



**ALLIANZ SE**

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

EUR 1,000,000,000 Subordinated Fixed to Floating Rate Notes with

scheduled maturity in 2050

Issue Price 100.002 per cent.

Allianz SE (the "**Issuer**"), will issue on 22 May 2020 (the "**Issue Date**") EUR 1,000,000,000 subordinated fixed to floating rate notes with a scheduled maturity in 2050 in a denomination of EUR 100,000 per Note (the "**Notes**") as Series 88 Tranche 1 under the EUR 30,000,000,000 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 8 July 2030 (the "**First Call Date**") at a rate of 2.121 per cent. *per annum*, scheduled to be paid annually in arrear on 8 July in each year, commencing on 8 July 2020. Thereafter, unless previously redeemed, the Notes will bear interest at a rate of 3.280 per cent. *per annum* above the 3-months EU-RIBOR being the Euro-zone inter-bank offered rate for three-month Euro deposits, scheduled to be paid quarterly in arrear on 8 January, 8 April, 8 July and 8 October in each year (each a "**Floating Interest Payment Date**"), commencing on 8 October 2030. Under certain circumstances described in § 3.1(d) of the Terms and Conditions of the Notes (the "**Terms and Conditions**") certain benchmark replacement provisions will apply in case the 3-months EURIBOR (or a successor benchmark) used as a reference for the calculation of interest amounts payable under the Notes were to be discontinued or otherwise unavailable.

Under certain circumstances described in § 3.2 of 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 8 July 2050, provided that on such date the Conditions to Redemption and Repurchase (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 § 4 of the Terms and Conditions, the Notes may be subject to early redemption. This includes that under certain circumstances the Issuer may 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.

This prospectus in respect of the Notes (the "**Prospectus**") constitutes a prospectus within the meaning of Article 6.3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended, the "**Prospectus Regulation**"). 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, in Luxembourg ("**CSSF**") as competent authority under the Prospectus Regulation. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should neither be considered as an endorsement of the Issuer that is subject of this Prospectus nor of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The Issuer may request CSSF to provide competent authorities in host Member States within the European Economic Area ("**EEA**") or in the United Kingdom with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the

Prospectus Regulation. The CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer.

This Prospectus will be valid until 20 May 2021 and may in this period be used for admission of the Notes to trading on a regulated market. In case of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Notes, the Issuer will prepare and publish a supplement to the Prospectus without undue delay in accordance with Article 23 of the Prospectus Regulation. The obligation of the Issuer to supplement this Prospectus will cease to apply once the Notes have been admitted to trading on the regulated market of the Luxembourg Stock Exchange and at the latest upon expiry of the validity period of this Prospectus.

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 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (as amended, "**MiFID II**").

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**").

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, the Notes in any jurisdiction where such offer or solicitation is unlawful.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIIPs Regulation.

Following the First Call Date, amounts payable under the Notes are calculated by reference to the 3-months EURIBOR ("**EURIBOR**"), which is provided by the European Money Market Institute ("**EMMI**"). As at the date of this Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**").

Joint Lead Managers

**BofA Securities**

**CITIGROUP**

**COMMERZBANK**

**CRÉDIT AGRICOLE CIB**

**HSBC**

Co-Lead Managers

**BAYERNLB**

**BNP PARIBAS**

**DEUTSCHE BANK**

**HELABA**

**NATIONAL AUSTRALIA BANK LIMITED**

**UNICREDIT BANK**

## RESPONSIBILITY STATEMENT

The Issuer with its registered office in Germany accepts responsibility for the information contained in this Prospectus and hereby declares that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Issuer further confirms that (i) this Prospectus contains all relevant information with respect to the Issuer (also referred to as "**Allianz SE**" herein) and its consolidated subsidiaries taken as a whole (the "**Allianz Group**") and to the Notes which is material in the context of the issue and the offering of the Notes, including all relevant information which, according to the particular nature of the Issuer and of the Notes is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Allianz Group and of the rights attached to the Notes; (ii) the statements contained in this Prospectus relating to the Issuer, the Allianz Group and the Notes are in every material respect true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the Allianz Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in the Prospectus misleading in any material respect; and (iv) reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements. All references to "we," "us," or "our" in this Prospectus are to Allianz Group.

## NOTICE

No person is authorised to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer or Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc or Merrill Lynch International (together, the "**Joint Lead Managers**") and Bayerische Landesbank, BNP Paribas, Deutsche Bank Aktiengesellschaft, Landesbank Hessen-Thüringen Girozentrale, National Australia Bank Limited (ABN 12 004 044 937) and UniCredit Bank AG (the "**Co-Lead Managers**" and together with the Joint Lead Managers, the "**Managers**").

This Prospectus should be read and understood in conjunction with any supplement hereto and with all documents incorporated herein or therein by reference.

The legally binding language of this Prospectus is English. Any part of the Prospectus in German language constitutes a translation, except for the Terms and Conditions in respect of which German is the legally binding language.

In this Prospectus, all references to "€", "EUR" or "Euro" are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro, as amended. References to "US\$", "USD" and "U.S. dollars" are to the currency of the United States of America. References to "billions" are to thousands of millions.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Prospectus does not constitute an offer of Notes or an invitation by or on behalf of the Issuer or the Managers to purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Managers to a recipient hereof and thereof that such recipient should purchase any Notes.

This Prospectus reflects the status as at its date. The offering, sale and delivery of the Notes and the distribution of the Prospectus may not be taken as an implication that the information contained herein is accurate and complete subsequent to the date hereof or that there has been no adverse change in the financial condition of the Issuer since the date hereof.

To the extent permitted by the laws of any relevant jurisdiction, neither any Manager nor any of its respective affiliates nor any other person mentioned in the Prospectus, except for the Issuer, accepts responsibility for the accuracy and completeness of the information contained in this Prospectus or any other documents incorporated by reference and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accept any responsibility for the accuracy and completeness of the information contained in any of these documents. The Managers have not independently verified any such information and accept no responsibility for the accuracy thereof.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. For a description of the restrictions see the section "*Subscription and Sale – Selling Restrictions*" below. In particular, the Notes have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States of America or to U.S. persons as defined in Regulation S under the Securities Act ("**Regulation S**").

The Notes issued pursuant to this Prospectus are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors.

For the avoidance of doubt the content of any website referred to in this Prospectus does not form part of this Prospectus and the information on such websites has not been scrutinised or approved by the CSSF as competent authority under the Prospectus Regulation.

## **MIFID II PRODUCT GOVERNANCE / TARGET MARKET: PROFESSIONAL INVESTORS AND ECPS ONLY**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

## **PRIIPS REGULATION / PROSPECTUS REGULATION / PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA ("**EEA**") or in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or the Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

## **BENCHMARK REGULATION: STATEMENT ON REGISTRATION OF BENCHMARK ADMINISTRATOR**

Following the First Call Date, amounts payable under the Notes are calculated by reference to the EURIBOR, which is provided by the EMMI. As at the date of this Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation.

## **STABILISATION**

IN CONNECTION WITH THE ISSUE OF THE NOTES, COMMERZBANK AKTIENGESELLSCHAFT (THE "**STABILISING MANAGER**") (OR ANY 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, STABILISATION MAY NOT NECESSARILY OCCUR. 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 CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

## **FORWARD-LOOKING STATEMENTS**

This Prospectus contains certain forward-looking statements, including statements using the words "believes", "anticipates", "intends", "expects" or other similar terms. This applies in particular to statements under the caption "*Description of Allianz SE and Allianz Group*" and statements elsewhere in this Prospectus relating to, among other things, the future financial performance, plans and expectations regarding developments in the business of Allianz SE. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and other factors that may cause the actual results, including the financial position and profitability of Allianz SE, to be materially different from or worse than those expressed or implied by these forward-looking statements. Neither the Issuer nor the Managers do assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

## **ALTERNATIVE PERFORMANCE MEASURES**

This Prospectus contains certain alternative performance measures ("**APMs**") which are not recognised financial measures under the International Financial Reporting Standards as issued by International Accounting Standards Board and as adopted by the European Union ("**IFRS**"). Such APMs must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in

accordance with IFRS included elsewhere in the Prospectus. Investors are cautioned not to place undue reliance on these APMs and are also advised to review them in conjunction with the financial statements of the Issuer and related notes. For further information, please see "*Description of Allianz SE and Allianz Group - Alternative Performance Measures*".

# TABLE OF CONTENTS

RISK FACTORS.....	7
TERMS AND CONDITIONS OF THE NOTES.....	20
DESCRIPTION OF ALLIANZ SE AND ALLIANZ GROUP.....	57
TAXATION WARNING.....	84
SUBSCRIPTION AND SALE.....	85
GENERAL INFORMATION.....	87
DOCUMENTS INCORPORATED BY REFERENCE.....	89

# RISK FACTORS

Allianz SE and the Allianz Group are exposed to a variety of risks through its core insurance and asset management activities, including market, credit, underwriting, business, operational, strategic, liquidity, and reputational risks. The following is a description of the material risk factors in relation to Allianz SE as Issuer and the Allianz Group in relation to the Notes. 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"). As a result, investors are exposed to the risk of losing their investment in whole or in part. Additional risks not included in the risk factors below, e.g., because they are now immaterial or not currently known to Allianz SE or Allianz Group, may result in material risks in the future. This is in particular true for risks related to the crisis resulting from the outbreak of SARS-CoV-2 and its associated disease ("Covid-19") which, although to some extent explicitly mentioned as a risk factor or implicitly reflected in the weighting (high / medium / low) of the relevant other risk factors discussed in the following sections, are considered based on currently available information and are subject to a constantly changing and very volatile environment. Investors should be aware that the Allianz SE as the ultimate parent of the Allianz Group may face the same risks as the Allianz Group.

The following risk factors are organized in categories depending on their respective nature. In each category the most material risk factors, based on the probability of their occurrence and the expected magnitude of their negative impact, are mentioned first.

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

## Risk factors relating to Allianz SE / Allianz Group

### I. MARKET RISKS

The market risks of the Allianz Group include credit spread risk, equity risk, interest rate risk, real estate risk, currency risk and inflation risk. In our assessment, the credit spread and the equity risk are the most material risks for the Allianz Group in the category of market risks.

#### THE ALLIANZ GROUP IS EXPOSED TO CREDIT SPREAD RISK.

The Allianz Group holds a significant portfolio of fixed-income assets such as bonds. The value of this portfolio is changing in case of moving credit spreads. It may lose value if credit spreads widen. This may happen in case the perception of risk in the market changes, i.e. investors demand higher compensation for taking on risks, which can happen for several reasons for example following a political crisis, an economic recession or changed monetary policy.

We consider this risk to be high.

#### THE ALLIANZ GROUP IS EXPOSED TO EQUITY RISK.

The Allianz Group holds a significant equity portfolio. This portfolio is subject to volatility in equity markets affecting the market value and liquidity of these holdings. Investments 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 is the risk that the Allianz Group will recognize significant impairments in the future again, which may have an adverse effect on the Allianz Group's earnings and on the Allianz Group's business and its financial condition.

We consider this risk to be high.

#### THE ALLIANZ GROUP IS EXPOSED TO INTEREST RATE RISK.

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

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 an Allianz Group perspective are not necessarily matched in terms of interest rate sensitivities and therefore any significant 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. 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 decrease over time due to reducing reinvestment yields. 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.

We consider this risk to be medium to high.

### **THE ALLIANZ GROUP IS EXPOSED TO REAL ESTATE RISK.**

The Allianz Group holds a significant alternative investments portfolio. Alternative investments include real estate, private equity, renewable energy and infrastructure investments. These investments are subject to volatility in real estate, equity and alternative investment markets affecting the market value and liquidity of these holdings and are generally covered by either the real estate or the equity risk capital modelling depending on their characteristics. Investments 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.

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 is the risk that the Allianz Group will recognize significant impairments in the future again, which may have an adverse effect on the Allianz Group's earnings, the Allianz Group's business and its financial condition.

We consider this risk to be low.

### **THE ALLIANZ GROUP IS EXPOSED TO CURRENCY RISK.**

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, originates in currencies other than the Euro. 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 and the net asset value of subsidiaries from an Allianz Group perspective.

We consider this risk to be low.

### **THE ALLIANZ GROUP IS EXPOSED TO INFLATION RISK.**

Allianz Group is exposed to changing inflation rates, predominantly due to the Non-Life insurance obligations but also due to inflation-indexed internal pension obligations. Unexpected inflation increases both future claims and expenses, leading to greater liabilities and payments to policyholders.

We consider this risk to be low.

## **II. CREDIT RISKS**

The Allianz Group companies are subject to a potential economic loss in the value of their portfolio that would result from either changes in the credit quality of counterparties ("migration risk") or the inability or unwillingness of a counterparty to fulfill contractual obligations ("default risk"). Allianz Group's credit risk profile is derived from three sources:

- Investment portfolio: Credit risk results from Allianz Group's investments in fixed-income bonds, loans, derivatives, cash positions, and receivables whose value may decrease depending on the credit quality of the obligor. 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. Losses on or impairments to the carrying value of these assets may materially and adversely affect the Allianz Group's business or results of operations. In our assessment, the credit risk related to the investment portfolio of the Allianz Group is the most material risk in the category of credit risk. We consider this risk to be medium.
- Credit insurance: Credit risk arises from potential claim payments on limits granted by Euler Hermes to its policyholders. Euler Hermes insures its policyholders from credit risk associated with short-term trade credits advanced to clients of the policyholder. If the client of



the policyholder is unable to meet its payment obligations, Euler Hermes indemnifies the loss to the policyholder. We consider this risk to be low.

- 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. Credit risk arises from potential losses from non-recoverability of reinsurance receivables or due to default on benefits under in-force reinsurance treaties. We consider this risk to be low.

If any of the above-mentioned risks materialize, this may materially and adversely affect the Allianz Group's business or results of operations. 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 is the risk that the Allianz Group will recognize significant impairments in the future again, which may have an adverse effect on the Allianz Group's earnings and on the Allianz Group's business and its financial condition.

### **III. UNDERWRITING RISK OF THE ALLIANZ GROUP**

Underwriting risk consists of premium and reserve risks in the Property-Casualty business segment as well as biometric risks in the Life/Health business segment. In our assessment, the underwriting risk related to Property-Casualty business is the most material in this category.

#### **UNDERWRITING RISK RELATED TO PROPERTY-CASUALTY BUSINESS**

Our Property-Casualty insurance businesses are exposed to premium risk-related adverse developments in the current year's new and renewed business as well as to reserve risks related to the business in force.

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, 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, ultimate losses may materially exceed the established reserves and have a material adverse effect on the Allianz Group's results of operations.

Allianz Group's Property-Casualty insurance covers to a large extent losses from major unpredictable events like natural catastrophes (e.g. hurricanes, earthquakes, floods) and man-made events (e.g. fires, industrial explosions) but also acts of terror. The likelihood of such events can change due to natural climate cycles, changes in the portfolios, but also through a changing market or geopolitical environment. Consequently, geopolitical tensions may increase the risk of terror losses significantly in some regions. Also increasing urbanization and increasing concentration of industrial facilities in natural catastrophe prone regions has increased losses over the past years, a trend that is expected to continue. In addition, increasing digitalization introduces new risks in regard to Cybercrime, i.e. manipulation of software or loss of sensitive data. However, the incidence and severity of all 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 within the Allianz Group's limit framework. In addition, local entities have implemented their own underwriting limits related to insurance coverage for losses from catastrophic events. However, a series of unlikely catastrophes in a year may result in unusually high levels of losses with 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.

We consider this risk to be medium.

## **UNDERWRITING RISK RELATED TO LIFE-HEALTH BUSINESS**

Underwriting risks in our Life/Health operations (biometric risks) include mortality, disability, morbidity, and longevity risks.

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 where policyholder crediting is contractually tied to equity market performance. The hedging arrangements (if any) may not cover the returns due to policyholders, which could in turn have a material adverse effect on the Allianz Group's results of operations.

We consider this risk to be low.

## **IV. BUSINESS RISKS**

Business risks include cost risks and policyholder behavior risks, and are mostly driven by the Life/Health business and to a lesser extent by the Property-Casualty business. Cost risks are associated with the risk that expenses incurred in administering policies are higher than expected or that new business volume decreases to a level that does not allow Allianz to absorb its fixed costs. Policyholder behavior risks are risks related to the unpredictable, adverse behavior of policyholders in exercising their contractual options, including for example the early termination of contracts, surrenders, partial withdrawals, renewals, and annuity take-up options.

### **ALLIANZ GROUP IS EXPOSED TO BUSINESS RISKS WHICH INCLUDE COST RISKS AND POLICYHOLDER BEHAVIOR RISKS.**

Allianz Group is exposed to business risks attributable primarily to the Life/Health business segment. Business risk is measured relative to baseline plans.

We consider this risk to be low.

### **GERMAN LIFE INSURANCE UNDERTAKINGS OF THE ALLIANZ GROUP MAY HAVE INCREASED OBLIGATIONS UNDER THE GERMAN POLICY HOLDER PROTECTION SCHEME FOR LIFE INSURERS (PROTEKTOR).**

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

We consider this risk to be low.

### **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.

We consider this risk to be low.

## **V. LEGAL AND REGULATORY RISK**

### **CHANGES IN EXISTING, OR NEW, 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 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 include liquidity, capital adequacy and permitted investments, governance, conduct rules, money laundering, "know your customer" rules, privacy and data protection, record keeping, and marketing and distribution 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.

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. 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 and to enhance consumer protection. 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. This can result out of the current EIOPA Solvency II review but can also be due to the fact that the Allianz Group has been designated as a "Global Systemically Important Insurer" by the Financial Stability Board and will be subject to the respective policy measures which may apply to such groups. In addition, it is unclear how the Common Framework for the Supervision of Internationally Active Insurance Groups ("**Comframe**") of the International Association of Insurance Supervisors ("**IAIS**") will finally 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. Finally, the potential for a multiplicity of different regulatory regimes, capital standards and reporting requirements will increase operational complexity and costs.

Governments in jurisdictions in which the Allianz Group does business may consider changes to tax laws which may adversely affect the attractiveness of certain of the Allianz Group's products; if enacted, such changes could result in a significant reduction in the sale of such products.

We consider this risk to be medium.

### **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.

We consider this risk to be low.

### **REGULATORY ACTIONS IN CASE OF A BREACH OF REGULATORY CAPITAL REQUIREMENTS.**

In the event of a failure by Allianz SE or Allianz Group to meet regulatory capital requirements, regulators have broad authority to take various regulatory actions including limiting or prohibiting the writing of new business, prohibiting payment of dividends or coupon payments and suspend repayments of senior debt. A breach of regulatory capital requirements or a reduction of solvency ratios by subsidiaries may result in Allianz SE injecting new capital into its subsidiaries which could in turn adversely affect Allianz SE's capital and financial position. Regulatory restrictions can reduce Allianz SE's ability to move capital within Allianz Group which in turn can adversely affect the liquidity and financial

position of Allianz SE and Allianz Group. Under the Solvency II regime, the powers of intervention of supervisory authorities with respect to reinsurers like Allianz SE are extensive and, in particular, allow for a restriction on all payments (in particular, payments under the Notes or the Guarantees) at an earlier stage of a potential crisis.

We consider this risk to be low.

## VI. INTERNAL CONTROL RISK AND OTHER OPERATIONAL RISK

The Allianz Group is exposed to operational risks resulting from inadequate or failed internal processes, human errors, system failures, and external events - that can stem from a wide variety of sources such as:

- Potential losses due to a failure to meet a professional obligation or from the design of a product. Examples include mis-selling, non-compliance with internal or external requirements related to products, anti-trust behavior, data protection, sanctions and embargoes, etc. These losses tend to be of a lower frequency but with a potentially high financial impact.
- Potential losses arising from transaction or process management failures. Examples include interest and penalties from non-payment or underpayment of taxes or losses associated with broker and agent distribution processes. These losses tend to be of a relatively higher frequency but with little financial impact (although single large loss events can occur).
- Other operational risks, including, for example, internal or external fraud, financial misstatement risk, a breach of cyber security incident causing business disruption or fines, a potential failure at Allianz Group's outsourcing partners causing a disruption to its working environment. 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.

We consider this risk to be low.

## VII. OTHER RISKS

Other risks include the SARS-COV-2 Pandemic as well as strategic, liquidity, and reputational risk. In our assessment, the risk related to the SARS-COV-2 Pandemic is the most material risk in this category.

### RISKS RELATED TO THE SARS-COV-2 PANDEMIC

Pandemics, epidemics, outbreaks of infectious diseases or any other serious public health concerns, such as the outbreak of SARS-CoV-2 first identified in December 2019 and its associated disease ("**Covid-19**"), together with any measures aimed at mitigating a further expansion thereof, such as restrictions on travel, imposition of quarantines, prolonged closures of workplaces, or curfews or other social distancing measures, may have a material adverse effect on the global economy and international financial markets in general and on the markets in which the Allianz Group operates in particular. The implications of such outbreaks depend on a number of factors, such as the duration and spread of the respective outbreak as well as the timing, suitability and effectiveness of measures imposed by authorities, the availability of resources, including human, material, infrastructure and financial (e.g., governmental stimulus packages and/or measures introduced by central banks) required to implement effective responses to the respective situation at the international, national and regional level as well as the level of civil compliance with such measures. There is no guarantee that such measures, or a combination thereof, are effective means to combat such an outbreak and the implications resulting therefrom, which may result in an increase of financial, underwriting, liquidity and operational risks for the Allianz Group and, ultimately, may have material adverse effects on the operating results of the Allianz Group and its business and financial situation.

A number of factors that are important for the Allianz Group to successfully conduct its business could be materially affected by the spread of Covid-19. The social distancing measures implemented by countries around the world to slow the spread of Covid-19 could result in a severe global recession and financial crisis. As economic activity is drastically reduced potentially for an extended period of time, many businesses could be forced to close, leading to a dramatic increase in unemployment. As businesses and unemployed workers no longer have the income to pay their outstanding debts, the number of defaults could significantly increase. Such developments could have a number of effects on the Allianz Group's business and risk profile, including the following:

- Property and Casualty business: Global lines offered by some subsidiaries are expected to be impacted by the crisis. Short term impacts could arise for example depending on the specific coverage of the insurance contracts in the travel insurance if due to sickness insured persons cannot travel. Also in credit insurance a potential increase in defaults may lead to higher expected losses, and in the business interruption and event cancellation insurance claims are likely to increase. Additional uncertainty may arise due to regulatory responses, e.g. premium deferrals, customer friendly interpretation of policy cover, etc.
- Life and Health business: Potential impact could occur in life insurance for example in relation to term life products, which however, are predominantly bought by younger generations. In health insurance claim frequency or medical costs may increase. However, there are different developments with compensating effects, which complicate a prediction of the overall impact, e.g. costs related to higher morbidity vs. early cancellation of policies due to increased mortality rates.

- Asset management: Adverse market developments or investor behaviour triggered by the development of the pandemic or measures taken by governments or regulators may decrease the Asset under Management with associated negative earnings impact.
- Market and Credit risk: The COVID-19 pandemic is expected to have an impact on all market risks of the Group as it is causing significant price movements on the financial market especially for equities and credit spreads. Implications are expected as well on the credit side, especially in case the number of bankruptcies is increasing with the associated impact on the banking sector if the state and state orchestrated aids prove to be not sufficiently effective.
- Liquidity risk: In the current market environment, caused by the COVID-19 pandemic, the liquidity situation of Allianz Group is influenced especially from the economic situation of its subsidiaries. Potential risks may arise in relation to the occurrence of disturbances in the financial market as well as recapitalization needs of related undertakings.
- Operational risk: The Group's operational risks associated with the COVID-19 pandemic result in particular from cancellation fees related to travel / conferences, costs for implementation of business continuity plans.

The risks outlined above could each have an adverse impact on the business of the Allianz Group. Moreover, such impact would be greater if the various risks took effect simultaneously. While in the short term these risks are likely to cause moderate financial implications, an impact assessment for the mid- and long-term would depend on the shape and length of the economic recovery, the reaction of governments, international institutions and banks.

Due to the current high uncertainty regarding the development of primarily overarching market factors and conditions we consider the risks related to the SARS-COV-2 pandemic to be high.

## STRATEGIC RISK

Strategic risk is the risk of a decrease in Allianz Group's value arising from adverse management decisions on business strategies and their implementation. Strategic risks are identified and evaluated as part of the Allianz Group's Top Risk Assessment process, and discussed in various Board of Management-level committees (e.g. Group Finance and Risk Committee). Allianz Group also monitors market and competitive conditions, capital market requirements and regulatory conditions, to decide if strategic adjustments are necessary.

Strategic risk includes, in particular, risks associated with the fact that 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. Furthermore new competitors from the tech segment may increase their market share or sustainably shape the way how the insurance sector operates. 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.

Strategic risk also includes the risk that acquisitions by the Allianz Group can have adverse effects on its financial position and results of operations. 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.

We consider this risk to be low.

## LIQUIDITY RISK

Liquidity risk is the risk that current or future payment obligations cannot be met or can only be met on the basis of adversely altered conditions. Liquidity risk can arise primarily if there are mismatches in the timing of cash in- and out-flows.

Allianz Group's operating entities manage liquidity risk locally, using asset/liability management systems designed to ensure that assets and liabilities are adequately matched. The major sources of liquidity for operational activities are primary and reinsurance premiums received, reinsurance receivables collected, investment income, and proceeds generated from the maturity or sale of investments. These funds are mainly used to pay claims arising from the Property-Casualty insurance business and related expenses, life policy benefits, surrenders and cancellations, acquisition costs, and operating costs.

The main sources of liquidity available for Allianz SE are dividends received from subsidiaries and funding provided by capital markets. Liquidity resources are readily available assets – specifically cash, money market investments, and highly liquid government bonds. Allianz SE's funds



are primarily used for principal and interest payments on debt funding, operating costs, internal and external growth investments, and distributions to shareholders. Allianz SE's access to external funds depends on various factors such as capital market conditions, access to credit facilities, credit ratings, and credit capacity 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 or negative actions by regulators or rating agencies. 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 overall liquidity of Allianz Group's insurance operations depends on capital market developments, interest rate levels, and the ability to realize the market value of the investment portfolio to meet insurance claims and policyholder benefits. Other factors affecting the liquidity of the Property-Casualty insurance operations include the timing, frequency, and severity of losses underlying the policies and policy renewal rates. In Life operations, liquidity needs are generally influenced by trends in actual mortality rates compared to the assumptions underlying the life insurance reserves. Market returns, crediting rates, and the behavior of life insurance clients – for example, regarding the level of surrenders and withdrawals – can also have significant impacts.

Major contingent liquidity requirements include market risk scenarios for Allianz SE and its subsidiaries, non-availability of external capital markets, and reinsurance risk scenarios for Allianz SE.

We consider this risk to be low.

## REPUTATIONAL RISK

Allianz Group's reputation as a well-respected and socially aware provider of financial services is influenced by its behaviour in a range of areas such as product quality, corporate governance, financial performance, customer service, employee relations, intellectual capital, and corporate responsibility. Any misbehaviour can lead to adverse publicity and damage the Allianz Group's reputation and trigger increased regulatory supervision, affecting 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. Reputational risk is the risk of an unexpected drop in the value of the Allianz SE share price, the value of the in-force business, or the value of future business caused by a decline in the reputation in external stakeholders' judgement.

We consider this risk to be medium.

## RATING DOWNGRADE RISK

Claims paying ability as expressed by the insurance financial strength ratings is 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, 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. For some lines of business a downgrade might also have impact on current business in case agreements provide for cancellation clauses which allow policyholders to cancel the agreements in case a certain downgrade occurs. This would trigger a repayment of (parts) of the received premium.

Rating agencies can be expected to continue to monitor the Allianz Group's financial strength and claims paying ability. Future ratings downgrades may occur at any time, whether due to changes in the Allianz Group's performance, its regulatory capital position, changes in the rating agencies' industry views or ratings methodologies, or a combination of these and other factors.

We consider this risk to be low.

## 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 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.

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.

Allianz Group carries in its consolidated financial statements deferred tax assets and deferred tax liabilities. The calculation of the respective tax assets and liabilities is based on current tax laws and IFRS and depends on applicable valuation parameters as well as 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 or revaluation of deferred tax assets, in which case the Allianz Group could be obligated to write-down 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 could make the usability of tax assets more unlikely. Any such development may have a material adverse impact on the Allianz Group's net income.

We consider this risk to be low.

## Risk Factors Relating to the Notes

### VIII. RISKS ASSOCIATED WITH THE CHARACTERISTICS OF THE NOTES

The risks associated with the characteristics of the Notes include risks resulting from the subordination of the Notes, risks related to the fixed rate interest rate applicable until the first call date, risks related to the floating rate interest applicable from the first call date on, interest rate benchmark risks, risks related to the nature of the Notes as long-term securities with Issuer call options and risks in connection with the application of the German Act on Issues of Debt Securities.

#### RISKS RESULTING FROM THE SUBORDINATION 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, or insolvency of the Issuer, or composition or any other proceedings for the avoidance of insolvency 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) 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 (*Insolvenzordnung*), and (iv) subordinated obligations required to be preferred by mandatory provisions of law.

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 a liquidation, dissolution, insolvency, composition or other proceeding for the avoidance of insolvency of, or against, the Issuer, it is very likely that the Noteholders may recover nothing at all or a substantially lower proportion of their claims than the holders of unsubordinated obligations of the Issuer. In addition, Noteholders will have limited ability to influence the outcome of any insolvency proceedings or a restructuring outside insolvency. In particular, in insolvency proceedings over the assets of the Issuer, holders of subordinated debt, such as the Notes, will not have any right to vote in the assembly of creditors (*Gläubigerversammlung*) pursuant to the German Insolvency Code.

Furthermore, the Terms and Conditions provide for a pre-insolvency payment prohibition. This means that already prior to the commencement of any insolvency or liquidation proceedings over the assets of the Issuer the Noteholders will only have a due (*fällig*) claim for the relevant scheduled payment of interest, payment of Arrears of Interest or for redemption if no reason for the opening of insolvency proceedings in respect of the Issuer in accordance with the Applicable Insolvency Regulations exists and if the payment of the relevant amount would not cause the insolvency of the Issuer or accelerate the process of the Issuer becoming insolvent. These payment conditions constitute a prohibition to pay meaning that any payment on the Notes may only be made by the Issuer if it is made in accordance with the aforementioned conditions. Any payment made in breach of this prohibition must be repaid to the Issuer irrespective of any agreement to the contrary.



## RISKS RELATED TO THE FIXED RATE INTEREST APPLICABLE UNTIL THE FIRST CALL DATE

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 typically 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 Notes 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.

## RISKS RELATED TO THE FLOATING RATE INTEREST APPLICABLE FROM THE FIRST CALL DATE

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 Euro-zone inter-bank offered rate for three-month Euro deposits ("**EURIBOR**") (or any successor rate in case of a Benchmark Event) and the Margin. The floating rate interest is payable quarterly and the applicable rate will be determined immediately prior to any Floating Interest Period based on the then prevailing 3-months EURIBOR rate plus the Margin. The Margin was fixed prior to the issue date of the Notes and will apply to any Floating Interest Period.

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 to maturity of the Notes following the First Call Date at the time they purchase them, so that their return on investment cannot be compared with that of investments in fixed rate instruments (i.e. instruments with a coupon that is fixed until maturity).

Because the Margin is fixed prior to the issuance of the Notes, Noteholders are moreover subject to the risk that the Margin does not reflect the market spread that investors require in addition to the 3-months EURIBOR as a compensation for the risks inherent in the Notes.

Furthermore, during each Floating Interest Period, it cannot be ruled out that the price of the Notes may fall as a result of changes in the current market interest rate. During each of these periods, the investor is exposed to the same risk as described under "*Risks related to the fixed rate interest applicable until the First Call Date*" above.

## INTEREST RATE BENCHMARK RISKS

Reference rates and indices, including interest rate benchmarks, such as the EURIBOR, which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. International proposals for reform of Benchmarks include in particular the European Council's regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**") which is fully applicable since 1 January 2018.

These reforms and changes may cause a Benchmark to be subject to a change in underlying methodology, to perform differently than it has done in the past or to be discontinued. Any change in methodology, the performance of a Benchmark or its discontinuation, could have a material adverse effect on financial instruments referencing or linked to such Benchmark such as the Notes following the First Call Date.

Following the First Call Date, amounts payable under the Notes are calculated by reference to the EURIBOR, which is provided by the European Money Market Institute. The rate of interest for each Floating Interest Period will be determined on the corresponding Interest Determination Date by reference to Reuters Page EURIBOR01 (or such other screen page of Reuters or such other information service, which is the successor to Reuters Page EURIBOR01 for purposes of displaying such rates) (the "**Screen Page**"). In circumstances where EURIBOR is discontinued, neither the Screen Page, nor any successor or replacement may be available.

Under the Terms and Conditions, certain benchmark replacement provisions will apply in case the EURIBOR or any other Benchmark used as a reference for the calculation of interest amounts payable under the Notes were to be discontinued or otherwise unavailable:

If the EURIBOR or any other Benchmark used to calculate interest amounts payable under the Notes for any interest period has ceased to be calculated or administered, the Issuer shall, as soon as it is (in the Issuer's view) practicable following the occurrence of the relevant Benchmark Event and prior to the next date where the reference rate will be determined endeavour to appoint an independent adviser, which must be an

independent financial institution of international repute or other independent financial adviser experienced in the international capital markets. Such independent adviser will be tasked with determining whether an officially recognised successor rate to the discontinued Benchmark exists. If that is not the case, the independent adviser will attempt to find an alternative rate which, possibly after application of adjustments or spreads, can replace the discontinued Benchmark. If the independent adviser determines a successor rate or alternative rate (the "**New Benchmark Rate**"), such rate will replace the previous Benchmark for purposes of determining the relevant rate of interest. Such determination will be binding for the Issuer, the Calculation Agent, the Paying Agents and the Noteholders. Any amendments pursuant to these fall-back provisions will apply with effect from the respective effective date specified in the Terms and Conditions.

If the Issuer fails to appoint an independent adviser or if the adviser fails to determine a New Benchmark Rate following a discontinuation of a relevant Benchmark, the reference rate applicable to the immediately following Floating Interest Period shall be the original benchmark rate determined on the last preceding interest determination date, provided, however, that, in case the Benchmark Event occurs before the Interest Determination Date for the first Floating Interest Period, the reference rate shall be -0.237 per cent. *per annum*, subject to a adjustments for later Floating Interest Periods in case the New Benchmark Rate can then be determined. Any replacement of a Benchmark in case of a Benchmark Event will only be made to the extent no Regulatory Event would occur as a result of such replacement. In case the replacement would lead to the occurrence of a Regulatory Event the reference rate applicable to the immediately following Floating Interest Period shall be the original benchmark rate determined on the last preceding Interest Determination Date, provided, however, that, in case the Benchmark Event occurs before the Interest Determination Date for the first Floating Interest Period, the reference rate shall be -0.237 per cent. *per annum*.

The replacement of the EURIBOR or any other Benchmark in case of a Benchmark Event could have adverse effects on the economic return of the Noteholder compared to the applicable original benchmark rate.

## **RISKS RELATED TO THE NATURE OF THE NOTES AS LONG-TERM SECURITIES WITH ISSUER CALL OPTIONS**

The Notes are scheduled to be redeemed at par on 8 July 2050 (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 the Notes, but is under no obligation to do so. If on the Scheduled Maturity Date, the Conditions to Redemption are not met, redemption may be delayed beyond the Scheduled Maturity Date for an indefinite period of time. Therefore, Noteholders may receive the amounts due upon redemption at a much later point in time than initially expected.

The Issuer may redeem the Notes at its option, subject to the Conditions to Redemption being fulfilled, at par plus accrued interest and any Arrears of Interest with effect as of the First Call Date and as of any Floating Interest Payment Date thereafter. The redemption at the option of the Issuer may affect the market value of the affected Notes. During any period when the Issuer may, or may be perceived to be able to, elect to call and redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed (par plus accrued interest). Certain market expectations may exist among investors in the Notes with regard to the Issuer making use of its option to call the Notes for redemption prior to their Scheduled Maturity Date. Should the Issuer's actions diverge from such expectations, or should the Issuer be prevented from meeting these expectations, the market value of the Notes may be adversely affected.

In addition, the Issuer may at any time redeem the Notes at its option, subject to the Conditions to Redemption being fulfilled, at par plus accrued interest and any Arrears of Interest:

- (i) 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, 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 (including in case any such change, amendment or clarification has retroactive effect), (x) the Issuer has or will become obliged to pay Additional Amounts on the Notes pursuant to § 6 of the Terms and Conditions, or (y) the interest expense in respect of the Notes is no longer, or will no longer be, fully deductible by the Issuer for income tax purposes, and in each case this cannot be avoided by the Issuer by taking such measures it (acting in good faith) deems reasonable and appropriate; or
- (ii) if the Issuer in its own reasonable opinion 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, must not or must no longer record the obligations under the Notes as liabilities on the balance sheet in the Issuer's annual consolidated accounts prepared in accordance with the Applicable Accounting Standards and this cannot be avoided by the Issuer taking such measures it (acting in good faith) deems appropriate; or
- (iii) if 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 of the Issuer's group (including the capital adequacy of internationally active insurance groups (IAIG) and global systemically important insurers (G-SII)), 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; or

- (iv) 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 S&P Global Ratings Europe Limited, 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.

If the Notes are redeemed at the option of the Issuer, a Noteholder is exposed to the risk that due to the early redemption the Noteholder's investment will have a lower than expected yield. In addition, Noteholders are exposed to the risks that the yield on any reinvestment of the cash proceeds received as a result of the early redemption in an asset of comparable credit quality and liquidity as the Notes may be substantially lower than the return of the Notes might have been. Such cash proceeds from an early redemption may also be lower than the then prevailing market price of the Notes immediately prior to the publication of a notice of redemption.

Under the Terms and Conditions, the Noteholders have no right to require the redemption of the Notes prior to the Scheduled Maturity Date. In addition the Notes will only be redeemed on or following the Scheduled Maturity Date if the Conditions to Redemption are fulfilled.

There is also no guarantee that an active public market in the Notes will develop.

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

## **RISKS IN CONNECTION WITH THE APPLICATION OF THE GERMAN ACT ON ISSUES OF DEBT SECURITIES**

Because the Terms and Conditions provide for meetings of Noteholders or the taking of votes without a meeting, the Terms and Conditions may be amended by majority resolution of the Noteholders and a Noteholder is subject to the risk of being outvoted by a majority resolution of the Noteholders. The rules pertaining to resolutions of Noteholders are set out in the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*, "SchVG") and are largely mandatory. Pursuant to the SchVG the relevant majority for Noteholders' resolutions is generally based on votes cast, rather than on the aggregate principal amount of the Notes outstanding, therefore, any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Notes outstanding. As such a majority resolution is binding on all Noteholders, certain rights of a Noteholder against the Issuer under the Terms and Conditions may be amended or reduced or even cancelled, which could have significant negative effects on the value of the Notes and the return from the Notes.

Because the Terms and Conditions provide that the Noteholders are entitled to appoint a Noteholders' Representative by a majority resolution of the Noteholders, it is possible that a Noteholder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, such right passing to the Noteholders' Representative who is then exclusively responsible to claim and enforce the rights of all the Noteholders.

## **IX. RISKS RESULTING FROM THE NOTES REPRESENTING REGULATORY CAPITAL OF THE ISSUER**

The risks resulting from the Notes representing regulatory capital of the Issuer include risks resulting from the Notes being structured to meet the criteria to qualify as regulatory capital (basic own funds), risks related to deferral of interest payments and restrictions on payments of Arrears of Interest and risk that Noteholders may have to return amounts received otherwise than pursuant to the Terms and Conditions.

## **RISKS RESULTING FROM THE NOTES BEING STRUCTURED TO MEET THE CRITERIA TO QUALIFY AS REGULATORY CAPITAL (BASIC OWN FUNDS)**

The Notes will be issued to increase the Issuer's and Allianz Group's regulatory capital under Solvency II and are intended to receive a certain capital treatment. The Terms and Conditions are structured accordingly, implying various risks for investors. In particular, there is the risk that the Issuer may be obliged to defer redemption of the Notes beyond the Scheduled Maturity Date, or to defer payment of interest beyond any Interest Payment Date, whenever the Issuer or the Allianz Group does not meet certain regulatory capital requirements. Any redemption of the Notes is subject to the Conditions to Redemption being fulfilled. Payment of interest is subject to optional or compulsory interest deferral. A deferral of the redemption and/or of any payment of interest in accordance with the Terms and Conditions does not constitute a breach of obligations under the Notes. In addition, the Competent Supervisory Authority has specific rights to prohibit interest payments and any redemption of the Notes is subject to prior approval of the Competent Supervisory Authority. Such rights may change according to the Applicable Supervisory Regulations from time to time throughout the term of the Notes. Would the Notes (in whole or in part) not be eligible to qualify for inclusion in the determination of own funds as Tier 2 Capital, there is a risk that the Notes may be redeemed at the option of the Issuer at any time subject to the Conditions to Redemption being fulfilled, at par plus accrued interest and any Arrears of Interest.

## **RISKS RELATED TO DEFERRAL OF INTEREST PAYMENTS AND RESTRICTIONS ON PAYMENTS OF ARREARS OF INTEREST**

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 Event in accordance with § 10 of the Terms and Conditions 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. The same applies in case no Compulsory Deferral Event has occurred, and the Issuer elects in its discretion to defer the payment of accrued interest by giving prior notice to the Noteholders provided that, during the six months before the relevant Interest Payment Date, no Dividend Payment Event has occurred. Noteholders will not receive any additional interest or compensation for the compulsory or optional deferral of interest payments.

Interest deferred compulsory or at the option of the Issuer will constitute Arrears of Interest, with no certainty for Noteholders as to when these Arrears of Interest will be paid. The Issuer will only be entitled to pay Arrears of Interest at any time if the Conditions to Settlement 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. In addition, Arrears of Interest will not bear interest.

## **RISK THAT NOTEHOLDERS MAY HAVE TO RETURN AMOUNTS RECEIVED OTHERWISE THAN PURSUANT TO THE TERMS AND CONDITIONS**

If the Notes are redeemed or repurchased otherwise than pursuant to § 4 and in accordance with § 2 of the Terms and Conditions, Noteholders may have to return any amounts so received irrespective of any agreement to the contrary.

## **X. RISKS ASSOCIATED WITH THE ABILITY OF THE ISSUER TO MAKE PAYMENTS WHEN DUE**

The risks associated with the ability of the Issuer to make payments when due include the risk that an investor in the Notes will lose all or some of its investment should the Issuer become insolvent and the risk that the market value of the Notes could decrease if the creditworthiness of Allianz SE and/or the Allianz Group worsens.

## **RISK THAT AN INVESTOR IN THE NOTES WILL LOSE ALL OR SOME OF ITS INVESTMENT SHOULD THE ISSUER BECOME INSOLVENT.**

Any person who purchases the Notes is relying on the creditworthiness of the Issuer and has no rights against any other person.

Investors are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. A materialisation of the credit risk (for example, due to the materialisation of any of the "*Risk factors relating to Allianz SE / Allianz Group*" as described above) may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Notes. This risk is aggravated by the fact that the Notes are unsecured and subordinated (see above, "*VIII. Risks associated with the characteristics of the Notes - Risk resulting from the subordination of the Notes*") and could result in a partial or total loss of the investor's investment in the Notes.

## **RISK THAT THE MARKET VALUE OF THE NOTES COULD DECREASE IF THE CREDITWORTHINESS OF ALLIANZ SE AND/OR 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 materialization of any of the risks regarding the Allianz SE or Allianz Group, the market value of the Notes will fall. Moreover the market value of the Notes can fall 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, but market participants have a different perception of the Issuer's creditworthiness. Furthermore, the market participants' assessment 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 materializes, third parties would only be willing to purchase Notes for a lower price than before the materialization of mentioned risk. Under these circumstances, the market value of the Notes is likely to decrease.

# TERMS AND CONDITIONS OF THE NOTES

## Bedingungen der Schuldverschreibungen ("Anleihebedingungen")

- § 1 **Währung, Stückelung, Form, Globalurkunde**
- (a) *Währung; Stückelung.* Die Allianz SE (die "**Emit-  
tentin**") begibt nachrangige Schuldverschreibungen in Euro (EUR) (die "**Festgelegte Währung**") im Gesamtnennbetrag von EUR 1.000.000.000, 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 zunächst in einer vorläufigen Inhaber-Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft, die bei der Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Bundesrepublik Deutschland, oder deren Funktionsnachfolger (das "**Clearingsystem**") hinterlegt ist.
- Die Vorläufige Globalurkunde wird insgesamt oder teilweise und unentgeltlich an oder nach dem Tag, der 40 Tage nach dem Tag der Begebung der Schuldverschreibungen, frühestens jedoch 40 Tage nach dem Tag des Beginns des Angebots liegt, gegen Nachweis über das Nichtbestehen wirtschaftlichen U.S.-Eigentums im Sinne des U.S.-Rechts (*non-U.S. beneficial ownership*) in der in der Vorläufigen Globalurkunde vorgesehenen Form, gegen eine dauerhafte Globalurkunde (die "**Dauer-Globalurkunde**") (die Vorläufige Globalurkunde und die Dauer-Globalurkunde jeweils auch eine "**Globalurkunde**") ohne Zinsscheine eingetauscht. Ein Recht der Anleihegläubiger (wie nachstehend definiert) auf Ausgabe und Lieferung von Einzelurkunden oder Zinsscheinen besteht nicht.
- Die Vorläufige Globalurkunde und die Dauer-Globalurkunde werden solange von dem Clearingsystem oder im Auftrag des Clearingsystems verwahrt, bis sämtliche Verpflichtungen der Emittentin aus den Schuldverschreibungen erfüllt sind.
- Die Vorläufige Globalurkunde und die Dauer-Globalurkunde tragen jeweils die 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

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

- § 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 1,000,000,000, 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 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,

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 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.

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, or insolvency of the Issuer, or composition or any other proceedings for the avoidance of insolvency 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) unsubordinated obligations; and
- (ii) obligations subordinated by operation 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) *Zahlungsbedingungen, (vorinsolvenzliches) Zahlungsverbot.* Bereits vor Einleitung eines Insolvenz- oder Liquidationsverfahrens über das Vermögen der Emittentin steht

- (i) jede Zahlung von Zinsen auf die Schuldverschreibungen und jede Nachzahlung von Zinsrückständen unter dem Vorbehalt der Erfüllung der Bedingungen gemäß § 3.2 und § 3.3; und
- (ii) jede Rückzahlung und jeder Rückkauf der Schuldverschreibungen unter dem Vorbehalt der Erfüllung der Rückzahlungsbedingungen gemäß § 4(e).

Zu den Bedingungen gemäß § 3.2 und § 3.3 und zu den Rückzahlungsbedingungen gemäß § 4(e) gehört die Bedingung, dass an dem Tag, an dem der betreffende Betrag von Kapital oder Zinsen (oder Zinsrückständen) zur Zahlung vorgesehen ist, weder ein Insolvenzereignis eingetreten ist und an diesem Tag fortbesteht noch die Zahlung ein Insolvenzereignis auslösen oder dessen Eintritt beschleunigen würde.

Das bedeutet, dass die Anleihegläubiger bereits vor Einleitung eines Insolvenz- oder Liquidationsverfahrens über das Vermögen der Emittentin nur dann einen fälligen Anspruch auf die betreffende vorgesehene Zahlung von Zinsen, Nachzahlung von Zinsrückständen oder Rückzahlung haben, sofern kein Eröffnungsgrund für ein Insolvenzverfahren im Sinne der Anwendbaren Insolvenzrechtlichen Vorschriften vorliegt und die Zahlung des betreffenden Betrages nicht die Insolvenz der Emittentin verursachen oder den Prozess der Insolvenz der Emittentin beschleunigen würde. Gemäß den am Tag der Begebung der Schuldverschreibungen geltenden Anwendbaren Insolvenzrechtlichen Vorschriften sind folgende Eröffnungsgründe möglich: Die Emittentin ist am vorgesehenen Zahlungstag (i) überschuldet im Sinne von § 19 InsO oder (ii) zahlungsunfähig im Sinne von § 17 InsO, oder (iii) es liegt eine drohende Zahlungsunfähigkeit der Emittentin vor.

Diese Zahlungsbedingungen begründen ein Zahlungsverbot dahingehend, dass Zahlungen auf die Schuldverschreibungen von der Emittentin nur nach Maßgabe der vorgenannten Bedingungen geleistet werden dürfen. Verbotswidrige Zahlungen sind der Emittentin ohne Rücksicht auf entgegenstehende Vereinbarungen zurück zu zahlen.

Ein "**Insolvenzereignis**" ist eingetreten, wenn bezüglich der Emittentin ein Eröffnungsgrund im Sinne der §§ 16 ff. Insolvenzordnung oder nach Maßgabe sonstiger Anwendbarer Insolvenzrechtlicher Vorschriften vorliegt.

(b) *Payment Conditions, (Pre-Insolvency) Payment Prohibition.* Prior to the commencement of any insolvency or liquidation proceedings over the assets of the Issuer

- (i) any payment of interest on the Notes and any payment of Arrears of Interest will be subject to the conditions set forth in § 3.2 and § 3.3 being fulfilled; and
- (ii) any redemption and any repurchase of the Notes will be subject to the Conditions to Redemption set forth in § 4(e) being fulfilled.

The conditions set forth in § 3.2 and § 3.3 and the Conditions to Redemption set forth in § 4(e) include the condition that, on the date on which the relevant amount of principal or interest (or Arrears of Interest) is scheduled to be paid, neither an Insolvency Event has occurred and is continuing on such date nor that such payment would cause or accelerate the occurrence of an Insolvency Event.

This means that already prior to the commencement of any insolvency or liquidation proceedings over the assets of the Issuer the Noteholders will only have a due (*fällig*) claim for the relevant scheduled payment of interest, payment of Arrears of Interest or for redemption if no reason for the opening of insolvency proceedings in respect of the Issuer in accordance with the Applicable Insolvency Regulations exists and if the payment of the relevant amount would not cause the insolvency of the Issuer or accelerate the process of the Issuer becoming insolvent. Pursuant to the Applicable Insolvency Regulations in effect on the date of issue of the Notes, the following reasons for the opening of insolvency proceedings apply: The Issuer is (i) over-indebted within the meaning of § 19 InsO or (ii) illiquid (*zahlungsunfähig*) within the meaning of § 17 InsO or (iii) an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer exists.

These payment conditions constitute a prohibition to pay meaning that any payments on the Notes may only be made by the Issuer if it is made in accordance with the aforementioned conditions. Any payment made in breach of this prohibition must be repaid to the Issuer irrespective of any agreement to the contrary.

An "**Insolvency Event**" will have occurred if a reason for the opening of insolvency proceedings in respect of the Issuer within the meaning of §§ 16 et seqq. of the German Insolvency Code (*Insolvenzordnung*) or in accordance with any other Applicable Insolvency Regulations exists.



**"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.

### § 3 Zinsen

#### § 3.1 Verzinsung

(a) *Festzins.*

(i) In dem Zeitraum ab dem 22. Mai 2020 (der "**Zinslaufbeginn**") (einschließlich) bis zum 8. Juli 2030 (der "**Erste Kündigungstag**") (ausschließlich) wird jede Schuldverschreibung bezogen auf ihren festgelegten Nennbetrag mit jährlich 2,121 % verzinst.

Bis zum Ersten Kündigungstag (einschließlich) sind die Zinsen nachträglich am 8. Juli eines jeden Jahres (jeweils ein "**Festzins-Zinszahlungstag**"), beginnend am 8. Juli 2020 (erste kurze Zinsperiode) zur Zahlung vorgesehen und werden gemäß § 3.2 und § 3.3 fällig.

Die erste Zinszahlung beläuft sich auf einen Bruchteilzinsbetrag von EUR 272,37 je Festgelegter Stückelung.

(ii) Die Zinsen für einen beliebigen Zeitraum (ausgenommen ist ein etwaiger Zeitraum, für den ein Bruchteilzinsbetrag festgelegt ist) bis zum Ersten Kündigungstag (ausschließlich) werden auf der Grundlage des Festzins-Zinstagequotienten berechnet.

**"Festzins-Zinstagequotient"** bezeichnet im Hinblick auf die Berechnung eines Betrages von Zinsen auf die Schuldverschreibungen 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

**"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.

### § 3 Interest

#### § 3.1 Interest Rate

(a) *Fixed Rate Interest.*

(i) In the period from and including 22 May 2020 (the "**Interest Commencement Date**") to but excluding 8 July 2030 (the "**First Call Date**") each Note bears interest on its Specified Denomination at a rate of 2.121 per cent. *per annum*.

Until and including the First Call Date, interest is scheduled to be paid in arrear on 8 July of each year (each a "**Fixed Interest Payment Date**"), commencing on 8 July 2020 (short 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 an initial broken interest amount of EUR 272.37 per Specified Denomination.

(ii) Interest for any period of time (other than any period of time for which a broken interest amount has been fixed) to but excluding the First Call Date 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 the Notes 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) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus

(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 8. Juli (einschließlich), der in ein beliebiges Jahr fällt, bis zum nächsten 8. Juli (ausschließlich).

**"Festzins-Zinsperiode"** bezeichnet jeden Zeitraum ab dem Zinslaufbeginn (einschließlich) bis zum ersten Festzins-Zinszahlungstag (ausschließlich) und nachfolgend ab jedem Festzins-Zinszahlungstag (einschließlich) bis zu dem jeweils nächstfolgenden 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

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(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 8 July in any year to but excluding the next 8 July.

**"Fixed Interest Period"** means each period from and including the Interest Commencement Date to but excluding the first Fixed Interest Payment Date and thereafter from and including each 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

und werden gemäß § 3.2 und § 3.3 fällig. Der zur Zahlung vorgesehene Variable Zinsbetrag wird gemäß § 3.1(e) berechnet.

(B) "**Variabler Zinszahlungstag**" bezeichnet, vorbehaltlich der Variablen Geschäftstagenkonvention, den 8. Januar, 8. April, 8. Juli und 8. Oktober eines jeden Jahres. Der erste Variable Zinszahlungstag ist, vorbehaltlich der Variablen Geschäftstagenkonvention, der 8. Oktober 2030.

(C) "**Variable Geschäftstagenkonvention**" 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.

(ii) *Variabler Zinssatz.* Der "**Variable Zinssatz**" für jede Variable Zinsperiode (wie nachstehend definiert) ist der Zinssatz *per annum*, der dem Referenzsatz (wie in § 3.1(c) definiert) zuzüglich der Marge entspricht.

(iii) *Definitionen.* In diesen Anleihebedingungen gilt Folgendes:

"**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.

"**Marge**" bezeichnet 3,280 % *per annum*.

"**Variable Zinsperiode**" bezeichnet jeden Zeitraum ab dem Ersten Kündigungstag (einschließlich) bis zum ersten Variablen Zinszahlungstag (ausschließlich) und nachfolgend ab jedem Variablen Zinszahlungstag (einschließlich) bis

Floating Interest Amount scheduled to be paid shall be determined in accordance with § 3.1(e).

(B) "**Floating Interest Payment Date**" means, subject to the Floating Business Day Convention, 8 January, 8 April, 8 July and 8 October in each year. The first Floating Interest Payment Date will be 8 October 2030, subject to the Floating Business Day Convention.

(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) *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 Reference Rate (as defined in § 3.1(c)) plus the Margin.

(iii) *Definitions.* In these Terms and Conditions:

"**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.

"**Margin**" means 3.280 per cent. *per annum*.

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

zu dem jeweils nächstfolgenden Variablen Zinszahlungstag (ausschließlich).

**"Variabler Zinstagequotient"** bezeichnet im Hinblick auf die Berechnung des Variablen Zinsbetrages auf die Schuldverschreibungen 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).

**"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.

(c) *Feststellung des Referenzsatzes.*

Die Berechnungsstelle bestimmt an jedem Zinsfestsetzungstag den betreffenden Referenzsatz nach Maßgabe dieses § 3.1(c).

Der **"Referenzsatz"** für jede Variable Zinsperiode wird wie folgt bestimmt:

- (i) Für jede Variable Zinsperiode, die vor dem Eintritt des jeweiligen Stichtags (wie in § 3.1(d)(vii) definiert) beginnt, entspricht der Referenzsatz dem Ursprünglichen Benchmarksatz an dem betreffenden Zinsfestsetzungstag.

Falls der Ursprüngliche Benchmarksatz zu dem betreffenden Zeitpunkt an dem betreffenden Zinsfestsetzungstag nicht auf der Bildschirmseite angezeigt wird, entspricht der "Referenzsatz" dem Referenzbankensatz an diesem betreffenden Zinsfestsetzungstag.

Falls der Referenzbankensatz nicht gemäß der Definition dieses Begriffs festgestellt werden kann, entspricht der "Referenzsatz" dem Ursprünglichen Benchmarksatz auf der Bildschirmseite an dem letzten Tag vor dem Zinsfestsetzungstag, an dem dieser Ursprüngliche Benchmarksatz angezeigt wurde.

Payment Date to but excluding the following Floating Interest Payment Date.

**"Floating Day Count Fraction"** means in respect of the calculation of the Floating Interest Amount on the Notes 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).

**"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.

(c) *Determination of the Reference Rate.*

The Calculation Agent will determine the relevant Reference Rate in accordance with this § 3.1(c) on each Interest Determination Date.

The **"Reference Rate"** for each Floating Interest Period will be determined as follows:

- (i) For each Floating Interest Period beginning prior to the occurrence of the relevant Effective Date (as defined in § 3.1(d)(vii)), the Reference Rate will be equal to the Original Benchmark Rate on the relevant Interest Determination Date.

If the Original Benchmark Rate does not appear on the Screen Page as at such time on the relevant Interest Determination Date, the "Reference Rate" will be equal to the Reference Bank Rate on that Interest Determination Date.

If the Reference Bank Rate cannot be determined in accordance with the definition of such term, but no Benchmark Event has occurred, the "Reference Rate" shall be equal to the Original Benchmark Rate on the Screen Page on the last day preceding the Interest Determination Date on which such Original Benchmark Rate was displayed.

- (ii) Für jede Variable Zinsperiode, die an oder nach dem jeweiligen Stichtag beginnt, wird der "Referenzsatz" gemäß § 3.1(d) bestimmt.

"**Ursprünglicher Benchmarksatz**" an einem Tag ist die um 11:00 Uhr (Brüsseler Ortszeit) gefixte und auf der Bildschirmseite angezeigte 3-Monats Euro Interbank Offered Rate (ausgedrückt als Prozentsatz *per annum*) an diesem Tag.

"**Referenzbankensatz**" bezeichnet den (als Prozentsatz *per annum* ausgedrückten) Satz für Einlagen in Euro für die betreffende Variable Zinsperiode und über einen Repräsentativen Betrag (auf Grundlage des Actual/360 Zinstagequotienten), den die Referenzbanken (wie nachstehend definiert) gegenüber führenden Banken im Interbankenmarkt der Euro-Zone um ca. 11:00 Uhr (Brüsseler Ortszeit) an dem betreffenden Zinsfestsetzungstag quotieren, und der wie folgt bestimmt wird: Die Emittentin wird jede Referenzbank bitten, der Berechnungsstelle ihren Angebotsatz mitzuteilen. Falls zwei oder mehr Referenzbanken der Berechnungsstelle solche Angebotsätze nennen, ist der 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 Angebotsätze, 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 Angebotsätze nennt, ist der Referenzbankensatz 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 Emittentin ausgewählte Großbanken im Interbankenmarkt der Euro-Zone um ca. 11:00 Uhr (Brüsseler Ortszeit) der Berechnungsstelle auf Bitte der Emittentin 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.

Dabei gilt Folgendes:

"**Bildschirmseite**" bezeichnet die Reuters Bildschirmseite EURIBOR01 oder eine andere Bildschirmseite von Reuters oder von einem anderen Informationsanbieter als Nachfolger, welche die Reuters Bildschirmseite EURIBOR01 ersetzt.

- (ii) For each Floating Interest Period commencing on or after the relevant Effective Date, the "Reference Rate" will be determined in accordance with § 3.1(d).

"**Original Benchmark Rate**" on any day means the 3-months Euro Interbank Offered Rate (expressed as a percentage rate *per annum*) fixed at, and appearing on, the Screen Page as of 11.00 a.m. (Brussels time) on such day.

"**Reference Bank Rate**" means the rate (expressed as a percentage rate *per annum*) at which the Reference Banks (as defined below) offer to prime banks in the Euro-Zone interbank market and in a Representative Amount, assuming an Actual/360 day count basis, deposits in Euro at approximately 11:00 a.m. (Brussels time) on the relevant Interest Determination Date for the relevant Floating Interest Period determined as follows: The Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the 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 Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Bank 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 rates, as communicated at approximately 11:00 a.m. (Brussels time) at the request of the Issuer to the Calculation Agent by major banks in the Euro-Zone interbank market, selected by the Issuer, 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.

Where:

"**Screen Page**" means the Reuters screen page EURIBOR01 or such other screen page of Reuters or such other information service which is the successor to the 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.

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

"**Repräsentativer Betrag**" bezeichnet einen Betrag, der zu dem betreffenden Zeitpunkt 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.

(d) *Benchmark-Ereignis.*

Wenn ein Benchmark-Ereignis (wie in § 3.1(d)(vi) definiert) in Bezug auf den Ursprünglichen Benchmarksatz eintritt, gilt für die Bestimmung des betreffenden Referenzsatzes und die Verzinsung der Schuldverschreibungen gemäß § 3.1(b) Folgendes:

- (i) *Unabhängiger Berater.* Die Emittentin wird sich bemühen, sobald dies (nach Ansicht der Emittentin) nach Eintritt des Benchmark-Ereignisses und vor dem nächsten Zinsfestsetzungstag erforderlich ist, einen Unabhängigen Berater (wie in § 3.1(d)(vi) definiert) zu benennen, der einen Neuen Benchmarksatz (wie in § 3.1(d)(vi) definiert), die Anpassungsspanne (wie in § 3.1(d)(vi) definiert) und etwaige Benchmark-Änderungen (gemäß § 3.1(d)(iv)) festlegt.
- (ii) *Ausweichsatz (Fallback).* Wenn vor dem 10. Geschäftstag vor dem betreffenden Zinsfestsetzungstag
  - (A) die Emittentin keinen Unabhängigen Berater ernannt; oder
  - (B) der ernannte Unabhängige Berater keinen Neuen Benchmarksatz, keine Anpassungsspanne oder keine Benchmark-Änderungen (sofern erforderlich) gemäß diesem § 3.1(d) festlegt,

"**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.

"**Reference Banks**" means the principal Euro-zone office of four major banks in the Euro-zone interbank market, in each case selected by the Issuer.

"**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.

(d) *Benchmark Event.*

If a Benchmark Event (as defined in § 3.1(d)(vi)) occurs in relation to the Original Benchmark Rate, the relevant Reference Rate and the interest on the Notes in accordance with § 3.1(b) will be determined as follows:

- (i) *Independent Adviser.* The Issuer shall, as soon as this is (in the Issuer's view) required following the occurrence of the Benchmark Event and prior to the next Interest Determination Date, endeavour to appoint an Independent Adviser (as defined in § 3.1(d)(vi)), who will determine a New Benchmark Rate (as defined in § 3.1(d)(vi)), the Adjustment Spread (as defined in § 3.1(d)(vi)) and any Benchmark Amendments (in accordance with § 3.1(d)(iv)).
- (ii) *Fallback rate.* If, prior to the 10<sup>th</sup> Business Day prior to the relevant Interest Determination Date,
  - (A) the Issuer does not appoint an Independent Adviser; or
  - (B) the Independent Adviser appointed by it does not determine a New Benchmark Rate, no Adjustment Spread or no Benchmark Amendments (if required) in accordance with this § 3.1(d),

dann entspricht der Referenzsatz für die nächste Variable Zinsperiode dem an dem letzten, unmittelbar vor Eintritt des relevanten Stichtags liegenden Zinsfestsetzungstag festgestellten Referenzsatz.

Falls dieser § 3.1(d)(ii) bereits an dem Zinsfestsetzungstag vor Beginn der ersten Variablen Zinsperiode angewendet werden muss, entspricht der Referenzsatz für die erste Variable Zinsperiode -0,237 % per annum.

Falls der gemäß diesem § 3.1(d)(ii) bestimmte Ausweichsatz (*Fallback*) zur Anwendung kommt, wird § 3.1(d) erneut angewendet, um den Referenzsatz für die nächste nachfolgende (und, sofern notwendig, weitere nachfolgende) Variable Zinsperiode(n) zu bestimmen.

(iii) *Nachfolge-Benchmarksatz oder Alternativ-Benchmarksatz.* Falls der Unabhängige Berater nach billigem Ermessen feststellt,

(A) dass es einen Nachfolge-Benchmarksatz gibt, dann ist dieser Nachfolge-Benchmarksatz der Neue Benchmarksatz; oder

(B) dass es keinen Nachfolge-Benchmarksatz aber einen Alternativ-Benchmarksatz gibt, dann ist dieser Alternativ-Benchmarksatz der Neue Benchmarksatz.

In beiden Fällen entspricht der "**Referenzsatz**" für die unmittelbar nachfolgende Variable Zinsperiode und alle folgenden Variablen Zinsperioden vorbehaltlich § 3.1(d)(x) dann (x) dem Neuen Benchmarksatz an dem betreffenden Zinsfestsetzungstag zuzüglich (y) der Anpassungsspanne.

(iv) *Benchmark-Änderungen.* Wenn ein Neuer Benchmarksatz und die entsprechende Anpassungsspanne gemäß diesem § 3.1(d) festgelegt werden, und wenn der Unabhängige Berater feststellt, dass Änderungen hinsichtlich dieser Anleihebedingungen notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der entsprechenden Anpassungsspanne zu gewährleisten (diese Änderungen, die "**Benchmark-**

the Reference Rate applicable to the immediately following Floating Interest Period shall be the Reference Rate determined on the last Interest Determination Date immediately preceding the relevant Effective Date.

If this § 3.1(d)(ii) is to be applied on the first Interest Determination Date prior to the commencement of the first Floating Interest Period, the Reference Rate applicable to the first Floating Interest Period shall be -0.237 per cent. per annum.

If the fallback rate determined in accordance with this § 3.1(d)(ii) is to be applied, § 3.1(d) will be operated again to determine the Reference Rate applicable to the next subsequent (and, if required, further subsequent) Floating Interest Period(s).

(iii) *Successor Benchmark Rate or Alternative Benchmark Rate.* If the Independent Adviser determines in its reasonable discretion that:

(A) there is a Successor Benchmark Rate, then such Successor Benchmark Rate shall subsequently be the New Benchmark Rate; or

(B) there is no Successor Benchmark Rate but that there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be the New Benchmark Rate.

In either case the "**Reference Rate**" for the immediately following Floating Interest Period and all following Floating Interest Periods, subject to § 3.1(d)(x), will then be (x) the New Benchmark Rate on the relevant Interest Determination Date plus (y) the Adjustment Spread.

(iv) *Benchmark Amendments.* If any relevant New Benchmark Rate and the applicable Adjustment Spread are determined in accordance with this § 3.1(d), and if the Independent Adviser determines that amendments to these Terms and Conditions are necessary to ensure the proper operation of such New Benchmark Rate and the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"), then the Independent Adviser will determine the Benchmark



Änderungen"), dann wird der Unabhängige Berater die Benchmark-Änderungen feststellen, und wird die Emittentin diese durch eine Mitteilung gemäß § 3.1(d)(v) bekanntmachen.

Diese Benchmark-Änderungen können insbesondere folgende Regelungen in diesen Anleihebedingungen erfassen:

- (A) den Referenzsatz einschließlich der "Bildschirmseite" und/oder (in Ersetzung von Ziffer (i) der Definition des Begriffs "Referenzsatz" in § 3.1(c)) die Methode zur Bestimmung des Ausweichsatzes (sog. *Fallback*) für den Referenzsatz einschließlich des Referenzbankensatzes; und/oder
  - (B) die Definitionen der Begriffe "Geschäftstag", "Variabler Zinszahlungstag", "Variable Geschäftstagekonvention", "Variable Zinsperiode", "Variabler Zinstagequotient" und/oder "Zinsfestsetzungstag" (einschließlich der Festlegung ob der Referenzsatz vorwärts- oder rückwärtsgerichtet bestimmt wird); und/oder
  - (C) der Zahltag-Bestimmung gemäß § 5(d).
- (v) *Mitteilungen, etc.* Die Emittentin wird einen Neuen Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen gemäß diesem § 3.1(d) dem Fiscal Agent, der Berechnungsstelle, den Zahlstellen und gemäß § 10 den Anleihegläubigern mitteilen, und zwar sobald eine solche Mitteilung (nach Ansicht der Emittentin) nach deren Feststellung erforderlich ist, spätestens jedoch an dem 10. Geschäftstag vor dem betreffenden Zinsfestsetzungstag. Eine solche Mitteilung ist unwiderruflich und hat den Stichtag zu benennen.

Der Neue Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen, die jeweils in der Mitteilung benannt werden, sind für die Emittentin, den Fiscal Agent, die Berechnungsstelle, die Zahlstellen und die Anleihegläubiger bindend. Die Anleihebedingungen gelten ab dem Stichtag als durch den Neuen

Amendments and the Issuer will give notice thereof in accordance with § 3.1(d)(v).

The Benchmark Amendments may include, without limitation, the following conditions of these Terms and Conditions:

- (A) the Reference Rate including the "Screen Page" and/or (in replacement of clause (i) of the definition of the term "Reference Rate" in § 3.1(c)) the method for determining the fallback rate in relation to the Reference Rate, including the Reference Bank Rate; and/or
  - (B) the definitions of the terms "Business Day", "Floating Interest Payment Date", "Floating Business Day Convention", "Floating Interest Period", "Floating Day Count Fraction" and/or "Interest Determination Date" (including the determination whether the Reference Rate will be determined on a forward looking or a backward looking basis); and/or
  - (C) the payment business day condition in § 5(d).
- (v) *Notices, etc.* The Issuer will notify any New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this § 3.1(d) to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with § 10, the Noteholders as soon as such notification is (in the Issuer's view) required following the determination thereof, but in any event not later than on the 10<sup>th</sup> Business Day prior to the relevant Interest Determination Date. Such notice shall be irrevocable and shall specify the Effective Date.

The New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any), each as specified in such notice, will be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders. The Terms and Conditions shall be deemed to

Benchmarksatz, die Anpassungsspanne und die etwaigen Benchmark-Änderungen geändert.

Am Tag dieser Mitteilung hat die Emittentin dem Fiscal Agent und der Berechnungsstelle eine durch zwei Unterschriftsberechtigte der Emittentin unterzeichnete Bescheinigung zu übergeben, die

- (A)
- (I) bestätigt, dass ein Benchmark-Ereignis eingetreten ist;
  - (II) den nach Maßgabe der Bestimmungen dieses § 3.1(d) festgestellten Neuen Benchmarksatz benennt;
  - (III) die entsprechende Anpassungsspanne und etwaige Benchmark-Änderungen benennt, die jeweils nach Maßgabe der Bestimmungen dieses § 3.1(d) festgestellt wurden; und
  - (IV) den Stichtag benennt; und
- (B) bestätigt, dass die etwaigen Benchmark-Änderungen notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der entsprechenden Anpassungsspanne zu gewährleisten.

(vi) *Definitionen.* Zur Verwendung in diesem § 3.1(d):

Die "**Anpassungsspanne**", die positiv, negativ oder gleich Null sein kann, wird in Basispunkten ausgedrückt und bezeichnet entweder (a) die Spanne oder (b) das Ergebnis der Anwendung der Formel oder Methode zur Berechnung der Spanne, die

- (1) im Fall eines Nachfolge-Benchmarksatzes formell im Zusammenhang mit der Ersetzung des Ursprünglichen Benchmarksatzes durch den Nachfolge-Benchmarksatz von dem

have been amended by the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments with effect from the Effective Date.

On the date of such notice, the Issuer shall deliver to the Fiscal Agent and the Calculation Agent a certificate signed by two authorized signatories of the Issuer:

- (A)
- (I) confirming that a Benchmark Event has occurred;
  - (II) specifying the relevant New Benchmark Rate determined in accordance with the provisions of this § 3.1(d);
  - (III) specifying the applicable Adjustment Spread and the Benchmark Amendments (if any), each determined in accordance with the provisions of this § 3.1(d); and
  - (IV) specifying the Effective Date; and
- (B) confirming that the Benchmark Amendments, if any, are necessary to ensure the proper operation of such relevant New Benchmark Rate and the applicable Adjustment Spread.

(vi) *Definitions.* As used in this § 3.1(d):

The "**Adjustment Spread**", which may be positive, negative or zero, will be expressed in basis points and means either (a) the spread, or (b) the result of the operation of the formula or methodology for calculating the spread, which

- (1) in the case of a Successor Benchmark Rate, is formally recommended in relation to the replacement of the Original

Nominierungsgremium empfohlen wird; oder

(2) (sofern keine Empfehlung abgegeben wurde oder im Fall eines Alternativ-Benchmarksatzes) üblicherweise an den internationalen Anleihekapitalmärkten auf den Neuen Benchmarksatz angewendet wird, um einen industrieweit akzeptierten Ersatz-Benchmarksatz für den Ursprünglichen Benchmarksatz zu erzeugen, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden; oder

(3) (sofern der Unabhängige Berater nach billigem Ermessen feststellt, dass keine solche Spanne üblicherweise angewendet wird, und dass das Folgende angemessen ist für die Schuldverschreibungen) als industrieweiter Standard für Over-the-Counter Derivatetransaktionen, die sich auf den Ursprünglichen Benchmarksatz beziehen, anerkannt und bestätigt ist, wenn der Ursprüngliche Benchmarksatz durch den Neuen Benchmarksatz ersetzt worden ist, wobei sämtliche Feststellungen durch den Unabhängigen Berater nach billigem Ermessen vorgenommen werden.

"**Alternativ-Benchmarksatz**" bezeichnet eine alternative Benchmark oder einen alternativen Bildschirmsatz, die bzw. der üblicherweise an den internationalen Anleihekapitalmärkten zur Bestimmung von variablen Zinssätzen in der Festgelegten Währung angewendet wird, wobei sämtliche Feststellungen durch den Unabhängigen Berater vorgenommen werden.

"**Benchmark-Änderungen**" hat die in § 3.1(d)(iv) festgelegte Bedeutung.

Ein "**Benchmark-Ereignis**" tritt ein, wenn:

(1) der Ursprüngliche Benchmarksatz nicht mehr regelmäßig

Benchmark Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or

(2) (if no such recommendation has been made, or in the case of an Alternative Benchmark Rate) is customarily applied to the New Benchmark Rate in the international debt capital markets to produce an industry-accepted replacement benchmark rate for the Original Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion; or

(3) (if the Independent Adviser in its reasonable discretion determines that no such spread is customarily applied and that the following would be appropriate for the Notes) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Benchmark Rate, where the Original Benchmark Rate has been replaced by the New Benchmark Rate, provided that all determinations will be made by the Independent Adviser in its reasonable discretion.

"**Alternative Benchmark Rate**" means an alternative benchmark or screen rate which is customarily applied in the international debt capital markets for the purpose of determining floating rates of interest in the Specified Currency, provided that all determinations will be made by the Independent Adviser.

"**Benchmark Amendments**" has the meaning given to it in § 3.1(d)(iv).

A "**Benchmark Event**" occurs if:

(1) the Original Benchmark Rate ceases to be published on a regular basis or ceases to exist; or

- veröffentlicht wird oder nicht mehr erstellt wird; oder
- |     |  |     |   |
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| (2) | eine öffentliche Erklärung des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, wonach dieser die Veröffentlichung des Ursprünglichen Benchmarksatzes dauerhaft oder auf unbestimmte Zeit eingestellt hat oder einstellen wird (in Fällen in denen kein Nachfolgeadministrator ernannt worden ist, der die Veröffentlichung des Ursprünglichen Benchmarksatzes vornehmen wird); oder | (2) | a public statement by the administrator of the Original Benchmark Rate is made that it has ceased or that it will cease publishing the Original Benchmark Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue the publication of the Original Benchmark Rate); or |
| (3) | eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, wonach der Ursprüngliche Benchmarksatz dauerhaft oder auf unbestimmte Zeit nicht mehr fortgeführt wird oder nicht mehr fortgeführt werden wird; oder  | (3) | a public statement by the supervisor of the administrator of the Original Benchmark Rate is made that the Original Benchmark Rate has been or will be permanently or indefinitely discontinued; or  |
| (4) | eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, aufgrund derer der Ursprüngliche Benchmarksatz allgemein oder in Bezug auf die Schuldverschreibungen nicht mehr verwendet werden darf; oder   | (4) | a public statement by the supervisor of the administrator of the Original Benchmark Rate is made as a consequence of which the Original Benchmark Rate will be prohibited from being used either generally, or in respect of the Notes; or  |
| (5) | die Verwendung des Ursprünglichen Benchmarksatzes zur Berechnung jedweder Zahlungen an Anleihegläubiger für die Zahlstellen, die Berechnungsstelle, die Emittentin oder jeden Dritten rechtswidrig geworden ist; oder  | (5) | it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Benchmark Rate; or  |
| (6) | eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, mit der bekanntgegeben wird, dass der Ursprüngliche Benchmarksatz nicht mehr repräsentativ ist; oder  | (6) | a public statement by the supervisor for the administrator of the Original Benchmark Rate is made announcing that the Original Benchmark Rate is no longer representative; or   |

- (7) sich die Methode für die Feststellung des Ursprünglichen Benchmarksatzes gegenüber der Methode, die der Administrator des Ursprünglichen Benchmarksatzes bei Verzinsungsbeginn anwendete, wesentlich ändert.

**"Nachfolge-Benchmarksatz"** bezeichnet einen Nachfolger oder Ersatz des Ursprünglichen Benchmarksatzes, der formell durch das Nominierungsgremium empfohlen wurde.

**"Neuer Benchmarksatz"** bezeichnet den jeweils gemäß diesem § 3.1(d) bestimmten Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz.

**"Nominierungsgremium"** bezeichnet in Bezug auf die Ersetzung des Ursprünglichen Benchmarksatzes:

- (1) die Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt wird oder eine Zentralbank oder andere Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist; oder
- (2) jede Arbeitsgruppe oder jeden Ausschuss gefördert durch, geführt oder mitgeführt von oder gebildet von (a) der Zentralbank für die Währung in der die Benchmark oder der Bildschirmsatz dargestellt wird, (b) einer Zentralbank oder anderen Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist, (c) einer Gruppe der zuvor genannten Zentralbanken oder anderer Aufsichtsbehörden oder (d) dem Finanzstabilitätsrat (Financial Stability Board) oder Teilen davon.

**"Unabhängiger Berater"** bezeichnet ein von der Emittentin ernanntes unabhängiges Finanzinstitut mit internationalem Ansehen oder einen anderen unabhängigen Finanzberater mit Erfahrung in internationalen Kapitalmärkten.

- (7) the methodology for the determination of the Original Benchmark Rate is materially altered compared to the methodology as used by the administrator of the Original Benchmark Rate at the Interest Commencement Date.

**"Successor Benchmark Rate"** means a successor to or replacement of the Original Benchmark Rate which is formally recommended by any Relevant Nominating Body.

**"New Benchmark Rate"** means the Successor Benchmark Rate or, as the case may be, the Alternative Benchmark Rate determined in accordance with this § 3.1(d).

**"Relevant Nominating Body"** means, in respect of the replacement of the Original Benchmark Rate:

- (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (2) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer.

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| (vii)  | <p>Der Stichtag für die Anwendung des Neuen Benchmarksatzes, der Anpassungsspanne und der etwaigen Benchmark-Änderungen gemäß diesem § 3.1(d) (der "<b>Stichtag</b>") ist der Zinsfestsetzungstag, der auf den frühesten der folgenden Tage fällt oder diesem nachfolgt:</p> <p>(A) den Tag des Eintritts des Benchmark-Ereignisses, wenn das Benchmark-Ereignis aufgrund der Absätze (1), (6) oder (7) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder</p> <p>(B) den Tag, an dem die Veröffentlichung des Ursprünglichen Benchmarksatzes eingestellt wird bzw. an dem der Ursprüngliche Benchmarksatz eingestellt wird, wenn das Benchmark-Ereignis aufgrund der Absätze (2), (3) oder (4) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder</p> <p>(C) den Tag, ab dem der Ursprüngliche Benchmarksatz nicht mehr verwendet werden darf, wenn das Benchmark-Ereignis aufgrund des Absatzes (5) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist.</p> | (vii)  | <p>The effective date for the application of the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this § 3.1(d) (the "<b>Effective Date</b>") will be the Interest Determination Date falling on or after the earliest of the following dates:</p> <p>(A) if the Benchmark Event has occurred as a result of clauses (1), (6) or (7) of the definition of the term "Benchmark Event", the date of the occurrence of the Benchmark Event; or</p> <p>(B) if the Benchmark Event has occurred as a result of clauses (2), (3) or (4) of the definition of the term "Benchmark Event", the date of cessation of publication of the Original Benchmark Rate or of the discontinuation of the Original Benchmark Rate, as the case may be; or</p> <p>(C) if the Benchmark Event has occurred as a result of clause (5) of the definition of the term "Benchmark Event", the date from which the prohibition applies.</p> |
| (viii) | <p>Wenn ein Benchmark-Ereignis in Bezug auf einen Neuen Benchmarksatz eintritt, gilt dieser § 3.1(d) entsprechend für die Ersetzung des Neuen Benchmarksatzes durch einen neuen Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz. In diesem Fall gilt jede Bezugnahme in diesem § 3.1 auf den Begriff Ursprünglicher Benchmarksatz als Bezugnahme auf den zuletzt verwendeten Neuen Benchmarksatz.</p>   | (viii) | <p>If a Benchmark Event occurs in relation to any New Benchmark Rate, § 3.1(d) shall apply mutatis mutandis to the replacement of such New Benchmark Rate by any new Successor Benchmark Rate or Alternative Benchmark Rate, as the case may be. In this case, any reference in this § 3.1 to the term Original Benchmark Rate shall be deemed to be a reference to the New Benchmark Rate that last applied.</p>  |
| (ix)   | <p>In diesem § 3.1 schließt jede Bezugnahme auf den Begriff "Ursprünglicher Benchmarksatz" gegebenenfalls auch eine Bezugnahme auf eine etwaige Teilkomponente des Ursprünglichen Benchmarksatzes ein, wenn in Bezug auf diese Teilkomponente ein Benchmark-Ereignis eingetreten ist.</p>   | (ix)   | <p>Any reference in this § 3.1 to the term Original Benchmark Rate shall be deemed to include a reference to any component part thereof, if any, in respect of which a Benchmark Event has occurred.</p>   |
| (x)    | <p>Eine Anpassung des Ursprünglichen Benchmarksatzes gemäß § 3.1(d) im Falle eines Benchmark-Ereignisses darf</p>   | (x)    | <p>Any adjustment to the Original Benchmark Rate in accordance with § 3.1(d) in case of a Benchmark Event will only be</p>   |

nur durchgeführt werden, soweit durch diese Anpassung kein Aufsichtsrechtliches Ereignis eintritt.

Falls dieser § 3.1(d)(x) an einem Zinsfestsetzungstag nach Beginn der ersten Variablen Zinsperiode angewendet werden muss, entspricht der Referenzsatz für die nächste und jede nachfolgende Variable Zinsperiode dem an dem letzten zurückliegenden Zinsfestsetzungstag festgestellten Ursprünglichen Benchmarksatz.

Falls dieser § 3.1(d)(x) bereits an dem Zinsfestsetzungstag vor Beginn der ersten Variablen Zinsperiode angewendet werden muss, entspricht der Referenzsatz für die erste und jede nachfolgende Variable Zinsperiode -0,237 % *per annum*.

(e) *Berechnungen und Feststellungen durch die Berechnungsstelle.*

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

(f) *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 auf Veranlassung der Emittentin 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 auf Veranlassung der Emittentin notiert sind, sowie

made to the extent no Regulatory Event would occur as a result of such adjustment.

If this § 3.1(d)(x) is to be applied on an Interest Determination Date falling after the commencement of the first Floating Interest Period, the Reference Rate applicable to the next and each subsequent Floating Interest Period shall be the Original Benchmark Rate determined on the last preceding Interest Determination Date.

If this § 3.1(d)(x) is to be applied on the first Interest Determination Date prior to the commencement of the first Floating Interest Period, the Reference Rate applicable to the first and each subsequent Floating Interest Period shall be -0.237 per cent. *per annum*.

(e) *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 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.

(f) *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 at the initiative of the Issuer, 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 at the initiative of the Issuer and to the Noteholders in accordance with § 10.



den Anleihegläubigern gemäß § 10 bekannt gemacht.

- (g) *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.

### § 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.

- (g) *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 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) 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 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 (einschließlich der Solvency II Richtlinie) und darauf bezogene Regelungen und Verordnungen (einschließlich der Verwaltungspraxis der Zuständigen Aufsichtsbehörde und einschlägiger Gerichtsentscheidungen), die hinsichtlich der Solvabilität der Emittentin anwendbar sind. Dies erfasst auch die Regelungen und Verordnungen hinsichtlich der Gruppensolvabilität sowie der Kapitaladäquanz von international aktiven Versicherungsgruppen (IAIG) und von global systemrelevanten Versicherern (G-SII).

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

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

(ii) die Emittentin leistet eine Abschlagszahlung auf den Bilanzgewinn.

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) ein Insolvenzereignis entweder eingetreten ist und an diesem Tag fortbesteht oder die Zahlung ein Insolvenzereignis

(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 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 (including the Solvency II Directive) and any rules and regulations thereunder (including the administrative practice of the Competent Supervisory Authority and any applicable decision of a court) for solvency of the Issuer. These include the rules and regulations with respect to the group solvency and capital adequacy of internationally active insurance groups (IAIG) and global systemically important insurers (G-SII).

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

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

(ii) any payment on account of the balance sheet profit is made by 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) either an Insolvency Event has occurred and is continuing on such date or such

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|-------|--|-------|---|
|       | auslösen oder dessen Eintritt beschleunigen würde; oder  |       | payment would cause or accelerate the occurrence of an Insolvency Event; or   |
| (ii)  | an dem betreffenden Tag eine Anordnung der Zuständigen Aufsichtsbehörde in Kraft ist, die der Emittentin untersagt, Zahlungen auf die Schuldverschreibungen zu leisten, oder ein anderes gesetzliches oder behördliches Zahlungsverbot besteht; oder   | (ii)  | there is in effect on such date an order of the Competent Supervisory Authority prohibiting the Issuer from making payments under the Notes, or there is in effect on such date any other payment prohibition, whether by statute or by order of any authority; or                      |
| (iii) | an oder vor diesem Tag ein Solvenzkapitalereignis entweder eingetreten ist und an dem betreffenden Tag fortbesteht oder durch die Zahlung von Zinsen und/oder Zinsrückständen auf die Schuldverschreibungen durch die Emittentin an dem betreffenden Tag eintreten würde, es sei denn,                           | (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) 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 vorherige Zustimmung bis zu diesem Tag nicht widerrufen; und   | (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) 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   | (B)   | the payment of such interest and/or Arrears of Interest on the Notes does not lead to a further weakening of the solvency position of the Issuer or the Issuer's group; and   |
|       | (C) die geltenden Mindestkapitalanforderungen (MCR) der Emittentin und das Minimum der konsolidierten Solvenzkapitalanforderung für die Gruppe der Emittentin gemäß der Solvency II Richtlinie sind auch nach der Zahlung der betreffenden Zinsen und/oder Zinsrückstände auf die Schuldverschreibungen erfüllt. | (C)   | the applicable minimum capital requirement (MCR) of the Issuer and the minimum consolidated solvency capital requirement for the Issuer's group in accordance with the Solvency II Directive are fulfilled also after payment of such interest and/or Arrears of Interest on the Notes. |

"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,

"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 applicable legislation

und die darauf bezogenen anwendbaren Umsetzungsgesetze und -maßnahmen, in der jeweils gültigen Fassung.

Ein "**Solvenzkapitalereignis**" ist eingetreten, falls auf Solo-Ebene und/oder auf Gruppen-Ebene die Eigenmittel der Emittentin nicht ausreichen, um die geltenden Solvenzkapitalanforderungen (SCR) oder die geltenden Mindestkapitalanforderungen (MCR) der Emittentin bzw. das Minimum der konsolidierten Solvenzkapitalanforderung für die Gruppe der Emittentin gemäß der Solvency II Richtlinie zu erfüllen.

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

### § 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 fortbesteht.

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

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

and measures implementing the same, in each case as amended from time to time.

A "**Solvency Capital Event**" will have occurred if on an unconsolidated basis and/or on a consolidated basis the own funds (*Eigenmittel*) of the Issuer are not sufficient to cover the applicable solvency capital requirement (SCR) or the applicable minimum capital requirement (MCR) of the Issuer or the minimum consolidated solvency capital requirement for the Issuer's group in accordance with the Solvency II Directive.

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

### § 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 Arrears of Interest on the next Compulsory Settlement Date (as defined below).

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

- (i) für Zinsrückstände, die vor dem Eintritt eines Dividendenereignisses entstanden sind, den nächsten Zinszahlungstag, der auf den Tag folgt, an dem dieses Dividendenereignis eingetreten ist, und in Bezug auf den die Nachzahlungsvoraussetzungen erfüllt sind;
  - (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 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.

#### § 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.

#### § 4 Rückzahlung

- (i) in respect of any Arrears of Interest that existed prior to the occurrence of a Dividend Payment Event the next Interest Payment Date following the date on which such Dividend Payment Event occurred, and in respect of which the Conditions to Settlement are fulfilled;
- (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 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 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 Redemption

- (a) *Rückzahlung bei Endfälligkeit.* Soweit nicht 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 8. Juli 2050.

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

- (a) *Redemption at Maturity.* To the extent not 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 8 July 2050.

- (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, 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.



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, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde.

- (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 Änderung oder Klarstellung von Gesetzen, Verordnungen oder sonstigen Vorschriften, 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) verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge gemäß § 6 auf die Schuldverschreibungen zu zahlen, wenn die Änderung oder Klarstellung an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tritt (einschließlich des Falles, dass die betreffende Änderung oder Klarstellung rückwirkend Anwendung findet), 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 ein Steuerereignis, ein Aufsichtsrechtliches Ereignis, ein 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 Rück-

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) if a payment in respect of the Notes were then due.

- (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, 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 (including in case any such change, amendment or clarification has retroactive effect), 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, 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 speci-

zahlung 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 des Zinsaufwands 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 Änderung oder Klarstellung von Gesetzen, Verordnungen oder sonstigen Vorschriften, 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), der Zinsaufwand aus den Schuldverschreibungen für die Emittentin nicht mehr für die Zwecke der Ertragsteuer voll abzugsfähig ist, bzw. nicht mehr voll abzugsfähig sein wird, wenn die Änderung oder Klarstellung an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tritt (einschließlich des Falles, dass die betreffende Änderung oder Klarstellung rückwirkend Anwendung findet), 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 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 der Eigenmittel als Tier 2 Kapital für Zwecke der Ermittlung der Solo-Solvabilität der Emittentin oder der Gruppen-

fied 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 the interest expense 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, 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 (including in case any such change, amendment or clarification has retroactive effect), the interest expense in respect of the Notes is no longer, or will no longer be, fully deductible by the Issuer for income 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 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 of the Issuer's group (including the capital

Solvabilität der Gruppe der Emittentin (einschließlich der Kapitaladäquanz von international aktiven Versicherungsgruppen (IAIG) und von global systemrelevanten Versicherern (G-SII)) 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.

Ein "**Rechnungslegungs-Ereignis**" tritt ein, wenn die Emittentin nach eigener begründeter Auffassung aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen eingetretenen Änderung der Anwendbaren Rechnungslegungsvorschriften die Schuldverschreibungen in dem nach Maßgabe der Anwendbaren Rechnungslegungsvorschriften aufgestellten Konzernjahresabschluss der Emittentin nicht oder nicht mehr als Verbindlichkeiten in der Bilanz ausweisen kann und die Emittentin dies nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für 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.

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 S&P Global Ratings Europe Limited, oder eine jeweilige Nachfolgerin, nach begründeter Auffassung der Emittentin

adequacy of internationally active insurance groups (IAIG) and global systemically important insurers (G-SII)), 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.

An "**Accounting Event**" will occur if the Issuer in its own reasonable opinion 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, must not or must no longer record the obligations under the Notes as liabilities on the balance sheet in the Issuer's annual consolidated accounts prepared in accordance with the Applicable Accounting Standards and this cannot be avoided by the Issuer taking such measures it (acting in good faith) deems appropriate. Where:

**"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.

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 S&P Global Ratings Europe Limited, 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

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.

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

(e) *Rückzahlungsbedingungen.* Die "**Rückzahlungsbedingungen**" sind an einem Tag in Bezug auf eine vorgesehene Rückzahlung oder einen geplanten Rückkauf der Schuldverschreibungen erfüllt, wenn

(i) kein Insolvenzereignis eingetreten ist und an diesem Tag fortbesteht, und wenn die Zahlung des Rückzahlungsbetrages bzw. der Rückkauf nicht zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde; und

(ii) kein Solvenzkapitalereignis eingetreten ist und fortbesteht oder durch die Rückzahlung der Schuldverschreibungen durch die Emittentin bzw. durch den Rückkauf eintreten würde, es sei denn,

(A) 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 vorherige Zustimmung bis zu diesem Tag nicht widerrufen; und

(B) das Kapital ist durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden; und

(C) die geltenden Mindestkapitalanforderungen (MCR) der Emittentin und das Minimum der konsolidierten Solvenzkapitalanforderung für die Gruppe der Emittentin gemäß der Solvency II Richtlinie sind auch nach der Zahlung des Rückzahlungsbetrages bzw. des Rückkaufbetrages erfüllt; und

the Issuer's group assigned at or around the date of issue of the Notes.

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

(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) no Insolvency Event has occurred and is continuing on such date, and if the payment of the Redemption Amount or the purchase would not result in, or accelerate, the occurrence of an Insolvency Event; and

(ii) 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

(A) 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;

(B) the capital has been replaced by other at least equivalent own funds (*Eigenmittel*); and

(C) the applicable minimum capital requirement (MCR) of the Issuer and the minimum consolidated solvency capital requirement for the Issuer's group in accordance with the Solvency II Directive are fulfilled also after payment of the Redemption Amount or the repurchase amount; and

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|---|---|
| <p>(iii) die Zuständige Aufsichtsbehörde ihre vorherige Zustimmung zur Rückzahlung bzw. zu dem Rückkauf erteilt und bis zu diesem Tag nicht widerrufen hat; und</p> <p>(iv) im Falle einer Rückzahlung oder eines Rückkaufs der Schuldverschreibungen oder einer Schuldnerersetzung nach § 9 vor dem 22. Mai 2025 das Kapital durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden ist, solange und soweit dies für die Anerkennung als Tier 2 Kapital erforderlich ist.</p>   | <p>(iii) the Competent Supervisory Authority has given, and not withdrawn by such day, its prior consent to the redemption of the Notes or to the repurchase of the Notes; and</p> <p>(iv) in the event of a redemption or repurchase of the Notes or a substitution pursuant to § 9 prior to 22 May 2025 the capital has been replaced by other at least equivalent own funds (<i>Eigenmittel</i>), to the extent and as long as this is required for a recognition as Tier 2 Capital.</p>   |
| <p>(f) <i>Kündigung, Bekanntmachung der vorzeitigen Rückzahlung.</i> 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 vor dem Rückzahlungstag erklären.</p> <p>Diese Bekanntmachung hat den Rückzahlungstag festzulegen sowie die Tatsachen anzugeben, die das Kündigungsrecht der Emittentin begründen.</p> <p>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.</p> | <p>(f) <i>Call, notice of early redemption.</i> 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 prior to the specified redemption date.</p> <p>This notice must state the specified redemption date and the facts which establish the right of the Issuer to redeem the Notes.</p> <p>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).</p> |
| <p>(g) <i>Rückzahlungsbetrag.</i> Der "<b>Rückzahlungsbetrag</b>" 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 fälligen Zinsrückstände in Bezug auf diese Schuldverschreibung.</p>   | <p>(g) <i>Redemption Amount.</i> The "<b>Redemption Amount</b>" 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.</p>   |
| <p>(h) <i>Keine Rückzahlung nach Wahl des Anleihegläubigers.</i> Die Anleihegläubiger sind zu keinem Zeitpunkt berechtigt, von der Emittentin eine Rückzahlung der Schuldverschreibungen zu verlangen.</p>  | <p>(h) <i>No redemption at the option of a Noteholder.</i> The Noteholders shall not be entitled to put the Notes for redemption at any time.</p>   |
| <p>(i) <i>Rückkauf.</i></p> <p>(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 Rückzahlungsbedingungen am Tag des Rückkaufs, Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis erwerben.</p>   | <p>(i) <i>Purchase.</i></p> <p>(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 in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.</p>  |

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 Clearing-system oder an dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing-systems. 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.
- (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.

- (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) 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.



- (e) Bezugnahmen in diesen Anleihebedingungen auf Kapital und Zinsen schließen, soweit anwendbar, sämtliche gemäß § 6 zahlbaren Zusätzlichen Beträge (wie dort definiert) ein.

## § 6 Besteuerung

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge von Kapital und Zinsen 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 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, Verständigung oder dieses Abkommen 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 Durch-

- (e) References in these Terms and Conditions to principal and interest on the Notes include, to the extent applicable, all Additional Amounts payable pursuant to § 6 (as therein defined).

## § 6 Taxation

All amounts to be paid in respect of principal and interest on 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 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 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

führungsvorschriften oder gemäß mit dem U.S. 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 vorgeannten Zahlstelle, die "**Zahlstellen**" und jede eine "**Zahlstelle**") zu benennen.

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 einem Land 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 in dem von der betreffenden Börse vorgeschriebenen Land 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 demselben Land zu bestimmen. Bekanntmachungen hinsichtlich aller Veränderungen im Hinblick auf den Fiscal Agent, etwaige Zahlstellen

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**").

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 country 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 country 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 country. 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.

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.

(d) Wenn die Emittentin gemäß diesen Anleihebedingungen einen Unabhängigen Berater bestellt, dann ist § 8(c) entsprechend auf den Unabhängigen Berater anzuwenden.

### § 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 Bundesrepublik Deutschland bestellt;

(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;

(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;

(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.

(d) If the Issuer appoints an Independent Advisor in accordance with these Terms and Conditions, § 8(c) shall apply *mutatis mutandis* to the Independent Advisor.

### § 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;

(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;

(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;

- (iv) die Emittentin unwiderruflich die Verpflichtungen der Neuen Emittentin aus den Schuldverschreibungen zu Bedingungen garantiert, die sicherstellen, dass vorbehaltlich der Regelungen dieses § 9 jeder Anleihegläubiger wirtschaftlich mindestens so gestellt wird, wie er ohne die Ersetzung stehen würde;
  - (v) die Zuständige Aufsichtsbehörde der Ersetzung zugestimmt hat; und
  - (vi) die Rückzahlungsbedingungen, die für die Ersetzung entsprechende Anwendung finden, zum Zeitpunkt der Ersetzung erfüllt sind.
- (b) *Bezugnahmen.* Im Fall einer Schuldnerersetzung gemäß § 9(a) gilt jede Bezugnahme in diesen Anleihebedingungen auf die Emittentin als eine solche auf die Neue Emittentin.

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(i)), 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 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 regulierten Markt der Luxemburger Wertpapierbörse notiert sind) auf der Internet-Seite der Luxemburger Börse (derzeit [www.bourse.lu](http://www.bourse.lu)) veröffentlicht. Jede Mitteilung gilt am Tag der ersten Veröffentlichung als wirksam erfolgt.

- (iv) the Issuer irrevocably guarantees such obligations of the New Issuer under the Notes on terms which ensure that without prejudice to the provisions of this § 9 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;
- (v) the Competent Supervisory Authority has given its prior consent thereto; and
- (vi) the Conditions to Redemption, which shall apply mutatis mutandis to the substitution, are fulfilled at the time of the substitution.

- (b) *References.* 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.

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 for single solvency purposes of the Issuer or for group solvency purposes of the Issuer's group, the Insolvency Event, the Dividend Payment Event, the Accounting Event, the Rating Agency Event and § 4(i)), 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).

- (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 (currently [www.bourse.lu](http://www.bourse.lu)). Any notice will become effective for all purposes on the date of the first such publication.

- (b) *Mitteilungen an das Clearingsystem.* Solange Schuldverschreibungen am regulierten Markt 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 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

- (b) *Notification to Clearing System.* So long as any Notes are listed on the regulated market of 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 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 account holder as well as (b) a copy of the Global Note certified by a duly authorised officer of the Clearing System or the Fiscal Agent as being a true copy.

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.* Die Emittentin kann, vorbehaltlich der Einhaltung der aufsichtsrechtlichen Voraussetzungen für die Qualifikation der Schuldverschreibungen als Tier 2 Kapital der Emittentin und der Gruppe und der vorherigen Zustimmung der Zuständigen Aufsichtsbehörde (sofern diese im betreffenden Zeitpunkt aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften erforderlich ist), die Anleihebedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der 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 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 Handelsgesetzbuch ("**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

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

- (a) *Amendment of the Terms and Conditions.* Subject to complying with the regulatory requirements for the qualification of the Notes as Tier 2 Capital of the Issuer and the Issuer's group and the prior consent of the Competent Supervisory Authority (if under the Applicable Supervisory Regulations such prior 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 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 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) German Commercial Code (*Handelsgesetzbuch* - "**HGB**") 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'



1 S. 2 SchVG schriftlich die Einberufung einer Anleihegläubigerversammlung oder Abstimmung ohne Versammlung mit einer gemäß § 9 Absatz 1 S. 2 SchVG zulässigen Begründung verlangen.

(i) Beschlüsse der Anleihegläubiger im Rahmen einer Gläubigerversammlung werden nach §§ 9 ff. SchVG getroffen. Die Einberufung der Gläubigerversammlung regelt die 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 Versammlung gemäß § 13(c)(i) oder der Abstimmung ohne Versammlung gemäß § 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.

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 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 meeting pursuant to § 13(c)(i) or the vote without a 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) *Gemeinsamer Vertreter.* Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, die Aufgaben und 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) Die oben aufgeführten auf die Schuldverschreibungen anwendbaren Bestimmungen gelten entsprechend für die Bestimmungen einer etwaigen Garantie gemäß § 9(a)(iv).
- (h) *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.

- (f) *Joint representative.* The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative, the duties and responsibilities 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) The provisions set out above applicable to the Notes will apply mutatis mutandis to any guarantee granted pursuant to § 9(a)(iv).

- (h) *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.

# DESCRIPTION OF ALLIANZ SE AND ALLIANZ GROUP

## Statutory auditors

Allianz SE appointed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, with their registered address being Bernhard-Wicki-Straße 8, 80636 Munich, Germany ("PwC") as auditor for the fiscal years ending 31 December 2018 and 31 December 2019. PwC is a member of the German Chamber of Certified Accountants (*Wirtschaftsprüferkammer KöR*), Berlin.

The statutory financial statements of Allianz SE for the fiscal years ended 31 December 2018 and 31 December 2019 were prepared in accordance with German commercial law and supplementary provisions of the articles of incorporation. The statutory financial statements for the fiscal years 2018 and 2019 were audited by PwC 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). PwC issued an unqualified audit opinion for the fiscal years ended 31 December 2018 and 31 December 2019.

The consolidated financial statements of Allianz Group for the fiscal years ended 31 December 2018 and 31 December 2019 were prepared on the basis of the International Financial Reporting Standards, as adopted by the EU (IFRS), and the additional requirements of § 315a (1) of the German Commercial Code and supplementary provisions of the articles of incorporation. The consolidated financial statements for the fiscal years 2018 and 2019 were audited by PwC in accordance with § 317 of the German Commercial Code and German generally accepted standards for the audit of financial statements promulgated by the IDW. PwC issued an unqualified audit opinion for the fiscal years ended 31 December 2018 and 31 December 2019.

## Information about Allianz SE and Allianz Group

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

### 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 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 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 adopted the legal form of a European Company (*Societas Europaea*, SE) and has been operating since then under the corporate name "Allianz SE".

### LEGAL AND COMMERCIAL NAME, PLACE OF REGISTRATION AND REGISTRATION NUMBER, LEI OF ALLIANZ SE

Allianz SE operates under its legal name "Allianz SE" and conducts its business in Germany, amongst others, under the commercial name "Allianz".

Allianz SE is registered at its registered seat (*Sitz*) in Munich, Germany, in the commercial register at the local court (*Amtsgericht*) in Munich under the entry number HRB 164232. The LEI of Allianz SE is 529900K9B0N5BT694847.

Allianz SE was incorporated on 5 February 1890 for an unlimited term.

The domicile of Allianz SE is Munich, Germany. Allianz SE is a European Company (*Societas Europaea*, SE) operating under the laws of Germany. It is incorporated in Germany. The business address of Allianz SE is at Königinstraße 28, 80802 Munich, Germany, telephone number (+49)(89) 3800-0. Its website is [www.allianz.com](http://www.allianz.com). The information on the website does not form part of the prospectus unless that information is incorporated by reference into this prospectus.

The financial year of Allianz SE is the calendar year.

## RECENT EVENTS SINCE 31 DECEMBER 2019

### BOND TRANSACTIONS

On 14 January 2020, Allianz Finance II B.V. issued EUR 1.25 billion senior bonds guaranteed by Allianz SE, Munich, Germany, divided in EUR 0.50 billion 0.0% Fixed Rate Notes with maturity 14 January 2025 and EUR 0.75 billion 0.5% Fixed Rate notes with maturity 14 January 2031. The proceeds were fully loaned to Allianz SE.

On 21 January 2020, Allianz Finance II B.V. made a redemption in full at nominal value of the outstanding EUR 750 million 0.0% notes due 21 April 2020 in accordance with the terms and conditions of the notes. The corresponding loan to Allianz SE was also repaid.

### SHARE BUY-BACK PROGRAM

On 20 February 2020, Allianz SE has resolved on a new share buy-back program. The volume of such new program will amount to up to 1.5 billion euros. The program started in March 2020 and shall be finalized by 31 December 2020 at latest. Allianz SE will cancel all repurchased shares. By 28 April 2020, Allianz SE had repurchased a first tranche of shares for EUR 750 mn.

On 6 April 2020, Allianz announced that in light of the current situation the Board of Management decided to suspend the second EUR 750mn tranche of the ongoing share buy-back program. Allianz SE will consider the appropriateness of the second tranche when the financial and economic impact of the COVID-19 pandemic starts to become clearer.

### M&A

On 5 March 2020, Allianz X, the digital investment unit of Allianz Group, in cooperation with Allianz Germany, has entered into binding agreements with General Atlantic and other shareholders of ControlExpert to acquire a majority of 90% in ControlExpert, a leading technology-driven automotive claims processing company active in 16 countries. The closing of the transaction is subject to the approval of the relevant antitrust authorities.

On 27 April 2020, Allianz and Banco Bilbao Vizcaya Argentaria (BBVA) agreed to create a bancassurance cooperation in Spain. Therefore, Allianz will acquire 50% plus 1 share in an insurance carrier being newly set up by BBVA after BBVA spun-off its existing non-life business into this carrier. The purchase price to be paid by Allianz is EUR 277 million plus a variable earn-out component of up to EUR 100 million related to achieving specific business and operational goals. This cooperation comes along with a long-term exclusive distribution agreement for the sale of property-casualty insurance products through BBVA's banking network in Spain. Closing of the transaction is subject to regulatory and merger control clearance.

### OUTBREAK OF SARS-COV-2

The outbreak of SARS-CoV-2, and its associated disease ("Covid-19"), which was first identified in December 2019 began to have a significant negative impact on global financial markets from mid to late February 2020 on. On 11 March 2020, the World Health Organisation (WHO) declared the disease associated with SARS-Cov-2 a pandemic. In order to slow the growth rate of infections, governments worldwide took drastic steps from simple social distancing measures to far-reaching regional or national lock-downs. In order to mitigate the expected significant economic slow-down therefrom, and the associated adverse financial market consequences, governments and central banks worldwide implemented broad, and in parts unprecedented, fiscal and monetary policy measures. As outlined in the risk factor "*Risks Related To The SARS-COV-2 Pandemic*", the pandemic may result in an increase of financial, underwriting, liquidity and operational risks for the Allianz Group and, ultimately, may have material adverse effects on the operating results of the Allianz Group and its business and financial situation.

### WITHDRAWAL PROFIT FORECAST 2020

In light of the uncertainties for the macroeconomic development caused by the current pandemic and the now available updated financial plans of the operating entities of the Group, from today's perspective the Board of Management does not assume that Allianz Group can achieve the target range for the operating profit for 2020 in the amount of EUR 12 bn +/- EUR 500 mio. A new profit target for 2020 will be announced by the Board of Management upon completion of the revised planning.

### RESULTS FOR THE 1<sup>ST</sup> QUARTER OF 2020

On 12 May 2020, Allianz released the results for the 1<sup>st</sup> quarter of 2020. Key figures are disclosed in the section "*Historical and interim financial information*" below.

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

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

	S&P <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

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

(2) S&P 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.

S&P 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 S&P. 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."

(3) 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."

(4) 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 A.M. Best's opinion, a superior ability to meet their ongoing insurance obligations."

aa: "Assigned to issues where, in A.M. Best's opinion, the issuer has a very strong ability to meet the terms of the obligation."

a: "Assigned to issues where, in A.M. Best's 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."

(5) Issuer credit rating.

## CAPITALIZATION AND FINANCIAL INDEBTEDNESS OF ALLIANZ GROUP

The figures for liabilities and equity as of 31 December 2019 and 31 December 2018 are audited. The figures for liabilities and equity as of 31 March 2020 are unaudited and unreviewed.

### Total liabilities

Amounts in € million

	As of 31 March 2020	As of 31 December 2019	As of 31 December 2018
Senior bonds	8,541	8,085	8,037
Money market securities	914	1,124	1,163
<b>Total certificated liabilities</b>	<b>9,454</b>	<b>9,209</b>	<b>9,199</b>
Subordinated bonds	13,269	13,193	13,430
Hybrid equity	45	45	45
<b>Total subordinated liabilities</b>	<b>13,314</b>	<b>13,238</b>	<b>13,475</b>

### Total equity

Amounts in € million

	As of 31 March 2020	As of 31 December 2019	As of 31 December 2018
Shareholders' equity			
Issued capital	1,170	1,170	1,170
Additional paid-in capital	27,758	27,758	27,758
Retained earnings <sup>1</sup>	31,436	29,577	27,967
Foreign currency translation adjustments	(2,648)	(2,195)	(2,607)
Unrealized gains and losses (net) <sup>2</sup>	11,681	17,691	6,945
Subtotal	69,397	74,002	61,232
Non-controlling interests	3,069	3,363	2,447
<b>Total</b>	<b>72,467</b>	<b>77,364</b>	<b>63,679</b>

<sup>1</sup> As of 31 March 2020, include € (453) mn (31 December 2019: € (55) mn; 31 December 2018: € (84) mn) related to treasury shares.

<sup>2</sup> As of 31 March 2020, include € 507 mn (31 December 2019: € 415 mn; 31 December 2018: € 267 mn) related to cash flow hedges.

### Total liabilities and equity

Amounts in € million

	As of 31 March 2020	As of 31 December 2019	As of 31 December 2018
Certificated liabilities	9,454	9,209	9,199
Subordinated liabilities	13,314	13,238	13,475
Equity	72,467	77,364	63,679
<b>Total</b>	<b>95,235</b>	<b>99,811</b>	<b>86,353</b>

## Business Overview

### PRINCIPAL ACTIVITIES OF THE ALLIANZ GROUP

Allianz Group offers property-casualty insurance, life/health insurance, and asset management products and services in over 70 countries, with the largest of its operations located in Europe. The Allianz Group serves more than 100 million private and corporate customers. Allianz SE, the parent company of the Allianz Group, has its headquarters in Munich, Germany.



The Allianz Group's structure reflects both its business segments and geographical regions. Business activities are 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. In 2019, the Allianz Group had 11 reportable segments.

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 and Central &amp; Eastern Europe</li> <li>- Western &amp; Southern Europe and Asia Pacific</li> <li>- Iberia &amp; Latin America, Allianz Partners and Allianz Direct</li> <li>- Global Insurance Lines &amp; Anglo Markets, Middle East and Africa</li> </ul>	<ul style="list-style-type: none"> <li>- German Speaking Countries and Central &amp; Eastern Europe</li> <li>- Western &amp; Southern Europe and Asia Pacific</li> <li>- Iberia &amp; Latin America</li> <li>- USA</li> <li>- Global Insurance Lines &amp; Anglo Markets, Middle East and Africa</li> </ul>	<ul style="list-style-type: none"> <li>- Asset Management</li> </ul>	<ul style="list-style-type: none"> <li>- Corporate and Other</li> </ul>

## Worldwide presence and business segments

Market presence of our business operations<sup>1</sup>

Insurance German Speaking Countries, Insurance Central & Eastern Europe		Global insurance lines & Anglo markets, Insurance Middle East and Africa	
■ ■	Germany	Global insurance lines & Anglo markets	
■ ■	Switzerland	■	United Kingdom
Central & Eastern Europe		■ ■	Australia
■ ■	Austria	■	Ireland
■ ■ ■	Bulgaria	■	Allianz Global Corporate & Specialty
■ ■	Croatia	■	Euler Hermes
■ ■	Czech Republic	■ ■	Reinsurance
■ ■	Hungary	Middle East	
■ ■	Poland	■ ■	Egypt
■ ■	Romania	■ ■	Lebanon
■ ■	Slovakia	■ ■	Saudi Arabia
■ ■	Russia	Africa	
■	Ukraine	■ ■	Cameroon
Insurance Western & Southern Europe and Asia Pacific		■	Congo Brazzaville
Europe		■	Ghana
■ ■ ■	Italy	■ ■	Ivory Coast
■ ■	Greece	■ ■	Kenya
■ ■	Turkey	■ ■	Madagascar
■ ■ ■	France	■ ■	Morocco
■ ■	Belgium	■ ■	Nigeria
■ ■	The Netherlands	■ ■	Senegal
■ ■	Luxembourg	Asset Management	
Asia Pacific		North and Latin America	
■ ■	China	■ ■	United States
■	Hong Kong <sup>2</sup>	■ ■	Canada
■ ■	Indonesia	■ ■	Brazil
■	Japan <sup>2</sup>	Europe	
■	Laos	■ ■	Germany
■ ■	Malaysia	■ ■	Austria
■	Pakistan	■ ■	France
■	Philippines	■ ■	Italy
■	Singapore <sup>2</sup>	■ ■	Ireland
■ ■	Sri Lanka	■ ■	Luxembourg
■	Taiwan	■ ■	Spain
■ ■	Thailand	■ ■	Switzerland
■ ■	India	■ ■	Belgium
Insurance Iberia & Latin America, Allianz Partners and Allianz Direct		■ ■	The Netherlands
Iberia		■ ■	United Kingdom
■ ■	Spain	■ ■	Sweden
■ ■	Portugal	Asia Pacific	
Latin America		■ ■	Japan
■	Argentina	■ ■	Hong Kong
■ ■	Brazil	■ ■	Taiwan
■ ■	Colombia	■ ■	Singapore
■ ■	Mexico	■ ■	China
Allianz Partners		■ ■	Australia
Allianz Direct			
■	Allianz Direct		
US life insurance			
■	United States		
■ Property-Casualty ■ Life/Health ■ Banking ■ Retail Asset Management ■ Institutional Asset Management			

1. This overview is based on our organizational structure as of 31 December 2019.

2. Property-Casualty business belongs to Allianz Global Corporate & Specialty.

## RECONCILIATION OF REPORTABLE SEGMENTS TO ALLIANZ GROUP FIGURES AS OF 31 DECEMBER 2019 AND 2018 (AUDITED)

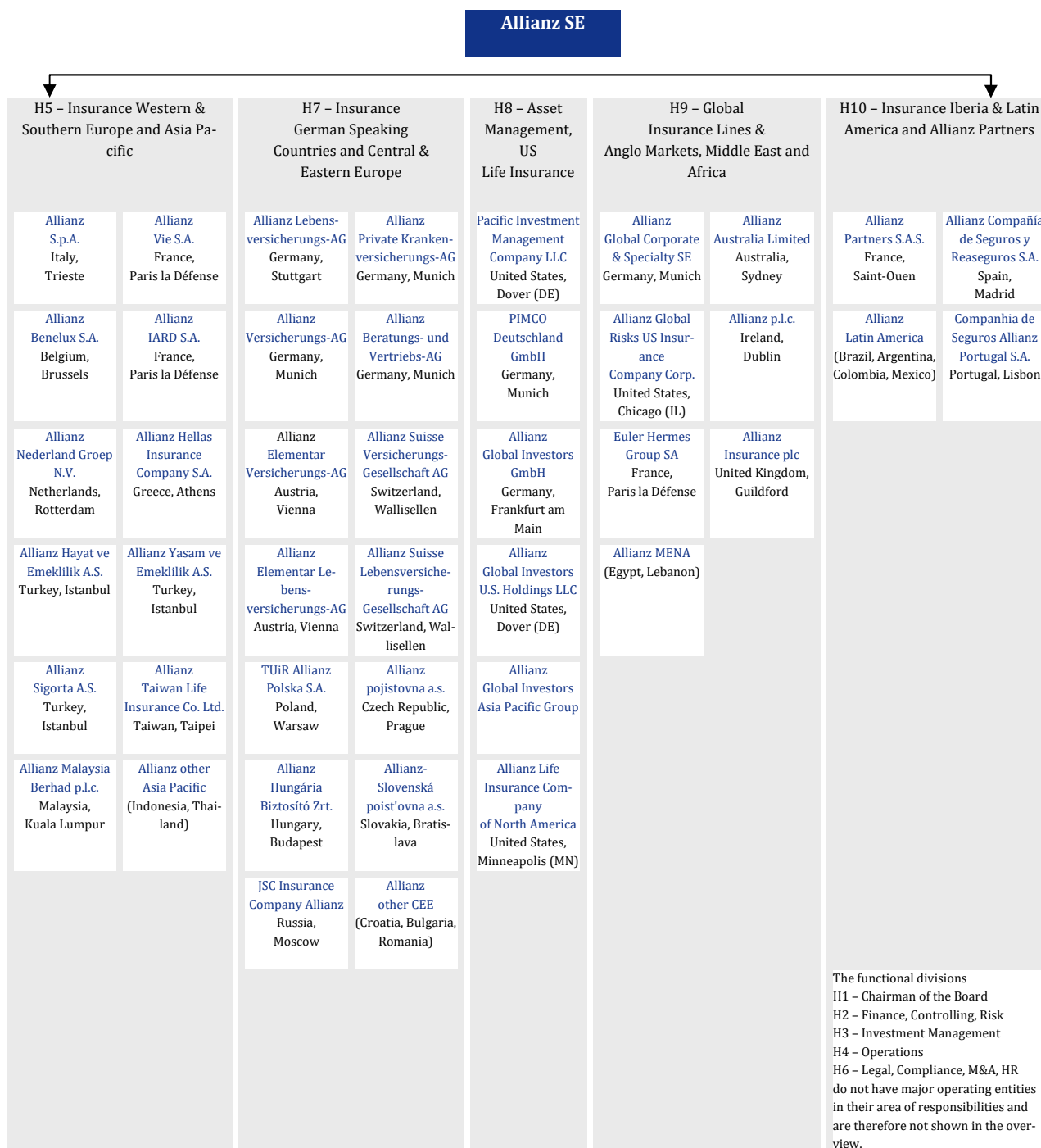
	Total revenues		Operating profit (loss)		Net income (loss)	
	2019	2018	2019	2018	2019	2018
Twelve months ended 31 December						
German Speaking Countries and Central & Eastern Europe	15,919	15,514	1,884	1,641	1,624	1,207
Western & Southern Europe and Asia Pacific	12,320	12,513	1,518	1,776	1,083	1,339
Iberia & Latin America and Allianz Partners	12,547	10,741	457	498	274	320
Global Insurance Lines & Anglo Markets, Middle East and Africa	25,177	24,058	1,159	1,826	982	1,448
Consolidation	(6,808)	(7,426)	28	(16)	20	(13)
<b>Total Property-Casualty</b>	<b>59,156</b>	<b>55,401</b>	<b>5,045</b>	<b>5,725</b>	<b>3,983</b>	<b>4,302</b>
German Speaking Countries and Central & Eastern Europe	34,380	28,758	1,649	1,620	1,132	1,097
Western & Southern Europe and Asia Pacific	28,053	29,335	1,620	1,359	1,235	823
Iberia & Latin America	1,653	1,873	267	286	235	235
USA	12,265	10,832	1,153	852	1,006	664
Global Insurance Lines & Anglo Markets, Middle East and Africa	885	711	59	49	(55)	29
Consolidation and Other	(810)	(1,059)	(40)	(14)	(30)	(12)
<b>Total Life/Health</b>	<b>76,426</b>	<b>70,450</b>	<b>4,708</b>	<b>4,152</b>	<b>3,523</b>	<b>2,837</b>
<b>Asset Management</b>	<b>7,164</b>	<b>6,732</b>	<b>2,704</b>	<b>2,530</b>	<b>1,992</b>	<b>1,922</b>
<b>Corporate and Other</b>	<b>239</b>	<b>275</b>	<b>(602)</b>	<b>(831)</b>	<b>(1,194)</b>	<b>(1,294)</b>
<b>Consolidation</b>	<b>(616)</b>	<b>(575)</b>	<b>-</b>	<b>(64)</b>	<b>(2)</b>	<b>(63)</b>
<b>Group</b>	<b>142,369</b>	<b>132,283</b>	<b>11,855</b>	<b>11,512</b>	<b>8,302</b>	<b>7,703</b>

## RECONCILIATION OF REPORTABLE SEGMENTS TO ALLIANZ GROUP FIGURES AS OF 31 MARCH 2020 AND 2019 (UNAUDITED, UNREVIEWED)

	Total revenues		Operating profit (loss)		Net income (loss)	
	2020	2019	2020	2019	2020	2019
Three months ended 31 March						
Australia	652	688	33	49	20	39
German Speaking Countries and Central & Eastern Europe	6,941	6,820	453	420	129	325
Western & Southern Europe and Asia Pacific	3,596	3,544	373	424	81	296
Iberia & Latin America and Allianz Partners	3,865	3,899	154	124	84	78
Global Insurance Lines & Anglo Markets, Middle East and Africa	8,017	7,320	21	437	(141)	316
Consolidation	(2,756)	(2,782)	(1)	-	-	-
<b>Total Property-Casualty</b>	<b>20,315</b>	<b>19,490</b>	<b>1,032</b>	<b>1,455</b>	<b>173</b>	<b>1,054</b>
German Speaking Countries and Central & Eastern Europe	9,985	9,264	346	425	232	297
Western & Southern Europe and Asia Pacific	7,349	7,024	388	397	279	293
Iberia & Latin America	401	409	41	58	519	68
USA	2,676	2,747	47	214	96	204
Global Insurance Lines & Anglo Markets, Middle East and Africa	249	187	8	16	(47)	11
Consolidation and Other	(127)	(345)	(12)	(13)	(9)	(11)
<b>Total Life/Health</b>	<b>20,533</b>	<b>19,285</b>	<b>819</b>	<b>1,096</b>	<b>1,069</b>	<b>861</b>
<b>Asset Management</b>	<b>1,773</b>	<b>1,576</b>	<b>679</b>	<b>573</b>	<b>445</b>	<b>418</b>
<b>Corporate and Other</b>	<b>58</b>	<b>55</b>	<b>(228)</b>	<b>(164)</b>	<b>(207)</b>	<b>(286)</b>
<b>Consolidation</b>	<b>(127)</b>	<b>(133)</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>4</b>
<b>Group</b>	<b>42,552</b>	<b>40,273</b>	<b>2,304</b>	<b>2,962</b>	<b>1,483</b>	<b>2,051</b>

# Simplified Overview of the Allianz Group Structure

**This overview is simplified.** It focuses on major operating entities and does not contain all entities of the Allianz Group. Also, it does not show whether a shareholding is direct or indirect. This overview shows the status as of 31 December 2019.



## INSURANCE OPERATIONS

Allianz Group offers a wide range of property-casualty and life/health insurance products to both retail and corporate customers. For the Property-Casualty business segment, these include motor, accident, property, general liability, travel insurance and assistance services; the Life/Health business segment offers savings and investment-oriented products in addition to life and health insurance. Allianz Group is the

leading property-casualty insurer worldwide and ranks among the top five in the life/health insurance business. Allianz Group's key markets (in terms of premiums) for both property-casualty and life/health are Germany, France, Italy, and the United States.<sup>1</sup>

Most of Allianz Group's insurance markets are served by local Allianz companies. However, some business lines – such as Allianz Global Corporate & Specialty (AGCS), Allianz Partners (AP) and Credit Insurance – are run globally.

## **ASSET MANAGEMENT**

Allianz Group's two major investment management entities, PIMCO and AllianzGI, operate under the governance of Allianz Asset Management (AAM). Allianz Group is one of the largest asset managers in the world that actively manage assets. Offerings cover a wide range of equity, fixed income, cash, and multi-assets products as well as a strongly growing number of alternative investment products, such as infrastructure debt/equity, real assets, liquid alternatives, and solution business. Core markets are the United States, Canada, Germany, France, Italy, the United Kingdom, and the Asia-Pacific region.

## **CORPORATE AND OTHER**

The Corporate and Other business segment's activities include the management and support of the Allianz Group's businesses through its central holding functions, Banking and Alternative as well as Digital Investments. The Holding functions manage and support the Allianz Group's businesses through its strategy, risk, corporate finance, treasury, financial reporting, controlling, communication, legal, human re-sources, technology, and other functions. Banking operations, which place a primary focus on retail clients, support Allianz Group's insurance business and complement the products Allianz Group offers in Italy, France, and Bulgaria. Digital Investments identifies and invests in digital growth companies and provides digital investment management services and an interface between portfolio companies and the Allianz Group. Alternative Investments provides global alternative investment management services in the real estate sector, mostly on behalf of its insurance operations.

# **Trend Information**

## **MATERIAL ADVERSE CHANGE IN THE PROSPECTS OF ALLIANZ SE**

Except as disclosed in the section "*Recent Events since 31 December 2019*" above and the section "*Key figures for historical and other financial information*" below, there has been no material adverse change in the prospects of Allianz SE since 31 December 2019.

## **SIGNIFICANT CHANGE IN THE FINANCIAL PERFORMANCE OF THE ALLIANZ GROUP**

Except as disclosed in the section "*Recent Events since 31 December 2019*" above and the section "*Key figures for historical and other financial information*" below, there has been no significant change in the financial performance of the Allianz Group since 31 December 2019.

## **OUTLOOK FOR 2020**

### **ECONOMIC OUTLOOK**

The Covid-19 outbreak will send the global economy into a sharp recession in 2020. Since January, the impact of the outbreak has unfolded from a China-centered supply shock, which sent shockwaves across global trade and disrupted supply chains, to an unravelling of financial markets as investors realized the unavailability recession, to a violent demand shock hurting consumption and investment as governments put the world on an unprecedented pause to flatten the contagion curve. The cost of containment could be as much as a 20-30% shock to each economy.

Policymakers have reacted with extraordinary measures. From central banks providing ample liquidity to business-friendly fiscal responses across the globe, the aim has been to weather the cash-flow crisis and avoid a more severe liquidity crisis – which could easily morph into solvency problems. As a result, Allianz Group expects a U-shaped recovery, starting in H2 2020. Nonetheless, Allianz Group expects global growth to fall well below 0% in 2020. Downside risks continue to loom large. In particular, a second outbreak of the virus would not only deepen the crisis in 2020 but also postpone the recovery to 2021. Equity markets have experienced one of the biggest corrections in recorded history. But probably, they are not yet fully pricing in the negative news flow coming with lockdowns affecting 3/4th of the world's GDP. So, short-term volatility is set to remain elevated and further market slumps cannot be ruled out. The same is true for long-term sovereign yields: Although they are already ultra-low, setting all-time "records" in many places, a further downside correction is likely. However, Allianz Group expects capital markets to gradually reverse the losses towards year-end – but not recouping them – as policymakers' credibility and the U-shaped recovery unfold.

<sup>1</sup> The statement is based on an internal analysis by the Issuer of the available peer data as per Financial Year 2018.



## INSURANCE INDUSTRY OUTLOOK

The insurance industry is impacted by the Covid-19 outbreak through three channels: claims, capital markets, and second round effects of the recession. On top of these challenges, business continuity – maintaining operations and serving clients while protecting employees – becomes more difficult the longer the full lockdown lasts.

Among the three impacts, the Covid-19 inspired sell-off in capital markets constitutes by far the most material one on insurance. Ever falling interest rates, widening spreads and deteriorating stock markets weigh on the P&L account as well as on the balance sheet of insurers. The industry, however, is well capitalized and able to weather even extreme shocks.

Covid-19 related claims will emerge over a longer time horizon. Although most policies in exposed lines of business such as business interruption have communicable-disease exclusions, losses arising from litigation remain a risk. Other lines such as motor or accident might even temporarily benefit from Covid-19 or rather from the measures to contain it: With more and more people staying at home the number of accidents is set to decline. Probably the insurance sector where the fallout from Covid-19 will be most visible is credit insurance. Although governments around the world have pledged to support companies with unprecedented measures, an increase in insolvencies – particularly among smaller companies – seems inevitable.

The slowdown in economic activity and the slump in equity markets will certainly weigh on top-line growth. Gauging by past shocks such as the Great Financial Crisis in 2008/09 suggests that Covid-19 could shave off EUR 100bn or more from the global insurance premium pool in 2020.

In the **non-life sector**, the economic recession will impact premium growth, in particular in the first half of 2020. On the other hand, the heightened risk awareness could later translate into rising demand for risk cover. At the same time, the industry might be challenged to provide more comprehensive and simpler solutions. Higher rates in many lines of business are a boon for industry profitability; on the other hand, rising claims and lower investment income point toward falling profitability.

The **life sector** has become much more volatile in recent years as single-premiums play an increasing role. Demand for some products like unit-linked policies is also heavily influenced by capital markets. As a consequence, the equity market correction could dent premium growth. Moreover, given the challenging investment environment, industry profitability is likely to remain under pressure.

## ASSET MANAGEMENT INDUSTRY OUTLOOK

The unprecedented high market volatility as well as strong outflows, will certainly be a drag on revenues and profits of the asset management industry over the short to mid-term, also depending on, which kind of monetary easing measures will be taken by central banks and how capital markets will react.

Overall, the asset management industry's profitability remains under pressure from continuous flows into passive products, new pricing models, rising distribution costs and gaining prominence of digital channels such as robo-advisory platforms. Allianz Group expects the trend towards industry consolidation and increasing cost awareness, including respective restructuring activities, to continue.

The current market dislocations on the other hand represent in the long run a growth opportunity for asset management firms with a strong focus on risk and liquidity management. The ability to engage with clients and serve as a strategic partner during these turbulent times will be another determining factor for future success.

Especially in the area of active asset management opportunities will continue to exist, particularly in alternative and solutions-oriented strategies, but also in equity and fixed-income. In order to continue growing, it is vital for asset managers to keep sufficient business volumes, ensure efficient operations, and maintain a strong investment performance.

## OUTLOOK FOR THE ALLIANZ GROUP

Except as disclosed in the sections "*Risk Factors*" and "*Recent Events since 31 December 2019*" above and in this section "*Outlook for 2020*", Allianz Group has no information on trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of Allianz Group for the current financial year. Key figures for the 1<sup>st</sup> quarter of 2020 are disclosed in the section "*Key figures for historical and other financial information*" below.

## 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 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.

## Profit forecast or estimates

The profit forecast for Allianz Group published on 21 February 2020 is no longer valid (see section "Recent Events since 31 December 2019" above).

## Administrative, management and supervisory bodies

### 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.

#### BOARD OF MANAGEMENT

The Board of Management (*Vorstand*) of Allianz SE currently consists of ten 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.

Name	Area of Responsibility	Principal Outside Board Memberships and/or other duties
Oliver Bäte	Chairman of the Board of Management of Allianz SE (CEO)	None
Sergio Balbinot	Insurance Western & Southern Europe, Asia Pacific	Member of the board of directors of Unicredit S.p.A., Bajaj Allianz General Insurance Co. Ltd. and Bajaj Allianz Life Insurance Co. Ltd.
Jacqueline Hunt	Asset Management, US Life Insurance	None
Dr. Christof Mascher	Operations (COO); Allianz Services	Member of the supervisory board of Volkswagen Autoversicherung AG
Niran Peiris	Global Insurance Lines & Anglo Markets, Reinsurance, Middle East, Africa	None
Dr. Klaus-Peter Röhler	Insurance German Speaking Countries and Central & Eastern Europe	Member of the supervisory board of EUROKAI GmbH & Co. KGaA

<b>Name</b>	<b>Area of Responsibility</b>	<b>Principal Outside Board Memberships and/or other duties</b>
Iván de la Sota	Business Transformation; Insurance Iberia & Latin America; Allianz Partners	None
Giulio Terzariol	Finance, Controlling, Risk (CFO)	None
Dr. Günther Thallinger	Investment Management	None
Renate Wagner	Human Resources, Legal, Compliance, Mergers & Acquisitions	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. 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 and/or other duties</b>
Michael Diekmann Chairman <sup>(1)</sup>	Member of various Supervisory Boards	Member of the Supervisory Boards of Fresenius Management SE, Fresenius SE & Co. KGaA, Siemens AG
Sophie Boissard <sup>(1)</sup>	Chairwoman of Board of Management Korian S.A.	Member of the Supervisory Boards of Curanum AG (Chairwoman), Segesta SpA, Senior Living Group NV
Christine Bosse <sup>(1)</sup>	Member of various Supervisory Boards	Member of the Supervisory Board of P/F BankNordik (Chairwoman)
Gabriele Burkhardt-Berg Vice Chairwoman <sup>(2)</sup>	Chairwoman of the Group Works Council, Allianz SE	None
Dr. Friedrich Eichiner <sup>(1)</sup>	Member of various Supervisory Boards	Member of the Supervisory Boards of FESTO AG (Chairman), FESTO Management SE (Chairman), Infineon Technologies AG
Jean-Claude Le Goaër <sup>(2)</sup>	Employee Allianz Informatique G.I.E.	None
Martina Grundler <sup>(2)</sup>	National Representative Insurances, ver.di, Berlin	None
Herbert Hainer <sup>(1)</sup>	Member of various Supervisory Boards	Member of the Supervisory Boards of Deutsche Lufthansa AG, FC Bayern München AG, Accenture Plc
Godfrey Robert Hayward <sup>(2)</sup>	Employee of Allianz Insurance Plc.	None
Frank Kirsch <sup>(2)</sup>	Employee of Allianz Beratungs- und Vertriebs-AG	None
Jürgen Lawrenz <sup>(2)</sup>	Employee of Allianz Technology SE	None
Jim Hagemann Snabe Vice Chairman <sup>(1)</sup>	Member of various Supervisory Boards	Chairman of the Supervisory Boards of Siemens AG and A.P. Møller - Mærsk A/S

(1) Shareholder Representative

(2) 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 members 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 and Change of Control Arrangements

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. According to the latest notifications which Allianz has received, BlackRock, Inc., Wilmington, USA, directly or indirectly holds between 5 and 10% and DWS Investment GmbH directly or indirectly holds between 3 and 5% of voting rights in Allianz SE. Other than described above, to the best knowledge of Allianz SE, no other shareholder holds, directly or indirectly, more than 3% of the voting rights in Allianz SE as of the date of this Prospectus.

There are no arrangements known to the Issuer the operation of which may at a subsequent date result in a change in control of the Issuer.

# Financial information concerning the assets and liability, financial position and profits and losses of the Allianz Group

## HISTORICAL FINANCIAL INFORMATION

Audited historical financial information covering the latest two financial years and the audit report in respect of each year are incorporated by reference (see below section "Documents Incorporated by Reference").

## KEY FIGURES FOR HISTORICAL AND OTHER FINANCIAL INFORMATION

The following tables indicate key figures for the financial years 2018 and 2019. The key figures for the financial years 2018 and 2019 are audited.

### Key figures as of 31 December 2019 and 2018

		2019	2018	Delta
<b>Total revenues</b>	€ bn	<b>142.4</b>	<b>132.3</b>	<b>7.6%</b>
Property-Casualty <sup>1</sup>	€ bn	59.2	55.4	6.8%
Life/Health	€ bn	76.4	70.4	8.5%
Asset Management	€ bn	7.2	6.7	6.4%
Corporate and Other	€ bn	0.2	0.3	-12.9%
Consolidation	€ bn	(0.6)	(0.6)	7.3%
<b>Operating profit/loss</b>	€ mn	<b>11,855</b>	<b>11,512</b>	<b>3.0%</b>
Property-Casualty	€ mn	5,045	5,725	-11.9%
Life/Health	€ mn	4,708	4,152	13.4%
Asset Management	€ mn	2,704	2,530	6.9%
Corporate and Other	€ mn	(602)	(831)	-27.6%
Consolidation	€ mn	-	(64)	n.m.
<b>Net income</b>	€ mn	<b>8,302</b>	<b>7,703</b>	<b>7.8%</b>
attributable to non-controlling interests	€ mn	387	241	60.7%
attributable to shareholders	€ mn	7,914	7,462	6.1%
<b>Additional KPIs</b>				
Group Return on equity <sup>2,3</sup>	%	13.6%	13.2%	0.4%-p
Property-Casualty Combined ratio	%	95.5%	94.0%	1.5%-p
Asset Management Cost-income ratio	%	62.3%	62.4%	-0.1%-p
		<b>12/31/2019</b>	<b>12/31/2018</b>	
<b>Shareholders' equity<sup>3</sup></b>	€ bn	<b>74.0</b>	<b>61.2</b>	<b>20.9%</b>
<b>Solvency II capitalization ratio<sup>4</sup></b>	%	<b>212%</b>	<b>229%</b>	<b>-17%-p</b>

Please note: The figures are presented in millions of Euros, unless otherwise stated. Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

1. Total revenues comprise gross premiums written and fee and commission income.

2. Represents the ratio of net income attributable to shareholders to the average shareholders' equity excluding unrealized gains/losses on bonds, net of shadow accounting, at the beginning and at the end of the year.

3. Excluding non-controlling interests.

4. Risk capital figures are group diversified at 99.5% confidence level.

The following tables indicate key figures for the first quarter of 2020 and 2019. The key figures for the first quarter of 2020 and 2019 are unaudited and unreviewed.

### Key figures as of 31 March 2020 and 2019

Three months ended 31 March		2020	2019	Delta
<b>Total revenues</b>	€ bn	<b>42.6</b>	<b>40.3</b>	<b>5.7%</b>
Property-Casualty <sup>1</sup>	€ bn	20.3	19.5	4.2%
Life/Health	€ bn	20.5	19.3	6.5%
Asset Management	€ bn	1.8	1.6	12.5%
Corporate and Other	€ bn	0.1	0.1	5.4%
Consolidation	€ bn	(0.1)	(0.1)	-4.9%
<b>Operating profit/loss</b>	€ mn	<b>2,304</b>	<b>2,962</b>	<b>-22.2%</b>
Property-Casualty	€ mn	1,032	1,455	-29.1%
Life/Health	€ mn	819	1,096	-25.3%
Asset Management	€ mn	679	573	18.6%
Corporate and Other	€ mn	(228)	(164)	38.4%
Consolidation	€ mn	2	4	-47.9%
<b>Net income</b>	€ mn	<b>1,483</b>	<b>2,051</b>	<b>-27.7%</b>
attributable to non-controlling interests	€ mn	84	82	2.4%
attributable to shareholders	€ mn	1,400	1,969	-28.9%
<b>Additional KPIs</b>		-	-	-
Group Return on equity <sup>2,3</sup>	%	9.3%	13.6%	-4.3%-p
Property-Casualty Combined ratio	%	97.8%	93.7%	4.1%-p
Asset Management Cost-income ratio	%	61.7%	63.7%	-2.0%-p
		-	-	-
<b>Shareholders' equity<sup>3</sup></b>	€ bn	<b>69.4</b>	<b>74.0</b>	<b>-6.2%</b>
<b>Solvency II capitalization ratio<sup>4</sup></b>	%	<b>190%</b>	<b>212%</b>	<b>-23%-p</b>

Please note: The figures are presented in millions of Euros, unless otherwise stated. Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

1\_Total revenues comprise gross premiums written and fee and commission income.

2\_Represents the annualized ratio of net income attributable to shareholders to the average shareholders' equity excluding unrealized gains/losses on bonds, net of shadow accounting, at the beginning and at the end of the year.

3\_Excluding non-controlling interests.

4\_Risk capital figures are group diversified at 99.5% confidence level.

## REGULATORY CAPITAL ADEQUACY

The capital requirements, as well as the definition and calculation of eligible capital, are governed by the Solvency II rules that came into force on 1 January 2016. The Allianz Group's and Allianz SE's own funds as well as the capital requirements are since then based on the market value balance sheet approach as the major economic principle of the Solvency II rules. Allianz Group determines its regulatory capital requirements on the basis of a (partial) internal model<sup>1</sup>. Furthermore, the Allianz Group is a financial conglomerate within the scope of the Financial Conglomerate Directive (FCD). The FCD does not impose a materially different capital requirement on Allianz Group compared to Solvency II.

The review of certain elements of the Solvency II framework could potentially have an impact on Allianz Group's and Allianz SE's capitalization.

### Allianz Group: Solvency II regulatory capitalization<sup>2</sup>

	31 March 2020	31 December 2019	31 December 2018
(amounts in € billion)			
Own Funds	78.1	84.0	76.8
Capital Requirement	41.1	39.5	33.5
Capitalization ratio	190%	212%	229%

<sup>1</sup> From a formal perspective, the German Supervisory Authority deems Allianz Group's model to be 'partial' because it does not cover all of Allianz Group's operations: some of Allianz Group's smaller operations report under the standard model and others under the deduction and aggregation method.

<sup>2</sup> Risk capital figures are group diversified at 99.5% confidence level. Allianz Life US included based on third country equivalence with 150% of RBC CAL since 30 September 2015.



## Allianz SE: Solvency II regulatory capitalization

	31 March 2020	31 December 2019	31 December 2018
(amounts in € billion)			
Own Funds	82.9	92.9	83.9
Capital Requirement	36.2	38.4	24.3
Capitalization ratio	229%	242%	345%

The capitalization of Allianz Group as of 1Q 2020 stands at 190% which reflects, amongst other factors, the first economic impacts of the COVID-19 pandemic. Developments after 31 March 2020 are likely to affect the capitalization, dependent on how key market factors (rates, spreads, equity indices) evolve and the effectiveness of state and state-orchestrated actions, but are not reflected in the figures above.

Compared to year-end 2018, our end 2019 Group Solvency II capitalization ratio decreased by 17 %-p to 212 % (2018: 229 %) as the increase in Group Solvency II Capital Requirement was only partially offset by the increase in Group Own Funds. Over the course of the year, Solvency II earnings combined with business growth had a positive impact on our Solvency II capitalization. This was supported by management actions such as asset de-risking and mitigating measures that improved our interest rate risk profile in the current low interest rate environment. However, the positive effects were partly offset by capital management activities such as the share buy-back program and the dividend accrual, as well as the acquisition of shares of Taikang and of businesses from Liver-pool Victoria General Insurance Group Limited and Legal & General Insurance Limited. Unfavorable market developments – predominantly characterized by lower interest rates – as well as regulatory and model changes also contributed to the reduction of our Group Solvency II ratio. Additional impacts such as taxes, changes in transferability restrictions, and diversification effects were broadly offsetting.

As of 31 December 2019, the Solvency II capitalization of the legal entity Allianz SE is at 242 %. The decrease by 103 percentage points in 2019 was caused by a €14.1bn increase in risk capital (mostly driven by the model change for strategic participations), combined with a €9.0bn increase in eligible own funds.

## LEGAL AND ARBITRATION 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 provision. 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 governmental, legal, regulatory or arbitration proceedings in which Allianz Group companies have been involved during the past twelve months are in particular the following:

In September 2015 and in January 2017, two separate putative class action complaints were filed against Allianz Life Insurance Company of North America ("**Allianz Life**") making allegations similar to those made in prior class actions regarding the sale of Allianz Life's annuity products, including allegations of breach of contract and violation of California unfair competition law. In one matter, the Court denied class certification. The case, which continued as an individual action, was settled between the parties with no effect on Allianz Group's financial position. The ultimate outcome of the remaining case cannot yet be determined.

## SIGNIFICANT CHANGES IN THE FINANCIAL POSITION OF ALLIANZ SE OR ALLIANZ GROUP

Save as disclosed in the sections "*Recent Events since 31 December 2019*" and "*Key figures for historical and other financial information*" above, there have been no significant changes with regard to the financial position of Allianz SE or Allianz Group since 31 December 2019.

## Material contracts

For material contracts creating contingent liabilities, please refer to Note 37 of the Consolidated Financial Statements 2019 under "OTHER COMMITMENTS AND CONTINGENCIES" (see page 151 of the Annual Report 2019 of the Allianz Group).

## Alternative Performance Measures

The Allianz Group uses, throughout its financial publications, alternative performance measures (APMs) in addition to the figures which are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. We believe that these measures provide useful information to investors and enhance the understanding of our results. These financial measures are designed to measure performance, growth, profit generation and capital efficiency.

The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS.

The Allianz Group uses the following major alternative performance measures:

- Total revenues
- Operating profit
- Return on equity
- Combined ratio
- Cost-income ratio

Investors should consider that similarly titled APMs reported by other companies may be calculated differently. For that reason, the comparability of APMs across companies might be limited.

In accordance with the guidelines of the European Securities and Markets Authority (ESMA), the following information is given in regards to the above mentioned alternative performance measures:

- Section 1:  
Definition of the APM, its use and limitations on the usefulness.
- Section 2:  
Reconciliation of the APM to the most directly reconcilable line item, subtotal or total presented in the financial statements.

## Definitions, use and limitations

### TOTAL REVENUES

#### DEFINITION AND USEFULNESS

Total revenues are the “top line” figure from which costs and expenses are subtracted to determine operating profit and net income. According to our business segments, total revenues in the Allianz Group comprise total revenues in Property-Casualty, statutory premiums in Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).

$$\begin{aligned} \text{Total revenues}_{\text{Allianz Group}} &= \text{Total revenues}_{\text{Property-Casualty}} \\ &+ \text{Statutory premiums}_{\text{Life/Health}} \\ &+ \text{Operating revenues}_{\text{Asset Management}} \\ &+ \text{Total revenues}_{\text{Corporate and Other (Banking)}} \end{aligned}$$

We consider total revenues as a key performance indicator and believe that it is useful and meaningful to our external audience because it is an important financial measure for the performance and growth of the Allianz Group during a specific time period.

#### LIMITATIONS ON THE USEFULNESS

Total revenues do not provide any information as to the profitability of the Allianz Group. Therefore, total revenues should always be viewed in conjunction with i.e. operating profit or net income.

Furthermore, total revenues are subject to fluctuations which do not derive from the performance of the Allianz Group. These fluctuations result from effects of price changes, foreign currency translation as well as acquisitions, disposals and transfers. Accordingly, in addition to presenting nominal total revenue growth, we also present internal growth, which excludes some of these effects.

### OPERATING PROFIT (OP)

#### DEFINITION AND USEFULNESS

The Allianz Group uses operating profit to evaluate the performance of its reportable segments as well as of the Allianz Group as a whole. Operating profit highlights the portion of income before income taxes that is attributable to the ongoing core operations of the Allianz Group.

The Allianz Group considers the presentation of operating profit to be useful and meaningful to investors because it enhances the understanding of the Allianz Group's underlying operating performance and the comparability of its operating performance over time.

Operating profit is used as one of the decision metrics by Allianz Group's management.

To better understand the ongoing operations of the business, the Allianz Group generally excludes the following non-operating effects:

- income from financial assets and liabilities carried at fair value through income (net),
- realized gains and losses (net) and impairments of investments (net),
- interest expenses from external debt,
- acquisition-related expenses (from business combinations),
- amortization of intangible assets,
- restructuring and integration expenses,
- profit (loss) of substantial subsidiaries classified as held for sale.

The following exceptions apply to this general rule:

- In all reportable segments, income from financial assets and liabilities carried at fair value through income (net) is treated as operating profit if the income relates to operating business.
- For life/health insurance business and property-casualty insurance products with premium refunds, all items listed above are included in operating profit if the profit sources are shared with policyholders. There is one exception from this general rule with regard to policyholder participation in extraordinary tax benefits and expenses. As IFRS require that the consolidated income statements present all tax benefits in the income taxes line item, even when they belong to policyholders, the corresponding expenses for premium refunds are shown as non-operating as well.

Operating profit should be viewed as complementary to, and not as a substitute for, income before income taxes or net income as determined in accordance with IFRS.

## LIMITATIONS ON THE USEFULNESS

Operating profit is subject to fluctuations which do not derive from the performance of the Allianz Group such as changes in foreign currency rates or acquisitions, disposals and transfers between reportable segments.

## RETURN ON EQUITY (ROE)

### DEFINITION AND USEFULNESS

For the Allianz Group, return on equity represents net income attributable to shareholders divided by the average shareholders' equity excluding unrealized gains/losses on bonds net of shadow accounting at the beginning of the period and at the end of the period.

$$\text{RoE}_{\text{AZ Group}} = \frac{\text{Net income attributable to shareholders}}{(\text{Shareholders' equity}^{1,2} \text{ begin of period} + \text{Shareholders' equity}^{1,2} \text{ end of period})/2}$$

1\_Shareholders' equity excluding non-controlling interests

2\_Shareholders' equity excluding unrealized gains/losses on bonds net of shadow accounting

## LIMITATIONS ON THE USEFULNESS

The performance indicator RoE is inherently limited by the fact that it represents a ratio and thus does not provide any information as to the absolute amount of net income or shareholders' equity excluding unrealized gains/losses on bonds net of shadow accounting.

## COMBINED RATIO (CR)

### DEFINITION AND USEFULNESS

The Allianz Group uses the combined ratio as a measure of underwriting profitability in the Property-Casualty segment. The combined ratio represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).

$$CR_{PC\text{Segment}} = \frac{\text{Acq. and admin. expenses (net)}^1 + \text{Claims and ins. benefits inc. (net)}^1}{\text{Premiums earned (net)}^1}$$

<sup>1</sup> In insurance terminology the term "net" means after reinsurance ceded.

The combined ratio is typically expressed as a percentage. A ratio of below 100% indicates that the underwriting result is profitable, whereas a ratio of above 100% indicates an underwriting loss.

The combined ratio can be further broken down into the loss ratio and the expense ratio. The loss ratio represents claims and insurance benefits incurred (net) divided by premiums earned (net), and thus expresses the percentage of net earned premiums used to settle claims.

$$\text{Loss ratio}_{PC\text{Segment}} = \frac{\text{Claims and ins. benefits inc. (net)}}{\text{Premiums earned (net)}}$$

The expense ratio represents acquisition and administrative expenses (net) divided by premiums earned (net). It expresses the percentage of net earned premiums used to cover underwriting expenses for the acquisition of new or renewal business and for administrative expenses.

$$\text{Expense ratio}_{PC\text{Segment}} = \frac{\text{Acq. and admin. expenses (net)}}{\text{Premiums earned (net)}}$$

## LIMITATIONS ON THE USEFULNESS

The combined ratio is used to measure underwriting profitability, but it does not capture the profitability of the investment result or the non-operating result. Even in case of a combined ratio of above 100%, the operating profit and/or the net income can still be positive due to a positive investment income and/or a positive non-operating result.

Moreover, the usefulness of the combined ratio is inherently limited by the fact that it is a ratio and thus it does not provide information on the absolute amount of the underwriting result.

## COST-INCOME RATIO (CIR)

### DEFINITION AND USEFULNESS

The Allianz Group uses the cost-income ratio as a key performance indicator in the Asset Management segment. The CIR sets operating expenses in relation to operating revenues in a given period.

$$CIR_{AM\text{Segment}} = \frac{\text{Operating expenses}^1}{\text{Operating revenues}^2}$$

<sup>1</sup> Operating expenses consist of administrative expenses (net), excluding acquisition-related expenses.

<sup>2</sup> Operating revenues are the sum of net fee and commission income, net interest income, income from financial assets and liabilities carried at fair value through income and other income. The term "net" means that the relevant expenses have already been deducted.

The Allianz Group uses CIR in order to measure the efficiency of its activities in the Asset Management segment. Changes in the ratio indicate a change in efficiency.

### LIMITATIONS ON THE USEFULNESS

The CIR in a given period of time can be influenced by special items, one-offs or foreign exchange effects on the revenue and/or expense side which lead to a change in CIR without a long-term change of efficiency.

Moreover, the usefulness of the cost-income ratio is inherently limited by the fact that it is a ratio and thus it does not provide information on the absolute amount of the operating revenues and expenses.

## RECONCILIATIONS AS OF 31 DECEMBER 2018 AND 31 DECEMBER 2019 (AUDITED)

### TOTAL REVENUES

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

#### Composition of total revenues

€ mn

	2019	2018 <sup>1</sup>
<b>PROPERTY-CASUALTY</b>		
<b>Total revenues</b>	<b>59,156</b>	<b>55,401</b>
consisting of:		
Gross premiums written	57,210	53,636
Fee and commission income	1,946	1,765
<b>LIFE/HEALTH</b>		
<b>Statutory premiums</b>	<b>76,426</b>	<b>70,450</b>
<b>ASSET MANAGEMENT</b>		
<b>Operating revenues</b>	<b>7,164</b>	<b>6,732</b>
consisting of:		
Net fee and commission income	7,171	6,713
Net interest and similar income	(10)	3
Income from financial assets and liabilities carried at fair value through income (net)	1	5
Other income	1	11
<b>CORPORATE AND OTHER</b>		
<b>thereof: Total revenues (Banking)</b>	<b>239</b>	<b>275</b>
consisting of:		
Interest and similar income	73	95
Income from financial assets and liabilities carried at fair value through income (net) <sup>2</sup>	3	3
Fee and commission income	576	577
Other income	-	4
Interest expenses, excluding interest expenses from external debt	(21)	(24)
Fee and commission expenses	(394)	(382)
Consolidation effects within Corporate and Other	1	-
<b>CONSOLIDATION</b>	<b>(616)</b>	<b>(575)</b>
<b>Allianz Group total revenues</b>	<b>142,369</b>	<b>132,283</b>

1. Prior year figures have been adjusted in light of the new total revenues definition.

2. Includes trading income.

#### Reconciliation of Life/Health statutory premiums to premiums earned (net)

€ mn

	2019	2018
<b>Statutory premiums</b>	<b>76,426</b>	<b>70,450</b>
Ceded premiums written	(727)	(625)
Change in unearned premiums	(632)	(563)
Deposits from insurance and investment contracts	(50,480)	(46,095)
<b>Premiums earned (net)</b>	<b>24,586</b>	<b>23,167</b>

## OPERATING PROFIT (OP)

### Business segment information – reconciliation of operating profit (loss) to net income (loss)

€ mn	Property-Casualty	Life/Health	Asset Management	Corporate and Other	Consolidation	Group
<b>2019</b>						
<b>Operating profit (loss)</b>	<b>5,045</b>	<b>4,708</b>	<b>2,704</b>	<b>(602)</b>	<b>-</b>	<b>11,855</b>
<b>Non-operating investment result</b>						
Non-operating income from financial assets and liabilities carried at fair value through income (net) <sup>1</sup>	(15)	109	-	12	2	107
Non-operating realized gains/losses (net) <sup>1</sup>	878	155	-	76	(5)	1,104
Non-operating impairments of investments (net) <sup>1</sup>	(345)	(131)	-	(105)	-	(581)
<b>Subtotal</b>	<b>518</b>	<b>133</b>	<b>-</b>	<b>(17)</b>	<b>(3)</b>	<b>630</b>
Non-operating change in reserves for insurance and investment contracts (net) <sup>1</sup>	-	2	-	-	-	2
Interest expenses from external debt	-	-	-	(813)	-	(813)
Acquisition-related expenses	-	-	(24)	-	-	(24)
Non-operating amortization of intangible assets	(98)	(49)	(16)	(13)	-	(176)
Non-operating restructuring and integration expenses	(241)	(43)	(9)	(104)	-	(398)
<b>Non-operating items</b>	<b>179</b>	<b>43</b>	<b>(49)</b>	<b>(947)</b>	<b>(3)</b>	<b>(778)</b>
<b>Income (loss) before income taxes</b>	<b>5,224</b>	<b>4,750</b>	<b>2,656</b>	<b>(1,549)</b>	<b>(3)</b>	<b>11,077</b>
Income taxes	(1,241)	(1,227)	(664)	355	1	(2,776)
<b>Net income (loss)</b>	<b>3,983</b>	<b>3,523</b>	<b>1,992</b>	<b>(1,194)</b>	<b>(2)</b>	<b>8,302</b>
<b>Net income (loss) attributable to:</b>						
Non-controlling interests	73	187	85	43	-	387
Shareholders	3,910	3,336	1,907	(1,237)	(2)	7,914
<b>2018<sup>2</sup></b>						
<b>Operating profit (loss)</b>	<b>5,725</b>	<b>4,152</b>	<b>2,530</b>	<b>(831)</b>	<b>(64)</b>	<b>11,512</b>
<b>Non-operating investment result</b>						
Non-operating income from financial assets and liabilities carried at fair value through income (net) <sup>1</sup>	40	16	-	19	(7)	67
Non-operating realized gains/losses (net) <sup>1</sup>	663	134	-	156	(3)	951
Non-operating impairments of investments (net) <sup>1</sup>	(396)	(41)	-	(137)	-	(575)
<b>Subtotal</b>	<b>307</b>	<b>108</b>	<b>-</b>	<b>38</b>	<b>(10)</b>	<b>443</b>
Non-operating change in reserves for insurance and investment contracts (net) <sup>1</sup>	-	(22)	-	-	-	(22)
Interest expenses from external debt	-	-	-	(840)	-	(840)
Acquisition-related expenses	-	-	-	-	-	-
Non-operating amortization of intangible assets	(55)	(278)	(13)	(9)	-	(355)
Non-operating restructuring and integration expenses	(180)	(64)	(2)	(94)	-	(339)
<b>Non-operating items</b>	<b>73</b>	<b>(256)</b>	<b>(15)</b>	<b>(905)</b>	<b>(10)</b>	<b>(1,113)</b>
<b>Income (loss) before income taxes</b>	<b>5,798</b>	<b>3,896</b>	<b>2,515</b>	<b>(1,736)</b>	<b>(74)</b>	<b>10,399</b>
Income taxes	(1,496)	(1,059)	(593)	443	10	(2,696)
<b>Net income (loss)</b>	<b>4,302</b>	<b>2,837</b>	<b>1,922</b>	<b>(1,294)</b>	<b>(63)</b>	<b>7,703</b>
<b>Net income (loss) attributable to:</b>						
Non-controlling interests	66	166	73	(64)	-	241
Shareholders	4,236	2,671	1,848	(1,230)	(63)	7,462

<sup>1</sup> In investment terminology the term "net" is used when the relevant expenses have already been deducted.

<sup>2</sup> Prior year figures have not been adjusted in light of the new operating profit definition.



## RETURN ON EQUITY (ROE)

Return on equity represents net income attributable to shareholders divided by the average shareholders' equity excluding unrealized gains/losses on bonds net of shadow accounting at the beginning of the period and at the end of the period.

$$\text{RoE}_{\text{AZ Group}} = \frac{\text{Net income attributable to shareholders}}{(\text{Shareholders' equity}^{1,2} \text{ begin of period} + \text{Shareholders' equity}^{1,2} \text{ end of period})/2}$$

1\_Shareholders' equity excluding non-controlling interests

2\_Shareholders' equity excluding unrealized gains/losses on bonds net of shadow accounting

## Reconciliation of return on equity for Allianz Group

€ mn

	2019	2018
Net income attributable to shareholders	7,914	7,462
Shareholders' equity bop	61,232	65,553
Shareholders' equity eop	74,002	61,232
Unrealized gains/losses on bonds (net of shadow accounting) bop	4,894	8,904
Unrealized gains/losses on bonds (net of shadow accounting) eop	13,796	4,894
<b>Return on equity (excluding unrealized gains/losses on bonds net of shadow accounting) in %</b>	<b>13.6</b>	<b>13.2</b>

## COMBINED RATIO (CR)

The combined ratio represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).

$$\text{CR}_{\text{PC Segment}} = \frac{\text{Acq. and admin. expenses (net)}^1 + \text{Claims and ins. benefits inc. (net)}^1}{\text{Premiums earned (net)}^1}$$

1\_In insurance terminology the term "net" means after reinsurance ceded.

## Reconciliation of combined ratio

€ mn

	2019	2018
Claims and insurance benefits incurred (net)	(34,900)	(31,864)
Acquisition and administrative expenses (net)	(14,119)	(13,542)
Premiums earned (net)	51,328	48,305
<b>Combined ratio in %</b>	<b>95.5</b>	<b>94.0</b>
Loss ratio in %	68.0	66.0
Expense ratio in %	27.5	28.0

## COST-INCOME RATIO (CIR)

The cost-income ratio sets operating expenses in relation to operating revenues in a given period.

$$\text{CIR}_{\text{AM Segment}} = \frac{\text{Operating expenses}^1}{\text{Operating revenues}^2}$$

1\_Operating expenses consist of administrative expenses (net), excluding acquisition-related expenses.

2\_Operating revenues are the sum of net fee and commission income, net interest income, income from financial assets and liabilities carried at fair value through income and other income. The term "net" means that the relevant expenses have already been deducted.

**Reconciliation of cost-income ratio**

€ mn	2019	2018
Operating expenses	(4,460)	(4,202)
Operating revenues	7,164	6,732
<b>Cost-income ratio in %</b>	<b>62.3</b>	<b>62.4</b>

**RECONCILIATIONS AS OF 31 MARCH 2020 AND 31 MARCH 2019 (UNAUDITED, UNREVIEWED)****TOTAL REVENUES**

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

**Composition of total revenues**

€ mn	2020	2019
Three months ended 31 March		
<b>PROPERTY-CASUALTY</b>		
<b>Total revenues</b>	<b>20,315</b>	<b>19,490</b>
consisting of:		
Gross premiums written	19,849	18,997
Fee and commission income	466	492
<b>LIFE/HEALTH</b>		
<b>Statutory premiums</b>	<b>20,533</b>	<b>19,285</b>
<b>ASSET MANAGEMENT</b>		
<b>Operating revenues</b>	<b>1,773</b>	<b>1,576</b>
consisting of:		
Net fee and commission income	1,783	1,576
Net interest and similar income	(5)	(3)
Income from financial assets and liabilities carried at fair value through income (net)	(6)	3
<b>CORPORATE AND OTHER</b>		
<b>thereof: Total revenues (Banking)</b>	<b>58</b>	<b>55</b>
consisting of:		
Interest and similar income	17	18
Income from financial assets and liabilities carried at fair value through income (net) <sup>1</sup>	-	1
Fee and commission income	134	124
Interest expenses, excluding interest expenses from external debt	(5)	(4)
Fee and commission expenses	(92)	(85)
Consolidation effects within Corporate and Other	3	-
<b>CONSOLIDATION</b>	<b>(127)</b>	<b>(133)</b>
<b>Allianz Group total revenues</b>	<b>42,552</b>	<b>40,273</b>

<sup>1</sup> Includes trading income.

**Reconciliation of Life/Health statutory premiums to premiums earned (net)**

€ mn	2020	2019
Three months ended 31 March		
<b>Statutory premiums</b>	<b>20,533</b>	<b>19,285</b>
Ceded premiums written	(220)	(152)
Change in unearned premiums	(262)	(147)
Deposits from insurance and investment contracts	(13,719)	(12,191)
<b>Premiums earned (net)</b>	<b>6,332</b>	<b>6,795</b>

## OPERATING PROFIT (OP)

### Business segment information – reconciliation of operating profit (loss) to net income (loss)

€ mn

Three months ended 31 March	Property-Casualty	Life/Health	Asset Management	Corporate and Other	Consolidation	Group
<b>2020</b>						
<b>Operating profit (loss)</b>	<b>1,032</b>	<b>819</b>	<b>679</b>	<b>(228)</b>	<b>2</b>	<b>2,304</b>
<b>Non-operating investment result</b>						
Non-operating income from financial assets and liabilities carried at fair value through income (net) <sup>1</sup>	55	(46)	-	(15)	-	(6)
Non-operating realized gains/losses (net) <sup>1</sup>	(146)	555	-	37	2	448
Non-operating impairments of investments (net) <sup>1</sup>	(393)	(104)	-	(13)	-	(509)
<b>Subtotal</b>	<b>(484)</b>	<b>405</b>	<b>-</b>	<b>10</b>	<b>2</b>	<b>(67)</b>
Non-operating change in reserves for insurance and investment contracts (net) <sup>1</sup>	-	22	-	-	-	22
Interest expenses from external debt	-	-	-	(180)	-	(180)
Acquisition-related expenses	-	-	-	-	-	-
Non-operating amortization of intangible assets	(26)	(11)	(4)	(5)	-	(46)
Non-operating restructuring and integration expenses	(40)	(11)	(74)	(15)	-	(141)
<b>Non-operating items</b>	<b>(551)</b>	<b>405</b>	<b>(78)</b>	<b>(190)</b>	<b>2</b>	<b>(412)</b>
<b>Income (loss) before income taxes</b>	<b>481</b>	<b>1,223</b>	<b>601</b>	<b>(418)</b>	<b>4</b>	<b>1,892</b>
Income taxes	(309)	(154)	(156)	211	(1)	(409)
<b>Net income (loss)</b>	<b>173</b>	<b>1,069</b>	<b>445</b>	<b>(207)</b>	<b>3</b>	<b>1,483</b>
<b>Net income (loss) attributable to:</b>						
Non-controlling interests	23	29	27	4	-	84
Shareholders	150	1,040	418	(211)	3	1,400
<b>2019</b>						
<b>Operating profit (loss)</b>	<b>1,455</b>	<b>1,096</b>	<b>573</b>	<b>(164)</b>	<b>4</b>	<b>2,962</b>
<b>Non-operating investment result</b>						
Non-operating income from financial assets and liabilities carried at fair value through income (net) <sup>1</sup>	(56)	60	-	(7)	1	(2)
Non-operating realized gains/losses (net) <sup>1</sup>	100	13	-	(3)	-	110
Non-operating impairments of investments (net) <sup>1</sup>	(50)	(11)	-	(4)	-	(65)
<b>Subtotal</b>	<b>(7)</b>	<b>62</b>	<b>-</b>	<b>(14)</b>	<b>1</b>	<b>43</b>
Non-operating change in reserves for insurance and investment contracts (net) <sup>1</sup>	-	(5)	-	-	-	(5)
Interest expenses from external debt	-	-	-	(215)	-	(215)
Acquisition-related expenses	-	-	-	-	-	-
Non-operating amortization of intangible assets	(21)	(15)	(4)	(3)	-	(43)
Non-operating restructuring and integration expenses	(5)	-	-	(10)	-	(15)
<b>Non-operating items</b>	<b>(33)</b>	<b>42</b>	<b>(4)</b>	<b>(241)</b>	<b>1</b>	<b>(235)</b>
<b>Income (loss) before income taxes</b>	<b>1,422</b>	<b>1,137</b>	<b>568</b>	<b>(406)</b>	<b>4</b>	<b>2,727</b>
Income taxes	(368)	(276)	(151)	120	(1)	(676)
<b>Net income (loss)</b>	<b>1,054</b>	<b>861</b>	<b>418</b>	<b>(286)</b>	<b>4</b>	<b>2,051</b>
<b>Net income (loss) attributable to:</b>						
Non-controlling interests	19	41	19	4	-	82
Shareholders	1,035	821	400	(290)	4	1,969

<sup>1</sup> In investment terminology the term "net" is used when the relevant expenses have already been deducted.

## RETURN ON EQUITY (ROE)

Return on equity represents net income attributable to shareholders divided by the average shareholders' equity excluding unrealized gains/losses on bonds net of shadow accounting at the beginning of the period and at the end of the period.

$$\text{RoE}_{\text{AZ Group}} = \frac{\text{Net income attributable to shareholders}}{(\text{Shareholders' equity}^{1,2} \text{ begin of period} + \text{Shareholders' equity}^{1,2} \text{ end of period})/2}$$

1\_Shareholders' equity excluding non-controlling interests

2\_Shareholders' equity excluding unrealized gains/losses on bonds net of shadow accounting

### Reconciliation of return on equity for Allianz Group

€ mn		
Three months ended 31 March	2020	2019
Net income attributable to shareholders	1,400	1,969
Shareholders' equity bop	74,002	61,232
Shareholders' equity eop	69,397	67,198
Unrealized gains/losses on bonds (net of shadow accounting) bop	13,796	4,894
Unrealized gains/losses on bonds (net of shadow accounting) eop	9,269	8,808
<b>Return on equity (excluding unrealized gains/losses on bonds net of shadow accounting) in %</b>	<b>2.3</b>	<b>3.4</b>

## COMBINED RATIO (CR)

The combined ratio represents the total of acquisition and administrative expenses (net) and claims and insurance benefits incurred (net) divided by premiums earned (net).

$$\text{CR}_{\text{PC Segment}} = \frac{\text{Acq. and admin. expenses (net)}^1 + \text{Claims and ins. benefits inc. (net)}^1}{\text{Premiums earned (net)}^1}$$

1\_In insurance terminology the term "net" means after reinsurance ceded.

### Reconciliation of combined ratio

€ mn		
Three months ended 31 March	2020	2019
Claims and insurance benefits incurred (net)	(9,375)	(8,212)
Acquisition and administrative expenses (net)	(3,638)	(3,468)
Premiums earned (net)	13,310	12,464
<b>Combined ratio in %</b>	<b>97.8</b>	<b>93.7</b>
Loss ratio in %	70.4	65.9
Expense ratio in %	27.3	27.8

## COST-INCOME RATIO (CIR)

The cost-income ratio sets operating expenses in relation to operating revenues in a given period.

$$\text{CIR}_{\text{AM Segment}} = \frac{\text{Operating expenses}^1}{\text{Operating revenues}^2}$$

1\_Operating expenses consist of administrative expenses (net), excluding acquisition-related expenses.

2\_Operating revenues are the sum of net fee and commission income, net interest income, income from financial assets and liabilities carried at fair value through income and other income. The term "net" means that the relevant expenses have already been deducted.

**Reconciliation of cost-income ratio**

€ mn

Three months ended 31 March	2020	2019
Operating expenses	(1,094)	(1,004)
Operating revenues	1,773	1,576
<b>Cost-income ratio in %</b>	<b>61.7</b>	<b>63.7</b>

# TAXATION WARNING

The tax legislation of the state of residence of a prospective purchaser of Notes and the Issuers' country of incorporation may have an impact on the income received from the Notes.

**Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Notes.**

# SUBSCRIPTION AND SALE

## General

Pursuant to a subscription agreement dated 20 May 2020 (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 22 May 2020. 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 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.

### EUROPEAN ECONOMIC AREA AND UNITED KINGDOM

Each Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II (as amended); or
- (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (iii) not a qualified investor as defined in the Prospectus Regulation.

### 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 Manager 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 Manager (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:

(i) 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

(ii) 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.

# GENERAL INFORMATION

1. Interest of natural and legal persons involved in the issue/offer: Certain of the Managers and their affiliates may be customers of, borrowers from or creditors of the Issuer and/or its affiliates. In addition, the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and/or its affiliates in the ordinary course of business.
2. Use and net amount of proceeds: The net amount of the proceeds is EUR 998,770,000.00 and will be used for general corporate purposes including the refinancing of existing debt.
3. Documents available for inspection: For so long as Notes are outstanding, electronic versions of the following documents are available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)):
  - (i) the Articles of Association (Satzung) of Allianz SE (accessed by using the hyperlink: "<http://dl.bourse.lu/dlp/10b46268c2621e4a9e935dccb626c229b5>"); and
  - (ii) the documents specified in the section "*Documents Incorporated by Reference*" below (accessed by using the hyperlinks set out in the section "*Documents Incorporated by Reference*" below).

The Prospectus and any supplement to this Prospectus will be available in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu))

4. 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 8 May 2020.
5. Clearing System: Notes have been accepted for clearance through the Clearstream Banking AG, Frankfurt am Main, Mergenthalerallee 61, 65760 Eschborn, Germany.
6. International Security Identification Number: The international security identification number ('ISIN') of the Notes is DE000A254TM8.

The Notes have the following securities codes:

Common Code: 217855764

German Securities Code (WKN): A254TM

7. Expenses of the admission to trading: The total expenses related to the admission to trading of the Notes are expected to amount to approximately EUR 15,000.
8. 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. The admission to trading of the Notes is expected on 22 May 2020.
9. Third Party Information: With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted the omission of which would render the reproduced information inaccurate or misleading and (ii) neither the Issuer nor any Manager has independently verified any such information and neither the Issuer nor any Manager accepts any responsibility for the accuracy thereof.
10. Yield: For the subscribers, the yield of the Notes is 2.121 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.
11. Rating of the Notes: The Notes are expected to be rated "A2(hyb)" from Moody's and "A+" from S&P.

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. S&P 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 of the Notes will be issued by S&P Global Ratings 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>.

# 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:

**(i) Extracted from: Allianz Group – Annual Report 2019**

Consolidated Balance Sheets	page 94
Consolidated Income Statements	page 95
Consolidated Statements of Comprehensive Income	page 96
Consolidated Statements of Changes in Equity	page 97
Consolidated Statements of Cash Flows	pages 98 - 100
Notes to the Consolidated Financial Statements	pages 101 - 168
Notes to the Consolidated Balance Sheets	pages 121 - 137
Notes to the Consolidated Income Statements	pages 138 - 142
Other Information	pages 143 - 158
List of participations of the Allianz Group as of 31 December 2018 according to § 313(2) HGB	pages 159 - 168
Independent Auditor's report	pages 171 - 174

**(ii) Extracted from: Allianz Group – Annual Report 2018**

Consolidated Balance Sheets	page 92
Consolidated Income Statements	page 93
Consolidated Statements of Comprehensive Income	page 94
Consolidated Statements of Changes in Equity	page 95
Consolidated Statements of Cash Flows	pages 96 - 97
Notes to the Consolidated Financial Statements	pages 98 - 138
Notes to the Consolidated Balance Sheets	pages 117 - 133
Notes to the Consolidated Income Statements	pages 134 - 138
Other Information	pages 139 - 153
List of participations of the Allianz Group as of 31 December 2018 according to § 313(2) HGB	pages 154 - 162
Independent Auditor's Report	pages 165 - 169

**(iii) Extracted from: Allianz SE – Annual Report 2019**

Balance Sheet	pages 60 - 61
Income Statement	page 62
Notes to the Financial Statements of Allianz SE	pages 63 - 82
List of participations Allianz SE, Munich as of December 31, 2019 according to § 285 No. 11 HGB in conjunction with § 286 (3) No. 1 HGB	pages 83 - 89
Independent Auditor's report	pages 93 - 96

**(iv) Extracted from: Allianz SE – Annual Report 2018**

Balance Sheet	pages 60 - 61
Income Statement	page 62
Notes to the Financial Statements of Allianz SE	pages 63 - 82
List of participations Allianz SE, Munich as of December 31, 2018 according to § 285 No. 11 HGB in conjunction with § 286 (3) No. 1 HGB	pages 83 - 89
Independent Auditor's Report	pages 91 - 94

**(v) Extracted from: Allianz SE, Allianz Finance II B.V. and Allianz Finance III B.V. – Base Prospectus dated 12 May 2020**

General Description of the Programme	pages 6 - 7
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All of these pages shall be deemed to be incorporated by reference into, and to form part of, this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered office of the Issuer and the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

Electronic versions of the documents incorporated by reference are also available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and can be accessed by using the following hyperlinks:

1. Allianz Group – Annual Report 2019:  
<http://dl.bourse.lu/dlp/1014b805f30b00411db061543379a9b134>
2. Allianz Group – Annual Report 2018:  
<http://dl.bourse.lu/dlp/10ad24ea7b56e5476c964d095423f6e82c>
3. Allianz SE – Annual Report 2019:  
<http://dl.bourse.lu/dlp/103c4741808ac243d996dc258d5e5ac00a>
4. Allianz SE – Annual Report 2018:  
<http://dl.bourse.lu/dlp/10a7f266073d0e4334918bc0d4c332088c>
5. Allianz SE, Allianz Finance II B.V. and Allianz Finance III B.V. – Base Prospectus 2020:  
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