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The German original of this document is exclusively authoritative and legally binding.

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Joint Report

of the Board of Management of Allianz SE, Munich

and the Board of Directors
of Allianz Climate Solutions GmbH, Munich

pursuant to Section 293a German Stock Corporation Act (Aktiengesetz, "AktG")
concerning the

Control and Profit Transfer Agreement

of 13 February 2018

between

Allianz SE, Munich,

and

Allianz Climate Solutions GmbH, Munich

I. Introduction

On 13 February 2018, Allianz SE and Allianz Climate Solutions GmbH (hereinafter "**ACS**"), concluded the following Control and Profit Transfer Agreement. ACS has delegated the control of its company to Allianz SE, and given an undertaking to transfer its entire profits to Allianz SE. Allianz SE has undertaken to assume any and all losses sustained by ACS. The effectiveness of this agreement is subject to the approval of the Annual General Meeting of Allianz SE and the shareholders' meeting of ACS.

Pursuant to Section 293 AktG, the Control and Profit Transfer Agreement will be presented for approval to the shareholders' meeting of ACS in March 2018.

Pursuant to Section 293 AktG, the agreement will be presented to the Annual General Meeting of Allianz SE scheduled for 9 May 2018 for approval. In accordance with Section 293a AktG, the Management Board of Allianz SE and the Board of Directors of ACS issue the following joint report on the legal and economic reasons and rationale concerning the conclusion of the Agreement and its content.

II Contractual partners

The contractual partners are Allianz SE and ACS.

1. Allianz SE

Allianz SE is the parent company of the Allianz Group with its registered seat in Munich. It is registered in the company register of the “Amtsgericht” of Munich under no. HRB 164232. The fiscal year corresponds to the calendar year. The share capital of Allianz SE amounts to EUR 1,169,920,000 and is divided into 440,249,646 transfer-restricted, registered no-par value shares. Each share entitles the holder to one vote.

The corporate purpose of the Company is the direction of an international group of companies, which is active in the areas of insurance, banking, asset management, and other financial, consulting, and similar services. The Company holds interests in insurance companies, banks, industrial companies, investment companies and other enterprises. As a reinsurer, the Company primarily assumes insurance business from its Group companies and other companies in which the Company holds direct or indirect interests.

The Management Board of the Company currently comprises nine members:

- Oliver Bäte, CEO
- Sergio Balbinot
- Jacqueline Hunt
- Dr. Helga Jung
- Dr. Christof Mascher
- Niran Peiris
- Giulio Terzariol
- Dr. Günther Thallinger
- Dr. Axel Theis.

The Supervisory Board consists of twelve members and is to be composed of six shareholder representatives and six employee representatives. The shareholder representatives in the Supervisory Board are appointed by the General Meeting. The appointment of the employee representatives is carried out in accordance with the provisions of the Agreement Concerning the Participation of Employees in Allianz SE as amended from time to time, which is agreed upon in accordance with the SE-Participation Act (SE-Beteiligungsgesetz, “SEBG”).

The current members of the Supervisory Board are:

- Michael Diekmann, Chairman
- Sophie Boissard
- Christine Bosse
- Gabriele Burkhardt-Berg
- Jean-Jacques Cette
- Dr. Friedrich Eichiner
- Martina Grundler
- Herbert Hainer
- Godfrey Robert Hayward
- Jim Hagemann Snabe
- Rolf Zimmermann.

2. Allianz Climate Solutions GmbH

1. Corporate structure; position within the Allianz Group

ACS was founded in 2002 as “AZ-Argos 4 Vermögensverwaltungsgesellschaft mbH” and changed its company name on July 31, 2007. ACS is registered in the commercial register of the “Amtsgericht” of Munich under no. HRB 144068 and its share capital has a par value of EUR 36,000.00. Allianz SE is the sole shareholder of ACS.

In accordance with its Articles of Association, ACS is providing advisory services for companies of Allianz Group and also to third parties in connection with the planning and realization of investment projects related to climate protection as well as insurance agency services.

Directors of ACS are Dario Massimiliano Danelutti und Anna Simone Ruiz-Vergote.

2. Business and revenue performance

Until July 2007, ACS was a pure shell company and became operational for the first time in August 2007. The aim of the company is to identify investment opportunities in the field of renewable energies, to introduce such investment to investors in the Allianz Group and to third parties, and to accompany the respective investment process. At the same time, ACS aims to ensure that within projects in which Allianz participates as equity investor or debt intermediary Allianz insurance concepts and technical advice for renewable energies are offered or concluded. furthermore, the company is the competence center for renewable energies and climate risks of the Allianz Group. In addition, ACS advises the Allianz Group in the context of its climate policy.

Over the past 10 years, ACS has been involved in a wide variety of projects to integrate climate change into the core business of Allianz Group and to undo the consequences of climate change, including the development of initial investment initiatives in solar projects, the alignment and integration of the

Allianz’s climate strategy Business into all Business units, or by investing in projects to neutralize Group-wide CO2 emissions. ACS has been headquartered in Munich since its foundation and currently has 13 employees. ACS is currently active in the fields of renewable energies (Renewables Unit) as well as Climate Advisory.

In detail:

Renewable energies:

- ACS acts as an insurance agent with a permission pursuant to § 34d Abs. 1 GewO (German Trade Act – Gewerbeordnung) and offers standardized and tailor-made insurance solutions for renewable energy projects to internal and external customers in cooperation with Allianz risk carriers worldwide.

- ACS advises and supports all types of renewable energy and energy infrastructure projects during the design, construction and operation phases. In the meantime, ACS has assessed more than 1,000 "green" energy projects with an investment volume of more than EUR 10 billion. In addition, in cooperation with the Fraunhofer Institute for Solar Energy Systems and the VDE (Association of Electrical Engineering Electronics Information Technology e.V.) a certification of renewable energy technologies is offered internationally.

- SURE: The SURE project (Scaling Up Renewable Energies) aims to profitably expand the corporate business (MidCorp Business) of Allianz companies renewable energies worldwide by combining insurance solutions with risk-assessment services. For this purpose, a central Renewable Energy Desk "RED" was established in Allianz SE in the reinsurance division. In this connection ACS provides a variety of services (e.g. as technical certifications of renewable energy projects, knowledge transfer to build up local expertise in the Allianz), which are billed according to actual costs through a service contract to Allianz SE.

Climate Advisory:

The Climate Advisory division pursues public-private partnerships for the development of climate risk insurances in developing countries in cooperation with public partners such as the Gesellschaft für Internationale Zusammenarbeit (GIZ). ACS acts as an incubator for Allianz initiatives in the context of weather-related climate risks and is responsible for memberships in international organizations (e.g. on the board of the Munich Climate Insurance Initiative - MCII, as a member of the weather risks working group at the Geneva Association and within the Insurance Development Forum - IDF). In addition, ACS organizes the annual Allianz Climate Risk Research Award for young researchers.

Results:

For the past three years, ACS showed the following annual net profits (losses) according to the German Commercial Code method ("HGB") (each dated as of 31 December):

31.12.2015 EUR	-1,245,318.28
31.12.2016 EUR	-1,104,786.96
31.12.2017 EUR	16,554,59

The Renewables Unit is a "profit center" and generated cost-covering results until 2016. Due to new business and the new SURE project line, there has been a significant increase in revenues since 2017.

The Climate Advisory Unit is a pure "cost center" and basically provides services that benefit the entire Allianz group or at least a larger part of it. Due to this broad and general benefit, there is no passing on of costs to Allianz Group companies.

In addition to costs for business operations and other pension obligations, ACS achieved a positive annual result in 2017 of EUR 16,554.59.

III. Statement of legal and commercial reasons

The purpose of concluding this Agreement is to establish a fiscal unity (for corporation and trade tax) between Allianz SE and ACS effective from the start of the 2018 fiscal year. Through the Control and Profit Transfer Agreement, the profits and losses of ACS will be fiscally attributed (according to commercial and fiscal law) directly to Allianz SE, and thereby be consolidated at Group level with the profits of the Group companies also forming part of the fiscal unity (cf. remarks under IV.2). Net profits and losses can consequently be transferred (offset) within the Group. Depending on the tax implications for the profits of the companies in question this may produce fiscal benefits.

Since the activities of ACS are intended to promote the sustainable and profitable growth of other Allianz Group companies, it is important for Allianz SE that it be able to directly influence the Board of Directors of ACS. Through the conclusion of the Control and Profit Transfer Agreement, Allianz SE will be put in a position from which it can effectively influence the Board of Directors of ACS. This is deemed important given the significance of ACS's activities for the Allianz Group. It is for this reason that ACS will delegate its direction to Allianz SE by way of this Control and Profit Transfer Agreement, thereby binding it to the latter's instructions issued in the specific instance.

The contractually granted power to issue instructions is beneficial in that the Board of Directors of the controlled company does not have to examine every measure implemented by the controlling company to ascertain if it is detrimental to the controlled company. Executive management measures can be aligned with the common interests of the Group. The Control Agreement is a demonstrably suitable legal means for integrating ACS into the Group.

Furthermore, the controlling component also ensures the fiscal unity of ACS with the Allianz Group, meaning that the services delivered by ACS to companies forming part of the same fiscal unity as Allianz SE, and vice versa, will not be subject to value-added tax.

Apart from the benefits that come with corporate integration, other positive effects for ACS particularly include the financial security derived from the fact that Allianz SE is obliged to make up for any losses incurred. The conclusion of this Agreement does not entail any change to the shareholdings in ACS.

Aside from the assumption of losses by Allianz SE, this Agreement does not present any particular consequences for the shareholders of Allianz SE, especially since there is no obligation of consideration and compensation in relation to external shareholders. During the fiscal year (01.01.2018 – 31.12.2018) a result (in Euro thousand) is targeted:

Direct expenses:	EUR -2.310
Revenues:	EUR 1.985
	EUR -325.

IV. Legal and tax explanations regarding the Control and Profit Transfer Agreement

1. Legal explanations

1.1 General

This Control and Profit Transfer Agreement is an enterprise agreement within the definition of Section 291 et seqq. AktG. An agreement of this type may be made by way of a simple private agreement. It requires the approval of the Annual General Meeting of Allianz SE and the shareholders' meeting of ACS.

1.2 Explanation of individual provisions

The following remarks are made regarding the individual provisions of the agreement:

1.2.1 Control exercised by Allianz SE (Section 1)

In accordance with Section 1 (1), ACS submits the direction of the company to Allianz SE, which is authorized to issue instructions to the management of ACS. The directors of ACS remain responsible for the executive management and representation of the company. Allianz SE will exercise its right to issue instructions through its Management Board (Section 1 (2)).

1.2.2 Profit transfer (Section 2)

In Section 2 (1) sentence 1, ACS undertakes to transfer its entire profits to Allianz SE for the term of the Agreement. Subject to the formation or dissolution of retained earnings pursuant to para. (2), the amount to be transferred is the annual net income as determined without any profit transfer, less a loss carry-forward from the previous year, if any, and less amounts which may not be distributed according to statutory law. Furthermore, with regard to the maximum amount of the profit distribution, Section 2 (1) provides for a "dynamic reference" to Section 301 AktG ("as amended"). The transfer of profits in accordance with Section 14 (1) sentence 1 in conjunction with Section 17 (2) no. 2 Corporation Tax Act (Körperschaftsteuergesetz, "KStG") is imperative in order for the fiscal unity between ACS and Allianz SE to be effective.

According to Section 2 (2) sentence 1 of the Control and Profit Transfer Agreement, ACS may, with the consent of Allianz SE, allocate amounts out of the annual net income to the retained earnings (Section 272 (3) German Commercial Code (Handelsgesetzbuch, “HGB”)) only insofar as this is permissible under applicable German accounting rules, and is economically justified based on a sound business judgement. Such a case can arise, amongst others, where ACS is planning to make investments of a larger magnitude.

Section 2 (2) sentence 2 of the Control and Profit Transfer Agreement provides that, upon request by Allianz SE, any other retained earnings pursuant to Section 272 (3) HGB accumulated during the term of the Agreement must be dissolved and applied to balancing any annual deficit or be transferred as profit. The transfer of amounts generated from the dissolution of other retained earnings, as defined in sentence 2, which are accumulated prior to the effectiveness of the Agreement shall be excluded (Section 2 (2) sentence 3). These are standard provisions commonly found in a control and profit transfer agreement.

1.2.3 Loss assumption (Section 3)

In accordance with the provisions of Art. 9 (1) c) ii) SE Regulation (SE-Verordnung, "SE-VO") in conjunction with Section 302 (1) AktG, as amended, Allianz SE is obliged to compensate any annual deficit sustained during the term of the Agreement, unless such deficit is balanced through withdrawing amounts from the other retained earnings pursuant to Section 272 (3) HGB, which were allocated to the retained earnings during the term of the Agreement. The cause of the deficit is irrelevant, meaning that ACS, as a rule, cannot incur any accumulated loss during the term of this enterprise agreement. However, if other retained earnings are formed during the term of the Agreement, these may be dissolved in subsequent years in order to equalise losses, instead of Allianz SE making compensation payments for this purpose. Section 3 (1) also provides for a dynamic reference to the loss assumption provision contained in Section 302 AktG ("as amended"). In order for the fiscal unity between ACS and Allianz SE to be effective, it is fiscally imperative that, as the controlling entity, Allianz SE is obliged to equalise any deficit sustained by ACS as the controlled entity (Section 17 KStG). These are standard provisions commonly found in a control and profit transfer agreement.

According to Section 3 (2), ACS may request that Allianz SE make instalment payments on the loss assumption pursuant to Section 3 (1) of the Control and Profit Transfer Agreement in the course of the fiscal year, whereas such instalment payments shall not exceed the total anticipated loss compensation entitlement. If it is determined that the instalment payments exceed the actual claim for loss assumption, ACS shall refund Allianz SE with the exceeding amount. If it turns out that the deductions made exceed the actual loss compensation claim, ACS must reimburse Allianz SE for the excess amount within 10 days of the date of the annual financial statements. After the expiration of this term of payment, the reimbursement claim of Allianz SE in the amount of the applicable 1-month Euribor plus 100 basis points p.a. to pay interest.

1.2.4 Coming-into-effect (Section 4 (1) and (2))

Allianz SE and ACS have concluded the Control and Profit Transfer Agreement subject to the approval of the Annual General Meeting of Allianz SE and the shareholders' meeting of ACS (Section 4 (1)).

Corresponding to the stipulations of Section 294 (2) AktG, Section 4 (2) determines that the Control and Profit Transfer Agreement will become effective upon its registration in the commercial register of ACS, and that it shall have retroactive effect as of 1 January 2018. The obligation to transfer profits and the obligation to assume losses therefore applies from the start of the 2018 fiscal year. The control aspect, as defined in Section 1, shall only apply following the entry of the agreement into ACS's commercial register.

1.2.5 Duration of the agreement (Section 4 (3) and (4))

Section 4 (3) provides that the Agreement is concluded for a fixed term ending at midnight on 31 December 2022. The agreement therefore fulfils the fiscal minimum period of five years. Following the end of the minimum period, the Agreement shall be consecutively renewed for one more calendar year, unless one of the contractual partners terminates the Agreement in writing at least six months prior to its expiry. During the term of the Agreement, it may only be terminated for cause (Section 4 (4)). Termination for cause shall particularly be available if Allianz SE completely or partly disposes of its participation in ACS or, it no longer directly holds the majority of the voting rights resulting from its participation.

1.2.6 Payment of interest (Section 4 (5), (6) and (7))

The loss assumption obligation shall bear interest at the end of the balance sheet date and the profit transfer obligation starting with the end of the day following the determination of the annual financial statements in the amount of the applicable 1-month Euribor plus 100 basis points p.a. The interest calculation method act / 360 applies in each case.

1.2.7 No provision concerning consideration or compensation payments

Sole shareholder of ACS is Allianz SE. As a result ACS has no external shareholders within the meaning of Section 304 AktG, and no provisions concerning consideration or compensation payments (Sections 304, 305 AktG) are required. In addition, an audit of the control and profit transfer agreement as well as a respective report of a contract auditor are not required (§§ 293 ff. AktG).

2. Fiscal explanations

The Profit Transfer Agreement is concluded for the purpose of creating a fiscal unity (for corporation and trade tax). As a consequence of the resulting fiscal unity, the taxable income of ACS (controlled entity) is directly attributable to Allianz SE (controlling entity). The existence of the fiscal unity means that the taxes usually payable on this transfer of profits (taxation of dividends and capital gains tax) are avoided. The establishment of the fiscal unity (for gains tax) is conditional on the financial integration of an incorporated company (controlled entity) into a German-based commercial enterprise (controlling entity). The financial integration is implemented through Allianz SE owning the majority of the voting rights attributable to the participation in ACS by adding up its direct and indirect participation (Section 14 (1) sentence 1 no. 1 in conjunction with Section 17 (1) KStG). Aside from this condition, the establishment of the fiscal unity (for corporation and trade tax) is subject to the conclusion of a profit transfer agreement within the definition of Section 291 AktG, through which the controlled entity (ACS) undertakes to transfer its entire profits to the controlling entity (Allianz SE), and through which the controlling entity, for its part, undertakes to equalise any losses incurred by the controlled entity. For the establishment of the fiscal unity to be effective, the Agreement must be concluded for a minimum period of five years, and be performed in reality. The attributable taxable income of ACS increases or diminishes the taxable income of Allianz SE.

There is no economically sound alternative to the conclusion of the Control and Profit Transfer Agreement. In accordance with Section 14 (1) sentence 1 in conjunction with Section 17 (1) KStG, the conclusion of this agreement is an imperative requirement for the creation of a fiscal unity (for corporation and trade tax) between ACS and Allianz SE. This is the only means by which the associated fiscal benefits can be realised. A summarised assessment of the Agreement finds that it is beneficial to both, Allianz SE as well as ACS.

Munich, 13 February 2018

Allianz SE

Signatures

Allianz Climate Solutions GmbH

Signatures