpluses arising as at 31 December of the current period, which have not been allocated to individual insurance contracts and thus are not included within the provision for life assurance.

The provision for bonuses and rebates in respect of unit-linked assurance is intended to cover the liabilities the settlement of which is linked to a certain behaviour of the policyholder exactly specified in the insurance terms and conditions (duration of insurance, manner of insurance termination).

Changes in the provision for bonuses and rebates in the income statement are presented in “Bonuses and rebates”.

(m) Other technical provisions

Other technical provisions include a provision for insufficient non-life insurance premiums, a provision for liabilities arising from the applied technical interest rate, a non-life insurance provision, a provision for liabilities of the Czech Bureau of Insurance and other technical provisions (if any).

At the end of the accounting period, the board of directors reassesses the amount of other technical provisions based on all information available to them as at the date of preparation of the financial statements.

Provision for liabilities arising from the applied technical interest rate

The Company carries out a life assurance liability adequacy test as at the balance sheet date (“the liability adequacy test”) in order to

assess the adequacy of the life assurance provisions (provision for unearned premiums, life assurance provision, provision for outstanding claims, provision for bonuses and rebates and life assurance technical provision where the investment risk is borne by the policyholders).

The liability adequacy test is performed using discounted projected cash flows.

The minimum value of liabilities to policyholders is determined using best estimates of the future development of entry parameters adjusted by market value margins.

Where this amount exceeds the amount of the life assurance provisions reduced by any unamortised acquisition costs and other intangible assets, the deficiency is recognised through the creation of a provision for liabilities arising from the applied technical interest rate.

The change in this provision is presented in note II.6.b) in the income statement.

Provision for liabilities of the Bureau

The Company is a member of the Czech Bureau of Insurers (“the Bureau”).

The provision for liabilities of the Bureau is intended to cover the Company’s share in the liabilities of the Bureau pursuant to the Motor Third-Party Liability Insurance Act. The provision is intended to cover the above mentioned liabilities as the Bureau does not have adequate assets to cover these liabilities. The extent of this provision equals the Company’s share in the total liabilities of the Bureau and it is calculated using actuarial methods.

Based on information available to them, the board of directors of the Company believes that the provision established is adequate to cover the cost of claims incurred corresponding to the liability assumed by the Company in relation to statutory motor liability insurance. The ultimate claims expenses will remain unknown for several years. The Company’s share of these outstanding claims will be determined according to its share of the market for this class of insurance at the time these claims are finally settled.

(n) Life assurance technical provision where the investment risk is borne by the policyholders

The life assurance technical provision where the investment risk is borne by the policyholders is intended to cover the liabilities of the Company due to insured persons in those classes of life assurance where, based on an insurance contract, the investment risk is borne by the policyholders.

The amount of the provision is calculated as the sum of liabilities due to insured persons in the amount of their shares of invested premiums from individual life assurance contracts in accordance with the principles included in the insurance contracts.

When life assurance where the investment risk is borne by the policyholders also includes payment of a guaranteed amount, this liability is included within the life assurance provision.

(o) Reinsurance share of technical provisions

Technical provisions are presented as a net liability, i.e. after deduction of the reinsurance share. The amount of this share is calculated based on the terms of the related reinsurance contracts, the method of settlement with reinsurers and in consideration of the prudence principle.

The Company presents the reinsurance share of the provision for unearned premiums, the provision for outstanding claims, the life assurance provision, and the provision for bonuses and rebates. The reinsurer does not participate in the other technical provisions.

(p) Provisions

Provisions are intended to cover payables or expenses, which are clearly defined and the occurrence of which is either probable or certain but whose amount or timing are uncertain.

Provision for taxes

The provision for taxes is created at the balance sheet date and amounts to the estimated corporate income tax liability due less advances paid. The use (release) of the provision is accounted for when the tax return is filed.

(q) Gross premiums written

Gross premiums written comprise all amounts due during the financial year in respect of insurance contracts regardless of the fact that such amounts may relate in whole or in part to future financial years.

(r) Claims paid

Claims paid comprise the amount assessed for payment based on the claims investigation process, external and internal claims handling costs and a deduction for the salvage value and other recoveries.

Claims paid are recorded upon completion of the investigation of the claim and in the amount of the assessed settlement.

(s) Acquisition costs

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

(t) Expenses and income from investments

Accounting treatment of expenses and income from investments and their allocation between the life assurance and non-life insurance accounts

All expenses and revenues from investments are recorded initially in the technical account for life assurance. Expenses and revenues from investments, which are not related to life assurance activities, are subsequently transferred to the non-technical account. The relevant amount of the expenses and revenues from investments to cover the non-life insurance provisions is subsequently transferred to the technical account for non-life insurance from the non-technical account.

The allocation is calculated using internal evidence of investments related to the respective technical life provisions (including life assurance where the investment risk is borne by the policyholder) and technical non-life provisions. According to this allocation a part of expenses and revenues from life and non-life insurance is determined and the rest of expenses and revenues remains on the non-technical account.

Method of accounting for realised gains and losses upon disposal of investments

The disposal of investments is presented on a gross basis, whereby the revenues from the disposal amounting to the selling price of the relevant financial instruments are recorded separately from the carrying value of the related financial placements.

(u) Loss prevention fund

Under Section 23a (2) of the amendment to Act No. 168/1999 Coll., on Liability Insurance for Losses Caused by the Operation of a Motor Vehicle, which came into effect on 1 January 2015, the Insurance Company is obliged to pay at least 3% of annual premiums collected for motor third-party liability insurance for each calendar year to a Loss Prevention Fund.

(v) Allocation of items between life assurance and non-life insurance

In order to account for items common to both life assurance and non-life insurance, the Company uses a method in compliance with Decree No. 502/2002 Coll. Under this method individual items are grouped according to the class of insurance to which they relate. For items that cannot be allocated directly, the following basis is used:

Expenses and revenues from investments

Expenses and income from investments are allocated between life assurance and non-life insurance using the method stated in point I.4.(t).

Other expenses and income

During the accounting period clearly attributable expenses and income are accounted for directly in the technical account for life assurance or non-life insurance or the non-technical account. Expenses and income that cannot be directly attributed are recorded primarily in the non-technical account and subsequently allocated to the technical account for life assurance or non-life insurance. The allocation is carried out using the activity-based-costing method (ABC). The Company analysed the activities of the business and assigned them to the life and non-life technical segments. The rate for allocation of other revenues and expenses between life and non-life technical accounts is calculated based on the ratio of those segments.

(w) Foreign currency translation

Transactions during the year are recorded at the ČNB rate effective on the transaction date or at the rate at which the transaction was realised.

At the balance sheet date, foreign currency assets and liabilities are translated at the ČNB official rate on that date. Unless stated otherwise, foreign currency gains and losses are recorded in Company's income statement.

(x) Consolidation

Pursuant to s. 22aa of the Act on Accounting the financial statements of the Company have been included in the consolidated financial statements of Allianz SE, with its registered office in Munich, Federal Republic of Germany, prepared in compliance with International Financial Reporting Standards. The consolidated financial statements of Allianz SE will be published in accordance with Section §21a of the Act on Accounting. The consolidated financial statements are available at the registered office of Allianz pojišťovna, a.s., Ke Štvanici 656/3, 186 00 Praha 8. As all requirements stipulated in the Act on Accounting have been met, the Company will not prepare consolidated financial statements.

I.5. Change in accounting policies and procedures

The Company changed the accounting policy for the valuation of available for sale securities in accordance with the amendment to Decree 502/2002 Coll. in the way that the total value of the revaluation differences on available for sale securities after taxation as at 31 December 2017 was transferred as of 1 January 2018 from the Retained earnings of previous accounting periods or unpaid losses of previous accounting periods to the Other capital funds. At the time of realization, in particular sales, the respective revaluation differences are transferred to the income statement.

The impact of the change in method as of 1 January 2018 is presented in the Statement of Changes in Equity and in the Note II. 8 (b) to the financial statements.

I.6. Risk management

In compliance with Act No. 277/2009 Coll., on Insurance, and amendment No. 183/2018 Coll. to the Insurance Act dated 1 July 2018, the Company has ensured that the set-up of the internal control system covers all of its operations.

The Company has an effective management system which ensures the ordinary and prudent management of its business activities. The risk management system is governed by an internal policy defining the major requirements for this area. Its adequacy and effectiveness are subject to regular reviews. A Three Lines of Defence (TLD) principle with several levels of responsibility for control is applied throughout the Company. The board of directors plays a key role in the risk management system and is fully responsible for the Company's risk management strategy and risk appetite. The board of directors has also established a risk committee (RiCo) as a platform providing expert support. The head of RiCo is the chief risk officer, with a direct reporting line to the board of directors and the duty to regularly report the conclusions of the risk committee to the board. The risk management processes are implemented directly in the Company's processes where ever possible, including processes involving strategic decisions as well as everyday business processes that affect the Company's risk profile. This approach ensures that risk management exists primarily as a forward looking mechanism for risk regulation and only secondarily as a certain process responding to already existing situations.

The Company is exposed to insurance risk, which naturally results from the underwritten insurance contracts as well as other risks, mainly the market risk, credit risk, operational risk, liquidity risk and concentration risk.

The policies and procedures for risk management are comprehensive and interrelated with the policies and procedures for maintenance of the capital determined to cover these risks.

The Company uses a standard model for economic capital calculation and risk management. The other risks not incorporated directly in this model are monitored and managed through other tools and methodologies in compliance with the Allianz Group standards, which are an integral part of the own risk and solvency assessment (ORSA).

(a) Non-life insurance risk

The Company is exposed to insurance risk and underwriting risks following from the sale of non-life insurance products.

Insurance risk relates to uncertainty in respect of the period, frequency and amount of damage covered by insurance contracts.

The most significant components of insurance risk are the reserve risk and the premium risk. The premium amount is determined using historical assumptions, which may differ from the actual situation. The risk of trend, risk of estimate, change in assumptions etc. may have a significant impact on determining the amount of provisions. The liability adequacy tests and analysis of sensitivity to change in assumptions are used to eliminate the reserve risk.

In order to manage the insurance risk the Company applies internal policies for development and valuation of products, determination of the technical provisions amount, reinsurance strategy and underwriting rules.

Concentration of insurance risk

A concentration of insurance risk may exist in the event that a particular event or a series of events may significantly influence upon the Company's liabilities. The concentration of insurance risk then determines the extent of the possible impact of these events on the amount of the Company's liabilities. Such concentration may arise from a single insurance contract or through a small number of related contracts, and relates to circumstances that gave rise to significant liabilities. The concentration of insurance risk may arise from accumulation of risks within several individual groups of contracts; it may also arise in low-frequency, high-severity events (e.g. natural disasters) or in the event of significant litigations or legislative amendments.

Geographic concentration

The risks underwritten by the Company are primarily located in the Czech Republic. From the geographical point of view, the Company has no significant concentration of exposure to any group of persons insured, measured by social, professional or age criteria.

(b) Life assurance risk

The Company is exposed to risks resulting from an unfavourable development of assumptions compared to their determining at the moment of valuation of products. This involves, for example, the risk of unfavourable development of mortality or survival, risk of a different development of investment return, risk resulting from an unexpected development of cost inflation or behaviour of clients upon cancellation of the contract. In the above cases the Company is exposed to the danger of a loss resulting from the discrepancy between collected premiums and claims paid, investment returns and expenses.

Other risks are, for example, the objective and subjective risk of the insured. The objective risk is determined by objective factors such as the age, sex, health condition or profession. The subjective risk is determined by subjective factors such as the effort of the insured to survive or maintain a healthy life or the poor financial condition of the insured.

Other risks to which the Company is exposed are as follows:

- risks with a low-frequency occurrence and a significant impact, which in life assurance may represent any claim that affects several persons insured at the same time and in the same place (e.g. natural disasters)
- Risk of concentration of high sums assured, which do not constitute a significant part of the portfolio but which may have significant impact on the amount of settlements and as a result also the profit (loss) of the Company

The goal of risk management is identification, quantification and elimination of risks in order to prevent changes that have a negative impact on the profit (loss) of the Company and the Company's equity.

The Company applies profit testing when valuing insurance products and further the liability adequacy test in order to identify, quantify and eliminate the risks. Profit testing is used to determine adequate insurance rates for the insurance and financial guarantees for individual products and for the determined assumptions.

The purpose of the liability adequacy test is to assess the amount of the life assurance provisions in terms of the updated assumptions. The level of sensitivity of the results to a change in the individual assumptions is also a component of these procedures.

In respect of the objective and subjective risks of the insured, these risks must be assessed individually upon conclusion of the contract, primarily in the event of a higher sum assured. Procedures for identifying and assessing these risks require a qualified assessment of the health condition, or, if appropriate, the financial condition of the client, or the level of risk to which the insured is exposed. Based on information on the health condition, subjective risk and other actuarial risks, the premium rate is determined. In addition to a discount or a surcharge on the premium, certain risks, types of injury or illnesses may be excluded from the insurance, or the amount of the sum assured may be limited.

The Company has no significant concentration of exposure to any group of persons insured.

In order to manage the insurance risk, the Company primarily uses reinsurance and a prudent underwriting policy.

Reinsurance strategy

The Company reinsures some of the risks it underwrites in order to control its exposures to losses and to protect its own capital resources. The Company has based its reinsurance scheme primarily on cooperation with the parent company, in combination with reinsurance contracts with external reinsurers.

The Company concludes a combination of proportionate and non-proportionate reinsurance treaties to reduce its net exposure. The maximum net exposure limits (own retentions) for particular business lines are reviewed annually. To provide additional protection the Company uses facultative reinsurance for certain insurance contracts.

(c) Market risk

The Company is exposed to market risk, which follows from trading positions in interest rate, currency and equity instruments that are all exposed to common and specific changes in the market.

The main exposure is that the revenues from investments will not be sufficient to cover the liabilities from insurance contracts.

Market risk is constantly monitored, measured and managed using asset/liability management (ALM). The basic method of ALM involves adjusting the due date of assets to the liabilities from insurance contracts.

Asset/Liability Management (ALM)

The basic goal of ALM is to achieve balance in the structure of assets and liabilities, in particular from the point of view of their maturity, interest rates and currency structure. The aim is to ensure that the assets permanently generate sufficient cash flows in the required currency structure necessary to cover the due liabilities to clients (including the guaranteed revenues). At the same time, the system must allow for the generation of adequate profit for shareholders.

For this purpose the Company performs regular monitoring of assets and liabilities, followed by ALM calculation, which enables the Company to monitor and compare the structure of its assets and liabilities in terms of their maturity, achieved and guaranteed interest rates and currency structure. This type of output is one of the underlying tools for making decisions on the further allocation of financial investments.

Interest rate risk

The Company is exposed to interest rate risk due to the impact of up-to-date market interest rate fluctuations. The fair value and investment return may both grow or decrease because of these fluctuations.

Interest rate fluctuations may result in changes of liabilities as well as changes in the value of assets.

Based on a cash flow analysis, the Company prepares portfolios of securities the value of which may change together with a change in the value of liabilities upon a change in the interest rate.

The risk of changes in cash flows because of interest rate changes represents exposure primarily for insurance contracts with a guaranteed interest rate, where the client compares the revenue guaranteed by the contract with the revenue offered in the market. When the market interest rates increase, some types of contracts may show an increase in the lapse rate. On the other hand, in the event of a decrease in the interest rates, an increased number of clients claiming settlement in the form of pension may be observed, or the payment of settlements from contracts with higher guaranteed revenue than the revenue offered in the market, may be deferred.

Price fluctuation risk

The Company is exposed to a price fluctuation risk, which consists in changes in the value of the financial instrument due to changes in market prices. These changes may be caused by factors specific to a single instrument or by the issuers of the instruments or by factors affecting all instruments traded in the capital or money markets.

Currency risk

The Company is exposed to currency risk through transactions in foreign currencies and through its assets and liabilities denominated in foreign currencies. As the currency in which the Company presents its financial statements is the Czech crown (CZK), movements in the exchange rates between these currencies and CZK affect the Company's financial statements.

(d) Credit risk

The Company is exposed to credit risk following from the counterparty failing to pay the amounts due in full.

The main areas of the Company's exposure to credit risk:

- reinsurance share in insurance liabilities
- reinsurer's debt relating to a claim that has already been paid
- outstanding premiums
- counterparty risk relating to derivative transactions
- risk of failure to repay the principal or income from financial investments

Concentrations of credit risk arise where groups of counterparties have similar economic characteristics causing their ability to meet their contractual obligations to be similarly affected by changes in economic or other conditions.

The Company sets its own limits for the structure of investments and for individual issuers/counterparties depending on their credit quality and regularly monitors whether these limits are met. The limits are subject to regular reassessment.

The outstanding premiums are regularly monitored, and the method of creating allowances is described in note I.4. (d).

Recovery of debt from insurance is carried out by the Company in cooperation with an external partner.

(e) Operational risk

Operational risk is the risk of a potential loss due to missing or insufficient internal processes, human resources and systems or other causes, which may arise following both internal and external events.

The Company analyses these risks and designs modifications to work procedures and processes to eliminate any risks associated with operational events.

(f) Liquidity risk

The Company is exposed to liquidity requirements on a daily basis. These requirements are related to claim settlements. Liquidity risk is the risk that the cash necessary for payment of liabilities will not be available at the due date and at adequate cost.

The need for liquidity is continuously monitored in order to ensure the necessary resources.

The Company has access to a diverse funding base. In compliance with the legislation in force it has invested a sufficient portion of its investments in liquid financial instruments.

II. ADDITIONAL DISCLOSURES IN RESPECT OF THE BALANCE SHEET**II.1. Intangible fixed assets**

Intangible fixed assets of the Company as at 31 December 2018 and 2017 comprise the following items:

| | Software | Acquisition of assets and advances paid | Total |
|---|----------------|---|----------------|
| Acquisition cost at 1/1/2018 | 883,738 | 39,237 | 922,975 |
| Additions | 38,959 | - | 38,959 |
| Transfers | 24,343 | (24,343) | - |
| Disposals | - | - | - |
| Acquisition cost at 31/12/2018 | 947,040 | 14,894 | 961,934 |
| Accumulated amortisation at 1/1/2018 | 712,032 | - | 712,032 |
| Amortisation expense | 66,498 | - | 66,498 |
| Disposals | - | - | - |
| Accumulated amortisation at 31/12/2018 | 778,530 | - | 778,530 |
| Net book value at 1/1/2018 | 171,706 | 39,237 | 210,942 |
| Net book value at 31/12/2018 | 168,510 | 14,894 | 183,403 |

| | Software | Acquisition of assets and advances paid | Total |
|---|----------------|---|----------------|
| Acquisition cost at 1/1/2017 | 933,755 | 19,645 | 953,400 |
| Additions | 86,048 | 35,691 | 121,739 |
| Transfers | 16,100 | (16,100) | - |
| Disposals | (152,164) | - | (152,164) |
| Acquisition cost at 31/12/2017 | 883,739 | 39,236 | 922,975 |
| Accumulated amortisation at 1/1/2017 | 754,821 | - | 754,821 |
| Amortisation expense | 76,965 | - | 76,965 |
| Disposals | (119,754) | - | (119,754) |
| Accumulated amortisation at 31/12/2017 | 712,032 | - | 712,032 |
| Net book value at 1/1/2017 | 178,934 | 19,645 | 198,579 |
| Net book value at 31/12/2017 | 171,707 | 39,236 | 210,943 |

II.2. Investments

(a) Investments in affiliated undertakings and participating interests

Participating interests with controlling influence

| 2018 | Participating interest as % of registered capital | Acquisition cost | Adjustment | Fair value | Total registered capital | Total equity | Profit or loss for the financial year |
|--|---|------------------|----------------|----------------|--------------------------|------------------|---------------------------------------|
| | | | | | | | |
| Allianz penzijní společnost, a.s. Ke Štvanici 656/3, 186 00 Praha 8 | 100 | 583,607 | - | 583,607 | 50 100 | 913,920 | 71,211 |
| Allianz kontakt, s.r.o. Ke Štvanici 656/3, 186 00 Praha 8 | 100 | 200 | - | 200 | *200 | *10,655 | *1,395 |
| Diamond Point, a.s. Ke Štvanici 656/3, 186 00 Praha 8 | 100 | 428,941 | 127,569 | 301,372 | 78,793 | 320,176 | 21,885 |
| Total | - | 1,012,748 | 127,569 | 885,179 | 129,093 | 1,244,751 | 94,491 |

*) unaudited financial data

| 2017 | Participating interest as % of registered capital | Acquisition cost | Adjustment | Fair value | Total registered capital | Total equity | Profit or loss for the financial year |
|--|---|------------------|----------------|----------------|--------------------------|------------------|---------------------------------------|
| | | | | | | | |
| Allianz penzijní společnost, a.s. Ke Štvanici 656/3, 186 00 Praha 8 | 100 | 583,607 | - | 583,607 | 50,100 | 916,653 | 44,058 |
| Allianz kontakt, s.r.o. Ke Štvanici 656/3, 186 00 Praha 8 | 100 | 200 | - | 200 | *200 | *9,261 | *1,794 |
| Diamond Point, a.s. Ke Štvanici 656/3, 186 00 Praha 8 | 100 | 428,941 | 127,569 | 301,372 | 78,793 | 317,680 | 19,881 |
| Celkem | - | 1,012,748 | 127,569 | 885,179 | 129,093 | 1,243,594 | 65,733 |

*) neauditované finanční údaje

Participating interests with significant influence

The Company has no participating interests with significant influence.

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

| | Fair value | | Acquisition cost | |
|---------------------|----------------|----------------|------------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| Diamond Point, a.s. | 866,700 | 903,173 | 876,000 | 876,000 |
| Total | 866,700 | 903,173 | 876,000 | 876,000 |

Above bonds are classified as available for sale securities. These bonds are not listed.

(c) Shares and participation certificates

| | Fair value | | Acquisition cost | |
|---|------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Issued by financial institutions | | | | |
| Listed elsewhere | 1,243,241 | 1,741,738 | 1,333,015 | 1,774,180 |
| Not listed | 20,238 | 18,034 | 20,970 | 20,111 |
| Issued by non-financial institutions | | | | |
| Listed elsewhere | 1,022,181 | 205,052 | 968,666 | 123,894 |
| Not listed | 263,226 | - | 256,496 | - |
| Total | 2,548,886 | 1,964,824 | 2,579,147 | 1,918,185 |

Participation certificates held in Allianz's portfolios are traded on European Union markets, namely on the markets of Germany, France, Ireland and Luxembourg.

(d) Available for sale securities

| | Fair value | | Acquisition cost | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Issued by financial institutions | | | | |
| Listed on a recognised CR exchange | 474,464 | 355,469 | 483,528 | 357,440 |
| Listed elsewhere | 1,693,978 | 1,716,869 | 1,499,765 | 1,500,385 |
| Issued by non-financial institutions | | | | |
| Listed on a recognised CR exchange | 740,316 | 918,414 | 750,668 | 905,200 |
| Listed elsewhere | 514,545 | 487,993 | 496,911 | 465,008 |
| Not listed | 128,191 | 130,909 | 135,100 | 135,100 |
| Issued by government sector | | | | |
| Listed on a recognised CR exchange | 9,931,236 | 8,729,968 | 10,214,435 | 8,753,505 |
| Total | 13,482,729 | 12,339,621 | 13,580,407 | 12,116,638 |

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

| | Fair value | | Acquisition cost | |
|---|----------------|----------------|------------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| Issued by financial institutions | | | | |
| Listed on a recognised CR exchange | - | 11,032 | - | 10,747 |
| Listed elsewhere | 326,260 | 230,090 | 334,502 | 229,385 |
| Not listed | 165,100 | 141,019 | 158,897 | 132,777 |
| Total | 491,360 | 382,141 | 493,399 | 372,909 |

(f) Other securities held to maturity

| | Fair value | | Amortized value | | Acquisition cost | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Issued by financial institutions | | | | | | |
| Listed on a recognised CR exchange | 20,647 | 30,934 | 20,000 | 29,999 | 20,002 | 30,003 |
| Listed elsewhere | - | 108,621 | - | 108,982 | - | 108,494 |
| Issued by non-financial institutions | | | | | | |
| Listed on a recognised CR exchange | 97,631 | 134,528 | 95,819 | 127,728 | 95,572 | 127,682 |
| Listed elsewhere | - | 19,988 | - | 20,035 | - | 20,000 |
| Issued by government sector | | | | | | |
| Listed on a recognised CR exchange | 4,247,013 | 4,324,186 | 4,010,694 | 3,886,533 | 3,958,892 | 3,823,644 |
| Listed elsewhere | - | - | - | - | - | - |
| Total | 4,365,291 | 4,618,257 | 4,126,513 | 4,173,277 | 4,074,466 | 4,109,823 |

(g) Other loans and credits

As at 31 December 2018, the Company had provided other loans to policyholders, guaranteed by the insurance contract entered into, in the amount of TCZK 11,341 (at 31/12/2017: TCZK 11,122).

(h) Deposits with financial institutions

| | 2018 | 2017 |
|--------------------------|---------------|----------------|
| Due within 1 year | - | 200,431 |
| Due in 1 to 5 years | 52,066 | 51,807 |
| Due in more than 5 years | - | - |
| Total | 52,066 | 252,238 |

(i) Other investments

| | Nominal value | | Fair value | |
|-------------------------------|------------------|------------------|----------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Fixed-term transactions | 2,599,810 | 2,067,355 | (16,434) | 39,616 |
| Options | - | - | 68,521 | 65,521 |
| Reverse repurchase agreements | 660,000 | 1,570,000 | 660,038 | 1,568,568 |
| Total | 3,259,810 | 3,637,355 | 712,125 | 1,673,705 |

Reverse repurchase agreements represent short-term transactions with a maximum maturity of 14 days. Under the reverse repurchase agreements, as at 31 December 2018 the Company acquired ISIN CZ000005235 treasury bills at the market value of TCZK 644,033 (as at 31/12/2017 - TCZK 1,529,704). The treasury bills are recorded in off-balance sheet accounts.

(j) Other investments - derivatives*Trading derivatives*

| Fixed term contracts with a positive fair value | Nominal value | | Fair value | |
|---|---------------|------------------|------------|---------------|
| | 2018 | 2017 | 2018 | 2017 |
| Term currency transactions | 16,150 | 1,319,606 | 110 | 46,812 |
| Total | 16,150 | 1,319,606 | 110 | 46,812 |

| Fixed term contracts with a positive fair value | Nominal value | | Fair value | |
|---|------------------|----------------|-----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| Term currency transactions | 2,583,660 | 747,749 | (16,544) | (7,196) |
| Total | 2,583,660 | 747,749 | (16,544) | (7,196) |

Remaining maturity of derivatives

| As at 31 December 2018 | Within 3 months | 3 months to 1 year | 1 to 5 years | Total |
|-------------------------------|-----------------|--------------------|--------------|----------|
| Trading derivatives | | | | |
| Term currency transactions | (16,434) | - | - | (16,434) |
| As at 31 December 2017 | | | | |
| Trading derivatives | | | | |
| Term currency transactions | 43,605 | (3,221) | (768) | 39,616 |

Remaining maturity of derivatives in the nominal value

| As at 31 December 2018 | Within 3 months | 3 months to 1 year | 1 to 5 years | Total |
|--------------------------------|-----------------|--------------------|--------------|-----------|
| Trading derivatives | | | | |
| Term currency transactions (+) | 16,150 | - | - | 16,150 |
| Term currency transactions (-) | 2,583,660 | - | - | 2,583,660 |
| As at 31 December 2017 | | | | |
| Trading derivatives | | | | |
| Term currency transactions (+) | 1,319,606 | - | - | 1,319,606 |
| Term currency transactions (-) | 389,046 | 100,080 | 258,623 | 747,749 |

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

| Description | Nominal value | | Fair value | |
|--|------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Shares and other variable-yield securities | 4,437,301 | 5,163,734 | 3,762,228 | 4,114,851 |
| Debt securities | 763,814 | 1,121,057 | 777,442 | 1,116,007 |
| Deposits with financial institutions | 559,898 | - | 560,000 | - |
| Free cash | 3,470 | 104,824 | - | - |
| Derivatives | (8,047) | 13,602 | - | - |
| Total | 5,756,436 | 6,403,217 | 5,099,670 | 5,230,858 |

II.4. Currency structure of investments

| | Shares and variable -yield securities | | Debt securities | | Deposits and other financial placements | | Securities where the investment risk is borne by the policyholders | |
|--------------|---------------------------------------|------------------|-------------------|-------------------|---|------------------|--|------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| CZK | 1,831,700 | 974,123 | 17,607,157 | 16,354,357 | 2,527,472 | 3,620,279 | 2,830,486 | 3,286,005 |
| EUR | 717,186 | 990,701 | 493,445 | 540,681 | 110 | 105,137 | 2,732,093 | 2,937,129 |
| USD | - | - | - | - | - | - | 193,857 | 180,083 |
| Total | 2,548,886 | 1,964,824 | 18,100,602 | 16,895,038 | 2,527,582 | 3,725,416 | 5,756,436 | 6,403,217 |

II.5. Receivables

| 31 December 2018 | Receivables from policyholders | Receivables from insurance intermediaries | Receivables from reinsurance operations | Other receivables | Total |
|-------------------------|--------------------------------|---|---|-------------------|------------------|
| Due | 293,678 | 11,620 | 112,029 | 119,318 | 536,645 |
| Overdue | 709,209 | 99,413 | 1,205 | 13,855 | 823,681 |
| Total | 1,002,886 | 111,033 | 113,234 | 133,173 | 1,360,326 |
| Allowances | 216,504 | 97,837 | - | 12,077 | 326,418 |
| Total net | 786,383 | 13,196 | 113,234 | 121,096 | 1,033,908 |
| 31 December 2017 | | | | | |
| Due | 229,047 | 11,582 | 210,774 | 150,848 | 602,251 |
| Overdue | 672,792 | 108,188 | 8,610 | 21,335 | 810,925 |
| Total | 901,839 | 119,770 | 219,384 | 172,183 | 1,413,176 |
| Allowances | 191,518 | 105,024 | - | 12,077 | 308,619 |
| Total net | 710,321 | 14,746 | 219,384 | 160,106 | 1,104,558 |

| | 2018 | 2017 |
|--|------|------|
| Long-term receivables with a remaining period to maturity in excess of five years as at the balance sheet date totalled TCZK 12,077 (2017: TCZK 12,077). | | |

(a) Long-term receivables (maturity over five years)

Long-term receivables with a remaining period to maturity in excess of five years as at the balance sheet date totalled TCZK 12,077 (2017: TCZK 12,077).

(b) Other receivables

| | 2018 | 2017 |
|--|----------------|----------------|
| Inter-company receivables | 649 | 7,287 |
| Deferred tax asset | 75,461 | 27,115 |
| Advance payments for energy | 34,132 | 32,949 |
| Receivables from securities transactions | 1,273 | 85,148 |
| Other receivables | 9,582 | 7,607 |
| Total other receivables (net) | 121,096 | 160,106 |

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

| | 2018 | 2017 |
|---|----------------|------|
| Tangible fixed assets | | |
| Acquisition cost at 1/1/2018 | 262,245 | |
| Additions | 11,831 | |
| Disposals | (17,354) | |
| Acquisition cost at 31/12/2018 | 256,722 | |
| Accumulated depreciation at 1/1/2018 | 171,379 | |
| Depreciation expense | 16,671 | |
| Disposals | (6,289) | |
| Accumulated depreciation at 31/12/2018 | 181,761 | |
| Net book value at 1/1/2018 | 90,865 | |
| Net book value at 31/12/2018 | 74,960 | |

| | 2018 | 2017 |
|---|----------------|------|
| Tangible fixed assets | | |
| Acquisition cost at 1/1/2017 | 271,871 | |
| Additions | 12,042 | |
| Disposals | (21,668) | |
| Acquisition cost at 31/12/2017 | 262,245 | |
| Accumulated depreciation at 1/1/2017 | 162,871 | |
| Depreciation expense | 16,949 | |
| Disposals | (8,441) | |
| Accumulated depreciation at 31/12/2017 | 171,379 | |
| Net book value at 1/1/2017 | 109,000 | |
| Net book value at 31/12/2017 | 90,865 | |

(b) Cash on accounts in financial institutions and cash in hand

Cash on accounts in financial institutions and cash in hand as at the balance sheet date totalled TCZK 1,148,502 (2017: TCZK 1,014,804).

II.7. Temporary asset accounts**(a) Deferred acquisition costs for life assurance contracts**

| | 2018 | 2017 |
|----------------------------|----------------|----------------|
| Traditional life assurance | 354,959 | 163,826 |
| Unit-linked assurance | 20,975 | 89,317 |
| Non-life insurance | 197,569 | 165,813 |
| Total | 573,503 | 418,956 |

In 2018, deferred acquisition costs for unit-linked assurance contracts showed a decrease and deferred acquisition costs for traditional life assurance showed an increase as a result of the launch of a new life assurance product, Allianz život (Allianz Life). Its main coverage represents assurance on death. Allianz život replaced the life assurance product Rytmus.

(b) Estimated receivables

| | 2018 | 2017 |
|-----------------------------------|---------------|---------------|
| Estimated reinsurance commissions | 1,567 | 2,373 |
| Other | 82,334 | 68,546 |
| Total | 83,901 | 70,919 |

The Company discloses in other estimated receivables an estimate of the written premiums for December in respect of motor insurance and motor third-party liability insurance, where insurance intermediaries report to the Company on a monthly basis in arrear.

(c) Other temporary asset accounts

| | 2018 | 2017 |
|-----------------------------------|----------------|---------------|
| Other prepaid expenses - services | 534,352 | 23,228 |
| Total | 534,352 | 23,228 |

The increase in Other temporary asset accounts is mainly due to the deferred costs for exclusive distribution contract with a significant partner in the year 2018, which is deferred for 15 years.

| | 2018 | 2017 |
|--|------|------|
|--|------|------|

II.8. Equity**(a) Registered capital**

The registered capital of the Company consists of 600 registered shares in book-entry form with a nominal value of TCZK 1,000 per share. As at 31 December 2018, 100%, i.e. TCZK 600,000, of the registered capital was paid up.

The amount of the Company's registered capital meets the requirements of the Insurance Act, with regard to the insurance classes in which the Company is authorised to carry on insurance activities.

(b) Other capital funds and revaluation differences

| | 2018 | 2017 |
|---------------------------------------|----------------|----------------|
| Other capital funds | 555,714 | 555,714 |
| Revaluation of assets and liabilities | (267,877) | (179,601) |
| Total | 287,837 | 367,113 |

Revaluation of assets and liabilities at fair value

| | 2018 | 2017 |
|---|------------------|------------------|
| Balance at 31/12/2017 | (179,601) | (188,576) |
| Transfer of valuation differences from retained earnings (change of accounting method of available for sale securities) | 210,268 | - |
| Balance at 1/1/2018 | 30,667 | (188,576) |
| Change in fair value of investments | (306,217) | - |
| Net losses on investments reclassified to the income statement on disposal, impairment or maturity | (54,028) | 8,975 |
| Change in deferred tax | 61,701 | - |
| Balance at 31/12/2018 | (267,877) | (179,601) |

Proposed distribution of current period profit

| | |
|--|------------------|
| Profit for the current period | 1,719,061 |
| Transfer to reserve fund | - |
| Profit to be added to retained earnings | 1,719,061 |

The distribution of the 2017 profit is presented in the Statement of Changes in Equity. No decision was made on the amount of the distribution of the share on profit as at the balance sheet date.

II.9. Technical provisions

(a) Summary of technical provisions

| Type of provision | Year | Gross | Reinsurers' share | Net |
|--|-------------|-------------------|-------------------|-------------------|
| Provision for unearned premiums | 2018 | 3,181,147 | 172,675 | 3,008,472 |
| | 2017 | 3,012,761 | 169,443 | 2,843,318 |
| Life assurance provision | 2018 | 6,408,266 | 906 | 6,407,360 |
| | 2017 | 6,507,440 | 288 | 6,507,152 |
| Provision for outstanding claims | 2018 | 8,921,329 | 979,598 | 7,941,732 |
| | 2017 | 8,707,419 | 1,055,294 | 7,652,125 |
| Provision for bonuses and rebates | 2018 | 568,988 | - | 568,988 |
| | 2017 | 519,982 | - | 519,982 |
| Provision for liabilities arising from the applied technical interest rate | 2018 | 383,504 | - | 383,504 |
| | 2017 | 608,722 | - | 608,722 |
| Provision for liabilities of the Bureau | 2018 | 188,368 | - | 188,368 |
| | 2017 | 215,680 | - | 215,680 |
| Life assurance provision where the investment risk is borne by the policyholders | 2018 | 5,756,436 | - | 5,756,436 |
| | 2017 | 6,403,217 | - | 6,403,217 |
| Total | 2018 | 25,408,038 | 1,153,179 | 24,254,860 |
| | 2017 | 25,975,222 | 1,225,025 | 24,750,196 |

(b) Provision for unearned premiums (gross)

| | 2018 | 2017 |
|--------------------|------------------|------------------|
| Non-life insurance | 3,072,577 | 2,906,846 |
| Life assurance | 108,569 | 105,915 |
| Total | 3,181,147 | 3,012,761 |

(c) Life assurance provision

| | 2018 | 2017 |
|---|------------------|------------------|
| Unzillmerised provision | 6,494,449 | 6,615,170 |
| Zillmer adjustment | (86,183) | (107,732) |
| Elimination of negative provisions | - | 2 |
| Zillmerised provision presented in the balance sheet | 6,408,266 | 6,507,440 |

(d) Provision for outstanding claims (gross)

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

| | 2018 | 2017 |
|--------------|------------------|------------------|
| RBNS | 6,963,367 | 7,435,337 |
| IBNR | 1,957,962 | 1,272,082 |
| Total | 8,921,329 | 8,707,419 |

Claims run-off result

The claims run-off result is the difference between the provision for outstanding claims as at 1 January 2018, the claims payments during 2018 (with respect to claims included within this provision) and the residual amount of this provision as at 31 December 2018.

The net run-off result is as follows:

| Class of insurance | 2018 | 2017 |
|-----------------------------|----------------|----------------|
| Motor insurance | 4,470 | 6,328 |
| Motor third party liability | 302,160 | 215,437 |
| Industry insurance | 89,563 | 100,789 |
| Commercial insurance | 156,564 | (3,043) |
| Private property insurance | 24,939 | 24,144 |
| Travel insurance | 4,099 | 8,785 |
| Other | - | - |
| Total | 581,794 | 352,439 |

Provision for outstanding claims paid in the form of annuities

The gross provision for outstanding claims from motor third party liability insurance paid in the form of annuities after discounting is TCZK 376,111 (2017: TCZK 442,168), before discounting is TCZK 415,182 (2017: TCZK 493,457).

The Company used a wage valorisation rate and a disability pension valorisation rate of 2.5% - 8.0% to calculate the provision for outstanding claims paid in the form of annuities from statutory motor third-party liability insurance for the subsequent years. The provision was also discounted at 1.5%. The annualised amount of annuities amounts to TCZK 11,062.

The expected average period of time, which will elapse before all annuity claims included within the above provision have been paid, is 17 years.

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

| Class of insurance | 2018 | 2017 |
|--------------------|----------------|----------------|
| Non-life insurance | 205,805 | 167,761 |
| Life assurance | 363,183 | 352,221 |
| Total | 568,988 | 519,982 |

(f) Other technical provisions (gross)

The item Other technical provisions includes the provision for liabilities arising from the applied technical interest rate and the provision for liabilities.

| 2018 | Opening balance | Addition | Utilisation | Closing balance |
|--|-----------------|----------------|----------------|-----------------|
| Provision for liabilities arising from the applied technical interest rate | 608,722 | 383,504 | 608,722 | 383,504 |
| Provision for liabilities of the Bureau | 215,680 | - | 27,312 | 188,369 |
| Total | 824,402 | 383,504 | 636,034 | 571,872 |

| 2017 | Opening balance | Addition | Utilisation | Closing balance |
|--|------------------|------------------|------------------|-----------------|
| Provision for liabilities arising from the applied technical interest rate | 1,146,890 | 1,517,995 | 2,056,162 | 608,722 |
| Provision for liabilities of the Bureau | 309,242 | 5,684 | 99,247 | 215,680 |
| Total | 1,456,132 | 1,523,679 | 2,155,409 | 824,402 |

II.10. Provisions

| 2018 | Opening balance | Addition | Utilisation | Closing balance |
|-----------------------|-----------------|----------------|---------------|-----------------|
| Provision, for, taxes | 3,789 | 247,873 | 3,789 | 247,873 |
| Other, provisions | 50,133 | 33,082 | 25,695 | 57,519 |
| Total | 53,922 | 280,955 | 29,484 | 305,392 |

| 2017 | Opening balance | Addition | Utilisation | Closing balance |
|-----------------------|-----------------|----------------|----------------|-----------------|
| Provision, for, taxes | - | 175,221 | 171,432 | 3,789 |
| Other, provisions | 39,540 | 33,021 | 22,428 | 50,133 |
| Total | 39,540 | 208,242 | 193,860 | 53,922 |

II.11. Payables

| | Payables to policy holders | Payables to insurance intermediaries | Payables from reinsurance operations | Other payables | Total |
|--------------|----------------------------|--------------------------------------|--------------------------------------|----------------|------------------|
| 2018 | | | | | |
| Due | 628,498 | 265,566 | 95,825 | 114,127 | 1,104,017 |
| Overdue | 2,078 | 8,048 | 7,883 | 113,696 | 131,485 |
| Total | 630,576 | 273,614 | 103,708 | 227,823 | 1,235,721 |
| 2017 | | | | | |
| Due | 539,651 | 222,315 | 160,879 | 211,554 | 1,134,399 |
| Overdue | 1,858 | 6,993 | 12,213 | 92,792 | 113,856 |
| Total | 541,509 | 229,308 | 173,092 | 304,346 | 1,248,255 |

(a) Social security and health insurance liabilities

Social security and health insurance liabilities total TCZK 15,399 (2017: TCZK 16,811), of which TCZK 10,405 (2017: TCZK 11,333) relates to social security and TCZK 4,994 (2017: TCZK 5,478) relates to health insurance. None of these liabilities are overdue.

(b) Tax liabilities and subsidies

Tax liabilities amount to TCZK 6,721 (2017: TCZK 36,563).

(c) Long-term payables (maturity over five years)

Long-term payables with a remaining period to maturity in excess of five years as at the balance sheet date amounted to TCZK 0 (2017: TCZK 10,927).

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

The Company had a net receivable from reinsurers of TCZK 9,526 (2017: a net receivable of TCZK 46,292).

II.12. Temporary liability accounts*Estimated payables*

| | 2018 | 2017 |
|--------------------------------|----------------|----------------|
| Estimated reinsurance premiums | 29,009 | 36,473 |
| Commissions to intermediaries | 232,958 | 211,318 |
| Services | 117,242 | 110,621 |
| Employee bonuses | 214,669 | 216,729 |
| Other | 186 | - |
| Total | 594,064 | 575,141 |

II.13. Inter-company receivables and payables**(a) Receivables and payables due to or from companies in which the Company has a controlling influence**

| Company name | Receivables | | Payables | |
|-----------------------------------|-------------|--------------|--------------|-----------|
| | 2018 | 2017 | 2018 | 2017 |
| <i>Short-term</i> | | | | |
| Allianz penzijní společnost, a.s. | 649 | 7,260 | - | 39 |
| Allianz kontakt, s.r.o. | - | 27 | - | - |
| Diamond Point, a.s. | - | - | 4,603 | - |
| Total | 649 | 7,287 | 4,603 | 39 |

(b) Other inter-company receivables and payables

| Company name | Receivables | | Payables | |
|---|---------------|----------------|----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 |
| AGCS AG Branch Office Belgium | - | 69 | 26 | 190 |
| AGCS AG Italy Branch | - | 402 | - | 9 |
| Allianz Compania de seguros y Rease | - | - | 13 | - |
| AGCS France | - | 9 | - | - |
| AGCS Netherlands | 108 | 108 | 342 | 342 |
| AGCS Singapore | 91 | 53 | 847 | 66 |
| AGF Assurances | - | 45 | - | 122 |
| Allianz Elementar | 1,382 | 158 | - | 368 |
| Allianz GCS Austria Branch | 6,189 | 1,598 | 8,629 | 5,243 |
| Allianz GCS Hong Kong | 405 | 353 | 5,081 | 4,420 |
| Allianz GCS Chicago | - | 4,127 | - | 64 |
| Allianz GCS München | 2,699 | 2,062 | 5,167 | 760 |
| Allianz GCS Nordic Region | 361 | 94 | 244 | 371 |
| Allianz GCS Sweden | 76 | - | 76 | - |
| Allianz GCS Switzerland | 55 | 85 | 127 | 539 |
| Allianz GCS UK | 4,464 | 14,449 | 8,269 | 5,368 |
| Allianz GCS, Hamburg | - | - | 1 | 10 |
| Allianz Global Automotive | 2,574 | 22,563 | 17,047 | 23,663 |
| Allianz Global Benefits GmbH | - | - | - | 64 |
| Allianz Global Corporate&Speciality Mnichov | 2,206 | 5,367 | 6,105 | 5,217 |
| Allianz Global Investors EuropeGmbH | - | - | 26 | - |
| Allianz Global Risk US | 245 | 356 | 2,885 | 4,365 |
| Allianz Hungária Biztosító Zrt. | 2,043 | - | 283 | 198 |
| Allianz Insurance Company of Canada | 51 | 32 | 250 | 432 |
| Allianz Insurance PLC | - | 2 | - | - |
| Allianz Investment Managemen | - | - | 1,131 | - |
| Allianz Italia s.p.a. | - | 1,364 | - | - |
| Allianz Managed Operations & Services SE | - | - | 45,118 | 62,592 |
| Allianz New Europe Holding GMBH | - | - | - | - |
| Allianz SE | 32,122 | 67,882 | 18,682 | 57,470 |
| Allianz Sigorta a.s. | - | 2,066 | - | - |
| Allianz Slovenská poisťovňa, a.s. | 4,283 | 4,356 | 84 | 1,093 |
| Allianz SNA sal, Beirut Lebanon | - | - | - | - |
| Allianz Technology GmbH | - | - | - | 247 |
| Allianz Technology SE Munich,Wallis | - | - | 925 | - |
| Allianz Technology SK | - | - | 5,733 | 36,825 |
| Allianz Technology HU | - | - | 8,881 | 37,513 |
| Allianz Tiriac Asigurari S.A. | 2,820 | 283 | - | - |
| Allianz Zagreb | - | - | 112 | 112 |
| AWP P&C Česká republika | 16,602 | 38,952 | 18,014 | 23,426 |
| OJSC Insurance company Allianz | - | - | - | 432 |
| Stanislas Haine | 320 | 320 | - | - |
| T.U. Allianz Polska S.A. | 476 | 1 | - | - |
| ZAO Allianz Russia | 230 | - | 384 | - |
| Total | 79,800 | 167,156 | 154,479 | 271,518 |

All material transactions with related parties were carried out based on the arm's length principle.

III. ADDITIONAL DISCLOSURES IN RESPECT OF THE INCOME STATEMENT

III.1. Non-life insurance

Non-life insurance by class of insurance:

| 2018 | Insurance class | Gross premiums written | Gross premiums earned | Gross claims paid | Gross operating expenses | Reinsur. balance |
|-------------------------|---|------------------------|-----------------------|-------------------|--------------------------|-------------------|
| Direct insurance | | | | | | |
| | Accident and sickness | 1,218 | 222,546 | 223,003 | 68,597 | 36,292 (13,677) |
| | Motor - other classes | 3 | 3,514,133 | 3,445,355 | 2,263,718 | 765,302 (623) |
| | Motor - liability | 10 | 2,853,277 | 2,804,111 | 1,780,230 | 644,982 (13,090) |
| | Aviation, marine and transportation insurance | 4,5,6,7,11,12 | 91,510 | 89,336 | 36,107 | 17,232 (13,123) |
| | Fire and other damage to property | 8,9,15,16 | 2,877,964 | 2,846,176 | 1,251,826 | 809,223 (312,760) |
| | Liability | 13 | 880,701 | 866,419 | 370,546 | 178,651 (65,580) |
| Total | | 10,440,131 | 10,274,400 | 5,771,024 | 2,451,682 | (418,852) |
| 2017 | | | | | | |
| Direct insurance | | | | | | |
| | Accident and sickness | 1,218 | 217,073 | 219,198 | 77,550 | 36,150 (12,626) |
| | Motor - other classes | 3 | 3,300,333 | 3,290,841 | 2,268,096 | 768,164 (8,675) |
| | Motor - liability | 10 | 2,695,088 | 2,714,824 | 1,951,229 | 637,605 (6,902) |
| | Aviation, marine and transportation insurance | 4,5,6,7,11,12 | 88,359 | 87,675 | 101,033 | 17,539 (20,795) |
| | Fire and other damage to property | 8,9,15,16 | 2,855,470 | 2,839,210 | 1,609,118 | 812,130 (262,619) |
| | Liability | 13 | 829,219 | 294,464 | 389,004 | 186,001 (6,940) |
| Total | | 9,985,541 | 9,946,212 | 6,396,030 | 2,457,590 | (276,967) |

III.2. Life assurance

Gross premiums written in life assurance:

| | 2018 | 2017 |
|---|------------------|------------------|
| Individual (special) premiums | 2,924,315 | 2,896,157 |
| Premiums under group contracts | 10,301 | 8,770 |
| Total | 2,934,616 | 2,904,927 |
| Regular premium | 2,830,311 | 2,786,918 |
| Single premium | 104,305 | 118,009 |
| Total | 2,934,616 | 2,904,927 |
| Premiums from contracts without bonuses | 586,491 | 314,751 |
| Premiums from contracts with bonuses | 242,645 | 273,932 |
| Premiums from contracts where the investment risk is borne by policyholders | 2,105,480 | 2,316,244 |
| Total | 2,934,616 | 2,904,927 |
| Reinsurance balance | (5,037) | (4,325) |

III.3. Total amount of gross premiums written by country

The total amount of gross premiums written by country in which the insurance contract was concluded:

| Country | 2018 | 2017 |
|-----------------|-------------------|-------------------|
| Czech Republic | 13,296,963 | 12,828,519 |
| Belgium | 83 | 70 |
| Bulgaria | 39 | 235 |
| Denmark | 75 | - |
| Estonia | 178 | - |
| France | 1,607 | 173 |
| Italy | 1,760 | 1,243 |
| Hungary | 23,221 | 20,799 |
| Germany | 14,614 | 13,516 |
| Netherlands | 575 | 439 |
| Poland | 4,652 | 4,151 |
| Portugal | 152 | - |
| Austria | 106 | 25 |
| Romania | 2,791 | 681 |
| Slovak Republic | 24,568 | 16,865 |
| Spain | 74 | 61 |
| Sweden | 54 | 316 |
| Switzerland | 107 | - |
| United Kingdom | 3,128 | 3,375 |
| Total | 13,374,747 | 12,890,468 |

The gross premiums written under direct insurance result from contracts concluded in the Czech Republic, other EU Member States and other states (Switzerland)

III.4. Bonuses and rebates

The Company granted the following gross bonuses and rebates based on policy conditions and insurance contracts:

| | 2018 | 2017 |
|----------------------------------|----------------|----------------|
| Non-life insurance | 300,957 | 292,487 |
| Life assurance | 199 | 203 |
| Total bonuses and rebates | 301,156 | 292,690 |

In accordance with the procedures stated in note II.9 (e) of the notes, the Company accounted for the following changes in the provision for bonuses and rebates:

| | 2018 | 2017 |
|--------------------------------|---------------|---------------|
| Non-life insurance | | |
| Creation | 497,575 | 430,759 |
| Release | (459,532) | (410,301) |
| Change of balance | 38,044 | 20,458 |
| Life assurance | | |
| Creation | 42,939 | 94,427 |
| Release | (31,977) | (43,599) |
| Change of balance | 10,961 | 50,828 |
| Total change of balance | 49,005 | 71,286 |

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

| | 2018 | | | 2017 | | |
|--|-----------------------|----------------|------------------|-----------------------|----------------|------------------|
| | Non-life insurance | Life assurance | Total | Non-life insurance | Life assurance | Total |
| Commissions | | | | | | |
| Initial | 638,317 ¹⁾ | 521,730 | 1,160,046 | 487,360 ¹⁾ | 330,314 | 817,674 |
| Renewal | 943,425 ²⁾ | 77,229 | 1,020,655 | 978,538 ²⁾ | 70,782 | 1,049,321 |
| Total commissions | 1,581,742 | 598,959 | 2,180,701 | 1,466,586 | 401,096 | 1,866,995 |
| Other acquisition costs | 162,517 | 66,926 | 229,443 | 188,402 | 63,117 | 209,436 |
| Change in deferred acquisition costs | (31,755) | (122,792) | (154,547) | 33,159 | (30,643) | (13,738) |
| Total commissions and other acquisition costs | 1,712,504 | 543,093 | 2,255,597 | 1,688,147 | 433,570 | 2,062,693 |

- ¹⁾ of which TCZK 8,403 relates to assumed facultative reinsurance in the year 2018 and TCZK 8,297 in the year 2017
- ²⁾ of which TCZK 72,623 relates to assumed facultative reinsurance in the year 2018 and TCZK 81,156 in the year 2017

The Company discloses renewal commissions in administrative expenses.

Other acquisition costs primarily comprise costs for wages and salaries, promotion, advertising and other administrative expenses associated with the conclusion of insurance contracts.

III.6. Administrative expenses

| | 2018 | 2017 |
|---|------------------|------------------|
| Personnel expenses (payroll, social and health insurance) | 572,995 | 623,032 |
| Rental | 75,712 | 90,313 |
| Depreciation and net book value of disposed fixed assets | 85,902 | 104,834 |
| Renewal commissions and bonifications | 1,020,655 | 1,049,320 |
| Telephone and fax fees, postage | 44,443 | 52,509 |
| Consultancy fees | 73,897 | 32,338 |
| Travel and entertainment | 16,913 | 18,548 |
| Material consumption | 5,846 | 4,628 |
| Other services | 60,472 | 70,697 |
| Other administrative expenses | 5,445 | 3,447 |
| Hardware maintenance and repair | 521 | 618 |
| Software maintenance and repair | 25,495 | 26,911 |
| Data network maintenance and repair | 106,569 | 128,868 |
| Total administrative expenses | 2,094,864 | 2,206,062 |

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

III.7. Other technical expenses and income

| | 2018 | 2017 | |
|-------------------------------------|-----------------|-------------------|-----------------|
| | Gross | Reinsurance share | Net |
| Non-life insurance | | | |
| Other technical expenses | 620,949 | - | 620,949 |
| Other technical income | 503,655 | - | 503,655 |
| Balance - non-life insurance | 117,293 | - | 117,294 |
| Life assurance | | | |
| Other technical expenses | 71,262 | - | 71,262 |
| Other technical income | 76,002 | - | 76,002 |
| Balance - life assurance | (4,740) | - | (4,740) |
| 2017 | | | |
| Non-life insurance | | | |
| Other technical expenses | 667,867 | - | 667,868 |
| Other technical income | 546,373 | - | 546,373 |
| Balance - non-life insurance | 121,494 | - | 121,495 |
| Life assurance | | | |
| Other technical expenses | 74,954 | - | 74,954 |
| Other technical income | 98,056 | - | 98,056 |
| Balance - life assurance | (23,102) | - | (23,102) |

Based on the amendment to Act No. 168/1999 Coll., on Liability Insurance for Losses Caused by the Operation of a Motor Vehicle, as amended, which came into effect on 1 January 2015, the insurance company recognises the amount of TCZK 83,762 (2017: TCZK 80,650) to be remitted to the Loss Prevention Fund in Other technical expenses in the technical account for non-life insurance.

The balance of other technical expenses and income in non-life insurance comprises the following items:

| Non-life insurance | 2018 | 2017 |
|---|----------------|----------------|
| Additions to (+)/Release of (-) allowances to receivables | 22,856 | 1,919 |
| Write-off of receivables | 26,059 | 27,741 |
| Foreign exchange losses (+)/gains (-) | 873 | 4,088 |
| Other technical expenses and income | 67,505 | 87,746 |
| Reinsurers' share | - | - |
| Balance of other expenses and income | 117,293 | 121,494 |

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

| Life assurance | 2018 | 2017 |
|---|----------------|-----------------|
| Additions to (+)/Release of (-) allowances to receivables | (5,056) | (16,848) |
| Write-off of receivables | 8,715 | 20,140 |
| Foreign exchange losses (+)/gains (-) | (43) | (459) |
| Other technical expenses and income | (8,357) | (25,935) |
| Reinsurers' share | - | - |
| Balance of other expenses and income | (4,740) | (23,102) |

III.8. Other expenses and revenues

| | 2018 | 2017 |
|---|----------------|---------------|
| Non-technical account | | |
| Other expenses | 55,453 | 93,098 |
| Other income | 57,615 | 58,695 |
| Balance of other expenses and income | (2,162) | 34,403 |

Balance of other expenses and income comprises the following items:

| | 2018 | 2017 |
|---|----------------|---------------|
| Foreign exchange gains and losses | 3 167 | (1 243) |
| Foreign exchange differences on revaluation | (3 813) | 20 157 |
| Provisions | 402 | (1 340) |
| Other | (1 918) | 16 828 |
| Balance of other expenses and income | (2 162) | 34 403 |

Positive values represent expenses.

III.9. Employees and management

The average number of employees and executives and remuneration for 2018 and 2017 are as follows:

| | Average number of employees | Payroll expense | Social and health insurance | Other expenses |
|--------------|-----------------------------|-----------------|-----------------------------|----------------|
| 2018 | | | | |
| Employees | 709 | 391,816 | 124,362 | 23,102 |
| Executives | 112 | 167,994 | 43,666 | 9,905 |
| Total | 821 | 559,810 | 168,029 | 33,008 |
| 2017 | | | | |
| Employees | 777 | 432,613 | 134,799 | 20,690 |
| Executives | 112 | 166,843 | 44,478 | 7,979 |
| Total | 889 | 599,456 | 179,278 | 28,670 |

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

In 2018, members of statutory and supervisory bodies received remuneration totalling TCZK 58,039 (2017: TCZK 71,293).

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

In 2018, the Company did not present any receivables from members of the board of directors or the supervisory board relating to granted loans or advances paid.

(c) Information on remuneration for statutory auditors

Remuneration for statutory auditors is included in the Company's administrative expenses and consists of the following items:

| TCZK | 2018 | 2017 |
|---|--------------|--------------|
| Advice and other non-auditing services | 458 | 2,465 |
| Audit of statutory financial statements | 4,463 | 5,027 |
| TOTAL | 4,921 | 7,492 |

In 2018, the auditor provided the Company with review services for the purpose of consolidating the Group

III.10. Expense allocation between technical accounts and the non-technical account

As at the balance sheet date the total amount of revenues and expenses allocated between the technical accounts for non-life insurance and life assurance and the non-technical account by means of the method stated in note I.4.(v) amounted to TCZK 77,228 (2017: TCZK -35,295).

III.11. Result of non-technical account

The result of the non-technical account as at 31 December 2018 amounted to TCZK 79,390 (2017: TCZK -69,697).

III.12. Result before tax

The result before tax as at 31 December 2018 amounted to TCZK 2,085,386 (2017: TCZK 1,006,780).

III.13. Taxation**(a) Income tax in the income statement**

| | 2018 | 2017 |
|--|----------------|----------------|
| Provision for current period income tax | 395,014 | 159,909 |
| Difference between the current income tax relating to prior periods and release of the provision for income tax relating to prior periods (36,728) | | 10,476 |
| Current income tax relating to prior periods | 1,737 | 64,570 |
| Change in deferred tax asset | 3,483 | (305) |
| /Change in deferred tax liability | | |
| Income tax in the income statement | 363,506 | 234,650 |

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

(b) Deferred tax assets and liabilities

Deferred tax assets and liabilities are as follows:

| Temporary differences | Assets | | Liabilities | | Difference | |
|--|---------------|---------------|---------------|--------------|----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Tangible fixed assets | 8,411 | 7,372 | - | - | 8,411 | 7,372 |
| Intangible fixed assets | - | - | 7,862 | 3,604 | (7,862) | (3,604) |
| Receivables | 4,914 | 3,851 | - | - | 4,914 | 3,851 |
| Provisions | 2,088 | 2,011 | - | - | 2,088 | 2,011 |
| Other temporary differences recorded in Income statement | 7,261 | 8,665 | - | - | 7,261 | 8,665 |
| Total | 22,674 | 21,899 | 7,862 | 3,604 | 14,812 | 18,295 |
| Influence in Income statement | 775 | 2,414 | 4,258 | 2,109 | (3,482) | 305 |
| Revaluation of assets and liabilities | 66,917 | 5,216 | 6,268 | 6,268 | 60,649 | (1,052) |
| Total | 66,917 | 5,216 | 6,268 | 6,268 | 60,649 | (1,052) |
| Influence in Equity | 61,701 | - | - | - | 61,701 | - |
| Deferred tax asset/liability | 89,591 | 27,115 | 14,129 | 9,872 | 75,461 | 17,243 |

The impact of changes in deferred tax assets and liabilities on the income statement for 2018 consisted of a loss of TCZK 3,482 (2017: gain of TCZK 305). The impact of changes in deferred tax assets and liabilities on the equity for 2018 consisted of an increase of revaluation differences in amount of TCZK 61,701 (2017: TCZK 0).

In accordance with the accounting policy described in note I.4.(h), deferred tax was calculated using the tax rates valid for the periods in which the tax asset/liability is expected to be utilised, i.e. 19%.

IV. OTHER DISCLOSURES**IV.1. Transactions not disclosed in the balance sheet**

As at the balance sheet date, the Company did not have any transactions not disclosed in the balance sheet.

IV.2. Contingent liabilities**(a) Co-insurance**

The Company is the leading co-insurer in several coinsurance contracts in respect of which a claim of a material amount has been announced as at the end of the accounting period.

The Company considers it unlikely that the beneficiary will file a claim in the full amount against the Company as the leading co-insurer and has therefore only established a provision for outstanding claims amounting to its share.

(b) Membership of the Czech Bureau of Insurers (the Bureau)

As a member of the Bureau, the Company is obliged to guarantee the liabilities of the Bureau pursuant to Section 18 (6) of the Act on Motor Third Party Liability Insurance. The Company contributes to the guarantee fund and creates the provision for liabilities of the Bureau. The amount of the contribution and the provision for liabilities of the Bureau is determined using actuarial methods.

If any of the members of the Bureau would be unable to meet their obligations arising from the statutory motor third-party liability insurance due to insolvency, the Company may become liable to make additional contributions to the guarantee fund.

(c) Membership of the Czech Nuclear Pool

As a member of the Czech Nuclear Pool, the Company, under a "Joint and Several Liability" agreement, has assumed a liability, in proportion to the Company's net retention for the given contract, should one or more members of the Czech Nuclear Pool be unable to fulfil their obligation. The total contingent liability of the Company including joint and several liability is contractually limited to double the retention for the specific insured risk.

IV.3. Subsequent events

On 1 January 2019, Alexander Hollmann was appointed a member of the Board of Directors.

The membership of Ing. Sonia Mihaylova Slavtcheva, MBA in the board of directors terminates on 31 March 2019.

At the balance sheet date, the management of the Company is not aware of any significant subsequent events that would require adjustment to the Company's financial statements.

Prague, 29 March 2019



Ing. Dušan Quis,
Chairman of the Board of Directors



Ing. Sonia Mihaylova Slavtcheva, MBA
Member of the Board of Directors

REPORT ON RELATIONS BETWEEN RELATED PARTIES

This report on relations between related parties, i.e. on business relations to the controlling party, controlled parties and other related parties, is presented based on the obligation stipulated by the Act on Commercial Corporations. These parties are members of Allianz Group. Allianz pojišťovna, a. s. did not enter into any controlling agreement or transfer of profit agreement during the accounting period of 2018 or previous accounting periods.

Below are listed those Allianz Group companies, with which Allianz pojišťovna, a. s. maintains material business relationships.

The scope of business of Allianz pojišťovna, a. s. is the provision of insurance. Allianz pojišťovna, a. s. is one of the numerous insurers of Allianz Group.

SUMMARY

Controlling party

- Allianz New Europe Holding GmbH, seated at Hietzinger Kai 101-105, 1130 Vienna, Austria, is the direct and sole shareholder of Allianz pojišťovna, a. s. exercising influence over Allianz pojišťovna, a. s. by exercising shareholder rights.
- Allianz Holding eins GmbH, seated in Vienna, Austria
- Allianz SE, seated at Koniginstrasse 28, 80802 Munich, Germany, is the ultimate controlling legal entity.

Controlled parties

- Allianz penzijní společnost, a. s., seated in Prague
- Allianz kontakt, s. r. o., seated in Prague
- Allianz nadační fond, seated in Prague
- Diamond Point, a. s., seated in Prague
- All of the above legal entities are controlled by Allianz pojišťovna, a. s., as the sole shareholder or founder.

Other related parties

The other related parties are members of Allianz Group and the most important ones are described in the organizational chart of Allianz Group on page xxx

MAJOR ACTS OF THE RECENT ACCOUNTING PERIOD

The below acts and performance under contracts exceed 10% of the equity of Allianz pojišťovna a. s. according to the most recent financial statements.

- Dividend payment to the sole shareholder, Allianz New Europe Holding GmbH, seated at Hietzinger Kai 101-105, 1130 Vienna, Austria.
- Performance under reinsurance agreements concluded between Allianz pojišťovna a. s. and Allianz Group companies.
- Performance under the Service agreement concluded between Allianz pojišťovna a. s. and Allianz SE to implement IFRS (internal No. 269/2018).

RELATIONS TO THE CONTROLLING PARTY AND CONTROLLED PARTIES EXCEPT FOR REINSURANCE RELATIONSHIPS

Allianz New Europe Holding GmbH

Allianz New Europe Holding GmbH is the parent company of Allianz pojišťovna, a. s., effective as of 11 May 2006. Allianz New Europe Holding GmbH acquired the 100% share in Allianz pojišťovna, a. s. from Allianz Aktiengesellschaft. In 2018, Allianz pojišťovna, a. s. paid the 2017 dividend to its shareholder.

Allianz Holding eins GmbH

Allianz Holding eins GmbH is the parent company of Allianz New Europe Holding GmbH. On 7 April 2010, Allianz SE as the parent company of Allianz New Europe Holding GmbH transferred its share in the subsidiary to Allianz Holding eins GmbH, a group company.

Allianz SE

Allianz SE performs tasks of the controlling party of the entire group. In 2003, Allianz SE and Allianz pojišťovna, a. s. entered into a management service agreement, replacing the service agreement of 1994. The management service agreement covers cooperation in management, marketing, IT, HR services (sales techniques training, HR development programs), temporary or permanent secondment of members of staff, as well as support for work quality control, development and implementation of an internal controlling system. In 2006 and 2007, Allianz SE and Allianz pojišťovna, a. s. concluded an IS cost sharing agreement in respect of joint holding operations. An agreement on cost sharing and HR services as well as an agreement on software licensing and related services were signed in 2009.

In 2010, Allianz pojišťovna, a. s. entered into a cash pooling agreement with Allianz SE. In 2012, Allianz pojišťovna, a. s. and Allianz SE concluded a consulting agreement in respect of Solvency II regulation. In November 2013, Allianz pojišťovna, a. s. and Allianz SE entered into the Master Treasury Agreement for Intra-Group Financial Derivatives Transactions. In October 2015, Allianz pojišťovna, a. s. and Allianz SE entered into a cost sharing agreement (Global Procurement Expenses excluding IT Procurement). Allianz pojišťovna, a. s. and Allianz SE also entered into a master cost sharing and service agreement, effective as of 2016. In addition, as of 27 May 2013, the companies concluded a cost sharing agreement in respect of software provided by Towers Watson. An agreement of 2017 for the Allianz Leadership Development Program is concluded between the companies. In 2018, the companies concluded an inter-company agreement on the Allianz SE Employee Share Purchase Program 2018.

Allianz penzijní společnost, a. s.

Allianz penzijní společnost, a. s. is a 100% subsidiary of Allianz pojišťovna, a. s. Allianz penzijní společnost, a. s. and Allianz pojišťovna, a. s. closely cooperate and coordinate their business activities with each other. In 1995, the two companies signed an agreement on cooperation in the sale of supplementary pension schemes by the sales representatives of Allianz pojišťovna, a. s. Also, Allianz pojišťovna, a. s. and Allianz penzijní společnost, a. s. cooperate closely in the area of management, asset management, marketing, IT, and HR services (sales techniques training, HR development programs, parallel employment).

Effective as of 1 January 2017, an agreement on cooperation and sharing of selected costs was concluded with Allianz pojišťovna, a. s. In 2013, the companies entered into an agreement on cooperation and personal data processing. In 2014, a new sublease contract was concluded to replace the original sublease contract in its entirety.

Allianz kontakt, s. r. o.

Allianz kontakt, s. r. o. is a 100% subsidiary of Allianz pojišťovna, a. s. Allianz kontakt, s. r. o. acts as an intermediary of insurance for Allianz pojišťovna, a. s. based on a sales representation agreement of 2005. In 2018, an agreement on cooperation and sharing of selected costs was concluded with Allianz pojišťovna, a. s., which agreement also covers personal data processing issues. This agreement replaces the cooperation agreement and personal data processing agreement of 13 March 2013, the IT cooperation agreement of 2 January 2009, and the Interior equipment lease agreement of 1 January 2007.

Allianz endowment fund

On 7 November 2011, Allianz pojišťovna, a. s. founded Allianz nadační fond. The purpose of the endowment fund is to focus in particular on the prevention of insurance claims, support of safe traffic on the road, as well as charity and educational programs.

Diamond Point, a. s.

Diamond Point, a. s. is a 100% subsidiary of Allianz pojišťovna, a. s. Diamond Point, a. s., is the owner of the real property at Ke Štvanici 656/3, where the registered office of Allianz pojišťovna, a. s. is located. A long-term lease relationship is agreed between the companies. Allianz pojišťovna, a. s. holds securities (fixed interest bonds) in the nominal value of CZK 876,000,000, issued by Diamond Point, a. s. in 2013.

Allianz pojišťovna, a. s. also enters into relationships with other Allianz Group companies, mostly on an ad hoc basis. Receivables from and liabilities to these companies as of 31 December 2018 are stated in point II.13 of the notes to the financial statements attached to this Annual Report.

RELATIONS TO RELATED PARTIES EXCEPT FOR REINSURANCE RELATIONSHIPS

Allianz - Slovenská poisťovňa, a. s.

Cooperation between the companies relies on the cooperation agreement of 1997, which particularly applies to cooperation in the development of insurance products and IT. Also, the companies cooperate in investments.

AWP Solutions ČR and SR, s.r.o.

AWP Solutions ČR a SR, s. r. o. provides Allianz pojišťovna, a. s. with assistance service for foreign medical expenses insurance, travel insurance, motor hull insurance and motor third-party liability insurance and home insurance. The companies also entered into an agreement on telematic services and a cooperation agreement in respect of life insurance assistance.

Euler Hermes Services Česká republika, s. r. o.

This company acts as an intermediary of guarantee and receivables insurance for Allianz pojišťovna, a. s. based on a sales representation agreement of 1999.

Euler Hermes SA, organization branch

Allianz pojišťovna, a. s. and Euler Hermes SA, organization branch cooperate in the area of loan and guarantee insurance. The companies concluded a cooperation agreement in 2006. Euler Hermes SA, organization branch acts as an intermediary in the sale of insurance products.

Allianz Global Corporate & Specialty SE

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

Allianz Global Investors Advisory GmbH

The company provides Allianz pojišťovna, a. s. with consulting in respect of investments, as stipulated in an agreement of February 2008.

Allianz Investment Management SE

The company provides Allianz pojišťovna, a. s. with consulting in respect of investments, as stipulated in an agreement of September 2011.

Allianz Global Investors Europe GmbH

The company provides Allianz pojišťovna, a. s. with consulting in respect of investments, as stipulated in an agreement of September 2014.

Allianz Real Estate GmbH

The company provides Allianz pojišťovna, a. s. with consulting in respect of investments, as stipulated in an agreement of February 2018.

Allianz Deutschland AG

The company cooperates with Allianz pojišťovna, a. s. in customer projects based on an agreement of October 2008. In IT, Allianz pojišťovna, a. s. cooperates with Allianz Deutschland AG, Allianz Hungaria Biztosító Zrt. and Allianz Suisse Versicherungsgesellschaft-AG. Allianz pojišťovna, a. s. also uses instruments of investment management companies Allianz Global Investors GmbH and PIMCO Global Advisors Ireland Ltd. for the placement of its assets.

Allianz Technology SE

The following agreements are concluded between Allianz pojišťovna, a. s. and Allianz Technology SE:

- master service agreement of 2017,
- contract of 2016 for the Global Sanctions Screening Solution,
- Oracle Participation Agreement for Oracle Database Products of 2017
- Microsoft Enterprise Agreement, Participation Commitment of 2018

Allianz Technology GmbH

- ABAC training agreement

Allianz Telematics S.P.A.

- master agreement for telematic services

RELATIONS TO THE CONTROLLING PARTY AND RELATED PARTIES IN REINSURANCE

The following Allianz Group companies participate in the reinsurance program of Allianz pojišťovna, a. s.:

- Allianz SE
- Allianz Global Corporate & Specialty SE
- AWP P&C Česká republika - branch of foreign legal entity

Other group companies are partners to Allianz pojišťovna, a. s. in active and passive facultative reinsurance. Reinsurance is charged based on reinsurance agreements concluded between Allianz pojišťovna, a. s. and the said Allianz Group companies.

Allianz SE

As the group's reinsurer, Allianz SE plays a crucial role in the reinsurance program of Allianz pojišťovna, a. s. in both life and non-life insurance.

Allianz Global Corporate & Specialty SE

Allianz Global Corporate & Specialty SE participates in the reinsurance program of Allianz pojišťovna, a. s. through reinsurance for aircraft insurance and directors and officers liability insurance (D&O).

AWP P&C Česká republika - branch of foreign legal entity

In its relationship with Allianz pojišťovna, a. s., AWP P&C Česká republika appears as the reinsurer for travel insurance, vehicle assistance insurance and extended warranty insurance.

In the accounting period of 2018, Allianz pojišťovna, a. s. did not grant any guarantees or loans other than listed above, and did not assume any other financial liabilities towards the related parties.

CLOSING STATEMENT OF THE BOARD OF MANAGEMENT OF ALLIANZ POJIŠŤOVNA, A. S.

We hereby declare that the report on relations between related parties, prepared pursuant to Sec. 82 of Act No. 90/2012 Coll. on commercial corporations for the accounting period starting 1 January 2018 and ending 31 December 2018, contains all information required by law.

We hereby declare that we are not aware of any harm incurred by Allianz pojišťovna, a. s. from the above listed agreements, contracts or measures.

Furthermore, we declare that no disadvantages arise out of the relationships between the controlling and controlled party or between the controlled party and parties controlled by the same party, and thus the existence of such relationships imposes no risk to Allianz pojišťovna, a. s.

In Prague, on 29 March 2019



Ing. Dušan Quis,
Chairman of the Board of Management

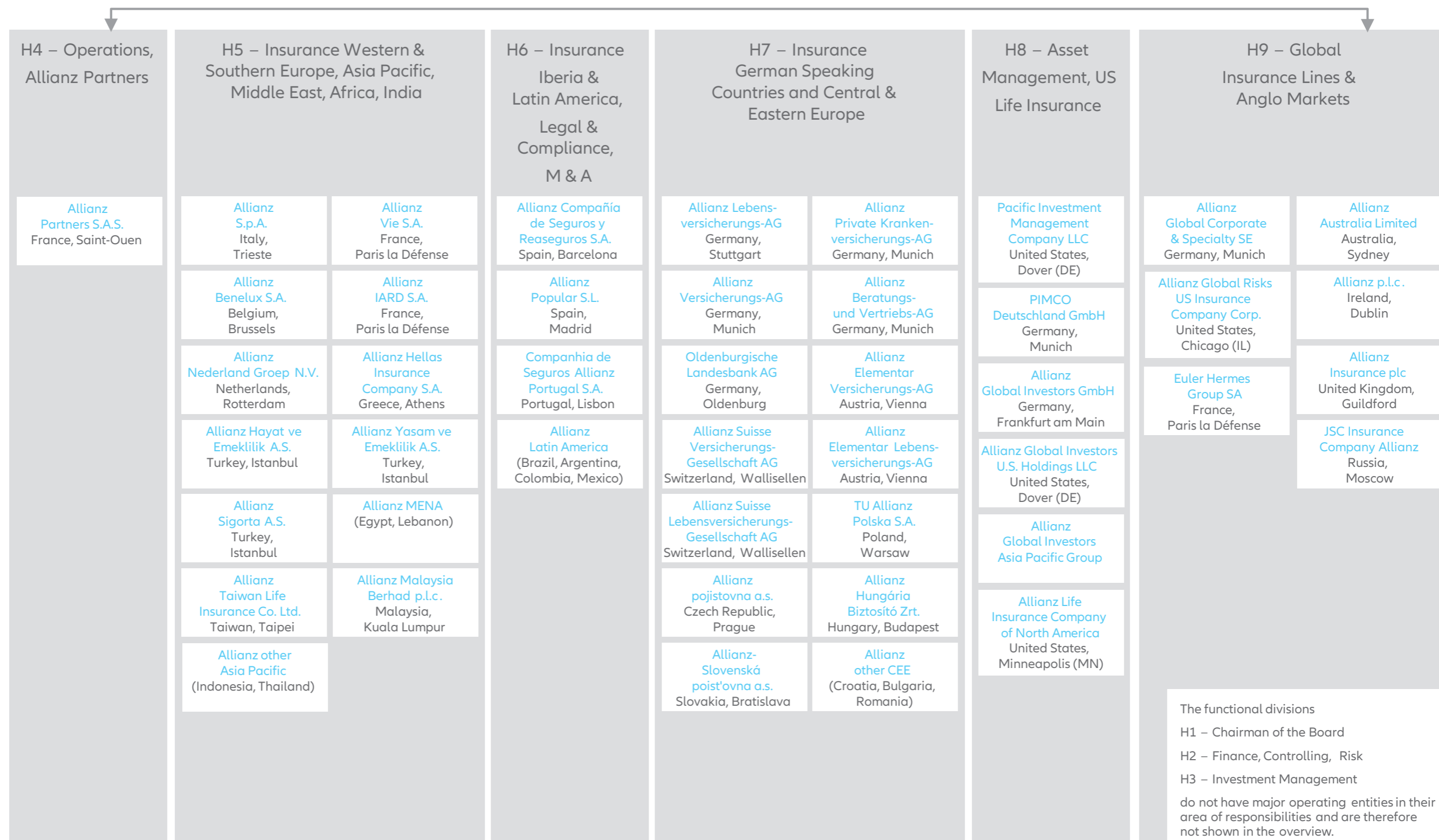


Ing. Sonia Mihaylova Slavtcheva, MBA
Member of the Board of Management

ALLIANZ GROUP STRUCTURE

This overview is simplified. It focuses on major operating entities and does not contain all entities of Allianz Group. It does not show whether a shareholding is direct or indirect. This overview shows the status as of December 31, 2018.

Allianz SE



CONTACTS

GENERÁLNÍ ŘEDITELSTVÍ

Allianz pojišťovna, a.s.

Ke Štvanici 656/3, 186 00 Praha 8

Tel.: 241 170 000 Fax: 242 455 555

e-mail: info@allianz.cz, www.allianz.cz

Kontaktní centrum: 241 170 00

Datová schránka: vfycqvw

REGIONÁLNÍ ŘEDITELSTVÍ

Regionální ředitelství Praha

Českomoravská 2420/15, 190 93 Praha 9

Tel.: 284 011 567, 284 011 590

Regionální ředitelství střední Čechy

Bucharova 2, 158 00 Praha 5

Tel.: 224 405 771, Fax: 224 405 772

Regionální ředitelství Plzeň

Lochotínská 22, 301 11 Plzeň

Tel.: 373 374 002, 373 374 016, Fax: 373 374 041

Regionální ředitelství České Budějovice

F. A. Gerstnera 52, 370 01 České Budějovice

Tel.: 385 791 304

Regionální ředitelství Ústí nad Labem

Špitálské náměstí 3517, 400 01 Ústí nad Labem

Tel.: 472 707 111, e-mail: usti@allianz.cz

Regionální ředitelství Severovýchodní Čechy

U Koruny 1742/16, 500 02 Hradec Králové

Tel.: 494 492 001

Regionální pobočka Liberec

Palachova 1404, 460 01 Liberec 3

Tel.: 484 486 833, Fax: 484 486 823

Regionální ředitelství Brno I , II

Čechyňská 23, 602 00 Brno

Tel.: 543 425 850, Fax: 543 425 864

Regionální ředitelství Ostrava

28. října č. 29, 702 00 Ostrava

Tel.: 596 279 000, Fax: 596 279 001

Regionální ředitelství Olomouc

Jeremenkova 40B, 772 00 Olomouc

Tel.: 585 582 050

Published by

© 2018 Allianz penzijní společnost, a. s.

Ke Štvanici 656/3, 186 00 Praha 8

Tel.: 224 405 111

Fax: 242 455 555

www.allianz.cz

Produkce

TAC-TAC agency s.r.o.

www.tac-tac.cz