

Prospectus dated 9 April 2015



## ALLIANZ SE

*(incorporated as a European Company (Societas Europaea – SE) in Munich, Germany)*

### EUR 1,500,000,000 Subordinated Fixed to Floating Rate Notes with scheduled maturity in 2045

Issue Price 99.993 per cent.

Allianz SE (the "**Issuer**"), will issue on 9 April 2015 (the "**Issue Date**") EUR 1.500.000.000 subordinated fixed to floating rate notes with a scheduled maturity in 2045 in a denomination of EUR 100,000 per Note (the "**Notes**") as Series 68 Tranche 1 under the €25,000,000,000 Debt Issuance Programme of Allianz SE, Allianz Finance II B.V. and Allianz Finance III B.V. guaranteed by Allianz SE (the "**Programme**").

The Notes will be governed by the laws of the Federal Republic of Germany ("**Germany**").

The Notes will bear interest from and including the Issue Date to but excluding 7 July 2025 (the "**First Call Date**") at a rate of 2.241 per cent. per annum, scheduled to be paid annually in arrear on 7 July in each year, commencing on 7 July 2016 (long first coupon). Thereafter, unless previously redeemed, the Notes will bear interest at a rate of 2.65 per cent. per annum above the 3-months EURIBOR being the Euro-zone inter-bank offered rate for three-month Euro deposits, scheduled to be paid quarterly in arrear on 7 January, 7 April, 7 July and 7 October in each year (each a "**Floating Interest Payment Date**"), commencing on 7 October 2025.

Under certain circumstances described in Condition 3.2 of the Terms and Conditions of the Notes (the "**Terms and Conditions**"), interest payments on the Notes may be deferred at the option of the Issuer or will be required to be deferred.

The Notes are scheduled to be redeemed at the Redemption Amount (as defined in the Terms and Conditions) on the Floating Interest Rate Payment Date falling on or nearest to 7 July 2045, provided that on such date the Conditions to Redemption (as defined in the Terms and Conditions) are fulfilled. If this is not the case, the Notes will be redeemed only in the circumstances described in the definition of the term Final Maturity Date (as defined in the Terms and Conditions) on the Final Maturity Date. Under certain circumstances described in Condition 4 of the Terms and Conditions, the Notes may be subject to early redemption.

This prospectus in respect of the Notes (the "**Prospectus**") constitutes a prospectus within the meaning of Article 5.3 of Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 (as amended, inter alia, by Directive 2010/73/EU) (the "**Prospectus Directive**"). This Prospectus will be published in electronic form together with all documents incorporated by reference on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

This Prospectus has been approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**") of the Grand Duchy of Luxembourg in its capacity as competent supervisory authority under the Luxembourg act relating to prospectuses for securities (loi relative aux prospectus pour valeurs mobilières) dated 10 July 2005 which implements the Prospectus Directive into Luxembourg law, as amended (the "**Luxembourg Prospectus Law**"). By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial opportuneness of the transaction and the quality or solvency of the Issuer in line with the provisions of article 7(7) of the Luxembourg Prospectus Law. The Issuer may request the CSSF to provide competent supervisory authorities in host Member States within the European Economic Area, with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Luxembourg Prospectus Law.

Application has been made to the Luxembourg Stock Exchange for the Notes to be listed on the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market "Bourse de Luxembourg", appearing on the list of regulated markets issued by the European Commission. The Luxembourg Stock Exchange's regulated market is a Regulated Market for the purposes of the Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

The Notes will initially be represented by a temporary global note in bearer form (the "**Temporary Global Note**"). Interests in a Temporary Global Note will be exchangeable, in whole or in part, for interest in a permanent global note (the "**Permanent Global Note**") on or after the date 40 days after the later of the commencement of the offering and the Issue Date (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership. The Global Notes will be deposited prior to the Issue Date with Clearstream Banking AG, Frankfurt am Main ("**Clearstream Frankfurt**").

Joint Lead Managers

**Citigroup**

**Commerzbank**

**Crédit Agricole CIB**

**Deutsche Bank**

**HSBC**

Co-Lead Managers

**BayernLB**

**Helaba**

**National Australia Bank Limited**

**Santander Global Banking & Markets**

**Société Générale Corporate & Investment Banking**

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "Documents Incorporated by Reference" below).

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Manager. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and trading in the Notes has not been approved by the U.S. Commodity Futures Trading Commission under the U.S. Commodity Exchange Act, as amended. The Notes will be issued in bearer form and are subject to certain U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")).

The Notes are being offered and sold outside the United States to non-U.S. persons and may not be legally or beneficially owned at any time by any U.S. person (as defined in the US Internal Revenue Code of 1986, as amended and regulations thereunder). For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or any Manager to subscribe for, or purchase, any Notes.

The Managers have not separately verified the information contained in this Prospectus. The Managers do not make any representation, expressly or implied, or accepts any responsibility, with respect to the accuracy or completeness of any information contained in this Prospectus. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or the Managers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. The Managers do not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch and HSBC Bank plc (together, the "**Joint Lead Managers**") and Banco Santander, S.A., Bayerische Landesbank, Landesbank Hessen-Thüringen Girozentrale, National Australia Bank Limited and Société Générale (each a "**Co-Lead Manager**" and together with the Joint Lead Managers, the "**Managers**").

This Prospectus may only be used for the purpose for which it has been published.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus. This Prospectus identifies in general terms certain information that a prospective investor should consider prior to making an investment in the Notes. However, a prospective investor should conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in any Notes as any evaluation of the suitability for an investor of an investment in the Notes depends upon a prospective investor's particular financial and other circumstances, as well as on the specific terms of

the Notes and, if it does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, it should consult its financial adviser on the suitability of the Notes prior to deciding to make an investment.

IN CONNECTION WITH THE ISSUE OF THE NOTES, COMMERZBANK AKTIENGESELLSCHAFT (THE "**STABILISING MANAGER**") (OR A PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR A PERSON ACTING ON BEHALF OF A STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 CALENDAR DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGER (OR A PERSON ACTING ON BEHALF OF ANY STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "EUR", "euro" and "€" are to the currency introduced at the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union, and references to "US\$", "USD" and "U.S. dollars" are to the currency of the United States of America.

### **Cautionary note regarding forward-looking statements**

The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events) (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

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## **RISK FACTORS**

### **Risk factors relating to Allianz SE /Allianz Group**

The following is a description of risk factors in relation to Allianz SE as Issuer. The realisation of any of the risks described below may affect the ability of Allianz SE to fulfil its obligations as Issuer and/or may adversely affect the market price of Notes and can lead to losses for the holders of the Notes (the "Noteholders") if they sell Notes before they fall due for redemption. As a result, investors are exposed to the risk of losing their investment in whole or in part. Additional risks not currently known to Allianz SE or Allianz Group that are now immaterial may result in material risks in the future. Investors should be aware that the Issuer as the ultimate parent of the Allianz Group may face the same risks as the Allianz Group.

Words and expressions defined in the Terms and Conditions shall have the same meanings in this section.

### **Risks arising from the financial markets**

#### ***The share price of Allianz SE has been and may continue to be volatile.***

The share price of Allianz SE has been volatile in the past and may continue to be affected in particular in the wake of the ongoing weak economic growth in Europe, which is being addressed by the ECB through its expansive monetary policy. In addition increasing geopolitical risks including the conflicts in the Middle East as well as between Russia and Ukraine may increase volatility in the share price of Allianz SE. The share price and trading volume of Allianz SE's common stock may continue to be subject to significant fluctuations due in part to the high volatility in the securities markets generally, and in financial institutions' shares in particular, as well as developments which impact the Allianz Group's financial results. Factors other than the Allianz Group's financial results that may affect Allianz SE's share price include but are not limited to: market expectations of the performance and capital adequacy of financial institutions generally; investor perception of and the actual performance of other financial institutions; investor perception of the success and impact of the Allianz Group's strategy; a downgrade or rumored downgrade of the Allianz Group companies' credit ratings; potential litigation or regulatory action involving the Allianz Group or any of the industries the Allianz Group has exposure to through the Allianz Group's insurance, asset management and corporate and other activities; announcements concerning the bankruptcy or other similar reorganization proceedings involving, or any investigations into the accounting practices of, any insurance or reinsurance companies, banks or asset management companies outside the Allianz Group; and general market volatility and liquidity conditions.

#### ***The Allianz Group's financial condition, liquidity needs, access to capital and cost of capital may be significantly affected by adverse developments in the capital and credit markets.***

If the capital and credit markets experience extreme volatility and disruption, the availability of liquidity and credit capacity for certain issuers may be constrained. The ability of the Allianz Group to meet its financing needs depends on the availability of funds in the international capital markets. The financing of the Allianz Group's activities includes, among other means, funding through commercial paper facilities and medium- and long-term debt issuances. A break-down of such markets such as in the last global financial crisis could have a materially adverse impact on the availability and cost of funding as well as on the refinancing structure of the Allianz Group. The availability of financing will depend on a variety of factors such as market conditions, the general availability of credit, the volume of trading activities, the overall availability of credit to the financial services industry, the credit ratings and credit capacity of the Allianz Group companies as well as the possibility that customers or lenders could develop a negative perception of the Allianz Group's long- or short-term financial prospects if the Allianz Group companies incur large investment losses or if the level of the Allianz Group's business activity decreases due to a market downturn. Similarly, the Allianz Group's access to funds may be impaired if regulatory authorities or rating agencies take negative actions against the Allianz Group companies. The Allianz Group's internal sources of liquidity may prove to be insufficient, in which case the Allianz Group may not be able to successfully obtain additional financing on favourable terms, or at all.

In addition, the ability of the Allianz Group to meet its financial needs also depends on the availability of funds across the Group (e.g., in the form of intra-group loans or an international cash pooling infrastructure). A repetition of the worldwide collapse of financial markets and downturn affecting many of the Group's operating entities, however, may reduce the Group's flexibility in internally transferring funds.

Disruptions, uncertainty or volatility in the capital and credit markets may also limit the Allianz Group's access to capital required to operate its business, most significantly the insurance operations. Such market conditions may limit the Allianz Group's ability to replace, in a timely manner, maturing liabilities; satisfy regulatory capital requirements; generate fee income and market-related revenue to meet liquidity needs; and access the capital necessary to grow its business. As such, the Allianz Group may be forced to delay raising capital, issue shorter tenor securities than preferred, or bear an unattractive cost of capital, any of which could decrease the Allianz Group's profitability and significantly reduce the Allianz Group's financial flexibility. The Allianz Group's results of operations, financial condition and regulatory capital position could be materially adversely affected by disruptions in the financial markets.

Furthermore, a limited amount of the Allianz Group's funds is invested in private equity or other alternative assets classes. The value of these investments may be impacted by turbulences in the financial markets. Therefore, it may be difficult to renew the debt structure of leveraged investments.

***As in the last global financial crisis the Allianz Group may be adversely affected by the development of the global economy in general and global financial markets in particular. The Allianz Group's management cannot assess how the global economy and the global capital markets will develop in the near future.***

The Allianz Group's financial results are, amongst others, subject to market risk. Risk can arise, among others, from adverse changes in interest rates, credit spreads, foreign exchange rates, equity and real estate prices and other relevant parameters such as market volatility. For example, the last crisis in the North American mortgage market and the subsequent crisis in the global financial markets led to a re-evaluation of risks. Similarly, the Euro zone sovereign debt crisis and concerns over the viability of the European Union have further increased uncertainties in the financial markets. The probability of default increased for many asset classes, including sovereign debt, resulting in a multitude of credit rating downgrades and widening credit spreads. In addition, price volatility of many financial assets such as equities, credit and structured products increased significantly. At the same time, liquidity in the markets for these assets fell substantially making it difficult to sell certain assets at reasonable prices.

While the risks to the global economy are still substantial, the market continues to be concerned about a potential increase in inflation, rising unemployment, limited availability and higher cost of credit, renewed pressure on real estate and mortgage markets, sovereign indebtedness in many developed countries, particularly the Eurozone and the United States, as well as geopolitical and other risks. As a consequence, volatility may increase and the prospects for the global economy and global capital markets remain challenging. There is a risk that global economic growth remains subdued or even turns into a recession.

Within the eurozone adverse scenarios being driven by the uncertainty surrounding the European sovereign debt crisis might lead to a Euro crisis. The sovereign debt-related difficulties in several other eurozone countries continue, including, but not limited to, Cyprus, Greece, Italy, Ireland, Portugal and Spain, together with the risk of contagion to other more stable countries, particularly France and Germany. To address the high levels of public debt, many countries are curbing their government spending, thereby negatively affecting their respective gross domestic products. This situation has also raised a number of questions regarding the stability and overall standing of the eurozone, raising questions regarding the potential reintroduction of national currencies in one or more eurozone countries or, in particularly dire circumstances, the abandonment of the Euro.

The occurrence of such adverse scenarios or another adverse event might result in higher levels of financial market volatility, especially in the equity and foreign exchange markets, lower interest rates due to monetary policy response, increased challenges in the banking sector, including bank run scenarios, where large number of customers withdraw their deposits, as well as bond impairments and increased bond spreads due

to a flight to quality and other difficult to predict spill-over effects. Since the Allianz Group has a significant parts of its business and investment exposures in countries that might be affected by a contagion of the sovereign debt crisis, especially in Italy and Spain, the occurrence of any such adverse scenarios would most likely have unforeseeable adverse impacts on the Allianz Group's business and financial position.

Factors such as consumer spending, investments, government spending, the volatility and strength of the capital markets, inflation and others affect the business and economic environment and, ultimately, the profitability of the Allianz Group. In an economic downturn characterized by higher unemployment, lower family income, lower corporate earnings, lower levels of investments and consumer spending, the demand for the Allianz Group's financial and insurance products could be adversely affected. In addition, the Allianz Group may experience an elevated incidence of claims and lapses or surrenders of policies. The Allianz Group's policyholders may choose to defer paying insurance premiums or stop paying insurance premiums altogether. Also, a spike in inflation without a corresponding increase in interest rates may negatively affect the Allianz Group's Property-Casualty business. Moreover, the Allianz Group companies are a significant writer of unit-linked and other investment-oriented products, for which sales have decreased due to customer concerns regarding their exposure to the financial markets. Adverse changes in the economy could affect the Allianz Group's earnings negatively and could have a material adverse effect on the Allianz Group's business and its financial condition, including shareholders' equity.

The financial results of the Allianz Group may come again under pressure. The Allianz Group's management cannot assess how the global economy and the global financial markets will develop in the near future.

***Interest rate volatility and persisting low interest rates may adversely affect the Allianz Group's results of operations and economic capitalization.***

Changes in prevailing interest rates (including changes in the difference between the levels of prevailing short- and long-term rates) may adversely affect the Allianz Group's insurance, asset management, corporate and other results.

Over the past several years and in particular during the global financial and European sovereign debt crisis as well as driven by the recent introduction of quantitative easing by the ECB to address the weak economic development, movements in both short- and long-term interest rates have affected the level and timing of recognition of gains and losses on securities held in the Allianz Group's various investment portfolios. An increase in interest rates could substantially decrease the value of the Allianz Group's fixed-income portfolio, and any unexpected change in interest rates could materially adversely affect the Allianz Group's bond and interest rate derivative positions.

Assets and liabilities from a Group perspective are not necessarily matched in terms of interest rate sensitivities and therefore any big unexpected change in interest rates could materially adversely affect the Allianz Group's bond and interest rate derivative positions and the fair value of liabilities. A change in prevailing interest rates may accordingly have a negative impact on the capitalization of the Allianz Group.

Results of the Allianz Group's asset management business may also be affected by movements in interest rates, as management fees are generally based on the value of assets under management, which fluctuate with changes in the level of interest rates.

Changes in interest rates will impact the Allianz Group's Life/Health business to the extent they result in changes to current interest income, impact the value of the Allianz Group's fixed-income portfolio and the fair value of the liabilities and affect the levels of new product sales or surrenders of business in force. Products designed to partly or entirely transfer exposure to interest rate movements to the policyholder reduce partly the impact of interest rate fluctuation on this business. However, reductions in the effective investment income below the rates prevailing at the issue date of the policy, or below the long-term guarantees in countries such as Germany and Switzerland, would reduce the profit margins or lead to losses on the Life/Health insurance business written by the Allianz Group's Life/Health subsidiaries to the extent the maturity composition of the assets does not match the maturity composition of the insurance obligations they are backing. In particular, if low interest rates persist, the effective investment income will be negatively impacted over a longer period. Similarly, reductions in the effective investment income of the

fixed income trust assets backing the Allianz Group's pension reserves may lead to deficits of the internal pension plans, and these deficits would have to be covered by the Allianz Group. Interest rate volatility risk could substantially impact the economic capitalization in a low interest rate environment, as long term guarantees in Life/Health business increase in value.

***The Allianz Group is exposed to significant market risks that could impair the value of the Allianz Group's portfolio and adversely impact the Allianz Group's financial position and results of operations.***

The Allianz Group holds a significant equity portfolio, which represented approximately 6.7% of the Allianz Group's financial assets as of 31 December 2014 (as of 31 December 2013: 6.6%), excluding financial assets and liabilities carried at fair value through income. Volatility in equity markets affects the market value and liquidity of these holdings. The Allianz Group also has real estate holdings in its investment portfolio, the value of which is likewise exposed to changes in real estate market prices and volatility. Most of the Allianz Group's financial assets and liabilities are recorded at fair value, including trading assets and liabilities, financial assets and liabilities designated at fair value through income, and securities available-for-sale. Changes in the value of securities held for trading purposes and financial assets designated at fair value through income are recorded through the Allianz Group's consolidated income statement. Changes in the market value of securities available-for-sale are recorded directly in the Allianz Group's consolidated shareholders' equity. Available-for-sale equity and fixed income securities, as well as securities classified as held-to-maturity, are reviewed regularly for impairment, with write-downs to fair value charged to income if there is objective evidence that the cost may not be recovered. The Allianz Group holds interests in a number of financial institutions as part of its portfolios, which are particularly exposed to uncertain market conditions affecting the financial services sector generally. In prior years the Allianz Group has incurred significant impairments on the value of the securities and other financial assets that it holds and there can be no assurance that the Allianz Group will not recognize significant impairments in the future again.

***The Allianz Group has significant counterparty risk exposure, which could adversely affect the Allianz Group.***

The Allianz Group companies are subject to a variety of counterparty risks, arising from its fixed income investments, cash positions, derivatives, structured transactions, receivables from Allianz agents and other debtors as well as reinsurance recoverables. The Allianz Group's credit insurance activities also expose the Allianz Group to counterparty risk.

Credit Risks: Third parties that owe the Allianz Group companies money, securities or other assets may not pay or perform under their obligations. These parties include the issuers whose securities the Allianz Group companies hold, borrowers under loans made, customers, trading counterparties, counterparties under swaps, credit default and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. As a result, defaults by one or more of these parties on their obligations to the Allianz Group companies due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons, or even rumors about potential defaults by one or more of these parties or regarding the financial services industry generally, could lead to losses or defaults by the Allianz Group companies or by other institutions. In addition, with respect to secured transactions, the Allianz Group companies' credit risk may be exacerbated when the collateral held by them cannot be realized or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure. The Allianz Group companies also have exposure to a number of financial institutions in the form of unsecured debt instruments, derivative transactions and equity investments. There is no assurance that losses on or impairments to the carrying value of these assets would not materially and adversely affect the Allianz Group's business or results of operations.

Credit Risks - Reinsurance: The Allianz Group transfers exposure to certain risks in the Property-Casualty and Life/Health insurance businesses to others through reinsurance arrangements. Under these arrangements, other insurers assume a portion of the Allianz Group's losses and expenses associated with reported and unreported losses in exchange for a portion of policy premiums. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly. Any decrease in the amount of



the Allianz Group's reinsurance will increase its risk of loss. When the Allianz Group companies obtain reinsurance, they are still liable for those transferred risks if the reinsurer cannot meet its obligations. Accordingly, the Allianz Group bears credit risk with respect to these reinsurers. Therefore, the inability or unwillingness of one or more of the Allianz Group's reinsurance partners to meet their financial obligations, or the insolvency of the Allianz Group's reinsurance partners, could materially affect the Allianz Group's results of operations. Although the Allianz Group conducts periodic reviews of the financial statements and reputations of its reinsurance partners, including, and as appropriate, requiring letters of credit, deposits or other financial measures to further minimize its exposure to credit risk, reinsurers may become financially unsound by the time they are called upon to pay amounts due.

**Credit Risk – Credit Insurance:** Credit risk arises from potential claim payments on limits granted by Euler Hermes S.A. and its subsidiaries (Euler Hermes) to its policyholders. Euler Hermes S.A. is an indirect subsidiary of Allianz SE. Euler Hermes protects its policyholders (partially) from credit risk associated with short-term trade credits advanced to clients of the policyholder. If the creditworthiness of the client of the policyholder deteriorates (up to default) such that the client is unable to meet its payment obligations then Euler Hermes indemnifies the loss to the policyholder.

***Changes in value relative to the Euro of non-Euro zone currencies in which the Allianz Group generates revenues and incurs expenses could adversely affect the Allianz Group's reported earnings and cash flow.***

The Allianz Group prepares its consolidated financial statements in Euro. However, a significant portion of the revenues and expenses from the Allianz Group companies outside the Euro zone, including in the United States, Switzerland and the United Kingdom, originates in currencies other than the Euro. In the fiscal year 2014 approximately 34.7% (fiscal year 2013: 35.9%) of the Allianz Group's gross premiums written in the Property-Casualty segment and 31.6% (fiscal year 2013: 27.5%) of the statutory premiums in the Life/Health segment originated in currencies other than the Euro. Furthermore, as of 31 December 2014, 60.0% (as of 31 December 2013: 61.5%) of the third-party assets under management in the Asset Management segment were in the United States.

As a result, although the Allianz Group's non-Euro zone subsidiaries generally record their revenues and expenses in the same currency, changes in the exchange rates used to translate foreign currencies into Euro may adversely affect the Allianz Group's results of operations.

**Risks arising from the nature of the Allianz Group's business**

***Loss reserves for the Allianz Group's Property-Casualty insurance and reinsurance policies are based on estimates as to claims liabilities. Adverse developments relating to claims could lead to further reserve additions and materially adversely impact the Allianz Group's results of operations.***

In accordance with industry practice and accounting and regulatory requirements, the Allianz Group establishes reserves for losses and loss adjustment expenses related to its Property-Casualty insurance and reinsurance businesses, including Property-Casualty business in run-off.

Reserves are based on estimates of future payments that will be made in respect of claims, including expenses relating to such claims. Such estimates are made both on a case-by-case basis as well as in respect of losses that have been incurred but not reported ("IBNR") to the Allianz Group. These reserves represent the estimated ultimate cost necessary to bring all pending reported and IBNR claims to final settlement.

Reserves are subject to change due to a number of variables that affect the ultimate cost of claims, such as exchange rates, changes in the legal environment and results of litigation as well as effects closely related to (super-imposed-) inflation that may adversely affect costs of repairs and medical costs. The Allianz Group's reserves for asbestos and environmental and other latent claims are particularly subject to such variables.

Established loss reserves estimates are periodically adjusted in the ordinary course of settlement, using the most current information available to management, and any adjustments resulting from changes in reserve estimates are reflected in current results of operations.

To the extent that the Allianz Group's actual claims experience is less favorable than the underlying assumptions used in setting the prices for products and establishing reserves, the Allianz Group may be required to increase its reserves, which may materially adversely affect its results of operations.

On a quarterly basis, Allianz Group monitors reserve levels, movements and trends. This monitoring is conducted on the basis of quarterly data submitted by the subsidiaries as well as through frequent dialogue with local actuaries. However, there can be no assurance that ultimate losses will not materially exceed the established reserves and have a material adverse effect on the Allianz Group's result of operations.

***Actuarial experience and other factors could differ from that assumed in the calculation of Life/Health actuarial reserves and pension liabilities.***

The assumptions the Allianz Group makes in assessing its Life/Health insurance reserves may differ from what the Allianz Group may experience in the future. The Allianz Group derives its Life/Health insurance reserves using "best estimate" actuarial practices and assumptions. These assumptions include the assessment of the long-term development of interest rates, investment returns, the allocation of investments between equity, fixed-income and other categories, policyholder bonus rates (some of which are guaranteed), mortality and morbidity rates, policyholder lapses and future expense levels. The Allianz Group monitors its actual experience of these assumptions, and to the extent that it considers that this experience will continue in the longer term it refines its long-term assumptions. Similarly, estimates of the Allianz Group's own pension obligations necessarily depend on assumptions concerning future actuarial, demographic, macroeconomic and financial markets developments. Changes in any such assumptions may lead to changes in the estimates of Life/Health insurance reserves or pension obligations.

The Allianz Group companies have a significant portfolio of contracts with guaranteed investment returns, including endowment and annuity products for the German market as well as certain guaranteed contracts in other markets. The amounts payable by the Allianz Group companies at maturity of an endowment policy in Germany and in certain other markets include a "guaranteed benefit," an amount that, in practice, is equal to a legally mandated minimum rate of return on actuarial reserves. If interest rates further decline or remain at historically low levels for a long period, the Allianz Group could be required to provide additional funds to the Allianz Group's Life/Health subsidiaries to support their obligations in respect of products with higher guaranteed returns or their pension obligations, or increase reserves in respect of such products, which could in turn have a material adverse effect on the Allianz Group's results of operations.

In the United States, in particular in the variable and fixed-indexed annuity products, and to a lesser extent in Europe and Asia, the Allianz Group has a portfolio of contracts with guaranteed investment returns tied to equity markets. The Allianz Group companies enter into derivative contracts as a means of mitigating the risk of investment returns underperforming guaranteed returns. However, there can be no assurance that the hedging arrangements will satisfy the returns guaranteed to policyholders, which could in turn have a material adverse effect on the Allianz Group's results of operations.

***If the Allianz Group's asset management business underperforms, it may experience a decline in assets under management, related fee income and a reduction of performance fees.***

While the assets under management in the Allianz Group's Asset Management segment include a significant amount of funds related to the Allianz Group's insurance operations, third-party assets under management ("AUM") represent the majority.

Results of the Allianz Group's asset management activities are driven by variations in management and performance fees. Background for such variations may be AUM-movements which are induced by valuation changes resulting from market movements. In addition, AUM may fluctuate due to net flows which can be attributed to the relative performance of Allianz Group's investment activities compared to competitors and benchmarks. Moreover, the result of Allianz Group's asset management business can potentially be impacted by adverse credit or operational loss events, if any.

***Intense competition in the German market as well as in other markets could materially adversely affect the Allianz Group's revenues and profitability.***

The markets in which the Allianz Group operates are generally quite competitive. This basically applies to all of the Allianz Group's primary business areas, i.e. insurance, asset management and banking businesses.

In particular, the Allianz Group's more mature insurance markets (e.g. Germany, France, Italy and the United States) are highly competitive. In recent years, the Allianz Group has also experienced increasing competition in emerging markets, as large insurance companies and other financial services providers have also entered these markets to participate in their high growth potential. In addition, local institutions have become more experienced and have established strategic relationships, alliances or mergers also with the Allianz Group's competitors. Downturns in the economies of these markets might even increase the competitive pressure, potentially resulting in lower margins or business volumes for the Allianz Group.

If the Allianz Group fails to offer attractive products and services suitable to customers' needs, revenues could be materially adversely affected and the Allianz Group may lose market shares in important areas of the Allianz Group's business, which might also have a material adverse impact on the Allianz Group. In addition, ongoing pricing pressure in certain highly competitive markets may negatively impact the Allianz Group's profitability.

### **Risks arising from the environment and the geopolitical situation**

***The Allianz Group's financial results may be materially adversely affected by the occurrence of natural catastrophes and man-made disasters.***

Portions of the Allianz Group's Property-Casualty insurance may cover losses from major unpredictable events such as hurricanes, windstorms, hailstorms, earthquakes, fires, industrial explosions, freezes, riots, floods and other man-made or natural disasters (e.g. the earthquake/tsunami in Japan and the Fukushima incident), including acts of terrorism. As such also the rising geopolitical tensions in the Middle East and the conflict between Russia and Ukraine may increase the risk of losses. In addition as a result of increasing urbanization and increasing concentration of industrial facilities in certain regions, covered losses from natural disasters have increased over the past years, a trend that is expected to continue. However, the incidence and severity of these catastrophes in any given period are inherently unpredictable. All risk models are subject to uncertainty arising from both scientific and management assumptions as well as underlying data.

The Allianz Group monitors its overall exposure to catastrophes and other unpredictable events in each geographic region and each of the Allianz Group's subsidiaries independently determines, within the Allianz Group's limit framework, its own underwriting limits related to insurance coverage for losses from catastrophic events. The Allianz Group generally seeks to reduce the Allianz Group's potential losses from these events through the purchase of reinsurance, selective underwriting practices and by monitoring risk accumulation. However, such efforts to reduce exposure may not be successful and claims relating to catastrophes may result in unusually high levels of losses and could have a material adverse effect on the Allianz Group's financial position or results of operations.

Furthermore, the occurrence of extreme large scale natural catastrophes, pandemics and man-made disasters (e.g. terror events) can have a negative impact on local or even global economy in general, and capital markets in particular, and thus also on the Allianz Group's financial position and results of operations and Allianz SE's share price.

***Increased geopolitical risks and terrorist attacks could have a continuing negative impact on the Allianz Group's businesses.***

After 11 September 2001, several terror insurance pools have been set up and reinsurers generally either put terrorism exclusions into their policies or drastically increased the price for such coverage. Although the Allianz Group companies have attempted to minimize terrorist coverage in policies they write, this has not been possible in all cases, including as a result of legislative developments such as the Terrorism Risk Insurance Program Reauthorization Act in the United States.

Furthermore, geopolitical risks have increased, in particular in the Middle East and the conflict between Russia and Ukraine. In case of an escalation to global scale it may also lead to an impact on global financial markets and thereby affect Allianz's portfolio negatively even without direct exposure to the originating region.

The Allianz Group monitors its overall exposure to terror and man-made catastrophes within the Allianz Group's limit framework. However, such efforts to reduce exposure may not be successful and claims relating to terror and man-made catastrophes may result in unusually high levels of losses and could have a material adverse effect on the Allianz Group's financial position or results of operations.

### **Risks arising from legal and regulatory conditions**

*Changes in existing or new government laws and regulations or enforcement initiatives in respect thereof in the countries in which the Allianz Group companies operate may materially impact the Allianz Group and could adversely affect the Allianz Group's business.*

The Allianz Group's insurance, asset management and banking businesses as well as the financial steering activities of Allianz SE and sub-holding companies are subject to detailed, comprehensive laws and regulations as well as supervision in all the countries in which the Allianz Group companies do business.

Regulatory authorities have broad administrative power over many aspects of the financial services business, which may include liquidity, capital adequacy and permitted investments, ethical issues, money laundering, "know your customer" rules, privacy, record keeping, and marketing and selling practices.

Insurance, banking and other financial services laws, regulations and policies currently governing Allianz SE and its subsidiaries may change at any time in ways which have an adverse effect on the Allianz Group's business, and the timing or form of any future regulatory or enforcement initiatives in respect thereof cannot be predicted.

Changes in existing laws and regulations, or in their interpretation by the authorities, may affect Allianz Group's tax burden, its capital requirements, the way in which the Allianz Group companies conduct their business and the products they may offer. Furthermore, in reaction to the crisis in the global financial markets, many countries' governments and regulators have introduced various rescue schemes for the financial sector. The impact of certain of these schemes may negatively affect the value of the securities of companies participating in these programs and thus have an adverse effect on the Allianz Group companies as a holder of certain of these securities in their investment portfolios.

In the same context, governments, regulatory authorities and others have made and continue to make proposals to reform the regulatory framework for the financial services industry to enhance its resilience against future crises. Proposals include, among others, requests for more stringent regulatory capital and liquidity standards, regulation of specific types of business perceived as particularly dangerous, and expansion of the resolution powers of regulators. It is possible that the future regulatory framework for the financial industry may change, perhaps significantly. This is also due to the fact that Allianz Group has been designated as "Global Systemically Important Insurer" by the Financial Stability Board and will be subject to the respective policy measures which apply to such groups. In addition, it is unclear how the Common Framework for the Supervision of Internationally Active Insurance Groups ("**Comframe**") which is currently being developed by the IAIS (International Association of Insurance Supervisors) will be implemented. Effects of the regulatory changes on the Allianz Group may range from additional administrative cost to implement and comply with new rules to increased cost of capital and a materially adverse effect on the Allianz Group's business, results of operation and prospects.

In addition to Solvency II uncertainty (see below "Solvency II will introduce a new regulatory framework for insurance companies with increased regulatory requirements (including own funds and governance) "), the future capital requirements applicable for Global Systemically Important Insurers (so-called G-SIIs) are also unclear, contributing to uncertainty in terms of the ultimate capital requirements for Allianz Group. Finally, the potential for a multiplicity of different regulatory regimes, capital standards and reporting requirements will increase operational complexity and costs.

Furthermore, changes to tax laws may affect the attractiveness of certain of the Allianz Group's products that currently receive favourable tax treatment. Governments in jurisdictions in which the Allianz Group does business may consider changes to tax laws that could adversely affect such existing tax advantages, and if enacted, could result in a significant reduction in the sale of such products.

***Solvency II will introduce a new regulatory framework for insurance companies with increased regulatory requirements (including own funds and governance)***

The EU is implementing wide-ranging amendments to the existing regulatory framework applicable to insurance and re-insurance companies. The new framework (commonly referred to as "**Solvency II**") introduces new requirements as to own funds, the calculation of technical provisions, valuation of assets and liabilities, governance structure, regulatory reporting and disclosure as well as governance of insurance companies. Solvency II is based on Directive 2009/138/EC (as amended) and shall apply from 1 January 2016.

Directive 2009/138/EC, together with accompanying legal acts such as Commission Delegated Regulation 2015/35 and national legislation implementing these changes, will create a stricter and more comprehensive regulatory framework (compared to the existing supervisory and solvency regime) for insurance and re-insurance companies within the EU. As the approval of the Allianz internal model is outstanding, and discussions on further implementing measures/technical standards are still ongoing, the potential future impact on available resources and capital requirements cannot currently be fully assessed. It is expected that solvency capital requirements for insurance and reinsurance undertakings will increase as opposed to the current Solvency I regime, and that capital ratios will become more volatile. In particular, an increase in the volatility of interest rates may lead to an increase in the volatility of capital ratios, and decreasing interest rates may lead to increasing capital requirements. The internal model that has been developed and implemented by the Allianz Group to assess its solvency capital requirements under the future Solvency II regime may not be approved by the supervisory authorities which may lead not only to operational cost for modifying the internal model, but also to negative effects on the Allianz Group's capital adequacy.

There is a risk that under Solvency II, instruments issued by the Issuer or Allianz Group (including the Notes) will not or will cease to be (fully or partly) eligible as own funds and/or will not be sufficient to comply with the increased capital requirements under Solvency II. In such cases, the Issuer might have to replace existing instruments and/or issue additional instruments or otherwise raise capital eligible as own funds. There is a risk that refinancing existing debt or raising additional capital would be expensive, difficult or impossible on adequate terms, which could have a material adverse effect on the Issuer and/or Allianz Group, including its business and financial condition.

***The Allianz Group's business may be negatively affected by adverse publicity, regulatory actions or litigation with respect to the Allianz Group, other well-known companies and the financial services industry generally.***

Adverse publicity and damage to the Allianz Group's reputation might arise from financial reporting irregularities or compliance irregularities, data protection irregularities, involving Allianz Group or other large and well-known companies, increasing regulatory and law enforcement scrutiny of "know your customer", anti-money laundering and anti-terrorist-financing procedures and their effectiveness and regulatory investigations of the asset management, banking and insurance industries. Any of the above could also lead to increased regulatory supervision, affect the Allianz Group's ability to attract and retain customers, impair access to the capital markets or have other adverse effects on the Allianz Group in ways that are not predictable.

## Other risks

***Many of the Allianz Group's businesses are dependent on the financial strength and credit ratings assigned to the Allianz Group companies and their businesses by various rating agencies. Therefore, a downgrade in their ratings may materially adversely affect relationships with customers and intermediaries, negatively impact sales of their products and increase their cost of borrowing.***

Claims paying ability and financial strength ratings are each a factor in establishing the competitive position of insurers. Allianz SE's financial strength rating has a significant impact on the individual ratings of key subsidiaries. If a rating of certain subsidiaries falls below a certain threshold, the respective operating business may be significantly impacted. A ratings downgrade, or the potential for such a downgrade, of the Allianz Group or any of its insurance subsidiaries could, among other things, adversely affect relationships with agents, brokers and other distributors of the Allianz Group's products and services, thereby negatively impacting new sales, adversely affect the Allianz Group's ability to compete in the respective markets and increase the cost of borrowing. In particular, in those countries where primary distribution of the Allianz Group's products is done through independent agents, such as the United States, future ratings downgrades could adversely impact sales of the life insurance and annuity products. Any future ratings downgrades could also materially adversely affect the cost of raising capital and could, in addition, give rise to additional financial obligations or accelerate existing financial obligations which are dependent on maintaining specified rating levels.

Rating agencies can be expected to continue to monitor the Allianz Group's financial strength and claims paying ability, and no assurances can be given that future ratings downgrades will not occur, whether due to changes in the Allianz Group's performance, changes in the rating agencies' industry views or ratings methodologies, or a combination of such factors.

***Market and other factors could adversely affect goodwill, deferred policy acquisition costs and deferred tax assets; the Allianz Group's deferred tax assets are also potentially impacted by changes in tax legislation.***

Business and market conditions may impact the amount of goodwill the Allianz Group carries in its consolidated financial statements. As of 31 December 2014, the Allianz Group has recorded goodwill in an aggregate amount of EUR 12,166 million, of which EUR 7,187 million related to its asset management business, EUR 4,672 million related to its insurance business and EUR 307 million related to its corporate and other businesses.

As the value of certain parts of the Allianz Group's businesses, including in particular the Allianz Group's asset management business, are significantly impacted by such factors as the state of financial markets and ongoing operating performance, significant declines in financial markets or operating performance could also result in impairment of other goodwill carried by the Allianz Group companies and result in significant write-downs, which could be material. No impairments were recorded for goodwill in fiscal year 2014.

The assumptions the Allianz Group made with respect to recoverability of deferred policy acquisition costs ("DAC") are also affected by such factors as operating performance and market conditions. DAC is incurred in connection with the production of new and renewal insurance business and is deferred and amortized generally in proportion to profits or to premium income expected to be generated over the life of the underlying policies, depending on the classification of the product. If the assumptions on which expected profits are based prove to be incorrect, it may be necessary to accelerate amortization of DAC, even to the extent of writing down DAC, which could materially adversely affect results of operations. No material write-downs were recorded for DAC in fiscal year 2014.

As of 31 December 2014, the Allianz Group reported deferred tax assets of EUR 1,046 million. The deferred tax assets before netting with deferred tax liabilities amounted to EUR 17,888 million. EUR 1,585 million thereof resulted from tax losses which are carried forward to future periods. The calculation of the respective tax assets and liabilities is based on current tax laws and IFRS and depends on the performance of Allianz SE and of certain business units in particular.

Changes in German or other tax legislation or regulations or an operating performance below currently anticipated levels or any circumstances which result in an expiration of tax losses may lead to an impairment of deferred tax assets, in which case the Allianz Group could be obligated to write-off certain tax assets. Tax assets may also need to be written down if certain assumptions of profitability prove to be incorrect, as losses incurred for longer than expected will make the usability of tax assets more unlikely. Any such development may have a material adverse impact on the Allianz Group's net income.

***Allianz SE has the contingent obligation to indemnify, under certain circumstances, the Federal Association of German Banks ("Bundesverband deutscher Banken e.V.") in connection with possible support measures for German banks of the Allianz Group.***

In accordance with the statutes of the Joint Fund for Securing Customer Deposits ("Einlagensicherungsfonds"), Allianz SE has undertaken to indemnify the "Bundesverband deutscher Banken e.V.", the deposit protection association of privately-held German banks, for any losses it may incur by reason of supporting measures taken in favor of the Oldenburgische Landesbank Aktiengesellschaft ("**Oldenburgische Landesbank**").

***Allianz may have increased obligations under the German policy holder protection scheme for life insurers (Protector)***

Allianz is a member of the German policy holder protection scheme for life insurers ("**Protector**"). In case of an adverse development of the situation of German life insurance companies outside Allianz Group, Allianz Group may be required, in line with German regulation and the contract between Allianz Group entities and Protector, to make substantial contributions to Protector that are considerably higher than at the current moment.

***The benefits that the Allianz Group may realize from acquisitions could be materially different from its expectations.***

The benefits that the Allianz Group may realize from acquisitions could be materially different from its expectations. A variety of factors that are partially or entirely beyond the Allianz Group's control could cause actual business results of the acquired undertakings being materially different from what was initially expected, and any synergies due to the acquisition, therefore, could, as a result, be materially smaller or realized at a later stage than initially expected.

***Operational risks may disrupt the Allianz Group's business.***

The Allianz Group is exposed to operational risks resulting from inadequate or failed internal processes, from personnel and systems, or from external events, such as interruption of business operations due to a break-down of electricity or a flood, damage caused by employee fraud or the losses caused by court cases. For example, the Allianz Group relies on complex IT-systems and could suffer financial losses, a disruption of its businesses, liabilities to clients, regulatory interventions or reputational damages in case of events such as operational errors, software and hardware errors, power blackouts, damage, computer viruses, terrorist or other acts of sabotage as well as other internal or external threats. Operational risks also include legal and compliance risks.

## **Risk factors relating to the Notes**

### **The Notes may not be a suitable investment for all investors**

Each potential investor in the Notes must determine whether or not the Notes represent a suitable investment in light of that investor's own circumstances. The Notes are only suitable for sophisticated investors that:

- (1) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

- (2) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of their particular financial situation, an investment in the Notes and the impact the Notes will have on their overall investment portfolio;
- (3) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (4) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices, rates and financial markets; and
- (5) are able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect their investment and their ability to bear the applicable risks.

The Notes are complex financial instruments. Sophisticated institutional investors generally purchase complex financial instruments as part of a wider portfolio strategy rather than as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with a measured and appropriate addition of risk to their overall portfolios, and only after performing an intensive analysis of all involved risks. A potential investor should not invest in the Notes – which are complex financial instruments – unless the potential investor has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### **Maturity and postponement**

The Notes are scheduled to be redeemed at par on the Floating Interest Rate Payment Date falling on or nearest to 7 July 2045 (the "**Scheduled Maturity Date**"), provided that on such date the Conditions to Redemption are fulfilled. Before that date, the Issuer has, under certain conditions, the right to redeem or repurchase the Notes, but is under no obligation to do so. Under the Terms and Conditions, the holders of the Notes (each a "**Noteholder**") have no right to call the Notes for early redemption.

In any event, redemption as well as repurchase of the Notes are subject to the approval of the Competent Supervisory Authority and other Conditions to Redemption. Where such conditions are not met, redemption may be delayed beyond the Scheduled Maturity date for an indefinite period of time. This may be the case for example, upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations, if a Solvency Capital Event (as defined in the Terms and Conditions) occurs. Therefore, Noteholders may receive their investment back at a later point in time than initially expected.

Certain market expectations may exist among investors in the Notes with regard to redemption. Should the Issuer's actions diverge from these expectations, or should the Issuer be prevented from meeting these expectations, this may adversely affect the market value of the Notes and/or their liquidity.

If the Notes are not redeemed on the Scheduled Maturity Date due to the reasons set out above, Noteholders will – subject to any compulsory or optional deferral – continue to receive interest but will not receive any additional compensation for the postponement of the redemption.

### **Subordination**

The obligations under the Notes constitute unsecured obligations of the Issuer ranking *pari passu* among themselves. The obligations of the Issuer under the Notes rank subordinated to the Issuer's Senior Ranking Debt (as defined in the Terms and Conditions).

The terms of the Notes provide that the obligations of the Issuer under the Notes rank subordinated to all of the Issuer's (i) unsubordinated obligations, (ii) obligations subordinated by operation of law pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*), (iii) subordinated obligations ranking at least *pari passu* with the Issuer's obligations subordinated by operation of law pursuant to § 39(1) of the German



Insolvency Code and (iv) subordinated obligations required to be preferred by mandatory provisions of law. In the event of liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of, or against the Issuer, the claims of the Noteholders under the Notes will be satisfied only after the claims of all holders of the Issuer's Senior Ranking Debt. In any such event, Noteholders will not receive any amounts payable in respect of the Notes until the claims of all Issuer's Senior Ranking Debt have first been satisfied in full.

The Noteholders must accept that, in the circumstances described above, (i) the Issuer will make payments in respect of the Notes only in accordance with the subordination described above, and (ii) the rights of the Noteholders under the Notes will be subject to the provisions of the insolvency laws applicable to the Issuer from time to time.

**In any case, there is a significant risk that an investor in the Notes will lose all or some of its investment should the Issuer become insolvent.**

Investors are subject to the risk of partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the notes. This may lead to the partial or total loss for the investor in the Notes. This risk is aggravated by the fact that the Notes are unsecured and subordinated (see above, "**Subordination**").

### **Risks in case of an early redemption of the Notes**

At the Issuer's option and subject to the Conditions to Redemption, the Notes may be redeemed prior to the First Call Date at the Redemption Amount, if, as a result of a future change of the laws applicable the Issuer's country of domicile for tax purposes, (i) the Issuer will be obligated to pay Additional Amounts, or (ii) interest payable by the Issuer in respect of the Notes is no longer fully deductible by the Issuer for German income tax purposes. The Notes may also be redeemed, subject to the Conditions to Redemption, at the Redemption Amount if (i) the Notes may no longer be recorded as liabilities on the consolidated balance sheet of the Issuer, (ii) the Notes fail to or cease to qualify as regulatory capital as intended upon issuance of the Notes, or (iii) if the capital treatment assigned to the Notes worsens in the reasonable opinion of the Issuer, after a change in, or clarification to, the rating methodology (or the interpretation thereof) of Moody's Investors Services or Standard & Poor's Rating Services, a division of The McGraw Hill Companies, or any of their respective successors.

The Notes may also be redeemed at the option of the Issuer and subject to the Conditions to Redemption at their Redemption Amount on the First Call Date and on any Floating Interest Payment Date thereafter.

If the Notes are redeemed prior to the Scheduled Maturity Date, a Noteholder is exposed to the risk that due to the early redemption his investment will have a lower than expected yield and to the risks connected with any reinvestment of the cash proceeds received as a result of the early redemption. Noteholders will receive the Redemption Amount upon any early redemption. The Redemption Amount may be lower than the then prevailing market price of the Notes.

### **Interest deferral**

Noteholders should be aware that, in certain cases, interest on the Notes will not be due and payable (*fällig*) on the scheduled Interest Payment Date (as defined in the Terms and Conditions), that the payment of the resulting Arrears of Interest is subject to certain further conditions and that Arrears of Interest will not bear interest.

#### *Compulsory deferral of interest payments*

In case a Compulsory Deferral Event has occurred and is continuing on the relevant Interest Payment Date, interest which accrued during the period ending on but excluding such Interest Payment Date will not be due and payable (*fällig*) on that Interest Payment Date.

A "**Compulsory Deferral Event**" will have occurred with respect to the date on which any payment of interest and/or Arrears of Interest is scheduled to be paid under the Terms and Conditions if (i) such payment would cause or accelerate the occurrence of an Insolvency Event (as defined in the Terms and Conditions); or (ii) there is in effect on such date an order of the Competent Supervisory Authority prohibiting the Issuer in accordance with regulations applicable at such time from making payments under the Notes; or (iii) a Solvency Capital Event (as defined in the Terms and Conditions) either has occurred on or prior to such date and is continuing on such date or would be caused by the payment by the Issuer of interest and/or Arrears of Interest on the relevant date, unless (x) on or prior to such date the Competent Supervisory Authority has exceptionally given, and not withdrawn by such date, its prior consent to the payment of the relevant interest and/or Arrears of Interest despite the Solvency Capital Event; (y) the payment of the relevant interest and/or Arrears of Interest on the Notes does not further weaken the solvency position of the Issuer or the Issuer's group; and (z) the applicable minimum capital requirement (MCR) of the Issuer pursuant to the Applicable Supervisory Regulations (as defined in the Terms and Conditions) is complied with after the relevant payment.

Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

Interest deferred will constitute Arrears of Interest. Noteholders will not receive any additional interest or compensation for the compulsory deferral of payments. In particular, the resulting Arrears of Interest will not bear interest.

#### *Optional deferral of interest payments*

Even if no Compulsory Deferral Event has occurred, the Issuer may elect in its discretion to defer the payment of accrued interest by giving not less than 10 and not more than 15 Business Days' prior notice to the Noteholders if during the six months before the relevant Interest Payment date no Dividend Payment Date (as defined in the Terms and Conditions) has occurred. Such interest will not be due and payable (fällig) on that Interest Payment Date.

Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

Interest deferred will constitute Arrears of Interest. Noteholders will not receive any additional interest or compensation for the optional deferral of payment. In particular, the resulting Arrears of Interest will not bear interest.

#### *Restrictions on payment of Arrears of Interest*

The Issuer will only be entitled to pay Arrears of Interest at any time if the Conditions to Settlement, as further described in the Terms and Conditions, are fulfilled with respect to such payment. These restrictions also apply in the case of a mandatory settlement of Arrears of Interest, as further described in the Terms and Conditions.

#### *Market Expectations*

Certain market expectations may exist among investors in the Notes with regard to payment of interest. Should the Issuer's actions diverge from these expectations, or should the Issuer be prevented from meeting these expectations, this may adversely affect the market value of the Notes and/or their liquidity.

#### **No express Events of Default**

The Noteholders should be aware that the Terms and Conditions do not contain any express events of default provision that would allow Noteholders to accelerate the Notes in case of the occurrence of an event of default.

## **Implementation of the Solvency II Directive**

The Terms and Conditions provide that any payments under the Notes must be deferred (subject to limited exceptions further described in the Terms and Conditions), inter alia, if under the Applicable Supervisory Regulations a Solvency Capital Event has occurred and is continuing. Upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations this will be the case if the own funds (*Eigenmittel*) of the Issuer or the Issuer's group is not sufficient to cover the applicable solvency capital requirement (SCR) or the applicable minimum capital requirement (MCR) or the applicable capital adequacy requirement, whichever occurs earlier.

In addition, the Issuer may call the Notes for redemption prior to the First Call Date, inter alia, if, upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations, the Notes were not or cease to be eligible to qualify for inclusion in the determination of own funds as Tier 2 Capital for single solvency purposes of the Issuer or for group solvency purposes of the Issuer's group (including the capital adequacy of internationally active insurance groups).

The Solvency II Directive, as amended by the so-called Omnibus II Directive, and the Commission Delegated Regulation 2015/35 have been adopted and published in the Official Journal of the European Union. However, the implementation of the Solvency II regime is still under way: for example, the Technical Standards have not yet been finalised and the internal model developed by the Allianz Group is still subject to approval by the German Federal Financial Supervisory Authority (see above "Risks arising from legal and regulatory conditions"). In addition, it is unclear how Comframe will be implemented (see above "Changes in existing, or new, government laws and regulations, or enforcement initiatives in respect thereof, in the countries in which the Allianz Group companies operate may materially impact the Allianz Group and could adversely affect the Allianz Group's business."). Therefore, it is currently difficult to predict the exact effect the implementation of the Solvency II Directive will have on the Issuer and the Allianz Group. Also, a risk remains that uncertainties with respect to the above cited provisions lead to a situation where the Notes are not eligible to qualify for inclusion in the determination of own funds as Tier 2 Capital, which would constitute a Regulatory Event.

Accordingly, Noteholders should be aware that the implementation of the Solvency II Directive or of Comframe may lead to, or increase the likelihood of, a deferral of payments under the Notes and/or an early redemption of the Notes. Such final implementation may also impact the Issuer's ability to pay any Arrears of Interest.

## **Noteholders may have to return amounts redeemed otherwise than pursuant to the Terms and Conditions of the Notes**

If the Notes are redeemed otherwise than pursuant to § 4 of the Terms and Conditions then prior to the Solvency II Directive becoming part of the Applicable Supervisory Regulations, there may be a statutory obligation, irrespective of any agreement to the contrary, of the Noteholders to return to the Issuer the amounts repaid, unless (i) the Issuer has been dissolved, (ii) such amounts repaid have been replaced by other at least equivalent regulatory capital (*Eigenmittel*) of at least equal status, or (iii) the Competent Supervisory Authority has given its consent to the redemption (§ 53c paragraph 3b sentence 3 of the German Insurance Supervisory Act (*VAG*)). Upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations any redemption and any repurchase of the Notes will be subject to the Conditions to Redemption being fulfilled.

## **No limitation on issuing further debt and guarantees**

There is no restriction on the amount of debt or guarantees which the Issuer may issue ranking equal with or senior to the obligations under or in connection with the Notes. Such issuance of further debt and guarantees may reduce the amount recoverable by the Noteholders upon insolvency or winding-up of the Issuer. Furthermore, the issue of further debt and guarantees, whether equal, senior or junior ranking, may increase

the likelihood that payments of the principal amount or interest under the Notes will be mandatorily deferred or may, in the case of interest payments, be deferred at the option of the Issuer.

### **Liquidity risk**

There is currently no secondary market for the Notes. Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. There can, however, be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue until the redemption of the Notes. In an illiquid market, an investor may not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted by country specific reasons.

### **Fixed to Floating Rate Notes**

The Notes bear interest at a fixed rate from and including the Issue Date to but excluding the First Call Date.

During that time, Noteholders are exposed to the risk that the price of such Notes may fall because of changes in the market yield. While the nominal interest rate (i.e. the coupon) of the Notes is fixed until, but excluding, the First Call Date, the market yield typically changes on a daily basis. As the market yield changes, the price of the Notes changes in the opposite direction. If the market yield increases, the price of the Notes typically falls. If the market yield falls, the price of the Note typically increases. Noteholders should be aware that movements of the market yield can adversely affect the price of the Notes and can lead to losses for the Noteholders.

Noteholders should also be aware that the market yield has two components, namely the risk free rate and the credit spread. The credit spread is reflective of the yield that investors require in addition to the yield on a risk free investment of equal tenor as a compensation for the risks inherent in the Notes. The credit spread changes over time and can decrease as well as increase for a large number of different reasons. The market yield of the Notes can change due to changes of the credit spread, the risk free rate, or both.

If the Notes are not called on the First Call Date, the Notes will bear interest at a floating rate from the First Call Date (including) until the Final Maturity Date (excluding).

The floating rate applicable to the Notes from (and including) the First Call Date is based on two components, namely the 3-months EURIBOR and the Margin (as defined in the Terms and Conditions). The floating rate (i.e. the coupon) is payable quarterly, and will be adapted immediately prior to any Floating Interest Period to the then prevailing 3-months EURIBOR rate plus the Margin. The Margin is fixed at issuance of the transaction.

Noteholders should be aware that the floating rate interest income is subject to changes to the 3-months EURIBOR and therefore cannot be anticipated. Hence, Noteholders are not able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments in simple fixed rate (i.e. fixed rate coupons only) instruments.

Since the Margin is fixed at issuance of the transaction, Noteholders are subject to the risk that the Margin does not reflect the spread that investors require in addition to the 3-month EURIBOR as a compensation for the risks inherent in the Notes ("market spread"). The market spread typically changes on a daily basis. As the market spread changes, the price of the Note changes in the opposite direction. A decrease of the market spread has a positive impact on the price of the Note, an increase of the market spread has a negative impact on the price of the Note. However, the price of the Notes is subject to changes in the market spread, changes in the 3-months EURIBOR or both. Noteholders should be aware that movements of the market spread can adversely affect the price of the Notes and can lead to losses for the Noteholders.

In addition, Noteholders are exposed to reinvestment risk with respect to proceeds from coupon payments or early redemptions by the issuer. If the market yield (or market spread respectively) declines, and if Noteholders want to invest such proceeds in comparable transactions, Noteholders will only be able to

reinvest such proceeds in comparable transactions at the then prevailing lower market yields (or market spread respectively).

#### **Ratings of the Notes, if any, may be subject to change at all times**

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Rating agencies may also change their methodologies for rating securities with features similar to the Notes in the future. If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes. In any case, the ratings of the Notes may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

#### **Currency risk in relation to Notes**

The Notes are denominated in EUR. If such currency represents a foreign currency to a Noteholder, such Noteholder is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes measured in the Noteholder's currency. Changes in currency exchange rates result from various factors such as macroeconomic factors, speculative transactions and interventions by central banks and governments.

In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, Noteholders may receive less interest or principal than expected, or no interest or principal.

#### **Risks in connection with the application of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*)**

A Noteholder is subject to the risk of being outvoted and of losing rights against the Issuer against his will in the case that Noteholders agree pursuant to the Terms and Conditions to amendments of the Terms and Conditions by majority vote according to the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*). In the case of an appointment of a Noteholders' representative for all Noteholders a particular Noteholder may lose, in whole or in part, the possibility to enforce and claim his rights against the Issuer regardless of other Noteholders.

#### **The market value of the Notes could decrease if the creditworthiness of the Allianz Group worsens**

If the likelihood decreases that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due, for example, because of the materialisation of any of the risks regarding the Allianz Group or the Issuer, the market value of the Notes will fall. In addition, even if the likelihood that the Issuer will be in position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless have a different perception. Furthermore, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Allianz Group could adversely change. If any of these risks materialises, third parties would only be willing to purchase Notes for a lower price than before the materialisation of mentioned risk. Under these circumstances, the market value of the Notes will decrease.

#### **Market volatility and other factors**

The trading market for debt securities may be volatile and may be adversely impacted by many events. The market for debt securities is influenced by economic and market conditions in Germany and, to varying degrees, by market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in Germany, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes.

Noteholders also bear the risk that economic and market conditions will have any other adverse effect on the trading pattern and the market value of the Notes.

### **Legal investment considerations may restrict certain investors to acquire the Notes**

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

### **Transaction costs**

Transaction costs reduce the yield an investor will realize on the investment in the Notes. When Notes are purchased, several types of incidental costs (including transaction fees and commissions) are incurred and will have to be paid by the buyer in addition to the then prevailing market price. Similarly, when a Noteholder sells any Notes, such incidental costs will reduce the actual price the Noteholder will receive for each Note sold. These incidental costs may significantly reduce or even exclude the profit potential of an investment in the Notes. For instance, credit institutions as a rule charge their clients commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic Managers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of Notes (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

Noteholders must further take into account that upon sales or purchases of Notes prior to an interest payment date (depending on their type and features), respectively, no accrued interest might be paid or charged, as the case may be.

### **Margin lending**

Margin lending, where it is permitted, can materially increase the risk to a Noteholder of incurring losses. If a loan is used to finance the acquisition of the Notes and the Notes subsequently go into default, or if the trading price diminishes significantly, the Noteholder not only has to face a potential loss on its investment, but it will also still have to repay the loan and pay interest thereon. This may significantly increase the risk of a loss. Investors should not assume that they will be able to repay the loan or pay interest thereon from the profits of a transaction. Instead, investors should assess their financial situation prior to an investment, as to whether they are able to pay interest on the loan, or to repay the loan on demand, even if they face losses on such investment.

### **European Initiative on Financial Transaction Tax**

Some member states of the EU including the Federal Republic of Germany are currently negotiating to introduce a Financial Transaction Tax ("FTT") applicable inter alia with regard to financial instruments issued in one of the participating member states. The original proposal for a Council Directive adopted by the EU Commission (the "**Draft Directive**") proposed a taxation of inter alia every sale, purchase or exchange of certain financial instruments, with the applicable tax rate being at least 0,1% of the consideration paid or owed. However, according to current intentions of ten member states the FTT shall be implemented progressively only. The progressive implementation shall first focus on shares and certain

derivatives, which shall be implemented as of 1 January 2016 at the latest. The timetable for any further implementation is currently unclear. The FTT proposal remains in any case subject to negotiation between the participating Member States and was (and most probably still will be) the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. A holder of the Notes – unless considered a financial institution under the Draft Directive – should generally not be liable to pay the tax, but may be subject to certain conditions becoming liable to pay this charge or reimburse a liable third party. Furthermore a holder must take into account, that the charge of FTT may affect the value of the Notes. The underwriting and subsequent allocation of the Notes in the framework of their issue shall however not be subject to FTT.

### **Tax impact of the investment**

An effective yield on the Notes may be diminished by the tax impact on an investment in the Notes. Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on Noteholders generally in Germany and Luxembourg is described under "TAXATION", starting on page 91; however, the tax impact on an individual Noteholder may differ from the situation described for Noteholders generally.

**All investors are advised to contact their own tax advisors for advice on the tax impact of an investment in the Notes. Examples of taxation risk that investors should consider together with their advisors include among others the risk of double taxation (in Germany and their home jurisdiction or another country, if applicable).**

### **Change in tax law**

Investors should be aware that tax regulations and their application by the relevant taxation authorities are subject to change, possibly with retrospective effect, and that this could negatively affect the value of the Notes. Any such change may cause the tax treatment of the Notes to change from the tax position at the time of purchase and may render the statements in this Prospectus concerning the relevant tax law and practice to be inaccurate or insufficient to cover the material tax considerations in respect of the Notes. It is not possible to predict the precise tax treatment which will apply at any given time and changes in tax law may give the Issuer the right to redeem the Notes.

### **U.S. Foreign Account Tax Compliance Withholding**

The United States enacted rules, commonly referred to as the Foreign Account Tax Compliance Act ("FATCA"), that generally impose a new reporting and withholding regime with respect to certain U.S. source payments (including dividends and interest), gross proceeds from the disposition of property that can produce U.S. source interest and dividends and certain other payments made by entities that are classified as financial institutions under FATCA. The United States has entered into intergovernmental agreements ("IGA") regarding the implementation of FATCA with several other states, including Germany. Currently the Issuer qualifies as non-financial foreign entity and the Paying Agent qualifies as a Reporting Model 1 FFI under FATCA and thus payments made on or with respect to the Notes are not expected to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear or may change, and the status of the Issuer and the Paying Agent under FATCA may also change, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future.

FATCA may affect payments to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide a financial institution with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them.

## **RESPONSIBILITY STATEMENT**

Allianz SE in its capacity as Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect its import.



## TERMS AND CONDITIONS OF THE NOTES

### Bedingungen der Schuldverschreibungen ("Anleihebedingungen")

### Terms and Conditions of the Notes (the "Terms and Conditions")

#### § 1 Wahrung, Stuckelung, Form, Globalurkunde

(a) *Wahrung; Stuckelung.* Die Allianz SE (die "**Emittentin**") begibt nachrangige Schuldverschreibungen in Euro (EUR) (die "**Festgelegte Wahrung**") im Gesamtnennbetrag von EUR 1.500.000.000, eingeteilt in Schuldverschreibungen (die "**Schuldverschreibungen**" und jeweils eine "**Schuldverschreibung**") im festgelegten Nennbetrag von je EUR 100.000 (der "**Festgelegte Nennbetrag**").

(b) *Form.* Die Schuldverschreibungen lauten auf den Inhaber.

(c) *Globalurkunde.* Die Schuldverschreibungen sind zunachst in einer vorlufigen Inhaber-Globalurkunde (die "**Vorlufige Globalurkunde**") ohne Zinsscheine verbrieft, die bei der Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Bundesrepublik Deutschland, oder deren Funktionsnachfolger (das "**Clearingsystem**") hinterlegt ist.

Die Vorlufige Globalurkunde wird insgesamt oder teilweise und unentgeltlich an oder nach dem Tag, der 40 Tage nach dem Tag der Begebung der Schuldverschreibungen, fruhestens jedoch 40 Tage nach dem Tag des Beginns des Angebots liegt, gegen Nachweis uber das Nichtbestehen wirtschaftlichen U.S.-Eigentums im Sinne des U.S.-Rechts (*non-U.S. beneficial ownership*) in der in der Vorlufigen Globalurkunde vorgesehenen Form, fur den Inhaber von Schuldverschreibungen gegen eine dauerhafte Globalurkunde (die "**Dauer-Globalurkunde**") (die Vorlufige Globalurkunde und die Dauer-Globalurkunde jeweils auch eine "**Globalurkunde**") ohne Zinsscheine eingetauscht. Ein Recht der Anleiheglaubiger (wie nachstehend definiert) auf Ausgabe und Lieferung von Einzelkunden oder Zinsscheinen besteht nicht.

Die Vorlufige Globalurkunde und die Dauer-Globalurkunde werden solange von dem Clearingsystem oder im Auftrag des Clearingsystems verwahrt, bis samtliche Verpflichtungen der Emittentin aus den Schuldverschreibungen erfullt sind.

Die Vorlufige Globalurkunde und die Dauer-Globalurkunde tragen jeweils die

#### § 1 Currency, Denomination, Form, Global Note

(a) *Currency; Denomination.* The subordinated notes are issued by Allianz SE (the "**Issuer**") in Euro (EUR) (the "**Specified Currency**"), in the aggregate principal amount of EUR 1,500,000,000, divided into notes (the "**Notes**" and each a "**Note**") in the specified denomination of EUR 100,000 (the "**Specified Denomination**") each.

(b) *Form.* The Notes are issued in bearer form.

(c) *Global Note.* The Notes are initially represented by a temporary global Note (the "**Temporary Global Note**") without interest coupons, which will be deposited with Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany or any successor in capacity thereof (the "**Clearing System**").

The Temporary Global Note will be exchangeable, in whole or in part and free of charge, on or after the day that is 40 days after the later of the commencement of the offering and the date of issue of the Notes for a permanent global Note (the "**Permanent Global Note**") (the Temporary Global Note and the Permanent Global Note, each a "**Global Note**") without interest coupons upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note. The right of the Noteholders (as defined below) to require the issue and delivery of definitive notes or interest coupons is excluded.

Each of the Temporary Global Note and the Permanent Global Note will be held in custody by or on behalf of the Clearing System until all obligations of the Issuer under the Notes have been satisfied.

The Temporary Global Note and the Permanent Global Note shall each bear the manual

eigenhändigen Unterschriften von zwei Vertretungsberechtigten der Emittentin sowie die eigenhändige Unterschrift eines Kontrollbeauftragten des Fiscal Agent.

- (d) *Anleihegläubiger*. Den Inhabern von Schuldverschreibungen ("**Anleihegläubiger**") stehen Miteigentumsanteile oder vergleichbare andere Rechte an der Globalurkunde zu, die gemäß anwendbarem Recht und den Bestimmungen und Regeln des Clearingsystems übertragen werden können.

## § 2 Status

- (a) *Status der Schuldverschreibungen*. Die Schuldverschreibungen begründen nicht besicherte Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind.

Die Verbindlichkeiten der Emittentin aus den Schuldverschreibungen sind nachrangig gegenüber den Vorrangigen Verbindlichkeiten der Emittentin.

Im Fall der Liquidation, der Auflösung oder der Insolvenz der Emittentin oder eines Vergleichs oder eines anderen der Abwendung der Insolvenz dienenden Verfahrens gegen die Emittentin werden die Ansprüche der Anleihegläubiger aus den Schuldverschreibungen erst nach den Ansprüchen der Inhaber aller Vorrangigen Verbindlichkeiten der Emittentin bedient. In einem solchen Fall werden die Anleihegläubiger keine Zahlungen auf die Schuldverschreibungen erhalten, bis alle Ansprüche aus den Vorrangigen Verbindlichkeiten der Emittentin vollständig bedient sind.

Für die Verbindlichkeiten der Emittentin aus diesen Schuldverschreibungen ist den Anleihegläubigern keine Sicherheit durch die Emittentin oder durch Dritte gestellt; eine solche Sicherheit wird auch zu keinem Zeitpunkt gestellt werden.

Kein Anleihegläubiger ist berechtigt, Forderungen aus den Schuldverschreibungen gegen etwaige Forderungen der Emittentin gegen ihn aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber einem Anleihegläubiger mit den Verpflichtungen aus den Schuldverschreibungen aufzurechnen.

**"Vorrangige Verbindlichkeiten der Emittentin"** bezeichnet:

- (i) alle nicht nachrangigen Verbindlichkeiten der Emittentin; und  
(ii) alle gesetzlich nachrangigen

signatures of two duly authorised officers of the Issuer as well as the manual signature of an authentication officer of the Fiscal Agent.

- (d) *Noteholders*. The holders of Notes ("**Noteholders**") are entitled to co-ownership participations or other comparable rights in the Global Note, which are transferable in accordance with applicable laws and the rules and regulations of the Clearing System.

## § 2 Status

- (a) *Status of the Notes*. The obligations under the Notes constitute unsecured obligations of the Issuer ranking *pari passu* among themselves.

The obligations of the Issuer under the Notes rank subordinated to the Issuer's Senior Ranking Debt.

In the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer, the claims of the Noteholders under the Notes will be satisfied after (but only after) the claims of all holders of the Issuer's Senior Ranking Debt. In any such event, Noteholders will not receive any amounts payable in respect of the Notes until the claims of all Issuer's Senior Ranking Debt have first been satisfied in full.

No security of whatever kind securing the obligations of the Issuer under the Notes is, or shall at any time be, provided by the Issuer or any other person to the Noteholders.

No Noteholder may set off any claims arising under the Notes against any claims that the Issuer may have against it. The Issuer may not set off any claims it may have against any Noteholder against any of its obligations under the Notes.

**"Issuer's Senior Ranking Debt"** means all of the Issuer's:

- (i) unsecured obligations; and  
(ii) obligations subordinated by operation

Verbindlichkeiten der Emittentin gemäß § 39 Absatz 1 Insolvenzordnung; und

- (iii) alle nachrangigen Verbindlichkeiten der Emittentin, soweit diese mit gesetzlich nachrangigen Verbindlichkeiten der Emittentin gemäß § 39 Absatz 1 Insolvenzordnung zumindest gleichrangig sind; und
- (iv) alle nachrangigen Verbindlichkeiten der Emittentin, die aufgrund zwingender gesetzlicher Bestimmungen vorrangig sind.

(b) *Keine vorzeitige Rückerstattung.*

- (i) Bevor die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, gilt Folgendes:

*Hinweis nach § 53c Absatz 3b Satz 4 Versicherungsaufsichtsgesetz (VAG).* Nachträglich können weder der Nachrang gemäß diesem § 2 beschränkt noch die Laufzeit der Schuldverschreibungen oder die Kündigungsfristen verkürzt werden. Eine vorzeitige Rückerstattung ist der Emittentin ohne Rücksicht auf entgegenstehende Vereinbarungen zurückzugewähren, soweit die Emittentin nicht aufgelöst wurde, und sofern nicht der rückerstattete Betrag durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden ist oder die Zuständige Aufsichtsbehörde der Rückerstattung zustimmt.

"**Zuständige Aufsichtsbehörde**" ist die Bundesanstalt für Finanzdienstleistungsaufsicht bzw. jede Behörde, die ihr Funktionsnachfolger wird.

- (ii) Nachdem die Solvency II Richtlinie (wie nachstehend definiert) Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, steht jede Rückzahlung und jeder Rückkauf der Schuldverschreibungen unter dem Vorbehalt der Erfüllung der Rückzahlungsbedingungen gemäß § 4(e)(ii).

of law pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*); and

- (iii) subordinated obligations ranking at least *pari passu* with the Issuer's obligations subordinated by operation of law pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*); and
- (iv) subordinated obligations required to be preferred by mandatory provisions of law.

(b) *No early repayment.*

- (i) Prior to the Solvency II Directive becoming part of the Applicable Supervisory Regulations, the following shall apply:

*Notification pursuant to § 53c paragraph 3b Sentence 4 of the German Insurance Supervisory Act (VAG).* No subsequent agreement may limit the subordination pursuant to the provisions set out in this § 2 or limit the term of the Notes or shorten any applicable notice period (*Kündigungsfrist*) in respect of the Notes. If the Notes are repaid early, the amounts repaid must be returned to the Issuer irrespective of any agreement to the contrary, to the extent the Issuer has not been dissolved and unless such repaid amounts have been replaced by other at least equivalent own funds (*Eigenmittel*) of at least equal status or if the Competent Supervisory Authority has given its consent to the redemption.

"**Competent Supervisory Authority**" means the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) or any authority which becomes its successor in such capacity.

- (ii) Upon the Solvency II Directive (as defined below) becoming part of the Applicable Supervisory Regulations, any redemption and any repurchase of the Notes will be subject to the Conditions to Redemption set forth in § 4(e)(ii) being fulfilled.

### § 3 Zinsen

#### § 3.1 Verzinsung

(a) *Festzins.*

- (i) In dem Zeitraum ab dem 9. April 2015 (der "**Zinslaufbeginn**") (einschließlich) bis zum 7. Juli 2025 (der "**Erste Kündigungstag**") (ausschließlich) wird jede Schuldverschreibung bezogen auf ihren Festgelegten Nennbetrag mit jährlich 2,241 % verzinst.

Bis zum Ersten Kündigungstag (einschließlich) sind die Zinsen nachträglich am 7. Juli eines jeden Jahres (jeweils ein "**Festzins-Zinszahlungstag**"), beginnend am 7. Juli 2016 (lange erste Zinsperiode) zur Zahlung vorgesehen und werden gemäß § 3.2 und § 3.3 fällig.

Die erste Zinszahlung beläuft sich auf EUR 2.787,44 je Festgelegtem Nennbetrag.

- (ii) Die Zinsen für einen beliebigen Zeitraum bis zum Ersten Kündigungstag (ausschließlich) (ausgenommen ist die erste Zinsperiode ab dem Zinslaufbeginn (einschließlich) bis zum 7. Juli 2016 (ausschließlich), für den ein Bruchteilszinsbetrag festgelegt ist) werden auf der Grundlage des Festzins-Zinstagequotienten berechnet.

"**Festzins-Zinstagequotient**" bezeichnet bei der Berechnung des Zinsbetrages für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses Zeitraums (ausschließlich)) (der "**Zinsberechnungszeitraum**"):

- (A) wenn der Zinsberechnungszeitraum der Feststellungsperiode entspricht, in die er fällt, oder kürzer als diese ist, die Anzahl von Tagen in dem Zinsberechnungszeitraum dividiert durch die Anzahl von Tagen in der betreffenden Feststellungsperiode; und
- (B) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus

### § 3 Interest

#### § 3.1 Interest Rate

(a) *Fixed Rate Interest.*

- (i) In the period from and including 9 April 2015 (the "**Interest Commencement Date**") to but excluding 7 July 2025 (the "**First Call Date**") each Note bears interest on its Specified Denomination at a rate of 2.241 per cent. per annum.

Until and including the First Call Date, interest is scheduled to be paid in arrear on 7 July of each year (each a "**Fixed Interest Payment Date**"), commencing on 7 July 2016 (long first coupon) and will be due and payable (*fällig*) in accordance with the conditions set forth in § 3.2 and § 3.3.

The first payment of interest will amount to EUR 2,787.44 per Specified Denomination.

- (ii) Interest for any period of time to but excluding the First Call Date (other than the period from and including the Interest Commencement Date to but excluding 7 July 2016 for which a broken interest amount has been fixed) will be calculated on the basis of the Fixed Day Count Fraction.

"**Fixed Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last day of such period) (the "**Calculation Period**"):

- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the number of days in such Determination Period; and
- (B) if the Calculation Period is longer than one Determination Period, the sum of:

- (I) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in der der Zinsberechnungszeitraum beginnt, dividiert durch die Anzahl der Tage in der betreffenden Feststellungsperiode; und
- (II) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen, dividiert durch die Anzahl der Tage in der betreffenden Feststellungsperiode.

Dabei gilt Folgendes:

"**Feststellungsperiode**" bezeichnet jede Periode ab dem 7. Juli (einschließlich), der in ein beliebiges Jahr fällt, bis zum nächsten 7. Juli (ausschließlich).

"**Festzins-Zinsperiode**" bezeichnet den Zeitraum ab dem Zinslaufbeginn (einschließlich) bis zum ersten Festzins-Zinszahlungstag (ausschließlich) sowie jeden nachfolgenden Zeitraum ab einem Festzins-Zinszahlungstag (einschließlich) bis zum nächsten nachfolgenden Festzins-Zinszahlungstag (ausschließlich).

(b) *Variabler Zins.*

- (i) *Variable Zinszahlungstage.*
  - (A) Jede Schuldverschreibung wird bezogen auf ihren festgelegten Nennbetrag für die jeweilige Variable Zinsperiode (wie nachstehend definiert) mit einem jährlichen Satz, der dem Variablen Zinssatz (wie nachstehend definiert) entspricht, verzinst. Während einer jeden solchen Variablen Zinsperiode sind die Zinsen nachträglich an jedem Variablen Zinszahlungstag zur Zahlung vorgesehen und werden gemäß § 3.2 und § 3.3 fällig. Der zur Zahlung vorgesehene variable Zinsbetrag wird gemäß § 3.1(d) berechnet.
  - (B) "**Variabler Zinszahlungstag**" bezeichnet, vorbehaltlich der Variablen Geschäftstagenkonvention, 7. Januar, 7. April,

- (I) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the number of days in such Determination Period; and
- (II) the number of days in such Calculation Period falling in the next Determination Period divided by the number of days in such Determination Period.

Where:

"**Determination Period**" means each period from and including 7 July in any year to but excluding the next 7 July.

"**Fixed Interest Period**" means the period from and including the Interest Commencement Date to but excluding the first Fixed Interest Payment Date and each successive period from and including a Fixed Interest Payment Date to but excluding the next following Fixed Interest Payment Date.

(b) *Floating Rate Interest.*

- (i) *Floating Interest Payment Dates.*
  - (A) Each Note bears interest on its Specified Denomination at the rate per annum equal to the Floating Rate of Interest for the relevant Floating Interest Period (as defined below). During each such Floating Interest Period interest is scheduled to be paid in arrear on each Floating Interest Payment Date and will be due and payable (*fällig*) in accordance with the conditions set forth in § 3.2 and § 3.3. The amount of floating interest scheduled to be paid shall be determined in accordance with § 3.1(d).
  - (B) "**Floating Interest Payment Date**" means, subject to the Floating Business Day Convention, 7 January, 7 April,

7. Juli und 7. Oktober eines jeden Jahres. Der erste Variable Zinszahlungstag ist, vorbehaltlich der Variablen Geschäftstagekonvention, der 7. Oktober 2025.

7 July and 7 October in each year. The first Floating Interest Payment Date will be 7 October 2025, subject to the Floating Business Day Convention.

- (C) "**Variable Geschäftstagekonvention**" hat die folgende Bedeutung: Fällt ein Variabler Zinszahlungstag auf einen Tag, der kein Geschäftstag (wie nachstehend definiert) ist, so wird der Variable Zinszahlungstag auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Variable Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.
- (C) "**Floating Business Day Convention**" has the following meaning: If any Floating Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), the Floating Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Floating Interest Payment Date shall be brought forward to the immediately preceding Business Day.
- (ii) *Variabler Zinssatz.* Der "**Variable Zinssatz**" für jede Variable Zinsperiode (wie nachstehend definiert) ist der Zinssatz per annum, der dem Variablen Referenzsatz (wie nachstehend definiert) zuzüglich der Marge entspricht.
- (ii) *Floating Rate of Interest.* The "**Floating Rate of Interest**" for each Floating Interest Period (as defined below) will be a rate per annum equal to the Floating Reference Rate (as defined below) plus the Margin.
- (c) *Definitionen.* In diesen Anleihebedingungen gilt Folgendes:
- (c) *Definitions.* In these Terms and Conditions:
- "**Bildschirmseite**" bezeichnet Reuters Bildschirmseite EURIBOR01 oder eine andere Bildschirmseite von Reuters oder von einem anderen Informationsanbieter als Nachfolger, welche die Reuters Bildschirmseite EURIBOR01 ersetzt.
- "**Screen Page**" means Reuters screen page EURIBOR01 or such other screen page of Reuters or such other information service which is the successor to Reuters screen page EURIBOR01.
- "**Euro-Zone**" bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft (unterzeichnet in Rom am 25. März 1957), geändert durch den Vertrag über die Europäische Union (unterzeichnet in Maastricht am 7. Februar 1992) und den Amsterdamer Vertrag vom 2. Oktober 1997, in seiner jeweiligen Fassung, eine einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.
- "**Euro-zone**" means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and the Amsterdam Treaty of 2 October 1997, as further amended from time to time.
- "**Geschäftstag**" bezeichnet einen Tag (außer einem Samstag oder Sonntag), (i) an dem das Clearingsystem und (ii) alle betroffenen Bereiche des Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) geöffnet sind, um Zahlungen abzuwickeln.
- "**Business Day**" means a day which is a day (other than a Saturday or a Sunday) on which both (i) the Clearing System and (ii) all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) are open to effect payments.

"**Marge**" bezeichnet 2,65 % per annum.

"**Referenzbanken**" bezeichnet die Hauptniederlassungen von vier von der Berechnungsstelle ausgewählten großen Banken im Interbankenmarkt der Euro-Zone.

"**Repräsentativer Betrag**" bezeichnet einen Betrag, der zu der jeweiligen Zeit in dem jeweiligen Markt für eine einzelne Transaktion repräsentativ ist.

"**TARGET-Geschäftstag**" bezeichnet einen Tag, an dem das Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) betriebsbereit ist.

Der "**Variable Referenzsatz**" für jede Variable Zinsperiode wird von der Berechnungsstelle am jeweiligen Zinsfestsetzungstag bestimmt und entspricht dem Angebotssatz (ausgedrückt als Prozentsatz *per annum*) für Einlagen in Euro für einen Zeitraum von 3 Monaten, der an dem betreffenden Zinsfestsetzungstag um 11.00 Uhr (Brüsseler Ortszeit) auf der Bildschirmseite angezeigt wird.

Sollte die Bildschirmseite nicht zur Verfügung stehen oder wird zu dem betreffenden Zeitpunkt kein Angebotssatz angezeigt, wird die Berechnungsstelle von den Referenzbanken (wie vorstehend definiert) deren jeweilige Angebotssätze (jeweils als Prozentsatz *per annum* ausgedrückt) für Einlagen in Euro für die betreffende Variable Zinsperiode und über einen Repräsentativen Betrag (auf Grundlage des Actual/360 Zinstagequotienten) gegenüber führenden Banken im Interbankenmarkt der Euro-Zone um ca. 11.00 Uhr (Brüsseler Ortszeit) an dem betreffenden Zinsfestsetzungstag einholen. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotssätze nennen, ist der Variable Referenzsatz für die betreffende Variable Zinsperiode das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste tausendstel Prozent, wobei 0,0005 aufgerundet wird) dieser Angebotssätze, wobei alle Feststellungen durch die Berechnungsstelle erfolgen.

Falls an dem betreffenden Zinsfestsetzungstag nur eine oder keine der Referenzbanken der Berechnungsstelle die im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Variable Referenzsatz für die betreffende Variable Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Sätze ermittelt, die von der Berechnungsstelle nach Treu und

"**Margin**" means 2.65 per cent. per annum.

"**Reference Banks**" means the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent.

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market at the relevant time.

"**TARGET Business Day**" means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) is operating.

The "**Floating Reference Rate**" for each Floating Interest Period will be determined by the Calculation Agent on the relevant Interest Determination Date and will be the rate (expressed as a percentage rate per annum) for deposits in Euro for the period of 3 months which appears on the Screen Page as of 11.00 a.m. (Brussels time) on the relevant Interest Determination Date.

If the Screen Page is not available or if no such quotation appears as at such time, the Calculation Agent shall request each of the Reference Banks (as defined above) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in Euro for the relevant Floating Interest Period and in a Representative Amount (on an Actual/360 day count basis) to prime banks in the Euro-Zone interbank market at approximately 11:00 a.m. (Brussels time) on the relevant Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Floating Reference Rate for such Floating Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations, all as determined by the Calculation Agent.

If on the relevant Interest Determination Date only one or none of the selected Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Floating Reference Rate for the relevant Floating Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the

Glauben ausgewählte Großbanken im Interbankenmarkt der Euro-Zone um ca. 11.00 Uhr (Brüsseler Ortszeit) der Berechnungsstelle auf ihre Anfrage als den jeweiligen Satz nennen, zu dem sie an dem betreffenden Zinsfestsetzungstag Darlehen in Euro für die betreffende Variable Zinsperiode und über einen Repräsentativen Betrag gegenüber führenden europäischen Banken anbieten.

Falls der Variable Referenzsatz nicht gemäß den vorstehenden Bestimmungen ermittelt werden kann, und falls zum betreffenden Zeitpunkt die International Swaps and Derivatives Association, Inc. ("**ISDA**") eine Auffangregelung zur Bestimmung des variablen Referenzsatzes veröffentlicht hat, wird die Berechnungsstelle den Variablen Referenzsatz auf Basis dieser Auffangregelung berechnen. Falls die ISDA zum betreffenden Zeitpunkt keine solche Auffangregelung veröffentlicht hat, gilt folgendes: Falls der Variable Referenzsatz nicht gemäß den vorstehenden Bestimmungen ermittelt werden kann, ist der Variable Referenzsatz der Angebotssatz oder das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Angebotssätze auf der Bildschirmseite an dem letzten Tag vor dem Zinsfestsetzungstag, an dem diese Angebotssätze angezeigt wurden.

"**Variable Zinsperiode**" bezeichnet den Zeitraum ab dem Ersten Kündigungstag (einschließlich) bis zum ersten Variablen Zinszahlungstag (ausschließlich) sowie jeden folgenden Zeitraum ab einem Variablen Zinszahlungstag (einschließlich) bis zum jeweils darauf folgenden Variablen Zinszahlungstag (ausschließlich).

"**Zinsfestsetzungstag**" bezeichnet den zweiten TARGET-Geschäftstag vor Beginn der jeweiligen Variablen Zinsperiode.

"**Zinsperiode**" bezeichnet jede Festzins-Zinsperiode und jede Variable Zinsperiode.

"**Zinszahlungstag**" bezeichnet jeden Festzins-Zinszahlungstag und jeden Variablen Zinszahlungstag.

- (d) *Berechnungen und Feststellungen durch die Berechnungsstelle.*

Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zinsfestsetzungstag den auf die Schuldverschreibungen zur Zahlung vorgesehenen variablen Zinsbetrag

rates, as communicated at approximately 11:00 a.m. (Brussels time) to (and at the request of) the Calculation Agent by major banks in the Euro-Zone interbank market, selected by the Calculation Agent acting in good faith, at which such banks offer, on the relevant Interest Determination Date, loans in Euro for the relevant Floating Interest Period and in a Representative Amount to leading European banks.

If the Floating Reference Rate cannot be determined in accordance with the foregoing provisions, and if the International Swaps and Derivatives Association, Inc. ("**ISDA**") has published a fallback provision for the determination of the Floating Reference Rate at the relevant time, the Calculation Agent will determine the Floating Reference Rate on the basis of such fallback provision. If the ISDA has not published such a fallback provision at the relevant time, the following shall apply: If the Floating Reference Rate cannot be determined in accordance with the foregoing provisions, the Floating Reference Rate shall be the offered quotation or the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the offered quotations on the Screen Page on the last day preceding the Interest Determination Date on which such quotations were offered.

"**Floating Interest Period**" means each period from and including the First Call Date to but excluding the first Floating Interest Payment Date and each successive period from and including a Floating Interest Payment Date to but excluding the following Floating Interest Payment Date.

"**Interest Determination Date**" means the second TARGET Business Day prior to the commencement of the relevant Floating Interest Period.

"**Interest Period**" means each Fixed Interest Period and each Floating Interest Period.

"**Interest Payment Date**" means each Fixed Interest Payment Date and each Floating Interest Payment Date.

- (d) *Determinations and calculations by the Calculation Agent.*

The Calculation Agent will, on or as soon as practicable after each Interest Determination Date, calculate the amount of floating interest (the "**Floating Interest Amount**") scheduled



bezogen auf jeden Festgelegten Nennbetrag (der "**Variable Zinsbetrag**") für die entsprechende Variable Zinsperiode berechnen. Der Variable Zinsbetrag wird ermittelt, indem der Variable Zinssatz und der Variable Zinstagequotient (wie nachstehend definiert) auf jeden Festgelegten Nennbetrag angewendet werden, wobei der resultierende Betrag auf den nächsten Euro 0,01 auf- oder abgerundet wird, wobei Euro 0,005 aufgerundet werden.

"**Variabler Zinstagequotient**" bezeichnet bei der Berechnung des Variablen Zinsbetrages für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses Zeitraums (ausschließlich)) (unabhängig davon, ob es sich dabei um eine Variable Zinsperiode handelt, der "**Variable Zinsberechnungszeitraum**") die tatsächliche Anzahl der Tage im Variablen Zinsberechnungszeitraum dividiert durch 360 (Actual/360).

- (e) *Bekanntmachung durch die Berechnungsstelle.* Die Berechnungsstelle wird veranlassen, dass der Variable Zinssatz, der Variable Zinsbetrag für die jeweilige Variable Zinsperiode, die jeweilige Variable Zinsperiode und der relevante Variable Zinszahlungstag der Emittentin und den Anleihegläubigern durch Bekanntmachung gemäß § 10 und jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, unverzüglich, aber keinesfalls später als zu Beginn der jeweiligen Variablen Zinsperiode bekannt gemacht werden. Im Fall einer Verlängerung oder Verkürzung der Variablen Zinsperiode können der mitgeteilte Variable Zinsbetrag und Variable Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen maßgeblichen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, sowie den Anleihegläubigern gemäß § 10 bekannt gemacht.
- (f) *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 3.1 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, den Fiscal Agent, die Zahlstellen und die Anleihegläubiger bindend.

to be paid on the Notes in respect of each Specified Denomination for the relevant Floating Interest Period. Each Floating Interest Amount shall be calculated by applying the Floating Rate of Interest and the Floating Day Count Fraction (as defined below) to each Specified Denomination and rounding the resulting figure to the nearest Euro 0.01, Euro 0.005 being rounded upwards.

"**Floating Day Count Fraction**" means, in respect of the calculation of the Floating Interest Amount on any Note for any period of time (from and including the first day of such period to but excluding the last day of such period) (whether or not constituting a Floating Interest Period, the "**Floating Calculation Period**") the actual number of days in the Floating Calculation Period divided by 360 (actual/360).

- (e) *Publication by the Calculation Agent.* The Calculation Agent will cause the Floating Rate of Interest, each Floating Interest Amount for each Floating Interest Period, each Floating Interest Period and the relevant Floating Interest Payment Date to be notified to the Issuer and to the Noteholders by notice in accordance with § 10 and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange, without undue delay, but in no event later than the first day of the relevant Floating Interest Period. Each Floating Interest Amount and Floating Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Interest Period. Any such amendment will be promptly notified to any relevant stock exchange on which the Notes are then listed and to the Noteholders in accordance with § 10.
- (f) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3.1 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agents and the Noteholders.

**§ 3.2 Fälligkeit von Zinszahlungen, wahlweise und zwingende Aussetzung von Zinszahlungen**

(a) Zinsen, die während einer Zinsperiode auflaufen, werden an dem Zinszahlungstag für diese Zinsperiode wie folgt fällig:

(i) Wenn in den letzten 6 Monaten vor dem betreffenden Zinszahlungstag ein Dividendenereignis (wie nachstehend definiert) eingetreten ist, werden diese Zinsen an diesem Zinszahlungstag fällig, sofern kein Pflichtaussetzungsereignis in Bezug auf diesen Zinszahlungstag eingetreten ist.

(ii) Wenn in den letzten 6 Monaten vor dem betreffenden Zinszahlungstag kein Dividendenereignis (wie nachstehend definiert) eingetreten ist, werden diese Zinsen an diesem Zinszahlungstag fällig, sofern kein Pflichtaussetzungsereignis in Bezug auf diesen Zinszahlungstag eingetreten ist, und sofern sich die Emittentin nicht dazu entscheidet, durch eine Bekanntmachung an die Anleihegläubiger gemäß § 10 innerhalb einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen vor dem betreffenden Zinszahlungstag, die betreffende Zinszahlung vollständig oder teilweise auszusetzen.

Wenn sich die Emittentin zur vollständigen oder teilweisen Aussetzung aufgelaufener Zinsen entschieden hat, dann ist sie nicht verpflichtet, an dem betreffenden Zinszahlungstag aufgelaufene Zinsen zu zahlen bzw. ist sie nur verpflichtet, den Teil der aufgelaufenen Zinsen zu leisten, für dessen Aussetzung sie sich nicht entschieden hat. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

(iii) Wenn in Bezug auf den betreffenden Zinszahlungstag ein Pflichtaussetzungsereignis eingetreten ist, werden Zinsen an diesem Zinszahlungstag nicht fällig. Die Emittentin wird die Anleihegläubiger gemäß § 10 über den Eintritt eines

**§ 3.2 Due date for interest payments, optional and compulsory deferral of interest payments**

(a) Interest which accrues during an Interest Period will be due and payable (*fällig*) on the Interest Payment Date for such Interest Period as follows:

(i) If during the six months before the relevant Interest Payment Date a Dividend Payment Event (as defined below) has occurred, the interest will be due and payable (*fällig*) on such Interest Payment Date, provided that no Compulsory Deferral Event has occurred with respect to such Interest Payment Date.

(ii) If during the six months before the relevant Interest Payment Date no Dividend Payment Event (as defined below) has occurred, the interest will be due and payable (*fällig*) on such Interest Payment Date, provided that no Compulsory Deferral Event has occurred with respect to such Interest Payment Date, and that the Issuer does not elect to defer the relevant payment of interest in whole or in part by giving not less than 10 and not more than 15 Business Days' notice to the Noteholders prior to the relevant Interest Payment Date in accordance with § 10.

If the Issuer elects to defer accrued interest in whole or in part, then it will not have any obligation to pay accrued interest on such Interest Payment Date or will only be obliged to pay such part of the accrued interest it elects not to defer, respectively. Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

(iii) If a Compulsory Deferral Event has occurred with respect to the relevant Interest Payment Date, interest will not be due and payable (*fällig*) on that Interest Payment Date. The Issuer will give notice to the Noteholders of the occurrence of the Compulsory Deferral

Pflichtaussetzungsereignisses  
baldmöglichst nach seiner Feststellung,  
spätestens am vierten Geschäftstag nach  
dem betreffenden Zinszahlungstag  
informieren. Eine Nichtzahlung aus  
diesem Grunde begründet keinen  
Verzug der Emittentin und keine  
anderweitige Verletzung ihrer  
Verpflichtungen aufgrund dieser  
Schuldverschreibungen oder für  
sonstige Zwecke.

- (b) Nach Maßgabe des § 3.2(a) nicht fällig  
gewordene aufgelaufene Zinsen für eine  
Zinsperiode sind Zinsrückstände (die  
**"Zinsrückstände"**).

Zinsrückstände werden nicht verzinst.

- (c) In diesen Anleihebedingungen gilt Folgendes:

**"Anwendbare Aufsichtsrechtliche  
Vorschriften"** bezeichnet die Vorschriften des  
Versicherungsaufsichtsrechts und darauf  
bezogene Regelungen und Verordnungen  
(einschließlich der Verwaltungspraxis der  
zuständigen Aufsichtsbehörde und  
einschlägiger Gerichtsentscheidungen), die  
hinsichtlich der Solo-Solvabilität der  
Emittentin und der Gruppen-Solvabilität der  
Gruppe der Emittentin (einschließlich der  
Kapitaladäquanz von international tätigen  
Versicherungsgruppen) anwendbar sind.

**"Anwendbare Insolvenzrechtliche  
Vorschriften"** bezeichnet die Vorschriften des  
maßgeblichen Insolvenzrechts und darauf  
bezogene Regelungen und Verordnungen  
(einschließlich der Gerichtspraxis und  
einschlägiger Gerichtsentscheidungen), die  
jeweils in Bezug auf die Emittentin anwendbar  
sind.

Ein **"Insolvenzereignis"** ist in Bezug auf  
jegliche Zahlung auf die  
Schuldverschreibungen oder einen Rückkauf  
von Schuldverschreibungen eingetreten, wenn  
die Emittentin durch die Zahlung bzw. den  
Rückkauf nach Maßgabe der Anwendbaren  
Insolvenzrechtlichen Vorschriften insolvent  
würde.

**"Dividendenereignis"** bezeichnet jedes der  
folgenden Ereignisse:

- (i) auf der letzten ordentlichen  
Hauptversammlung der Emittentin  
wurde eine Dividende, sonstige  
Ausschüttung oder Zahlung auf eine  
beliebige Gattung von Aktien der  
Emittentin wirksam beschlossen; oder

Event in accordance with § 10 as soon  
as possible after its determination but in  
no event later than on the fourth  
Business Day following the relevant  
Interest Payment Date. Any such failure  
to pay will not constitute a default of  
the Issuer or any other breach of its  
obligations under the Notes or for any  
other purpose.

- (b) Accrued interest in respect of an Interest  
Period not due and payable in accordance with  
§ 3.2(a) will constitute arrears of interest  
(**"Arrears of Interest"**).

Arrears of Interest will not bear interest.

- (c) For the purposes of these Terms and  
Conditions:

**"Applicable Supervisory Regulations"** means  
the provisions of insurance supervisory laws  
and any rules and regulations thereunder  
(including the administrative practice of the  
Competent Supervisory Authority and any  
applicable decision of a court) for single  
solvency of the Issuer and group solvency  
purposes of the Issuer's group (including the  
capital adequacy of internationally active  
insurance groups).

**"Applicable Insolvency Regulations"** means  
the provisions of the relevant insolvency laws  
and any rules and regulations thereunder  
(including court case law and any applicable  
court decisions) applicable to the Issuer from  
time to time.

An **"Insolvency Event"** will have occurred in  
respect of any payment on the Notes or a  
repurchase of Notes if the Issuer would  
become insolvent in accordance with the  
Applicable Insolvency Regulations as a result  
thereof.

**"Dividend Payment Event"** means any of the  
following events:

- (i) the most recent ordinary general  
meeting of shareholders (*ordentliche  
Hauptversammlung*) of the Issuer has  
validly resolved on any dividend, other  
distribution or payment in respect of  
any class of shares of the Issuer; or

- (ii) seit der letzten ordentlichen Hauptversammlung der Emittentin hat die Emittentin eine Abschlagszahlung auf den Bilanzgewinn geleistet.

Ein "**Pflichtaussetzungsereignis**" ist in Bezug auf einen Tag, an dem Zahlungen von Zinsen und/oder Zinsrückständen auf die Schuldverschreibungen gemäß diesen Anleihebedingungen vorgesehen sind, eingetreten, wenn

- (i) die Zahlung ein Insolvenzereignis auslösen oder dessen Eintritt beschleunigen würde; oder
- (ii) an dem betreffenden Tag eine Anordnung der Zuständigen Aufsichtsbehörde in Kraft ist, die der Emittentin im Rahmen der dann anwendbaren gesetzlichen Bestimmungen untersagt, Zahlungen auf die Schuldverschreibungen zu leisten; oder
- (iii) an oder vor diesem Tag ein Solvenzkapitalereignis entweder eingetreten ist und an dem betreffenden Tag fort dauert und durch die Zahlung von Zinsen und/oder Zinsrückständen auf die Schuldverschreibungen durch die Emittentin an dem betreffenden Tag eintreten würde, es sei denn,
  - (A) die Zuständige Aufsichtsbehörde hat an oder vor diesem Tag ausnahmsweise ihre vorherige Zustimmung zu der Zahlung der betreffenden Zinsen und/oder Zinsrückstände auf die Schuldverschreibungen trotz Solvenzkapitalereignis erteilt und ihre Zustimmung bis zu diesem Tag nicht widerrufen; und
  - (B) die Zahlung der betreffenden Zinsen und/oder Zinsrückstände auf die Schuldverschreibungen führt nicht zu einer weiteren Schwächung der Solvabilität der Emittentin oder der Gruppe der Emittentin; und
  - (C) die geltenden Mindestkapitalanforderungen (MCR) der Emittentin gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften sind auch nach der Zahlung der betreffenden Zinsen

- (ii) any payment on account of the balance sheet profit has been made by the Issuer since the most recent ordinary general meeting of shareholders (*ordentliche Hauptversammlung*) of the Issuer.

A "**Compulsory Deferral Event**" will have occurred with respect to the date on which any payment of interest and/or Arrears of Interest on the Notes is scheduled to be paid under these Terms and Conditions if

- (i) such payment would cause or accelerate the occurrence of an Insolvency Event; or
- (ii) there is in effect on such date an order of the Competent Supervisory Authority prohibiting the Issuer in accordance with regulations applicable at such time from making payments under the Notes; or
- (iii) a Solvency Capital Event either has occurred on or prior to such date and is continuing on such date or would be caused by the payment by the Issuer of interest and/or Arrears of Interest on the Notes on the relevant date, unless
  - (A) on or prior to such date the Competent Supervisory Authority has exceptionally given, and not withdrawn by such date, its prior consent to the payment of the relevant interest and/or Arrears of Interest despite the Solvency Capital Event; and
  - (B) the payment of the relevant interest and/or Arrears of Interest on the Notes does not further weaken the solvency position of the Issuer or the Issuer's group; and
  - (C) the applicable minimum capital requirement (MCR) of the Issuer pursuant to the Applicable Supervisory Regulations is complied with after the payment of the relevant interest and/or Arrears of Interest is made.

und/oder Zinsrückstände erfüllt.

**"Solvency II Richtlinie"** bezeichnet die Richtlinie 2009/138/EG des Europäischen Parlaments und der Kommission vom 25. November 2009 in der jeweils geltenden Fassung, die dazu erlassenen weiteren Rechtsakte der Europäischen Union, einschließlich der Delegierten Verordnung (EU) 2015/35 der Kommission vom 10. Oktober 2014, und die darauf bezogenen deutschen Umsetzungsgesetze, in der jeweils gültigen Fassung.

Ein **"Solvenzkapitalereignis"** ist eingetreten

- (i) bevor die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, falls die Emittentin oder die Gruppe der Emittentin nicht über ausreichende Mittel zur Deckung der geforderten Mindest-Solvabilitätsspanne (oder einem entsprechenden Begriff nach einer Änderung anzuwendender Vorschriften) verfügen, wie sie nach den Anwendbaren Aufsichtsrechtlichen Vorschriften oder nach den Vorschriften für Finanzkonglomerate vorgeschrieben sind; und
- (ii) nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, falls die Eigenmittel (unabhängig von der in den Anwendbaren Aufsichtsrechtlichen Vorschriften gewählten Bezeichnung) der Emittentin oder der Gruppe der Emittentin nicht ausreichen, um die geltenden Solvenzkapitalanforderungen (SCR) oder die geltenden Mindestkapitalanforderungen (MCR) oder die geltenden Kapitaladäquanzanforderungen von international tätigen Versicherungsgruppen (unabhängig von den in den Anwendbaren Aufsichtsrechtlichen Vorschriften gewählten Bezeichnungen) gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften oder gemäß den Vorschriften für Finanzkonglomerate abzudecken, je nachdem, welche Unterdeckung zuerst eintritt, und soweit für die Qualifikation der Schuldverschreibungen als Tier 2 Kapital der Emittentin oder der Gruppe der Emittentin im Falle der betreffenden Unterschreitung eine Aussetzung von Zinszahlungen erforderlich bzw. die

**"Solvency II Directive"** means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 as amended from time to time, the further legislative acts of the European Union enacted in relation thereto including Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, and the German legislation implementing the same, in each case as amended from time to time.

A **"Solvency Capital Event"** will have occurred

- (i) prior to the Solvency II Directive becoming part of the Applicable Supervisory Regulations, if the Issuer or the Issuer's group do not have sufficient funds to cover the required minimum solvency margin (or a comparable term in case of a change in applicable rules) in accordance with Applicable Supervisory Regulations or in accordance with the regulations for financial conglomerates; and
- (ii) upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations, if the own funds (*Eigenmittel*) (as stipulated in the Applicable Supervisory Regulations) of the Issuer or the Issuer's group are not sufficient to cover the applicable solvency capital requirement (SCR) or the applicable minimum capital requirement (MCR) or the applicable capital adequacy requirement for internationally active insurance groups (howsoever described in the Applicable Supervisory Regulations), whichever occurs earlier, pursuant to the Applicable Supervisory Regulations or pursuant to the regulation for financial conglomerates, and if a deferral is required or a payment of Arrears of Interest or a repayment of principal or repurchase is prohibited, respectively in the case of the respective insufficiency in order for the Notes to qualify as Tier 2 Capital of the Issuer or the Issuer's group, in each case without taking into account any potential exemption granted by the Competent Supervisory Authority.

Nachzahlung von Zinsrückständen, die Rückzahlung des Kapitals oder der Rückkauf untersagt ist, jeweils ohne Berücksichtigung einer möglichen Ausnahmegenehmigung durch die Zuständige Aufsichtsbehörde.

### § 3.3 Nachzahlung von Zinsrückständen.

- (a) *Freiwillige Nachzahlung von Zinsrückständen.* Die Emittentin ist berechtigt, ausstehende Zinsrückstände jederzeit (insgesamt oder teilweise) nachzuzahlen, wenn die Nachzahlungsvoraussetzungen (wie nachstehend definiert) in Bezug auf diese Zahlung erfüllt sind.

Wenn sich die Emittentin dazu entscheidet, ausstehende Zinsrückstände (insgesamt oder teilweise) nachzuzahlen, wird sie die Anleihegläubiger durch Bekanntmachung gemäß § 10 unter Einhaltung einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen hierüber in Kenntnis setzen, wobei eine solche Bekanntmachung (i) den Betrag an Zinsrückständen, der gezahlt werden soll, und (ii) den für diese Zahlung festgelegten Tag (der "**Freiwillige Nachzahlungstag**") enthalten muss.

Wenn an dem Freiwilligen Nachzahlungstag die Nachzahlungsvoraussetzungen (wie nachstehend definiert) in Bezug auf die betreffende Zahlung erfüllt sind, wird der in der Bekanntmachung angegebene Betrag an Zinsrückständen am angegebenen Freiwilligen Nachzahlungstag fällig und ist die Emittentin verpflichtet, diesen Betrag an Zinsrückständen am Freiwilligen Nachzahlungstag zu zahlen.

Die "**Nachzahlungsvoraussetzungen**" sind an einem Tag in Bezug auf eine Zahlung von Zinsrückständen erfüllt, wenn an diesem Tag kein Pflichtaussetzungsereignis eingetreten ist und fort dauert.

- (b) *Pflicht zur Nachzahlung von Zinsrückständen.* Die Emittentin ist verpflichtet, sämtliche ausstehenden Zinsrückstände am nächsten Pflichtnachzahlungstag (wie nachstehend definiert) nachzuzahlen.

"**Pflichtnachzahlungstag**" bezeichnet den früheren der folgenden Tage:

- (i) den nächsten Zinszahlungstag, der auf den Tag folgt, an dem ein Dividendenereignis eingetreten ist, und in Bezug auf den die Nachzahlungsvoraussetzungen erfüllt sind;

### § 3.3 Payment of Arrears of Interest.

- (a) *Optional payment of Arrears of Interest.* The Issuer will be entitled to pay outstanding Arrears of Interest (in whole or in part) at any time if the Conditions to Settlement (as defined below) are fulfilled with respect to such payment.

If the Issuer elects to pay outstanding Arrears of Interest (in whole or in part), it will give not less than 10 and not more than 15 Business Days' notice to the Noteholders in accordance with § 10 which notice will specify (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment (the "**Optional Settlement Date**").

If, on the Optional Settlement Date, the Conditions to Settlement (as defined below) are fulfilled with respect to the relevant payment, the amount of Arrears of Interest specified in such notice will become due and payable (*fällig*), and the Issuer will be obliged to pay such amount of Arrears of Interest on the Optional Settlement Date.

The "**Conditions to Settlement**" are fulfilled on a day with respect to any payment of Arrears of Interest if on such day no Compulsory Deferral Event has occurred and is continuing.

- (b) *Compulsory payment of Arrears of Interest.* The Issuer must pay all outstanding Arrears of Interest on the next Compulsory Settlement Date (as defined below).

"**Compulsory Settlement Date**" means the earlier of:

- (i) the next Interest Payment Date following the date on which a Dividend Payment Event occurred, and in respect of which the Conditions to Settlement are fulfilled;

- (ii) den Tag, an dem die Schuldverschreibungen gemäß § 4 zur Rückzahlung fällig werden;
  - (iii) den Tag, an dem eine Verfügung zur Auflösung, Abwicklung oder Liquidation der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. bei der die Emittentin noch zahlungsfähig ist und bei dem bzw. bei der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).
- (c) Falls an einem Freiwilligen Nachzahlungstag oder einem Pflichtnachzahlungstag die Nachzahlungsvoraussetzungen, soweit erforderlich, nicht erfüllt sind, werden Zinsrückstände, deren Zahlung an diesem Tag vorgesehen war, an dem betreffenden Freiwilligen Nachzahlungstag bzw. Pflichtnachzahlungstag nicht fällig, sondern bleiben ausstehend und werden weiter als Zinsrückstände behandelt. Die Emittentin wird die Anleihegläubiger gemäß § 10 über die Nichterfüllung der Nachzahlungsvoraussetzungen baldmöglichst nach ihrer Feststellung, spätestens am vierten Geschäftstag nach dem betreffenden Freiwilligen Nachzahlungstag bzw. Pflichtnachzahlungstag informieren. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

- (ii) the date on which the Notes fall due for redemption in accordance with § 4; and
  - (iii) the date on which an order is made for the winding up, dissolution or liquidation of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).
- (c) If on an Optional Settlement Date or a Compulsory Settlement Date the Conditions to Settlement, to the extent required, are not fulfilled, Arrears of Interest scheduled to be paid on such date will not become due and payable (*fällig*) on the relevant Optional Settlement Date or Compulsory Settlement Date, as the case may be, but will remain outstanding and will continue to be treated as Arrears of Interest. The Issuer will give notice to the Noteholders regarding the non-fulfilment of the Conditions to Settlement in accordance with § 10 as soon as possible after its determination but in no event later than on the fourth Business Day following the relevant Optional Settlement Date or Compulsory Settlement Date. Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

### § 3.4 Ende des Zinslaufs

Der Zinslauf der Schuldverschreibungen endet mit Ablauf des Tages, der dem Tag unmittelbar vorangeht, an dem sie zur Rückzahlung fällig werden. Sollte die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlösen, endet die Verzinsung des ausstehenden Nennbetrages der Schuldverschreibungen nicht am Fälligkeitstag, sondern erst mit Ablauf des Tages, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorangeht. Der jeweils geltende Zinssatz wird gemäß § 3.1 bestimmt. Weitergehende Ansprüche der Anleihegläubiger bleiben unberührt.

### § 3.4 End of interest accrual

The Notes will cease to bear interest from the end of the day immediately preceding the due date for redemption. If the Issuer fails to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the end of the day preceding the day of the actual redemption of the Notes. The applicable rate of interest will be determined in accordance with § 3.1. This does not affect any additional rights that might be available to the Noteholders.

### § 4 Rückzahlung

- (a) *Rückzahlung bei Endfälligkeit.* Soweit nicht

### § 4 Redemption

- (a) *Redemption at Maturity.* To the extent not

bereits zuvor zurückgezahlt oder zurückgekauft, werden die Schuldverschreibungen am Endfälligkeitstag zum Rückzahlungsbetrag zurückgezahlt.

**"Endfälligkeitstag"** ist,

- (i) wenn an dem Vorgesehenen Endfälligkeitstag die Rückzahlungsbedingungen gemäß § 4(e) erfüllt sind, der Vorgesehene Endfälligkeitstag;
- (ii) andernfalls der erste Zinszahlungstag nach dem Vorgesehenen Endfälligkeitstag, an dem die Rückzahlungsbedingungen erfüllt sind.

**"Vorgesehener Endfälligkeitstag"** ist der 7. Juli 2045.

- (b) *Vorzeitige Rückzahlung nach Wahl der Emittentin.* Die Emittentin ist berechtigt, durch Kündigungserklärung gemäß § 4(f) und vorbehaltlich der Erfüllung der Rückzahlungsbedingungen gemäß § 4(e), die Schuldverschreibungen (insgesamt und nicht nur teilweise) erstmals mit Wirkung zum Ersten Kündigungstag und danach mit Wirkung zu jedem Variablen Zinszahlungstag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt und die Rückzahlungsbedingungen an dem für die Rückzahlung festgelegten Tag erfüllt sind, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Bekanntmachung festgelegten Rückzahlungstag zum Rückzahlungsbetrag (wie nachstehend definiert) zurückzuzahlen.
- (c) *Vorzeitige Rückzahlung nach Eintritt eines Gross up-Ereignisses.*
  - (i) Wenn vor dem Ersten Kündigungstag ein Gross-up-Ereignis (wie nachstehend definiert) eintritt, ist die Emittentin vorbehaltlich der Erfüllung der Rückzahlungsbedingungen gemäß § 4(e) berechtigt, die Schuldverschreibungen jederzeit (insgesamt und nicht nur teilweise) durch Kündigungserklärung gemäß § 4(f) mit Wirkung zu dem in der Kündigungserklärung für die Rückzahlung festgelegten Tag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt und die Rückzahlungsbedingungen an dem für die Rückzahlung festgelegten Tag erfüllt sind, ist die Emittentin

previously redeemed or repurchased, the Notes will be redeemed at their Redemption Amount on the Final Maturity Date.

**"Final Maturity Date"** means,

- (i) if on the Scheduled Maturity Date the Conditions to Redemption pursuant to § 4(e) are fulfilled, the Scheduled Maturity Date;
- (ii) otherwise the first Interest Payment Date following the Scheduled Maturity Date on which the Conditions to Redemption are fulfilled.

**"Scheduled Maturity Date"** means 7 July 2045.

- (b) *Early redemption at the option of the Issuer.* The Issuer may, upon giving a notice of redemption in accordance with § 4(f) and subject to the Conditions to Redemption pursuant to § 4(e) being fulfilled, call the Notes for early redemption (in whole but not in part) for the first time with effect as of the First Call Date and on each Floating Interest Payment Date thereafter. If the Issuer exercises its call right in accordance with sentence 1 and the Conditions to Redemption are fulfilled on the specified redemption date, the Issuer shall redeem the Notes at the Redemption Amount (as defined below) on the redemption date specified in the notice.
- (c) *Early redemption following a Gross up Event.*
  - (i) If a Gross up Event (as defined below) occurs prior to the First Call Date, the Issuer may, subject to the Conditions to Redemption pursuant to § 4(e) being fulfilled, on giving a notice of redemption in accordance with § 4(f), call the Notes for early redemption (in whole but not in part) at any time with effect as of the date fixed for redemption in the notice. If the Issuer exercises its call right in accordance with sentence 1 and the Conditions to Redemption are fulfilled on the specified redemption date, the Issuer shall redeem the Notes at the Redemption Amount (as defined below) on the redemption date specified in the notice.



verpflichtet, die Schuldverschreibungen an dem in der Bekanntmachung festgelegten Rückzahlungstag zum Rückzahlungsbetrag (wie nachstehend definiert) zurückzuzahlen.

Eine solche Kündigungserklärung darf nicht früher als 90 Tage vor dem Tag erfolgen, an dem die Emittentin erstmals verpflichtet wäre, Zusätzliche Beträge (wie in § 6 definiert) zu zahlen.

- (ii) Ein "**Gross-up-Ereignis**" tritt ein, wenn der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin dem Fiscal Agent eine Kopie davon gibt), aus dem hervorgeht, dass die Emittentin aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung oder Klarstellung der Gesetze, Verordnungen oder sonstigen Vorschriften des Staats, in dem die Emittentin steuerlich ansässig ist, einer seiner Gebietskörperschaften oder einer seiner zur Erhebung von Steuern berechtigten Behörden oder sonstigen Stellen (einschließlich des Falles, dass die betreffende Änderung oder Klarstellung rückwirkend Anwendung findet), oder aufgrund einer Änderung der Auslegung oder Anwendung, oder aufgrund einer erstmaligen Auslegung oder Anwendung dieser Gesetze, Verordnungen oder sonstigen Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht oder eine Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung von Entscheidungen eines Gerichts oder einer Behörde) verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge gemäß § 6 auf die Schuldverschreibungen zu zahlen, und die Emittentin diese Verpflichtung nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für zumutbar und angemessen hält.

(d) *Vorzeitige Rückzahlung nach Eintritt eines Steuerereignisses, eines Aufsichtsrechtlichen Ereignisses, eines Rechnungslegungsereignisses oder eines Ratingagenturereignisses.*

- (i) Wenn vor dem Ersten Kündigungstag ein Steuerereignis, ein Aufsichtsrechtliches Ereignis, ein

No such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be for the first time obliged to pay any Additional Amounts (as defined in § 6).

- (ii) A "**Gross up Event**" will occur if an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Fiscal Agent with a copy thereof) stating that, as a result of any change in, or amendment or clarification to, the laws, regulations or other rules of the Issuer's country of domicile for tax purposes, any of its political subdivisions or any authority or any other agency of or in such country having power to tax (including in case any such change, amendment or clarification has retroactive effect), or as a result of any change in, or amendment or clarification to, the interpretation or application, or as a result of any interpretation or application made for the first time, of any such laws, regulations or other rules by any legislative body, court or authority (including the enactment of any legislation and the publication of any decision of any court or authority), which change or amendment becomes effective on or after the date of issue of the Notes, the Issuer has or will become obliged to pay Additional Amounts pursuant to § 6 on the Notes, and that obligation cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

(d) *Early redemption following a Tax Event, a Regulatory Event, an Accounting Event or a Rating Agency Event.*

- (i) If a Tax Event, Regulatory Event, Accounting Event or Rating Agency Event (each as defined below) occurs

Rechnungslegungsereignis oder ein Ratingagenturereignis (jeweils wie nachstehend definiert) eintritt, ist die Emittentin vorbehaltlich der Erfüllung der Rückzahlungsbedingungen gemäß § 4(e) berechtigt, die Schuldverschreibungen jederzeit (insgesamt und nicht nur teilweise) durch Kündigungserklärung gemäß § 4(f) mit Wirkung zu dem in der Kündigungserklärung für die Rückzahlung festgelegten Tag zur vorzeitigen Rückzahlung zu kündigen. Wenn die Emittentin ihr Kündigungsrecht gemäß Satz 1 ausübt und die Rückzahlungsbedingungen an dem für die Rückzahlung festgelegten Tag erfüllt sind, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem festgelegten Rückzahlungstag zum Rückzahlungsbetrag (wie nachstehend definiert) zurückzuzahlen.

Im Falle eines Steuerereignisses darf eine solche Kündigungserklärung nicht früher als 90 Tage vor dem Tag erfolgen, an dem die Abzugsfähigkeit der Zinsen entfallen würde.

- (ii) Ein "**Steuerereignis**" tritt ein, wenn der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin dem Fiscal Agent eine Kopie davon gibt), aus dem hervorgeht, dass aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung oder Klarstellung der Gesetze, Verordnungen oder sonstigen Vorschriften des Staats, in dem die Emittentin steuerlich ansässig ist, einer seiner Gebietskörperschaften oder einer seiner zur Erhebung von Steuern berechtigten Behörden (einschließlich des Falles, dass die betreffende Änderung oder Klarstellung rückwirkend Anwendung findet), oder aufgrund einer Änderung oder Klarstellung der Auslegung oder Anwendung, oder aufgrund einer erstmaligen Auslegung oder Anwendung dieser Gesetze, Verordnungen oder sonstigen Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht oder eine Behörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung von Entscheidungen eines Gerichts oder einer Behörde), Zinsen, die von der Emittentin auf die

prior to the First Call Date, the Issuer may, subject to the Conditions to Redemption pursuant to § 4(e) being fulfilled, on giving a notice of redemption in accordance with § 4(f), call the Notes for early redemption (in whole but not in part) at any time with effect as of the date fixed for redemption in the notice. If the Issuer exercises its call right in accordance with sentence 1 and the Conditions to Redemption are fulfilled on the specified redemption date, the Issuer shall redeem the Notes at the Redemption Amount (as defined below) on the redemption date specified in the notice.

In the case of a Tax Event, no such notice of redemption may be given earlier than 90 days prior to the date, on which the deductibility of interest would fall away.

- (ii) A "**Tax Event**" will occur if an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Fiscal Agent with a copy thereof) stating that, as a result of any change in, or amendment or clarification to, the laws, regulations or other rules of the Issuer's country of domicile for tax purposes, any of its political subdivisions or any authority of or in such country having power to tax (including in case any such change, amendment or clarification has retroactive effect), or as a result of any change in, or amendment or clarification to, the interpretation or application, or as a result of any interpretation or application made for the first time, of any such laws, regulations or other rules by any legislative body, court or authority (including the enactment of any legislation and the publication of any decision of any court or authority), which change, amendment or clarification becomes effective on or after the date of issue of the Notes, interest payable by the Issuer in respect of the Notes is no longer, or will no longer be, fully deductible by the Issuer for income tax purposes in the the

Schuldverschreibungen zu zahlen sind, von der Emittentin nicht mehr für die Zwecke der Ertragsteuer in dem Staat, in dem die Emittentin steuerlich ansässig ist, voll abzugsfähig sind, bzw. nicht mehr voll abzugsfähig sein werden, und die Emittentin dieses Risiko nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für zumutbar und angemessen hält.

Ein "**Aufsichtsrechtliches Ereignis**" tritt ein, wenn

- (A) an oder nach dem Tag der Begebung der Schuldverschreibungen, und bevor die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, die Zuständige Aufsichtsbehörde schriftlich gegenüber der Emittentin feststellt, dass nach den Anwendbaren Aufsichtsrechtlichen Vorschriften die Schuldverschreibungen (insgesamt oder teilweise) nicht länger die Anforderungen für die Einbeziehung in die Berechnung der Eigenmittel für Zwecke der Ermittlung der Solo-Solvabilität der Emittentin oder der Gruppen-Solvabilität der Gruppe der Emittentin erfüllen, es sei denn, dies beruht in den genannten Fällen allein auf der Überschreitung der Anrechnungsobergrenzen für die Einbeziehung solcher Wertpapiere in die Eigenmittel aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften; oder
- (B) nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, die Zuständige Aufsichtsbehörde schriftlich gegenüber der Emittentin feststellt, dass nach den Anwendbaren Aufsichtsrechtlichen Vorschriften die Schuldverschreibungen (insgesamt oder teilweise) nicht die Anforderungen für die Einbeziehung in die Berechnung

Issuer's country of domicile for tax purposes, and that risk cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

A "**Regulatory Event**" will occur if

- (A) on or after the date of issue of the Notes, and prior to the Solvency II Directive becoming part of the Applicable Supervisory Regulations, the Competent Supervisory Authority states in writing to the Issuer that under Applicable Supervisory Regulations the Notes (in whole or in part) no longer fulfil the requirements for inclusion in the determination of own funds for single solvency of the Issuer or group solvency purposes of the Issuer's group, except where in such cases this is the result of exceeding any applicable limits on the inclusion of the Notes in the own funds pursuant to the Applicable Supervisory Regulations; or
- (B) upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations the Competent Supervisory Authority states in writing to the Issuer that under the Applicable Supervisory Regulations the Notes (in whole or in part) would not be eligible to qualify for inclusion in the determination of own funds as Tier 2 Capital for single solvency purposes of the Issuer or for group solvency purposes

der Eigenmittel als Tier 2 Kapital für Zwecke der Ermittlung der Solo-Solvabilität der Emittentin oder der Gruppen-Solvabilität der Gruppe der Emittentin (einschließlich der Kapitaladäquanz von international tätigen Versicherungsgruppen) erfüllen oder sie derartige Anforderungen nicht länger erfüllen, nachdem sie diese Anforderungen zunächst erfüllt hatten, es sei denn, dies beruht in den genannten Fällen allein auf der Überschreitung der Anrechnungsobergrenzen für die Einbeziehung solcher Wertpapiere in das Tier 2 Kapital der Emittentin oder der Gruppe der Emittentin aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften. Dabei gilt Folgendes:

**"Tier 2 Kapital"** bezeichnet Tier 2 Eigenmittel (wie in den Anwendbaren Aufsichtsrechtlichen Vorschriften definiert).

Ein "**Rechnungslegungs-Ereignis**" tritt ein, wenn der Emittentin ein Gutachten einer anerkannten unabhängigen Wirtschaftsprüfungsgesellschaft vorliegt (und die Emittentin dem Fiscal Agent eine Kopie davon gibt), aus dem hervorgeht, dass die Emittentin aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Änderung der Anwendbaren Rechnungslegungsvorschriften (oder deren Auslegung) (einschließlich des Falles, dass die betreffende Änderung der Anwendbaren Rechnungslegungsvorschriften (oder deren Auslegung rückwirkend Anwendung findet) die Verbindlichkeiten aus den Schuldverschreibungen zur Zahlung des Kapitals in dem nach Maßgabe der Anwendbaren Rechnungslegungsvorschriften aufgestellten Konzernjahresabschluss der Emittentin nicht bzw. nicht mehr als Verbindlichkeiten ausweisen kann und die Emittentin dies nicht abwenden kann, indem sie Maßnahmen ergreift,

of the Issuer's group (including the capital adequacy of internationally active insurance groups), or that they no longer fulfil such requirements provided that the Notes did fulfil such requirements, except in each case where this is merely the result of exceeding any applicable limits on the inclusion of the Notes in the Tier 2 Capital of the Issuer or the Issuer's group pursuant to the Applicable Supervisory Regulations. Where:

**"Tier 2 Capital"** means tier 2 own funds (*Eigenmittel*) (as stipulated in the Applicable Supervisory Regulations).

An "**Accounting Event**" will occur if an opinion of a recognised independent accounting firm has been delivered to the Issuer (and the Issuer has provided the Fiscal Agent with a copy thereof) stating that as a result of any change in or amendment to the Applicable Accounting Standards, which change or amendment becomes effective on or after the date of issue of the Notes (or their interpretation) (including in case any such change or amendment to the Applicable Accounting Standards or their interpretation has retroactive effect), the Issuer must not or must no longer record the obligations under the Notes for the payment of principal as liabilities on the consolidated balance sheet prepared in accordance with Applicable Accounting Standards for purposes of the Issuer's published consolidated annual financial statements and this cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate. Where:

die sie nach Treu und Glauben für zumutbar und angemessen hält. Dabei gilt Folgendes:

**"Anwendbare Rechnungslegungsvorschriften"** bezeichnet die International Financial Reporting Standards (IFRS) wie sie zu den jeweiligen Stichtagen und für die jeweiligen Rechnungslegungsperioden anwendbar sind, oder andere, von der Emittentin anzuwendende, allgemein anerkannte Rechnungslegungsgrundsätze, die diese in Zukunft ersetzen.

**"Applicable Accounting Standards"** means the International Financial Reporting Standards (IFRS) as applicable at the relevant dates and for the relevant periods, or other accounting principles generally accepted and applied by the Issuer which subsequently supersede them.

Ein **"Ratingagenturereignis"** tritt ein, wenn sich aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen eingetretenen Änderung oder Klarstellung der Rating-Methodologie (oder deren Auslegung) die Behandlung der Schuldverschreibungen für die Bemessung der Kapitalisierung der Emittentin oder der Gruppe der Emittentin durch Moody's Investors Service, Inc. oder Standard & Poor's Rating Services, eine Abteilung der The McGraw Hill Companies, Inc. (oder eine jeweiligen Nachfolgerin), nach begründeter Auffassung der Emittentin im Vergleich zu der Behandlung der Schuldverschreibungen für die Bemessung der Kapitalisierung der Emittentin oder der Gruppe der Emittentin an dem oder um den Tag der Begebung der Schuldverschreibungen verschlechtert.

A **"Rating Agency Event"** will occur if, as a consequence of a change in, or clarification to, the rating methodology (or the interpretation thereof) of Moody's Investors Service, Inc. or Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc., or any respective successor, which change or clarification becomes effective on or after the date of issue of the Notes, the capital treatment of the Notes for the Issuer or the Issuer's group worsens in the reasonable opinion of the Issuer, as compared to the capital treatment of the Notes for the Issuer or the Issuer's group assigned at or around the date of issue of the Notes.

- (e) *Rückzahlungsbedingungen.* Die **"Rückzahlungsbedingungen"** sind an einem Tag in Bezug auf eine vorgesehene Rückzahlung oder einen geplanten Rückkauf der Schuldverschreibungen erfüllt, wenn
- (i) bevor die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, der rückzuerstattende oder zurückzukaufende Nennbetrag durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden ist oder die Zuständige Aufsichtsbehörde der Rückzahlung bzw. dem Rückkauf zustimmt; oder

- (e) *Conditions to Redemption.* The **"Conditions to Redemption"** are fulfilled on any day with respect to a scheduled redemption or a planned repurchase of the Notes, if
- (i) prior to the Solvency II Directive becoming part of the Applicable Supervisory Regulations the repaid or repurchased principal amounts have been replaced by other at least equivalent own funds (*Eigenmittel*) of at least equal status or if the Competent Supervisory Authority has given its consent to the redemption or the repurchase; or

- (ii) nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist,
- (A) die Zahlung des Rückzahlungsbetrages bzw. der Rückkauf nicht zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde; und
- (B) kein Solvenzkapitalereignis eingetreten ist und fort dauert oder durch die Rückzahlung der Schuldverschreibungen durch die Emittentin bzw. durch den Rückkauf eintreten würde, es sei denn,
- (I) die Zuständige Aufsichtsbehörde hat ausnahmsweise ihre vorherige Zustimmung zu der Rückzahlung der Schuldverschreibungen und der Zahlung des Rückzahlungsbetrages bzw. zu dem Rückkauf der Schuldverschreibungen trotz Solvenzkapitalereignis erteilt und ihre Zustimmung bis zu diesem Tag nicht widerrufen; und
- (II) das Kapital wird mit Zustimmung der Zuständigen Aufsichtsbehörde durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt; und
- (III) die geltenden Mindestkapitalanforderungen (MCR) der Emittentin sind gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften auch nach der Rückzahlung der Schuldverschreibungen bzw. nach dem Rückkauf der Schuldverschreibungen erfüllt; und
- (C) die Zuständige Aufsichtsbehörde ihre Zustimmung zur Rückzahlung bzw. zu dem
- (ii) upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations,
- (A) the payment of the Redemption Amount or the purchase would not result in, or accelerate, the occurrence of an Insolvency Event; and
- (B) no Solvency Capital Event has occurred and is continuing or would be caused by the redemption by the Issuer or the repurchase of the Notes, unless
- (I) the Competent Supervisory Authority has exceptionally given, and not withdrawn by such date, its prior consent to the redemption of the Notes and the payment of the Redemption Amount or to the repurchase of the Notes despite the Solvency Capital Event; and
- (II) the capital is replaced by other at least equivalent own funds (*Eigenmittel*) with the consent of the Competent Supervisory Authority; and
- (III) the applicable minimum capital requirement (MCR) of the Issuer pursuant to the Applicable Supervisory Regulations is complied with after the redemption of the Notes or the repurchase of the Notes is made; and
- (C) the Competent Supervisory Authority has given, and not withdrawn by such day, its prior

- Rückkauf erteilt und bis zu diesem Tag nicht widerrufen hat; und
- (D) im Falle einer Rückzahlung oder eines Rückkaufs der Schuldverschreibungen oder einer Schuldnerersetzung nach § 9 vor dem 7. Juli 2020 das Kapital durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden ist.
- (f) *Kündigung, Bekanntmachung der vorzeitigen Rückzahlung.* Die Emittentin kann die Kündigung der Schuldverschreibungen zur vorzeitigen Rückzahlung gemäß § 4(b), § 4(c) oder § 4(d) durch Veröffentlichung einer Bekanntmachung an die Anleihegläubiger gemäß § 10 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen erklären.
- Die Bekanntmachung der Rückzahlung hat den Rückzahlungstag festzulegen sowie die Tatsachen anzugeben, die das Kündigungsrecht der Emittentin begründen.
- Die Rückzahlung gemäß § 4(b), § 4(c) oder § 4(d) steht auch nach einer Kündigungserklärung unter dem Vorbehalt der Erfüllung der Rückzahlungsbedingungen an dem in der Kündigungserklärung gemäß diesem § 4(f) für die Rückzahlung festgelegten Tag.
- (g) *Rückzahlungsbetrag.* Der "**Rückzahlungsbetrag**" ist ein Betrag je Schuldverschreibung in Höhe des festgelegten Nennbetrages zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf diese Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 3.3(b) fälligen Zinsrückstände in Bezug auf diese Schuldverschreibung.
- (h) *Keine Rückzahlung nach Wahl des Anleihegläubigers.* Die Anleihegläubiger sind zu keinem Zeitpunkt berechtigt, von der Emittentin eine Rückzahlung der Schuldverschreibungen zu verlangen.
- (i) *Rückkauf.*
- (i) Die Emittentin und jede Tochtergesellschaft der Emittentin können jederzeit, vorbehaltlich zwingender gesetzlicher Regelungen und (außer unter den nachstehend in § 4(i)(ii) aufgeführten Umständen) vorbehaltlich der Erfüllung der
- consent to the redemption of the Notes or to the repurchase of the Notes; and
- (D) in the event of a redemption or repurchase of the Notes or a substitution pursuant to § 9 prior to 7 July 2020 the capital has been replaced by other at least equivalent own funds (*Eigenmittel*).
- (f) *Call, notice of early redemption.* The Issuer may call the Notes for early redemption pursuant to § 4(b), § 4(c) or § 4(d) by publishing a notice to the Noteholders in accordance with § 10 subject to observing a notice period of not less than 30 nor more than 60 days'.
- The notice of redemption must state the specified redemption date and the facts which establish the right of the Issuer to redeem the Notes.
- Even if such notice of redemption is given pursuant to § 4(b), § 4(c) or § 4(d), the redemption is subject to the Conditions to Redemption being fulfilled on the date fixed for redemption in the notice pursuant to this § 4(f).
- (g) *Redemption Amount.* The "**Redemption Amount**" means an amount per Note equal to the Specified Denomination plus any interest accrued on such Note to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Arrears of Interest due on such Note pursuant to § 3.3(b).
- (h) *No redemption at the option of a Noteholder.* The Noteholders shall not be entitled to put the Notes for redemption at any time.
- (i) *Purchase.*
- (i) The Issuer and any subsidiary of the Issuer may at any time, subject to mandatory provisions of law and (except in the circumstances set out in § 4(i)(ii) below) to the Conditions to Redemption being fulfilled on the relevant purchase date, purchase Notes

Rückzahlungsbedingungen am Tag des Rückkaufs, Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis erwerben. Derartig erworbene Schuldverschreibungen können eingezogen, gehalten oder wieder veräußert werden.

- (ii) Die Rückzahlungsbedingungen müssen im Falle von Rückkäufen nicht erfüllt sein, soweit verbundene Unternehmen der Emittentin die Schuldverschreibungen für fremde Rechnung oder für Organismen für gemeinsame Anlagen in Wertpapieren (OGAW) erwerben, es sei denn, die Anteile an diesen OGAW werden mehrheitlich von der Emittentin oder einer ihrer verbundenen Unternehmen gehalten.
- (iii) Für einen Erwerb von Schuldverschreibungen im Rahmen eines Umtauschs gegen andere Wertpapiere gelten § 4(i)(i) und (ii) entsprechend.

## § 5 Zahlungen

- (a) *Zahlungen.* Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt an das Clearingsystem oder an dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems. Die Zahlung von Zinsen auf Schuldverschreibungen, die durch eine Vorläufige Globalurkunde verbrieft sind, erfolgt nach ordnungsgemäßem Nachweis gemäß § 1(c).
- (b) *Zahlungsweise.* Auf die Schuldverschreibungen zu leistende Zahlungen werden in der Festgelegten Währung geleistet. Den Anleihegläubigern werden keine Kosten oder Gebühren in Bezug auf diese Zahlungen auferlegt. Sämtliche Zahlungen stehen unter dem Vorbehalt geltender steuerlicher und sonstiger gesetzlicher Vorschriften, Richtlinien und Verordnungen oder Verträge denen sich die Emittentin, der Fiscal Agent oder eine Zahlstelle unterworfen haben. Vorbehaltlich § 6 ist die Emittentin nicht verpflichtet, zusätzliche Beträge als Ausgleich für irgendwelche Steuern oder Abgaben gleich welcher Art, die aufgrund solcher steuerlichen oder sonstigen gesetzlichen Vorschriften, Richtlinien oder Verordnungen oder Verträge auferlegt oder erhoben werden, an die Anleihegläubiger zu zahlen.

in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.

- (ii) The Conditions to Redemption do not have to be fulfilled for purchases made by affiliates of the Issuer for the account of a third party or Undertakings for Collective Investment in Transferable Securities (UCITS), unless the majority of the shares in the relevant UCITS are held by the Issuer or one of its affiliates.
- (iii) § 4(i)(i) and (ii) shall apply *mutatis mutandis* to an acquisition of the Notes by way of exchange for other securities.

## § 5 Payments

- (a) *Payments.* Payment of principal and interest on the Notes shall be made to, or to the order of, the Clearing System for credit to the relevant account holders of the Clearing System. Payment of interest on Notes represented by a Temporary Global Note shall be made, upon due certification as provided in § 1(c).
- (b) *Manner of payment.* Payments of amounts due in respect of the Notes shall be made in the Specified Currency. No commission or expenses shall be charged to the Noteholders in respect of such payments. All payments will be subject to all applicable fiscal and other laws, directives and regulations or agreements to which the Issuer, the Fiscal Agent or any Paying Agent agree to be subject. Without prejudice to the provisions of § 6, the Issuer will not be obliged to pay to the Noteholders any additional amounts as compensation for any taxes or duties of whatever nature imposed or levied by such fiscal and other laws, regulations, directives or agreements.



- (c) Die Emittentin wird durch Leistung der Zahlung an das Clearingsystem oder an dessen Order von ihrer Zahlungspflicht befreit.
- (d) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Geschäftstag ist, dann hat der Anleihegläubiger keinen Anspruch auf Zahlung vor dem nächstfolgenden Geschäftstag. Der Anleihegläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

## § 6 Besteuerung

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Einbehalt oder Abzug von Steuern, Abgaben, Festsetzungen oder behördlicher Gebühren jedweder Art geleistet ("**Steuern**"), die von dem Staat, in dem die Emittentin steuerlich ansässig ist, oder einer seiner Gebietskörperschaften oder einer seiner zur Erhebung von Steuern berechtigten Behörden oder sonstigen Stellen auferlegt, erhoben, eingezogen, einbehalten oder festgesetzt werden, sofern nicht die Emittentin kraft Gesetzes oder einer sonstigen Rechtsvorschrift zu einem solchen Einbehalt oder Abzug verpflichtet ist. Sofern die Emittentin zu einem solchen Einbehalt oder Abzug verpflichtet ist, wird die Emittentin zusätzliche Beträge (die "**Zusätzlichen Beträge**") an die Anleihegläubiger zahlen, so dass die Anleihegläubiger die Beträge erhalten, die sie ohne den betreffenden Einbehalt oder Abzug erhalten hätten. Solche Zusätzlichen Beträge sind jedoch nicht zahlbar wegen solcher Steuern in Bezug auf Schuldverschreibungen,

- (a) die wegen einer Verbindung des betreffenden Anleihegläubigers zu dem Staat, in dem die Emittentin steuerlich ansässig ist, die nicht nur aus der bloßen Inhaberschaft der Schuldverschreibungen besteht, einzubehalten oder abzuziehen sind; oder
- (b) deren Einbehalt oder Abzug ein Anleihegläubiger durch Vorlage eines Formulars oder einer Urkunde und/oder durch Abgabe einer Nichtansässigkeitserklärung oder Inanspruchnahme einer vergleichbaren Ausnahme oder Geltendmachung eines Erstattungsanspruches hätte vermeiden können aber nicht vermieden hat; oder
- (c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung, eines zwischenstaatlichen Abkommens oder einer zwischenstaatlichen Verständigung über deren Besteuerung, an der

- (c) The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- (d) *Payment business day.* If the due date for payment of any amount in respect of any Note is not a Business Day then the Noteholder shall not be entitled to payment until the next day that is a Business Day, and shall not be entitled to further interest or other payment in respect of such delay.

## § 6 Taxation

All amounts to be paid in respect of the Notes will be paid free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by the Issuer's country of domicile for tax purposes or any of its political subdivisions or any authority or any other agency of or in the such country having power to tax, unless the Issuer is compelled by law to make such withholding or deduction. If the Issuer is required to make such withholding or deduction, the Issuer will pay such additional amounts (the "**Additional Amounts**") to the Noteholders as the Noteholders would have received if no such withholding or deduction had been required, except that no such Additional Amounts will be payable for any such Taxes in respect of any Note:

- (a) which are to be withheld or deducted by reason of the relevant Noteholder having some connection with the Issuer's country of domicile for tax purposes other than the mere holding of that Note; or
- (b) the withholding or deduction of which a Noteholder would be able to avoid by presenting any form or certificate and/or making a declaration of non-residence or similar claim for exemption or refund but fails to do so; or
- (c) which are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the Issuer's country of domicile for tax purposes or the European

der Staat, in dem die Emittentin steuerlich ansässig ist oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung, Vereinbarung, Abkommen oder Verständigung umsetzt oder befolgt, abzuziehen oder einzubehalten sind.

Die Emittentin ist keinesfalls verpflichtet, zusätzliche Beträge in Bezug auf einen Einbehalt oder Abzug von Beträgen zu zahlen, die gemäß Sections 1471 bis 1474 des U.S. Internal Revenue Code (in der jeweils geltenden Fassung oder gemäß Nachfolgebestimmungen), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen von der Emittentin, der jeweiligen Zahlstelle oder einem anderen Beteiligten abgezogen oder einbehalten wurden ("**FATCA-Steuerabzug**") oder Anleger in Bezug auf einen FATCA-Steuerabzug schadlos zu halten.

#### § 7 Vorlegung, Verjährung

- (a) *Vorlegungsfrist.* Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 BGB für fällige Schuldverschreibungen wird auf zehn Jahre verkürzt.
- (b) *Verjährungsfrist.* Die Verjährungsfrist für innerhalb der Vorlegungsfrist zur Zahlung vorgelegte Schuldverschreibungen beträgt zwei Jahre von dem Ende der betreffenden Vorlegungsfrist an.

#### § 8 Fiscal Agent, Zahlstellen und Berechnungsstelle

- (a) *Bestellung; bezeichnete Geschäftsstelle.* Der Fiscal Agent und die Zahlstelle sind nachstehend mit der benannten anfänglichen Geschäftsstelle aufgeführt:

**Fiscal Agent und Zahlstelle:**  
Deutsche Bank Aktiengesellschaft  
Taunusanlage 12  
D-60325 Frankfurt am Main

Der Fiscal Agent handelt auch als Berechnungsstelle (die "**Berechnungsstelle**").

- (b) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, jederzeit zusätzliche Zahlstellen (gemeinsam mit der vorgenannten Zahlstelle, die "**Zahlstellen**" und jede eine "**Zahlstelle**") zu benennen.

Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding.

In any event, the Issuer will have no obligation to pay additional amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party ("**FATCA Withholding**") in relation to any withholding or deduction of any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service or indemnify any investor in relation to any FATCA Withholding.

#### § 7 Presentation, Prescription

- (a) *Presentation.* The period for presentation of Notes due, as established in § 801 paragraph 1 sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch*), is reduced to ten years.
- (b) *Prescription.* The period for prescription for Notes presented for payment during the presentation period shall be two years beginning at the end of the relevant presentation period.

#### § 8 Fiscal Agent, Paying Agents and Calculation Agent

- (a) *Appointment, specified office.* The Fiscal Agent and the Paying Agent and their initial specified offices are as follows:

**Fiscal Agent and Paying Agent:**  
Deutsche Bank Aktiengesellschaft  
Taunusanlage 12  
D-60325 Frankfurt am Main  
Germany

The Fiscal Agent shall also act as calculation agent (the "**Calculation Agent**").

- (b) *Variation or termination of appointment.* The Issuer reserves the right at any time to appoint additional paying agents (together with the Paying Agent specified above, the "**Paying Agents**" and each a "**Paying Agent**").

Die Emittentin behält sich ferner das Recht vor, die Ernennung des Fiscal Agent, der Zahlstellen und der Berechnungsstelle jederzeit anders zu regeln oder zu beenden.

Die Emittentin wird sicherstellen, dass jederzeit (i) ein Fiscal Agent und eine Berechnungsstelle, (ii) eine Zahlstelle mit einer Geschäftsstelle in einer Stadt auf dem europäischen Festland und (iii) so lange die Schuldverschreibungen auf Veranlassung der Emittentin an einer Börse notiert werden, eine Zahlstelle mit einer benannten Geschäftsstelle an dem von der betreffenden Börse vorgeschriebenen Ort bestimmt ist. Der Fiscal Agent, etwaige Zahlstellen und die Berechnungsstelle behalten sich das Recht vor, jederzeit anstelle ihrer jeweils benannten Geschäftsstelle eine andere Geschäftsstelle in derselben Stadt zu bestimmen. Bekanntmachungen hinsichtlich aller Veränderungen im Hinblick auf den Fiscal Agent, etwaige Zahlstellen und die Berechnungsstelle erfolgen unverzüglich durch die Emittentin gemäß § 10.

- (c) *Erfüllungsgehilfen der Emittentin.* Der Fiscal Agent, die Zahlstelle(n) und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber dem Anleihegläubiger; es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und dem Anleihegläubiger begründet.

## § 9 Schuldnerersetzung

- (a) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger eine andere Gesellschaft (soweit es sich bei dieser Gesellschaft nicht um ein Versicherungsunternehmen handelt), die direkt oder indirekt von der Emittentin kontrolliert wird, als neue Emittentin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit schuldbefreiender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die "**Neue Emittentin**"), sofern
- (i) die Neue Emittentin sämtliche Verpflichtungen der Emittentin aus oder im Zusammenhang mit den Schuldverschreibungen übernimmt und, sofern eine Zustellung an die Neue Emittentin außerhalb der Bundesrepublik Deutschland erfolgen müsste, einen Zustellungsbevollmächtigten in der

The Issuer further reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, the Paying Agent and the Calculation Agent.

The Issuer will at all times maintain (i) a Fiscal Agent and a Calculation Agent (ii) a Paying Agent with a specified office in a continental European city and (iii) so long as the Notes are listed on a stock exchange at the initiative of the Issuer, a Paying Agent with a specified office in such city as may be required by the rules of the relevant stock exchange. The Fiscal Agent, any Paying Agent and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Fiscal Agent, any Paying Agent or the Calculation Agent will be given promptly by the Issuer to the Noteholders in accordance with § 10.

- (c) *Agents of the Issuer.* The Fiscal Agent, the Paying Agent(s) and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for the Noteholder.

## § 9 Substitution

- (a) *Substitution.* The Issuer may at any time, without the consent of the Noteholders, substitute for the Issuer any other company (other than an insurance undertaking) which is directly or indirectly controlled by the Issuer, as new issuer (the "**New Issuer**") in respect of all obligations arising under or in connection with the Notes with the effect of releasing the Issuer of all such obligations, if:
- (i) the New Issuer assumes any and all obligations of the Issuer arising under or in connection with the Notes and, if service of process vis-à-vis the New Issuer would have to be effected outside the Federal Republic of Germany, appoints a process agent within the Federal Republic of Germany;

Bundesrepublik Deutschland bestellt;

- |   |   |
|---|---|
| <p>(ii) die Emittentin und die Neue Emittentin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen erhalten haben;</p> <p>(iii) die Neue Emittentin in der Lage ist, sämtliche zur Erfüllung der aufgrund der Schuldverschreibungen bestehenden Zahlungsverpflichtungen erforderlichen Beträge in der Festgelegten Währung an das Clearingsystem oder den Fiscal Agent zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Emittentin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden;</p> <p>(iv) die Emittentin unwiderruflich die Verpflichtungen der Neuen Emittentin aus den Schuldverschreibungen zu Bedingungen garantiert, die sicherstellen, dass jeder Anleihegläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne die Ersetzung stehen würde;</p> <p>(v) die Zuständige Aufsichtsbehörde der Ersetzung zugestimmt hat; und</p> <p>(vi) die Rückzahlungsbedingungen, die für die Ersetzung entsprechende Anwendung finden, zum Zeitpunkt der Ersetzung erfüllt sind.</p> | <p>(ii) the Issuer and the New Issuer have obtained all authorisations and approvals necessary for the substitution and the fulfilment of the obligations arising under or in connection with the Notes;</p> <p>(iii) the New Issuer is in the position to pay to the Clearing System or the Fiscal Agent in the Specified Currency and without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Issuer has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Notes;</p> <p>(iv) the Issuer irrevocably guarantees such obligations of the New Issuer under the Notes on terms which ensure that each Noteholder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place;</p> <p>(v) the Competent Supervisory Authority has given its prior consent thereto; and</p> <p>(vi) the Conditions to Redemption, which shall apply mutatis mutandis to the substitution, are fulfilled at the time of the substitution.</p> |
| <p>(b) <i>Bezugnahmen.</i> Im Fall einer Schuldnerersetzung gemäß § 9(a) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Emittentin.</p>  | <p>(b) <i>References.</i> In the event of a substitution pursuant to § 9(a), any reference in these Terms and Conditions to the Issuer shall be a reference to the New Issuer.</p>  |

Klarstellend sei erwähnt, dass dies nur gilt, soweit sich nicht aus Sinn und Zweck der jeweiligen Bedingung ergibt, dass die Bezugnahme entweder weiterhin nur auf die Allianz SE erfolgen soll (also insbesondere im Hinblick auf die Solo-Solvabilität der Emittentin bzw. der Gruppen-Solvabilität der Gruppe der Emittentin, das Insolvenzereignis, das Dividendenereignis, das Rechnungslegungsereignis, das Ratingagenturereignis und § 4(h)), oder dass die Bezugnahme auf die Neue Emittentin und gleichzeitig auch auf die Allianz SE, im Hinblick auf deren Verpflichtungen aus der Garantie gemäß § 9(a)(iv), erfolgen soll (Gross-up-Ereignis, Steuerereignis und

For the avoidance of doubt this shall apply only to the extent that the meaning and purpose of the relevant condition requires that the relevant reference shall continue to be a reference only to Allianz SE (i.e. in particular in relation to the single solvency and group solvency of the Issuer or the Issuer's group, the Insolvency Event, the Dividend Payment Event, the Accounting Event, the Rating Agency Event and § 4(h)), or that the reference shall be to the New Issuer and Allianz SE, in relation to Allianz SE's obligations under the guarantee pursuant to § 9(a)(iv), at the same time (Gross up Event, Tax Event and Taxation)).

Besteuerung).

- (c) *Bekanntmachung und Wirksamwerden der Ersetzung.* Die Ersetzung der Emittentin ist gemäß § 10 bekanntzumachen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin und im Fall einer wiederholten Anwendung dieses § 9 jede frühere Neue Emittentin von ihren sämtlichen Verpflichtungen aus den Schuldverschreibungen frei. Im Fall einer solchen Schuldnerersetzung wird (werden) die Wertpapierbörse(n) informiert, an der (denen) die Schuldverschreibungen dann auf Veranlassung der Emittentin notiert sind.

#### **§ 10 Bekanntmachungen**

- (a) *Veröffentlichungen.* Alle Bekanntmachungen, die die Schuldverschreibungen betreffen, werden im Bundesanzeiger (soweit erforderlich) und (solange die Schuldverschreibungen am geregelten Markt der Luxemburger Wertpapierbörse notiert sind) auf der Internet-Seite der Luxemburger Börse unter [www.bourse.lu](http://www.bourse.lu) veröffentlicht. Jede Mitteilung gilt am Tag der ersten Veröffentlichung als wirksam erfolgt.
- (b) *Mitteilungen an das Clearingsystem.* Solange Schuldverschreibungen an der Luxemburger Börse notiert sind, findet § 10(a) Anwendung. Soweit die Regeln der Luxemburger Börse dies zulassen, kann die Emittentin eine Veröffentlichung nach § 10(a) durch eine Mitteilung an das Clearingsystem zur Weiterleitung an die Anleihegläubiger ersetzen; jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearingsystem als den Anleihegläubigern mitgeteilt.

#### **§ 11 Begebung weiterer Schuldverschreibungen**

Die Emittentin behält sich das Recht vor, ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen mit gleicher Ausstattung (gegebenenfalls mit Ausnahme des Tages der Begebung, des Verzinsungsbeginns und/oder des Ausgabepreises) wie die vorliegenden Schuldverschreibungen zu begeben, so dass sie mit diesen eine einheitliche Serie bilden. Der Begriff "Schuldverschreibungen" umfasst im Fall einer solchen weiteren Begebung auch solche zusätzlich begebenen Schuldverschreibungen.

#### **§ 12 Anwendbares Recht und Gerichtsstand**

- (a) *Geltendes Recht.* Form und Inhalt der Schuldverschreibungen sowie alle sich daraus ergebenden Rechte und Pflichten bestimmen

- (c) *Notice and effectiveness of substitution.* Notice of any substitution of the Issuer shall be given by notice in accordance with § 10. Upon such publication, the substitution shall become effective, and the Issuer and in the event of a repeated application of this § 9, any previous New Issuer shall be discharged from any and all obligations under the Notes. In the case of such substitution, the stock exchange(s), if any, on which the Notes are then listed at the initiative of the Issuer will be notified.

#### **§ 10 Notices**

- (a) *Publications.* All notices regarding the Notes will be published in the Federal Gazette (to the extent required) and (so long as the Notes are listed on the regulated market of the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange on [www.bourse.lu](http://www.bourse.lu). Any notice will become effective for all purposes on the date of the first such publication.
- (b) *Notification to Clearing System.* So long as any Notes are listed on the Luxembourg Stock Exchange, § 10(a) shall apply. If the Rules of the Luxembourg Stock Exchange so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Noteholders, in lieu of publication as set forth in § 10(a) above; any such notice shall be deemed to have been validly given on the fifth day after the day on which the said notice was given to the Clearing System.

#### **§ 11 Further Issues**

The Issuer reserves the right from time to time, without the consent of the Noteholders to issue additional notes with identical terms and conditions as the Notes in all respects (or in all respects except for the issue date, the interest commencement date and/or the issue price) so as to be consolidated and form a single series with such Notes. The term "Notes" shall, in the event of such further issue, also comprise such further notes.

#### **§ 12 Applicable Law and Jurisdiction**

- (a) *Applicable law.* The form and content of the Notes as well as all the rights and duties arising therefrom are governed exclusively by

sich ausschließlich nach dem Recht der Bundesrepublik Deutschland.

- (b) *Gerichtsstand.* Vorbehaltlich eines zwingenden Gerichtsstandes für besondere Rechtsstreitigkeiten im Zusammenhang mit dem Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz – *SchVG*) in seiner jeweiligen gültigen Fassung (das "**SchVG**"), ist nicht-ausschließlicher Gerichtsstand für alle sich aus den in diesen Anleihebedingungen geregelten Rechtsverhältnissen ergebenden Rechtsstreitigkeiten mit der Emittentin Frankfurt am Main.
- (c) *Gerichtliche Geltendmachung.* Jeder Anleihegläubiger kann in Rechtsstreitigkeiten gegen die Emittentin im eigenen Namen seine Rechte aus den ihm zustehenden Schuldverschreibungen geltend machen unter Vorlage der folgenden Dokumente: (a) einer Bescheinigung seiner Depotbank, die (i) den vollen Namen und die volle Anschrift des Anleihegläubigers bezeichnet, (ii) den Gesamtnennbetrag der Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung dem bei dieser Depotbank bestehenden Depot dieses Anleihegläubigers gutgeschrieben sind, und (iii) bestätigt, dass die Depotbank dem Clearingsystem und dem Fiscal Agent eine schriftliche Mitteilung zugeleitet hat, die die Angaben gemäß (i) und (ii) enthält und Bestätigungsvermerke des Clearingsystems sowie des jeweiligen Clearingsystem-Kontoinhabers trägt, sowie (b) einer von einem Vertretungsberechtigten des Clearingsystems oder des Fiscal Agent bestätigten Ablichtung der Globalurkunde.

### § 13 Änderung der Anleihebedingungen; Gemeinsamer Vertreter

- (a) *Änderung der Anleihebedingungen.* Regelungen in den Anleihebedingungen, die für die Qualifikation der Schuldverschreibungen als aufsichtsrechtliche Eigenmittel, insbesondere Tier 2 Kapital der Emittentin oder der Gruppe der Emittentin erforderlich sind, können nicht geändert werden. Die Emittentin wird keiner solchen Änderung zustimmen. Im Übrigen kann die Emittentin, vorbehaltlich der Zustimmung der Zuständigen Aufsichtsbehörde (sofern diese im betreffenden Zeitpunkt aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften erforderlich ist), die Anleihebedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der

the laws of the Federal Republic of Germany.

- (b) *Jurisdiction.* Subject to any exclusive court of venue for specific legal proceedings in connection with the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (*Schuldverschreibungsgesetz – SchVG*), as amended from time to time (the "**SchVG**"), non-exclusive court of venue for all litigation with the Issuer arising from the legal relations established in these Terms and Conditions is Frankfurt am Main.
- (c) *Enforcement.* Any Noteholder may in any proceedings against the Issuer protect and enforce in its own name its rights arising under its Notes by submitting the following documents: (a) a certificate issued by its depositary bank (i) stating the full name and address of the Noteholder, (ii) specifying an aggregate principal amount of Notes credited on the date of such certificate to such Noteholder's securities account maintained with such depositary bank and (iii) confirming that the depositary bank has given a written notice to the Clearing System as well as to the Fiscal Agent containing the information pursuant to (i) and (ii) and bearing acknowledgements of the Clearing System and the relevant Clearing System accountholder as well as (b) a copy of the Global Bond certified by a duly authorised officer of the Clearing System or the Fiscal Agent as being a true copy.

### § 13 Amendments to the Terms and Conditions; Joint Representative

- (a) *Amendment of the Terms and Conditions.* Provisions in the Terms and Conditions which are required for the qualification of the Notes as regulatory own funds (*Eigenmittel*), in particular as Tier 2 Capital of the Issuer or the Issuer's group, may not be amended. The Issuer will not agree to any such amendment. Subject to the consent of the Competent Supervisory Authority (if under the Applicable Supervisory Regulations such consent is required at the time), the Issuer may amend the Terms and Conditions with the consent of a majority resolution of the Noteholders pursuant to §§ 5 et seq. of the *SchVG*. There will be no amendment of the Terms and Conditions without the Issuer's

Anleihegläubiger nach Maßgabe der §§ 5 ff. SchVG ändern. Eine Änderung der Anleihebedingungen ohne Zustimmung der Emittentin scheidet aus.

Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen mit Ausnahme der Ersetzung der Emittentin, die in § 9 abschließend geregelt ist, mit den in dem nachstehenden § 13(b) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger verbindlich.

Beschlüsse, die zu einem Verstoß gegen § 2(b) führen, sind unwirksam.

- (b) *Mehrheitserfordernisse.* Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nummer 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**"). Das Stimmrecht ruht, solange die Schuldverschreibungen der Emittentin oder einem mit ihr verbundenen Unternehmen (§ 271 Absatz 2 HGB) zustehen oder für Rechnung der Emittentin oder eines mit ihr verbundenen Unternehmens gehalten werden.
- (c) *Beschlüsse.* Beschlüsse der Anleihegläubiger werden entweder in einer Gläubigerversammlung nach § 13(c)(i) oder im Wege der Abstimmung ohne Versammlung nach § 13(c)(ii) getroffen, die von der Emittentin oder einem gemeinsamen Vertreter einberufen wird. Anleihegläubiger, deren Schuldverschreibungen zusammen 5 % des jeweils ausstehenden Gesamtnennbetrags der Schuldverschreibungen erreichen, können gemäß § 9 Absatz 1 S. 2 SchVG schriftlich die Einberufung einer Anleihegläubigerversammlung oder Abstimmung ohne Versammlung mit einer Begründung gemäß § 9 Absatz 1 S. 2 SchVG verlangen.
- (i) Beschlüsse der Anleihegläubiger im Rahmen einer Gläubigerversammlung werden nach §§ 9 ff. SchVG getroffen. Die Einberufung der Gläubigerversammlung regelt die

consent.

In particular, the Noteholders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5(3) of the SchVG, but excluding a substitution of the Issuer, which is exclusively subject to the provisions in § 9, by resolutions passed by such majority of the votes of the Noteholders as stated under § 13(b) below. A duly passed majority resolution will be binding upon all Noteholders.

Resolutions of the Noteholders which result in a violation against § 2(b) are invalid.

- (b) *Majority requirements.* Except as provided by the following sentence and provided that the quorum requirements are being met, the Noteholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5(3) numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**"). The voting right is suspended as long as any Notes are attributable to the Issuer or any of its affiliates (within the meaning of § 271(2) of the German Commercial Code (*Handelsgesetzbuch*) or are being held for the account of the Issuer or any of its affiliates.
- (c) *Resolutions.* Resolutions of the Noteholders will be made either in a Noteholders' meeting in accordance with § 13(c)(i) or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 13(c)(ii), in either case convened by the Issuer or a joint representative, if any. Pursuant to § 9(1) sentence 2 of the SchVG, Noteholders holding Notes in the total amount of 5 per cent. of the outstanding principal amount of the Notes may in writing request to convene a Noteholders' meeting or vote without a meeting for any of the reasons permitted pursuant to § 9(1) sentence 2 of the SchVG.
- (i) Resolutions of the Noteholders in a Noteholders' meeting will be made in accordance with § 9 et seq. of the SchVG. The convening notice of a Noteholders' meeting will provide the

- weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Einberufung der Gläubigerversammlung werden in der Tagesordnung die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.
- (ii) Beschlüsse der Anleihegläubiger im Wege der Abstimmung ohne Versammlung werden nach § 18 SchVG getroffen. Die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Aufforderung zur Stimmabgabe werden die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.
- (d) *Zweite Gläubigerversammlung.* Wird die Beschlussfähigkeit bei der Abstimmung ohne Versammlung nach § 13(c)(ii) nicht festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, welche als zweite Gläubigerversammlung im Sinne des § 15(3) Satz 3 SchVG gilt.
- (e) *Anmeldung.* Die Stimmrechtsausübung ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor der Gläubigerversammlung im Falle einer Gläubigerversammlung (wie in § 13(c)(i) oder § 13(d) beschrieben) bzw. vor dem Beginn des Abstimmungszeitraums im Falle einer Abstimmung ohne Versammlung (wie in § 13(c)(ii) beschrieben) unter der in der Aufforderung zur Stimmabgabe angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung ihrer jeweiligen Depotbank in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis zu dem angegebenen Ende der Versammlung (einschließlich) bzw. dem Ende des Abstimmungszeitraums (einschließlich) nicht übertragen werden können.
- (f) *Gemeinsamer Vertreter.* Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, die Aufgaben und
- further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders in the agenda of the meeting.
- (ii) Resolutions of the Noteholders by means of a voting not requiring a physical meeting (*Abstimmung ohne Versammlung*) will be made in accordance § 18 of the SchVG. The request for voting as submitted by the chairman (*Abstimmungsleiter*) will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders together with the request for voting.
- (d) *Second noteholders' meeting.* If it is ascertained that no quorum exists for the vote without meeting pursuant to § 13(c)(ii), the chairman (*Abstimmungsleiter*) may convene a meeting, which shall be deemed to be a second meeting within the meaning of § 15(3) sentence 3 of the SchVG.
- (e) *Registration.* The exercise of voting rights is subject to the registration of the Noteholders. The registration must be received at the address stated in the request for voting no later than the third day prior to the meeting in the case of a Noteholders' meeting (as described in § 13(c)(i) or § 13(d)) or the beginning of the voting period in the case of voting not requiring a physical meeting (as described in § 13(c)(ii)), as the case may be. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of their respective depositary bank hereof in text form and by submission of a blocking instruction by the depositary bank stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting or day the voting period ends, as the case may be.
- (f) *Joint representative.* The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative, the duties and responsibilities



Befugnisse des gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den gemeinsamen Vertreter und eine Beschränkung der Haftung des gemeinsamen Vertreters bestimmen. Die Bestellung eines gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt wird, wesentlichen Änderungen der Anleihebedingungen gemäß § 13(a) zuzustimmen.

Der gemeinsame Vertreter hat die Aufgaben und Befugnisse, welche ihm durch Gesetz oder von den Anleihegläubigern durch Mehrheitsbeschluss eingeräumt wurden. Er hat die Weisungen der Anleihegläubiger zu befolgen. Soweit er zur Geltendmachung von Rechten der Anleihegläubiger ermächtigt ist, sind die einzelnen Anleihegläubiger zur selbständigen Geltendmachung dieser Rechte nicht befugt, es sei denn der Mehrheitsbeschluss sieht dies ausdrücklich vor. Über seine Tätigkeit hat der gemeinsame Vertreter den Anleihegläubigern zu berichten. Für die Abberufung und die sonstigen Rechte und Pflichten des gemeinsamen Vertreters gelten die Vorschriften des SchVG.

Die Haftung des gemeinsamen Vertreters ist auf das Zehnfache seiner jährlichen Vergütung beschränkt, es sei denn, dem gemeinsamen Vertreter fällt Vorsatz oder grobe Fahrlässigkeit zur Last.

- (g) *Bekanntmachungen.* Bekanntmachungen betreffend diesen § 13 erfolgen gemäß den §§ 5ff. SchVG sowie nach § 10.

#### **§ 14 Sprache**

Diese Anleihebedingungen sind in deutscher Sprache abgefasst. Eine Übersetzung in die englische Sprache ist beigelegt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.

and the powers of such joint representative, the transfer of the rights of the Noteholders to the joint representative and a limitation of liability of the joint representative. Appointment of a joint representative may only be passed by a Qualified Majority if such joint representative is to be authorised to consent to a material change in the substance of the Terms and Conditions in accordance with § 13(a) hereof,

The joint representative shall have the duties and powers provided by law or granted by majority resolutions of the Noteholders. The joint representative shall comply with the instructions of the Noteholders. To the extent that the joint representative has been authorised to assert certain rights of the Noteholders, the Noteholders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The joint representative shall provide reports to the Noteholders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the joint representative.

Unless the joint representative is liable for wilful misconduct (*Vorsatz*) or gross negligence (*grobe Fahrlässigkeit*), the joint representative's liability shall be limited to ten times the amount of its annual remuneration.

- (g) *Notices.* Any notices concerning this § 13 will be made in accordance with § 5 et seq. of the SchVG and § 10.

#### **§ 14 Language**

These Terms and Conditions are written in the German language and provided with an English language translation. The German text shall be controlling and binding. The English language translation is provided for convenience only.

## **USE OF PROCEEDS**

The net proceeds of the issuance of Notes will be used for general corporate purposes of Allianz Group.

## DESCRIPTION OF ALLIANZ SE AND ALLIANZ GROUP

### Allianz Group

Allianz SE together with its subsidiaries form the Allianz Group. Allianz SE is the ultimate parent of the Allianz Group.

### Name, Registered Seat (*Sitz*) and Purpose (*Unternehmensgegenstand*) of the Allianz SE

Allianz SE is a European Company (*Societas Europaea*, SE) and registered under its legal name "Allianz SE" in the commercial register at the local court (*Amtsgericht*) in Munich under the entry number HRB 164232 and conducts its business in Germany, amongst others, under the commercial name "Allianz". The registered seat (*Sitz*) of Allianz SE is Munich, Germany and the business address of Allianz SE is at Königinstraße 28, 80802 Munich, Germany, telephone number (+49)(89) 3800-0.

Pursuant to Section 1 para. 2 of its Statutes, the purpose of Allianz SE is to direct an international group of companies that are active in the areas of insurance, banking, asset management and other financial, consulting, and similar services and to hold ownership interests in insurance companies, banks, industrial companies, investment companies and other enterprises. As a reinsurer, Allianz SE primarily assumes insurance business from its group companies and from other companies in which Allianz SE holds direct or indirect interests.

Pursuant to Section 1 para. 3 of its Statutes, Allianz SE is authorized to transact any business and to take any measures which seem appropriate to serve its purpose. It may form and acquire companies and acquire interest in companies as well as manage companies, or it may confine itself to managing its interests. Within the framework of its purpose, Allianz SE is authorized to raise loans and to issue bonds.

### Fiscal Year

The fiscal year of Allianz SE is the calendar year.

### Term and Dissolution

Allianz SE has been founded for an unlimited term and may be dissolved upon a resolution of the General Meeting requiring a majority of at least three quarters of the share capital represented during the resolution. The assets of Allianz SE remaining after servicing all liabilities are distributed among the shareholders pro rata to their shareholding in Allianz SE pursuant to the provisions of the German Stock Corporation Act (*Aktiengesetz*).

### Statutory auditors

Allianz SE has appointed KPMG AG Wirtschaftsprüfungsgesellschaft, formerly KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft ("**KPMG**"), Ganghoferstr. 29, 80339 Munich, Germany, as auditor for the fiscal years (*Geschäftsjahr*) ending 31 December 2013 and 2014. KPMG is a member of the German Chamber of Auditors (*Wirtschaftsprüferkammer*).

The statutory financial statements of Allianz SE for the fiscal years ended 31 December 2013 and 2014 were prepared in accordance with German commercial law and supplementary provisions of the articles of incorporation. The statutory financial statements were audited by KPMG in accordance with § 317 of the German Commercial Code (*Handelsgesetzbuch*) and German generally accepted auditing standards for the audit of financial statements promulgated by the *Institut der Wirtschaftsprüfer* ("IDW", Institute of Public Auditors in Germany). KPMG has issued an unqualified audit opinion for both years.

The consolidated financial statements of Allianz SE for the fiscal years ended 31 December 2013 and 2014 were prepared in accordance with IFRS as adopted by the European Union, and the additional requirements of § 315 a Abs. 1 of the German Commercial Code and supplementary provisions of the articles of incorporation. The consolidated financial statements for the fiscal years 2013 and 2014 were audited by KPMG in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the IDW. KPMG has issued an unqualified audit report for both years.

### **History and Development of Allianz SE**

The company was founded as a property insurer on 5 February 1890 in Berlin under the name Allianz Versicherungs-Aktien-Gesellschaft. In 1940, the company name of Allianz Versicherungs-Aktien-Gesellschaft was changed into Allianz Versicherungs-AG.

In 1985, the company transferred its operational insurance business to today's Allianz Versicherungs-AG and changed its name to "Allianz Aktiengesellschaft Holding". Since 1985, it operates as a holding company with reinsurance activities. The name was again changed, by resolution of the General Meeting of 7 October 1996, to "Allianz Aktiengesellschaft" (Allianz AG).

On 3 February 2006, the extraordinary General Meetings of holders of RIUNIONE ADRIATICA DI SICURTÀ S.p.A ("**RAS**") ordinary shares and holders of RAS savings shares and on 8 February 2006, the extraordinary General Meeting of Allianz AG agreed to the cross-border merger between Allianz AG and RAS. Upon registration of the merger with the commercial register of Allianz AG on 13 October 2006, Allianz has adopted the legal form of a European Company (Societas Europaea, SE) and from then on operates under the corporate name "Allianz SE".

### **Investments**

Allianz Group's invested assets consist primarily of the portfolios of its various business operations. In addition to the regular portfolio managing process the following significant transactions have been made since 31 December 2014.

#### ***Acquisition of Property-Casualty insurance business of the Territory Insurance Office (TIO), Darwin***

Effective 1 January 2015, the Allianz Group acquired the Property-Casualty insurance business of the Territory Insurance Office ("**TIO Business**"), Darwin, and entered into a 10-year agreement to manage the compulsory motor accidents compensation scheme (MAC Contract). The acquired TIO Business includes, inter alia, all relevant insurance assets and liabilities, operations, employees and the brand related to the TIO Business.

The acquired TIO Business represents insurance activities with premiums equal to approximately € 88 million (for the year 2014). It provides the necessary scale for the Allianz Group to implement a growth strategy in Northern Australia and to respond to the relationship challenges in existing financial institution and broker partnerships because of a current lack of presence.

The preliminary total consideration paid in cash amounts to € 154 million and will be financed with own funds.

#### ***Disposal of Personal insurance business of Fireman's Fund Insurance Company Corp., Novato***

At the end of the financial year 2014, the Allianz Group announced its decision to realign its Property-Casualty insurance business in the United States. One integral part of the reorganization is the sale of the personal insurance business to ACE which is expected to be executed in 2015. The sale, which will take place by means of a renewal rights arrangement, is still subject to regulatory approval of the California Department of Insurance. In addition, the realignment comprises the integration of Fireman's Fund Insurance Company's commercial business into Allianz Global Corporate & Specialty North America, as well as the

internal transfer of the discontinued run-off business through a reinsurance agreement within the Allianz Group. The reorganization is expected to have a negative impact of approximately USD 0.2 billion on the Allianz Group's financial statements in 2015. Expenses in the context of the restructuring will comprise expenses for HR-related items, office buildings and IT infrastructure.

## Capitalization and Financial Indebtedness as of 31 December 2014

As of 31 December 2014

(amounts in € million)

### Total debt:<sup>(1)</sup>

#### Participation certificates and subordinated liabilities

##### Allianz SE<sup>(2)</sup>

Subordinated bonds ..... 11,371

Participation certificates ..... -

**Total Allianz SE** ..... **11,371**

##### Banking subsidiaries

Subordinated bonds ..... 221

**Total banking subsidiaries** ..... **221**

##### All other subsidiaries

Subordinated liabilities ..... 400

Hybrid equity ..... 45

**Total all other subsidiaries** ..... **445**

**Subtotal** ..... **12,037**

#### Certificated liabilities

##### Allianz SE<sup>(3)</sup>

Senior bonds ..... 6,653

Money market securities ..... 1,041

**Total Allianz SE** ..... **7,694**

##### Banking subsidiaries

Senior bonds ..... 513

**Total banking subsidiaries** ..... **513**

##### All other subsidiaries

Certificated liabilities ..... 0

**Total all other subsidiaries** ..... **0**

**Subtotal** ..... **8,207**

**Total debt** ..... **20,244**

As of 31 December 2014

(amounts in € million)

**Equity:**

**Shareholders' equity**

Issued capital .....	1,170
Capital reserves .....	27,758
Retained earnings <sup>(4)</sup> .....	19,878
Foreign currency translation adjustments .....	(1,977)
Unrealized gains and losses (net) <sup>(5)</sup> .....	13,917

**Subtotal** **60,747**

**Non-controlling interests** **2,955**

**Total equity** **63,702**

**Total debt and equity** **83,946**

<sup>(1)</sup> Total debt excludes liabilities to banks and customers as well as financial liabilities carried at fair value through income.

<sup>(2)</sup> Includes subordinated bonds issued by Allianz Finance II B.V. and guaranteed by Allianz SE.

<sup>(3)</sup> Includes senior bonds issued by Allianz Finance II B.V. guaranteed by Allianz SE and money market securities issued by Allianz Finance Corporation, a wholly owned subsidiary of Allianz SE, which are fully and unconditionally guaranteed by Allianz SE.

<sup>(4)</sup> As of 31 December 2014, includes €(222) mn related to treasury shares.

<sup>(5)</sup> As of 31 December 2014, includes €288 mn related to cash flow hedges.

## Regulatory capital adequacy

The Allianz Group is a financial conglomerate within the scope of the EU Financial Conglomerates Directive and the related German law. As a financial conglomerate, Allianz Group calculates the capital available to meet its solvency requirements on a consolidated basis, referred to as "eligible capital". Currently, the requirements for the insurance business at Allianz Group and Allianz SE levels are based on Solvency I. The figures are as follows:

### *Allianz Group: Conglomerate solvency<sup>1</sup>*

	As of 31 December	
	2014	2013
	(€)	
Eligible capital.....	49.8 bn	46.5 bn
Requirement.....	27.6 bn	25.6 bn
Solvency ratio .....	181%	182%

<sup>1</sup> Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request. Allianz SE has not submitted an application so far. The solvency ratio excluding off-balance sheet reserves would be 173% as of 31 December 2013 and, additionally adjusted by €0.4 bn for the potential calls of hybrid capital (subordinated bonds) in 2015, 172% as of 31 December 2014.

### *Allianz SE: Solvency I regulatory solvency<sup>2</sup>*

	As of 31 December	
	2014	2013
	(€)	
Eligible capital.....	41.2 bn	40.8 bn
Requirement.....	1.1 bn	0.5 bn
Solvency ratio .....	3,906%	8,447%

<sup>2</sup> The amount of the eligible capital and the solvency ratio base on the total amount of Allianz shares. Taking into consideration the dividend amount attributable to treasury shares, as of 31 December 2014 the eligible capital amounted to €41.8 mn (2013: €41.5 mn) and the solvency ratio amounted to 3,970% (2013: 8,585%).

At year-end 2014, the legal entity Allianz SE has a Solvency I regulatory capital ratio of 3,906%. Compared to year-end 2013, a reduction due to a significant rise in required funds took place, which is mainly caused by an increase in the reinsurance quota share with the German Property & Casualty subsidiary.

The capital requirements, as well as the definition and calculation of eligible capital, will be replaced by the Solvency II rules once the new regulation becomes binding in January 2016. The Allianz Group's and Allianz SE's own funds as well as the capital requirements will then be based on the market value balance sheet approach as the major economic principle of the Solvency II rules. Due to the market value balance sheet approach, the Solvency II regime will lead to higher volatility in solvency ratios compared to Solvency I.

In 2014, Allianz Group updated its internal model in order to incorporate Allianz's current understanding of the forthcoming Solvency II rules. Any further regulatory guidance may still impact Allianz's future internal model results so that the impact of Solvency II on available resources and capital requirements cannot yet be



fully assessed. In addition, the internal model still needs to be approved by the regulatory authorities. Failure to obtain approval or the need to modify the internal model may have negative effects on the capital adequacy of Allianz Group and Allianz SE.

Based on these requirements the Solvency II solvency capital ratios for Allianz Group and Allianz SE – as shown below – have been calculated on a preliminary basis:

**Allianz Group: Solvency II regulatory capitalization**

	As of 31 December	
	2014	2013
	(€)	
Own funds .....	66.0 bn	52.4 bn
Capital requirement .....	34.6 bn	23.6 bn
Capitalization ratio .....	191%	222%

**Allianz SE: Solvency II regulatory capitalization**

	As of 31 December	
	2014	2013 <sup>3</sup>
	(€)	
Own funds .....	69.9 bn	71.9 bn
Capital requirement .....	18.9 bn	20.1 bn
Capitalization ratio .....	370%	358%

<sup>3</sup> No year-end 2013 internal risk capital figures are available for Allianz SE. Therefore, 2013 figures recalculated based on model changes in 2014 are used, together with restated own funds figures reflecting model changes in 2014. Due to ongoing regulatory developments and supervisory feedback throughout 2014, Allianz Group implemented model changes at different points in time, i.e. at the beginning of the year and at year end.

The Solvency II capitalization of Allianz Group decreased by 31 percentage points to 191%, which was driven by an increase in risk capital partly compensated by an increase in own funds. This change was driven by two effects, model changes to reflect Allianz's current understanding of the forthcoming Solvency II rules and financial market movements.

## Ratings<sup>(1)</sup>

As of the date of this prospectus, Allianz SE had the following ratings:

	Standard & Poor's <sup>(2)</sup>	Moody's <sup>(3)</sup>	A.M. Best <sup>(4)</sup>
Insurer financial strength .....	AA	Aa3	A+
Outlook .....	Stable	Stable	Stable
Counterparty credit .....	AA	Not rated	aa- <sup>(5)</sup>
Outlook .....	Stable		Stable
Senior unsecured debt .....	AA	Aa3	aa-
Outlook .....	Stable	Stable	Stable

<sup>(1)</sup> Includes ratings for securities issued by Allianz Finance II B.V. and Allianz Finance III B.V. .

<sup>(2)</sup> Standard & Poor's rating scale for Insurer Financial Strength Ratings consists of the following categories. "AAA", "AA", "A", "BBB", "BB", "B", "CCC", "CC" (in descending order). In addition, a "R" rating is assigned to issuers being under regulatory supervision. Ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Standard & Poor's defines the issued ratings as follows:

"An insurer rated 'AA' has very strong financial security characteristics, differing only slightly from those rated higher."

"An obligor rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree."

"An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong."

"An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong."

"A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong."

<sup>(3)</sup> Moody's uses nine rating symbols ("Aaa", "Aa", "A", "Baa", "Ba", "B", "Caa", "Ca" and "C"). The symbols range from "Aaa", used to designate least credit risk, to "C", denoting greatest credit risk. In addition Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from "Aa" through "Caa". The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Moody's defines the issued ratings as follows:

"Insurance companies rated Aa offer excellent financial security. Together with the Aaa group, they constitute what are generally known as high-grade companies. They are rated lower than Aaa companies because long-term risks appear somewhat larger."

"Obligations rated Aa are judged to be of high quality and are subject to very low credit risk."

"Obligations rated A are considered upper-medium grade and are subject to low credit risk."

"Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations."

<sup>(4)</sup> The rating scale of A.M. Best Financial Strength Rating ranges from "A++", "A+", "A", "A-" to "C-". In addition the scale provides for the ratings "D" (Poor), "E" (Under Regulatory Supervision), "F" (In Liquidation) and "S" (Suspended).

A.M. Best defines the issued ratings as follows:

A+: "Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations."

aa: "Assigned to issues where, in our opinion, the issuer has a very strong ability to meet the terms of the obligation."

a: "Assigned to issues where, in our opinion, the issuer has a strong ability to meet the terms of the obligation."

"Ratings from "aa" to "ccc" may be enhanced with "+" (plus) or "-" (minus) to indicate whether credit quality is near the top or bottom of a category."

<sup>(5)</sup> Issuer credit rating.

### ***Rating of the Notes***

The expected rating of the Notes is "A2(hyb)" from Moody's and "A+" from Standard & Poor's.

Moody's defines "A2(hyb)" as follows:

- Obligations rated "A" are considered upper-medium grade and are subject to low credit risk. Moody's uses nine rating symbols ("Aaa", "Aa", "A", "Baa", "Ba", "B", "Caa", "Ca" and "C"). The symbols range from "Aaa", used to designate least credit risk, to "C", denoting greatest credit risk. In addition Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from "Aa" through "Caa". The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. The hybrid indicator (hyb) is appended to all long-term ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms. By their terms, hybrid securities allow for the omission of scheduled dividends, interest, or principal payments, which can potentially result in impairment if such an omission occurs. Hybrid securities may also be subject to contractually allowable write-downs of principal that could result in impairment. Together with the hybrid indicator, the long-term obligation rating assigned to a hybrid security is an expression of the relative credit risk associated with that security.

S&P defines "A+" as follows:

- An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. Standard & Poor's rating scale for issue credit rating consists of the following categories: "AAA", "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C", "D" (in descending order). The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Where an issue of Notes is rated a security rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Any negative change in the credit rating of the Issuer could adversely affect the trading price of the Notes. Investors should consider each rating individually and obtain additional and more detailed understanding of the significance of the respective credit rating information provided by the respective rating agency.

Credit ratings included or referred to in this Prospectus have been issued by A.M. Best Europe-Rating Service Limited ("**A.M. Best**"), Standard & Poor's Credit Market Services Europe Limited ("**S&P**") and Moody's Investors Service Limited ("**Moody's**"), each of which is established in the European Union and are registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies and are included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

### **Business Operations and Steering**

Allianz offers a comprehensive range of insurance and asset management products and services and has more than 85 million insured customers. Allianz Group's business activities are first organized by product and type of service based on how these are strategically managed: insurance activities, asset management activities and corporate and other activities. Due to differences in the nature of products, risks and capital allocation, insurance activities are further divided into property-casualty and life/health categories. In accordance with the responsibilities of the Board of Management, each of the insurance categories is grouped into regional reportable segments. Corporate and other activities are divided into three different reportable segments in order to differentiate between the respective products, risks and capital allocation.

## Worldwide Presence and Business Divisions as of 31 December 2014



### INSURANCE GERMAN SPEAKING COUNTRIES

- ■ ○ Germany
- ■ Austria
- ■ Switzerland

### INSURANCE WESTERN AND SOUTHERN EUROPE

#### Europe

- ■ ○ Italy
- ■ Greece
- ■ Turkey
- ■ ○ France
- ■ Belgium
- ■ ○ The Netherlands
- ■ Luxembourg

#### Africa

- Benin
- ■ Burkina Faso
- ■ Cameroon
- Central Africa
- Congo Brazzaville
- Ghana
- ■ Ivory Coast
- ■ Madagascar
- Mali
- ■ Senegal
- Togo

### INSURANCE IBERIA & LATIN AMERICA

- ■ Spain
- ■ Portugal

#### Latin America

- Argentina
- ■ Brazil
- ■ Colombia
- ■ Mexico

### GLOBAL INSURANCE LINES & ANGLO MARKETS

- United Kingdom
- ■ Australia
- Ireland
- Allianz Global Corporate and Speciality
- Credit Insurance
- ■ Reinsurance

### ALLIANZ WORLDWIDE PARTNERS

- ■ Allianz Worldwide Partners

### INSURANCE GROWTH MARKETS

#### Asia

- Brunei<sup>1</sup>
- ■ China
- Hong Kong<sup>1</sup>
- ■ India
- ■ Indonesia
- Japan<sup>1</sup>
- Laos
- ■ Malaysia
- Pakistan
- Singapore<sup>1</sup>
- South Korea
- ■ Sri Lanka
- Taiwan
- ■ Thailand

#### Central and Eastern Europe

- ■ ○ Bulgaria
- ■ Croatia
- ■ Czech Republic
- ■ Hungary
- ■ Poland
- ■ Romania
- ■ Russia
- ■ Slovakia
- Ukraine

### INSURANCE GROWTH MARKETS

#### Middle East and North Africa

- ■ Egypt
- ■ Lebanon
- ■ Saudi Arabia

### INSURANCE USA

- ■ United States

### ASSET MANAGEMENT

#### America

- \* United States
- \* Canada
- \* Brazil

#### Europe/Middle East

- \* Germany
- \* France
- \* Italy
- \* Spain
- \* Switzerland
- \* Belgium
- \* The Netherlands
- \* United Kingdom
- \* Nordics

#### Asia-Pacific

- \* Japan
- \* Hong Kong
- \* Taiwan
- \* Singapore
- \* South Korea
- \* China
- \* Australia

● Property-Casualty ■ Life/Health

○ Banking

□ Retail Asset Management

\* Institutional Asset Management

<sup>1</sup> Property-Casualty business belongs to Allianz Global Corporate and Speciality.

## Business Operations

Allianz SE and its subsidiaries (the "**Allianz Group**") offer property-casualty insurance, life/health insurance and asset management products and services in over 70 countries, with the largest of its operations in Europe. Allianz SE, as the parent company of the Allianz Group, has its headquarters in Munich, Germany.

The Allianz Group structure reflects both business segments and geographical regions. The business activities are first organized by product and type of service based on how these are strategically managed: insurance activities, asset management activities and corporate and other activities. Due to differences in the nature of products, risks and capital allocation, insurance activities are further divided into property-casualty and life/health categories. In accordance with the responsibilities of the Board of Management, each of the insurance categories is grouped into regional reportable segments. Corporate and other activities are divided into three different reportable segments in order to differentiate between the respective products, risks and capital allocation. In 2014, the Allianz Group had 17 reportable segments.<sup>1</sup>

Allianz Group structure – business segments and reportable segments

Property-Casualty	Life/Health	Asset Management	Corporate and other
<ul style="list-style-type: none"> <li>– German Speaking Countries</li> <li>– Western &amp; Southern Europe</li> <li>– Iberia &amp; Latin America</li> <li>– USA</li> <li>– Global Insurance Lines &amp; Anglo Markets</li> <li>– Growth Markets</li> <li>– Allianz Worldwide Partners</li> </ul>	<ul style="list-style-type: none"> <li>– German Speaking Countries</li> <li>– Western &amp; Southern Europe</li> <li>– Iberia &amp; Latin America</li> <li>– USA</li> <li>– Global Insurance Lines &amp; Anglo Markets</li> <li>– Growth Markets</li> </ul>	<ul style="list-style-type: none"> <li>– Asset Management</li> </ul>	<ul style="list-style-type: none"> <li>– Holding &amp; Treasury</li> <li>– Banking</li> <li>– Alternative Investments</li> </ul>

### Insurance Operations

Allianz Group offers a wide range of property-casualty and life/health insurance products to both private and corporate customers. Allianz Group is the leading property-casualty insurer globally and ranks among the top five in the life/health insurance business. Allianz Group's key markets based on premiums are Germany, France, Italy and the United States.

Most of Allianz Group's insurance markets are served by local Allianz companies. However, some business lines – such as Allianz Global & Specialty ("**AGCS**"), Allianz Worldwide Partners ("**AWP**") and Credit Insurance – are run globally. Based on premiums, the split between retail and corporate clients is approximately equal for the Property-Casualty business segment. In Life/Health, the proportion of its business with retail clients is significantly higher than that with corporate clients.

SELECTED PRODUCT RANGE PROPERTY-CASUALTY AND LIFE/HEALTH

Property-Casualty		Life/Health	
Retail Clients	Corporate Clients	Retail Clients	Corporate Clients
<ul style="list-style-type: none"> <li>– Motor (liability/own damage)</li> <li>– Liability</li> <li>– Property</li> <li>– Accident</li> <li>– Travel and assistance</li> </ul>	<ul style="list-style-type: none"> <li>– Property</li> <li>– Liability</li> <li>– Motor fleets</li> <li>– Directors' and Officers' liability</li> <li>– Credit</li> <li>– Marine, aviation and transport</li> </ul>	<ul style="list-style-type: none"> <li>– Endowment</li> <li>– Annuity</li> <li>– Term</li> <li>– Disability</li> <li>– Investment-oriented products</li> <li>– Private health insurance</li> </ul>	<ul style="list-style-type: none"> <li>– Group life products</li> <li>– Group health and disability products</li> <li>– Pension products for employees</li> </ul>

<sup>1</sup> At the end of the fiscal year 2014, Allianz Group announced its decision to realign its property-casualty insurance business in the United States. For further information please refer to the Investments section on page 60 in this prospectus.

## ***Asset Management***

Allianz Group's two major investment management businesses, PIMCO and AllianzGI operate under Allianz Asset Management ("**AAM**"). With EUR 1,801 billion total assets under management ("**AUM**") (including those of the Allianz Group), Allianz Group is one of the largest asset managers in the world actively managing assets. 64% of third-party assets are from institutional investors, while 36% are from retail clients. Core markets include the United States, Germany, France, Italy, the United Kingdom and the Asia-Pacific region.

### SELECTED PRODUCT RANGE ASSET MANAGEMENT

Retail and institutional clients			
Equity	Fixed Income	Alternatives	Solutions
<ul style="list-style-type: none"><li>– Systematic</li><li>– Sector/theme funds</li><li>– Region/country funds</li><li>– Style funds</li><li>– Small cap funds</li><li>– Stocks plus</li></ul>	<ul style="list-style-type: none"><li>– Money market</li><li>– Low duration</li><li>– Real return</li><li>– Global</li><li>– Investment grade</li><li>– Diversified income</li><li>– High yield</li><li>– Emerging markets</li><li>– Convertible bonds</li></ul>	<ul style="list-style-type: none"><li>– Structured products</li><li>– Commodity funds</li><li>– Certificate funds</li><li>– Currency funds</li><li>– Equity long/short</li><li>– Relative value</li><li>– Infrastructure debt/equity</li></ul>	<ul style="list-style-type: none"><li>– Life-cycle concepts</li><li>– Multi-asset solution</li><li>– Variable annuity solutions</li><li>– Asset/liability management</li><li>– Risk management concepts</li></ul>

## ***Corporate and Other***

The Corporate and Other segment's activities include the management and support of the Allianz Group's businesses through its central holding functions, as well as Banking and Alternative Investments.

### ***Holding & Treasury Operations***

Holding & Treasury includes the management and support of the Group's businesses through its strategy, risk, corporate finance, treasury, financial reporting, controlling, communication, legal, human resources, technology and other functions.

### ***Banking operations***

Allianz Group's banking operations support its insurance business and complement the products Allianz offers in Germany, Italy, France, the Netherlands and Bulgaria. As a division of Allianz Deutschland AG, Oldenburgische Landesbank AG ("**OLB**") is Allianz's main own banking product and service provider in Germany. OLB, Germany's largest private regional bank, covers the northwest of Germany and focuses on retail and corporate clients.

### ***Alternative Investments Operations***

Alternative Investments provides global alternative investment management services in the private equity, real estate, renewable energy and infrastructure sectors, mainly on behalf of Allianz Group's insurance operations. The Alternative Investments reportable segment also includes a fully consolidated private equity investment.

# Property-Casualty insurance operations by reportable segments<sup>1</sup>

€mn

	Gross premiums written				Premiums earned (net)		Operating profit (loss)	
	internal <sup>2</sup>				2014	2013	2014	2013
	2014	2013	2014	2013				
Germany <sup>3,4</sup>	9,532	9,261	9,487	9,247	7,824	7,611	1,303	661
Switzerland	1,489	1,489	1,476	1,489	1,428	1,422	198	194
Austria	976	966	976	966	831	814	75	62
<b>German Speaking Countries<sup>4</sup></b>	<b>11,997</b>	<b>11,748</b>	<b>11,939</b>	<b>11,702</b>	<b>10,083</b>	<b>9,861</b>	<b>1,575</b>	<b>916</b>
Italy <sup>5</sup>	4,196	4,032	3,985	4,032	3,906	3,949	932	1,127
France	4,248	4,174	4,248	4,217	3,926	3,804	428	402
Benelux <sup>6</sup>	1,135	1,165	1,135	1,163	1,065	1,087	96	77
Turkey <sup>7</sup>	1,082	978	1,017	978	906	753	90	69
Greece	108	111	108	111	89	87	16	17
Africa	96	87	96	88	65	55	11	11
<b>Western &amp; Southern Europe<sup>8</sup></b>	<b>10,865</b>	<b>10,547</b>	<b>10,589</b>	<b>10,588</b>	<b>9,956</b>	<b>9,735</b>	<b>1,580</b>	<b>1,712</b>
Latin America	2,101	2,350	2,405	2,350	1,622	1,737	(147)	133
Spain	2,015	1,958	2,015	1,958	1,806	1,804	255	236
Portugal	320	312	320	312	271	269	(4)	26
<b>Iberia &amp; Latin America</b>	<b>4,437</b>	<b>4,620</b>	<b>4,740</b>	<b>4,620</b>	<b>3,699</b>	<b>3,810</b>	<b>104</b>	<b>395</b>
United States	1,958	2,058	1,963	2,058	1,874	1,988	(151)	154
<b>USA<sup>9</sup></b>	<b>1,958</b>	<b>2,058</b>	<b>1,963</b>	<b>2,058</b>	<b>1,874</b>	<b>1,988</b>	<b>(151)</b>	<b>154</b>
Allianz Global Corporate & Specialty	5,389	4,999	5,404	4,999	3,162	2,927	560	428
Reinsurance PC <sup>3</sup>	3,738	3,345	3,738	3,340	3,118	2,880	464	317
Australia	2,763	2,847	2,952	2,847	2,180	2,235	353	378
United Kingdom	2,684	2,274	2,547	2,274	2,439	2,122	178	201
Credit Insurance	2,158	2,092	2,131	2,076	1,482	1,435	401	407
Ireland	439	412	439	412	385	372	85	62
<b>Global Insurance Lines &amp; Anglo Markets<sup>10</sup></b>	<b>17,172</b>	<b>15,969</b>	<b>17,211</b>	<b>15,948</b>	<b>12,766</b>	<b>11,970</b>	<b>2,044</b>	<b>1,785</b>
Russia	537	808	622	808	528	598	(194)	(38)
Poland	419	427	418	427	348	345	17	12
Hungary	263	268	273	268	223	230	22	27
Slovakia	330	321	330	321	267	266	67	53
Czech Republic	286	276	304	276	238	228	44	44
Romania	199	186	201	186	154	150	9	5
Bulgaria	92	82	92	82	68	63	7	19
Croatia	89	93	89	93	75	77	10	13
Ukraine	13	16	19	16	8	7	(1)	-
<b>Central and Eastern Europe<sup>11</sup></b>	<b>2,227</b>	<b>2,477</b>	<b>2,347</b>	<b>2,477</b>	<b>1,909</b>	<b>1,964</b>	<b>(27)</b>	<b>127</b>
Asia-Pacific	722	667	754	667	443	377	57	67
Middle East and North Africa	74	68	75	68	49	46	8	8
<b>Growth Markets</b>	<b>3,022</b>	<b>3,211</b>	<b>3,176</b>	<b>3,211</b>	<b>2,401</b>	<b>2,388</b>	<b>39</b>	<b>201</b>
Allianz Global Assistance	2,142	1,972	2,129	1,972	1,987	1,842	102	96
Allianz Worldwide Care	1,108	452	1,108	975	926	419	53	30

€mn

	Gross premiums written				Premiums earned (net)		Operating profit (loss)	
	internal <sup>2</sup>				2014	2013	2014	2013
	2014	2013	2014	2013				
<b>Allianz Worldwide Partners<sup>12</sup></b>	<b>3,341</b>	<b>2,507</b>	<b>3,329</b>	<b>3,030</b>	<b>2,981</b>	<b>2,296</b>	<b>105</b>	<b>102</b>
Consolidation and Other <sup>13,14</sup>	(4,469)	(4,081)	(4,475)	(4,104)	–	–	86	2
<b>Total</b>	<b>48,322</b>	<b>46,579</b>	<b>48,473</b>	<b>47,052</b>	<b>43,759</b>	<b>42,047</b>	<b>5,382</b>	<b>5,267</b>

- 1) All figures as shown in the Allianz Group's annual report 2014.
- 2) This reflects gross premiums written on an internal basis, adjusted for foreign currency translation and (de-)consolidation effects.
- 3) The 2013 combined ratio for Germany and Reinsurance PC was impacted by a one-off effect related to the commutation of internal reinsurance resulting in a 0.9 percentage point improvement in the combined ratio for Germany and an increase of 2.3 percentage points for Reinsurance PC. This had no impact at Group level.
- 4) Starting from 2014, "Münchener und Magdeburger Agrarversicherung AG" is included in Germany with gross premiums written of €35 MN, premiums earned (net) of €15 MN and operating profit of €7 MN. Prior-year numbers were not adjusted. Contribution to German Speaking Countries before consolidation in 2013 was gross written premiums of €32 MN, premiums earned (net) of €14 MN and operating loss of €1 MN.
- 5) Effective 1 July 2014, the Allianz Group acquired parts of the insurance business of UnipolSai Assicurazioni S.p.A., Bologna.
- 6) Belgium and the Netherlands are presented as the combined region Benelux. All prior periods are presented accordingly.
- 7) On 12 July 2013, Allianz Turkey acquired Yapı Kredi Bank's shareholding in the Turkish property-casualty insurance company Yapı Kredi Sigorta.
- 8) Contains €7 MN and €11 MN operating profit for 2014 and 2013, respectively, from a management holding located in Luxembourg.



%

	Combined ratio		Loss ratio		Expense ratio	
	2014	2013	2014	2013	2014	2013
Germany <sup>3,4</sup>	91.5	99.5	65.7	73.4	25.9	26.1
Switzerland	91.0	91.1	67.8	67.9	23.2	23.2
Austria	94.4	96.5	69.0	70.5	25.4	26.0
<b>German Speaking Countries<sup>4</sup></b>	<b>91.7</b>	<b>98.0</b>	<b>66.2</b>	<b>72.3</b>	<b>25.4</b>	<b>25.7</b>
Italy <sup>5</sup>	82.5	78.2	55.0	53.1	27.5	25.1
France	96.3	97.6	67.6	68.9	28.7	28.7
Benelux <sup>6</sup>	97.6	97.6	67.6	68.4	30.0	29.2
Turkey <sup>7</sup>	97.8	96.1	75.1	71.4	22.6	24.7
Greece	86.1	83.9	51.1	50.2	35.0	33.8
Africa	92.6	95.7	48.4	52.0	44.2	43.6
<b>Western &amp; Southern Europe<sup>8</sup></b>	<b>91.0</b>	<b>89.4</b>	<b>63.1</b>	<b>62.4</b>	<b>27.9</b>	<b>27.1</b>
Latin America	116.1	98.3	79.7	66.3	36.5	31.9
Spain	89.9	90.9	68.8	70.0	21.1	20.9
Portugal	105.7	95.0	82.7	72.6	23.0	22.4
<b>Iberia &amp; Latin America</b>	<b>102.6</b>	<b>94.6</b>	<b>74.6</b>	<b>68.5</b>	<b>28.0</b>	<b>26.0</b>
United States	120.0	103.5	85.6	69.2	34.4	34.3
<b>USA<sup>9</sup></b>	<b>120.0</b>	<b>103.5</b>	<b>85.6</b>	<b>69.2</b>	<b>34.4</b>	<b>34.3</b>
Allianz Global Corporate & Specialty	93.1	95.0	65.2	67.3	27.9	27.7
Reinsurance PC <sup>3</sup>	88.6	92.8	60.5	61.2	28.0	31.6
Australia	94.6	93.5	69.7	68.1	24.9	25.4
United Kingdom	97.6	96.0	65.9	64.5	31.6	31.5
<b>Credit Insurance</b>	<b>78.6</b>	<b>79.3</b>	<b>48.8</b>	<b>50.5</b>	<b>29.7</b>	<b>28.9</b>
Ireland	84.7	90.1	55.6	59.2	29.2	30.9
<b>Global Insurance Lines &amp; Anglo Markets<sup>10</sup></b>	<b>91.2</b>	<b>92.5</b>	<b>62.7</b>	<b>63.3</b>	<b>28.4</b>	<b>29.2</b>
Russia	141.6	112.0	98.7	69.7	42.9	42.3
Poland	99.5	100.9	64.0	65.8	35.5	35.1
Hungary	102.7	100.4	62.4	60.0	40.3	40.4
Slovakia	79.5	86.2	53.2	54.8	26.3	31.4
Czech Republic	85.0	84.5	56.9	56.6	28.1	27.9
Romania	100.3	102.9	70.1	72.6	30.2	30.3
Bulgaria	92.5	72.1	66.6	44.9	26.0	27.3
Croatia	93.8	89.3	54.1	50.1	39.6	39.2
Ukraine	114.9	124.8	62.3	59.9	52.6	64.9
<b>Central and Eastern Europe<sup>11</sup></b>	<b>106.8</b>	<b>99.5</b>	<b>71.2</b>	<b>62.9</b>	<b>35.6</b>	<b>36.6</b>
Asia-Pacific	95.2	91.2	64.5	60.1	30.6	31.1
Middle East and North Africa	97.4	95.6	62.6	61.4	34.7	34.1
<b>Growth Markets</b>	<b>104.4</b>	<b>98.1</b>	<b>69.8</b>	<b>62.5</b>	<b>34.6</b>	<b>35.7</b>
Allianz Global Assistance	96.0	96.1	61.8	61.0	34.2	35.1
Allianz Worldwide Care	93.1	93.3	72.7	73.5	20.4	19.8
<b>Allianz Worldwide Partners<sup>12</sup></b>	<b>96.6</b>	<b>96.7</b>	<b>65.6</b>	<b>63.5</b>	<b>31.0</b>	<b>33.2</b>
Consolidation and Other <sup>13,14</sup>	-	-	-	-	-	-

%

	Combined ratio		Loss ratio		Expense ratio	
	2014	2013	2014	2013	2014	2013
<b>Total</b>	<b>94.3</b>	<b>94.3</b>	<b>66.0</b>	<b>65.9</b>	<b>28.3</b>	<b>28.4</b>

- 9) The reserve strengthening for asbestos risks in 2014 at Fireman's Fund Insurance company of €79 MN had no impact on the financial results of the Allianz Group's and Fireman's Fund's combined ratio under IFRS.
- 10) Contains €3 MN operating profit and €7 MN operating loss for 2014 and 2013, respectively, from AGF UK.
- 11) Contains income and expense items from a management holding and consolidations between countries in this region.
- 12) The reportable segment Allianz Worldwide Partners includes the business of Allianz Global Assistance and -Allianz Worldwide Care as well as the reinsurance business of Allianz Global Automotive and income and expenses of a management holding. In the fourth quarter of 2014, the French International Health business was transferred from France (Life/Health) to the reportable segment Allianz Worldwide Partners effective 1 January 2014. The reinsurance business of Allianz Global Automotive contributed gross premiums written of €91 MN, premiums earned (net) of €67 MN and an operating loss of €28 MN for 2014 and with gross premiums written of €82 MN, premiums earned (net) of €35 MN and an operating loss of €24 MN for 2013.
- 13) Represents elimination of transactions between Allianz Group companies in different geographic regions.
- 14) The 2014 analysis of the Allianz Group's asbestos risks resulted in a reduction of reserves and a positive run-off result of €86 MN reflected in the operating profit for 2014.

# Life/Health insurance operations by reportable segments<sup>1</sup>

€mn	Statutory premiums <sup>2</sup>				Premiums earned (net)		Operating profit (loss)		Margin on reserves <sup>3</sup> (BPS)	
	Internal <sup>4</sup>									
	2014	2013	2014	2013	2014	2013	2014 <sup>5</sup>	2013	2014 <sup>5</sup>	2013
Germany Life	19,014	17,000	19,014	17,000	11,468	11,538	1,079	862	55	48
Germany Health	3,245	3,264	3,245	3,264	3,244	3,264	209	201	77	80
Switzerland	1,655	1,602	1,640	1,602	519	488	83	78	62	60
Austria	405	385	405	385	325	282	37	33	80	77
<b>German Speaking Countries</b>	<b>24,319</b>	<b>22,251</b>	<b>24,304</b>	<b>22,251</b>	<b>15,557</b>	<b>15,572</b>	<b>1,408</b>	<b>1,174</b>	<b>59</b>	<b>53</b>
Italy	11,332	8,430	11,332	8,430	478	483	173	216	32	45
France <sup>6</sup>	8,241	8,510	8,241	7,987	3,100	3,401	455	420	56	56
Benelux <sup>7</sup>	2,518	2,326	2,518	2,326	520	541	132	89	85	61
Greece	88	90	88	90	51	53	–	2	– <sup>10</sup>	65
Turkey <sup>8</sup>	854	419	622	419	148	81	26	3	106	25
Africa	57	54	57	54	28	25	6	4	212	185
<b>Western &amp; Southern Europe</b>	<b>23,090</b>	<b>19,830</b>	<b>22,858</b>	<b>19,307</b>	<b>4,326</b>	<b>4,583</b>	<b>791</b>	<b>735</b>	<b>52</b>	<b>53</b>
Latin America	338	329	355	329	123	145	16	8	177	109
Spain	1,259	1,224	1,249	1,224	437	455	191	129	257	196
Portugal	247	232	247	232	83	83	22	21	374	403
<b>Iberia &amp; Latin America</b>	<b>1,844</b>	<b>1,786</b>	<b>1,851</b>	<b>1,786</b>	<b>643</b>	<b>684</b>	<b>229</b>	<b>158</b>	<b>256</b>	<b>201</b>
United States	11,840	7,317	11,822	7,317	984	883	656	487	81	70
<b>USA</b>	<b>11,840</b>	<b>7,317</b>	<b>11,822</b>	<b>7,317</b>	<b>984</b>	<b>883</b>	<b>656</b>	<b>487</b>	<b>81</b>	<b>70</b>
Reinsurance LH	537	515	537	515	398	430	14	23	76	111
<b>Global Insurance Lines &amp; Anglo Markets</b>	<b>537</b>	<b>515</b>	<b>537</b>	<b>515</b>	<b>398</b>	<b>430</b>	<b>14</b>	<b>23</b>	<b>76</b>	<b>111</b>
South Korea	1,646	1,354	1,583	1,354	509	494	(51)	(129)	(48)	(130)
Taiwan	2,026	1,745	2,071	1,745	201	152	2	–	3	– <sup>10</sup>
Indonesia	700	686	795	686	285	247	61	60	478	505
Malaysia	423	381	437	381	187	200	18	18	147	167
Japan	–	–	–	–	6	6	3	7	15	39
Other	938	926	969	926	721	636	72	79	196	230
Asia-Pacific	5,732	5,093	5,855	5,093	1,909	1,735	104	36	43	16
Poland	185	127	185	127	73	40	21	16	374	270
Slovakia	252	245	252	245	210	209	38	29	303	243
Hungary	138	165	144	165	42	46	12	9	332	244
Czech Republic	147	172	155	172	74	77	15	17	253	303
Russia	52	84	62	84	49	83	1	–	27	– <sup>10</sup>
Croatia	71	62	71	62	70	61	17	4	529	132
Bulgaria	40	35	40	35	34	30	13	4	806	302
Romania	23	23	24	23	14	14	6	1	867	221
Central and Eastern Europe <sup>9</sup>	909	913	933	913	566	560	119	78	339	228
Middle East and North Africa	176	163	179	163	132	132	24	17	352	304
Global Life	4	6	4	6	1	2	1	–	– <sup>10</sup>	– <sup>10</sup>
<b>Growth Markets</b>	<b>6,820</b>	<b>6,174</b>	<b>6,971</b>	<b>6,174</b>	<b>2,607</b>	<b>2,429</b>	<b>247</b>	<b>131</b>	<b>87</b>	<b>49</b>

€mn	Statutory premiums <sup>2</sup>				Premiums earned (net)		Operating profit (loss)		Margin on reserves <sup>3</sup> (BPS)	
	Internal <sup>4</sup>									
	2014	2013	2014	2013	2014	2013	2014 <sup>5</sup>	2013	2014 <sup>5</sup>	2013
Consolidation <sup>11</sup>	(1,120)	(1,089)	(1,120)	(1,089)	–	–	(17)	2	– <sup>10</sup>	– <sup>10</sup>
<b>Total</b>	<b>67,331</b>	<b>56,784</b>	<b>67,224</b>	<b>56,261</b>	<b>24,514</b>	<b>24,580</b>	<b>3,327</b>	<b>2,709</b>	<b>65</b>	<b>58</b>

- 1) All figures as shown in the Allianz Group's annual report 2014.
- 2) Statutory premiums are gross premiums written from sales of life and health insurance policies as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.
- 3) Represents operating profit (loss) divided by the average of the current and previous year-end net reserves, where net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets.
- 4) Statutory premiums adjusted for foreign currency translation and (de-)consolidation effects.
- 5) Effective 1 January 2014, the Allianz Group allocated certain entities from the reportable segment Asset Management to the reportable segments German Speaking Countries, Western & Southern Europe and Growth Markets within the business segment Life/Health and to the reportable segment Banking.
- 6) In the fourth quarter of 2014, we transferred our French International Health business to the reportable segment Allianz Worldwide Partners in the business segment Property-Casualty effective 1 January 2014.
- 7) Belgium, Luxembourg and the Netherlands are presented as the combined region Benelux. All prior periods are presented accordingly.
- 8) On 12 July 2013, the Allianz Group acquired Yapı Kredi Bank's 93.94 % shareholding in the Turkish property-casualty insurance company Yapı Kredi Sigorta, including its life and pension insurance subsidiary Yapı Kredi Emeklilik.
- 9) Contains income and expense items from a management holding and consolidations between countries in this region.
- 10) Presentation not meaningful.
- 11) Represents elimination of transactions between Allianz Group companies in different geographic regions.

## Asset Management business segment information<sup>1</sup>

€mn	2014	2013
Management and loading fees	7,505	8,032
Performance fees	275	510
Other	46	69
<b>Fee and commission income</b>	<b>7,825</b>	<b>8,611</b>
Commissions	(1,301)	(1,403)
Other	(145)	(81)
<b>Fee and commission expenses</b>	<b>(1,445)</b>	<b>(1,484)</b>
<b>Net fee and commission income</b>	<b>6,380</b>	<b>7,127</b>
Net interest income <sup>2</sup>	(3)	12
Income from financial assets and liabilities carried at fair value through income (net)	5	12
Other income	6	10
<b>Operating revenues</b>	<b>6,388</b>	<b>7,162</b>
Administrative expenses (net), excluding acquisition-related expenses	(3,787)	(3,994)
Restructuring charges	3	(6)
<b>Operating expenses</b>	<b>(3,784)</b>	<b>(4,001)</b>
<b>Operating profit</b>	<b>2,603</b>	<b>3,161</b>
Non-operating items	(15)	(55)
<b>Income before income taxes</b>	<b>2,588</b>	<b>3,106</b>
Income taxes	(967)	(1,181)
<b>Net income</b>	<b>1,621</b>	<b>1,925</b>
Cost-income ratio <sup>3</sup> in %	59.2	55.9

1) All figures as shown in the Allianz Group's annual report 2014.

2) Represents interest and similar income less interest expenses.

3) Represents operating expenses divided by operating revenues.

## Corporate and Other segment information<sup>1</sup>

€mn	2014	2013
<b>Total revenues<sup>2</sup></b>	<b>556</b>	<b>551</b>
Premiums earned (net)	–	–
<b>Operating investment result</b>		
Interest and similar income	876	903
Operating income from financial assets and liabilities carried at fair value through income (net)	33	40
Operating realized gains/losses (net)	–	–
Interest expenses, excluding interest expenses from external debt	(573)	(623)
Operating impairments of investments (net)	–	–
Investment expenses	(77)	(82)
<b>Subtotal</b>	<b>259</b>	<b>238</b>
Fee and commission income	724	687
Other income	117	1
Claims and insurance benefits incurred (net)	–	–
Change in reserves for insurance and investment contracts (net) <sup>3</sup>	–	–
Loan loss provisions	(45)	(86)
Acquisition and administrative expenses (net), excluding acquisition-related expenses and one-off effect from pension revaluation	(1,310)	(1,295)
Fee and commission expenses	(567)	(493)
Operating amortization of intangible assets	–	–
Restructuring charges	8	(53)
Other expenses	(7)	(2)
Reclassification of tax benefits	–	–
<b>Operating profit (loss)</b>	<b>(820)</b>	<b>(1,004)</b>
<b>Non-operating investment result</b>		
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(33)	(46)
Non-operating realized gains/losses (net)	184	346
Non-operating impairments of investments (net)	(7)	(80)
<b>Subtotal</b>	<b>144</b>	<b>220</b>
Income from fully consolidated private equity investments (net)	(42)	(17)
Interest expenses from external debt	(846)	(901)
Acquisition-related expenses	1	(2)
One-off effect from pension revaluation	558	–
Non-operating amortization of intangible assets	(8)	(106)
Reclassification of tax benefits	–	–
<b>Non-operating items</b>	<b>(192)</b>	<b>(806)</b>
<b>Income (loss) before income taxes</b>	<b>(1,013)</b>	<b>(1,810)</b>
Income taxes	356	476
<b>Net income (loss)</b>	<b>(657)</b>	<b>(1,334)</b>
<b>Net income (loss) attributable to:</b>		
Non-controlling interests	15	7
Shareholders	(673)	(1,341)

1) All figures as shown in the Allianz Group's annual report 2014.

2) Total revenues comprise statutory gross premiums written in Property-Casualty and Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).

3) For the year ended 31 December 2014, includes expenses for premium refunds (net) in Property-Casualty of €(307) mn (2013: €(162) mn).

## Selected Consolidated Financial Information

The selected consolidated financial data for the years ended 2014 and 2013 set forth below are derived from Allianz Group's consolidated financial statements. The consolidated financial statements 2014 and 2013 were audited by KPMG.

The information below should be read in conjunction with Allianz Group's consolidated financial statements and the other financial information which is incorporated by reference in this Prospectus.

As of or for the Years ended 31 December <sup>(1)</sup>	2014	2013
	<u>(amounts in € million)</u>	<u>(amounts in € million)</u>
<b>Income Statement<sup>(2)</sup></b>		
Total revenues <sup>(3)</sup> .....	122,253	110,773
Operating profit <sup>(4)</sup> .....	10,402	10,066
Net income.....	6,603	6,343
<b>Balance Sheet</b>		
Total assets.....	805,787	711,079
Shareholders' equity.....	60,747	50,083
Non-controlling interests .....	2,955	2,765
Total equity .....	63,702	52,849
Total liabilities .....	742,085	658,230

<sup>(1)</sup> All figures as shown in the Allianz Group's annual report 2014.

<sup>(2)</sup> As of January 2013, figures have been restated to reflect the implementation of IFRS 10. For further information, please refer to note 4 to the consolidated financial statements in the Allianz Group's annual report 2014.

<sup>(3)</sup> Total revenues comprise statutory gross premiums written in Property-Casualty and Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).

<sup>(4)</sup> The Allianz Group uses operating profit as a key financial indicator to assess performance of its business segments and the Group as a whole.

## **Recent Developments since 31 December 2014**

The Allianz Group was not subject to any subsequent events that significantly impacted the Group financial results after the balance sheet date.

## **Significant Changes**

There have been no significant changes with regard to the financial position or the trading position of Allianz Group since 31 December 2014.

## **Trend Information**

There has been no material adverse change in the prospects of Allianz SE since 31 December 2014.

## **Outlook for 2015**

### *Economic outlook 2015*

At the beginning of 2015 the economic picture is somewhat mixed. On the one hand, the unexpectedly drastic slide in oil prices is likely to provide an important stimulus for the global economy. As oil consumers make the most of their increased purchasing power and domestic demand in oil-producing countries is only partially curbed in response to lower oil revenues, global demand is likely to be bolstered. On the other hand, economic prospects for a number of countries have deteriorated significantly in recent months. One example is Russia, which is likely to experience a sharp recession in 2015 primarily due to the economic sanctions and the collapse in oil prices. Overall, global output is likely to expand by close to 3 % this year, following an increase of 2.5 % last year. This acceleration is attributable in full to industrialized countries, while growth in many major emerging market economies continues to be dampened by structural problems. Nevertheless, with an expected real GDP increase of 4.0 % in 2015, growth in these countries will still be considerably higher than in the industrialized world. In the Eurozone, the economic recovery is likely to continue this year, supported by Euro depreciation and the fall in energy prices. Allianz Group expects growth in most crisis-ridden member states to outpace last year's performance, although uncertainty about the economic policies of certain member states could weigh on sentiment. Supported by brighter economic conditions in the Eurozone and a favorable environment for private consumption, the German economy could expand by 2 % in 2015. Inflation is likely to remain subdued on a global level, not least due to the recent sharp drop in energy prices and the dire unemployment situation in many industrialized countries, which keeps the lid on wages.

Financial market developments in 2015 will primarily be driven by monetary policy and geopolitical tensions, such as the conflict between Russia and Ukraine. Barring a major downside surprise on growth, the U.S. Federal Reserve Bank will likely start to push up interest rates this year. In contrast, in an effort to stem deflationary pressures and stimulate growth in the Eurozone, the European Central Bank has further loosened its monetary policy stance with the announcement of a bond purchasing program with a monthly volume of € 60 BN. This program will not only weigh on European government benchmark bond yields, but also exert considerable downward pressure on bond spreads of debt-ridden Eurozone countries. Ongoing reform and consolidation efforts are needed to support the economic recovery and avoid a renewed flare-up of the sovereign debt crisis in the Eurozone.

With short-term rates practically at zero, there are limited prospects of markedly higher yields on longer-term bonds. In the early months of 2015 a number of factors, such as diverging monetary policies of the Federal Reserve Bank and the European Central Bank, will weigh on the Euro. Once it becomes evident that the economic recovery in the Eurozone is getting back onto a firmer footing, the Euro is likely to stabilize.



### ***Insurance industry outlook***

With economic growth forecasts more positive for 2015, demand for insurance is expected to increase slightly, supporting premium growth. At the same time, differences in growth levels between markets will become wider, reflecting specific political, regulatory and economic conditions. As a result, we will see not only the usual growth gap between emerging and industrialized countries but also a widening gulf within these groups, namely between America and Europe on the one hand and Asia and other emerging markets on the other. The outlook for profitability is somewhat more subdued as many challenges remain, for example low investment returns and a more demanding regulatory environment.

In the property-casualty sector, Allianz Group anticipates premium growth in 2015 to be slightly above the level of the previous year. In advanced markets, increasing economic activity is a positive factor but the expected slight softening of the market might dampen growth perspectives. However, differences in pricing in individual markets will remain significant, with the U.S. market likely to see the highest pricing pressure. On the other hand, emerging markets are mainly driven by economic growth. As in previous years, the strongest increases are expected in Asia, with China in the lead. Overall, Allianz Group expects global premium revenue to rise between 4.5 % and 5.5 % in 2015 (in nominal terms, adjusted for foreign currency translation effects).

Assuming weather-related claims are at previous years' levels, overall underwriting profitability should remain more or less stable as reduced pricing power is offset by low – or even negative – claims inflation. On the other hand, investment returns are expected to remain low: interest rates will rise only modestly and impact returns very slowly.

In the life sector, Allianz Group expects premium growth to continue to recover. In advanced markets, slowly improving employment prospects and a new product mix will help to support top-line growth. In emerging markets, strong growth will be mainly driven by rising incomes and social security reforms, boosting demand for pension products. At the same time, with financial markets continuously developing, consumers increasingly ask for more sophisticated savings products beyond simple bank deposits. All in all, Allianz Group expects that global premium revenue will rise in the 4 % – 5 % range in 2015 (in nominal terms, adjusted for foreign currency translation effects).

Low interest rates will remain a major headwind in 2015. Therefore, companies will have to continue to adapt their business models to the challenging environment. Besides a stronger focus on the protection business – including health – new and more flexible guarantee concepts are set to come to the forefront in the savings business. At the same time, insurers will continue to de-risk their balance sheets and look for new, long-term investment opportunities, paying special attention to infrastructure investments. These adjustments should enable the insurance industry to cope with low interest rates and more stringent capital and reserve requirements. All things considered, profitability is set to remain at levels seen in previous years.

### ***Asset management industry outlook***

Markets have shown some volatility in recent months and with investors anticipating an increase in U.S. interest rates Allianz Group expects this volatility to continue in equity as well as in fixed income markets. However, if the longer-term trend is indeed towards moderately higher interest rates – especially in the United States – coupled with global demographic developments, then bonds should remain attractive. This holds true in particular for liability-driven investors and for the growing number of retirees in the developed world looking for a stable stream of income.

A continuing improvement of economic conditions – in particular in the United States – as well as trends in client demand, still represent a positive environment for further asset management industry growth. Nevertheless, the industry has to deal with several challenges that will also put pressure on profitability: flows into passive products as well as rising distribution or marketing costs will tighten operating margins and increased regulatory oversight and reporting will take their toll.

Therefore, several factors are of vital importance for an asset manager's ability to grow – notably above benchmark investment results and innovative client-focused investment solutions and products. In addition, appropriate responses to clients' needs as well as efficient operations and a sufficient business volume are important.

### ***Outlook for the Allianz Group***

As discussed earlier, world economic growth is expected to be moderately higher in 2015. Growth dynamics, however, vary significantly across the globe and there are clear risks for 2015. Geopolitical tensions, a renewed flare-up of the European sovereign debt crisis and currency or trade wars all could jeopardize economic development. However, the outlook provided here assumes the absence of such shocks.

Allianz Group expects our business mix and profitability to remain largely unchanged compared to 2014. Its Property-Casualty business will carry on making up the majority of Allianz Group's operating profit. Allianz Group anticipates that the Asset Management business segment will continue to be a significant source of operating profit, even though at a slightly reduced level. This reduction is mainly due to lower average AuM and expenses associated with the Special Performance Award at PIMCO introduced in the fourth quarter of 2014, partially compensated by higher expected performance fees. In the Life/Health business segment, operating profitability will remain under pressure due to low yields. However, Allianz Group expect a stable development compared to the 2014 results, mainly supported by growth in its underlying asset base.

Although the global economy is showing signs of recovery, investment results are likely to remain under pressure due to low interest rates and the continued uncertainty surrounding a flare-up of the European sovereign debt crisis. This will be offset by an increase in our operating asset base.

As always, natural catastrophes and adverse developments in the capital markets, as well as factors stated in our cautionary note regarding forward-looking statements, may severely affect the results of our operations.

### **Legal Proceedings**

Allianz Group companies are involved in legal, regulatory, and arbitration proceedings in Germany and a number of foreign jurisdictions, including the United States. Such proceedings arise in the ordinary course of businesses, including, amongst others, their activities as insurance, banking and asset management companies, employers, investors and taxpayers. It is not feasible to predict or determine the ultimate outcome of the pending or threatened proceedings. Allianz SE does not believe that the outcome of these proceedings, including those discussed below, will have a material adverse effect on the financial position and the results of operations of the Allianz Group, after consideration of any applicable reserves. Apart from the proceedings discussed below, Allianz SE is not aware of any threatened or pending legal, regulatory or arbitration proceedings nor were there any such proceedings, during a period covering the twelve months preceding the date of this prospectus, which may have, or have had in the recent past, significant effects on its and/or Allianz Group's financial position or profitability.

Material legal, regulatory or arbitration proceedings in which Allianz Group companies have been involved during the past twelve months are in particular the following:

On 24 May 2002, pursuant to a statutory squeeze-out procedure, the general meeting of Dresdner Bank AG resolved to transfer shares from its minority shareholders to Allianz as principal shareholder in return for payment of a cash settlement amounting to € 51.50 per share. Allianz established the amount of the cash settlement on the basis of an expert opinion, and its adequacy was confirmed by a court appointed auditor. Some of the former minority shareholders applied for a court review of the appropriate amount of the cash settlement in a mediation procedure (*Spruchverfahren*). In September 2013, the district court (*Landgericht*) of Frankfurt dismissed the minority shareholders' claims in their entirety. This decision has been appealed to the higher regional court (*Oberlandesgericht*) of Frankfurt. In the event that a final decision were to

determine a higher amount as an appropriate cash settlement, this would affect all of the approximately 16 mn shares that were transferred to Allianz.

The U.S. Department of Justice ("DOJ") is conducting an investigation into whether certain employees of Fireman's Fund Insurance Company ("FFIC"), a subsidiary of Allianz SE, engaged in violation of the False Claims Act in connection with FFIC's involvement as a provider of federal crop insurance from 1997 to 2003. The investigation concerns the issue of whether FFIC employees submitted false claims to the government through various practices, including backdating and inappropriately designating new producer status. Two former FFIC claims employees and one contract adjuster have pled guilty to assisting farmers in asserting fraudulent crop claims. The DOJ and FFIC are in negotiations to reach a final resolution of this matter. FFIC has made a proper provision for this matter.

Allianz Life Insurance Company of North America (Allianz Life) has been named as a defendant in class action lawsuits in connection with the marketing and sale of deferred annuity products. Two of those lawsuits in California, which have been certified as class actions and have been consolidated, generally allege that the defendant engaged in, among other practices, deceptive trade practices and misleading advertising in connection with the sale of such products. The parties reached a settlement agreement in the consolidated action in the very low three-digit US-Dollar millions range and the settlement received approval by the court. Allianz Life has made a provision for the estimated cost of the settlement. The ultimate outcome of the other cases cannot yet be determined.

#### **Cautionary Note Regarding Forward-Looking Statements**

The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the -Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events) (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

## **Organizational Structure**

### ***Description of the Allianz Group***

Allianz SE is the parent company of the Allianz Group which is a global financial service provider and comprises the parent company and more than 900 fully consolidated entities as of 31 December 2014. For a description of the Allianz Group's scope of consolidation as of 31 December 2014, see Note 5 to the Consolidated Financial Statements 2014.

The Allianz Group's business operations and structure are described in the Business Operations and Markets chapter starting on page 63 of Allianz Group's Annual Report 2014.

In its capacity as holding company and reinsurer, Allianz SE has various dependencies with other group companies with respect to operational matters, liquidity and capital management, and reinsurance.

### ***List of participations of the Allianz Group as of 31 December 2014 according to § 313 (2) HGB***

The information on participations of the Allianz Group has been incorporated in this Prospectus by reference to the respective section of the Annual Report 2014. Please refer to section "Documents Incorporated by Reference" on page 103 of this Prospectus.

## **Management and Supervisory Bodies of Allianz SE**

### ***General***

Allianz SE is a Germany-based stock corporation in the form of a European Company (Societas Europaea or SE) and as such is subject to specific provisions regarding the SE (such as the Council Regulation (EC) 2157/2001 ("**SE-Regulation**") and the German Act on the SE-Implementation (*SE-Ausführungsgesetz*)). However, to a large extent Allianz SE is treated as a German stock corporation and therefore governed by the general provisions of German corporate law (in particular the German Stock Corporation Act (*Aktiengesetz*)). The corporate bodies of Allianz SE are the Board of Management (*Vorstand*), the Supervisory Board (*Aufsichtsrat*) and the General Meeting (*Hauptversammlung*). The Board of Management and the Supervisory Board are separate and no individual may serve simultaneously as a member of both boards.

The Board of Management is responsible for managing the day-to-day business of Allianz SE in accordance with the European SE-Regulation, the German Stock Corporation Act, the Statutes (*Satzung*) of Allianz SE as well as its internal rules of procedure (*Geschäftsordnung*).

The Supervisory Board oversees the management and has comprehensive monitoring functions. It is also responsible for appointing and removing the members of the Board of Management. The Supervisory Board is not permitted to make management decisions, but as established by law, the Statutes or determined by the Supervisory Board or the General Meeting, certain types of transactions may require the Supervisory Board's prior consent.

### ***Applicable Corporate Governance Rules***

Principal sources of enacted corporate governance standards for a European Company with its registered seat in Germany are the SE-Regulation, the German Act on the SE-Implementation, the German Act on Employee Participation in a SE (*SE-Beteiligungsgesetz*) and the German Stock Corporation Act as well as the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*, "**Code**"). The Code summarizes the fundamental guidelines for best-practice corporate governance in Germany and in addition to restating various corporate governance-related mandatory provisions of German law, the Code contains "recommendations", which reflect widely recognized standards of corporate governance. Although the Codex does not have the force of law, it has a legal basis through the declaration of conformity required by

§ 161 of the German Stock Corporation Act, which requires that the Board of Management and the Supervisory Board annually issue a declaration of conformity with the Code.

On 11 December 2014, the Board of Management and the Supervisory Board of Allianz SE issued the following declaration of conformity:

- "1. The recommendations of the German Corporate Governance Code Commission (Code Commission) in the version of June 24, 2014 published in the official section of the Federal Gazette ("Bundesanzeiger") on 30 September 2014 have been complied with since their publication and will be complied with except for the following:

According to Item 5.3.2 German Corporate Governance Code the Audit Committee of the Supervisory Board shall be responsible for the monitoring of the risk management system. The Supervisory Board of Allianz SE has additionally established a specific Risk Committee, which is responsible for the monitoring of the risk management system.

2. Since the last Declaration of Conformity as of 12 December 2013 and its amendment in March 2014, all recommendations of the Code Commission in the version of 13 May 2013 were complied with except for the above mentioned deviation as well as the deviation declared in March 2014. In deviation from Item 5.4.5 para. 1 sentence 2, Mr. Jim Hagemann Snabe was member of the Management Board of SAP AG and held four Supervisory Board mandates in external listed companies at the same time. However, such deviation has expired with Mr. Snabe retiring from his office as Management Board member of SAP AG with effect as of 21 May 2014."

#### ***Board of Management***

The Board of Management (*Vorstand*) of Allianz SE currently consists of eleven members, and is multinationally staffed, in keeping with Allianz Group's international orientation. The areas of responsibility of the members of the Board of Management and their principal board memberships outside the Allianz Group are listed below.

<b>Name</b>	<b>Area of Responsibility</b>	<b>Principal Outside Board Memberships</b>
Michael Diekmann (until 6 May 2015)	Chairman of the Board of Management (until 6 May 2015)	Member of the Supervisory Boards of BASF SE (Vice Chairman), Linde AG (Vice Chairman) and Siemens AG
Oliver Bäte	Global Property-Casualty (as of 7 May 2015 Chairman of the Board of Management of Allianz SE (CEO))	None
Manuel Bauer	Insurance Growth Markets	Member of the supervisory bodies of Bajaj Allianz General Insurance Co. Ltd. and Bajaj Allianz Life Insurance Co. Ltd.
Dott. Sergio Balbinot	Insurance Western & Southern Europe	None
Dr. Helga Jung	Insurance Iberia and Latin America, Legal and Compliance, S.p.A. Mergers & Acquisitions	Member of the supervisory body of Unicredit
Dr. Christof Mascher	Operations	Member of the supervisory body of Volkswagen Autoversicherung AG
Jay Ralph	Asset Management Worldwide, US Life Insurance	None
Dr. Axel Theis	Global Insurance Lines & Markets (in addition, as of 7 May 2015, Global Property-Casualty)	None
Dr. Dieter Wemmer	Finance, Controlling, Risk	None
Dr. Werner Zedelius	Insurance German Speaking Countries, Banking, Human Resources	None
Dr. Maximilian Zimmerer	Investments	None

The members of the Board of Management may be contacted at the business address of Allianz SE.

### ***Supervisory Board***

In accordance with the Statutes of Allianz SE, the Supervisory Board (*Aufsichtsrat*) of Allianz SE consists of twelve members, six of whom are shareholder representatives and six of whom are employee representatives.

In order to exercise its functions efficiently, the Supervisory Board has established a Standing Committee, an Audit Committee, a Personnel Committee, a Risk Committee and a Nomination Committee. The committees prepare the discussion and adoption of resolutions in the plenary session. Furthermore, in appropriate cases, authority to take decisions has been delegated to committees themselves.

The Audit Committee of the Supervisory Board comprises five members elected by the Supervisory Board (three members upon proposal of the shareholders representatives and two upon proposal of the employee representatives). The current members of the Audit Committee are Dr. Wulf H. Bernotat (Chairman), Igor Landau, Dr. Helmut Perlet, Jean-Jacques Cette and Ira Gloe-Semler.

The Audit Committee examines the Allianz SE and the Group's annual financial statements, prepares the decisions of the Supervisory Board about these statements and discusses the external auditor's report with the auditors. It further examines the half-yearly and quarterly financial statements and discusses with the external auditor the details of the auditor's review of these financial statements. Furthermore, the Audit Committee prepares the decision of the Supervisory Board about the appointment of the external auditors, sets priorities for the audit, determines the compensation of the external auditors and ascertains the independence of the external auditors. In addition, the Audit Committee supervises and monitors (i) the accounting process, (ii) the effectiveness of the internal control system, (iii) the external audit and (iv) additional services provided by the external auditor, and deals with compliance topics.

The current members of the Supervisory Board of Allianz SE, their principal occupations and their principal board memberships outside the Allianz Group, respectively, are as follows:

<b>Name</b>	<b>Principal Occupation</b>	<b>Principal Outside Board Memberships</b>
Dr. Helmut Perlet, Chairman <sup>(1)</sup>	Former member of the Board of Management of Allianz SE	Member of the Supervisory Boards of Commerzbank AG and GEA Group AG
Dante Barban <sup>(2)</sup>	Employee, Allianz S.p.A., General secretary of the trade union FNA	None
Dr. Wulf H. Bernotat <sup>(1)</sup>	Former chairman of the Board of Management of E.ON AG	Member of the Supervisory Boards of Metro AG, Deutsche Telekom AG, Bertelsmann Management SE, Bertelsmann SE & Co. KGaA and Deutsche Annington Immobilien SE (Chairman)
Christine Bosse <sup>(1)</sup>	Former Group CEO of the Executive Management of Tryg A/S	Member of the Supervisory Boards of Aker ASA and TDC A/S
Gabriele Burkhardt-Berg <sup>(2)</sup>	Chairwoman of the Group Works Council, Allianz SE	None
Jean-Jacques Cette <sup>(2)</sup>	Chairman of the Group Works Council, Allianz France S.A..	None.
Ira Gloe-Semler <sup>(2)</sup>	Chair of the federal insurance group of the trade union ver.di	None
Franz Heiß <sup>(2)</sup>	Employee, Allianz Beratungs- und Vertriebs-AG	None
Prof. Dr. Renate Köcher <sup>(1)</sup>	Chairperson Institut für Demoskopie, Allensbach	Member of the Supervisory Boards of BMW AG, Infineon Technologies AG, Robert Bosch GmbH and Nestlé Deutschland AG
Jim Hagemann Snabe <sup>(1)</sup>	Chairman of Centre for Global Industries, World Economic Forum	Member of the Supervisory Boards Bang & Olufsen A/S (Deputy Chairman) and Danske Bank A/S
Peter D. Sutherland <sup>(1)</sup>	Chairman, Goldman Sachs International	Member of the board of directors of BW Group Ltd. and Koç Holding A. Ş.
Rolf Zimmermann <sup>(2)</sup>	Employee, Allianz Deutschland AG	None

<sup>(1)</sup> Shareholder Representative

<sup>(2)</sup> Employee Representative

The members of the Supervisory Board may be contacted at the business address of Allianz SE.



### ***Conflicts of Interest***

Allianz SE has not been notified or otherwise been informed by any of the member of the Board of Management or any member of the Supervisory Board about any potential conflicts of interest between any duties to Allianz SE of the members of the Board of Management and of the Supervisory Board and their private interests and/or other duties.

### **Major Shareholders**

Under the German Securities Trading Act (*Wertpapierhandelsgesetz*), holders of voting securities of a listed German company are required to notify the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, or *BaFin*) and the company of the level of their holding whenever it reaches, exceeds or falls below specified thresholds. These thresholds are 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% of a company's voting rights. The provisions of the German Securities Trading Act provide several criteria for attribution of voting rights.

On 10 February 2015, Black Rock, Inc., New York, USA ("**Blackrock**") notified Allianz SE that on 6 February, the share of the voting rights directly or indirectly held by Blackrock amounted to 6.24% of the voting rights.

### **Material Contracts**

Long-term Distribution Agreement with Commerzbank AG.

Allianz Beratungs- und Vertriebs-AG has entered, on 31 August 2008, into a framework agreement with Commerzbank AG and Dresdner Bank AG (which later was merged into Commerzbank AG) relating to the cooperation in the distribution of insurance, investment and bank products as well as home savings products which became effective on 1 January 2009. In connection with the disposition of Allianz Dresdner Bauspar AG by Commerzbank AG, the cooperation in respect of home savings products was terminated by an amendment of the framework agreement dated 9 July 2010.

The framework agreement was complemented by distribution agreements relating to bankassurance and assurebanking, both also dated 31 August 2009. On the basis of the bankassurance distribution agreement, insurance products of the Allianz Group have been distributed by Dresdner Bank AG following its sale by Allianz SE to Commerzbank AG and since September 2010, insurance products are also distributed through the branches of Commerzbank AG. The bankassurance distribution agreement was last amended on 23 December 2011. The assurebanking distribution agreement was terminated with effect as of 31 May 2009 in connection with the transfer by Dresdner Bank AG of the Allianz Banking business to Oldenburgische Landesbank AG.

Contingent liabilities

For commitments creating contingent liabilities, please refer to Note 47 of the Consolidated Financial Statements 2014 (see pages 242 – 244 of the Annual Report 2014 of the Allianz Group).

### **Share Capital of Allianz SE**

#### ***Share Capital***

As of the date of this Prospectus, the share capital of Allianz SE is EUR 1,169,920,000 divided into 457,000,000 registered no-par value shares (*Stückaktien*) with restricted transferability. Each share is entitled to one vote.

#### ***Form and Certification of the Shares / Consent to Transfer***

All shares of Allianz SE are issued as registered shares with restricted transferability with no-par value (*Stückaktien*). The shares may only be transferred with the consent of Allianz SE. Allianz SE will only

withhold its consent to a duly applied request if it deems this to be necessary in the interest of Allianz SE on exceptional grounds. Allianz SE will inform the applicant about the reasons leading to such refusal. ADEUS Aktienregister-Service-GmbH keeps the share register of Allianz SE. Registration of a shareholder in the share register is a prerequisite for the exercise of participation and voting rights during the general meeting.

Allianz SE may combine individual shares into share certificates that represent multiple shares (global shares or global certificates). Shareholders have no right to receive individual share certificates unless receipt thereof is necessary pursuant to the rules applicable to a stock exchange on which the shares are listed.

## TAXATION

The following comments are of a general nature and included herein solely for information purposes. They are based on the relevant laws currently in force and as applied on the data of this Prospectus, which are subject to change, possibly with retroactive effect. These comments cannot replace legal or tax advice. No representation with respect to the consequences to any particular prospective holder of a Note is made hereby.

**Prospective holders of a Note should consult their own tax advisers as to the particular tax consequences to them of subscribing, purchasing, holding and disposing of the Notes, including the application and effect of any federal, state or local taxes in each country in which they are resident or citizens and in all relevant jurisdictions.**

### U.S. Foreign Account Tax Compliance Withholding

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL INCOME TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY PERSON FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE PURCHASERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER

The United States enacted rules, commonly referred to as FATCA, that generally impose a new reporting and withholding regime with respect to certain U.S. source payments (including dividends and interest), gross proceeds from the disposition of assets that can produce U.S. source interest and dividends made to persons that fail to meet certain certification or reporting requirements and certain other payments made by entities that are classified as financial institutions under FATCA. The United States has entered into IGAs regarding the implementation of FATCA with several other states, including Germany.

Pursuant to FATCA, non-U.S. financial institutions through which payments on financial instruments are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2016 in respect of (i) financial instruments issued or materially modified after the date that is six months after the date on which the final regulations applicable to "foreign passthru payments" are filed in the Federal Register and (ii) financial instruments which are treated as equity for U.S. federal tax purposes, whenever issued. Under the existing guidance, this withholding tax may be triggered if (i) an issuer or paying agent as applicable, is a foreign financial institution ("**FFI**") (as defined in FATCA) which is obliged to provide certain information on its account holders (making the FFI, as applicable, a "**Participating FFI**" or if based in Germany a "**Reporting Model 1 FFI**"), (ii) the FFI is required to withhold on "foreign passthru payments", and (iii)(a) an investor does not provide information sufficient for the relevant FFI to determine whether the investor is subject to withholding under FATCA, or (b) any FFI to or through which payment on such financial instruments is made is not a Participating FFI or a Reporting Model 1 FFI or otherwise exempt from FATCA withholding.

According to the IGAs with Germany Reporting Model 1 FFIs are required to report certain information on their U.S. account holders to the competent government of Germany in order (i) to obtain an exemption from FATCA withholding on payments it receives as Participating FFI and/or (ii) to comply with any applicable law. Certain details of the impact of each IGA on Reporting Model 1 FFIs and reporting and withholding responsibilities under FATCA are still unclear. It is not yet certain how the United States or Germany will

address withholding on "**foreign passthru payments**" (as described in FATCA) or if such withholding will be required at all.

Currently the Issuer qualifies as non-financial foreign entity and the Paying Agent as a Reporting Model 1 FFI under FATCA and thus payments made on or with respect to the Notes are not expected to be subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear or may change, and the status of the Issuer and the Paying Agent under FATCA may also change, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future.

FATCA may affect payments to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide a financial institution with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the Terms and Conditions be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

**FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE HOLDERS IS UNCERTAIN AT THIS TIME. EACH HOLDER SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.**

## **Federal Republic of Germany**

The following general description does not consider all aspects of income taxation in the Federal Republic of Germany ("**Germany**") that may be relevant to a Noteholder in the light of its particular circumstances and income tax situation. This general overview is based on German tax laws and regulations, all as currently in effect and all subject to change at any time, possibly with retroactive effect. Prospective Noteholders should consult their own tax advisers as to the particular tax consequences to them of subscribing, purchasing, holding and disposing of the Notes, including the application and effect of state, local, foreign and other tax laws and the possible effects of changes in the tax laws of Germany.

### ***German tax residents holding Notes as private assets***

#### *Taxation of income from the Notes*

If the Notes are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, payments of interest under the Notes are taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent. flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge (*Solidaritätszuschlag*) thereon and, if applicable to the individual investor, church tax (*Kirchensteuer*)).

The same applies to capital gains from the sale or redemption of the Notes. The capital gain is generally determined as the difference between the proceeds from the sale or redemption of the Notes and the acquisition costs. Expenses directly and factually related (*unmittelbarer sachlicher Zusammenhang*) to the sale or redemption are taken into account in computing the taxable gain. Otherwise the deduction of related expenses for tax purposes is not permitted.

Where the Notes are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted in Euro at the time of sale, and only the difference will then be computed in Euro.

The flat tax is generally collected by way of withholding (see subsequent paragraph – *Withholding tax*) and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Notes. If, however, no or not sufficient tax was withheld (e.g., in case there is no Domestic Paying Agent as defined below), the investor will have to include the income received with respect to the Notes in its annual income tax return. The flat tax will then be collected by way of tax assessment. The investor may also opt for inclusion of investment income in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor's aggregated flat tax liability on investment income (e.g., because of available losses carried forward or foreign tax credits). If the investor's individual income tax rate which is applicable on all taxable income including the investment income is lower than 25 per cent. the investor may opt to be taxed at individual progressive rates with respect to its investment income.

Capital losses from the sale and redemption of the Notes held as private assets should generally be tax-recognised irrespective of the holding period of the Notes. However, in cases where the sales price does not exceed the transaction costs or no (or only *de minimis*) payments are made to the individual investors on the maturity or redemption date of the Notes, any capital losses might not be recognised by the German tax authorities. This view has however been challenged in 2014 by a final judgement of a German lower fiscal court. Any recognized capital losses may not be used to offset other income like employment or business income but may only be offset against investment income. Capital losses not utilised in one annual assessment period may be carried forward into assessment periods but may not be carried back into preceding assessment periods.

Individual investors are entitled to a saver's lump sum tax allowance (*Sparer-Pauschbetrag*) for investment income of 801 Euro per year (1,602 Euro for jointly assessed investors). The saver's lump sum tax allowance is considered for purposes of the withholding tax (see subsequent paragraph – *Withholding tax*) if the investor has filed a withholding tax exemption request (*Freistellungsauftrag*) with the respective Domestic Paying Agent (as defined below). The deduction of related expenses for tax purposes is not permitted.

#### *Withholding tax*

If the Notes are kept or administered in a domestic securities deposit account with a German credit institution (*Kreditinstitut*) or financial services institution (*Finanzdienstleistungsinstitut*) (or with a German branch of a foreign credit or financial services institution), or with a German securities trading company (*Wertpapierhandelsunternehmen*) or with a German securities trading bank (*Wertpapierhandelsbank*) (each a "**Domestic Paying Agent**") which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor by way of withholding which, is provided for as a standard procedure as of 1 January 2015 unless the Noteholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

Capital gains from the sale or redemption of the Notes are also subject to the 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, if the Notes are kept or administered by a Domestic Paying Agent effecting the sale or redemption from the time of their acquisition. If the Notes were sold or redeemed after being transferred to a securities deposit account with a Domestic Paying Agent, 25 per cent. withholding tax (plus solidarity surcharge thereon) would be levied on 30 per cent. of the proceeds from the sale or the redemption, as the case may be, unless the investor or the previous depository bank was able and allowed to prove evidence for the investor's actual acquisition costs to the Domestic Paying Agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor by way of withholding which is provided for as a standard procedure as of 1 January 2015 unless the Noteholder has filed a blocking notice with the German Federal Central Tax Office.

### ***German tax resident investors holding the Notes as business assets***

#### *Taxation of income from the Notes*

If the Notes are held as business assets (*Betriebsvermögen*) by an individual or corporate investor which is tax resident in Germany (i.e., a corporation with its statutory seat or place of management in Germany), interest income and capital gains from the Notes are subject to personal income tax at individual progressive rates or corporate income tax (plus a 5.5 per cent. solidarity surcharge thereon and church tax, if applicable) and, in general, trade tax. The effective trade tax rate depends on the applicable trade tax factor (*Gewerbesteuer-Hebesatz*) of the relevant municipality where the business is located. In case of individual investors the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances. Capital losses from the disposal or redemption of the Notes should generally be tax-recognised and may generally be offset against other income.

#### *Withholding tax*

If the Notes are kept or administered by a Domestic Paying Agent which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is generally levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor by way of withholding which is provided for as a standard procedure as of 1 January 2015 unless the Noteholder has filed a blocking notice with the German Federal Central Tax Office.

No withholding is generally required on capital gains from the disposal or redemption of the Notes which is derived by German resident corporate investors and, upon application, by individual investors holding the Notes as assets of a German business, subject to certain requirements.

Any capital losses incurred from the disposal or redemption of the Notes will not be taken into account for withholding tax purposes. If withholding tax is levied, the withholding tax does not satisfy the investor's personal or corporate income tax liability with respect to the Notes. The income from the Notes will have to be included in the investor's personal or corporate income tax return. Any German withholding tax (including surcharges) is generally fully creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

### ***Non-German tax resident investors***

Income derived from the Notes by Noteholders who are not tax resident in Germany is in general not subject to German income taxation, and no withholding tax shall be withheld, unless (i) the Notes are held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor, (ii) the income derived from the Notes does otherwise constitute German source income (such as income from the letting and leasing of certain property located in Germany) or (iii) the income is paid by a Domestic Paying Agent against presentation of the Notes (so-called over-the-counter transaction, *Tafelgeschäfte*).

If the income derived from the Notes is subject to German taxation according to (i) through (iii) above, the income is subject to German income taxation and withholding tax similar to that described above for German tax residents. Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

### **Inheritance tax and gift tax**

The transfer of the Notes to another person by way of gift or inheritance is subject to German gift or inheritance tax, respectively, if *inter alia*

- (i) the testator, the donor, the heir, the donee or any other acquirer had his residence, habitual abode or, in case of a corporation, association (Personenvereinigung) or estate (Vermögensmasse), has its seat or place of management in Germany at the time of the transfer of property,
- (ii) except as provided under (i), the testator's or donor's Notes belong to a business asset attributable to a permanent establishment or a permanent representative in Germany.

Special regulations may apply to certain German expatriates.

Prospective investors are urged to consult with their tax advisor to determine the particular inheritance or gift tax consequences in light of their particular circumstances.

#### **Other taxes**

The purchase, sale or other disposal of the Notes does, at present, not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sales of the Notes to other entrepreneurs which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

#### **Luxembourg**

The statements herein regarding taxation in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of the Notes should consult its tax advisor as to the Luxembourg tax consequences of the ownership and disposition of the Notes.

#### **Withholding tax**

Under Luxembourg tax law currently in effect and subject to certain exceptions (as described below), there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest).

In accordance with the law of 25 November 2014, Luxembourg elected out of the withholding tax system in favour of an automatic exchange of information under the Council Directive 2003/48/EC on the taxation of savings income as from 1 January 2015. Payments of interest by Luxembourg paying agents to non resident individual Noteholders or certain so-called residual entities are thus no longer subject to any Luxembourg withholding tax.

In accordance with the law of 23 December 2005, as amended, interest payments made by Luxembourg paying agents to Luxembourg individual residents are subject to a 10 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

#### **European Initiative on Financial Transaction Tax**

On 14 February 2013, the EU Commission adopted the Draft Directive on a common FTT. According to the Draft Directive, the FTT shall be implemented in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia; the "**Participating Member States**").

Pursuant to the original proposal under the Draft Directive, the FTT shall be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to

the transaction. The FTT shall, however, not apply to (inter alia) primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue. Thus, the issuance of the Notes should not be subject to the FTT.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1 per cent. of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by each financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

According to a press announcement of the EU Council in 2014, ten participating Member States, including Germany, currently intend to work on the introduction of an FTT based on a progressive implementation of such tax. The progressive implementation shall first focus on the taxation of shares and certain derivatives only which shall be implemented at the latest on 1 January 2016. As to the further implementation of any FTT there is currently no detailed plan or timetable available.

**Nevertheless the FTT remains subject to negotiation between the Participating Member States and was (and most probably will be) the subject of legal challenge. It may still be adopted and be altered prior to its adoption, the timing of which remains unclear. Moreover, once any directive has been adopted (the "Directive"), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the Directive might deviate from the Directive itself. Finally, additional EU Member States may decide to participate. Prospective holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.**

## **EU Savings Income Tax**

On 3 June 2003 the Economic and Financial Affairs Council adopted a new directive regarding the taxation of savings income (the "**Savings Directive**"). The Savings Directive is effective as from 1 July 2005. Under the Savings Directive each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State; however, Austria instead applies a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35%. Luxembourg elected out of the withholding system in favour of an automatic exchange of information with effect as from 1 January 2015. In addition, also Austria has undertaken to implement an automatic exchange of information in the future (with no concrete date of implementation given at the moment). The transitional period has commenced on 1 July 2005 and terminates at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). In Germany, provisions for implementing the Savings Directive have been enacted by legislative regulations of the federal government (*Zinsinformationsverordnung*). These provisions apply as from 1 July 2005. Similar provisions may apply under agreements entered into pursuant to the Savings Directive in respect of interest payments made by persons within the jurisdiction of certain territories, not being Member States to individuals resident in Member States, and, in some cases, vice versa.

On 24 March 2014, the European Council adopted a directive amending and broadening the scope of the requirements described above. In particular, the changes expand the range of payments covered by the Savings Directive to include certain additional types of income, and widen the range of recipients payments



to whom are covered by the Savings Directive, to include certain other types of entities and legal arrangements. Member States are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017).

Prospective Noteholders who are in any doubt as to their position should consult their own tax advisors.

## SUBSCRIPTION AND SALE

### General

Pursuant to a subscription agreement dated 7 April 2015 (the "**Subscription Agreement**") among the Issuer and the Managers, the Issuer has agreed to sell to the Managers, and the Managers have agreed, subject to certain customary closing conditions, to purchase, the Notes on 9 April 2015. The Issuer has furthermore agreed to pay certain commissions to the Managers and to reimburse the Managers for certain expenses incurred in connection with the issue of the Notes. Commissions may be payable by the Managers to certain third party intermediaries in connection with the initial sale and distribution of the Notes.

The Subscription Agreement provides that the Managers under certain circumstances will be entitled to terminate the Subscription Agreement. In such event, no Notes will be delivered to investors. Furthermore, the Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

The Managers or their respective affiliates, including parent companies, engage, and may in the future engage, in investment banking, commercial banking (including the provision of loan facilities) and other related transactions with the Issuer and its affiliates and may perform services for them, for which the Joint Lead Managers or their affiliates have received or will receive customary fees and commissions, in each case in the ordinary course of business.

There are no interests of natural and legal persons involved in the issue, including conflicting ones, that are material to the issue.

### Selling restrictions

#### *General*

Each Manager has acknowledged that no action is taken or will be taken by the Issuer in any jurisdiction that would permit a public offering of the Notes, or possession or distribution of any offering material relating to them, in any jurisdiction where action for that purpose is required.

Each Manager has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes any offering material relating to them.

#### *United States of America and its territories*

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or to the account of benefit of, U.S. persons except in transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by the U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Manager has represented and agreed that except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver any Notes (i) as part of their distribution and any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the issue date, within the United States or to, for the account of benefit of, U.S. persons, and will have sent to each dealer to which it sells the Notes during the distribution compliance period a confirmation or other notice setting forth

the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

#### ***United Kingdom***

Each Manager has represented, warranted and agreed that:

1. it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer, and
2. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

#### ***Republic of Italy***

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999, as amended (the "**CONSOB Regulation**"); or
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Financial Services Act and Article 34-ter of the CONSOB Regulation.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Italian Banking Act**"); and
- (ii) in compliance with Article 129 of the Italian Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

## GENERAL INFORMATION

1. **Documents available for inspection:** For so long as Notes are outstanding, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of each Paying Agent. In addition this Prospectus (together with any Supplement, if any) will be available in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)):
  - (i) the Articles of Association (*Satzung*) of Allianz SE;
  - (ii) this Prospectus; and
  - (iii) the documents specified in the section "Documents Incorporated by Reference" below.
2. **Authorisations:** The issue of Notes under the Programme by Allianz SE has been authorised by a resolution of the Board of Management of Allianz SE passed on 10 March 2015.
3. **Legend on Global Notes:** Each Global Note will bear the following legend:

"This note has not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold in the United States of America (including the states and the District of Columbia) or its territories or possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, U.S. persons, unless an exemption from the registration requirements of the Securities Act is available.

Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended."
4. **Clearing system:** Notes have been accepted for clearance through the Clearstream, Frankfurt system.

The Notes have the following securities codes:

ISIN:	DE000A14J9N8
Common Code:	121457164
German Securities Code ( <i>WKN</i> ):	A14J9N
5. **Expenses of the issue:** The total expenses related to the admission to trading of the Notes are expected to amount to approximately €25,000.
6. **Luxembourg listing and admission to trading:** Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market.
7. **Notices to Noteholders:** All notices regarding the Notes will be published in the Federal Gazette (to the extent required) and (so long as the Notes are listed on the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange on [www.bourse.lu](http://www.bourse.lu). The Issuer will be entitled to deliver all notices concerning the Notes to the Clearing Systems for communication by the Clearing Systems to the Holders.
8. **Yield:** For the subscribers, the yield of the Notes is 2.241 per cent. per annum, calculated on the basis of (i) the issue price and (ii) the assumption that the Notes will be called on the First Call Date. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) Method. Notwithstanding the above mentioned assumption, there is no assurance as to whether or not the Notes will be actually called on the First Call Date. Therefore the yield realized by subscribers may be significantly lower.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the specified pages of the following documents which have been previously published or are published simultaneously with this Prospectus and which have been approved by the CSSF or filed with it and these specified pages shall be deemed to be incorporated in by reference, and form part of, this Prospectus:

### Cross reference list

Information Incorporated by Reference	Reference
Base Prospectus, dated 22 May 2014 (" <b>Base Prospectus</b> ")	
General Description of the Programme	Pages 33-34

Information Incorporated by Reference	Reference
<b>Allianz Group</b>	
<i>Annual Report 2014</i>	
Business Operations and Markets	Pages 63-69
Consolidated Balance Sheets	Page 151
Consolidated Income Statements	Page 152
Consolidated Statements of Comprehensive Income	Page 153
Consolidated Statements of Changes in Equity	Page 154
Consolidated Statements of Cash Flows	Pages 155-156
Notes to the Consolidated Financial Statements	Pages 157-263
Notes to the Consolidated Balance Sheets	Pages 190-218
Notes to the Consolidated Income Statements	Pages 219-226
Other Information	Pages 227-255
List of participations of the Allianz Group as of December 31, 2014 according to § 313(2) HGB	Pages 256-262
Auditor's Report	Page 264

<b>Information Incorporated by Reference</b>	<b>Reference</b>
<b>Allianz Group</b>	
<i>Annual Report 2013</i>	
Business Operations and Markets	Pages 49-55
Consolidated Balance Sheets	Page 127
Consolidated Income Statements	Page 128
Consolidated Statements of Comprehensive Income	Page 129
Consolidated Statements of Changes in Equity	Page 130
Consolidated Statements of Cash Flows	Pages 131-133
Notes to the Consolidated Financial Statements	Pages 134-240
Notes to the Consolidated Balance Sheets	Pages 168-195
Notes to the Consolidated Income Statements	Pages 196-204
Other Information	Pages 205-232
List of participations of the Allianz Group as of December 31, 2013 according to § 313(2) HGB	Pages 233-239
Auditor's Report	Page 241

<b>Allianz SE</b>	
<i>Annual Report 2014</i>	
Balance Sheet	Pages 82-83
Income Statement	Page 84
Notes to the Financial Statements of Allianz SE	Pages 85-113
List of participations Allianz SE, Munich as of December 31, 2014 according to § 285 No. 11 HGB in conjunction with § 286 (3) No. 1 HGB	Pages 109-113
Auditor's Report	Page 115

<b>Allianz SE</b>	
<i>Annual Report 2013</i>	
Balance Sheet	Pages 70-71
Income Statement	Page 72
Notes to the Financial Statements of Allianz SE	Pages 73-101
List of participations Allianz SE, Munich as of December 31, 2013 according to § 285 No. 11 HGB in conjunction with § 286 (3) No. 1 HGB	Pages 97-101
Auditor's Report	Page 103

All of these pages shall be deemed to be incorporated in by reference, and to form part of, this Prospectus.

The non-incorporated parts of such documents, i.e. the pages not listed in the table above, are either not relevant for the investor or covered elsewhere in the Prospectus pursuant to Art 28.4 of the Commission Regulation (EC) 809/2004. This is in particular the case for the references in the Base Prospectus, dated 22 May 2014, which is incorporated by reference itself, relating to the Annual Reports of 2014 and 2013 of Allianz Group, as well as the references relating to the Annual Reports 2014 and 2013 of Allianz SE which are not incorporated by reference as they are already covered in this Prospectus. Copies of the documents which are incorporated herein by reference will be available free of charge from the specified offices of the Paying Agent and the Luxembourg Paying Agent set out at the end of this Prospectus.

This Prospectus and the documents incorporated by reference are also available for viewing at [www.bourse.lu](http://www.bourse.lu).

For the avoidance of doubt the content of the website [www.bourse.lu](http://www.bourse.lu) and the content of the website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs> does not form part of the Prospectus.

Registered Offices of the Issuer

**Allianz SE**

Königinstrasse 28  
D-80802 Munich  
Germany

Fiscal Agent and Paying Agent

**Deutsche Bank Aktiengesellschaft**

Taunusanlage 12  
D-60325 Frankfurt am Main  
Germany

Joint Lead Managers

**Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**Commerzbank Aktiengesellschaft**

Kaiserstraße 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Germany

**Crédit Agricole Corporate and Investment Bank**

9 quai du Président Paul Doumer  
92920 Paris - La-Défense Cedex  
France

**Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**HSBC Bank plc**

8 Canada Square  
London E14 5HQ  
United Kingdom

Co-Lead Managers

**Banco Santander, S.A.**

Ciudad Grupo Santander  
Edificio Encinar  
Avenida de Cantabria s/n  
28660, Boadilla del Monte  
Madrid  
Spain

**Bayerische Landesbank**

Brienner Straße 18  
80333 Munich  
Germany

**Landesbank Hessen-Thüringen Girozentrale**

Neue Mainzer Straße 52-58  
60311 Frankfurt am Main  
Germany

**National Australia Bank Limited**

88 Wood Street  
London EC2V 7QQ  
United Kingdom

**Société Générale**

29 boulevard Haussmann  
75009 Paris  
France



Auditors to Allianz SE

**KPMG AG**

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Legal Advisers to the Managers as to German law

**Linklaters LLP**

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