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Joint Report

of the Board of Management of Allianz SE, Munich

**and the Board of Directors
of Allianz Africa Holding GmbH, Munich**

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

Control and Profit Transfer Agreement

of 18 February 2020

between

Allianz SE, Munich,

and

Allianz Africa Holding GmbH, Munich

I. Introduction

On 18 February 2020, Allianz SE and Allianz Africa Holding GmbH (hereinafter "**AAH**"), concluded the following Control and Profit Transfer Agreement. AAH 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 AAH. The effectiveness of this agreement is subject to the approval of the Annual General Meeting of Allianz SE and the shareholders' meeting of AAH.

Pursuant to Section 293 AktG, the Control and Profit Transfer Agreement will be presented for approval to the shareholders' meeting of AAH in March 2020.

Pursuant to Section 293 AktG, the agreement will be presented to the Annual General Meeting of Allianz SE scheduled for 6 May 2020 for approval. In accordance with Section 293a AktG, the Management Board of Allianz SE and the Board of Directors of AAH 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 AAH.

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 417,172,859 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 ten members:

- Oliver Bäte, CEO
- Sergio Balbinot
- Jacqueline Hunt
- Dr. Christof Mascher
- Niran Peiris
- Iván de la Sota
- Giulio Terzariol
- Dr. Günther Thallinger
- Dr. Axel Theis
- Renate Wagner.

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
- Dr. Friedrich Eichiner
- Jean-Claude Le Goaër
- Martina Grundler
- Herbert Hainer
- Godfrey Robert Hayward
- Frank Kirsch
- Jürgen Lawrenz
- Jim Hagemann Snabe.

2. Allianz Africa Holding GmbH

2.1 Corporate structure; position within the Allianz Group

Allianz Africa Holding GmbH was founded in 2019 and registered in the commercial register of the "Amtsgericht" of Munich under no. HRB 249923 on 8 July 2019. The share capital of AAH has a par value of EUR 25,000.00. Allianz SE is the sole shareholder of AAH.

In accordance with its Articles of Association, the object of AAH is the administration of participations, shareholdings and interests in companies of all kinds in Germany and abroad, particularly in Africa.

Directors of AAH are Nandini Wilcke and Mohamed Amine Benabbou.

2.2 Business and revenue performance

Following the establishment of AAH, the shareholding in Allianz Africa SAS was transferred from Allianz France SA to AAH in December 2019 through an intra-group transfer. Allianz Africa SAS, in turn, holds a large number of the participations of Allianz Group in Africa, with the exception of Nigeria and Morocco. It is planned to further streamline the structure of Allianz Group's participations in Africa by bringing the Group's interests in Nigeria and Morocco under the ownership of AAH in 2020 and 2021, subject to regulatory approval. Furthermore, in order to improve the efficiency of its operations, the goal is to move all steering and controlling activities regarding the Allianz Group's participations in Africa to AAH by the end of 2021 pending completion of regulatory and financial analyses. Thereafter, AAH should function as the regional holding and steering company for the Allianz Group's participations in Africa.

Result 2019:

For the business year 2019, AAH showed the following annual net profit (loss) according to the German Commercial Code method ("HGB") (dated as of 31 December):

31.12.2019 EUR - 6,640.43

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 AAH effective from the start of the 2020 fiscal year. Through the Control and Profit Transfer Agreement, the profits and losses of AAH 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.

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 AAH. This is deemed important given the significance of AAH's activities for the Allianz Group in grouping of the participations in the Africa region. It is for this reason that AAH 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 AAH into the Group.

Furthermore, the controlling component also ensures the fiscal unity of AAH with the Allianz Group, meaning that the services delivered by AAH 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 AAH 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 AAH.

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 (01.01.2020 – 31.12.2020) a result (in Euro thousand) is targeted:

Direct expenses:	EUR	1,270,000
<u>Revenues:</u>	EUR	<u>4,500,000</u>
	EUR	3,230,000

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 AAH.

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), AAH submits the direction of the company to Allianz SE, which is authorized to issue instructions to the management of AAH. The directors of AAH 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, AAH 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 Section 2 (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 (Körperschaftsteuer-gesetz, "KStG") is imperative in order for the fiscal unity between AAH and Allianz SE to be effective.

According to Section 2 (2) sentence 1 of the Control and Profit Transfer Agreement, AAH 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 AAH 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. However, 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 (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 AAH, 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 AAH 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 AAH 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), AAH 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, AAH shall refund Allianz SE with the exceeding amount. If it turns out that the deductions made exceed the actual loss compensation

claim, AAH 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 AAH 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 AAH (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 AAH, and that it shall have retroactive effect as of 1 January 2020. The obligation to transfer profits and the obligation to assume losses therefore applies from the start of the 2020 fiscal year. The control aspect, as defined in Section 1, shall only apply following the entry of the agreement into AAH'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 2024. 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 AAH, 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 AAH is Allianz SE. As a result, AAH 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 (Sections 293b (1) and 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 AAH (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 AAH 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 (AAH) 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 AAH 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 AAH 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 AAH.

Munich, 18 February 2020

Allianz SE

Signatures

Allianz Africa Holding GmbH

Signatures