Notice

This translation is provided to shareholders for convenience purposes only.

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

***

Joint Report

of the Board of Management of Allianz SE, Munich

and the Board of Management
of AllSecur Deutschland AG, Munich

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

Control and Profit Transfer Agreement

of 13 February 2019

between

Allianz SE, Munich,

and

AllSecur Deutschland AG, Munich

I. Introduction

On 13 February 2019, Allianz SE and AllSecur Deutschland AG (hereinafter "**AllSecur**"), concluded the following Control and Profit Transfer Agreement. AllSecur 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 AllSecur. The effectiveness of this agreement is subject to the approval of the Annual General Meetings of Allianz SE and AllSecur as well as the approval of the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht “BaFin”).

Pursuant to § 293 AktG, the Control and Profit Transfer Agreement will be presented for approval to the Annual General Meeting of AllSecur in March 2019.

Pursuant to § 293 AktG, the agreement will be presented to the Annual General Meeting of Allianz SE scheduled for 8 May 2019 for approval. In accordance with § 293a AktG, the Board of Management of Allianz SE and the Board of Management of AllSecur 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 AllSecur.

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 424,459,661 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, 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 Board of Management of the Company currently comprises ten members:
- Oliver Bäte, CEO
- Sergio Balbinot
- Jacqueline Hunt
- Dr. Helga Jung
- Dr. Christof Mascher
- Niran Peiris
- Iván de la Sota
- 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 of the Company are:
- Michael Diekmann, Chairman
- Sophie Boissard
- Christine Bosse
- Gabriele Burkhardt-Berg
- Dr. Friedrich Eichiner
- Jean-Claude Le Goaër
- Martina Grundler
- Herbert Hainer
- Godfrey Robert Hayward
- Frank Kirsch
- Jürgen Lawrenz
- Jim Hagemann Snabe.

2. AllSecur Deutschland AG

2.1 Corporate structure; position within the Allianz Group

The Company was founded in 1999 under the name "Vereinte Spezial Versicherung AG" with registered office in Munich and has been trading as "AllSecur Deutschland AG" since 9 November 2010. AllSecur is registered under HRB 95802 in the company register of the “Amtsgericht” of Munich and has a nominal share capital of EUR 819,200, divided into 1,600 transfer-restricted, registered no-par value shares. Each no-par value share carries one vote. The sole shareholder of AllSecur is Allianz SE.

The object of AllSecur’s business is the direct operation of property and casualty insurance in Germany and abroad. In the motor vehicle liability insurance, insurance cover is offered only for privately used motorcycles, cars, campers and trailers. Furthermore, the object of the company is the indirect operation of all branches of insurance as well as the mediation of insurance of all kinds, building savings contracts and other contracts that are directly related to the insurance business of AllSecur.

Mr. Harald Boysen, Chairman, and Mr. Christian Warmuth form the Board of Management of AllSeucr.

The Supervisory Board of AllSecur consists of five members who are appointed by the General Meeting. The current members of the Supervisory Board are:

- Frank Sommerfeld, Chairman
- Bernd Heinemann
- Dr. Birgit König
- Bart Schlatmann
- Beatriz Corti Stuber.

2.2 Business and revenue performance

Since its change of the trade name in 2010, AllSecur has been active exclusively as a direct insurer on the German private customer market. Prior to this, further business was written, in particular the Allianz internal and external employee business. However, these partial portfolios were transferred to Allianz Versicherungs-AG as of January 1, 2010. Today, AllSecur primarily writes its own business with its own target-group-specific pricing with a focus on motor insurance (Kraft), supplemented by personal liability insurance (Haft) and household insurance (Hausrat).

At the end of 2018, AllSecur had a portfolio of 719,983 motor liability policies, making it one of the largest direct motor insurers in Germany.

AllSecur pursues the overriding objective of achieving a leading position in direct business. The core levers for achieving this goal are attractive pricing, competitive costs through simple, highly automated processes and a high level of customer satisfaction. To achieve this goal over the next three to five years, AllSecur, under the leadership of Allianz SE, is developing the European Direct Platform (EDP) with its European sister companies. As part of this project, several direct carriers of the Allianz Group are pooling their resources and are jointly developing products, processes and IT structures that are optimized to meet the requirements of the direct market. In terms of sales, the aim is not only to promote the direct sales channels more strongly using the Allianz brand, but also to win further sales cooperation partners in order to achieve this goal.

Annual results:

In the last three financial years, AllSecur achieved the following results after taxes (in each case as of 31 December, in accordance with HGB):

2016 EUR 5,625,672
2017 EUR 7,900,298
2018 EUR 23,980,212

Due to the profit transfer agreement between AllSecur and Allianz Deutschland AG existing until December 31, 2018, the net income for the year amounted to EUR 0 in each case.

With a premium growth of 12.6%, AllSecur again recorded growth above the motor insurance market in the 2018 financial year. In the medium term, accelerated growth and a further improvement in AllSecur's operating result are expected.

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 AllSecur effective from the start of the 2019 fiscal year. Through the Control and Profit Transfer Agreement, the profits and losses of AllSecur 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 AllSecur 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 Management of AllSecur. 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 Management of AllSecur. This is deemed important given the significance of AllSecurs's activities for the Allianz Group. It is for this reason that AllSecur 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 Management 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 AllSecur into the Group.

Furthermore, the controlling component also ensures the fiscal unity of AllSecur with the Allianz Group, meaning that the services delivered to AllSecur by 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 AllSecur particularly include the financial security derived from the fact that Allianz SE is obliged to make up for any losses incurred.

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.

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 § 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 Meetings of Allianz SE and AllSecur as well as the approval of the BaFin.

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), AllSecur submits the direction of the company to Allianz SE, which is authorized to issue instructions to the Board of Management of AllSecur. The Board of Managment of AllSecur remains responsible for the executive management and representation of the company. Allianz SE will exercise its right to issue instructions through its Board of Management only (Section 1 (2)). The Board of Management of AllSecur decides in its own responsibility on compliance with the statutory and supervisory regulations as well as the administrative principles of the supervisory authorities. Allianz SE therefore abstains from all instructions to the Board of Management of AllSecur the adherence to which - objectively assessed - would be detrimental to the interests of the insured persons or the permanent fulfillment of the insurance contracts.

1.2.2 Profit transfer (Section 2)

In Section 2 (1) sentence 1, AllSecur undertakes to transfer its entire profits to Allianz SE for the term of the Agreement. Subject to the formation or dissolution of reserves in accordance with (2) to (4), the net income for the year arising without the profit transfer, less any loss carried forward from the previous year and the amount to be allocated to the statutory reserve in accordance with § 300 AktG as well as the amount that is blocked from distribution in accordance with § 268 (8) HGB, shall be transferred. Profits shall only be permitted to be transferred in an amount remaining after deduction of mandatory allocations provided for by law, regulations or regulatory provisions. § 301 AktG shall apply as amended from time to time. The transfer of profits in accordance with § 14 (1) sentence 1 Corporation Tax Act (Körperschaftsteuer-gesetz, "KStG") is imperative in order for the fiscal unity between AllSecur and Allianz SE to be effective.

Pursuant to Section 2 (2) sentence 1 of the Control and Profit Transfer Agreement, AllSecur may, with the consent of Allianz

SE, allocate amounts out of the annual net income to the retained earnings (§ 272 (3) 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 AllSecur is planning to make large investments.

According to Section 2 (2) sentence 2, AllSecur may, without the consent of Allianz SE, also transfer amounts to other retained earnings in order to comply with the solvency capital requirements prescribed by law.

Section 2 (3) sentence 1 of the Control and Profit Transfer Agreement provides that, upon request by Allianz SE, any other retained earnings pursuant to § 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 which are accumulated prior to the effectiveness of the Agreement shall be excluded (Section 2 (3) sentence 2). 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 § 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 § 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 AllSecur, 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. In order for the fiscal unity between AllSecur 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 AllSecur as the controlled entity. These are standard provisions commonly found in a control and profit transfer agreement.

According to Section 3 (2), AllSecur 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, AllSecur shall refund Allianz SE with the exceeding amount. If it turns out that the deductions made exceed the actual loss compensation claim, AllSecur 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 bears interest in the amount of the applicable 1-month Euribor plus 100 basis points p.a.

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

Allianz SE and AllSecur have concluded the Control and Profit Transfer Agreement subject to the approval of the Annual General Meetings of Allianz SE and AllSecur as well as the approval of the BaFin (Section 4 (1)).

Corresponding to the stipulations of § 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 AllSecur, and that it shall have retroactive effect as of 1 January 2019. The obligation to transfer profits and the obligation to assume losses therefore applies from the start of the 2019 fiscal year. The control aspect, as defined in Section

1, shall only apply following the entry of the agreement into AllSecur's commercial register.

1.2.5 Duration of the agreement (Section 4 (3),(4) and (5))

Section 4 (3) provides that the Agreement is concluded for a fixed term ending at midnight on 31 December 2023. 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)). The right to terminate the Agreement for cause without notice remains unaffected. Termination for cause shall particularly be available if termination is so requested by BaFin, if Allianz SE completely or partly disposes of its participation in AllSecur, or as soon as Allianz SE is no longer directly entitled to the majority of the voting rights from its shares in AllSecur. The use of the loss assumption provided for in the Agreement by AllSecur does not constitute cause for termination without notice. In order to be effective, the termination of the agreement pursuant to Sectio 4 paras. 3 and 4 requires the approval of BaFin.

1.2.6 Payment of interest (Section 4 (6), (7) and (8))

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 AllSecur is Allianz SE. As a result, AllSecur has no external shareholders within the meaning of § 304 AktG, and no provisions concerning consideration or compensation payments (§§ 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 (§§ 293b (1), 293e 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 AllSecur (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 AllSecur (Section 14 (1) sentence 1 no. 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 § 291 AktG, through which the controlled entity (AllSecur) 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 actively exercised. The attributable taxable income of AllSecur 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 KStG, the conclusion of this agreement is an imperative requirement for the creation of a fiscal unity (for corporation and trade tax) between AllSecur 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 AllSecur.

Munich, 14 February 2019

Allianz SE

Signatures

Munich, 13 February 2019

AllSecur Deutschland AG

Signatures