

OFFERING CIRCULAR



ALLIANZ SE

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

€1,250,000,000

2.600 per cent. Perpetual Fixed Rate Resetable Restricted Tier 1 Notes

The €1,250,000,000 aggregate nominal amount of 2.600 per cent. perpetual fixed rate resettable restricted Tier 1 notes (the “Notes”) offered hereby will be issued by Allianz SE (the “Issuer”).

The Notes are perpetual notes and have no fixed maturity or redemption date. Holders of Notes have no right to require the Issuer to redeem or purchase the Notes at any time. The Issuer shall be entitled to redeem the Notes only in accordance with the provisions specified in “*Terms and Conditions of the Notes — § 4 (Redemption; Write-downs; Write-ups)*”. The Issuer shall have the right (subject, in particular, to the prior approval of the Competent Supervisory Authority) to redeem the Notes, in whole but not in part, on October 30, 2031 and on any Optional Redemption Date thereafter as further specified in “*Terms and Conditions of the Notes — § 4 (Redemption; Write-downs; Write-ups)*”. In addition, the Issuer may (subject, in particular, to the prior approval of the Competent Supervisory Authority) redeem the Notes at any time on the occurrence of a Tax Event, a Regulatory Event or a Rating Agency Event, as set out in “*Terms and Conditions of the Notes — § 4 (Redemption; Write-downs; Write-ups)*”.

Subject to the right or obligation of the Issuer to cancel any payment of interest in respect of the Notes in accordance with “*Terms and Conditions of the Notes — § 3 (Interest)*,” interest will accrue on the current nominal amount of the Notes (i) from (and including) the Interest Commencement Date to (but excluding) April 30, 2032 (the “First Reset Date”), at a fixed rate of 2.600 per cent. *per annum* payable annually in arrear on April 30 in each year, commencing on April 30, 2022 and (ii) from (and including) the First Reset Date to (but excluding) the next Reset Date and thereafter from (and including) each Reset Date to (but excluding) the next Reset Date, at the relevant Reference Rate plus the initial annualized margin payable annually in arrear on April 30 in each year, as further specified in “*Terms and Conditions of the Notes — § 3 (Interest)*”.

The Issuer may elect at any time to cancel (in whole or in part) any interest payment otherwise scheduled to be paid on an Interest Payment Date and shall cancel an interest payment upon the occurrence of certain mandatory interest cancellation events as set out in “*Terms and Conditions of the Notes — § 3 (Interest)*” with respect to that interest payment. The cancellation of any interest payment shall not constitute a default or event of default for any purpose on the part of the Issuer and Holders shall not have any right to such cancelled interest, whether in an insolvency or dissolution of the Issuer or otherwise. Any interest payment (or part thereof) that is cancelled in accordance with the Terms and Conditions of the Notes shall not become due and payable in any circumstances.

Upon the occurrence of a Trigger Event or a Deterioration Event (as defined herein), the Issuer shall, without the need for the consent of the Holders, write down the Notes by reducing the Initial Nominal Amount (as defined herein) or, in case a write-down has occurred previously, by reducing the then current nominal amount of the Notes. A write-down of the Notes shall not constitute a default or an event of default in respect of the Notes or a breach of the Issuer’s obligations or duties or a failure to perform by the Issuer in any manner whatsoever, and shall not entitle Holders to petition for the insolvency or dissolution of the Issuer or to take any other action. Following any reduction of the Initial Nominal Amount, the Issuer may, at its discretion, increase the current nominal amount of the Notes on any date and in any amount that it determines in its discretion (either to the Initial Nominal Amount or to any lower amount) provided that several conditions are met, as set out in “*Terms and Conditions of the Notes — § 4 (Redemption; Write-downs; Write-ups)*”. Write-ups in respect of the Notes are limited under certain circumstances described in “*Terms and Conditions of the Notes — § 4 (Redemption; Write-downs; Write-ups) — 9(d)*”, and as a consequence, write-downs can be in full and permanent.

The Notes do not contain events of default.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state of the United States or any other jurisdiction. Accordingly, the Notes are being offered and sold only to certain persons outside the United States that are not, and are not acting for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”)) in offshore transactions in accordance with Regulation S.

Investing in the Notes involves risks. See “Risk Factors” beginning on page 30 of this offering circular (the “Offering Circular”) for a discussion of certain risks that you should consider before buying the Notes.

The Issuer has applied for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market operated by the Luxembourg Stock Exchange, which is a multilateral trading facility for the purposes of MiFID II, and, therefore, not an EU-regulated market.

This Offering Circular does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the “Prospectus Regulation”) or Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “UK Prospectus Regulation”) and, in accordance with the Prospectus Regulation and the UK Prospectus Regulation, no prospectus is required in connection with the listing of the Notes.

Issue Price: 100.008 per cent.

The issue price set forth above does not include accrued interest, if any. Interest on the Notes will accrue from September 7, 2021.

The Notes will be represented by a permanent global note in bearer form (the “Global Note”). The Global Note will be deposited prior to the Issue Date with Clearstream Banking AG, Frankfurt am Main.

Joint Lead Managers

BofA Securities

Citigroup

COMMERZBANK

Crédit Agricole CIB

Deutsche Bank

HSBC

Co-Lead Managers

BNP PARIBAS

BayernLB

Helaba

National Australia Bank Limited

**Société Générale
Corporate & Investment Banking**

UniCredit

The date of this Offering Circular is September 1, 2021.

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NOTICE TO INVESTORS

None of the Issuer or BofA Securities Europe SA, Citigroup Global Markets Europe AG, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft or HSBC Continental Europe (together, the “Joint Lead Managers”), BNP Paribas, Bayerische Landesbank, Landesbank Hessen-Thüringen Girozentrale, National Australia Bank Limited (ABN 12 004 044 937), Société Générale and UniCredit Bank AG (the “Co-Lead managers” and together with the Joint Lead Managers, the “Managers”) has authorized anyone to provide you with any information or represent anything about the Issuer or the Managers, the Issuer’s financial results or this offering that is not contained in this Offering Circular. The Issuer and the Managers take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. None of the Issuer or the Managers is making an offering of the Notes in any jurisdiction where this offering is not permitted. You should not assume in any circumstances that the information contained in this Offering Circular is accurate as at any date other than the date hereof or that any information supplied in connection with the Notes is accurate as of any time other than the date indicated in the document containing the same.

Neither this Offering Circular nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or any of the Managers that any recipient of this Offering Circular should purchase any Notes. In making an investment decision, prospective investors must rely on their own examination of the Issuer and the terms of this offering, including the merits and risks involved.

In addition, none of the Issuer or the Managers or any of our or their respective representatives is making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this Offering Circular as legal, business or tax advice. You should consult your own advisors as to legal, tax, business, financial and related aspects of an investment in the Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this Offering Circular, and you must obtain all applicable consents and approvals; none of the Issuer or the Managers shall have any responsibility for any of the foregoing legal requirements.

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 this Offering Circular, except for the Issuer, accepts responsibility for the accuracy and completeness of the information contained in this Offering Circular 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.

By receiving this Offering Circular, you acknowledge that you have had an opportunity to request from the Issuer for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in this Offering Circular. You also acknowledge that you have not relied on the Managers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes.

The distribution of this Offering Circular and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required to inform themselves about and to observe any such restrictions. Please see notices to investors in this section starting on page 4 and “*Selling Restrictions*” starting on page 158. In particular, the Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, any U.S. persons as defined in Regulation S.

The Notes will be represented by a permanent global note in bearer form.

The language of this Offering Circular is English. However, the German language version of the Terms and Conditions of the Notes shall be controlling and binding. An English language translation of the Terms and Conditions of the Notes is set out next to the German language version.

THE SECURITIES MAY NOT BE OFFERED TO THE PUBLIC WITHIN ANY JURISDICTION. BY ACCEPTING DELIVERY OF THIS OFFERING CIRCULAR, YOU AGREE NOT TO OFFER, SELL, RESELL, TRANSFER OR DELIVER, DIRECTLY OR INDIRECTLY, ANY SECURITIES TO THE PUBLIC.

NOTICE TO EEA INVESTORS

MiFID II Product Governance / Professional Investors and ECPs Only Target Market: 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

Directive 2014/65/EU (as amended, “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/Prohibition of Sales to EEA Retail Investors: The Notes described in this Offering Circular 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. 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 2016/97/EU (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. 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 has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

NOTICE TO UK INVESTORS

UK MiFIR Product Governance / Target: 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 as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (“UK MiFIR”); 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 the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) 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.

UK PRIIPs Regulation/Prohibition of Sales to UK Retail Investors: The Notes described in this Offering Circular 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 United Kingdom (the “UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. This Offering Circular has not been approved by an authorised person in the UK. This Offering Circular is for distribution only to persons who: (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”); (ii) are persons falling within Article 49(2)(a) to (d) (high-net-worth companies, unincorporated associations, etc.) of the Financial Promotion Order; or (iii) are outside the UK (all such persons together being referred to as “relevant persons”). This Offering Circular is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons.

Prohibition on marketing and sales of Notes to retail investors: The Notes 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 with features similar to the Notes to retail investors. Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).

In the UK, COBS requires, in summary, that the Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a “retail client”) in the UK.

Certain of the Managers are required to comply with COBS.

By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Issuer and/or each Manager, each prospective investor represents, warrants, agrees with, and undertakes to, the Issuer and each Manager that:

1. it is not a retail client in the UK;
2. it will not:
 - (i) sell or offer the Notes (or any beneficial interests therein) to retail clients in the UK or
 - (ii) communicate (including the distribution of this Offering Circular, in preliminary or final form) or approve any invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK, and

in selling or offering the Notes or making or approving communications relating to the Notes, each prospective investor may not rely on the limited exceptions set out in COBS.

3. The obligations in paragraph 2 above are in addition to the need to comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), whether or not specifically mentioned in the Offering Circular, including (without limitation) MiFID II or the UK FCA Handbook and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) by investors in any relevant jurisdiction.

Each prospective investor further acknowledges that:

1. the identified target market for the Notes (for the purposes of the product governance obligations in MiFID II or UK Delegated Regulation) is eligible counterparties and professional clients;
2. no key information document (KID) under the PRIIPs Regulation has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation; and
3. no key information document (KID) under the UK PRIIPs Regulation has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK 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 interest therein) from the Issuer and/or any of the Managers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding on both the agent and its underlying client(s).

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.

Responsibility Statement: The Issuer accepts responsibility for the information contained in and incorporated by reference into this Offering Circular. The Issuer hereby declares that, to the best of its knowledge, the information contained in this Offering Circular is in accordance with the facts and that this Offering Circular makes no omission likely to affect its import.

CERTAIN DEFINED TERMS

In this Offering Circular, references to the “Issuer” or “Allianz” refer to Allianz SE. References to “we,” “us” and “our” refer to Allianz SE or, if the context so requires, to Allianz SE and its consolidated subsidiaries. References to the “Allianz Group” or the “Group” refer to Allianz SE and its consolidated subsidiaries, except that, for the purpose of the Terms and Conditions of the Notes, the term “Group” shall have the meaning ascribed to such term in such Terms and Conditions of the Notes.

References to “EUR,” “euro” and “€” are to the single currency introduced at the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community as amended by the Treaty of the European Union. All references to “USD,” “US\$” and “\$” are to the lawful currency of the United States of America.

MARKET, RANKING AND OTHER THIRD-PARTY DATA

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.

The market position of the Allianz Group's Property-Casualty business as described in this Offering Circular is based on revenues for the year ended December 31, 2020 compared to a selected peer group of comparable international insurers with similar product offerings, which comprises AIG, AXA, Chubb, Generali and Zurich. With respect to the Allianz Group, revenues comprise gross premiums written and fee and commission income. With respect to each peer company, revenues represent the applicable top-line revenue figure disclosed by such peer company.

The market position of the Allianz Group's Life/Health business as described in this Offering Circular is based on gross premiums written from sales of life and health insurance policies plus gross receipts from sales of unit-linked and other investment-oriented products for the year ended December 31, 2020, compared to comparable key performance indicator measurements for Life/Health gross premiums written plus gross receipts as disclosed by a selected peer group of comparable international insurers with similar product offerings, which comprises AIG, AXA, Chubb, Generali and Zurich.

The market position of the Allianz Group's assets under management as described in this Offering Circular is based on assets under management as of December 31, 2020, compared to disclosed assets under management of a selected peer group of comparable asset managers comprising Alliance Bernstein, Amundi, AXA IM, Blackrock, DWS, Franklin / Legg Mason, Schroders, Standard Life Aberdeen, T. Rowe and UBS Asset Management.

INCORPORATION BY REFERENCE

The Offering Circular should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Offering Circular and shall be deemed to be incorporated by reference in, and form part of, this Offering Circular.

Cross Reference List

Information Incorporated by Reference	Pages Incorporated
Allianz Group	
<i>First Half-Year Report 2021 (the "Allianz Group 1H 2021 Interim Report")</i>	
Interim Group Management Report	
Executive Summary	Pages 2-3
Property-Casualty Insurance Operations	Pages 4-5
Life/Health Insurance Operations	Pages 6-8
Asset Management	Pages 9-10
Corporate and Other	Page 11
Balance Sheet Review	Pages 14-15
Reconciliations	Pages 16-17
Consolidated Balance Sheet	Page 20
Consolidated Income Statement	Page 21
Consolidated Statement of Comprehensive Income	Page 22
Consolidated Statement of Changes in Equity	Page 23
Consolidated Statement of Cash Flows	Pages 24-26
Notes to the Consolidated Financial Statements	Pages 27-47
Review Report	Page 51

Information Incorporated by Reference	Pages Incorporated
Allianz Group	
<i>Annual Report 2020 (the "Allianz Group 2020 Annual Report")</i>	
Group Management Report	
Business Operations	Pages 60-62
Business Environment	Page 63
Executive Summary of 2020 Results	Page 64
Property-Casualty Insurance Operations	Pages 65-66
Life/Health Insurance Operations	Pages 67-69
Asset Management	Pages 70-71
Corporate and Other	Page 72
Balance Sheet Review	Pages 77-78
Liquidity and Funding Resources	Pages 79-81
Reconciliations	Pages 82-83
Risk and Opportunity Report	Pages 84-100

Information Incorporated by Reference	Pages Incorporated
Allianz Group	
<i>Annual Report 2020 (the “Allianz Group 2020 Annual Report”)</i>	
Consolidated Balance Sheet	Page 104
Consolidated Income Statement	Page 105
Consolidated Statement of Comprehensive Income	Page 106
Consolidated Statement of Changes in Equity	Page 107
Consolidated Statement of Cash Flows	Pages 108-110
Notes to the Consolidated Financial Statements	Pages 111-180
General Information	Pages 111-132
Notes to the Consolidated Balance Sheets	Pages 133-149
Notes to the Consolidated Income Statements	Pages 150-154
Other Information	Pages 155-170
List of participations of the Allianz Group as of December 31, 2019 according to § 313(2) HGB German Commercial Code	Pages 171-180
Independent Auditor’s Report	Pages 183-188

Information Incorporated by Reference	Pages Incorporated
Allianz Group	
<i>Annual Report 2019 (the “Allianz Group 2019 Annual Report”)</i>	
Group Management Report	
Business Operations	Pages 52-54
Business Environment	Page 55
Executive Summary of 2019 Results	Page 56
Property-Casualty Insurance Operations	Pages 57-58
Life/Health Insurance Operations	Pages 59-61
Asset Management	Pages 62-63
Corporate and Other	Page 64
Balance Sheet Review	Pages 69-70
Liquidity and Funding Resources	Pages 71-73
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Risk and Opportunity Report	Pages 76-91
Consolidated Balance Sheet	Page 94
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Consolidated Statement of Comprehensive Income	Page 96
Consolidated Statement of Changes in Equity	Page 97
Consolidated Statement of Cash Flows	Pages 98-100
Notes to the Consolidated Financial Statements	Pages 101-168
General Information	Pages 101-120

Information Incorporated by Reference	Pages Incorporated
Allianz Group	
<i>Annual Report 2019 (the “Allianz Group 2019 Annual Report”)</i>	
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 December 31, 2019 according to § 313(2) HGB German Commercial Code	Pages 159-168
Independent Auditor’s Report	Pages 171-174

Information Incorporated by Reference	Pages Incorporated
Allianz SE	
<i>Annual Report 2020 (the “Allianz SE 2020 Annual Report”)</i>	
Balance Sheets	Pages 66-71
Income Statement	Page 68
Notes to the Financial Statements	Pages 69-96
Independent Auditor’s Report	Pages 99-102

Information Incorporated by Reference	Pages Incorporated
Allianz Group	
<i>Solvency and Financial Condition Report 2020 (the “SFCR 2020 Report”)</i>	
Risk Profile	Pages 50-66
Valuation for Solvency Purposes	Pages 67-93
Capital Management	Pages 94-114

Information Incorporated by Reference	Pages Incorporated
Allianz Group	
<i>Own Funds Report and Life Supplement 2020 (the “Own Funds 2020 Report”)</i>	
Group Chapters	Pages 4-8
Appendix	Pages 30-31

All of the above listed pages shall be deemed to be incorporated by reference in, and to form part of, this Offering Circular. The non-incorporated parts of such documents (i.e., the pages not listed in the tables above) and the contents of the Issuer’s website do not form part of this Offering Circular and should not be relied upon for purposes of forming an investment decision with respect to the Notes. Copies of the documents which are incorporated by reference herein will be available free of charge during normal business hours from the registered office of the Issuer set out at the end of this Offering Circular.

The Allianz Group 1H 2021 Interim Report, the Allianz Group 2020 Annual Report, the Allianz SE 2020 Annual Report, the SFCR 2020 Report and the Own Funds 2020 Report (collectively, the “Allianz Group Reports”) are accessible on the following websites of the Issuer:

Allianz Group 1H 2021 Interim Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results/2021-2q/en-interim-report-2q-2021.pdf
Allianz Group 2020 Annual Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/annual-report/ar-2020/en-Allianz-Group-Annual-Report-2020.pdf
Allianz Group 2019 Annual Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/annual-report/ar-2019/en-AR-Group-Annual-Report-Allianz-2019.pdf
Allianz SE 2020 Annual Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/annual-report/ar-2020/en-Allianz-SE-Annual-Report-2020.pdf
SFCR 2020 Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/sfcr/2021/en-Allianz-Group-SFCR-2020.pdf
Own Funds 2020 Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/annual-report/ar-2020/en-Own-Funds-Report-2020.pdf

World Wide Web addresses contained in this Offering Circular are for explanatory purposes only and the content of such websites (other than the contents thereof specifically incorporated by reference in this Offering Circular) do not form a part of, and are not incorporated by reference into, this Offering Circular and should not be relied upon for purposes of forming an investment decision with respect to the Notes.

Each report containing information which is incorporated by reference herein is current only as of the date of such document, and the incorporation by reference of such document shall not create any implication that there has been no change in the Allianz Group's or the Issuer's affairs, as the case may be, since the date thereof or that the information contained therein is current as of any time subsequent to its date. Any statement contained in the sections of the reports incorporated by reference herein will be modified or superseded for all purposes to the extent that a statement contained in this Offering Circular modifies or is contrary to that previous statement. Any statement so modified or superseded will not be deemed a part of this Offering Circular except as so modified or superseded.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Circular contains certain forward-looking statements, including (without limitation) statements containing the words “anticipates,” “believes,” “estimates,” “expects,” “intends,” “may,” “plans,” “projects,” “will,” “would,” “should” and other similar terms. This applies in particular to statements under the caption “Description of Allianz SE and Allianz Group” and statements elsewhere in this Offering Circular relating to, among other things, the future financial performance, plans and expectations regarding developments in the business of the Allianz Group.

These statements are based on Allianz’s current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding Allianz’s strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. 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 the Allianz Group, to be materially different from or worse than those expressed or implied by these forward-looking statements.

Neither the Issuer nor the Managers assume any obligation to update such forward-looking statements and to adapt them to future events or developments.

Factors that could cause actual results to differ from such expectations include, but are not limited to, those described under “Risk Factors,” including the following:

- the outbreak of SARS-CoV-2 and its associated disease (“Covid-19”), together with any measures aimed at mitigating a further expansion thereof;
- changes of the general economic conditions and competitive situation, particularly in the Allianz Group’s core business and core markets;
- performance of financial markets (particularly market volatility, liquidity and credit events);
- adverse publicity, regulatory actions or litigation with respect to the Allianz Group, other well-known companies and the financial services industry generally;
- frequency and severity of insured loss events, including natural catastrophes, and the development of loss expenses;
- mortality and morbidity levels and trends;
- persistency levels;
- particularly in the banking sector, the extent of credit defaults;
- interest rate levels;
- currency exchange rate developments, including the Euro/U.S. dollar exchange rate;
- changes in laws and regulations, including tax regulations;
- the impact of acquisitions, including related integration issues, and reorganization measures;
- general competitive factors, in each case on a local, regional, national and/or global basis;
- levels of additional loan loss provisions;
- further impairments of investments;
- changes in the policies of central banks and/or foreign governments; and
- terror attacks, events of war and their respective consequences.

The above is not an exhaustive list of the factors that could cause actual results to differ materially from the expectations set forth in such forward-looking statements and should be read together with the other cautionary statements included in this Offering Circular, including those described under “Risk Factors,” beginning on page 30 of this Offering Circular.

SUMMARY

The following summary highlights some of the information contained elsewhere in this Offering Circular. This summary is not complete and does not contain all the information that may be important to you. You should read the entire Offering Circular, including the financial statements and related notes incorporated by reference herein, before making an investment decision. References to other portions of this Offering Circular have been included to direct you to a more complete description of the topics presented in this summary. You should also read “Risk Factors” in this Offering Circular for more information about important risks that you should consider before making an investment decision and the information incorporated herein by reference.

Allianz SE and the Allianz Group

Allianz SE (formerly Allianz Aktiengesellschaft, or Allianz AG) is a European Company (*Societas Europaea*, or SE) incorporated in the Federal Republic of Germany and organized under the laws of the Federal Republic of Germany and the European Union for an unlimited duration. Allianz SE is the ultimate parent of the Allianz Group. It was incorporated as Allianz Versicherungs-Aktiengesellschaft in Berlin, Germany on February 5, 1890. 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. By resolution of the General Meeting of October 7, 1996, the name was changed to Allianz Aktiengesellschaft (Allianz AG). On February 3, 2006, the extraordinary General Meetings of holders of Riunione di Sicurtà S.p.A. (“RAS”) ordinary shares and holders of RAS savings shares and on February 8, 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 October 13, 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”. Allianz SE, as the parent company of the Allianz Group, has its headquarters in Munich, Germany. As further described below, the Allianz Group offers property-casualty insurance, life/health insurance, and asset management products and services in over 70 countries, with the largest of our operations located in Europe. The Allianz Group serves more than 100 million private and corporate customers. As of the date of this Offering Circular, we had financial strength ratings of AA (stable outlook) by Standard & Poor’s, Aa3 (stable outlook) by Moody’s and A+ (stable outlook) by A.M. Best.

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. The Allianz Group is the leading property-casualty insurer worldwide and ranks among the top five in the life/health insurance business. The Allianz Group’s key markets (in terms of premiums) are Germany, France, Italy, and the United States.

Most of Allianz Group’s insurance markets are served by local Allianz companies. However, some business lines – such as Allianz Global Corporate & Specialty (AGCS), Allianz Partners (AP) and Euler Hermes – 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). Its 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 solutions business. The Allianz Group ranks among the top five asset managers worldwide by assets under management. Its core markets are the United States, Canada, Germany, France, Italy, the United Kingdom, and the Asia-Pacific region. As of October 2020, PIMCO officially assumed oversight of Allianz Real Estate and, as a result, Allianz Real Estate was transferred from the Corporate and Other business segment into the Asset Management business segment. The combined entity forms one of the world’s largest and most diversified real estate platforms.

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 Group's businesses through its strategy, risk, corporate finance, treasury, financial reporting, controlling, communication, legal, human resources, technology, and other functions. Allianz Group's banking operations, which place a primary focus on retail clients, support its insurance business and complement the products it 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.

For further information on Allianz SE and the Allianz Group, see "Description of Allianz SE and Allianz Group".

Summary of the Offering

This summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including the documents incorporated by reference. No civil liability attaches to the persons responsible for this summary solely on the basis of this summary.

Words and expressions defined in the Terms and Conditions of the Notes or elsewhere in this Offering Circular have the same meaning in this summary.

The Issuer:	Allianz SE (the “Issuer”).
The Notes:	Perpetual fixed rate resettable restricted Tier 1 notes (the “Notes” and each a “Note”) in an initial nominal amount of EUR 200,000 per Note (the “Initial Nominal Amount”) issued in an aggregate nominal amount of EUR 1,250,000,000.
Risk Factors:	There are certain factors that may affect the Issuer’s ability to fulfill its obligations under the Notes or to make payments under the Notes. Certain of these factors are set out under “ <i>Risk Factors</i> ” below and include, among others, risks relating to regulatory and legislative changes, reputation, market, liquidity and legal risks and the general economic situation. In addition, there are certain factors that are material for the purposes of assessing the risks related to the Notes, including that all payments under the Notes are at the full discretion of the Issuer and can be cancelled at any time, that the Issuer will not be permitted to make interest payments under certain circumstances, that the Notes are perpetual and deeply subordinated, and that the value of the Notes may be written down upon the occurrence of certain events. The write-down can be in full and can be permanent with no future write-up. There is a meaningful risk that investors lose all or parts of their investment. There are no events of default and investors have virtually no ability to influence the outcome of any insolvency proceedings. The Notes may therefore not be a suitable investment for all investors.
Joint Lead Managers:	BofA Securities Europe SA Citigroup Global Markets Europe AG Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank Deutsche Bank Aktiengesellschaft HSBC Continental Europe
Issue Price per Note:	100.008 per cent. of the Initial Nominal Amount.
Form of the Notes:	The Notes are being issued in bearer form. The Notes are represented by a global note without coupons. Definitive Notes and interest coupons will not be issued.
Status of the Notes:	The Notes constitute unsecured and subordinated obligations of the Issuer, ranking <i>pari passu</i> among themselves and rank junior to all senior ranking obligations of the Issuer. Consequently, in the case of an insolvency of the Issuer, no amounts will be payable in respect of the Notes until all senior ranking obligations and other subordinated obligations that provide for a ranking senior to the obligations under the Notes, including subordinated debt that qualifies as Tier 2 or Tier 3 own-funds items under Directive 2009/138/EC (“Solvency II”) have been satisfied in full (see also “ <i>Risk Factors—Risks Related to the Notes—Risks Related to the Repayment of Principal—The obligations of the Issuer under the Notes are deeply subordinated.</i> ”).

Use of Proceeds:	The net proceeds of the issuance of the Notes, after deducting the Managers' discount and other fees and expenses related to the offering payable by us, will be used by the Allianz Group for general corporate purposes of the Allianz Group.
Principal Paying Agent and Calculation Agent:	Deutsche Bank Aktiengesellschaft
Listing Agent:	Deutsche Bank Luxembourg S.A.
Clearing System:	Clearstream Banking AG.
Issue Date:	September 7, 2021.
Currency:	Euro ("EUR").
Denomination:	EUR 200,000 per Note, subject to any write-downs or write-ups.
Maturity:	The Notes are perpetual securities without a fixed or final redemption date.
Interest Periods:	Subject to a cancellation of interest payments, each Note bears interest on its current nominal amount (i.e., in particular taking into account any write-down and/or write-up) from (and including) September 7, 2021 (the "Interest Commencement Date") to (but excluding) the first Interest Payment Date, and thereafter from (and including) each Interest Payment Date to (but excluding) the next following Interest Payment Date.
Interest Payment Dates:	Subject to a cancellation of interest payments, interest on the Notes will be payable annually on April 30, commencing on April 30, 2022 (short first interest period).
Rate of Interest:	<p>(i) For the period from (and including) the Interest Commencement Date to (but excluding) the First Reset Date a fixed rate of 2.600 per cent. <i>per annum</i> (the "Initial Rate of Interest"), and</p> <p>(ii) for the period from (and including) the First Reset Date to (but excluding) the next Reset Date and thereafter from (and including) each Reset Date to (but excluding) the next Reset Date the sum of the applicable Reference Rate and the initial credit spread of 2.579 per cent. <i>per annum</i>.</p>
Reference Rate:	Annual mid swap rate for Euro denominated swap transactions with a maturity of 5 years which appears on the Reuters screen page "ICESWAP2 / EURFIXA" under the heading "EURIBOR BASIS" and the caption "11:00 AM Frankfurt time" on the relevant Interest Determination Date.
Reset Dates:	April 30, 2032 (the "First Reset Date") and thereafter each fifth anniversary of the preceding Reset Date.
Cancellation of Interest Payments:	Any interest payments will be subject to discretionary and/or mandatory non-cumulative cancellation (see " <i>Risk Factors—Risks Related to the Notes—Risks Related to the Payment of Interest—Interest on the Notes is subject to mandatory and discretionary cancellation, and in such instances, any interest cancelled will not be due and will not accumulate or be payable at any time thereafter.</i> ").
Mandatory Cancellation of	Payment of interest on the Notes for the relevant Interest Period shall be

<p>Interest Payment:</p>	<p>mandatorily cancelled:</p> <ul style="list-style-type: none"> (i) if on or prior to the date on which the payment of interest is scheduled, an Insolvency Event has occurred and is continuing on such date or if and to the extent such payment of interest would cause an Insolvency Event or accelerate the imminent occurrence of such Insolvency Event; or (ii) if and to the extent an order of the Competent Supervisory Authority is in effect prohibiting the Issuer from making payments under the Notes, or if and to the extent there is in effect any other prohibition on distributions in respect of the Notes, whether by statute or by official order; or (iii) if on or prior to the date on which the payment of interest is scheduled, a Solvency Capital Event has occurred and is continuing on such date or if and to the extent such payment of interest would cause a Solvency Capital Event, unless the conditions under the Applicable Supervisory Requirements for the exceptional permission of the payment of interest are fulfilled on such date; or (iv) to the extent that such payment of interest, together with any additional Distributions in respect of shares and Distributions on other instruments on which Distributions may only be made from Available Distributable Items that are scheduled to be made on the same day or that have been made in the then current financial year of the Issuer (up to (and including) the day on which such interest payment is scheduled to be made), would exceed the Available Distributable Items; provided that, for such purpose, the Available Distributable Items shall be increased by an amount equal to that which has been accounted for as expenses for such Distributions (including interest payments on the Notes) in the determination of the profit on which the Available Distributable Items are based. <p>For a description of the Available Distributable Items see “<i>Interest Payments And Distributable Items Of The Issuer</i>” and “<i>Risk Factors—Risks Related to the Notes—Risks Related to the Payment of Interest—The level of available distributable items of the Issuer is affected by a number of factors and insufficient available distributable items will restrict the Issuer’s ability to make interest payments on the Notes.</i>”</p>
<p>No Default and no Right to Accelerate Repayment of the Principal of the Notes:</p>	<p>There are no defaults or events of default under the Notes, and under no circumstances will investors be able to declare the principal of the Notes and/or interest accrued thereon as due and payable. There is no right of acceleration in case of non-payment of principal, interest amounts or other amounts scheduled for payment under the Notes, nor in case of any cancellation of interest or write-down of principal on the Notes, or in case of a failure by the Issuer to perform any other undertaking under the Notes. In addition, there is no right to require the Issuer to redeem the Notes. Accordingly, the Issuer is not required to make any repayment of the principal of the Notes or accrued interest at any time or under any circumstances.</p>
<p>Redemption at the Option of the Issuer:</p>	<p>The Issuer may, subject to the fulfillment of the Conditions to Redemption, call and redeem the Notes at their prevailing Reference Nominal Amount <i>plus</i> accrued interest (if any) with effect as of any Optional Redemption Date. The Issuer shall not be permitted to redeem the Notes at its option for so long as the current nominal amount in respect of the Notes is, following a write-down,</p>

	lower than the Reference Nominal Amount.
Optional Redemption Dates:	<p>(i) Each Business Day falling in a period from and including October 30, 2031 to (but excluding) the First Reset Date;</p> <p>(ii) the First Reset Date;</p> <p>(iii) after the First Reset Date, each Business Day falling in a period from and including the October 30 immediately before each Reset Date to (but excluding) such Reset Date; and</p> <p>(iv) each Reset Date.</p>
Redemption after the Occurrence of a Tax Event, Regulatory Event or Rating Agency Event:	<p>At any time upon the occurrence of a Tax Event, a Regulatory Event or a Rating Agency Event, the Issuer may, subject to the fulfillment of the Conditions to Redemption, call and redeem the Notes at their current nominal amount <i>plus</i> accrued interest (if any).</p> <p>The Issuer may waive, however, at any time and in its sole discretion, any of the above call rights for a definite or indefinite period of time to be determined by the Issuer by delivering notice to the Holders in accordance with the terms of the Notes. Any notice so given will be irrevocable and shall specify the definite or indefinite period of time during which the Issuer shall cease to have the respective call rights specified above.</p>
Conditions to Redemption:	<p>Conditions to Redemption means the conditions that must be fulfilled on any date with respect to a scheduled call and redemption or a planned Repurchase of the Notes in accordance with the requirements in order for the Notes to qualify as Restricted Tier 1 Instruments pursuant to the Applicable Supervisory Requirements. For a description of the Conditions to Redemption, see <i>“Terms and Conditions of the Notes — § 4 (Redemption; Write-downs; Write-ups) (see also “Risk Factors—Risks Related to the Notes—Risks Related to the Repayment of Principal – Any redemption by the Issuer is discretionary but remains subject to certain conditions and restrictions on redemption which may delay the effective redemption date.”)</i></p>
Write-downs of the Nominal Amount of the Notes:	<p>Upon the occurrence of a Trigger Event or a Deterioration Event, the current nominal amount of each Note will be fully written down by reduction of the current nominal amount to EUR 0.01, unless the then prevailing requirements for the recognition of the Notes as a Restricted Tier 1 Instrument permit the Issuer, and the Issuer in its sole discretion exceptionally elects, to limit the write-down amount, and any such write-down may become permanent. (See <i>“Risk Factors—Risks Related to the Notes— Risks Related to the Repayment of Principal—The nominal amount of the Notes may be written down (in whole or in part) to absorb losses; investors have no right to compel a write-up in respect of the Notes; and any such write-down may become permanent.”</i>).</p>
Trigger Events:	<p>A “Trigger Event” occurs if the Notes are not fully written down and at least one of the following conditions (i)-(iii) is fulfilled:</p> <p>(i) the amount of own-fund items of the Issuer (solely on an individual and not on a consolidated, basis) eligible to cover the relevant solvency capital requirement in accordance with the Applicable Supervisory Requirements is 75% or less of the relevant solvency capital requirement (the ratio of the relevant own-fund items to the relevant solvency capital requirement hereinafter referred to as the “Solo SCR</p>

Ratio”) and/or the amount of own-funds items of the Group eligible to cover the relevant solvency requirement of the Group in accordance with the Applicable Supervisory Requirements is 75% or less of the relevant solvency capital requirement (the ratio of the relevant own-fund items to the relevant solvency capital requirement hereinafter referred to as the “Group SCR Ratio”);

- (ii) the amount of own-fund items of the Issuer (solely on an individual and not on a consolidated, basis) eligible to cover the relevant minimum capital requirement in accordance with the Applicable Supervisory Requirements is 100% of the relevant minimum capital requirement or less (the ratio of the relevant own-fund items to the relevant minimum capital requirement hereinafter referred to as the “Solo MCR Ratio”) and/or the amount of own-fund items of the Group eligible to cover the relevant Group MCR applicable to the Group in accordance with the Applicable Supervisory Requirements is 100% or less of the Group MCR (the ratio of the relevant own-fund items to the relevant Group MCR referred to herein as the “Group MCR Ratio”);
- (iii) the Solo SCR Ratio is less than 100% but more than 75% and has not improved to at least 100% within three months after the non-compliance with the solvency capital requirement was determined for the first time and/or the Group SCR Ratio is less than 100% but more than 75% and has not improved to at least 100% within three months after the non-compliance with the solvency capital requirement was determined for the first time.

Deterioration Event:

A “Deterioration Event” occurs if the Notes have not been fully written down, a Trigger Event has occurred previously and is continuing and a Regulatory Ratio relevant for the occurrence of such Trigger Event has further deteriorated.

Partial Write-down of the Nominal Amount of the Notes:

If and to the extent the requirements for the recognition as a Restricted Tier 1 Instrument in accordance with the Applicable Supervisory Requirements permit, the Issuer may in its sole discretion exceptionally elect to refrain from a write-down in full or in part and can write down the current nominal amount of each Note either not at all or only partially.

In case of a partial write-down, the Notes may be further written down if a new Trigger Event has occurred or in case of a Deterioration Event.

Write-up of the Nominal Amount of the Notes:

After a write-down has been effected, the Issuer may elect in its sole discretion to write-up the current nominal amount of each Note outstanding in one or more steps until its full Reference Nominal Amount has been restored, provided that a write-up is permitted under the Applicable Supervisory Requirements for the purpose of the recognition of the Notes as Restricted Tier 1 Instrument (see “*Risk Factors—Risks Related to the Notes—Risks Related to the Repayment of Principal – The nominal amount of the Notes may be written down (in whole or in part) to absorb losses; investors have no right to compel a write-up in respect of the Notes; and any such write-down may become permanent.*”), and provided that several conditions are met, as set out in “*Terms and Conditions of the Notes — § 4 (Redemption; Write-downs; Write-ups)*”. Write-ups in respect of the Notes are limited under certain circumstances described in “*Terms and Conditions of the Notes — § 4 (Redemption; Write-downs; Write-ups) — 9(d)*”, and as a consequence, write-downs can be in full and permanent.

Reference Nominal Amount and

<p>Permanent Write-down:</p>	<p>“Reference Nominal Amount” means, with respect to each Note:</p> <ul style="list-style-type: none"> (i) at the issue date and for so long as the Reference Nominal Amount has not been reduced, the Initial Nominal Amount of such Note and (ii) thereafter, the reduced Reference Nominal Amount of such Note. <p>If the nominal amount was written down in full or in part and has not been written up to the then prevailing Reference Nominal Amount in full within ten years after the last write-down, then the Reference Nominal Amount of each Note shall be reduced to the current nominal amount of each Note as of the tenth anniversary of the last write-down.</p> <p>A Note that was previously written down can, at any time, only be written up to a maximum nominal amount equal to its then prevailing Reference Nominal Amount. This may result in a permanent full write-down (see “<i>Risk Factors—Risks Related to the Notes—Risks Related to the Repayment of Principal – The nominal amount of the Notes may be written down (in whole or in part) to absorb losses; investors have no right to compel a write-up in respect of the Notes; and any such write-down may become permanent.</i>”).</p>
<p>No Set-off:</p>	<p>No Holder may set-off its claims arising under the Notes against any claims that the Issuer may have against the Holder or refuse to perform any of the Holder’s obligations towards the Issuer before payments owed to the Holder under the Notes are made. The Issuer may set-off its claims against the Holder against its obligations arising under the Notes subject to the Conditions to Redemption (see “<i>Risk Factors—Risks Related to the Notes—Risks Related to the Repayment of Principal – Any redemption by the Issuer is discretionary but remains subject to certain conditions and restrictions on redemption which may delay the effective redemption date.</i>”).</p>
<p>Further Issues of Notes:</p>	<p>If the current nominal amount of any Notes outstanding at that time is equal to the Initial Nominal Amount of the Notes, the Issuer may at any time without the consent of Holders issue further Notes having the same terms and conditions as the Notes (if necessary, except for the issue date, interest commencement date and/or issue price), if certain conditions are met.</p>
<p>Amendments to the Terms and Conditions of the Notes:</p>	<p>In accordance with the German Act on Issues of Debt Securities (<i>Gesetz über Schuldverschreibungen aus Gesamtemissionen – “SchVG”</i>), the Holders may, subject to compliance with the requirements of regulatory law for the recognition of the Notes as Tier 1 own-fund items and (if necessary under the Applicable Supervisory Requirements) the permission of the Competent Supervisory Authority, agree with the Issuer on amendments to the Terms and Conditions of the Notes with regard to matters permitted by the SchVG by resolution with the majority specified in § 9 (2) of the Terms and Conditions of the Notes. The Issuer will notify the Competent Supervisory Authority of amendments to the Terms and Conditions of the Notes to be submitted for voting prior to the voting. For the avoidance of doubt, the Terms and Conditions of the Notes may not be amended without the consent of the Issuer.</p>
<p>Substitution of the Issuer:</p>	<p>The Issuer may at any time, without the consent of the Holders, substitute for the Issuer any other company 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, subject to § 10 (1) of the Terms and Conditions of the Notes.</p>
<p>Repurchase:</p>	<p>The Issuer and any of its subsidiaries may (subject to the Conditions to Redemption being fulfilled) at any time purchase Notes at any price (each a</p>

	<p>“Repurchase”). Notes acquired by the Issuer may, at the option of the Issuer, be held, resold or surrendered by it to the Paying Agent for cancellation.</p> <p>The Conditions to Redemption do not have to be fulfilled for any Repurchases made by affiliates of the Issuer for the account of a third party or for 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.</p>
Ratings:	<p>The expected rating of the Notes on the issue date is A by Standard & Poor’s and Baa1 by Moody’s Investors Service. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Neither the rating agency nor the Issuer is obligated to provide the holder with any notice of any suspension, change or withdrawal of any rating.</p>
Listing and Trading:	<p>Application has been made to have the Notes listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market operated by the Luxembourg Stock Exchange, which is a multilateral trading facility for the purposes of MiFID II, and, therefore, not an EU-regulated market.</p>
Applicable Law:	<p>The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed in all respects by German law.</p>
Submission to Jurisdiction:	<p>The regional court (<i>Landgericht</i>) in Frankfurt am Main, Federal Republic of Germany, shall have exclusive jurisdiction for any action or other legal proceedings (“Proceedings”) arising out of or in connection with the Notes.</p> <p>Pursuant to § 9 (3) sentence 1, 1st alternative SchVG, the Local Court (<i>Amtsgericht</i>) of Munich, Federal Republic of Germany, has jurisdiction to decide on any matters pursuant to § 9 (2), § 13 (3) and § 18 (2) SchVG. Pursuant to § 20 (3) sentence 3, 1st alternative SchVG, the Regional Court (<i>Landgericht</i>) of Munich, Federal Republic of Germany, has exclusive jurisdiction to decide on the challenge of resolutions of the Holders.</p>
WKN:	A3E5TR
ISIN:	DE000A3E5TR0
Common Code:	234587463

Summary Financial Information

The following tables present selected consolidated financial and operating information of the Allianz Group. This selected consolidated financial and operating information must be read together with and are qualified in their entirety by reference to (i) our consolidated financial statements and the notes that are incorporated by reference in this Offering Circular and (ii) the section of this Offering Circular entitled “Description of Allianz SE and Allianz Group,” including the description of our non-IFRS measures in “Description of Allianz SE and Allianz Group—Alternative Performance Measures (Non-IFRS Measures)”.

With the exception of these non-IFRS financial measures discussed in “Description of Allianz SE and Allianz Group—Alternative Performance Measures (Non-IFRS Measures),” this selected consolidated financial information is extracted or derived from our consolidated financial statements as of and for the years ended December 31, 2020 and 2019 (together, the “Consolidated Financial Statements”) prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”) or from our unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2021 prepared in accordance with IFRS applicable to interim financial reporting, as adopted by the European Union (IAS 34) (the “Condensed Consolidated Interim Financial Statements”). The Consolidated Financial Statements have been audited and the Condensed Consolidated Interim Financial Statements have been reviewed by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (“PwC”), with their registered address being Bernhard-Wicki-Straße 8, 80636 Munich, Germany, a member of the German Chamber of Certified Accountants (*Wirtschaftsprüferkammer KöR*), Berlin. The Consolidated Financial Statements and the Condensed Consolidated Interim Financial Statements are incorporated by reference in this Offering Circular.

The financial information in this Offering Circular presented as “audited” has been taken from the Consolidated Financial Statements or German GAAP Financial Statements. The financial information in this Offering Circular presented as “unaudited” has not been taken from the Consolidated Financial Statements or German GAAP Financial Statements, but has been derived from the Consolidated Financial Statements or German GAAP Financial Statements, taken or derived from the group management report, the Condensed Consolidated Interim Financial Statements or the Issuer’s accounting records or internal management reporting systems, or is based on calculations using these figures. The comparative figures shown for the six months ended June 30, 2020 are taken from the Condensed Consolidated Interim Financial Statements.

Certain figures (including percentages) in the Offering Circular have been rounded in accordance with commercial rounding. In some instances, such rounded figures and percentages may not add up to 100% or to the totals or subtotals contained in the Offering Circular. Furthermore, totals and subtotals in tables may differ slightly from unrounded figures contained in the Offering Circular due to rounding in accordance with commercial rounding. A dash (“—”) is used when no data was reported for a specific line item in the relevant financial year or period and when the pertinent figure, after rounding, amounts to nil.

	As of and for the year ended December 31,		As of and for the six months ended June 30,	
	2020	2019	2021	2020
	(audited)		(unaudited)	
Total revenues.....	(€ mn) 140,455	142,369	75,749	73,495
Operating profit/(loss).....	(€ mn) 10,751	11,855	6,655	4,869
Net income/(loss).....	(€ mn) 7,133	8,302	5,040	3,101
attributable to non-controlling interests.....	(€ mn) 326	387	249	174
attributable to shareholders.....	(€ mn) 6,807	7,914	4,791	2,927
Shareholders’ equity ¹	(€ mn) 80,821	74,002	77,699	80,821

⁽¹⁾ Excluding non-controlling interests.

Reconciliation of Reportable Segments to Allianz Group Figures

€ mn	<u>Total revenues</u>		<u>Operating profit/(loss)</u>		<u>Net income/(loss)</u>	
	For the year ended December 31, (audited)		For the year ended December 31, (audited)		For the year ended December 31, (audited)	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
German Speaking Countries and Central & Eastern Europe	16,108	15,919	1,858	1,884	1,258	1,624
Western & Southern Europe and Asia Pacific	12,081	12,320	1,646	1,518	1,108	1,083
Iberia & Latin America and Allianz Partners	11,051	12,547	680	457	357	274
Global Insurance Lines & Anglo Markets, Middle East and Africa.....	27,047	25,177	188	1,159	(118)	982
Consolidation.....	(6,875)	(6,808)	(1)	28	-	20
Total Property-Casualty	59,412	59,156	4,371	5,045	2,605	3,983
German Speaking Countries and Central & Eastern Europe	33,113	34,380	1,725	1,649	1,186	1,132
Western & Southern Europe and Asia Pacific	29,498	28,053	1,561	1,620	1,205	1,235
Iberia & Latin America.....	1,419	1,653	159	267	606	235
USA	9,915	12,265	907	1,153	820	1,006
Global Insurance Lines & Anglo Markets, Middle East and Africa.....	1,034	885	49	59	(21)	(55)
Consolidation and Other.....	(936)	(810)	(41)	(40)	(30)	(30)
Total Life/Health.....	74,044	76,426	4,359	4,708	3,766	3,523
Asset Management.....	7,347	7,164	2,853	2,704	1,973	1,992
Corporate and Other.....	245	239	(831)	(602)	(1,216)	(1,194)
Consolidation	(593)	(616)	(1)	-	5	(2)
Group.....	140,455	142,369	10,751	11,855	7,133	8,302

Reconciliation of Reportable Segments to Allianz Group Figures

€ mn	<u>Total revenues</u>		<u>Operating profit/(loss)</u>		<u>Net income/(loss)</u>	
	For the six months ended June 30, (unaudited)		For the six months ended June 30, (unaudited)		For the six months ended June 30, (unaudited)	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
German Speaking Countries and Central & Eastern Europe	9,943	9,935	803	877	647	438
Western & Southern Europe and Asia Pacific	6,313	6,356	812	910	606	475
Iberia & Latin America and Allianz Partners ..	6,380	6,207	370	373	192	227
Global Insurance Lines & Anglo Markets, Middle East and Africa.....	14,226	15,433	886	14	650	(213)
Consolidation.....	(3,251)	(4,146)	-	1	-	-
Total Property-Casualty	33,610	33,785	2,871	2,175	2,095	926

€ mn	Total revenues		Operating profit/(loss)		Net income/(loss)	
	For the six months ended June 30, (unaudited)		For the six months ended June 30, (unaudited)		For the six months ended June 30, (unaudited)	
	2021	2020	2021	2020	2021	2020
German Speaking Countries and Central & Eastern Europe	15,717	17,563	867	753	596	515
Western & Southern Europe and Asia Pacific	16,001	12,856	918	775	675	561
Iberia & Latin America.....	710	679	78	72	53	542
USA.....	5,789	4,863	629	216	534	243
Global Insurance Lines & Anglo Markets, Middle East and Africa.....	563	573	25	19	107	(40)
Consolidation and Other.....	(242)	(178)	(22)	(24)	(18)	(19)
Total Life/Health.....	38,536	36,356	2,495	1,810	1,947	1,802
Asset Management.....	3,835	3,493	1,572	1,319	1,216	906
Corporate and Other.....	131	111	(278)	(432)	(214)	(535)
Consolidation	(364)	(250)	(6)	(3)	(3)	2
Group.....	75,749	73,495	6,655	4,869	5,040	3,101

Solvency ratios of Allianz SE and Allianz Group

Solvency II contemplates transitional measures to allow EEA entities to gradually move to a full implementation of Solvency II over a period of time. However, in connection with its ongoing 2020 review of the Solvency II Directive, the European Insurance and Occupational Pensions Authority (“EIOPA”) recommended that insurers should only be allowed to start applying such transitional measures to technical provisions in very limited cases. The Issuer had previously treated the ability to apply for such transitional measures as one of its potential recovery tools as part of its recovery plan. Accordingly, in order to avoid losing the ability to avail itself of such transitional measures, the Issuer caused two of its subsidiaries (Allianz Leben and Allianz Private Krankenversicherung) to apply for transitional measures for their technical provisions, and and the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) (“BaFin”) granted its approval in June 2020. The application of transitional measures on technical provisions substantially increases the solvency ratios of the Allianz Group and (to a lesser extent) of Allianz SE.

The Allianz Group’s approach to capital steering will continue to be based on the previous approach, which excludes the application of transitional measures for technical provisions. For example, the 180% (or greater) target for the Allianz Group’s SCR Ratio refers to the Group SCR ratio excluding the effect of such transitionals. However, all solvency ratios applicable to the Notes (Group SCR Ratio, Group MCR Ratio, Solo SCR Ratio, Solo MCR Ratio), in particular all solvency ratios which are used to determine whether a Trigger Event or a Deterioration Event has occurred, will take into account the effects from applying the transitional measures for technical provisions as approved by BaFin. See “*Risk Factors—Risks Related to the Notes—Risks Related to Regulation—Risks related to application and changes to the Solvency II regulatory regime*” for more information about the amortization of the benefits of the transitional measures on technical provisions, as well as the ongoing EIOPA regulatory review of the use of such transitional measures.

The following table illustrates the solvency capitalization ratios and the minimum capital requirement ratios of the Issuer and the Allianz Group, as applicable, both including and excluding the effect of transitionals, as of June 30, 2021 and December 31, 2020. In addition, the table below illustrates the solvency capitalization ratios and the minimum capital requirement ratios of the Issuer and the Allianz Group, as applicable, excluding the effect of transitionals, as of December 31, 2020, 2019 and 2018.

	As of June 30, ⁵		As of December 31,			
	2021 (including transitional ls)	2021 (excluding transitional s)	2020 (including transitional s)	2020 (excluding transitional ls)	2019 (excluding transitional ls)	2018 (excluding transitional ls)
Solo SCR ratio ¹	252%	247%	262%	257%	242%	345%
Group SCR ratio ²	236%	206%	240%	207%	212%	229%
Solo MCR ratio ³	931%	899%	948%	913%	869%	1,213%
Group MCR ratio ⁴	297%	260%	296%	257%	261%	309%

- (1) The Solo SCR ratio is calculated by dividing (i) the amount of own-fund items of the Issuer (i.e., on an individual, not on a consolidated, basis) eligible to cover the Solo SCR by (ii) the Solo SCR. The Solo SCR represents the solvency capital requirement applicable to the Issuer (i.e., on an individual, not on a consolidated, basis). For the purpose of determining the “Solo SCR Ratio” applicable to the Notes, the Solo SCR Ratio will include transitional measures under the Applicable Supervisory Requirements.
- (2) The Group SCR ratio is calculated by dividing (i) the amount of own-fund items of the Allianz Group eligible to cover the Group SCR by (ii) the Group SCR. The Group SCR represents the Solvency II capital requirement of the Group (or Group SCR) substantially consisting of the capital requirements from (a) entities applying either internal or standard models in accordance with Solvency II, (b) entities regulated under insurance regulation regimes that are deemed equivalent to Solvency II (to the extent they are not included in the Group based on an internal or the standard model), and (c) entities regulated otherwise (including banks, asset managers, and IORPs). Immaterial non-EEA (re)insurance entities are considered via book value deduction (Art. 229 Directive 2009/138/EC). For the purposes of determining the “Group SCR Ratio” applicable to the Notes, Group SCR Ratio will include transitional measures under the Applicable Supervisory Requirements.
- (3) The Solo MCR ratio is calculated by dividing (i) the amount of own-fund items of the Issuer (i.e., on an individual, not on a consolidated, basis) eligible to cover the Solo MCR by (ii) the Solo MCR. The Solo MCR represents the minimum capital requirement applicable to the Issuer (i.e., on an individual, not on a consolidated, basis). For the purpose of determining the “Solo MCR Ratio” applicable to the Notes, the Solo MCR Ratio will include transitional measures under the Applicable Supervisory Requirements.
- (4) The Group MCR ratio is calculated by dividing (i) the amount of own-fund items of the Allianz Group eligible to cover the Group MCR by (ii) the Group MCR. The Group MCR represents the minimum consolidated group solvency capital requirement applicable to the Allianz Group. The scope of the Group for purposes of the Group MCR ratio is limited to entities applying either internal or standard models in accordance with Solvency II. Group entities that are (a) regulated under insurance regulation regimes that are deemed equivalent to Solvency II, and (b) financial institutions regulated otherwise (including banks, asset managers, and IORPs) are outside the scope of the Group MCR Ratio (no contribution to the Group MCR, no contribution to own fund items eligible to cover the Group MCR). For the purpose of determining the “Group MCR Ratio” applicable to the Notes, the Group MCR Ratio will include transitional measures under the Applicable Supervisory Requirements.
- (5) The Solo SCR ratio, the Group SCR ratio, the Solo MCR ratio and the Group MCR ratio figures as of June 30, 2021 do not yet reflect the effect of the share buy-back program announced on August 5, 2021 (with a volume of up to €750 million).

Recent Developments Since December 31, 2020

Since December 31, 2020, the following recent developments have occurred:

M&A

On December 2, 2020, Allianz Australia agreed to purchase the general insurance business of Westpac and to enter into a new 20-year exclusive agreement for the distribution of general insurance products to Westpac customers. The proposed transaction comprises a payment of AUD 725 million for the purchase of Westpac's General Insurance business and a 20-year exclusive distribution agreement. Additional future payments of up to AUD 25 million are contemplated in the agreement but are dependent on the achievement of certain targets. The transaction closed as of July 1, 2021.

On July 7, 2020, Allianz Global Investors ("Allianz GI") and Virtus Investment Partners announced that they have agreed to a strategic partnership that will focus on enhancing both firms' growth opportunities with Virtus representing Allianz GI's investment strategies in the U.S. retail market to existing and potentially new clients. The transaction closed as of February 1, 2021.

On March 4, 2021, Allianz S.p.A. agreed to acquire Aviva Italy S.p.A. the Italian P/C entity of Aviva Group, from Aviva Italy Holding S.p.A. for €330 million. The portfolio is equally distributed between motor and non-motor business segments with gross written premiums of about €400 million. The transaction is subject to regulatory approvals, expected within the second half of 2021.

On March 26, 2021, Allianz agreed to purchase Polish and Lithuanian business activities from Aviva Group, including Aviva's life and non-life insurance operations, pension and asset management business in the region (including the Polish subsidiaries Expander and Maverick), and each 51% stake in Aviva's life and non-life bancassurance joint ventures with Santander. The gross premiums written amounted to €0.7 billion in total where 80% was stemming from Life and Pension businesses for the financial year ended December 31, 2020. Operating profit was at €225 million, with a new business margin above 10 per cent. and a combined ratio of approximately 80 per cent. for the financial year ended December 31, 2020. The transaction, worth €2.5 billion, comprises a purchase price of €2.7 billion net of an expected dividend payment of €0.2 billion pre closing. The transaction is subject to regulatory approvals, expected within the next 12 months. Allianz Group currently expects IFRS consolidation for the first time in 1Q 2022.

Bond Transactions

On January 18, 2021, Allianz called for redemption effective March 26, 2021 the USD 1,000,000,000 5.5% Undated Subordinated Notes issued by Allianz SE in 2012 (ISIN: XS0857872500, WKN: A1R0S6, Common Code: 085787250) and effective March 3, 2021 the €800,000,000 5.375% Undated Subordinated Fixed Rate Callable Bonds issued by Allianz Finance II B.V. in 2006 (ISIN: DE000A0GNPZ3, WKN: A0GNPZ, Common Code: 024513742), guaranteed on a subordinated basis by Allianz SE.

On May 14, 2021, Allianz Finance II B.V. called for redemption effective July 8, 2021 its €1,095,800,000 5.75% Subordinated Notes issued in 2011 (ISIN: DE000A1GNAH1 / WKN: A1GNAH / Common Code: 060231338).

In addition, Allianz has agreed the repurchase of a €500,000,000 subordinated convertible bond issued by Allianz Finance II B.V. effective May 28, 2021. The convertible bond had been issued in name-registered format and had been privately placed in 2011.

Adjustment of Structure of German Business

On March 15, 2021, Allianz announced its intention to adjust its structure in German business in order to leverage the role of the German business lines divisional companies in internationalization and to foster a joint market presence.

In this context, it is intended to strengthen the lines of business by transferring functions and employees from the current German holding company, Allianz Deutschland AG, primarily to the three main insurance companies – Allianz Versicherungs-AG (property and casualty insurance), Allianz Lebensversicherungs-AG (life insurance) and Allianz Private Krankenversicherungs-AG (health insurance) – or to Allianz Beratungs- und Vertriebs-AG

(distribution unit), but also to Allianz SE or one of its subsidiaries. To ensure a consistent market presence and customer oversight for the German market, a new market unit will be established. Under the new structure, all employees will remain at Allianz. The contents of their employment contracts and their current place of work will remain unchanged.

The plans are subject to the outcome of the discussions to be held with the relevant employee representative bodies.

European Flooding Catastrophes

In July 2021, Central Europe was hit by several flooding catastrophes. In Germany, the low-pressure system “Bernd” caused very severe damage. As of August 6, 2021, the Allianz Group expects net losses after reinsurance and including reinstatement premiums from these events of approximately €0.4 billion.

Reassessment of Risks Relating to Structured Alpha Funds

On August 1, 2021, Allianz SE announced the following by ad-hoc disclosure:

“Subsequent to the litigation pending in U.S. courts in relation to the Structured Alpha Funds against Allianz Global Investors U.S. LLC and other Allianz Group companies and the investigation launched by the U.S. Securities and Exchange Commission (“SEC”) in 2020, the U.S. Department of Justice (“DOJ”) has begun an investigation concerning the Structured Alpha Funds, and Allianz Global Investors U.S. LLC has received a voluntary request for documents and information from the DOJ. Allianz is fully cooperating with the SEC and the DOJ in the investigations and has immediately started its own review of this matter.

In light of the DOJ investigation and based on information available to Allianz as of today, the Board of Management of Allianz SE has reassessed the matter and has come to the conclusion that there is a relevant risk that the matters relating to the Structured Alpha Funds could materially impact future financial results of Allianz Group. However, it is currently neither feasible to predict how the SEC and DOJ investigations and the pending court proceedings may be resolved nor the timing of any such resolution. It is in particular not feasible to reliably estimate the amount of any possible resolution including potential fines. Therefore, no provision has been recognized at the current stage.”

New Share Buy-back Program

On August 5, 2021, Allianz SE announced that it has resolved on a new share buy-back program. The volume of such new program will amount to up to €750 million. The program started on August 18, 2021 and will be finalized by December 31, 2021, at the latest. Allianz SE will cancel all repurchased shares. The number of shares purchased under this program since August 18, 2021 through and including August 27, 2021 amounts to 565,553 shares for a total purchase price of €112,552,085.88.

Results for the Six Months Ended June 30, 2021

On August 6, 2021, Allianz released its results and interim report in respect of the six months ended June 30, 2021, which are incorporated by reference in this Offering Circular.

Concurrent USD Restricted Tier 1 Notes Offering

Concurrently with the launch of the offering of the Notes, the Issuer has launched an offering of US dollar-denominated Restricted Tier 1 notes pursuant to Rule 144A and Regulation S of the U.S. Securities Act.

RISK FACTORS

Before deciding to purchase the Notes, prospective investors should carefully review and consider the following risk factors and the other information contained in this Offering Circular. The occurrence of one or more of these risks alone or in combination with other circumstances may have a material adverse effect on our business, results of operations, financial condition and cash flows, and may affect our ability to fulfill our obligations under the Notes, and may result in, or contribute to, the occurrence of a Trigger Event or a Deterioration Event under the terms of the Notes or adversely affect the market value of the Notes. The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude or significance of the individual risks. Investing in the Notes could involve additional risks and uncertainties of which we may not currently be aware, or which we may currently not consider material. An investment in the Notes is only suitable for investors experienced in financial matters who are in a position to fully assess the risks relating to such an investment and who have sufficient financial means to absorb any potential loss stemming therefrom. The following discussion contains a number of forward-looking statements. Please refer to the “Cautionary Note Regarding Forward-Looking Statements” discussion in this Offering Circular for cautionary information.

Risks Related to the Allianz Group

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 businesses, 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. In addition, despite the accelerated development and approval of new vaccines as well as the ongoing vaccination in many countries, there is still an uncertainty associated with the appearance of new virus mutations and variants, and effectiveness of existing vaccines, the sufficient supply of appropriate vaccines, their production, distribution and correct administration as well as the willingness of the majority of the population to get vaccinated. 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.

The evolving Covid-19 global pandemic has caused significant disruption to the economy and financial markets globally, and the full extent of the potential impacts of Covid-19 are not yet known. The results of operations, financial condition, and liquidity and capital resources of the Allianz Group have been adversely impacted by the Covid-19 pandemic, and the future impact of the pandemic is difficult to predict. A number of factors that are important for the Allianz Group to successfully conduct its business could continue to be materially affected by the spread of Covid-19. The social distancing measures implemented in the first half of 2020 by countries around the world — which were re-imposed in Europe and other regions around the globe at the end of 2020 and continuing into 2021 in response to rising incident cases in order to slow the spread of Covid-19 — has resulted in a severe global recession and financial crisis. As economic activity was drastically reduced with parts of the economy still being affected potentially for an extended period of time, many businesses have been and 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 have had and continue to have a number of effects on the Allianz Group’s business and risk profile, including the following:

- **Property and Casualty business:** In 2020, Covid-19 had an impact on the operating profit of the Property-Casualty business of € (1.1) billion, which was partly due to a significant deterioration of the underwriting result. Global business lines offered by some subsidiaries are expected to continue to be impacted by the crisis, such as travel insurance (Allianz Partners), credit insurance (Euler Hermes) and to some extent business interruption lines of business (e.g. UK, France). In credit insurance, a potential increase in defaults may lead to higher expected losses. Additional uncertainty may arise on both insurance and reinsurance due to legislative and regulatory responses such as, for example, premium deferrals, customer friendly interpretation of policy cover and retroactive extension of insurance coverage, as described in more detail below.
- **Life and Health business:** In 2020, Covid-19 had an impact on the operating profit of the Life and Health business of € (0.2) billion due to lower investment margins and higher impairments resulting from negative

market developments. The Covid-19 pandemic could increase frequency of claims and medical costs in health insurance. Further potential impact could occur in life insurance for example in relation to term life products, which however, are predominantly bought by younger generations.

- Asset management: Potential adverse market developments, including significant market volatility, or investor behavior triggered by the development of the pandemic or measures taken by governments or regulators may decrease assets under management, with associated negative earnings impact.
- Market and Credit risk: The Covid-19 pandemic continues to have an impact on all market risks of the Allianz Group as it has the potential to cause significant price movements on the financial markets especially for equities and credit spreads. Allianz also expects continued impact of the crisis on credit risk, in particular associated with loans granted, investments in fixed-income securities and reinsurance. Further implications are expected as well on the credit side, especially in case the number of bankruptcies increases with the associated impact on the banking sector if the state and state orchestrated aids prove not to be sufficiently effective. Depending on the further development of the Covid-19 pandemic, the pandemic may also have adverse impacts on the valuation of the real estate investments of the Allianz Group in the event, for example, there is a sustained and significant decrease in rental income from such properties.
- Liquidity risk: In the current market environment, caused by the Covid-19 pandemic, the liquidity situation of Allianz Group is influenced especially by the economic and solvency situation of its subsidiaries, as well as the political and regulatory requirements regarding corporate capital management activities, such as the general ability to pay dividends. Potential risks may continue to arise in relation to the occurrence of disturbances in the financial market as well as recapitalization needs of related undertakings.
- Operational risk: Allianz Group's operational risks associated with the Covid-19 pandemic could result in particular from operational delays due to public measures to restrict social contacts, unexpected employee health problems, costs of implementing business continuity plans and delays or failures in external services. Despite the fact that shifting the workforce to "Work from Home"-mode was implemented without major challenges and all business processes continued without interruptions, as an increasing percentage of employees continue to work remotely, the Allianz Group may face increased resiliency risks. The increasing reliance on digital technologies has been greatly accelerated by the Covid-19 pandemic. As noted, the pandemic has urged Allianz to widely move into a working from home mode for its employees to ensure business continuity and enhance efficiency and competitiveness. Remote working is expected to constitute a key part of the future working model at Allianz which increases the risk of technology obsolescence, cyber-attacks, data breaches, system failures as well as the risk of non-compliance with increasing regulation covering IT-related business processes.
- Modelling risk: Emerging events, such as the Covid-19 pandemic, are analyzed and taken into account as part of the specific analyses or model reviews carried out by Allianz Group's experts. Allianz Group utilizes assumptions, estimates and models to evaluate the potential impact on its business, results of operations and financial condition as a result of the Covid-19 pandemic and the response thereto. If actual events differ materially from those assumptions, estimates or models, the potential estimated losses could be materially higher than those reflected in Allianz Group's capital plans, and its business, financial condition, and results of operations could be materially adversely affected.

In addition to the above risks, holders of business interruption and event cancellation insurance policies have been seeking coverage for losses caused by Covid-19 and related stay-in-place measures. Holders of business interruption insurance policies have already filed lawsuits in different courts in countries in which the Allianz Group operates, including Germany, the United States, France and the United Kingdom, seeking coverage under such policies for closures relating to Covid-19 and resulting government action. In certain of these cases, defendant insurers, including, in certain instances, Allianz Group entities, have expressed that such losses caused by a pandemic such as Covid-19 are not covered. However, policyholders nonetheless have and may continue to assert novel theories of coverage, and insurers, including the Allianz Group, nonetheless may incur significant expense due to the pendency of a large number of individual suits. Furthermore, adverse court rulings in such cases may result in higher claims expenses than currently reflected in Allianz Group's claims reserves. See also "*Legal and Regulatory Risk—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.*"

Furthermore, the Allianz Group may be subject to government and/or regulatory action that would require us to cover losses related to the impact of Covid-19 even if the insurance policies offered by the Allianz Group were not designed, drafted or priced to cover such losses. In some jurisdictions, including in multiple U.S. states, legislative proposals have been introduced that could, if enacted, require insurers operating in such jurisdictions, including the Allianz Group, to cover certain business interruption claims due to Covid-19, even if such losses are not currently covered under the terms of

the relevant policy. There is no assurance that, if such laws are enacted, insurers would be compensated for such payments, and such policies could have a negative impact on the business and financial condition of the Allianz Group. U.S. federal legislative proposals are also under consideration that would, if enacted, establish a U.S. federal program for covering business interruption losses resulting from a public health emergency. In the event such or similar legislative proposals are enacted, our insurance contracts may ultimately be interpreted to provide broader coverage for business interruption losses than the Allianz Group anticipated or intended. Finally, the adverse impacts of Covid-19 on tax revenues in countries in which the Allianz Group operates could lead to increased taxes and assessments on insurers in order to address budget shortfalls.

As a result of the above risks, the Covid-19 pandemic and the response thereto, including current and future judicial, legislative or regulatory actions, could materially and adversely impact our business, results of operation, financial condition and applicable capital ratios under Solvency II. Moreover, such impact would be greater if the various risks took effect simultaneously. While the Covid-19 pandemic negatively impacted our results of operations in 2020, the extent to which this, and the related global economic crisis, will continue to affect our business, results of operation and financial condition, as well as our capital and liquidity over time, will depend on future developments that are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and any economic recovery period, the future actions of governments, court decisions, international institutions, central banks and other third parties in response to the pandemic, and the effects on our clients, counterparties, employees and third-party providers.

In 2020, our Solvency II capitalization ratio (excluding transitionals) declined from 212% to 207%, predominantly driven by negative market developments from the Covid-19 pandemic. Any impact related to the Covid-19 pandemic may adversely affect our Solvency II capitalization and solvency capital ratio. Moreover, the effects of the Covid-19 pandemic and response thereto will heighten the other risks described in this section.

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, credit spread and 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 changes 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.

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

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.

The interest rate risks described above may have an adverse effect on the Allianz Group's business, financial condition and results of operations. In particular, a decrease in the Allianz Group's profitability as a result of sustained low or negative interest rates may adversely affect our Solvency II capitalization and solvency capital ratio. For more information on the sensitivity of interest rate movements on the Allianz Group's solvency capital ratio, see "*Description of Allianz SE and Allianz Group—Solvency and Regulatory Capital—Own Funds and SCR Movements—Movements of Solvency Capital Ratio – December 31, 2019 to December 31, 2020*".

The Allianz Group is exposed to real estate and other alternative investment 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 also recognize significant impairments in the future, which may have an adverse effect on the Allianz Group's earnings, the Allianz Group's business and its financial condition.

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.

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.

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.
- **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.
- **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.

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.

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 the 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. Premium risk represents the risk that actual claims for the business in the current year develop adversely relative to the expected ratio of claims costs relative to premiums earned. Reserve risk represents the risk of adverse developments in best-estimate reserves over a one-year time horizon, resulting from fluctuations in the timing and/or amount of claims settlement.

Reserve risk in the Property-Casualty business

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

In accordance with industry practice, 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.

Premium risk in the Property-Casualty business

Allianz Group is exposed to various sources of premium risk such as natural catastrophes, terror events and non-catastrophic events including man-made losses.

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 and even to accelerate in the long-term driven by developing climate changes. 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.

Underwriting risk related to life-health business

Underwriting risks in our Life/Health operations (biometric risks) include mortality, disability, morbidity, and longevity risks. Mortality, disability, and morbidity risks are associated with the unexpected increase in the occurrence of death, disability, or medical claims. Longevity risk is the risk that the reserves covering life annuities and group pension products might not be sufficient due to longer life expectancies of the insured. Life/Health underwriting risk arises from profitability being lower than expected. As profitability calculations are based on several parameters – such as historical loss information and assumptions on inflation, mortality, or morbidity – realized parameters may differ from the ones used for underwriting. For example, higher-than-expected inflation may lead to higher medical claims in the future.

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.

EMERGING RISKS

Certain ongoing systemic changes may affect the future financial performance, capitalization and liquidity of Allianz Group

Certain ongoing systemic changes may affect the future financial performance, capitalization and liquidity of Allianz Group. These developments are by their nature difficult to predict and depend generally on factors beyond our control. Examples of such risks that may affect Allianz Group include:

- *Environmental Matters:* Climate change may lead to natural catastrophes, political instability, emerging diseases or changed social behavior that differ from historical experience and may thus be difficult to predict using traditional models. Consequently, climate change and its related impact has the potential to affect the quality of our underwriting, pricing and retrocession processes and may adversely affect our financial condition, results of operations and business activities.
- *Regulatory Reform:* Judicial or legislative changes to retroactively expand policy coverage may expose us in the future to higher than expected losses which would require additional reserve strengthening and higher loss payments. Such retroactive changes to the provision of business interruption insurance have already begun to occur during the Covid-19 crisis.
- *Technological Developments:* Insurance companies are required to adapt to multiple emerging technologies that are changing customer behavior, affecting how business is conducted, and potentially creating new sources of risks. Allianz Group may be adversely affected if we are unable to adapt to the impact of such technologies on our operations and unable to adequately anticipate and model such risks. Such potential emerging risks related to technological change include cybersecurity, as well as new risks relating to new technologies such as autonomous cars and nanotechnologies.

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.

The 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. Assumptions on policyholder behavior are set in line with accepted actuarial methods and are based on own historical and industry-wide data or expert judgment. A risk for Allianz may arise when underlying business risk assumptions deviate from their development in reality.

German life insurance undertakings of the Allianz Group may have increased obligations under the German policy holder protection scheme for life insurers (Protector).

German life insurance undertakings of the Allianz Group are members of the German policy holder protection scheme for life insurers (“Protector”). In case of an adverse development of the situation of German life insurance companies outside Allianz Group, 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.

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.

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 the Issuer 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, prohibited transactions with countries and individuals that are subject to sanctions or otherwise blacklisted, privacy and data protection, record keeping, and marketing and distribution practices. Failure to comply with any laws and regulations could lead to disciplinary action, the imposition of fines and/or revocation of a license, permission or authorization necessary for the conduct of our business or civil or criminal liability, all or any of which could have a materially adverse effect on our business, revenues, results and financial condition.

In addition, insurance, banking and other financial services laws, regulations and policies currently governing the Issuer 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 inherently risky and expansion of the resolution powers of regulators. It is possible that the future regulatory framework for the financial industry may change. This could result from the current Solvency II review, which may impact Allianz' capitalization, but could 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 would 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. For further information, see "*Risk Factors—Risks Related to the Notes—Risks Related to Regulation—Risks related to application and changes to the Solvency II regulatory regime.*"

Regulators are increasingly focused on promoting the protection of customer/client information and the integrity of information technology systems of regulated firms, utilizing data protection regulations such as the EU General Data Protection Regulation (Regulation (EU) 2016/679) (the "EU GDPR") and the cyber laws of individual states of the United States that have been adopted based in part on the Insurance Data Security Model Law developed by the National Association of Insurance Commissioners ("NAIC"). These initiatives increase the risk of potential liability and could lead to more conservative approaches to the sharing of data, which in turn could impact assessments of risks. Increased regulatory activity may also include greater scrutiny of personal data processing within the insurance sector, which may give rise to regulatory intervention and reputational harm. Failure to comply with applicable regulations may expose us to

significant regulatory fines (for example, the maximum fine for non-compliance with certain EU GDPR requirements would be up to €20 million or 4% of our global turnover (whichever is greater)), damages claims and reputational damage.

The Allianz Group is further subject to antitrust regulation in the European Union and other jurisdictions and is therefore exposed to risks regarding related enforcement actions and damage claims. A finding of an infringement of antitrust regulations could adversely affect the Allianz Group in a variety of ways, including significant fines (based, among other factors, on the value of the relevant sales); private enforcement claims by third parties, such as customers and/or competitors; changes in business practices that may result in reduced revenues and/or margins; and reputational damage.

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.

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, anti-corruption 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.

The 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 our business, including, among others, our activities as an insurance, banking and asset management company, employer, investor and taxpayer. While it is not feasible to predict or determine the ultimate outcome of such proceedings, they may result in substantial damages or other payments or penalties or result in adverse publicity and damage to the Allianz Group's reputation. As a result, such proceedings could have an adverse effect on the Allianz Group's business, financial condition and results of operations.

In particular, as announced by ad-hoc disclosure on August 1, 2021, the Board of Management of Allianz SE has come to the conclusion that there is a relevant risk that the matters relating to the Allianz Global Investors U.S. LLC Structured Alpha Funds could materially impact future financial results of Allianz Group. However, it is currently neither feasible to predict the outcome of this matter nor to reliably estimate the amount of any possible resolution including potential fines.

For more information on the Allianz Group's legal proceedings, including the Allianz Global Investors U.S. LLC Structured Alpha matter, see "*Description of Allianz SE and Allianz Group—Legal and Arbitration Proceedings.*"

Regulatory actions in case of a breach of regulatory capital requirements.

In the event of a failure by the Issuer or the 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 the Issuer injecting new capital into its subsidiaries which could in turn adversely affect the Issuer's capital and financial position. Regulatory restrictions can reduce the Issuer's ability to move capital within Allianz Group which in turn can adversely affect the liquidity and financial position of the Issuer and the Allianz Group. Under the Solvency II regime, the powers of intervention of supervisory authorities with respect to reinsurers like the Issuer are extensive and, in particular, allow for a restriction on all payments (in particular, payments under the Notes) at an earlier stage of a potential crisis.

INTERNAL CONTROL RISK AND OTHER OPERATIONAL RISK

The Allianz Group has an internal risk and control system for verifying and monitoring its operating activities and business processes, in particular financial reporting, as well as compliance with regulatory requirements. There can be no assurance that this internal risk and control system fully protects the Allianz Group against material misstatements in its public reporting and other disclosure (including, but not limited to, as a result of the operational risks described below), that it is adequate to prevent, discover and remediate breaches of laws or that it will be adequate for an enterprise of the Group's scale and complexity. Any failure to effectively prevent, identify or address violations of our legal obligations as a result of inadequate internal controls, procedures, compliance systems and risk management systems could result in penalties and

other sanctions, liabilities, the assertion of damages claims by third parties, and reputational damage, each of which could materially and adversely affect our financial condition and results of operations.

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 and other illegal or unethical sales practices, non-compliance with internal or external requirements related to products, employee fraud and other misconduct, antitrust 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 under-payment 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 cybersecurity 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 damage 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.

OTHER RISKS

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. Key factors affecting competition in these areas include price, product features, commission structures, financial strength, claims-paying ability, ratings, administrative performance, support services and name recognition.

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 technology 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 changing consumer demands, technological trends and regulation, 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, which vary with the nature of the underlying transaction, 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.

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 the Issuer 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. The Issuer's funds are primarily used for principal and interest payments on debt funding, operating costs, internal and external growth investments, and distributions to shareholders. The Issuer'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 the Issuer and its subsidiaries, non-availability of external capital markets, and reinsurance risk scenarios for the Issuer.

Reputational risk

Allianz Group's reputation as a well-respected and socially aware provider of financial services is influenced by its behavior in a range of areas such as product quality, corporate governance, financial performance, customer service, employee relations, intellectual capital, and corporate responsibility. Any misbehavior can lead to adverse publicity and damage the Allianz Group's reputation and trigger 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. Reputational risk is the risk of an unexpected drop in the value of the Issuer's 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.

Rating downgrade risk

Claims paying ability as expressed by the insurance financial strength ratings is a factor in establishing the competitive position of insurers. The Issuer'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.

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 the Issuer 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.

Risks Related to the Notes

The Notes are intended to constitute restricted Tier 1 own-funds for the Issuer and the Allianz Group, i.e. subordinated debt of the highest possible quality from a regulatory capital perspective under European Directive 2009/138/EC (Solvency II). The regulatory criteria that the Notes must meet to qualify as restricted Tier 1 capital imply substantial risks for investors, as summarized here and outlined further below.

All payments under the Notes are at the full discretion of the Issuer and can be cancelled at any time. In addition, the Issuer will not be permitted to make interest payments, even if the Issuer wishes to do so, if one or more mandatory interest cancellation events occur or if other mandatory payment restrictions apply. The Notes are perpetual notes and deeply subordinated. In addition, the nominal amount of the Notes, in respect of which interest payments are made, will be written-down upon the occurrence of certain events. The write-down can be in full and can be permanent with no future write-up. There is a meaningful risk that investors lose all or parts of their investment. There are no events of default and investors have virtually no ability to influence the outcome of any insolvency proceedings.

The Notes are complex financial instruments and may not be a suitable investment for all investors.

Investors must determine (either alone or with help of a financial advisor) whether in light of their own circumstances an investment in the Notes is suitable. The Notes are complex financial instruments and not an 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. In particular, no key information document required by the PRIIPs Regulation or the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the European Economic Area or in the United Kingdom has been prepared. Offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area or in the United Kingdom may therefore be unlawful under the PRIIPs Regulation or the UK PRIIPs Regulation.

In particular, investors should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of their particular financial situation, an investment in the Notes and the impact such investment will have on their overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including those arising if the currency for principal or interest payments on the Notes (i.e., Euro) is different from the currency in which their financial activities are principally denominated;
- understand thoroughly the Terms and Conditions of the Notes, in particular the triggers and mechanisms for interest cancellation and write-downs under the terms of the Notes, and be familiar with the characteristics and potential volatility of any relevant indices and financial markets; and
- be able to evaluate possible scenarios for economic, interest rate and other factors that may affect their investment and their ability to bear the applicable risks.

Investors should not invest in the Notes unless they have the knowledge and expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, what the resulting effects on the value of the Notes will be, and what impact this investment will have on their overall investment portfolio. Prior to making an investment decision, investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Offering Circular or incorporated by reference herein.

Risks Related to the Repayment of Principal

Perpetual nature of the Notes (no final maturity date, no fixed redemption date), no events of default under the Notes and no right to require the repayment of the nominal amount of the Notes.

The Notes are perpetual securities and have no final maturity date or fixed redemption date. This means that the Issuer has no obligation to return the nominal amount of the Notes. Holders have no right to terminate or otherwise accelerate the redemption of the Notes. In addition, there are no events of default under the Notes, and under no circumstances will investors be able to declare the nominal amount of the Notes and interest accrued thereon as due and payable. There is no right of acceleration in case of non-payment of principal, interest amounts or other amounts scheduled for payment under the Notes, nor in case of any cancellation of interest or write-down of principal on the Notes, or in case of a failure by the Issuer to perform any other undertaking under the Notes. In addition, there is no right to require the Issuer to redeem the Notes. Accordingly, the Issuer is not required to make any repayment of the nominal amount of the Notes or accrued interest at any time or under any circumstances.

The nominal amount of the Notes may be written down in whole or in part due to shortfalls in the regulatory capital of the Issuer or the Allianz Group (see “*Risk Factors—Risks Related to the Notes—Risks Related to the Repayment of Principal – The nominal amount of the Notes may be written down (in whole or in part) to absorb losses; investors have no right to compel a write-up in respect of the Notes; and any such write-down may become permanent.*”). The occurrence of any of these events may result in investors losing all or part of their investment in the Notes.

Any redemption by the Issuer is discretionary but remains subject to certain conditions and restrictions on redemption which may delay the effective redemption date.

In addition to the perpetual nature of the Notes and the absence of any right by investors to require the Issuer to redeem the Notes, any discretionary redemption by the Issuer is subject to the fulfillment of certain conditions, including prior approval of BaFin or any authority that becomes its successor in such capacity (the “Competent Supervisory Authority”). Therefore, even if the Issuer wishes to redeem the Notes, the Issuer may not be entitled to do so.

Even where a market expectation exists that the Issuer may redeem the Notes, the Issuer may in its sole discretion refrain from calling the Notes. Even if a notice of redemption has been announced or delivered to investors, the Notes will not be redeemed by the Issuer if the conditions to redemption are not met. In particular, the Issuer will not redeem the Notes if such redemption (a) would result in, or would accelerate, an insolvency event relating to the Issuer, (b) would occur at a time when insolvency or liquidation proceedings against certain regulated subsidiaries of the Issuer are commenced or ongoing or (c) would result in the breach of regulatory capital ratios applicable to the Issuer or the Allianz Group, unless, in certain cases, exceptional permission from the Competent Supervisory Authority has been obtained and certain additional conditions to redemption have been fulfilled. Additional conditions to redemption will apply if the redemption takes place

within ten years of the issue date or, in exceptional cases where the Issuer may be entitled to redeem the Notes, within five years of the issue date. In all cases, redemption requires prior approval of the Competent Supervisory Authority and such approval cannot be assumed to be granted even if all other conditions to redemption are met. If the Competent Supervisory Authority rejects a proposed redemption for any reason, the Issuer is not obligated to take any legal action to appeal such decision, even if that decision is incomprehensible from the point of view of the Issuer.

Any suspension of redemption of the Notes after the Issuer has given notice of redemption will not constitute a default under the Notes for any purpose and does not give investors any right to take any enforcement action under the Notes. The non-satisfaction of any conditions to redemption will prevent a redemption or will delay the date on which the Notes are effectively redeemed, and will thus have a material adverse effect on the value of the Notes.

The nominal amount of the Notes may be written down (in whole or in part) to absorb losses; investors have no right to compel a write-up in respect of the Notes; and any such write-down may become permanent.

The Terms and Conditions of the Notes provide that, upon the occurrence of certain trigger events, the nominal amount of the Notes will be written down in full to EUR 0.01 and as a result, investors could lose all value invested in the Notes. These trigger events are designed to reflect the applicable regulatory requirements for Tier 1 qualifying subordinated debt to absorb losses and depend on certain regulatory capital ratios applicable to the Issuer and the Allianz Group. The Notes will be written down if (a) the solvency capital ratio applicable to the Issuer or the Allianz Group is 75% or less, (b) the minimum capital ratio of the Issuer or the Group MCR is 100% or less, or (c) the solvency capital ratio applicable to the Issuer or the Allianz Group is less than 100% but more than 75% and remains below 100% for at least three months after non-compliance with the solvency capital requirement was determined for the first time. As of the date of this Offering Circular, the “Group MCR” means the minimum consolidated group solvency capital requirement applicable to the Allianz Group, which is calculated as the sum of the solo minimum (solvency) capital requirements of all those entities that are included in the group solvency calculation via an internal or standard model. However, for the purposes of the Terms and Conditions, Group MCR may prospectively refer to a different metric as may be applicable to Allianz Group in the future, which functionally replaces the minimum consolidated group solvency capital requirement for purposes of this write-down trigger. EIOPA recommends in the current Solvency II review that the new trigger metric should be directly calculated as a percentage of the total group SCR and should be the lower value of 45% of the group SCR and the minimum consolidated group solvency capital requirement (which is also referred to as the “floor of the group SCR”). However, there is neither a guarantee that such an amendment will be made to the Group MCR trigger metric applicable on the date of this Offering Circular, nor can it be ruled out that a different Group MCR trigger will be implemented in the future, which may imply higher risks for investors. Any one of these triggers could lead to a write-down of the Notes. The occurrence of one trigger event does not preclude the occurrence of one or more other trigger events or a subsequent deterioration event. Moreover, failure to give notice of a write-down as provided for in the Terms and Conditions of the Notes is not an event of default and will not entitle investors to limit any write-down or require the redemption of the Notes.

The Issuer currently publicly reports the regulatory capital ratios applicable to the Issuer and the Allianz Group only annually, and, therefore, during any year, there is no published updating of such ratios and there may be no prior warning of adverse changes in the Issuer’s or the Group’s relevant regulatory capital ratios.

The Issuer may, at its own discretion and with binding effect on investors, determine the occurrence of a trigger event pursuant to the then prevailing Applicable Supervisory Requirements. Once the Issuer has determined such an occurrence of a trigger event, the nominal amount of the Notes will be written down in full to EUR 0.01, unless the then prevailing requirements for the recognition of the Notes as a Restricted Tier 1 Instrument permit the Issuer, and the Issuer in its sole discretion elects, to limit the write-down amount. Pursuant to the Applicable Supervisory Requirements at the issue date, the Issuer may, for example, apply for a waiver from the Competent Supervisory Authority to permit the Issuer to refrain from a write-down in certain circumstances. However, the Issuer is not obligated to apply for such a waiver and may withdraw an application to do so at any time. Furthermore, obtaining the waiver will be dependent on certain conditions and the Competent Supervisory Authority can accept or reject any application for such waiver in its sole discretion. Therefore, investors should not assume that a waiver will be granted even if the legal conditions for a waiver are met. In no case is the Issuer obligated to take any legal action if such approval is not granted by the Competent Supervisory Authority. Even if a waiver is granted and no write-down is made, the Notes may be subject to a further write-down if any of the regulatory capital ratios that led to a previous trigger event deteriorate or in case one or more new trigger events occur.

Any write-down in respect of the Notes does not depend on the simultaneous occurrence of a write-down or conversion of other Restricted Tier 1 Instruments or other instruments which are subject to a write-down or conversion mechanism.

The occurrence of a trigger event or a subsequent deterioration event will not constitute an event of default under the Notes, nor will it give rise to any right to require the redemption of the Notes. Any write-down may be permanent, resulting in investors losing some or all of their investment in the Notes. In addition, if the Notes are written down, they will bear interest only on the written down nominal amount as from (and including) the interest period in which the write-down occurs.

After a write-down of the nominal amount of the Notes, the Issuer may, subject to certain conditions, decide in its sole discretion to (in whole or in part) write-up the nominal amount of the Notes. The Issuer's ability to write-up the nominal amount of the Notes will depend on several conditions, such as sufficiently high regulatory capital ratios of the Issuer and the Allianz Group, and such write-up will only be possible to the extent the Issuer's net income (*Jahresüberschuss*) of the immediately preceding financial year is sufficient. No assurance can be given that these conditions will be met, nor that the Issuer will decide to write-up the Notes even if such conditions are met. In addition, even if all applicable conditions for a write-up of the nominal amount of the Notes are met, the Issuer will not in any circumstances be compelled by investors to write-up the nominal amount of the Notes.

In addition, a write-down will become permanent to the extent one or more previous write-downs of the nominal amount have not been fully compensated with one or more subsequent write-ups within a period of ten years following the last write-down. In this case, investors would permanently lose all or part of their investment in the Notes without the possibility that the investment might recover in the future. In case of a permanent write-down of only part of the nominal amount of the Notes, further write-downs remain possible at all times.

The Notes may be redeemed at an amount that is lower than the initial nominal amount of the Notes.

While a redemption at the option of the Issuer will generally require the prior write-up of the nominal amount of the Notes, under certain circumstances the Issuer may redeem the Notes at their then current nominal amount, as reduced by any write-downs (and to the extent not made up for by any write-ups). This will include any redemption upon the occurrence of a tax event, a regulatory event or a rating agency event (see "*Risk Factors—Risks Related to the Notes—Other Risks Related to the Expected Return of the Notes—Redemption risk due to redemption by the Issuer.*"). In addition, the Issuer may redeem the Notes at a nominal amount that is lower than the initial nominal amount if the Notes have been permanently written down (see "*Risk Factors—Risks Related to the Notes—Risks Related to the Repayment of Principal – The nominal amount of the Notes may be written down (in whole or in part) to absorb losses; investors have no right to compel a write-up in respect of the Notes; and any such write-down may become permanent.*"). In this case investors would permanently lose some or all of their investment in the Notes without the possibility that the value of their investment might recover in the future.

Similarly, if the Issuer is subject to insolvency proceedings, holders' claims for principal will be based on the then current nominal amount of the Notes, as reduced by any write-downs (and to the extent not previously written-up). As a result, any liquidation amount in respect of the Notes may be substantially less than that initially payable under the Notes, and consequently investors are likely to lose all of their investment in the Notes in case of such insolvency proceedings.

The occurrence of a trigger event may depend on factors outside of the Issuer's control.

A trigger event shall occur if the Notes are not fully written down and the Issuer determines that any of the following has occurred: (a) the solvency capital ratio applicable to the Issuer or the Allianz Group is 75% or less, (b) the minimum capital ratio of the Issuer or the Group MCR of Allianz Group is 100% or less, or (c) the solvency capital ratio applicable to the Issuer or Allianz Group is less than 100% but more than 75% and has not improved to at least 100% within three months from when non-compliance with the solvency capital requirement was determined for the first time.

The occurrence of a trigger event and related write-down is not entirely predictable and depends on a number of factors, some of which may be outside of the Issuer's control, including actions that the Issuer is required to take at the order of any competent supervisory authority or as a result of regulatory changes. All these factors could cause investors to lose all or part of their investment in the Notes.

The occurrence of a trigger event may also be affected by the Issuer's business decisions and, in making such decisions, the interests of the Issuer may not be aligned with those of investors.

The occurrence of a trigger event and the development of the regulatory capital ratios applicable to the Issuer and the Allianz Group more generally may also depend on Allianz Group's decisions relating to its businesses and operations, as well as to management of its capital position. The Issuer will have no obligation to consider the interests of holders of the Notes in connection with strategic or other decisions of Allianz Group, including making decisions related to capital management. Investors will not have any claim against the Issuer or any other member of Allianz Group relating to decisions that may affect the business and operations of Allianz Group, including its capital position, regardless of whether they result in the occurrence of a trigger event that in turn might result in a write-down of the Notes or a cancellation of interest payments. Such decisions could cause investors to lose all or part of their investment in the Notes.

The obligations of the Issuer under the Notes are deeply subordinated.

The Notes will constitute unsecured and subordinated obligations, ranking *pari passu* among themselves and, subject to applicable law from time to time, *pari passu* with all other equally subordinated obligations of the Issuer. In the event of

the Issuer's dissolution, liquidation, insolvency or composition, or if other proceedings are opened for the avoidance of the Issuer's insolvency or against the Issuer, the obligations under the Notes will be fully subordinated to all other obligations of the Issuer existing as of the issue date of the Notes. In any such event, no amounts shall be payable in respect of the Notes until all senior ranking obligations have been satisfied in full.

Furthermore, investors will have virtually no ability to influence the outcome of any insolvency proceedings or restructuring measures outside insolvency. In the course of insolvency proceedings pertaining to the assets of the Issuer, holders of the Notes will generally not have any right to vote in the creditors' meeting (*Gläubigerversammlung*). Accordingly, holders should not expect to be able to affect the outcome of any insolvency proceedings or restructuring.

Risks Related to the Payment of Interest

Interest on the Notes is subject to mandatory and discretionary cancellation, and in such instances, any interest cancelled will not be due and will not accumulate or be payable at any time thereafter.

Interest on the Notes will become due and payable only if it has not been cancelled in accordance with the Terms and Conditions of the Notes.

The Issuer has the sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be payable on any interest payment date. The Issuer may cancel interest payments in whole or in part even if a payment of dividends in respect of its ordinary shares is made or expected to be made and shareholders, who under German law have the power to decide at the annual general meeting on the payment of dividends, may determine to pay dividends on ordinary shares even if one or more interest payments on the Notes have been cancelled. It is the intention of the Issuer as of the date of this Offering Circular (i) to consider whether or not payments of dividends on its ordinary shares have been made or are expected to be made and (ii) to respect the hierarchy of capital and thus the seniority of the Notes relative to shareholder's equity, when exercising its discretion with respect to the interest payments. However, the Issuer is not bound by this intention, neither under the Terms and Conditions of the Notes nor in any other way.

In addition to the right to cancel (in whole or in part) interest payments at any time, the Terms and Conditions of the Notes also restrict or prohibit the Issuer from making interest payments on the Notes under certain conditions. Mandatory cancellation of interest payments may, for example, occur if an insolvency event (as described herein) occurs with respect to the Issuer, if such interest payment would cause or would accelerate the imminent occurrence of an insolvency event, if the Competent Supervisory Authority prohibited payments under the Notes or if eligible own funds of the Issuer and/or the Allianz Group are insufficient to cover the regulatory capital requirements applicable to the Issuer or the Allianz Group. In addition, interest payments may only be made from available distributable items (see "*Risk Factors—Risks Related to the Notes—Risks Related to the Payment of Interest—The level of available distributable items of the Issuer is affected by a number of factors and insufficient available distributable items will restrict the Issuer's ability to make interest payments on the Notes.*") and all interest payments will be mandatorily cancelled to the extent such payment of interest, together with other payments that can only be made from available distributable items, would exceed the available distributable items.

In all cases of mandatory interest cancellation, the Issuer will not be permitted to make a scheduled payment of interest and is not required to notify investors of the cancellation prior to the relevant interest payment date. Moreover, because the Issuer is entitled to cancel interest payments in its sole and absolute discretion, the Issuer may cancel payment of interest even if none of the conditions for a mandatory cancellation of interest is met and the Issuer would have been permitted to make such payment of interest.

Any interest cancelled will not be due and will not accumulate or be payable at any time thereafter. Accordingly, there is no obligation for the Issuer to make up for the non-payment of interest at any later point in time. Investors will have no rights in connection with cancelled interest, and will not be entitled to any additional interest or compensation. In particular, any cancellation will not constitute an event of default under the Notes and will not permit any acceleration in repayment of any principal on the Notes. As a result, investors would not receive any interest on any interest payment date or at any other times and will have no claims whatsoever in respect of any cancelled interest. The Issuer has the right to use the funds from cancelled payments of interest without restrictions for the fulfillment of other obligations. Even if interest payments are cancelled, and even though the Notes rank senior to ordinary shares, the Issuer may use funds that could have been applied to make cancelled interest payments to pay dividends on ordinary shares. Unless the Issuer is prevented from doing so for regulatory reasons, it may also apply these funds for payments on other obligations, even on obligations that rank equally with the Notes or junior to the Notes.

Potential investors should be aware that the Issuer cannot be compelled to make an interest payment in respect of the Notes under any circumstances.

Investors and market observers may have expectations that the Issuer will service its Restricted Tier 1 Instruments. Should the Issuer diverge from these expectations by using its discretion not to make payments or should it be prevented

from making payments for regulatory reasons, or should perceptions arise in the market that the Issuer will or may not make any payments that investors or the market previously expected it to make, the market value of the Notes may be materially reduced and the market for them may become less liquid.

The level of available distributable items of the Issuer is affected by a number of factors and insufficient available distributable items will restrict the Issuer's ability to make interest payments on the Notes.

Notwithstanding other restrictions on interest payments (see “*Risk Factors—Risks Related to the Notes—Risks Related to the Payment of Interest—Interest on the Notes is subject to mandatory and discretionary cancellation, and in such instances, any interest cancelled will not be due and will not accumulate or be payable at any time thereafter.*”), interest payments may only be made from available distributable items (see “*Interest Payments and Distributable Items of the Issuer*”). This means that interest payments on the Notes will be mandatorily cancelled to the extent that payment of interest, when taken together with any additional distributions on shares and other instruments on which distributions may only be made from available distributable items that are scheduled to be made on the same day or that have been made in the then current financial year of the Issuer (up to and including the day on which such payment is scheduled), would exceed the available distributable items.

The determination of available distributable items will be made on the basis of the Issuer's audited financial statements prepared in accordance with the German Commercial Code (“HGB”), German GAAP and other applicable German law then in effect (the “Audited German GAAP Financial Statements”) and not on the basis of Allianz Group's consolidated financial statements. The level of available distributable items will depend on a number of factors, including the application of HGB accounting principles, as well as the Issuer's and the Allianz Group's business, their financial position and profitability, but also on actions taken by management. Management of the Issuer has broad discretion to influence the available distributable items in a certain year and may exercise this discretion to the detriment of investors. Furthermore, management actions to positively influence the available distributable items that were or could have been taken in the past may not be available or may not be taken by the management in the future.

In addition, the level of available distributable items will be affected by a number of other factors, such as the Issuer's ability to receive funds, directly or indirectly, from its operating subsidiaries in a manner which creates available distributable items. Therefore, adverse changes in Allianz Group's business, financial position and profitability could reduce the amount of available distributable items in the future. In addition, the available distributable items will also be reduced by servicing of other debt instruments and distributions made on equity instruments.

The ability of the Issuer's operating subsidiaries to pay dividends and the Issuer's ability to receive distributions and other payments from its investments in other entities is subject to applicable local laws and other restrictions, including their respective regulatory, capital and leverage requirements, statutory reserves, financial and operating performance and applicable tax laws. These laws and restrictions could limit the payment of dividends, distributions and other payments to the Issuer by its operating subsidiaries, which could in turn restrict the Issuer's ability to fund other operations or to maintain or increase the available distributable items.

No restriction on dividends.

The Terms and Conditions of the Notes do not contain any restriction on the ability of the Issuer to pay dividends on or repurchase its ordinary shares. Therefore, there is no restriction on the reduction of the available distributable items by making dividend payments or repurchases of ordinary shares and, consequently, to increase the likelihood of a cancellation of payments of interest.

Other Risks Related to the Expected Return of the Notes

The interest rate on the Notes will reset on the first reset date and every five years thereafter, and a reset of interest rates may result in a decline of yield or a change in the market value of the Notes.

Initially, the Notes will bear interest at a fixed rate, payable annually in arrear. This fixed rate of interest will be subject to a regular reset every five years. As an exception to this provision, the first reset date will occur on April 30, 2032, and hence more than five years following the issue date of the Notes. While the credit risk premium remains unaffected by a reset and remains unchanged until redemption of the Notes, the reference rate on which the reset rate of interest will be based will change over time. As a result, the interest rate following any reset date may be lower than the initial interest rate on the Notes or the interest rate that is applicable prior to a reset date, which would affect the amount of any interest payments under the Notes and, by extension, could affect their market value. Potential investors should be aware that the performance of the reference rate cannot be anticipated, and that neither the current nor historical level of the reference rate is an indication of its future development. Due to varying interest income and the possibility of discretionary or mandatory cancellation of interest payments, potential investors will not be able to determine a definite yield of the Notes at the time of

purchase. Therefore, their return on investment cannot be compared with that of investments with no interest rate reset and no interest cancellation.

For the purpose of resetting the rate of interest on the Notes on the first reset date and every five years thereafter, the new fixed interest rate will be calculated based on a reference rate. The reference rate represents the fixed rate leg of a fixed-to-floating interest rate swap, where the floating rate leg is based on the EURIBOR. If such reference rate is unavailable or discontinued, this may adversely affect the value of and return on the Notes.

For the purpose of resetting the rate of interest on the Notes on the first reset date and every five years thereafter (see “*Risk Factors—Risks Related to the Notes—Other Risks Related to the Expected Return of the Notes—The interest rate on the Notes will reset on the first reset date and every five years thereafter, and a reset of interest rates may result in a decline of yield or a change in the market value of the Notes.*”), the new fixed interest rate will be calculated based on a reference rate. The reference rate is defined as the annual mid swap rate for Euro denominated swap transactions with a maturity of 5 years which appears on the Reuters screen page “ICESWAP2 / EURFIXA” under the heading “EURIBOR BASIS” and the caption “11:00 AM Frankfurt time” on the relevant Interest Determination Date (“Initial Benchmark Rate”). As such, it represents the fixed rate leg of a 5-year fixed-to-floating interest rate swap, where the floating rate leg is based on the EURIBOR.

To the extent the relevant Initial Benchmark Rate does not appear on the relevant Reuters screen page, and if no benchmark event has occurred, the Initial Benchmark Rate for the relevant reset period will be determined by the Calculation Agent and the Issuer using alternative methods. In addition, certain benchmark replacement provisions will apply in case a benchmark event has occurred and the Initial Benchmark Rate is discontinued or can no longer be used for other reasons, including due to a change of the methodology of its determination, which may be caused by a discontinuation or a material alteration of the methodology of EURIBOR as a component part of the Initial Benchmark Rate. In such a case, an independent adviser will determine whether an officially recognized successor rate exists. If that is not the case, the independent adviser will attempt to find an alternative rate which, after the potential application of adjustments or spreads, can replace the Initial Benchmark Rate. Any alternative method of determining the reference rate, including any replacement by another benchmark or any fallback reference rate may result in interest payments that are lower than or do not otherwise correlate over time with the payments that would have been made on the Notes if the otherwise applicable screen rate in its form on the issue date of the Notes would have been applicable. In addition, if the determination of the reference rate would change the regulatory classification of the Notes that would likely lead to the exclusion of the Notes from the Tier 1 own-fund items of the Issuer, the reference rate will be fixed for the remaining duration of the Notes based on a reference rate used in previous interest periods. This may also result in interest payments that are lower than or do not otherwise correlate over time with the payments that would have been made on the Notes if the otherwise applicable screen rate in its form on the issue date would have been applicable. Any of the foregoing may have an adverse effect on the value of the Notes.

Redemption risk due to redemption by the Issuer.

The Terms and Conditions of the Notes include the option for the Issuer to redeem the Notes within a six month period prior to each interest reset date and on each interest reset date upon not less than 15 days’ prior notice. An optional redemption will be subject to certain conditions, including the prior approval of the Competent Supervisory Authority (see “*Risk Factors—Risks Related to the Notes—Risks Related to the Repayment of Principal – Any redemption by the Issuer is discretionary but remains subject to certain conditions and restrictions on redemption which may delay the effective redemption date.*”). Upon fulfillment of these conditions, the Issuer may decide in its sole discretion to redeem the Notes. In addition, and subject to certain conditions, including the prior approval of the Competent Supervisory Authority, the Issuer may redeem the Notes, in whole but not in part, at any time upon not less than 15 days’ prior notice if a tax event, a regulatory event or a rating agency event occurs.

A tax event occurs if, due to subsequent changes of the law or fiscal practice, the tax treatment of the Notes changes (including but not limited to the tax deductibility of the interest expense related to the Notes or the obligation to gross-up payments) having a material adverse effect for the Issuer (see also “*Risk Factors—Risks Related to the Notes—Risks Related to the Tax Treatment of the Notes—Investors should be aware that tax regulations and their application by the relevant taxation authorities are subject to change, possibly with retrospective effect, and that this could negatively affect the value of the Notes by giving the Issuer the right to redeem the Notes due to a tax event.*”). A regulatory event occurs if there is a change in the regulatory classification of the Notes likely excluding them, in full or in part, from the Tier 1 own-funds of the Issuer (see also “*Risk Factors—Risks Related to the Notes—Risks Related to Regulation—Risks related to application and changes to the Solvency II regulatory regime*”). This includes (without limitation) an event where the applicable supervisory requirements are supplemented or amended in relation to provisions specifically governing internationally active insurance groups (IAIG) and/or global systemically important insurers (G-SII), and where, following such supplement and/or amendment, the Notes would likely not or no longer be recognized in full as own-fund items of the highest tier available for subordinated instruments pursuant to such provisions, including after the expiration of transitional rules, if any. A rating agency event occurs if, as a consequence of a subsequent change or clarification of the rating

methodology (or the interpretation thereof), the treatment of the Notes with regards to measuring the capitalization or the leverage of the Issuer or the Allianz Group by Moody's Investors Service, Inc. ("Moody's") or S&P Global Ratings Europe Limited ("S&P") is materially adversely affected.

After redemption, no further interest payments will be made under the Notes. Investors should be aware that the Issuer may redeem the Notes at a time that may result in a loss to investors on any hedging or other associated transactions in which investors may have engaged.

The Notes may be redeemed at the reduced nominal amount following a write-down upon the occurrence of a tax event, a regulatory event or a rating agency event or, at the option of the Issuer, if they are subject to a permanent write-down (see "*Risk Factors—Risks Related to the Notes—Risks Related to the Repayment of Principal—The nominal amount of the Notes may be written down (in whole or in part) to absorb losses; investors have no right to compel a write-up in respect of the Notes; and any such write-down may become permanent.*"). In these scenarios, the redemption amount in respect of the Notes may be substantially less than the initial nominal amount of the Notes, and as a result investors risk losing all or part of their investment in the Notes.

The Issuer may be expected to redeem the Notes when its cost of borrowing for instruments comparable to the Notes is lower than the interest rate on the Notes. In particular, if the Issuer redeems the Notes, there is a risk that investors may not be able to reinvest the amounts received upon redemption at a rate that provides the same rate of return as investment in the Notes.

The market may have certain expectations with respect to the redemption of the Notes in the future on the basis of market practice, and these expectations may be reflected in the price of the Notes on the secondary market. Any failure by the Issuer to meet these expectations, whether for regulatory reasons or otherwise, would likely result in a material adverse effect on the market value and liquidity of the Notes.

Risks Related to Market Price and Liquidity of the Notes

The market value of the Notes is influenced by a change (or the perception of a change) in the creditworthiness of the Issuer, by the Issuer's credit rating and a number of other factors including but not limited to market interest, rate of return and certain market expectations with respect to the Issuer making use of a right to redeem the Notes or making discretionary payments of interest. The value of the Notes depends on a number of interacting factors. These include economic and political events in Germany or elsewhere as well as situations which generally affect capital markets and/or stock exchanges on which the Notes are traded. The price at which investors can sell the Notes may be considerably below the issue price or purchase price paid by the respective investor.

In the absence of a fixed maturity and fixed redemption date, investors may be dependent on liquidity in the market for the Notes and developments in the market value of the Notes to recover their investment in the Notes. The features of the Notes as well as external factors may cause the market for the Notes to become or remain illiquid and the market price to decline. This may lead to an inability to sell the Notes at or near their nominal amount or at all.

The Notes are perpetual securities, with no fixed maturity and no fixed redemption date. Their nominal amount may be written down upon the occurrence of a trigger event. Any interest payment may be cancelled. There are no events of default under the Terms and Conditions of the Notes, and there is no right of acceleration in the case of any non-payment of principal, interest or other amounts scheduled for payment under the Notes.

Given these features of the Notes, investors may seek to sell their Notes in the secondary market for the Notes as a means to recover their investment. However, in addition to customary risks of illiquidity in the market for a new issue of securities such as the Notes, the Notes may be especially susceptible to illiquid secondary markets and declining prices. If the Issuer fails to redeem the Notes at times when the market participants may expect it to do so, if their nominal amount is written down or if interest payments are cancelled, the value of the Notes would likely decline and investors may not find buyers for their Notes at prices close to their initial nominal amount or at any price. As a result, Investors may lose all or part of their investment in the Notes.

Factors external to the Issuer may also affect the liquidity of the secondary market for the Notes and their market value. In addition to market conditions generally, perceptions regarding the financial condition and creditworthiness of the Issuer and the Allianz Group and the financial health of financial institutions in Europe or globally, including the effect of the Covid-19 pandemic and governmental measures to respond to the pandemic, may affect market liquidity and market prices of the Notes. In particular, if securities similar to the Notes issued by other insurance undertakings are not redeemed when the market expects redemption, are written down, or if interest payments on such securities are cancelled, the liquidity of the market for, and market prices of, the Notes may be adversely affected.

In addition, the market may have certain expectations with respect to the Issuer making interest payments in the future on the basis of past practice, and these expectations may be reflected in the price of the Notes on the secondary market. Any failure by the Issuer to meet these expectations, whether for regulatory reasons or otherwise, would likely result in a material adverse effect on the market value and liquidity of the Notes.

All of these factors may lead to inability to sell Notes at or near their nominal amount or at all and, combined with other characteristics of the Notes, may leave investors without any means to recover their investment in the Notes at all.

There may not be an active trading market for the Notes.

As restricted Tier 1 securities issued by a German issuer, the Notes are a relatively new type of financial instrument that does not have a long-established history of an active trading market. Although application has been made to have the Notes listed on the official list of the Luxembourg Stock Exchange and traded on the Euro MTF market, no assurance can be given that the application for listing will be approved or that an active trading market will develop. Even if an active trading market does develop, it may not be liquid and may not continue for the term of the Notes. The liquidity and market prices for the Notes can be expected to vary with changes in market and economic conditions, the Issuer's financial condition and prospects, and other factors that generally influence the market prices of securities. If the depth of the secondary market for the Notes is limited, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a material adverse effect on the market value of the Notes.

The Managers may or may not make a market in the Notes but, in any case, are not obligated to do so and may discontinue market making at any time, without notice.

The market price and liquidity of the Notes will depend on the regulatory capital ratios applicable to the Issuer and the Allianz Group and may differ significantly from the market price and the liquidity of other subordinated debt instruments of the Issuer.

The Terms and Conditions of the Notes provide for a principal loss absorption mechanism in a going concern scenario of the Issuer. This means that, even if no insolvency event with respect to the Issuer is imminent or has occurred, the Notes may be (in whole or in part) written down if the relevant regulatory capital ratios applicable to the Issuer and the Allianz Group fall below certain thresholds. A write-down of the Notes at that time may result in a loss in whole or in part of the investment in the Notes while other subordinated debt securities of the Issuer may be unaffected.

Accordingly, the trading behavior of the Notes may not necessarily follow the trading behavior of other types of subordinated securities, including other subordinated debt securities of the Issuer. Any indication that the Issuer or the Allianz Group may be at risk of failing to meet its regulatory capital requirements may have an adverse effect on the market price and liquidity of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with proceeds sufficient to provide a yield comparable to other types of subordinated securities, including other subordinated debt securities of the Issuer.

Movements of the market interest rate and the credit risk premium can adversely affect the price of the Notes and lead to losses upon a sale.

Investors will be exposed to the risk that the price of the Notes decreases as a result of changes in the premium that the market applies to the risks relating to the Issuer including its capital. The Issuer refers to this kind of premium as the "credit risk premium". Investors will also be exposed to interest rates as determined on any particular day in the capital markets, referred to as a "market interest rate". Although the interest rate of the Notes is initially fixed, the interest rate applicable to the Notes for any reset period from the first reset date and every reset date thereafter will be determined from time to time as the sum of the applicable reference rate plus a fixed credit spread, which credit spread will be fixed at the pricing day, will remain unchanged until redemption and thus will not reset (see "*Risk Factors—Risks Related to the Notes—Other Risks Related to the Expected Return of the Notes—The interest rate on the Notes will reset on the first reset date and every five years thereafter, and a reset of interest rates may result in a decline of yield or a change in the market value of the Notes.*"). As the market interest rate or the credit risk premium changes, the price of the Notes would typically be expected to change in the opposite direction. For example, if either the market interest rate or the credit risk premium increases, the price of the Notes on the secondary market would typically be expected to fall in response. Movements of the market interest rate and the credit risk premium are independent of each other, and such movements can adversely affect the price of the Notes and can accordingly lead to losses for the investors in the Notes.

The Notes may trade with accrued interest even though interest may not be paid on the relevant interest payment date.

The Notes are expected to trade and their prices are expected to appear on the Euro MTF market of the Luxembourg Stock Exchange. Typically, bonds with an investment grade rating are quoted on a "clean basis", i.e. the price excluding

accrued interest for the period between the last interest payment date and the relevant trade date. When the market price decreases significantly, typically due to a market wide or issuer related crisis, the quoting convention can change, and the price quoted by traders and appearing on the Euro MTF market or other sources can be a price that includes accrued interest (which is commonly referred to as the “dirty price”). In any case, investors should be aware that they will typically be required to pay accrued interest irrespective of how the bond price is quoted when buying the Notes in the secondary market. However, if the payment of interest on the immediately following interest payment date is cancelled (in whole or in part) and thus is not due and payable, investors will not be entitled to that interest payment (in whole or in part, as applicable) on the relevant interest payment date. This impact of the interest cancellation on the quotation of the Notes may affect the ability to sell the Notes in the secondary market and as a result the value of the investment in the Notes.

A downgrade, suspension or withdrawal of the rating assigned by any rating agency could cause the liquidity or market value of the Notes to decline.

The Issuer has been, and the Notes are expected to be, assigned a credit rating by S&P and Moody’s. Credit ratings (including any unsolicited credit ratings) may, however, not reflect the potential impact of all risks related to the structure, market, additional factors discussed in this section and other factors that may affect the market value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant credit rating agency. The credit ratings to be assigned to the Notes (including any unsolicited credit ratings) are not a statement as to the likelihood of cancellation of interest on the Notes or of the likelihood of a trigger event for a write-down occurring.

Furthermore, rating agencies that currently or in the future publish a rating for the Issuer or the Notes may change the methodologies that they use for analyzing securities with features similar to the Notes. Real or expected downgrades, suspensions or withdrawals of credit ratings assigned to the Issuer or the Notes, or changes in methodology used to determine these credit ratings, could cause the liquidity or trading prices of the Notes to decline significantly. In addition, any uncertainty about the extent of any anticipated changes to the credit ratings assigned to the Issuer or the Notes may adversely affect the liquidity or market value of the Notes. See also “*Risk Factors—Risks Related to the Issuer—Other Risks—Rating downgrade risk*”.

Risks Related to the Tax Treatment of the Notes

The Notes do not provide for payments of principal to be grossed up in the event withholding tax is imposed on repayments of principal.

Under the Terms and Conditions of the Notes, all amounts payable in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of withholding or deduction by or on behalf of the country in which the Issuer is tax resident or any of its local authorities, tax authorities or other bodies entitled to impose, collect, withhold, fix or levy, unless such withholding or deduction is required by law.

The Notes do not provide for payments of principal to be grossed up in the event withholding tax (including a withholding tax of the country in which the Issuer is tax resident or any of its local authorities) is imposed on repayments of principal. Accordingly, if a withholding or deduction were to apply to any payments of principal under the Notes, Holders may receive less than the full amount due under the Notes and the market value of the Notes may be adversely affected. Additionally, the Notes do not provide for certain payments of interest to be grossed up in the event withholding tax is imposed on payments of interest as set forth in § 7 of the Terms and Conditions of the Notes.

Investors should be aware that tax regulations and their application by the relevant taxation authorities are subject to change, possibly with retrospective effect, and that this could negatively affect the value of the Notes by giving the Issuer the right to redeem the Notes due to a tax event.

The Issuer believes that the interest expense related to the Notes should be tax deductible. However, it is not possible to predict the precise tax treatment which will apply at any given time from and including the issue date of the Notes due to changes in tax law and relevant jurisprudence. In particular, following the implementation of Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market as amended by Council Directive (EU) 2017/952 of 29 May 2017 amending Directive (EU) 2016/1164 as regards hybrid mismatches with third countries (the so-called “Anti-Tax Avoidance Directive” or “ATAD”) into German income tax law, interest payments made in relation to certain hybrid arrangements are not tax deductible as business expenses of the payor if the corresponding results of the payee are non-taxable or only taxable to a limited extent in another country. Apart from financing transactions between associated enterprises, this only applies to hybrid arrangements that qualify as “structured arrangements” (strukturierte Gestaltungen). While the law defines “structured arrangements” in more detail to a certain extent, the definition of “structured arrangements” in the law is nevertheless open to interpretation. In addition, the future application of the new non-deductibility rules by the competent tax office cannot be predicted. While

the Issuer believes that the provisions of ATAD and the new non-deductibility rules implemented into German income tax law are not aimed at applying to own funds instruments of regulated institutions that are primarily or exclusively placed with investors that are not affiliated with the Issuer or the group to which the Issuer belongs such as the Notes, it cannot be ruled out entirely that the Notes could qualify as such "structured arrangements" to which the new non-deductibility rules would apply.

A change in the applicable tax treatment of the Notes may negatively affect the value of the Notes by giving the Issuer the right to redeem the Notes due to a tax event, subject to the conditions to redemption (see *"Risk Factors—Risks Related to the Notes—Other Risks Related to the Expected Return of the Notes—Redemption risk due to redemption by the Issuer."*).

Risks Related to Regulation

Risks related to application and changes to the Solvency II regulatory regime.

The Issuer expects the Notes to qualify as restricted Tier 1 capital eligible to cover the regulatory capital requirements applicable to the Issuer and the Allianz Group. This expectation is based on the Issuer's review of available information in European Directive 2009/138/EC (Solvency II Directive), the German Insurance Supervision Act (*Versicherungsaufsichtsgesetz*), the level two implementation measures set out in Commission Delegated Regulation (EU) 2015/35 and related provisions and regulations, resolutions or other decisions and guidance of the competent supervisory authorities affecting the Issuer and the Allianz Group.

However, there is uncertainty as to how regulators, including the Competent Supervisory Authority in its role as insurance supervisory authority and EIOPA, the European insurance supervisory authority, will interpret the existing legal framework and apply them to the Issuer and the Allianz Group. It is possible that the future regulatory framework for the financial and insurance industry may change. On December 17, 2020, EIOPA has delivered its opinion on the review of the Solvency II Directive, which may ultimately lead to changes in the Solvency II regime that may affect the Allianz Group. The Allianz Group has also been designated as a "Global Systemically Important Insurer" by the Financial Stability Board and will be subject to future policy measures that may apply to such groups. In addition, the IAIS have published a set of international standards for regulation of the insurance industry, the Comframe, but it remains unclear how and when Comframe will be implemented and how, if implemented, it will affect the operations and financial performance of the Allianz Group, including the recognition of capital instruments issued by the Issuer as Tier 1 own-fund items (including the Notes) or Tier 2 own-fund items.

Any changes that may occur in the application of insurance regulation in Germany subsequent to the date of this Offering Circular and/or any subsequent changes to these rules and other variables may individually or in aggregate negatively affect the calculation of the regulatory capital of the Issuer and/or Allianz Group and the calculation of the relevant regulatory capital requirements and make them more onerous. It may also affect the trigger metrics as such (see *"Risk Factors Relating to the Notes—Risks related to the Repayment of Principal—The nominal amount of the Notes may be written down (in whole or in part) to absorb losses; investors have no right to compel a write-up in respect of the Notes; and any such write-down may become permanent."*). Any such change, in particular changes in how the relevant regulatory capital requirements are calculated, may increase the risk of a write-down, the cancellation of interest payments or redemption of the Notes by the Issuer due to a regulatory event, as a result of which investors could lose all or part of their investment in the Notes (see *"Risk Factors—Risks Related to the Notes—Other Risks Related to the Expected Return of the Notes—Redemption risk due to redemption by the Issuer."*).

All solvency ratios applicable to the Notes (Group SCR Ratio, Group MCR Ratio, Solo SCR Ratio, Solo MCR Ratio), in particular all solvency ratios which are used to determine whether a Trigger Event or a Deterioration Event has occurred, will take into account the effects from applying the transitional measures on technical provisions ("transitionals") as approved by BaFin in June 2020. The benefit of applying such transitionals decreases annually in a linear way until January 1, 2032. However, BaFin can request a recalculation of the benefit from such transitionals every 24 months, or more frequently where the risk profile of the relevant undertakings has materially changed. Such a recalculation may result in a faster reduction of the deductible amount, and hence lower solvency ratios of the Allianz Group, than is the case under the current calculation methodology.

In addition, in connection with the ongoing review of the Solvency II Directive, EIOPA has also recommended that it should be clarified that benefits from transitional measures on technical provisions are to be assumed at group level as non-available own funds. If this recommendation were to be taken up in the further review procedure, the effect of the transitional measures on eligible own funds of the Group for purposes of the Group SCR Ratio and the Group MCR Ratio would be largely reduced or even nil.

A reduction of the solvency ratios of the Issuer or the Allianz Group due to changes in the Solvency II regulatory regime (or for any other reason) could also have adverse consequences for the rating of the Notes, irrespective of whether or not the insurance financial strength rating changes for the same reason. In other words, such a reduction of the solvency

ratios of the Issuer or the Allianz Group could increase the distance (often referred to “notching”) between the insurance financial strength rating and the issue rating of the Notes.

In addition, the Terms and Conditions of the Notes make references to multiple laws and regulations as in force as of a future date upon which a certain event may occur or a certain decision may be taken in respect of the Notes. Therefore, any changes in those laws and regulations between the date of this Offering Circular and the date of such event or decision may change the operation of the Terms and Conditions of the Notes and may have adverse effects on the legal position of investors.

Other Risks Related to the Notes

Restrictions on right to set-off.

No investor may set-off its claims arising under the Notes against any claims of the Issuer or refuse to perform any obligations before payments owed to the investor under the Notes are made. The Issuer may set-off its claims against the obligations under the Notes subject to conditions to redemption. (See “*Risk Factors—Risks Related to the Notes—Risks Related to the Repayment of Principal – Any redemption by the Issuer is discretionary but remains subject to certain conditions and restrictions on redemption which may delay the effective redemption date.*”)

There is no restriction on the amount or type of further securities or indebtedness that the Issuer may issue, incur or guarantee.

There is no restriction on the amount or type of further securities or indebtedness that the Issuer may issue, incur or guarantee, as the case may be, that rank senior to, or *pari passu* with, the Notes offered here. The issuance or guaranteeing of any further securities or indebtedness may reduce the amount recoverable by investors in the Notes on a liquidation or winding-up of the Issuer and may limit the Issuer’s ability to meet the obligations under the Notes.

Consent of investors may not be required for certain decisions.

The Terms and Conditions of the Notes contain certain voting provisions for investors regarding matters affecting their interests. These provisions permit defined majorities to approve certain changes to the Terms and Conditions of the Notes which are binding for all investors, including investors who did not vote and investors who voted in a manner contrary to the majority.

In addition, the Issuer may at any time without the consent of investors issue further Notes having the same Terms and Conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price), if certain conditions are met.

Furthermore, the Issuer may at any time, without the consent of investors, substitute the Issuer with any other company which is directly or indirectly controlled by the Issuer, as new issuer in respect of all obligations arising under or in connection with the Notes with the effect of releasing the Issuer from all such obligations, provided that certain conditions are fulfilled (including a requirement that the Issuer irrevocably guarantee the obligations of the new issuer under the Notes). No assurance can be given as to whether such substitution will negatively affect any particular investor. The tax and stamp duty consequences of holding Notes could be different for some categories of investors from the tax and stamp duty consequences for them of holding the Notes prior to such substitution.

Exchange rate risks and exchange controls.

The Notes are denominated in Euros. Potential investors whose functional currency is not the Euro should bear in mind that an investment in the Notes could involve currency risks. This includes the risks of amendments in currency exchange rates. An appreciation in the value of the investor’s currency relative to the Euro would decrease (i) the investor’s currency-equivalent yield on the Notes, (ii) the investor’s currency equivalent value of the principal payable on the Notes, and (iii) the investor’s currency-equivalent market value of the Notes. In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Investors may have to return amounts received that were not permitted to be paid pursuant to the Terms and Conditions of the Notes.

If investors in the Notes have received payments that were not permitted under the Terms and Conditions of the Notes, such investors may have to return any amounts so received irrespective of any agreement to the contrary.

USE OF PROCEEDS

The net proceeds of the issuance of the Notes, after deducting the Managers' discount and other fees and expenses related to the offering payable by us, will be used by the Allianz Group for general corporate purposes of the Allianz Group.

CAPITALIZATION AND FINANCIAL INDEBTEDNESS OF ALLIANZ GROUP

The figures for liabilities and equity as of December 31, 2020, December 31, 2019 and December 31, 2018 are audited, unless otherwise indicated. The figures for liabilities and equity as of June 30, 2021 are unaudited.

Total liabilities

Amounts in € million

	As of June 30, 2021	As of December 31,		
		2020	2019	2018
Senior bonds (unaudited)	8,075	8,036	8,085	8,037
Money market securities	1,147	1,170	1,124	1,163
Total certificated liabilities	9,222	9,206	9,209	9,199
Subordinated bonds (unaudited) ¹	11,947	13,989	13,193	13,430
Hybrid equity ²	45	45	45	45
Total subordinated liabilities	11,992	14,034	13,238	13,475

⁽¹⁾ Change due to the redemption of two subordinated bonds with a nominal amount of \$1 billion and €0.8 billion and the repurchase of a €0.5 billion convertible bond in the first half year of 2021.

⁽²⁾ Relates to hybrid equity issued by subsidiaries.

Total equity

Amounts in € million

	As of June 30, 2021	As of December 31,		
		2020	2019	2018
Shareholders' equity				
Issued capital	1,170	1,170	1,170	1,170
Additional paid-in capital	27,732	27,758	27,758	27,758
Undated subordinated bonds	2,304	2,259	-	-
Retained earnings ¹	32,313	31,371	29,577	27,967
Foreign currency translation adjustments	(3,833)	(4,384)	(2,195)	(2,607)
Unrealized gains and losses (net) ^{2,3}	18,013	22,648	17,691	6,945
Subtotal	77,699	80,821	74,002	61,232
Non-controlling interests	3,692	3,773	3,363	2,447
Total	81,390	84,594	77,364	63,679

⁽¹⁾ As of June 30, 2021, includes €(30) million (December 31, 2020: €(30) million; December 31, 2019: €(55) million; December 31, 2018: €(84) million) related to treasury shares.

⁽²⁾ As of June 30, 2021, includes €355 million (December 31, 2020: €494 million; December 31, 2019: €415 million; December 31, 2018: €267 million) related to cash flow hedges.

⁽³⁾ Additional off-balance sheet unrealized gains on real estate, associates and joint ventures attributable to the shareholders amounted to €4.9 billion as of June 30, 2021 (December 31, 2020: €4.8 billion; December 31, 2019: €4.5 billion; December 31, 2018: €4.2 billion). These off-balance sheet unrealized gains reflect differences (after policyholder participation, taxes and non-controlling interests) between fair values and balance sheet values which are not considered in shareholders' equity.

Total liabilities and equity

Amounts in € million

	As of June 30, 2021	As of December 31,		
		2020	2019	2018
Certificated liabilities	9,222	9,206	9,209	9,199
Subordinated liabilities	11,992	14,034	13,238	13,475
Equity	81,390	84,594	77,364	63,679
Total (unaudited)	102,604	107,835	99,811	86,353

DESCRIPTION OF ALLIANZ SE AND ALLIANZ GROUP

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 February 5, 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 October 7, 1996, to "Allianz Aktiengesellschaft" (Allianz AG).

On February 3, 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 February 8, 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 October 13, 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

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.

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. The information on the website does not form part of this Offering Circular unless that information is expressly incorporated by reference into this Offering Circular.

The financial year of Allianz SE is the calendar year.

The Allianz share is listed, inter alia, on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse (Regulierter Markt)*) which is a regulated market for the purposes of MiFID II. The International Securities Identification Number (ISIN) for the Allianz share is DE0008404005. Its trading symbol is "ALV".

Business Overview

Principal Activities of the Allianz Group

The 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 two categories: property-casualty and life/health. In accordance with the Board of Management's responsibilities, each of the insurance categories is grouped into regional reportable segments. In 2020, the Allianz Group had 11 reportable segments.

Allianz Group structure – Business Segments and Reportable Segments

Property-Casualty	Life/Health	Asset Management	Corporate and Other
– German Speaking Countries and Central & Eastern Europe	– German Speaking Countries and Central & Eastern Europe	– Asset Management	– Corporate and Other
– Western & Southern Europe and Asia Pacific	– Western & Southern Europe and Asia Pacific		
– Iberia & Latin America, Allianz Partners and Allianz Direct	– Iberia & Latin America		
– Global Insurance Lines & Anglo Markets, Middle East and Africa	– USA		
	– Global Insurance Lines & Anglo Markets, Middle East and Africa		

Worldwide Presence and Business Segments

Market presence of our business operations¹

<p>Insurance German Speaking Countries, Insurance Central & Eastern Europe</p> <ul style="list-style-type: none"> ■ ■ Germany ■ ■ Switzerland <p>Central & Eastern Europe</p> <ul style="list-style-type: none"> ■ ■ Austria ■ ■ ■ Bulgaria ■ ■ Croatia ■ ■ Czech Republic ■ ■ Hungary ■ ■ Poland ■ ■ Romania ■ ■ Slovakia ■ ■ Russia ■ Ukraine 	<p>Global insurance lines & Anglo markets, Insurance Middle East and Africa</p> <p>Global insurance lines & Anglo markets</p> <ul style="list-style-type: none"> ■ United Kingdom ■ ■ Australia ■ Ireland ■ Allianz Global Corporate & Specialty ■ Euler Hermes ■ ■ Reinsurance <p>Middle East</p> <ul style="list-style-type: none"> ■ ■ Egypt ■ ■ Lebanon ■ ■ Saudi Arabia <p>Africa</p> <ul style="list-style-type: none"> ■ ■ Cameroon ■ Congo Brazzaville ■ Ghana ■ ■ Ivory Coast ■ ■ Kenya ■ ■ Madagascar ■ ■ Morocco ■ ■ Nigeria ■ ■ Senegal
<p>Insurance Western & Southern Europe and Asia Pacific</p> <p>Europe</p> <ul style="list-style-type: none"> ■ ■ ■ Italy ■ ■ Greece ■ ■ Turkey ■ ■ ■ France ■ ■ Belgium ■ ■ The Netherlands ■ ■ Luxembourg <p>Asia Pacific</p> <ul style="list-style-type: none"> ■ ■ China ■ Hong Kong¹ ■ ■ Indonesia ■ Japan¹ ■ Laos ■ ■ Malaysia ■ Pakistan ■ ■ Philippines ■ Singapore¹ ■ ■ Sri Lanka ■ Taiwan ■ ■ Thailand ■ ■ India 	<p>Asset Management</p> <p>North and Latin America</p> <ul style="list-style-type: none"> ■ ■ United States ■ ■ Canada ■ ■ Brazil <p>Europe</p> <ul style="list-style-type: none"> ■ ■ Germany ■ ■ Austria ■ ■ France ■ ■ Italy ■ ■ Ireland ■ ■ Luxembourg ■ ■ Spain ■ ■ Switzerland ■ ■ 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 Partners		
Allianz Direct			
■	Allianz Direct		
U.S. 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 December 31, 2020.

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

The Allianz Group's operations, revenues and operating profits are diversified by geography and product markets. For the year ended December 31, 2020, Allianz Group's operating profit was generated from the following regions and business lines:

	<u>Operating profit split¹</u>
German Speaking countries and Central & Eastern Europe	31%
Western & Southern Europe and Asia Pacific	28%
Asset Management.....	25%
Global Insurance Lines & Anglo Markets, Middle East and Africa	8%
United States.....	7%
Iberia, LatAm, Allianz Partners, Allianz Direct	2%

⁽¹⁾ Operating profit for the year ended December 31, 2020 excluding Global Life, Corporate & Other, consolidation between segments and consolidations within segments

Simplified Overview of the Allianz Group Structure

The diagram below provides a simplified overview of the Allianz Group structure. 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 December 31, 2020.

Allianz SE

H5 – Insurance Western & Southern Europe and Asia Pacific		H7 – Insurance German Speaking Countries and Central & Eastern Europe		H8 – Asset Management, U.S. Life Insurance Pacific	H9 – Global Insurance Lines & Anglo Markets, Middle East and Africa		H10 – Insurance Iberia & Latin America and Allianz Partners	
Allianz S.p.A. Italy, Trieste	Allianz Vie S.A. France, Paris la Défense	Allianz Lebensversicherungs-AG Germany, Stuttgart	Allianz Private Krankversicherungs-AG Germany, Munich	Pacific Investment Management Company LLC United States, Dover (DE)	Allianz Global Corporate & Specialty SE Germany, Munich	Allianz Australia Limited Australia, Sydney	Allianz Partners S.A.S. France, Saint-Ouen	Allianz Compañía de Seguros y Reaseguros S.A. Spain, Madrid

Allianz Benelux S.A. Belgium, Brussels	Allianz IARD S.A. France, Paris la Défense	Allianz Versicherungs-AG Germany, Munich	Allianz Beratungs- und Vertriebs-AG Germany, Munich	PIMCO Europe Germany, Munich	Allianz Global Risks U.S. Insurance Company Corp. United States, Chicago (IL)	Allianz p.l.c. Ireland, Dublin	Allianz Latin America (Brazil, Argentina, Colombia, Mexico)	Companhia de Seguros Allianz Portugal S.A. Portugal, Lisbon
Allianz Nederland Groep N.V. Netherlands, Rotterdam	Allianz Hellas Single Member Insurance S.A. Greece, Athens	Allianz Elementar Versicherungs-AG Austria, Vienna	Allianz Suisse Versicherungs-Gesellschaft AG Switzerland, Wallisellen	Allianz Global Investors GmbH Germany, Frankfurt am Main	Euler Hermes Group SA France, Paris la Défense	Allianz Insurance plc United Kingdom, Guildford		
Allianz Hayat ve Emeklilik A.S. Turkey, Istanbul	Allianz Yasam ve Emeklilik A.S. Turkey, Istanbul	Allianz Elementar Lebensversicherungs-AG Austria, Vienna	Allianz Suisse Lebensversicherungs-Gesellschaft AG Switzerland, Wallisellen	Allianz Global Investors U.S. Holdings LLC United States, Dover (DE)	Allianz MENA (e.g. Egypt, Lebanon)			
Allianz Sigorta A.S. Turkey, Istanbul	Allianz Taiwan Life Insurance Co. Ltd. Taiwan, Taipei	TUİR Allianz Polska S.A. Poland, Warsaw	Allianz pojistovna a.s. Czech Republic, Prague	Allianz Global Investors Asia Pacific Group				
Allianz Malaysia Berhad Malaysia, Kuala Lumpur	Allianz other Asia Pacific (e.g. Indonesia, Thailand)	Allianz Hungária Biztosító Zrt. Hungary, Budapest	Allianz-Slovenská poisťovňa a.s. Slovakia, Bratislava	Allianz Life Insurance Company of North America United States, Minneapolis (MN)				

	JSC Insurance Company Allianz Russia, Moscow	Allianz other CEE (Croatia, Bulgaria, Romania)						The functional divisions H1 – Chairman of the Board H2 – Finance, Controlling, Risk H3 – Investment Management H4 – Operations H6 – Legal, Compliance, M&A, HR do not have major operating entities in their area of responsibilities and are therefore not shown in the overview.
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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. The Allianz Group is the leading property casualty insurer worldwide and ranks among the top five in the life/health insurance business. The Allianz Group's key markets (in terms of premiums) are Germany, France, Italy, and the United States.

Most of Allianz Group's insurance markets are served by local Allianz companies. However, some business lines – such as Allianz Global Corporate & Specialty (AGCS), Allianz Partners (AP) and Euler Hermes – 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. Its 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 solutions business. The Allianz Group ranks among the top five asset managers worldwide by assets under management. Its core markets are the United States, Canada, Germany, France, Italy, the United Kingdom, and the Asia-Pacific region. As of October 2020, PIMCO officially assumed oversight of Allianz Real Estate and, as a result, Allianz Real Estate was transferred from the Corporate and Other business segment into the Asset Management business segment. The combined entity forms one of the world's largest and most diversified real estate platforms.

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 resources, technology, and other functions. Allianz Group's banking operations, which place a primary focus on retail clients, support its insurance business and complement the products it 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.

Solvency and Regulatory Capital

Regulatory Background

The Solvency II framework imposes prudential requirements at the Allianz Group level as well on the individual European Economic Area (EEA) based insurance and reinsurance companies in the Allianz Group. Insurance supervision is exercised by national supervisors on the individual insurance and reinsurance companies of the Allianz Group and by the Allianz Group supervisor, which is BaFin, at the Allianz Group level. The Solvency II rules that came into force on January 1, 2016 introduced economic, risk-based capital requirements for insurance and reinsurance companies in all EEA member states, as well as for groups with insurance and/or reinsurance activities in the EEA. While the previous solvency directives concentrated mainly on the liabilities side (i.e., insurance risks) and included a relatively simple solvency formula based on technical provisions and insurance premiums, Solvency II introduced more comprehensive solvency requirements, taking the asset-side risks into account more extensively, but also provides more detailed rules regarding governance, risk management, risk assessment and risks associated with the other entities within the Allianz Group. Solvency II is a holistic regulatory framework where the insurers' material risks and their interactions are considered.

In particular, the Solvency II framework is structured along three pillars. Pillar 1 comprises quantitative requirements (including rules regarding the valuation of assets and liabilities such as technical provisions, risk capital requirements and own fund requirements). Pillar 2 requirements include governance and risk management requirements. Pillar 3 consists of disclosure and supervisory reporting requirements, including the annual publication of a Solvency and Financial Condition Report (SFCR). Portions of the Allianz Group's 2020 SFCR Report are incorporated by reference into this Offering Circular. These three pillars should not only be considered in isolation, but also in terms of how they interact with one another. More complex risks, for instance, require a stronger risk management and governance structure and may lead to higher capital requirements. In addition to these requirements, which apply to individual EEA insurers and reinsurers, the Solvency II framework is complemented by requirements that apply at group level (group supervision). This means that a number of requirements from the Solvency II framework that apply to the individual EEA insurance and reinsurance undertakings apply, with necessary modifications, at group level.

Pillar 1 Requirements

Solvency II requires EEA insurance and reinsurance companies to determine technical provisions at a value that corresponds with the present exit value of their insurance and reinsurance obligations towards policyholders and other beneficiaries of insurance and reinsurance contracts. The calculation of technical provisions should be based on market consistent information to the extent to which that information is available.

The value of the technical provisions is equal to the sum of a best estimate of the value of the insurance contracts and a risk margin which is reflective of the cost of capital a third-party buyer would expect to earn if it wanted to acquire the portfolio upon an exit by us. The discount rate at which technical provisions are calculated is an important element in order to determine the technical provisions. This and other parameters to determine the technical provisions may have an important effect on the amount and volatility of the own funds that insurance and reinsurance undertakings are required to maintain. The Solvency II framework contains several measures (in particular the volatility adjustment and matching adjustment) that should reduce the volatility of the own funds that is due solely to credit spread movements.

Insurers and reinsurers are required to hold a sufficient amount of "eligible own funds" to cover losses in an adverse scenario. The amount of eligible own funds that insurance and reinsurance companies are required to hold is the Solvency Capital Requirement ("SCR") which is calibrated to a confidence level of 99.5% (reflecting the ability of insurance or reinsurance companies to withstand a 1-in-200-year event) and a "holding period" of one year. Insurance and reinsurance companies are allowed to: (a) use a standard formula to calculate their SCR (the rules for which are set out in detail in the Solvency II rules and guidelines); (b) use an internal model (for which the approval of the supervisory authorities is required); or (c) use a partial internal model (which is a combination of the standard formula being applied to some group entities, and an internal model to other group entities). An internal model has been developed by Allianz Group to better reflect the actual risk profile than the standard formula. The Allianz Group determines its regulatory capital requirements on the basis of a partial internal model since January 1, 2016.¹

¹ 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.

In addition to the SCR, insurance and reinsurance companies also calculate a Minimum Capital Requirement (“MCR”). This represents a lower level of financial security than the SCR, below which the level of eligible own funds held by the insurance or reinsurance company is not allowed to drop. An irreparable or prolonged breach of the MCR would lead to a withdrawal of an insurance or reinsurance company’s license. Insurance and reinsurance companies are required to hold eligible own funds against the SCR and the MCR.

For purposes of the Group, the Group SCR substantially consists of the sum of capital requirements (including diversification effects where applicable) from (a) entities applying either internal or standard models in accordance with Solvency II, (b) entities regulated under insurance regulation regimes that are deemed equivalent to Solvency II (to the extent they are not included in the Group based on an internal or the standard model), and (c) entities regulated otherwise (including banks, asset managers, and IORPs). Immaterial non-EEA (re)insurance entities are considered via book value deduction (Art. 229 Directive 2009/138/EC) and neither contribute to the Group SCR nor to Group own funds. The Group SCR is also often referred to as the Group’s Solvency II capital requirement in the external communication of Allianz Group

The Group MCR represents the minimum consolidated group solvency capital requirement applicable to the Allianz Group, which is calculated as the sum of the Solo MCR of all entities in the group included via an internal or standard model. The scope of the Group for purposes of the Group MCR is limited to entities applying either internal or standard models in accordance with Solvency II. Group entities that are (a) regulated under insurance regulation regimes that are deemed equivalent to Solvency II, and (b) financial institutions regulated otherwise (including banks, asset managers, and IORPs) are outside the scope of the Group MCR Ratio (no contribution to the Group MCR, no contribution to own-fund items eligible to cover the Group MCR). See footnote 4 regarding the table of historical solvency ratios of Allianz SE and Allianz Group in the section “*Description of Allianz SE and Allianz Group—Solvency and Regulatory Capital—Application of transitional measures on technical provisions in the calculation of Solvency and Minimum Capital Requirement ratios of Allianz SE and the Allianz Group*” below.

Own funds capital is derived from the market value balance sheet (“MVBS”) in line with the provisions of Solvency II, and is divided into three tiers in accordance with the quality of the own funds. Tier 1 capital, such as common equity and retained earnings (which are represented as one of the components of the so-called “reconciliation reserve” in the MVBS), is the highest quality of capital and must be able to absorb losses on a day-to-day, ‘going-concern’ basis. Tier 1 capital may be restricted (i.e., subject to a regulatory maximum limit) or unrestricted (i.e., not subject to a regulatory maximum limit). Tier 2 capital is of a lower quality and is available to absorb losses on insolvency. Tier 3 capital is the lowest quality of capital permitted and has only limited loss-absorbing capacity.

The Allianz Group’s and Allianz SE’s tiers of own funds comprise:

- Unrestricted Tier 1 (“UT1”) capital: UT1 capital consists primarily of share capital and the share premium account, surplus funds as well as the reconciliation reserve, minus related deductions. The reconciliation reserve represents the excess of assets over liabilities derived from the MVBS, reduced by mainly share capital, share premium account, surplus funds, net deferred tax assets, and deductions for own shares as well as foreseeable dividends and distributions.
- Restricted Tier 1 (“RT1”) capital: RT1 capital corresponds to perpetual subordinated liabilities issued by the Allianz Group that meet certain requirements or that benefit from grandfathered treatment under Solvency II. The Issuer expects the Notes to qualify as RT1 capital eligible to cover the regulatory capital requirements applicable to the Issuer and the Allianz Group.
- Tier 2 (“T2”) capital: T2 capital corresponds to subordinated liabilities of the Allianz Group that meet certain requirements but do not qualify as RT1.
- Tier 3 (“T3”) capital: T3 capital relates mainly to the available part of net deferred tax assets.

For compliance with the Group SCR and Solo SCR rules, the following quantitative limits apply: (a) the eligible amount of Tier 1 items must be at least one half of the SCR; (b) the eligible amount of RT1 is limited to 20% of Tier 1 capital; (c) the eligible amount of Tier 3 items is limited to 15% of the SCR; and (d) the sum of the eligible amounts of Tier 2 and Tier 3 items is limited to 50% of the SCR.

For compliance with the Group MCR and Solo MCR rules, the following quantitative limits apply: (a) the eligible amount of Tier 1 items must be at least 80% of the MCR; (b) the eligible amount of RT1 is limited to 20% of Tier 1 capital; and (c) the eligible amount of Tier 2 items is limited to 20% of the MCR. Tier 3 items are not eligible to cover the MCR.

Application of transitional measures on technical provisions in the calculation of Solvency and Minimum Capital Requirement Ratios of Allianz SE and the Allianz Group

Solvency II contemplates transitional measures to allow EEA entities to gradually move to a full implementation of Solvency II over a period of time. However, in connection with its ongoing 2020 review of the Solvency II Directive, the European Insurance and Occupational Pensions Authority (“EIOPA”) recommended that insurers should only be allowed to start applying such transitional measures to technical provisions in very limited cases. The Issuer had previously treated the ability to apply for such transitional measures as one of its potential recovery tools as part of its recovery plan. Accordingly, in order to avoid losing the ability to avail itself of such transitional measures, the Issuer caused two of its subsidiaries (Allianz Leben and Allianz Private Krankenversicherung) to apply for transitional measures for their technical provisions, and BaFin granted its approval in June 2020.

The application of transitional measures on technical provisions reduces the Solvency II MVBS value of technical provisions. The reduction is, in principle, calculated based on the difference between the value of technical provisions under the prior regulatory regime (known as “Solvency I”) and their value under the current Solvency II regime, as per January 1, 2016. The reduction of technical provisions increases the excess of assets over liabilities (MVBS) of Allianz Group, which in turn leads to an increase of the own funds of Allianz Group (net of potential deferred tax). In addition, the Group SCR and Group MCR capital requirements and other items of group own funds can also be impacted. As a result, as of June 30, 2021, the eligible own funds of Allianz Group increased by €12.4 billion due to the application of transitional measures on technical provisions, and the Allianz Group SCR ratio increased by 30 percentage points from 206% to 236%. The Group MCR ratio increased by 36 percentage points from 260% to 297%.

The increase of the excess of assets over liabilities of Allianz Leben and Allianz Private Krankenversicherung also impact the value of Allianz SE’s equity participations and thus of total assets in the MVBS of Allianz SE on an individual basis (known as the “Solo MVBS”). As a consequence, the transitional measures on technical provisions applied by its two subsidiaries also increase the excess of assets over liabilities (MVBS) of Allianz SE, which in turn leads to an increase of the solo own funds of Allianz SE (net of potential deferred tax). The higher equity participation values also have a meaningful impact on the Solo SCR and Solo MCR capital requirements of Allianz SE. As a result, as of June 30, 2021, the eligible solo own funds of Allianz SE increased by €12.4 billion due to the application of transitional measures on technical provisions, whereas the Allianz Solo SCR and Solo MCR increased by €4.1 billion and €1.0 billion respectively. The Solo SCR ratio increased by 6 percentage points from 247% to 252%. The Solo MCR increased by 32 percentage points from 899% to 931%.

The effect of the application of transitional measures on technical provisions decreases over time until January 1, 2032, when such measures will cease to have an effect on the MVBS of either the Group or the Issuer (solo). The base amount by which technical provisions can be reduced, and by which the excess of assets over liabilities (MVBS) is increased, is calculated based on a portion of the difference between the value of technical provisions under Solvency I and that under the current Solvency II regime, as per January 1, 2016. The maximum deductible portion of this base amount decreases linearly from 100% during the year starting from January 1, 2016 to zero on January 1, 2032. The BaFin can request a recalculation of the benefit from transitional measures on technical provisions every 24 months, or more frequently where the risk profile of the relevant undertakings has materially changed. Such a recalculation may result in a faster reduction of the deductible amount, and hence lower solvency ratios, than is the case under the current calculation methodology.

In addition, in connection with its ongoing 2020 review of the Solvency II Directive, EIOPA has also recommended that the significance of own funds at group level that are derived from benefits from transitional measures on technical provisions are to be monitored by supervisory authorities. If this recommendation would be taken up in the further review procedure, the effect of the transitional measures on eligible own funds of the Group for purposes of the Group SCR Ratio and the Group MCR Ratio could lead to supervisory measures lowering their impact at the Group level.

The Allianz Group’s approach to capital steering will continue to be based on the previous approach, which excludes the application of transitional measures for technical provisions. For example, the 180% (or greater) target for the Allianz Group’s SCR Ratio refers to the Group SCR ratio excluding the effect of such transitionals. However, all solvency ratios applicable to the Notes (Group SCR Ratio, Group MCR Ratio, Solo SCR Ratio, Solo MCR Ratio), in particular all solvency ratios which are used to determine whether a Trigger Event or a Deterioration Event has occurred, will take into account the effects from applying the transitional measures for technical provisions as approved by BaFin.

The following table illustrates the solvency capitalization ratios and the minimum capital requirement ratios of the Issuer and the Allianz Group, as applicable, both including and excluding the effect of transitionals, as of June 30, 2021 and December 31, 2020. In addition, the table below illustrates the solvency capitalization ratios and the minimum capital requirement ratios of the Issuer and the Allianz Group, as applicable, excluding the effect of transitionals, as of December 31, 2020, 2019 and 2018.

	As of June 30, ⁵		As of December 31,			
	2021 (including transitionals)	2021 (excluding transitionals)	2020 (including transitionals)	2020 (excluding transitionals)	2019 (excluding transitionals)	2018 (excluding transitionals)
Solo SCR ratio ¹	252%	247%	262%	257%	242%	345%
Group SCR ratio ²	236%	206%	240%	207%	212%	229%
Solo MCR ratio ³	931%	899%	948%	913%	869%	1,213%
Group MCR ratio ⁴	297%	260%	296%	257%	261%	309%

- (1) The Solo SCR ratio is calculated by dividing (i) the amount of own-fund items of the Issuer (i.e., on an individual, not on a consolidated, basis) eligible to cover the Solo SCR by (ii) the Solo SCR. The Solo SCR represents the solvency capital requirement applicable to the Issuer (i.e., on an individual, not on a consolidated, basis). For the purpose of determining the “Solo SCR Ratio” applicable to the Notes, the Solo SCR Ratio will include transitional measures under the Applicable Supervisory Requirements.
- (2) The Group SCR ratio is calculated by dividing (i) the amount of own-fund items of the Allianz Group eligible to cover the Group SCR by (ii) the Group SCR. The Group SCR represents the Solvency II capital requirement of the Group (or Group SCR) substantially consisting of the capital requirements from (a) entities applying either internal or standard models in accordance with Solvency II, (b) entities regulated under insurance regulation regimes that are deemed equivalent to Solvency II (to the extent they are not included in the Group based on an internal or the standard model), and (c) entities regulated otherwise (including banks, asset managers, and IORPs). Immaterial non-EEA (re)insurance entities are considered via book value deduction (Art. 229 Directive 2009/138/EC). For the purposes of determining the “Group SCR Ratio” applicable to the Notes, Group SCR Ratio will include transitional measures under the Applicable Supervisory Requirements.
- (3) The Solo MCR ratio is calculated by dividing (i) the amount of own-fund items of the Issuer (i.e., on an individual, not on a consolidated, basis) eligible to cover the Solo MCR by (ii) the Solo MCR. The Solo MCR represents the minimum capital requirement applicable to the Issuer (i.e., on an individual, not on a consolidated, basis). For the purpose of determining the “Solo MCR Ratio” applicable to the Notes, the Solo MCR Ratio will include transitional measures under the Applicable Supervisory Requirements.
- (4) The Group MCR ratio is calculated by dividing (i) the amount of own-fund items of the Allianz Group eligible to cover the Group MCR by (ii) the Group MCR. The Group MCR represents the minimum consolidated group solvency capital requirement applicable to the Allianz Group. The scope of the Group for purposes of the Group MCR ratio is limited to entities applying either internal or standard models in accordance with Solvency II. Group entities that are (a) regulated under insurance regulation regimes that are deemed equivalent to Solvency II, and (b) financial institutions regulated otherwise (including banks, asset managers, and IORPs) are outside the scope of the Group MCR ratio (no contribution to the Group MCR, no contribution to own-fund items eligible to cover the Group MCR). For the purpose of determining the “Group MCR Ratio” applicable to the Notes, the Group MCR Ratio will include transitional measures under the Applicable Supervisory Requirements.
- (5) The Solo SCR ratio, the Group SCR ratio, the Solo MCR ratio and the Group MCR ratio figures as of June 30, 2021 do not yet reflect the effect of the share buy-back program announced on August 5, 2021 (with a volume of up to €750 million).

Own Funds and SCR Movements

The owns funds of the Allianz Group eligible to cover the Group SCR as of June 30, 2021 amounted to €98.0 billion (including transitionals) and €85.6 billion (excluding transitionals). The table below illustrates the breakdown of own funds (including transitionals) by tier as of June 30, 2021.

€ bn	Own Funds	% of Total
Unrestricted Tier 1	83.6	85%
Restricted Tier 1	3.8	4%
Tier 2	9.5	10%
Tier 3	1.1	1%
Total Group own funds	98.0	100%

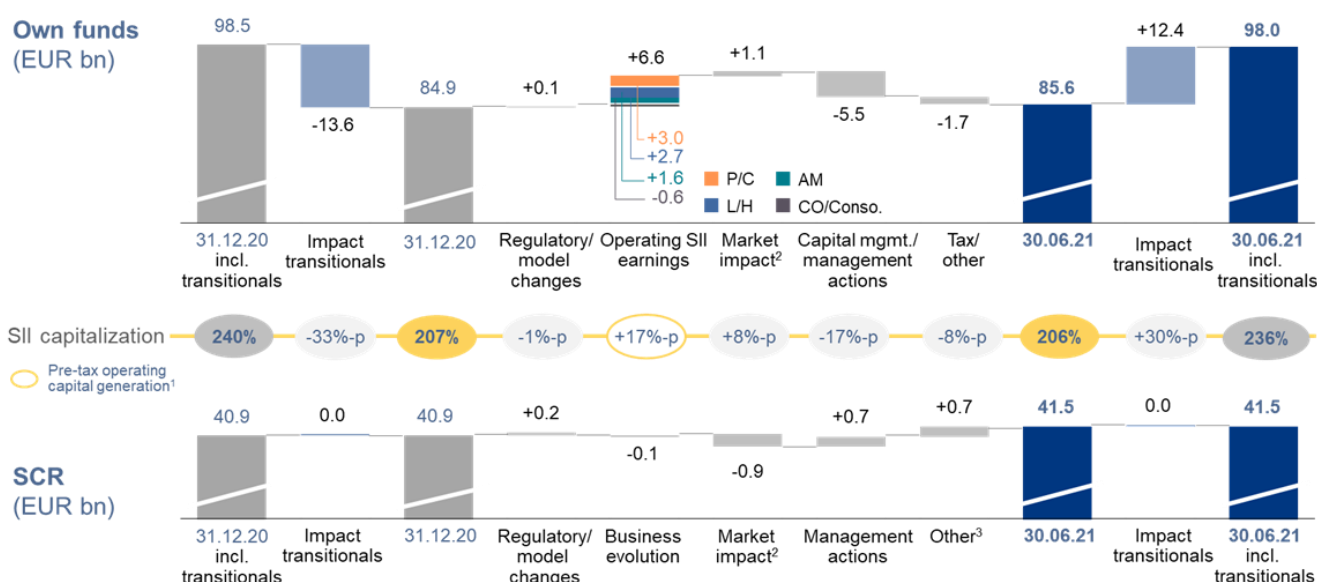
By comparison, the SCR applicable to the Allianz Group as of June 30, 2021 amounted to €41.5 billion (both including and excluding transitionals). As a result, Allianz Group's solvency capital ratio as of June 30, 2021 amounted to 236% (including transitionals) and 206% (excluding transitionals).

The Allianz Group's ratio of Unrestricted Tier 1 capital to SCR as of June 30, 2021 was 201% (including transitionals) and 171% (excluding transitionals) (December 31, 2020: 197% (including transitionals) and 164% (excluding transitionals)). The Allianz Group's ratio of (a) the sum of RT1 capital, T2 capital and T3 capital relative to (b) SCR as of June 30, 2021 was 35% (both including and excluding transitionals) (December 31, 2020: 44% (both including and excluding transitionals)).

During the period December 31, 2020 to June 30, 2021, the solvency capital ratio of the Allianz Group excluding transitionals fell from 207% to 206%. The key drivers of the reduction were capital management/management actions (-17%-p) and tax/other (-8%-p), which were largely offset by operating SII earnings (+17%-p) and market impact (+8%-p). The solvency ratios, including Group SCR ratio, as of June 30, 2021 do not yet reflect the effect of the share buy-back program announced on August 5, 2021 (with a volume of up to €750 million).

For more information of the breakdown of the Allianz Group's own funds as of December 31, 2020, see the Own Funds 2020 Report, portions of which are incorporated by reference herein.

The following presentation illustrates the movement of own funds, SCR and solvency capital ratio of the Allianz Group from December 31, 2020 to June 30, 2021 along with the impact of the transitional measures for technical provisions. For information describing such movements in 2020, see the Own Funds 2020 Report, which is incorporated by reference herein.



- (1) The pre-tax operating capital generation represents the change in SII capitalization following regulatory and model changes and which is attributable to a) changes in own funds as a consequence of operating SII earnings and b) changes in SCR as a consequence of business evolution. Factors such as market developments, dividends, capital management activities, taxes, etc. are not taken into account.
- (2) Market impact contains changes in own fund items and risk capital that are attributable to changed market parameters like share prices, interest rates etc. including policyholder participation and cross effects (i.e. effects arising due to the interaction between different risk categories).
- (3) Other effects on SCR include diversification effects.

Own Funds Movement – December 31, 2020 to June 30, 2021

Regulatory/model changes. The regulatory / model changes in the first six months of 2021 resulted in a €0.1 billion increase of own funds after-tax, mainly driven by a reduction in the ultimate forward rate ("UFR")² (-15 bps) and a model change at Allianz Private Krankenversicherung.

Operating SII earnings. Operating Solvency II ("Operating SII") earnings for the first six months of 2021 amounted to €6.6 billion before tax and dividend accrual:

- Operating SII earnings of the L/H segment (€2.7 billion) include €1.1 billion from new business value.
- Operating SII earnings of the P/C segment (€3.0 billion) is largely in line with the respective IFRS operating profit (€2.9 billion).
- Operating SII earnings of the Asset Management segment (€1.6 billion) is close to the corresponding IFRS operating profit (€1.6 billion).
- Operating SII earnings of the Corporate segment (-€0.6 billion) include -€0.4 billion external debt interest expenses.

Market impacts. The market impact on own funds amounted to an increase of €1.1 billion.

Capital management/management actions. Capital management/management actions decreased own funds by €5.5 billion, mainly driven by the -€2.4 billion dividend accrual for the first six months of 2021 and further -€3.4 billion from the redemption of (i) two Tier 1 subordinated debt instruments and (ii) the redemption/repurchase of two Tier 2 subordinated debt instruments.

Taxes. Taxes decreased own funds by €1.8 billion.

For more information on the movement of own funds from December 31, 2019 to December 31, 2020, see the Own Funds 2020 Report, which is incorporated by reference herein.

SCR Movements – December 31, 2020 to June 30, 2021

The SCR increase was mainly driven by management actions (+€0.7 billion) increasing our equity exposure, as well as by impacts attributable to the category "Other" (€+0.7 billion), which are mainly related to (i) lower diversification benefit and (ii) lower tax relief resulting from a change of surplus funds in the Life/Health segment. The regulatory-driven update of the Ultimate Forward Rate ("UFR") also resulted in a slight increase of the SCR by +€0.2 billion. These effects were partially offset by positive market movements which led to an SCR reduction of -€0.9 billion, in particular due to an increase of swap rates, which, among others, led to a decrease of asset values and consequently, to an exposure-driven reduction in credit spread and credit risk.

Movements of Solvency Capital Ratio – December 31, 2020 to June 30, 2021

The Allianz Group's solvency capital ratio (excluding transitionals) decreased by 1%-p from 207 % to 206% during the first six months of 2021. The decrease was predominantly driven by capital management/management actions, and other effects such as taxes. Strong business evolution and favorable market developments partially offset these negative effects on the capitalization ratio. The application of transitionals on technical provisions increased Allianz Group's own funds by €12.4 billion at June 30, 2021, as a result of which the Allianz Group's solvency capital ratio (including transitionals) was 236% at June 30, 2021.

The Allianz Group's solvency capital ratio (including transitionals) decreased from 240% at December 31, 2020 to 236% at June 30, 2021. The Solo SCR Ratio of Allianz SE decreased from 262% to 252% during the same period. There have been instances historically where one of these two ratios increased, whereas the other ratio decreased. Such a

² The UFR is a rate specified under Solvency II regulation which is defined by currency zone and equal to the sum of a long-term inflation and an expected real rate of interest defined by the European Insurance and Occupational Pensions Authority (EIOPA).

diverging development is possible due to the various conceptual differences for the calculation of the Solo SCR Ratio and the Group SCR Ratio. One important difference relates to the way in which entities of the Group that are regulated under insurance regulation regimes that differ from, but are deemed to be equivalent to, Solvency II (to the extent they are not included in the Group based on an internal or the standard model) and entities regulated otherwise (including banks, asset managers, and IORPs) are considered in the calculation of the two ratios.

The solvency ratios, including the Solo SCR ratio and the Group SCR ratio, as of June 30, 2021 do not yet reflect the effect of the share buy-back program announced on August 5, 2021 (with a volume of up to €750 million).

For purposes of the calculation of the Solo SCR Ratio, these entities are considered with (i) their participation value (determined in accordance with IFRS) in the calculation of solo own funds and (ii) a participation charge (as per Solvency II rules according to our internal model) multiplied with this participation value in the calculation of solo capital requirement.

For purposes of the calculation of the Group SCR Ratio, these entities are considered (i) with their regulatory own funds (typically not determined in accordance with IFRS) as per the relevant regulatory regime pursuant to such equivalent solvency regimes and the relevant sectoral rules for banks, asset managers, and IORPs, respectively, and (ii) with the capital requirements as per such equivalent solvency regimes and the relevant sectoral capital requirements in the calculation of the group solvency capital requirement.

Due to the different calculation basis, it is possible that the directional change of the Solo SCR Ratio and the Group SCR Ratio can differ in any quarter. Other important reasons that explain this possibility relate to the different treatment of participations of Allianz SE that are included in the group calculation via an internal or standard model on a look-through basis, a differing impact of transitionals on the two ratios, the inclusion of non-controlling interest and the application of transferability restrictions for deferred tax assets, surplus funds and non-controlling interest for the group calculation, regulatory changes which may only impact one ratio, but not the other, as well as other reasons. Nonetheless, in the past, the Group SCR Ratio and the Solo SCR Ratio have changed in the same direction more often than not.

The following table presents the key sensitivities (excluding transitionals) on the Allianz Group's solvency capital ratio as of June 30, 2021:

<u>Sensitivities</u> ¹	<u>Scenario</u>	<u>Group SCR Ratio Impact as of June 30, 2021</u>
Equity markets ²	+30%	14 percentage points
Equity markets ²	-30%	(16) percentage points
Interest rate Solvency II (non-parallel)	+50 bps	3 percentage points
Interest rate Solvency II (non-parallel)	-50 bps	(6) percentage points
Credit spread on government bonds	+50 bps	(14) percentage points
Credit spread on corporate bonds	+50 bps	2 percentage points

(1) Management actions are not considered in the disclosed sensitivities. In a combined stress scenario, Allianz Group estimates an additional impact due to cross effects of approximately -7 percentage points as compared to the sum of the individual sensitivities.

(2) If the stress is applied to traded equities only, the impact on the Group SCR ratio would be +7 percentage points for a +30% stress scenario and -7 percentage points for a -30% stress scenario.

Group SCR Split By Risk Type

At the Group level, the overall risk profile shows a concentration of financial risks (market and credit risks). This is predominantly due to the investment of the premiums received from policyholders to back the claims from written insurance contracts. The impact of transitionals on technical provisions on the Group SCR as of December 31, 2020 was zero. However, this lack of impact may not always be the case going forward, in particular as the Group SCR including transitionals may benefit from a higher tax relief (i.e. loss absorbing capacity of deferred tax). A background to the key risks reflected in the Group SCR can be found in “*Risk Factors—Risks Related to the Notes—Risks Related to Regulation—Risks related to application and changes to the Solvency II regulatory regime*”.

<u>€ bn</u>	<u>December 31, 2020</u>		<u>December 31, 2019</u>	
Market Risk	29.3	72%	28.1	71%
Credit Risk	6.5	16%	6.2	16%

€ bn	<u>December 31, 2020</u>		<u>December 31, 2019</u>	
<i>Underwriting Risk</i>	17.5	43%	17.5	44%
<i>Business Risk</i>	2.6	6%	3.0	8%
<i>Operational Risk</i>	3.9	9%	4.1	10%
<i>Intangible asset risk (standard model)</i>	0.0	0%	0.0	0%
<i>Capital buffer</i>	0.8	2%	1.2	3%
<i>Loss absorbing capacity of deferred tax</i>	-7.2	-18%	-6.8	-17%
<i>Loss absorbing capacity of technical provisions (standard model)</i>	-0.8	-2%	-0.8	-2%
<i>Diversification benefit</i>	-17.7	-43%	-18.2	-46%
<i>Solvency Capital Requirement (IM/SM Group SCR¹)</i>	34.8	85%	34.2	86%
<i>Risk requirement for entities in other financial sectors (banking, asset management, IORP²)</i>	2.8	7%	2.1	5%
<i>Risk requirement for entities included via deduction & aggregation method</i>	3.3	8%	3.2	8%
Group SCR	40.9	100%	39.5	100%

(1) IM/SM Group SCR represents the contribution to the Group SCR related to entities applying either internal or standard models in accordance with Solvency II.

(2) Includes capital requirement for (i) IORP (institutions for occupational retirement provision) and (ii) non-controlled participations.

Capital Management

The Issuer's management has defined a clear framework for its capital management policy:

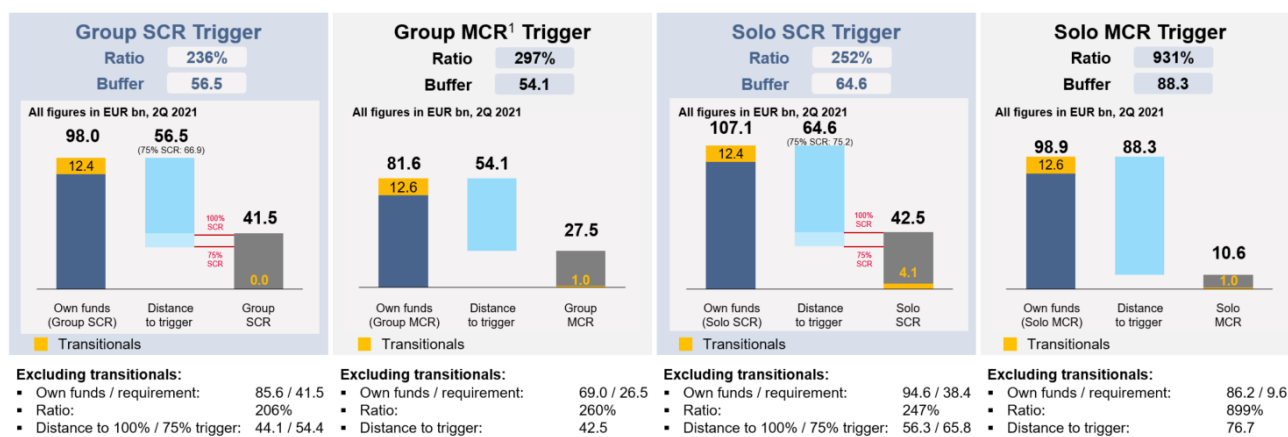
- The Allianz Group's minimum solvency ambition for the Allianz Group solvency capital ratio is 180% (excluding transitionals), and it targets a solvency capital ratio (excluding transitionals) of 180% or greater. Despite having obtained transitional measures for technical provisions in June 2020, the Allianz Group's approach to capital steering will continue to be based on the previous approach, which excludes the application of transitional measures for technical provisions.
- The Issuer's management is committed to having shareholders participate in the economic development of the Allianz Group through dividend payments. The Issuer has paid annual dividends to its shareholders for more than 60 consecutive years. Of the Allianz Group's net income attributable to shareholders, it is the Issuer's intention to pay out 50% as a regular dividend. In the interest of dividend continuity, the Issuer aims to keep the regular dividend per share at least at the previous year's level. On May 5, 2021, the annual general meeting of the Issuer resolved a dividend payment of €9.60 per share for the financial year ended December 31, 2020. This dividend policy may also be revised in the future, and the Issuer's anticipated dividend policy and share buy-back program remain subject to maintenance of a sustainable solvency capital ratio (excluding transitionals) for the Allianz Group of 160% or higher.
- Between an Allianz Group solvency capital ratio of 180% and 160% (excluding transitionals), the Issuer's management intends to take action to protect the Allianz Group's solvency capital ratio. Potential management actions may include, but are not limited to, reducing or hedging equity investments, placement of additional reinsurance and/or potential issuance of subordinated debt.
- Between an Allianz Group solvency capital ratio (excluding transitionals) of 160% and 145%, the Issuer's management will reassess the current dividend policy. An Allianz Group solvency capital ratio (excluding transitionals) of 145% is considered the minimum level by the Issuer's management.

- Decisions regarding dividend payments in any given year are subject to both specific dividend proposals by the management and supervisory boards, each of which may elect to deviate from this dividend policy if appropriate under the then prevailing circumstances, as well as to the approval of that year's dividend payments by the Issuer's shareholders at the annual general meeting.

Notwithstanding the above framework, the Issuer may revise the capital management policy at any time.

Distance to Trigger Event Under the Notes

Under the Terms and Conditions of the Notes, a write-down trigger event shall occur if the Notes are not fully written down and the Issuer determines that any of the following has occurred: (a) the solvency capital ratio applicable to the Issuer (i.e., the Solo SCR Ratio) or the Allianz Group (i.e., the Group SCR Ratio) is 75% or less, (b) the minimum capital ratio of the Issuer (i.e., the Solo MCR Ratio) or the minimum consolidated group solvency capital ratio of Allianz Group or another trigger metric that replaces it pursuant to the Applicable Supervisory Requirements in the future (i.e., the Group MCR Ratio) is 100% or less, or (c) the solvency capital ratio applicable to the Issuer or Allianz Group is less than 100% but more than 75% and has not improved to at least 100% within three months from when non-compliance with the solvency capital requirement was determined for the first time. The following diagram shows the distance to the respective write-down triggers as of June 30, 2021, both including and excluding transitionals. The solvency ratios, including the Solo SCR ratio, the Group SCR ratio, the Solo MCR ratio and the Group MCR ratio, as of June 30, 2021 do not yet reflect the effect of the share buy-back program announced on August 5, 2021 (with a volume of up to €750 million).



⁽¹⁾ "Group MCR" means the minimum consolidated group Solvency Capital Requirement or any successor trigger metric that replaces it pursuant to the Applicable Supervisory Requirements in the future.

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

The following tables present selected consolidated financial and operating information. This selected consolidated financial and operating information must be read together with and are qualified in their entirety by reference to (i) our consolidated financial statements and the notes that are incorporated by reference in this Offering Circular and (ii) the description of our non-IFRS measures in "Description of Allianz SE and Allianz Group—Alternative Performance Measures (Non-IFRS Measures)".

With the exception of these non-IFRS financial measures discussed in "Description of Allianz SE and Allianz Group—Alternative Performance Measures (Non-IFRS Measures)," this selected consolidated financial information is extracted or derived from our consolidated financial statements as of and for the years ended December 31, 2020 and 2019 (together, the "Consolidated Financial Statements") prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") or from our unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2021 prepared in accordance with IFRS applicable to interim financial reporting, as adopted by the European Union (IAS 34) (the "Condensed Consolidated Interim Financial Statements"). The Consolidated Financial Statements have been audited and the Condensed Consolidated Interim Financial Statements have been reviewed by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft ("PwC"), with their registered address being Bernhard-Wicki-Straße 8, 80636 Munich, Germany, a member of the German Chamber of Certified Accountants (Wirtschaftsprüferkammer KöR), Berlin. The Consolidated Financial Statements and the Condensed Consolidated Interim Financial Statements are incorporated by reference in this Offering Circular.

The financial information herein presented as "audited" has been taken from the Consolidated Financial Statements or German GAAP Financial Statements. The financial information in this Offering Circular presented as "unaudited" has not

been taken from the Consolidated Financial Statements or German GAAP Financial Statements, but has been derived from the Consolidated Financial Statements or German GAAP Financial Statements, taken or derived from the group management report, the Condensed Consolidated Interim Financial Statements or the Company's accounting records or internal management reporting systems, or is based on calculations using these figures. The comparative figures shown for the six months ended June 30, 2020 are taken from the Condensed Consolidated Interim Financial Statements.

Some figures (including percentages) herein have been rounded in accordance with commercial rounding. In some instances, such rounded figures and percentages may not add up to 100% or to the totals or subtotals contained in the Offering Circular. Furthermore, totals and subtotals in tables may differ slightly from unrounded figures contained in the Offering Circular due to rounding in accordance with commercial rounding. A dash (“—”) is used when no data was reported for a specific line item in the relevant financial year or period and when the pertinent figure, after rounding, amounts to nil.

The following tables indicate key figures for the financial years 2019 and 2020. The key figures for the financial years 2019 and 2020 are audited, unless otherwise indicated.

Key figures for the year ended December 31, 2020 and 2019

		Year ended December 31,		
		2020	2019	Change
Total revenues¹	€mn	140,455	142,369	-1.3%
Property-Casualty	€mn	59,412	59,156	0.4%
Life/Health.....	€mn	74,044	76,426	-3.1%
Asset Management.....	€mn	7,347	7,164	2.6%
Corporate and Other	€mn	245	239	2.5%
Consolidation.....	€mn	(593)	(616)	-3.7%
Operating profit/(loss)	€mn	10,751	11,855	-9.3%
Property-Casualty	€mn	4,371	5,045	-13.4%
Life/Health.....	€mn	4,359	4,708	-7.4%
Asset Management.....	€mn	2,853	2,704	5.5%
Corporate and Other	€mn	(831)	(602)	38.0%
Consolidation.....	€mn	(1)	-	n.m.
Net income/(loss)	€mn	7,133	8,302	-14.1%
attributable to non-controlling interests	€mn	326	387	-15.8%
attributable to shareholders	€mn	6,807	7,914	-14.0%
Additional KPIs				
Group Return on equity ^{2,3} (unaudited)	%	11.4%	13.6%	-2.2%-p
Property-Casualty Combined ratio (unaudited)	%	96.3%	95.5%	0.8%-p
Life/Health New business margin.....	%	2.8%	3.2%	-0.4%-p
Life/Health value of new business.....	€mn	1,743	2,167	-19.6%
Asset Management Cost-income ratio (unaudited)	%	61.2%	62.3%	-1.1%-p
Shareholders' equity³	€mn	80,821	74,002	9.2%
Solvency II capitalization ratio (without transitionals)⁴	%	207%	212%	-5.1%-p

(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 at the beginning of the period and at the end of the period. The net income attributable to shareholders is adjusted for net financial charges related to undated subordinated bonds classified as shareholders' equity. From the average shareholders' equity, undated subordinated bonds classified as shareholders' equity and unrealized gains/losses on bonds net of shadow accounting are excluded. Before November 2020, return on equity represented 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 of the year and at the end of the year. In November 2020, the Allianz Group issued undated subordinated bonds which qualify as equity under IFRS. For that reason, the return on equity (“RoE”) calculation was updated as the undated subordinated bonds are treated as subordinated liabilities for the calculation.

(3) Excluding non-controlling interests.

(4) Risk capital figures are group diversified at 99.5% confidence level. Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio is 240% as of December 31, 2020.

The following tables indicate key figures for the first six months ended on June 30, 2021 and 2020. The key figures for the first six months ended on June 30, 2021 and 2020 are unaudited.

Key figures for the six months ended June 30, 2021 and 2020

		Six months ended June 30,		Change
		2021	2020	
Total revenues	€ mn	75,749	73,495	3.1%
Property-Casualty ¹	€ mn	33,610	33,785	-0.5%
Life/Health	€ mn	38,536	36,356	6.0%
Asset Management	€ mn	3,835	3,493	9.8%
Corporate and Other	€ mn	131	111	18.0%
Consolidation	€ mn	(364)	(250)	45.3%
Operating profit/loss	€ mn	6,655	4,869	36.7%
Property-Casualty	€ mn	2,871	2,175	32.0%
Life/Health	€ mn	2,495	1,810	37.9%
Asset Management	€ mn	1,572	1,319	19.2%
Corporate and Other	€ mn	(278)	(432)	-35.5%
Consolidation	€ mn	(6)	(3)	73.7%
Net income	€ mn	5,040	3,101	62.5%
Attributable to non-controlling interests	€ mn	249	174	43.0%
Attributable to shareholders	€ mn	4,791	2,927	63.7%
Additional KPIs				
Group Return on equity ^{2,3}	%	7.8%	5.0%	2.8%-p
Property-Casualty Combined ratio	%	93.4%	96.7%	-3.2%-p
Life/Health New business margin	%	3.0%	2.9%	0.2%-p
Life/Health value of new business	€ mn	1,190	851	39.9%
Asset Management Cost-income ratio	%	59.0%	62.2%	-3.2%-p
		06/30/2021	12/31/2020	
Shareholders' equity ³	€ mn	77,699	80,821	-3.9%
Solvency II capitalization ratio (without transitionals) ⁴	%	206%	207%	-1.3%-p

(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 at the beginning of the period and at the end of the period. The net income attributable to shareholders is adjusted for net financial charges and currency translation effects related to undated subordinated bonds classified as shareholders' equity. From the average shareholders' equity undated subordinated bonds classified as shareholders' equity and unrealized gains/losses on bonds net of shadow accounting are excluded. Before November 2020, return on equity represented 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 of the year and at the end of the year. In November 2020, the Allianz Group issued undated subordinated bonds which qualify as equity under IFRS. For that reason, the RoE calculation was updated as the undated subordinated bonds are treated as subordinated liabilities for the calculation.

(3) Excluding non-controlling interests.

(4) Risk capital figures are group diversified at 99.5% confidence level. Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio is 236% as of June 30, 2021. The solvency ratios, including the Group SCR ratio, as of June 30, 2021 do not yet reflect the effect of the share buy-back program announced on August 5, 2021 (with a volume of up to €750 million).

Reconciliation of Reportable Segments

Reconciliation of Reportable Segments to Allianz Group Figures for the year ended December 31, 2020 and 2019. The figures for the financial years 2019 and 2020 are audited, unless otherwise indicated.

€ mn	Total revenues		Operating profit/(loss)		Net income/(loss)	
	Year ended December 31,					
	2020	2019	2020	2019	2020	2019
German Speaking Countries and Central & Eastern Europe	16,108	15,919	1,858	1,884	1,258	1,624
Western & Southern Europe and Asia Pacific	12,081	12,320	1,646	1,518	1,108	1,083
Iberia & Latin America and Allianz Partners	11,051	12,547	680	457	357	274

€ mn	Total revenues		Operating profit/(loss)		Net income/(loss)	
	Year ended December 31,					
	2020	2019	2020	2019	2020	2019
Global Insurance Lines & Anglo Markets, Middle East and Africa.....	27,047	25,177	188	1,159	(118)	982
Consolidation.....	(6,875)	(6,808)	(1)	28	-	20
Total Property-Casualty.....	59,412	59,156	4,371	5,045	2,605	3,983
German Speaking Countries and Central & Eastern Europe.....	33,113	34,380	1,725	1,649	1,186	1,132
Western & Southern Europe and Asia Pacific.....	29,498	28,053	1,561	1,620	1,205	1,235
Iberia & Latin America.....	1,419	1,653	159	267	606	235
USA.....	9,915	12,265	907	1,153	820	1,006
Global Insurance Lines & Anglo Markets, Middle East and Africa.....	1,034	885	49	59	(21)	(55)
Consolidation and Other.....	(936)	(810)	(41)	(40)	(30)	(30)
Total Life/Health.....	74,044	76,426	4,359	4,708	3,766	3,523
Asset Management.....	7,347	7,164	2,853	2,704	1,973	1,992
Corporate and Other.....	245	239	(831)	(602)	(1,216)	(1,194)
Consolidation.....	(593)	(616)	(1)	-	5	(2)
Group.....	140,455	142,369	10,751	11,855	7,133	8,302

Reconciliation of Reportable Segments to Allianz Group Figures for the six months ended June 30, 2021 and 2020 (unaudited).

€ mn	Total revenues		Operating profit/(loss)		Net income/(loss)	
	Six months ended June 30,					
	2021	2020	2021	2020	2021	2020
German Speaking Countries and Central & Eastern Europe.....	9,943	9,935	803	877	647	438
Western & Southern Europe and Asia Pacific.....	6,313	6,356	812	910	606	475
Iberia & Latin America and Allianz Partners.....	6,380	6,207	370	373	192	227
Global Insurance Lines & Anglo Markets, Middle East and Africa.....	14,226	15,433	886	14	650	(213)
Consolidation.....	(3,251)	(4,146)	-	1	-	-
Total Property-Casualty.....	33,610	33,785	2,871	2,175	2,095	926
German Speaking Countries and Central & Eastern Europe.....	15,717	17,563	867	753	596	515
Western & Southern Europe and Asia Pacific.....	16,001	12,856	918	775	675	561
Iberia & Latin America.....	710	679	78	72	53	542
USA.....	5,789	4,863	629	216	534	243
Global Insurance Lines & Anglo Markets, Middle East and Africa.....	563	573	25	19	107	(40)
Consolidation and Other.....	(242)	(178)	(22)	(24)	(18)	(19)
Total Life/Health.....	38,536	36,356	2,495	1,810	1,947	1,802
Asset Management.....	3,835	3,493	1,572	1,319	1,216	906
Corporate and Other.....	131	111	(278)	(432)	(214)	(535)
Consolidation.....	(364)	(250)	(6)	(3)	(3)	2
Group.....	75,749	73,495	6,655	4,869	5,040	3,101

Alternative Performance Measures (Non-IFRS 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 IFRS. 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. However, these non-IFRS financial measures, including “total revenues,” “operating profit,” “return on equity,” “combined ratio,” “cost-income ratio,” “New Business Margin,” “accident year loss ratio,” “loss ratio,” and “expense ratio” are not recognized as accounting standards within the IFRS, and therefore must not be considered as (i) an alternative to operating income or net income as determined in accordance with IFRS; (ii) an alternative to cash flow from operating, investing or financing activities (as determined in accordance with IFRS) as a measure of the Allianz Group’s ability to meet cash needs; or (iii) an alternative to any other measure of performance under IFRS. Investors should not place undue reliance on these non-IFRS measures and should not consider either of these measures to be indicative of the Allianz Group’s historical operating results or financial condition; nor are they meant to be predictive of future results. These alternative performance measures may not be uniformly defined by all companies and accordingly they may not be directly comparable with similarly titled measures and disclosures by other companies. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS and should be considered in conjunction with the IFRS measures as set out in the Consolidated Financial Statements incorporated herein by reference.

The Allianz Group uses the following major alternative performance measures:

- Total revenues
- Operating profit
- Return on equity
- Combined ratio
- New business margin
- 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.

Definitions, use and limitations

A. 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 gross premiums written and fee and commission income in Property-Casualty, statutory premiums in Life/Health, operating revenues in Asset Management and total revenues in Corporate and Other (Banking).

$$\begin{aligned} \text{Total revenues Allianz Group} &= \text{Total Revenues Property-Casualty}^1 \\ &+ \text{Statutory premiums Life/Health} \\ &+ \text{Operating revenues Asset Management} \\ &+ \text{Total revenues Corporate and Other (Banking)} \end{aligned}$$

⁽¹⁾ Comprising gross premiums written and fee and commission income.

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.

Limitation 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 the effects of price changes, foreign currency translation as well as acquisitions, disposals and transfers.

B. 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.

Effective January 1, 2021, the Allianz Group has amended its operating profit definition by excluding income taxes related incidental benefits/expenses and litigation expenses. Both items are not attendant to the Allianz Group's sustainable performance. Therefore, the Allianz Group believes that the amended definition of operating profit provides more relevant information for investors with respect to Allianz Group's long-term profitability and its comparability over time.

To better understand the ongoing operations of the business, operating profit 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,
- certain acquisition and administrative expenses (net), consisting of acquisition-related expenses, income taxes related incidental benefits/expenses and litigation expenses,
- 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, each 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.

C. Return on Equity (RoE)

Definition and Usefulness

For the Allianz Group, return on equity represents the ratio of net income attributable to shareholders to the average shareholders' equity at the beginning of the period and at the end of the period. The net income attributable to shareholders is adjusted for net financial charges and currency translation effects related to undated subordinated bonds classified as shareholders' equity. From the average shareholders' equity undated subordinated bonds classified as shareholders' equity and unrealized gains/losses on bonds net of shadow accounting are excluded. The Allianz Group uses RoE as a key performance indicator. This indicator combines the view of business profitability and capital efficiency. Therefore, management uses RoE in steering the business.

There were no undated subordinated bonds classified as shareholders' equity prior to the issuance of two such instruments in November 2020. Before November 2020, return on equity represented 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 of the year and at the end of the year. In November 2020, the Allianz Group issued undated subordinated bonds which qualify as equity under IFRS. For that reason, the RoE calculation was updated as the undated subordinated bonds are treated as subordinated liabilities for the calculation. However, the adjustment of net income attributable to shareholders for currency translation effects related to undated subordinated bonds classified as shareholders' equity was first applied in 2021.

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

(1) Net income attributable to shareholders adjusted for net financial charges and currency translation effects related to undated subordinated bonds classified as shareholders' equity

(2) Shareholders' equity excluding undated subordinated bonds classified as shareholders' equity and excluding unrealized gains/losses on bonds net of shadow accounting

Limitations on the Usefulness

The RoE of the Allianz Group include items which are not indicative of management performance. Furthermore, RoE is not available at line of business or product level.

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 undated subordinated bonds classified as shareholders' equity and excluding unrealized gains/losses on bonds net of shadow accounting.

D. 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).

$$\text{CR}_{\text{PC Segment}} = \frac{\text{Acquisition and administrative expenses (net)}^1 + \text{claims and insurance benefits incurred (net)}^1}{\text{Premiums earned (net)}^1}$$

(1) In insurance terminology the term "net" means after reinsurance.

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.

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

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.

$$\text{Expense ratio}_{\text{PC Segment}} = \frac{\text{Acquisition and administrative expenses (net)}}{\text{Premiums earned (net)}^1}$$

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.

E. New Business Margin (NBM)

Definition and Usefulness

The new business margin is a common key performance indicator to measure the profitability of new business in our Life/Health segment. The NBM is calculated as the Value of new business (VNB) divided by the Present value of new business premiums (PVNBP). All three components are shown after non-controlling interests unless otherwise stated.

$$\text{NBM}_{\text{LH Segment}} = \frac{\text{Value of new business (VNB)}}{\text{Present value of new business premium (PVNBP)}}$$

The VNB is the additional value to the shareholder which is created through the activity of writing new business in the current period. It is defined as the present value of future profits (PVFP) after acquisition expenses overrun or underrun, minus the time value of financial options and guarantees (O & G) and minus the risk margin (RM), all determined at the date of issue. Value of new business is calculated at point of sale, interpreted as at beginning of each quarter assumptions. In the case of the USA a more frequent valuation, using updated assumptions, is performed (bi-weekly).

The PVNBP is the present value of projected new regular premiums, discounted with risk-free rates, plus the total amount of single premiums received.

VNB and PVNBP are determined by using an actuarial platform. In the actuarial platform, insurance contracts are projected deterministically using best estimate assumptions for lapse, mortality, disability and expenses until maturity. Contracts are projected no longer than 60 years. Premiums are before reinsurance. To receive a valid and meaningful NBM, the calculation of VNB and PVNBP need to be based on the same assumptions.

Limitations on the Usefulness

Limitations come from the best estimate assumptions, including risk-free rate, and the long projection period of up to 60 years. The best estimate assumptions are derived from historical data. That means that a different future customer behavior could lead to variances. The same is applicable for the risk-free rate, which is based on current market data. Furthermore, the long projection period is worthy of discussion, because changes such as regulatory changes or a new currency are not reflected in the projection.

There is no comparable IFRS financial measure. Therefore, a reconciliation is not possible. However, our calculation of NBM is consistent with the accounting policies we apply in our financial statements prepared in accordance with IFRS.

F. 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.

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

- (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.

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 for the year ended December 31, 2020 and December 31, 2019 (audited).

The figures for the financial years 2019 and 2020 are audited, unless otherwise indicated.

A. Total Revenues¹

Composition of total revenues € mn

	Year ended December 31,	
	2020	2019
PROPERTY-CASUALTY		
Total revenues	59,412	59,156
consisting of:.....		
Gross premiums written	57,772	57,210
Fee and commission income	1,640	1,946
LIFE/HEALTH		
Statutory premiums	74,044	76,426
ASSET MANAGEMENT		
Operating revenues	7,347	7,164
consisting of:		
Net fee and commission income (unaudited)	7,358	7,171
Net interest and similar income (unaudited)	(15)	(10)
Income from financial assets and liabilities carried at fair value through income (net)	3	1
Other income.....	2	1
CORPORATE AND OTHER		
thereof: Total revenues (Banking)	245	239
consisting of:		
Interest and similar income (unaudited).....	63	73
Income from financial assets and liabilities carried at fair value through income (net) ¹ (unaudited)	2	3
Fee and commission income (unaudited).....	561	576
Interest expenses, excluding interest expenses from external debt (unaudited).....	(22)	(21)

Composition of total revenues

€ mn

	Year ended December 31,	
	2020	2019
Fee and commission expenses (unaudited)	(359)	(394)
Consolidation effects within Corporate and Other (unaudited).....	-	1
CONSOLIDATION	(593)	(616)
Allianz Group total revenues	140,455	142,369

⁽¹⁾ Includes trading income.

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

€ mn

	Year ended December 31,	
	2020	2019
Statutory premiums	74,044	76,426
Ceded premiums written (unaudited)	(855)	(727)
Change in unearned premiums (net).....	(542)	(632)
Deposits from insurance and investment contracts (unaudited)	(48,564)	(50,480)
Premiums earned (net)	24,083	24,586

B. Operating Profit (OP)

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

€ mn

	Year ended December 31, 2020					
	Property - Casualty	Life/Health	Asset Management	Corporate and Other	Consolidation	Group
Operating profit/(loss)	4,371	4,359	2,853	(831)	(1)	10,751
Non-operating investment result						
Non-operating income from financial assets and liabilities carried at fair value through income (net) ¹	68	57	1	(150)	(3)	(28)
Non-operating realized gains/losses (net) ¹	490	738	-	221	9	1,458
Non-operating impairments of investments (net) ¹	(577)	(144)	-	(138)	-	(860)
Subtotal	(20)	651	1	(68)	6	570
Non-operating change in reserves for insurance and investment contracts (net) ¹	-	27	-	-	-	27
Interest expenses from external debt...	-	-	-	(729)	-	(729)
Acquisition-related expenses	-	-	(8)	-	-	(8)
Non-operating amortization of intangible assets	(163)	(44)	(16)	(18)	-	(240)
Non-operating restructuring and integration expenses	(409)	(60)	(171)	(128)	-	(768)
Reclassification	-	1	-	-	-	1
Non-operating items	(592)	575	(194)	(942)	6	(1,148)
Income/(loss) before income taxes	3,778	4,934	2,659	(1,773)	5	9,604
Income taxes	(1,173)	(1,168)	(686)	557	-	(2,471)
Net income/(loss)	2,605	3,766	1,973	(1,216)	5	(7,133)
Net income/(loss) attributable to:						
Non-controlling interests	96	160	110	(40)	-	326

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

€ mn

	Year ended December 31, 2020					Group
	Property - Casualty	Life/Health	Asset Management	Corporate and Other	Consolidation	
Shareholders	2,509	3,606	1,863	(1,176)	6	6,807

⁽¹⁾ In investment terminology the term “net” is used when the relevant expenses have already been deducted.

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

€ mn

	Year ended December 31, 2019					Group
	Property - Casualty	Life/Health	Asset Management	Corporate and Other	Consolidation	
Operating profit/(loss)	5,045	4,708	2,704	(602)	-	11,855
Non-operating investment result						
Non-operating income from financial assets and liabilities carried at fair value through income (net) ¹	(15)	109	-	12	2	107
Non-operating realized gains/losses (net) ¹	878	155	-	76	(5)	1,104
Non-operating impairments of investments (net) ¹	(345)	(131)	-	(105)	-	(581)
Subtotal	518	133	-	(17)	(3)	630
Non-operating change in reserves for insurance and investment contracts (net) ¹	-	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)
Non-operating items	179	43	(49)	(947)	(3)	(778)
Income/(loss) before income taxes	5,224	4,750	2,656	(1,549)	(3)	11,077
Income taxes	(1,241)	(1,227)	(664)	355	1	(2,776)
Net income/(loss)	3,983	3,523	1,992	(1,194)	(2)	8,302
Net income/(loss) attributable to:						
Non-controlling interests	73	187	85	43	-	387
Shareholders	3,910	3,336	1,907	(1,237)	(2)	7,914

⁽¹⁾ In investment terminology the term “net” is used when the relevant expenses have already been deducted.

C. Return on Equity (RoE)
Reconciliation of return on equity for the Allianz Group

€ mn

	Year ended December 31,	
	2020	2019
Net income/(loss) attributable to shareholders ¹	6,801	7,914
Shareholders' equity bop	74,002	61,232
Shareholders' equity eop ¹	78,557	74,002
Unrealized gains/losses on bonds (net of shadow accounting) bop (unaudited)	13,796	4,894

Reconciliation of return on equity for the Allianz Group

€ mn

	Year ended December 31,	
	2020	2019
Unrealized gains/losses on bonds (net of shadow accounting) eop (unaudited)	19,257	13,796
Return on equity (excluding undated subordinated bonds classified as shareholders' equity and unrealized gains/losses on bonds net of shadow accounting) in % (unaudited)	11.4	13.6

⁽¹⁾ For 2020, unaudited.

D. Combined Ratio (CR)

Reconciliation of combined ratio

€ mn

	Year ended December 31,	
	2020	2019
Claims and insurance benefits incurred (net)	(35,883)	(34,900)
Acquisition and administrative expenses (net)	(13,846)	(14,119)
Premiums earned (net)	51,631	51,328
Combined ratio in % (unaudited)	96.3	95.5
Loss ratio in % (unaudited)	69.5	68.0
Expense ratio in % (unaudited)	26.8	27.5

E. Cost-Income Ratio (CIR)

Reconciliation of cost-income ratio

€ mn

	Year ended December 31,	
	2020	2019
Operating expenses	(4,494)	(4,460)
Operating revenues	7,347	7,164
Cost-income ratio in % (unaudited)	61.2	62.3

Reconciliations as of June 30, 2021 and June 30, 2020 (Unaudited)

A. Total Revenues

Composition of total revenues

€ mn

	Six months ended June 30,	
	2021	2020
PROPERTY-CASUALTY		
Total revenues	33,610	33,785
consisting of:		
Gross premiums written	32,750	32,933
Fee and commission income	860	851
LIFE/HEALTH		
Statutory premiums	38,536	36,356
ASSET MANAGEMENT		
Operating revenues	3,835	3,493
consisting of:		
Net fee and commission income	3,836	3,495
Net interest and similar income	(3)	(8)
Income from financial assets and liabilities carried at fair value through income (net)	2	5
CORPORATE AND OTHER		
thereof: Total revenues (Banking)	131	111

Composition of total revenues

€ mn

	Six months ended June 30,	
	2021	2020
consisting of:		
Interest and similar income.....	30	34
Income from financial assets and liabilities carried at fair value through income (net) ¹	1	1
Fee and commission income.....	325	265
Interest expenses, excluding interest expenses from external debt.....	(12)	(10)
Fee and commission expenses.....	(214)	(179)
CONSOLIDATION	(364)	(250)
Allianz Group total revenues.....	75,749	73,495

⁽¹⁾ Includes trading income.

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

€ mn

	Six months ended June 30,	
	2021	2020
Statutory premiums	38,536	36,356
Ceded premiums written.....	(391)	(531)
Change in unearned premiums (net).....	(242)	(326)
Deposits from insurance and investment contracts.....	(25,643)	(23,459)
Premiums earned (net)	12,261	12,041

B. Operating Profit (OP)

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

€ mn

	Six months ended June 30, 2021					
	Property-Casualty	Life/Health	Asset Management	Corporate and Other	Consolidation	Group
Operating profit/(loss)	2,871	2,495	1,572	(278)	(6)	6,655
Non-operating investment result						
Non-operating income from financial assets and liabilities carried at fair value through income (net) ¹	(69)	121	3	(28)	(2)	24
Non-operating realized gains/losses (net) ¹	271	(10)	85	268	6	621
Non-operating impairments of investments (net) ¹	(40)	(26)	-	(40)	-	(106)
Subtotal	162	85	88	200	4	538
Non-operating change in reserves for insurance and investment contracts (net) ¹	-	97	-	-	-	97
Interest expenses from external debt....	-	-	-	(336)	-	(336)
Non-operating acquisition and administrative expenses (net) ²	-	(18)	-	32	-	14
Non-operating amortization of intangible assets.....	(106)	(19)	(10)	(10)	-	(145)
Non-operating restructuring and integration expenses.....	(144)	(28)	(30)	(26)	-	(227)
Reclassifications	-	18	-	-	-	18
Non-operating items	(88)	136	49	(141)	4	(41)
Income/(loss) before income taxes	2,783	2,631	1,621	(419)	(2)	6,614
Income taxes.....	(688)	(684)	(405)	204	(1)	(1,573)

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

€ mn

	Six months ended June 30, 2021					
	Property-Casualty	Life/Health	Asset Management	Corporate and Other	Consolidation	Group
Net income/(loss)	2,095	1,947	1,216	(214)	(3)	5,040
Net income/(loss) attributable to:						
Non-controlling interests	59	112	73	5	-	249
Shareholders	2,036	1,835	1,144	(219)	(3)	4,791

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

€ mn

	Six months ended June 30, 2020					
	Property-Casualty	Life/Health	Asset Management	Corporate and Other	Consolidation	Group
Operating profit/(loss)	2,175	1,810	1,319	(432)	(3)	4,869
Non-operating investment result						
Non-operating income from financial assets and liabilities carried at fair value through income (net) ¹	(3)	(19)	(2)	(65)	(2)	(90)
Non-operating realized gains/losses (net) ¹	(31)	586	-	141	6	702
Non-operating impairments of investments (net) ¹	(463)	(118)	-	(64)	-	(645)
Subtotal	(497)	449	(2)	13	4	(33)
Non-operating change in reserves for insurance and investment contracts (net) ¹	-	27	-	-	-	27
Interest expenses from external debt....	-	-	-	(362)	-	(362)
Non-operating acquisition and administrative expenses (net) ²	-	-	-	-	-	-
Non-operating amortization of intangible assets	(55)	(23)	(8)	(9)	-	(95)
Non-operating restructuring and integration expenses	(133)	(28)	(86)	(36)	-	(282)
Reclassifications	-	-	-	-	-	-
Non-operating items	(685)	425	(96)	(394)	4	(745)
Income/(loss) before income taxes	1,490	2,236	1,223	(825)	1	4,124
Income taxes	(563)	(433)	(317)	290	1	(1,023)
Net income/(loss)	926	1,802	906	(535)	2	3,101
Net income/(loss) attributable to:						
Non-controlling interests	54	79	53	(12)	-	174
Shareholders	872	1,724	853	(523)	2	2,927

⁽¹⁾ In investment terminology the term “net” is used when the relevant expenses have already been deducted.

⁽²⁾ Includes, if applicable, acquisition-related expenses, income taxes related incidental benefits/expenses and litigation expenses. Until 2020, income taxes related incidental benefits/expenses and litigation expenses were shown within operating acquisition and administrative expenses (net).

C. Return on Equity (RoE)
Reconciliation of return on equity for the Allianz Group

€ mn

	Six months ended June 30,	
	2021	2020
Net income attributable to shareholders.....	4,728	2,927
Shareholders' equity bop	78,557	74,002
Shareholders' equity eop	75,394	72,136

Reconciliation of return on equity for the Allianz Group

€ mn

	Six months ended June 30,	
	2021	2020
Unrealized gains/losses on bonds (net of shadow accounting) bop	19,257	13,796
Unrealized gains/losses on bonds (net of shadow accounting) eop	13,615	15,817
Return on equity (excluding undated subordinated bonds classified as shareholders' equity and unrealized gains/losses on bonds net of shadow accounting) in %	7.8	5.0

D. Combined Ratio (CR)

Reconciliation of combined ratio

€ mn

	Six months ended June 30,	
	2021	2020
Claims and insurance benefits incurred (net).....	(17,107)	(18,250)
Acquisition and administrative expenses (net)	(6,834)	(6,909)
Premiums earned (net)	25,620	26,030
Combined ratio in %	93.4	96.7
Loss ratio in %	66.8	70.1
Expense ratio in %	26.7	26.5

The combined ratio of the Property-Casualty business segment decreased by 3.2 percentage points to 93.4% in the six months ended June 30, 2021 compared to the six months ended June 30, 2020, affected by lower claims from accidents and a better underlying development due to a lower impact from Covid-19. The impact on the combined ratio from natural catastrophes increased from 2.3 percentage points in the six months ended June 30, 2020 to 3.1 percentage points in the six months ended June 30, 2021. Prior year included €0.4 billion negative impact related to Covid-19. The run-off ratio increased from -1.8 percentage points in the six months ended June 30, 2020 to -2.5 percentage points in the six months ended June 30, 2021.

E. Cost-Income Ratio (CIR)

Reconciliation of cost-income ratio

€ mn

	Six months ended June 30,	
	2021	2020
Operating expenses	(2,263)	(2,174)
Operating revenues	3,835	3,493
Cost-income ratio in %.....	59.0	62.2

The cost-income ratio of the Asset Management business segment decreased by 3.2 percentage points to 59.0% for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 as higher revenues more than compensated for higher expenses. Third party net flows increased from an outflow of €20.6 billion in the six months ended June 30, 2020 to an inflow of €63.8 billion in the six months ended June 30, 2021.

Supplemental Financial Information

Investment Holdings & Duration

The Allianz Group holds investments in debt instruments, equities, real estate and cash, primarily held through the Property-Casualty and Life/Health businesses. The following table shows the asset allocation and fixed income portfolio as of December 31, 2020.

€ bn	Consolidated	Property-Casualty ²	Life/Health ²
Twelve months ended December 31, 2020			
Debt Instruments.....	682.4	91.5	550.5
Equities	73.1	6.5	62.0

Real Estate ¹	14.3	3.0	10.9
Cash/Other	20.5	5.4	9.0
Total	790.3	106.4	632.4

(1) Excluding real estate held for own use and real estate held for sale.

(2) Consolidated on a group level for entire segment.

As part of our management of interest rate risk, we also track duration. Duration is a measure to estimate the present value of a portfolio's interest rate sensitivity to movements in bond yield. For example, the present value of a bond with a duration of five years is expected to change by 5 percentage points in the event interest rate yields increased by 1%. As a result, the higher the duration, the more sensitive a bond, or bond portfolio, is likely to be to interest rate movements.

On the Allianz Group level, as of December 31, 2020, the duration of the Group's assets was 10.5 years and the duration of the Group's liabilities was 10.6 years. For the six months ended June 30, 2021, the duration of the Group's assets was 10.4 years and the duration of the Group's liabilities was 10.1 years. In Property-Casualty, the duration of the segment's assets was 5.6 years and 5.5 years for the year ended December 31, 2020 and the six months ended June 30, 2021, respectively, and the duration of the segment's liabilities was 4.6 years and 4.3 years for the year ended December 31, 2020 and the six months ended June 30, 2021, respectively. In Life/Health, the duration of the segment's assets was 11.4 years and 11.2 years for the year ended December 31, 2020 and the six months ended June 30, 2021, respectively, and the duration of the segment's liabilities was 11.5 and 11.0 for the year ended December 31, 2020 and the six months ended June 30, 2021, respectively. The duration gap in the Life/Health segment decreased from -0.1 years to a now positive gap of +0.2 years from December 31, 2020 to June 30, 2021 driven by a strong increase in interest rates as well as management actions increasing asset duration.

Investment Holdings—Performance and Illiquidity Risk

The Allianz Group's assets held for investment are largely driven by our insurance businesses.

The Allianz Group's total investment portfolio as of December 31, 2020 amounted to €790.3 billion (December 31, 2019: €754.4 billion). Current yield on the investment portfolio as of December 31, 2020 was 2.7%, with a five-year average impairment (January 1, 2016 to December 31, 2020) on debt instruments of 5 basis points.

As of June 30, 2021 approximately 92% of debt instruments were investment grade (December 31, 2020: 93%) and 28% of debt instruments, or €181 billion, were BBB+, BBB or BBB- rated (December 31, 2020: 28% or €179 billion), excluding self-originated German private retail mortgage loans. As of December 31, 2020, for 3% of debt instruments, no ratings were available (December 31, 2019: 3%).

The BBB+/BBB/BBB- portfolio is diversified and managed primarily by PIMCO. Of this segment of the Allianz Group's portfolio, 33% are rated BBB+, 37% are rated BBB and 30% are rated BBB-, as of December 31, 2020. As of December 31, 2020, 81% of these instruments were held within the Life/Health reserves with policyholder participation.

Alternative assets, which include real estate, private equity, renewable energy and infrastructure investments, account for €177 billion (reflecting non-traded assets measured at fair value) of the Allianz Group's overall investment portfolio, of which 57% are in alternative debt and 43% are in alternative equity, as of December 31, 2020. As of December 31, 2020, the alternative asset segment of the Allianz Group's portfolio had a current yield of 3.2% for alternative debt holdings and 3.9% for alternative equity holdings.

Of the alternative equity holdings, 68% are real estate holdings. The vast majority of the alternative debt holdings have a loan-to-value ratio of under 65%. Of the alternative debt holdings, approximately 88% or €88 billion were investment grade.

See "Risk Factors—Credit Risks" and "Risk Factors—Market Risks—The Allianz Group is exposed to real estate and other alternative investment risks" for further information about the performance and illiquidity risk of the Allianz Group's investments.

Bond Tenor Profile

The Allianz Group's total certificated liabilities reached €9,222 million as of June 30, 2021 (December 31, 2020: €9,206 million). The change was mainly driven by foreign currency exchange effects. The Allianz Group's total subordinated liabilities reached €11,992 million as of June 30, 2021 (December 31, 2020: €14,034 million). The change was mainly due to the redemption of subordinated bonds in the first six months of 2021 with a nominal amount of €0.8 billion and US\$1.0 billion respectively. In addition, Allianz repurchased a subordinated convertible bond with a nominal

amount of €0.5 billion effective May 28, 2021. Undated subordinated liabilities classified as shareholder's equity amounted to €2,304 million as of June 30, 2021 (December 31, 2020: €2,259 million).

The following tables show the tenor and first potential call dates of the Allianz Group's current outstanding senior and subordinated bonds based on their respective nominal amounts. While a substantial portion of the Allianz Group's liabilities are callable by the relevant Allianz Group issuer, neither the first occurrence of an issuer call option nor a coupon step-up should be construed as an indication by the Issuer as to when or whether the instrument will be called for redemption.

	All Bonds shown at Final Maturity (€ bn)			All Bonds (€ bn) Non-Callable Bonds shown at Final Maturity Callable Bonds shown at Next Call Date		
	Senior Bonds	Subordinated Bonds (no coupon step-up)	Subordinated Bonds (coupon step-up)	Senior Bonds	Subordinated Bonds (no coupon step-up)	Subordinated Bonds (coupon step-up)
2021	-	-	-	-	-	1.1
2022	1.5	-	-	1.5	1.3	1.5
2023	0.75	-	-	0.75	-	1.5
2024	-	-	-	0.5	-	1.5
2025	0.5	-	-	0.75	1.1	1.5
2026	0.75	-	-	-	-	-
2027	0.75	-	-	0.75	-	1.0
2028	0.75	-	-	0.75	-	-
2029	-	-	-	0.75	-	1.5
2030	0.75	-	-	0.75	1.25	1.0
2031	1.5	-	-	0.75	-	-
...	-	-	-	-	-	-
2041	-	-	1.1	-	-	-
2042	-	-	1.5	-	-	-
2043	0.87	-	-	0.87	-	-
2044	-	-	-	-	-	-
2045	-	-	1.5	-	-	-
2046	-	-	-	-	-	-
2047	-	-	1.0	-	-	-
2048	-	-	-	-	-	-
2049	-	-	1.5	-	-	-
2050	-	-	1.0	-	-	-
...	-	-	-	-	-	-
Perpetual	-	3.6	3.0	-	-	-

Leverage Ratios

The following table shows the financial leverage and senior debt leverage ratios of the Allianz Group as reported in respective years and calculated in accordance with Allianz methodology. The leverage ratios for 2Q 2021 reflects €14.2 billion in subordinated bonds⁽¹⁾, €75.4 billion in shareholders' equity (adj.)⁽²⁾ and €9.3 billion in senior debt⁽³⁾.

	Financial Leverage⁽⁴⁾	Senior Debt Leverage⁽⁵⁾
2Q 2021	23.8%	10.4%
2020	24.5%	9.8%
2019	23.3%	10.7%
2018	27.1%	12.3%

⁽¹⁾ Subordinated bonds issued or guaranteed by Allianz SE including equity accounted RTI bonds; nominal values. The EUR 1.1bn 5.75% 2041NC2021 bond called effective July 8, 2021 is still included in the amount of subordinated bonds per 2Q 2021.

⁽²⁾ Shareholders' equity excluding equity accounted RTI bonds (2Q 2021: €2.3 billion)

⁽³⁾ Certificated liabilities (senior bonds, money market securities such as commercial papers) issued or guaranteed by Allianz SE; nominal values, of which bonds €8.1 billion (2Q 2021)

⁽⁴⁾ Senior debt and subordinated bonds divided by the sum of senior debt, subordinated bonds and shareholders' equity

⁽⁵⁾ Senior debt divided by the sum of subordinated bonds and shareholders' equity

Shareholders' Equity — Market Sensitivities

Shareholders' equity of the Allianz Group amounted to €77.7 billion as of June 30, 2021 (December 31, 2020: €80.8 billion), consisting of unrealized gains/losses (net) of €18.0 billion (December 31, 2020: €22.6 billion), retained earnings (including foreign currency translation adjustments and undated subordinated bonds) of €30.8 billion (December 31, 2020: €29.2 billion) and paid-in capital of €28.9 billion (December 31, 2020: €28.9 billion). Additional off-balance sheet unrealized gains on real estate, associates and joint ventures attributable to the shareholders amounted to €4.8 billion as of December 31, 2020 and €4.9 billion as of June 30, 2021. These off-balance sheet unrealized gains reflect differences (after policyholder participation, taxes and non-controlling interests) between fair values and balance sheet values which are not considered in shareholders' equity.

The following table shows the key sensitivities for market risk and investment risk on the Allianz Group's shareholders' equity as of June 30, 2021:

<u>Sensitivities</u>	<u>Scenario</u>	<u>Estimated Shareholders' Equity Impact per June 30, 2021 (€ bn)</u>
Equity markets	-30%	-5.0
Interest rate	+50 bps	-5.7
Interest rate	-50 bps	+5.6
Credit spread on government bonds	+50 bps	-3.0
Credit spread on corporate bonds	+50 bps	-3.2

See “Risk Factors—Market Risks” for further information about the impact of equity markets, interest rates, and credit spreads on the Allianz Group's business and financial condition.

Life/Health Business Segment

The Allianz Group measures profitability of new business in the Life/Health business segment by means of the “new business margin,” which is calculated as the value of new business divided by the present value of new business premiums. The value of new business is the additional value to shareholders that results from the writing of new business. This performance indicator is calculated as the present value of future profits, adjusted for acquisition expenses overrun or underrun, minus the time value of financial options and guarantees, minus a risk margin, all as determined at the issue date of the relevant new insurance policy. The value of new business is calculated at point of sale, interpreted as at beginning of each quarter assumptions, with the exception that in the United States, a valuation using updated assumptions is performed bi-weekly. For information on the calculation of the present value of new business premiums, see the Interim Group Management Report, included in the Allianz Group 1H2021 Interim Report incorporated herein by reference.

The value of new business increased from €851 million in the six months ended June 30, 2020 to €1,190 million in the six months ended June 30, 2021 as expanded sales in Italy and the US, successful actions with respect to legacy insurance products in Italy and France and improved business mix more than offset lower interest rates. The new business margin increased from 2.9% for the six months ended June 30, 2020 to 3.0% for the six months ended June 30, 2021 driven by improved products and business mix, partly offset by market developments (in particular lower interest rates).

Administrative, management and supervisory bodies

Overview of Management and Supervisory Bodies of Allianz SE

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 is 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, U.S. Life Insurance	None
Dr. Barbara Karuth-Zelle	Operations (COO); IT	None
Dr. Klaus-Peter Röhler	Insurance German Speaking Countries and Central & Eastern Europe	Member of the supervisory board of EUROKAI GmbH & Co. KGaA
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, ESG	None
Christopher Townsend	Global Insurance Lines & Anglo Markets, Reinsurance, Middle East, Africa	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:

Name	Principal Occupation	Principal Outside Board Memberships and/or other duties
Michael Diekmann Chairman ⁽¹⁾	Member of various Supervisory Boards	Member of the Supervisory Boards of Fresenius Management SE, Fresenius SE & Co. KGaA, Siemens AG
Sophie Boissard ⁽¹⁾	Chairwoman of Board of Management Korian S.A.	Member of the Supervisory Boards of Korian Deutschland AG (Chairwoman), Korian Management AG (Chairwoman), Segesta SpA, Senior Living Group NV
Christine Bosse ⁽¹⁾	Member of various Supervisory Boards	Member of the Supervisory Board of Coop amba
Gabriele Burkhardt-Berg	Employee of Allianz Deutschland AG	None

<u>Name</u>	<u>Principal Occupation</u>	<u>Principal Outside Board Memberships and/or other duties</u>
Vice Chairwoman ⁽²⁾		
Dr. Friedrich Eichiner ⁽¹⁾	Member of various Supervisory Boards	Member of the Supervisory Boards of FESTO Management SE (Chairman), Infineon Technologies AG
Jean-Claude Le Goaër ⁽²⁾	Employee of Allianz France SA	None
Martina Grundler ⁽²⁾	National Representative Insurances, ver.di, Berlin	None
Herbert Hainer ⁽¹⁾	Member of various Supervisory Boards	Member of the Supervisory Boards of FC Bayern München AG (Chairman)
Godfrey Robert Hayward ⁽²⁾	Employee of Allianz Insurance Plc	None
Frank Kirsch ⁽²⁾	Employee of Allianz Beratungs-und Vertriebs-AG	None
Jürgen Lawrenz ⁽²⁾	Employee of Allianz Technology SE	None
Jim Hagemann Snabe Vice Chairman ⁽¹⁾	Member of various Supervisory Boards	Chairman of the Supervisory Boards of Siemens AG and A.P. Møller - Mærsk A/S, member of the Board of Directors of C3.ai, Inc.

⁽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.

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 business, including, amongst others, their activities as insurance, banking and asset management companies, employers, investors and taxpayers. While it is not feasible to predict or determine the ultimate outcome of such proceedings, they may result in substantial damages or other payments or penalties or result in adverse publicity and damage to the Allianz Group's reputation. As a result, such proceedings could have an adverse effect on the Allianz Group's business, financial condition and results of operations. Apart from the proceedings discussed below, Allianz SE is not aware of any threatened or pending legal, regulatory or arbitration proceedings, which may have, or have had in the recent past, significant effects on its and/or the Allianz Group's financial position or profitability. Material proceedings in which Allianz Group companies are involved 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.

Since July 2020, multiple complaints have been filed in U.S. Federal Courts and also in certain U.S. State Courts against Allianz Global Investors U.S. LLC ("AllianzGI U.S.") and in certain complaints, against certain of AllianzGI U.S.'s affiliates, including Allianz SE and Allianz Asset Management GmbH ("Affiliate Allianz Defendants"), in connection with losses suffered by investors in AllianzGI U.S.'s Structured Alpha funds ("Funds") during the Covid-19 related market downturn. The actions brought to date have included institutional investor plaintiffs and individual plaintiffs, with certain plaintiffs asserting claims on behalf of putative classes. An investment consultant has also asserted

third-party claims against AllianzGI U.S. Plaintiffs in the currently pending 25 actions have alleged losses of approximately USD 6 billion. In addition to the complaints filed to date, other investors in the Funds, or other third parties, may bring similar actions. Allianz intends to defend vigorously against the allegations contained in the complaints.

Upon request from the U.S. Securities and Exchange Commission (“SEC”), AllianzGI U.S. has also provided substantial information to the SEC in connection with an SEC investigation of the Funds, and Allianz is fully cooperating with the SEC’s investigation. Subsequent to the foregoing, the U.S. Department of Justice (“DOJ”) has begun an investigation concerning the Funds, and AllianzGI U.S. has received a voluntary request for documents and information from the DOJ. The DOJ has also requested information from certain current and former AllianzGI U.S. employees. Allianz is also fully cooperating with the DOJ in the investigation and has immediately started its own review of this matter.

As already announced by ad-hoc disclosure, in light of the DOJ investigation and based on information currently available to Allianz, the Board of Management of Allianz SE has reassessed the matter and has come to the conclusion that there is a relevant risk that the matters relating to the Funds could materially impact future financial results of Allianz Group. However, it is currently neither feasible to predict how the SEC and DOJ investigations and the pending court proceedings may be resolved nor the timing of any such resolution. It is in particular not feasible to reliably estimate the amount of any possible resolution including potential fines. Therefore, in line with IAS 37.26, no provision has been recognized as of the date of this Offering Circular.

See “*Risk Factors—Legal and Regulatory Risk—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.*”

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*) 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 Offering Circular.

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.

INTEREST PAYMENTS AND DISTRIBUTABLE ITEMS OF THE ISSUER

Pursuant to § 3 (8)(a) of the Terms and Conditions of the Notes, the Issuer has the right to cancel all or part of any payment of interest on the Notes in its sole discretion and at any time. Further, pursuant to § 3 (8)(b) of the Terms and Conditions of the Notes, payment of interest on the Notes for the relevant Interest Period shall be mandatorily cancelled in certain circumstances. Specifically, pursuant to § 3 (8)(b)(iv) of the Terms and Conditions of the Notes, payment of interest on the Notes for the relevant Interest Period shall be mandatorily cancelled:

“to the extent that such payment of interest, together with any additional Distributions in respect of shares and Distributions on other instruments on which Distributions may only be made from Available Distributable Items that are scheduled to be made on the same day or that have been made in the then current financial year of the Issuer (up to and including the day on which such payment is scheduled), would exceed the Available Distributable Items; provided that, for such purpose, the Available Distributable Items shall be increased by an amount equal to that which has been accounted for as expenses for such Distributions (including interest payments on the Notes) in the determination of the profit on which the Available Distributable Items are based.”

For the purpose of the Notes, “Distribution” means any kind of payment of dividends or interest.

The Available Distributable Items referred to in § 3 (8)(b)(iv) of the Terms and Conditions of the Notes reflect the definition of available distributable items in the Applicable Supervisory Requirements for that purpose. As of the date of this Offering Circular, the definition in the EIOPA Guidelines on classification of own funds (EIOPA-BoS-14/168 EN) relating to Directive 2009/138/EC (“Solvency II”) as well as to Commission Delegated Regulation (EU) 2015/35 supplementing Solvency II (“Commission Delegated Regulation 2015/35”) applies.

Determination of available distributable items:

In order to determine whether we would be prohibited, pursuant to § 3 (8)(b)(iv) of the Terms and Conditions of the Notes, to make an interest payment on the Notes on any Interest Payment Date, we will first determine our available distributable items by determining the (if existing) positive balance of:

- the net income (*Jahresüberschuss*) or the net loss (*Jahresfehlbetrag*) as of the end of the financial year immediately preceding the relevant Interest Payment Date;
- plus any unappropriated earnings carried forward and distributable reserves, taking into account any withdrawal from or transfer to reserves;
- less any losses carried forward,

provided that any prohibitions on distributions pursuant to the applicable laws and the articles of association of the Issuer are respected at all times.

The determination of available distributable items will be made on the basis of the Issuer’s audited financial statements prepared in accordance with the German Commercial Code (“HGB”), German GAAP and other applicable German law then in effect (the “Audited German GAAP Financial Statements”) and not on the basis of Allianz Group’s consolidated financial statements. German GAAP differs in certain respects from IFRS, in accordance with which we prepare our consolidated financial statements. In particular, German GAAP follows the principle of “prudence,” meaning that, among other things, assets are valued at the lower of cost or market value. Accordingly, assets are not valued higher than their acquisition costs. In addition, German GAAP follows the principle of “imparity,” meaning that, among other things, liabilities are valued at the higher of their amortized cost and their market value.

As a result of the application of these accounting principles and because available distributable items are determined at the Issuer level on an individual basis, the Issuer has meaningful discretion to influence the amounts relevant for determining available distributable items. Accordingly, in a given year, the Issuer may take, or cause certain subsidiaries to take, certain actions that may result in increasing available distributable items at the Issuer level. The Issuer believes that, as of December 31, 2020, if it took certain actions, or caused certain of its subsidiaries to take certain actions, such actions could have resulted in the Issuer’s available distributable items being more than twice the amount of available distributable items that was recorded pursuant to the Issuer’s Audited German GAAP Financial Statements as of and for the year ended December 31, 2020. For the risks associated with available distributable items, see “*Risk Factors—Risks Related to the Notes—Risks Related to the Payment of Interest—The level of available distributable items of the Issuer is affected by a number of factors and insufficient available distributable items will restrict the Issuer’s ability to make interest payments on the Notes.*”

After making the determination described above, we will in a second step increase the amount of available distributable items by the amount that has already been accounted for as expenses for Distributions in respect of all Distribution Relevant Instruments (as defined below) in our Audited German GAAP Financial Statements for our financial year immediately preceding the relevant Interest Payment Date.

Deduction of distributions simultaneously planned or made:

Finally, to determine whether there is a mandatory cancellation of interest payments, in accordance with § 3 (8)(b)(iv), we will subtract the amount of any additional Distributions in respect of shares and in respect of other instruments on which Distributions may only be made from available distributable items (each such other instrument, a “Distribution Relevant Instrument”) that are scheduled to be made on the same date or that have been made by us in respect of Distribution Relevant Instruments in the then-current financial year of the Issuer (up to and including the day on which such payment is scheduled) from the sum resulting from the above calculation. On the basis of this calculation, we will determine whether the remaining amount will be sufficient to cover the scheduled interest payment on the Notes.

Items that affect the calculation of the available distributable items:

For illustrative purposes only, the following table sets forth, as of and for the financial years ended December 31, 2020 and 2019, the items derived from the Issuer’s Audited German GAAP Financial Statements as of and for the financial year ended December 31, 2020 (including the comparative financial information as of and for the financial year ended December 31, 2019) that affect the calculation of the Issuer’s available distributable items:

Available Distributable Items (§ 3 (8)(b)(iv) and (d) of the Terms and Conditions of the Notes) ¹	Audited German GAAP Financial Statements of the Issuer (in accordance with HGB)	As of and for the financial year ended December 31,	
		2020	2019
(in € thousand, audited, unless otherwise indicated)			
The (if existing) positive balance of:			
(a) the net income or the net loss as of the end of the financial year	Net income (<i>Jahresüberschuss</i>)	4,607,731	4,603,376
(b) plus, any unappropriated earnings carried forward	Unappropriated earnings carried forward (<i>Gewinnvortrag aus dem Vorjahr</i>)	527,986	776,906
(c) plus any distributable reserves, taking into account any withdrawal from or transfer to reserves,	Other revenue reserves (<i>andere Gewinnrücklagen</i>)	6,804,045	6,779,948
	<i>minus</i> transfer to revenue reserves (<i>Einstellungen in Gewinnrücklagen</i>)	760,000	900,000
	<i>minus</i> amount exempted from distribution pursuant to § 253(2) sentence 1 HGB in connection with § 253(6) HGB ^{4, 8}	868,005	888,178
	<i>minus</i> amount exempted from distribution pursuant to § 268(8) sentence 1 HGB ^{5, 8}	21,321	18,864
	<i>minus</i> amount exempted from distribution pursuant to § 268(8) sentence 3 HGB ^{6, 8}	1,404	1,352
	<i>minus</i> amount to be deducted from unappropriated reserves pursuant to § 272(1a) HGB ^{7, 8}	702	1,671
= Available Distributable Items (unaudited)	—	<u>10,288,330</u>	<u>10,350,165</u>

Available Distributable Items (§ 3 (8)(b)(iv) and (d) of the Terms and Conditions of the Notes) ¹	Audited German GAAP Financial Statements of the Issuer (in accordance with HGB)	As of and for the financial year ended December 31,	
		2020	2019
Increase by an amount equal to what has been accounted for as expenses for distributions in respect of Distribution Relevant Instruments	—	8,416	—
= Amount referred to in § 3 (8)(b)(iv) of the Terms and Conditions of the Notes as being available to cover Interest Payments on the Notes and Distributions on other Distribution Relevant Instruments (unaudited) ³	—	<u>10,296,746</u>	<u>10,350,165</u>

(1) As of the date of this Offering Circular, the definition of Available Distributable Items reflects the definition of distributable items in the EIOPA Guidelines on classification of own funds (EIOPA-BoS-14/168 EN) relating to Solvency II as well as to Commission Delegated Regulation 2015/35.

(2) As of the date of this Offering Circular, the Issuer's articles of association do not prohibit specific items from being distributed.

(3) The amounts are calculated on the basis of the figures as at the end of the financial years ended December 31, 2020 and 2019, respectively, and do not take into account dividends to shareholders paid by the Issuer in respect of such years. However, the dividend payments of the Issuer in the 2020 financial year (in an aggregate amount of €3,952 million) and 2019 financial year (in an aggregate amount of €3,767 million) with respect to each preceding financial year reduced the unappropriated earnings carried forward into the 2020 financial year and the 2019 financial year, respectively. The choice of interest payment date on the Notes has been made with the following factors in mind: The payment of a dividend in any given year will reduce the Issuer's capacity to make further payments from Available Distributable Items, including interest payments on the Notes, from that date onwards. When the Issuer's capacity to make a payment from Available Distributable Items is calculated for an interest payment on the Notes ahead of the payment of an annual dividend, the capacity so calculated would be higher than if the capacity were to be calculated for an interest payment on the Notes to be made after the payment of an annual dividend. The timing of the annual interest payments on the Notes, in April in each year, is earlier in the year than when Allianz has historically made its annual dividend payments.

(4) Amount of unappropriated reserves plus unappropriated earnings carried forward exempted from distribution due to the legal requirement for discounting pension obligations pursuant to § 253(2) sentence 1 in connection with § 253(6) HGB.

(5) Relates to internally generated intangible assets; amount exempted from distribution pursuant to § 268(8) sentence 1 HGB.

(6) Relates to surplus of the fair value of pension plan assets and phased-in early retirement plan assets compared to the acquisition costs pursuant to § 268(8) sentence 3 HGB.

(7) Amount to be deducted from unappropriated reserves corresponding to the mathematical value of own shares deducted from issued capital pursuant to § 272(1a) HGB.

(8) Amounts considered being unavailable for distribution by law. See also Note 12—"Restrictions on Dividend Payout" to the Audited German GAAP Financial Statements as of and for the financial year ended December 31, 2020, which are incorporated by reference herein.

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Perpetual Fixed Rate Resettable Restricted Tier 1 Notes issued by Allianz SE ("Terms and Conditions") are as follows:

ANLEIHEBEDINGUNGEN

§ 1

Währung, Ursprünglicher Nennbetrag, Form

- (1) *Währung; Ursprünglicher Nennbetrag.* Diese Serie von nachrangigen Schuldverschreibungen der Allianz SE (die "**Emittentin**") wird in Euro ("**EUR**") (die "**Festgelegte Währung**") im Gesamtnennbetrag von EUR 1.250.000.000 (in Worten: eine Milliarde zweihundertfünfzig Millionen Euro) begeben und ist eingeteilt in Schuldverschreibungen (die "**Schuldverschreibungen**" und jeweils eine "**Schuldverschreibung**") mit einem Nennbetrag von EUR 200.000 je Schuldverschreibung (der "**Ursprüngliche Nennbetrag**").
- (2) *Form.*
Die Schuldverschreibungen lauten auf den Inhaber.
- (3) *Globalurkunde.*
Die Schuldverschreibungen sind durch eine Globalurkunde (die "**Globalurkunde**") ohne Zinsscheine verbrieft. Die Globalurkunde trägt die Unterschriften von zwei Unterschriftsberechtigten der Emittentin und ist von oder im Namen der Hauptzahlstelle mit einer Kontrollunterschrift zu versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.
- (4) *Clearing System.* Die Globalurkunde wird vom Clearing System oder in dessen Namen verwahrt. "**Clearing System**" bedeutet Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Bundesrepublik Deutschland und jeder Funktionsnachfolger.
- (5) "**Gläubiger**" bedeutet jeder Inhaber eines Miteigentumsanteils oder vergleichbarer Rechte an der Globalurkunde, der oder die nach Maßgabe des anwendbaren Rechts und der jeweils geltenden Regelwerke des Clearing

TERMS AND CONDITIONS OF THE NOTES

§ 1

Currency, Initial Nominal Amount, Form

- (1) *Currency; Initial Nominal Amount.* This series of subordinated notes of Allianz SE (the "**Issuer**") is issued in Euro ("**EUR**") (the "**Specified Currency**") in the aggregate nominal amount of EUR 1,250,000,000 (in words: one billion, two hundred fifty million Euros) and is divided into notes (the "**Notes**" and each a "**Note**") in a nominal amount of EUR 200,000 per Note (the "**Initial Nominal Amount**").
- (2) *Form.*
The Notes are being issued in bearer form.
- (3) *Global Note.*
The Notes are represented by a global note (the "**Global Note**") without coupons. The Global Note shall be signed by two authorized signatories of the Issuer and shall be authenticated by or on behalf of the Principal Paying Agent. Definitive Notes and interest coupons will not be issued.
- (4) *Clearing System.* The Global Note will be kept in custody by or on behalf of the Clearing System. "**Clearing System**" means Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany and any successor in such capacity.
- (5) "**Holder**" means any holder of a proportionate co-ownership or comparable rights in the Global Note, which are transferable in accordance with applicable laws and the rules and regulations of the Clearing System as applicable from time to

Systems übertragen werden können.

time.

§ 2
Status

§ 2
Status

Die Schuldverschreibungen begründen nicht besicherte, nachrangige Verbindlichkeiten der Emittentin, die untereinander gleichrangig sind.

The Notes constitute unsecured and subordinated obligations of the Issuer, ranking *pari passu* among themselves.

Im Fall der Einleitung eines Insolvenz- oder Liquidationsverfahrens (wie nachstehend definiert) im Hinblick auf die Emittentin gehen die Verbindlichkeiten aus den Schuldverschreibungen den Vorrangigen Verbindlichkeiten der Emittentin vollständig nach, sodass Zahlungen auf die Schuldverschreibungen so lange nicht erfolgen, wie die Vorrangigen Verbindlichkeiten der Emittentin nicht vollständig befriedigt sind.

In the event of the commencement of Insolvency or Liquidation Proceedings (as defined below) relating to the Issuer, the obligations under the Notes shall be fully subordinated to all Senior Ranking Obligations of the Issuer such that no amounts shall be payable in respect of the Notes until the Senior Ranking Obligations of the Issuer have been satisfied in full.

Bereits vor Einleitung eines Insolvenz- oder Liquidationsverfahrens im Hinblick auf die Emittentin darf die Emittentin eine Zahlung auf die Schuldverschreibungen nur nach Maßgabe von § 3 (8) (b) und § 4 (4) (a) leisten.

Even prior to the commencement of Insolvency or Liquidation Proceedings relating to the Issuer, the Issuer may make payments under the Notes only in accordance with § 3 (8) (b) and § 4 (4) (a).

Unter Beachtung dieser Nachrangregelung bleibt es der Emittentin unbenommen, ihre Verbindlichkeiten aus den Schuldverschreibungen aus ihrem sonstigen freien Vermögen zu bedienen.

Subject to compliance with this provision on subordination, the Issuer may pay amounts due under the Notes from its other distributable assets (*sonstiges freies Vermögen*).

Diese Nachrangregelung begründet ein Zahlungsverbot dahingehend, dass Zahlungen auf die Schuldverschreibungen von der Emittentin nur nach Maßgabe der Bestimmungen dieser Nachrangregelung geleistet und von den Gläubigern verlangt werden dürfen; dies schließt Zahlungen im Zusammenhang mit einem Rückkauf (wie in § 11 (2) definiert) ein. Verbotswidrige Zahlungen sind an die Emittentin zurück zu gewähren.

This provision on subordination shall establish a prohibition on payments to the effect that payments on the Notes may only be made by the Issuer and demanded by the Holders in accordance with this subordinated ranking provision; this includes payments in connection with a Repurchase (as defined in § 11 (2)). Payments made in violation of this prohibition on payments must be repaid to the Issuer.

Kein Gläubiger ist berechtigt, Forderungen aus den Schuldverschreibungen gegen etwaige Forderungen der Emittentin gegen ihn aufzurechnen oder seinerseits der Emittentin geschuldete Leistungen zu verweigern, bis ihm aus den Schuldverschreibungen gebührende Leistungen bewirkt werden. Die Emittentin ist vorbehaltlich der Erfüllung der Rückzahlungsbedingungen (wie in § 4 (4) (a) definiert) berechtigt, Forderungen gegen einen Gläubiger mit den

No Holder may set off its claims arising under the Notes against any claims that the Issuer may have against the Holder or refuse to perform any of the Holder's obligations towards the Issuer before payments owed to the Holder under the Notes are made. The Issuer may set off its claims against a Holder against its obligations arising under the Notes subject to the Conditions to Redemption (as defined in § 4 (4) (a)) being fulfilled. Subject to § 10 (1) (iii), no security or guarantee of

Verpflichtungen aus den Schuldverschreibungen aufzurechnen. Den Gläubigern wird (vorbehaltlich § 10 (1) (iii)) für ihre Rechte aus den Schuldverschreibungen weder durch die Emittentin noch durch Dritte irgendeine Sicherheit oder Garantie gestellt; eine solche Sicherheit oder Garantie wird auch zu keinem späteren Zeitpunkt gestellt werden.

"Anwendbare Aufsichtsrechtliche Anforderungen" bezeichnet die Vorschriften des Versicherungsaufsichtsrechts, die hinsichtlich der Solo-Solvabilität der Emittentin und der Gruppen-Solvabilität der Gruppe jeweils in dem betreffenden Zeitpunkt anwendbar sind (zur Klarstellung: unter Einschluss etwaiger Übergangsbestimmungen), und darauf bezogene, die Emittentin und/oder die Gruppe betreffende Regelungen und Verordnungen sowie Beschlüsse und sonstige Entscheidungen der Zuständigen Aufsichtsbehörde und sonstige Anforderungen (einschließlich der Verwaltungspraxis der Zuständigen Aufsichtsbehörde und einschlägiger Gerichtsentscheidungen); dies schließt insbesondere die in dem betreffenden Zeitpunkt anwendbaren Vorschriften des Aufsichtsrechts hinsichtlich international tätiger Versicherungsgruppen (IAIG) und global systemrelevanter Versicherer (G-SII) ein.

"Delegierte Verordnung" bezeichnet die Delegierte Verordnung (EU) 2015/35 der Kommission vom 10. Oktober 2014 zur Ergänzung der Richtlinie 2009/138/EG des Europäischen Parlaments und des Rates betreffend die Aufnahme und Ausübung der Versicherungs- und der Rückversicherungstätigkeit (Solvabilität II) in der jeweils geltenden Fassung; soweit Bestimmungen der Delegierten Verordnung geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der Delegierten Verordnung in diesen Anleihebedingungen auf die geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"Gruppe" bezeichnet nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Anforderungen die Gruppe der Unternehmen, deren oberstes Mutterunternehmen die Allianz SE ist.

"Insolvenz- oder Liquidationsverfahren" bezeichnet im Hinblick auf ein Unternehmen der Gruppe jede

whatever kind is provided to the Holders by the Issuer or any other person securing rights of the Holders under the Notes; no such security or guarantee will be granted at a later point in time.

"Applicable Supervisory Requirements" means the provisions of insurance regulation law as applicable at the relevant point in time to the solo solvency of the Issuer and the group solvency of the Group (for the avoidance of doubt, including any transitional rules), and any related provisions and regulations, resolutions or other decisions of the Competent Supervisory Authority and other requirements (including the regulatory practice of the Competent Supervisory Authority and relevant case law) affecting the Issuer and/or the Group; this includes (without limitation) the provisions of regulatory laws as applicable at the relevant point in time with respect to internationally active insurance groups (IAIG) and global systemically important insurers (G-SII).

"Delegated Regulation" means Commission Delegated Regulation (EU) 2015/35 of October 10, 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), as amended from time to time; if provisions of the Delegated Regulation are amended or replaced, the reference to the provisions of the Delegated Regulation as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"Group" means the group of undertakings in accordance with the Applicable Supervisory Requirements of which Allianz SE is the ultimate parent undertaking.

"Insolvency or Liquidation Proceeding" means with respect to an entity of the Group, any dissolution or

Auflösung oder Liquidation dieses Unternehmens und jedes Insolvenzverfahren über das Vermögen dieses Unternehmens sowie jedes andere der Abwicklung und/oder Abwendung der Insolvenz dieses Unternehmens dienende öffentliche oder private Verfahren.

"**Insolvenzordnung**" oder "**InsO**" bezeichnet die Insolvenzordnung (InsO) vom 5. Oktober 1994 in der jeweils geltenden Fassung; soweit Bestimmungen der Insolvenzordnung geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der Insolvenzordnung in diesen Anleihebedingungen auf die geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"**Vorrangige Verbindlichkeiten der Emittentin**" bezeichnet (i) alle nicht nachrangigen Verbindlichkeiten der Emittentin (zur Klarstellung: dies schließt Ansprüche sämtlicher Versicherungsnehmer und Anspruchsberechtigter aus Versicherungs- und Rückversicherungsverträgen ein), (ii) alle Verbindlichkeiten der Emittentin aus Instrumenten der Tier-2-Basiseigenmittel gemäß Artikel 72 Delegierte Verordnung, (iii) alle Verbindlichkeiten der Emittentin aus Instrumenten der Tier-3-Basiseigenmittel gemäß Artikel 76 Delegierte Verordnung, (iv) alle weiteren Verbindlichkeiten der Emittentin aus Instrumenten, soweit sie mit den unter (ii) oder (iii) bezeichneten Basiseigenmitteln gleichrangig sind, sowie aus Eigenmittelbestandteilen oder anderen nachrangigen Verbindlichkeiten der Emittentin, die einen Vorrang gegenüber den Verbindlichkeiten aus den Schuldverschreibungen vorsehen, (v) die in § 39 Absatz 1 Nr. 1 bis 5 InsO bezeichneten Verbindlichkeiten der Emittentin, (vi) alle nachrangigen Verbindlichkeiten der Emittentin, soweit diese mit gesetzlich nachrangigen Verbindlichkeiten der Emittentin gemäß § 39 Absatz 1 Nr. 1 bis 5 InsO zumindest gleichrangig sind, sowie (vii) alle anderen nachrangigen Verbindlichkeiten der Emittentin, die aufgrund zwingender gesetzlicher Bestimmungen vorrangig gegenüber den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen sind. Zur Klarstellung: Die vorgenannten Verbindlichkeiten der Emittentin sind jeweils ohne Berücksichtigung von Anrechnungsgrenzen jeweils in voller Höhe als

liquidation of such entity and any insolvency proceedings against the assets of such entity as well as any other public or private proceedings for the resolution and/or avoidance of the insolvency of such entity.

"**Insolvency Statute**" or "**InsO**" means the German Insolvency Statute (*Insolvenzordnung*) dated October 5, 1994, as amended from time to time; to the extent that any provisions of the InsO are amended or replaced, the reference to provisions of the InsO as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"**Senior Ranking Obligations of the Issuer**" means (i) all unsubordinated obligations of the Issuer (for the avoidance of doubt, including any claims of all policy holders and beneficiaries under insurance and reinsurance contracts), (ii) all obligations under tier 2 basic own-funds of the Issuer pursuant to Article 72 of the Delegated Regulation, (iii) all obligations under tier 3 basic own-funds of the Issuer pursuant to Article 76 of the Delegated Regulation, (iv) all other obligations of the Issuer from instruments that rank *pari passu* with the basic own-funds listed in (ii) or (iii) as well as own-funds items or other subordinated liabilities of the Issuer that provide for a ranking senior to the obligations under the Notes, (v) the obligations of the Issuer specified in § 39 (1) nos. 1 to 5 InsO, (vi) all subordinated obligations of the Issuer to the extent that these rank at least *pari passu* with the legally subordinated obligations of the Issuer pursuant to § 39 (1) nos. 1 to 5 InsO, and (vii) all other subordinated obligations of the Issuer which rank senior to the obligations of the Issuer under the Notes pursuant to mandatory statutory provisions. For the avoidance of doubt, the aforementioned obligations of the Issuer shall be considered as Senior Ranking Obligations of the Issuer with their full amount, without taking into account any quantitative limits in respect of their regulatory eligibility.

Vorrangige Verbindlichkeiten der Emittentin anzusehen.

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

Hinweis auf vorinsolvenzliches Zahlungsverbot. Zu den Bedingungen gemäß § 3 (8) und zu den Rückzahlungsbedingungen gemäß § 4 (4) (a) gehören die Bedingungen, dass an dem Tag, an dem der betreffende Betrag von Kapital oder Zinsen zur Zahlung vorgesehen ist, (i) kein Insolvenzereignis eingetreten ist und an diesem Tag fortbesteht und (ii) die Zahlung des betreffenden Betrags kein Insolvenzereignis auslösen würde oder dessen drohenden Eintritt beschleunigen würde.

Das bedeutet, dass die Emittentin unabhängig von und bereits vor Einleitung eines Insolvenz- oder Liquidationsverfahrens über das Vermögen der Emittentin weder eine vorgesehene Zahlung von Zinsen noch eine Rückzahlung von Kapital vornehmen darf, wenn (i) die Emittentin am Tag der relevanten Zahlung überschuldet im Sinne von § 19 InsO oder zahlungsunfähig im Sinne von § 17 InsO ist oder eine Zahlungsunfähigkeit der Emittentin im Sinne von § 18 InsO droht (unabhängig davon, ob die Eröffnung des Insolvenzverfahrens beantragt wurde), oder (ii) die Zahlung des betreffenden Betrages zu einer Überschuldung im Sinne von § 19 InsO der Emittentin, einer Zahlungsunfähigkeit der Emittentin im Sinne von § 17 InsO oder einer drohenden Zahlungsunfähigkeit der Emittentin im Sinne von § 18 InsO (unabhängig davon, ob die Eröffnung des Insolvenzverfahrens beantragt wurde) führen oder ein solches Ereignis beschleunigen würde. Ein solches Zahlungsverbot kann für unbestimmte Zeit und sogar dauerhaft gelten.

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

Note on the prohibition on payments applicable prior to an insolvency. The conditions set forth in § 3 (8) and the Conditions to Redemption set forth in § 4 (4) (a) include the conditions that, on the date on which the relevant amount of principal or interest is scheduled to be paid, (i) no Insolvency Event has occurred and is continuing on such date, and (ii) the payment of the relevant amount would not cause an Insolvency Event or accelerate the imminent occurrence of such Insolvency Event.

This means that irrespective of, and even prior to, the commencement of any Insolvency or Liquidation Proceedings over the assets of the Issuer, the Issuer shall not make a scheduled payment of interest or a repayment of principal if (i) on the date of the relevant payment, the Issuer is over-indebted (*überschuldet*) within the meaning of § 19 InsO, or illiquid (*zahlungsunfähig*) within the meaning of § 17 InsO or there is an imminent illiquidity of the Issuer (*drohende Zahlungsunfähigkeit*) within the meaning of § 18 InsO of the Issuer (regardless of whether the commencement of insolvency proceedings has been applied for), or (ii) the payment of the relevant amount would result in an over-indebtedness (*Überschuldung*) within the meaning of § 19 InsO, illiquidity (*Zahlungsunfähigkeit*) within the meaning of § 17 InsO or imminent illiquidity of the Issuer (*drohende Zahlungsunfähigkeit*) within the meaning of § 18 InsO (regardless of whether the commencement of insolvency proceedings has been applied for) or would accelerate the occurrence of such an event. Such a prohibition on payments may be in effect for an indefinite period of time and even permanently.

§ 3

Zinsen

- (1) *Zinszahlungstage.*
- (a) Vorbehaltlich des Ausschlusses der Zinszahlung nach § 3 (8) wird jede Schuldverschreibung bezogen auf ihren jeweils aktuellen Nennbetrag

§ 3

Interest

- (1) *Interest Payment Dates.*
- (a) Subject to a cancellation of interest payments pursuant to § 3 (8), each Note shall bear interest based on its current nominal amount (i.e., in

(d. h. insbesondere unter Berücksichtigung einer Herab- und Hochschreibung nach § 4 (8)-(9)) ab dem 7. September 2021 (der "**Verzinsungsbeginn**") (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) verzinst.

(b) "**Zinszahlungstag**" bezeichnet den 30. April eines jeden Jahres. Erster Zinszahlungstag ist der 30. April 2022 (kurze erste Zinsperiode).

(2) *Zinssatz.*

(a) Der Zinssatz (der "**Zinssatz**") für jede Zinsperiode (wie nachstehend definiert) ist, sofern nachstehend nichts Abweichendes bestimmt wird,

(i) für den Zeitraum ab dem Verzinsungsbeginn (einschließlich) bis zum 30. April 2032 (der "**Erste Zinsanpassungstag**") (ausschließlich) ein fester Zinssatz in Höhe von 2,600 % *per annum*, (der "**Anfängliche Zinssatz**") und

(ii) für den Zeitraum ab dem Ersten Zinsanpassungstag (einschließlich) bis zum nächsten Zinsanpassungstag (ausschließlich) und danach für den Zeitraum ab jedem Zinsanpassungstag (einschließlich) bis zum nächsten Zinsanpassungstag (ausschließlich) die Summe aus dem betreffenden Referenzsatz (wie nachstehend definiert) und der ursprünglichen Kreditmarge in Höhe von 2,579 % *per annum* (die "**Kreditmarge**"), wobei der Zinssatz mindestens 0,00 % *per annum* beträgt.

(b) Der "**Referenzsatz**" wird für einen Zinsanpassungszeitraum von der Berechnungsstelle an dem betreffenden Zinsfestlegungstag (wie nachstehend definiert) vor dem Zinsanpassungstag, an dem der betreffende Zinsanpassungszeitraum beginnt, (vorbehaltlich § 3 (2) (c)) wie folgt festgelegt:

(i) Für jeden Zinsanpassungszeitraum, der vor

particular taking into account any write-down and write-up pursuant to § 4 (8)-(9)) from (and including) September 7, 2021 (the "**Interest Commencement Date**") to (but excluding) the first Interest Payment Date, and thereafter from (and including) each Interest Payment Date to (but excluding) the next following Interest Payment Date.

(b) "**Interest Payment Date**" means April 30 in each year. The first Interest Payment Date is April 30, 2022 (short first interest period).

(2) *Rate of Interest.*

(a) The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) will, except as otherwise provided below, be:

(i) for the period from (and including) the Interest Commencement Date to (but excluding) April 30, 2032 (the "**First Reset Date**") a fixed rate of 2.600 % *per annum* (the "**Initial Rate of Interest**"), and

(ii) for the period from (and including) the First Reset Date to (but excluding) the next following Reset Date and thereafter from (and including) each Reset Date to (but excluding) the next Reset Date the sum of the applicable Reference Rate (as defined below) and the initial credit spread of 2.579 % *per annum* (the "**Credit Spread**"), subject to a minimum Rate of Interest of 0.00 % *per annum*.

(b) The "**Reference Rate**" for a Reset Period will be determined by the Calculation Agent on the relevant Interest Determination Date (as defined below) prior to the Reset Date on which the relevant Reset Period commences as follows (subject to § 3 (2) (c)):

(i) For each Reset Period beginning prior to the

dem Eintritt des jeweiligen Stichtags (wie in § 3 (2) (e) (vii) definiert) beginnt, gilt Folgendes:

Der Referenzsatz entspricht dem Ursprünglichen Benchmarksatz an dem betreffenden Zinsfestlegungstag.

Sofern der Ursprüngliche Benchmarksatz zu dem betreffenden Zeitpunkt an dem betreffenden Zinsfestlegungstag nicht auf der Bildschirmseite angezeigt wird, entspricht der Referenzsatz dem Referenzbankensatz an diesem betreffenden Zinsfestlegungstag.

Sofern der Referenzbankensatz nicht gemäß der Definition dieses Begriffs bestimmt werden kann, entspricht der Referenzsatz dem Ursprünglichen Benchmarksatz auf der Bildschirmseite an dem letzten Tag vor dem Zinsfestlegungstag, an dem dieser Ursprüngliche Benchmarksatz angezeigt wurde.

(ii) Für den Zinsanpassungszeitraum, der unmittelbar nach dem jeweiligen Stichtag beginnt, und alle folgenden Zinsanpassungszeiträume wird der Referenzsatz gemäß § 3 (2) (e) bestimmt.

(c) Wenn die Feststellung des Referenzsatzes dazu führen würde, dass ein Aufsichtsrechtliches Ereignis eintritt, entspricht der Referenzsatz für den nächsten und jeden nachfolgenden Zinsanpassungszeitraum dem an dem letzten zurückliegenden Zinsfestlegungstag festgestellten Referenzsatz, wobei, falls dieser § 3 (2) (c) bereits an dem Zinsfestlegungstag vor Beginn des ersten Zinsanpassungszeitraums angewendet werden muss, der Referenzsatz für den ersten und jeden nachfolgenden Zinsanpassungszeitraum 0,021 % *per annum* entspricht.

(d) Dabei gilt Folgendes:
"Ursprünglicher Benchmarksatz" bezeichnet den um 11:00 Uhr (Frankfurter Zeit) gefixten, als Prozentsatz ausgedrückten Mid-Swapsatz *per*

occurrence of the relevant Effective Date (as defined in § 3 (2) (e) (vii), the following applies:

The Reference Rate will be equal to the Initial Benchmark Rate on the relevant Interest Determination Date.

If the Initial 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, the Reference Rate shall be equal to the Initial Benchmark Rate on the Screen Page on the last day preceding the Interest Determination Date on which such Initial Benchmark Rate was displayed.

(ii) For the Reset Period commencing immediately after the relevant Effective Date and all following Reset Periods, the Reference Rate will be determined in accordance with § 3 (2) (e).

(c) If the determination of the Reference Rate would cause a Regulatory Event, the Reference Rate applicable to the next and each subsequent Reset Period, shall be the Reference Rate determined on the last preceding Interest Determination Date, provided that if this § 3 (2) (c) is to be applied on the Interest Determination Date prior to the commencement of the first Reset Period, the Reference Rate applicable to the first and each subsequent Reset Period shall be 0.021 % *per annum*.

(d) Where:
"Initial Benchmark Rate" means the annual mid swap rate which is fixed at 11:00 a.m. (Frankfurt time) and is expressed as a percentage *per annum*

annum für in EUR denominated Swap-Transaktionen mit einer Laufzeit von 5 Jahren, der auf der Bildschirmseite am betreffenden Zinsfestlegungstag gegen 11:00 Uhr (Frankfurter Zeit) angezeigt wird.

Der "**Referenzbankensatz**" ist der Prozentsatz, der auf Basis der 5-Jahres-Mid-Swapsatz-Quotierungen, die der Berechnungsstelle auf Bitten der Emittentin ungefähr um 11:00 Uhr (Frankfurter Zeit) von bis zu fünf führenden von der Emittentin ausgewählten Swap-Händlern im Interbankenhandel (die "**Reset-Referenzbanken**") gestellt werden, am Zinsfestlegungstag von der Berechnungsstelle festgelegt wird. Wenn mindestens drei 5-Jahres-Mid-Swapsatz-Quotierungen genannt werden, ist der Referenzbankensatz das arithmetische Mittel der 5-Jahres-Mid-Swapsatz-Quotierungen unter Ausschluss der höchsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der höchsten Quotierungen) und der niedrigsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der niedrigsten Quotierungen). Falls nur zwei 5-Jahres-Mid-Swapsatz-Quotierungen zur Verfügung gestellt werden, ist der Referenzbankensatz das arithmetische Mittel der zur Verfügung gestellten Quotierungen. Falls nur eine 5-Jahres-Mid-Swapsatz-Quotierung zur Verfügung gestellt wird, entspricht der Referenzbankensatz der zur Verfügung gestellten Quotierung. Dabei bezeichnet "**5-Jahres-Mid-Swapsatz-Quotierung**" das arithmetische Mittel der nachgefragten (*bid*) und angebotenen (*offered*) Sätze für den jährlichen Festzinszahlungsstrom (berechnet auf einer 30/360 Tage-Berechnungsbasis) einer fixed-for-floating EUR-Zinsswap-Transaktion, (x) die eine 5-jährige Laufzeit hat und am betreffenden Zinsanpassungstag beginnt, (y) die auf einen Betrag lautet, der dem einer repräsentativen einzelnen Transaktion in dem relevanten Markt zur relevanten Zeit eines

for EUR denominated swap transactions with a maturity of 5 years which appears on the Screen Page on the relevant Interest Determination Date at or around 11:00 a.m. (Frankfurt time).

"**Reference Bank Rate**" means the percentage rate determined by the Calculation Agent on the Interest Determination Date on the basis of the 5-year Mid Swap Rate Quotations provided by up to five leading swap dealers in the interbank market selected by the Issuer (the "**Reset Reference Banks**") to the Calculation Agent at the request of the Issuer at approximately 11:00 a.m. (Frankfurt time). If at least three 5-year Mid Swap Rate Quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two 5-year Mid Swap Rate Quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one 5-year Mid Swap Rate Quotation is provided, the Reference Bank Rate will be the quotation provided. For this purpose, "**5-year Mid Swap Rate Quotation**" means the arithmetic mean of the bid and offered rates for the annual fixed rate leg (calculated on a 30/360 day count basis) of a fixed-for-floating EUR interest rate swap transaction which transaction (x) has a term of 5 years and commencing on the relevant Reset Date, (y) is in an amount that is representative of a single transaction in the relevant market at the relevant time of an acknowledged dealer of good credit in the swap market, and (z) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis).

anerkannten Händlers mit guter Bonität im Swap-Markt entspricht, und (z) deren variabler Zahlungsstrom auf dem 6-Monats-EURIBOR beruht (berechnet auf einer Actual/360 Tage-Berechnungsbasis).

Dabei gilt Folgendes:

"**Bildschirmseite**" bezeichnet die Reuters Bildschirmseite "ICESWAP2 / EURFIXA" unter der Überschrift "EURIBOR BASIS" und dem Untertitel "11:00 AM Frankfurt time" (wie diese Überschriften und Untertitel jeweils erscheinen). Hat die Bildschirmseite dauerhaft aufgehört, den Ursprünglichen Benchmarksatz anzugeben, und ist diese Quotierung jedoch auf einer anderen, von der Emittentin nach billigem Ermessen ausgewählten Bildschirmseite verfügbar (die "**Ersatzbildschirmseite**"), wird die Ersatzbildschirmseite zum Zweck der Festlegung des Ursprünglichen Benchmarksatzes eingesetzt.

"**TARGET-Geschäftstag**" bezeichnet einen Tag, an dem das Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET2) betriebsbereit ist.

"**Zinsanpassungstag**" bezeichnet den Ersten Zinsanpassungstag und danach jeden fünften Jahrestag des vorausgegangenen Zinsanpassungstags.

"**Zinsanpassungszeitraum**" bezeichnet jeden Zeitraum ab dem Ersten Zinsanpassungstag (einschließlich) bis zum nächstfolgenden Zinsanpassungstag (ausschließlich) und danach ab jedem Zinsanpassungstag (einschließlich) bis zu dem jeweils nächstfolgenden Zinsanpassungstag (ausschließlich).

"**Zinsfestlegungstag**" bezeichnet den zweiten TARGET-Geschäftstag vor dem betreffenden Zinsanpassungstag.

"**Zinsperiode**" bezeichnet den jeweiligen Zeitraum von dem Verzinsungsbeginn (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) bzw. von jedem Zinszahlungstag (einschließlich) bis zum jeweils darauffolgenden Zinszahlungstag (ausschließlich).

Where:

"**Screen Page**" means Reuters Screen Page "ICESWAP2 / EURFIXA" under the heading "EURIBOR BASIS" and the caption "11:00 AM Frankfurt time" (as such headings and captions may appear from time to time). If the Screen Page permanently ceases to quote the Initial Benchmark Rate but such quotation is available from another page selected by the Issuer in its reasonable discretion (the "**Replacement Screen Page**"), the Replacement Screen Page is used for the purpose of the determination of the Initial Benchmark Rate.

"**TARGET Business Day**" means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET2) is operational.

"**Reset Date**" means the First Reset Date and thereafter each fifth anniversary of the preceding Reset Date.

"**Reset Period**" means each period from (and including) the First Reset Date to (but excluding) the next following Reset Date and thereafter from (and including) each Reset Date to (but excluding) the next following Reset Date.

"**Interest Determination Date**" means the second TARGET Business Day prior to the relevant Reset Date.

"**Interest Period**" means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date.

(e) *Benchmark-Ereignis.* Wenn ein Benchmark-Ereignis (wie in § 3 (2) (e) (vi) definiert) in Bezug auf den Ursprünglichen Benchmarksatz eintritt, gilt für die Bestimmung des betreffenden Referenzsatzes und die Verzinsung der Schuldverschreibungen gemäß § 3 Folgendes:

(i) *Unabhängiger Berater.* Die Emittentin wird sich *bemühen*, sobald dies (nach Ansicht der Emittentin) nach Eintritt des Benchmark-Ereignisses und vor dem nächsten Zinsfestlegungstag erforderlich ist, einen Unabhängigen Berater (wie in § 3 (2) (e) (vi) definiert) zu benennen, der einen Neuen Benchmarksatz (wie in § 3 (2) (e) (vi) definiert), die Anpassungsspanne (wie in § 3 (2) (e) (vi) definiert) und etwaige Benchmark-Änderungen (wie in § 3 (2) (e) (iv) definiert) festlegt.

(ii) *Ausweichsatz (Fallback).* Wenn vor dem 10. Geschäftstag (wie in § 5 (5) definiert) vor dem betreffenden Zinsfestlegungstag

(1) die Emittentin keinen Unabhängigen Berater ernannt hat; oder

(2) der ernannte Unabhängige Berater keinen Neuen Benchmarksatz, keine Anpassungsspanne und/oder keine Benchmark-Änderungen (sofern erforderlich) gemäß diesem § 3 (2) (e) festgelegt hat,

dann entspricht der Referenzsatz für den nächsten Zinsanpassungszeitraum dem an dem letzten, unmittelbar vor Eintritt des relevanten Stichtags liegenden Zinsfestlegungstag festgestellten Referenzsatz.

Sofern dieser § 3 (2) (e) (ii) bereits an dem Zinsfestlegungstag für den Ersten Zinsanpassungstag angewendet werden

(e) *Benchmark Event.* If a Benchmark Event (as defined in § 3 (2) (e) (vi) occurs in relation to the Initial Benchmark Rate, the relevant Reference Rate and the interest on the Notes in accordance with § 3 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, use its best efforts to appoint an Independent Adviser (as defined in § 3 (2) (e) (vi)), who will determine a New Benchmark Rate (as defined in § 3 (2) (e) (vi)), the Adjustment Spread (as defined in § 3 (2) (e) (vi)) and any Benchmark Amendments (as defined in § 3 (2) (e) (iv)).

(ii) *Fallback rate.* If, prior to the 10th Business Day (as defined in § 5 (5)) prior to the relevant Interest Determination Date,

(1) the Issuer has not appointed an Independent Adviser; or

(2) the appointed Independent Adviser has not determined a New Benchmark Rate, has not determined an Adjustment Spread and/or has not determined any Benchmark Amendments (if required) in accordance with this § 3 (2) (e),

then the Reference Rate applicable to the next Reset Period shall be the Reference Rate determined on the last Interest Determination Date immediately preceding the occurrence of the relevant Effective Date.

If this § 3 (2) (e) (ii) is to be applied on the Interest Determination Date for the First Reset Date, the Reference Rate applicable

muss, entspricht der Referenzsatz für den ersten Zinsanpassungszeitraum 0,021 % *per annum*.

Sofern der gemäß diesem § 3 (2) (e) (ii) bestimmte Ausweichsatz (*Fallback*) zur Anwendung kommt, wird § 3 (2) (e) erneut angewendet, um den Referenzsatz für den nächsten nachfolgenden Zinsanpassungszeitraum (und, sofern notwendig, weitere nachfolgende Zinsanpassungszeiträume) zu bestimmen.

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

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

(2) 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 den unmittelbar nach dem Stichtag beginnenden Zinsanpassungszeitraum und (vorbehaltlich des Eintritts eines weiteren Benchmark-Ereignisses) alle folgenden Zinsanpassungszeiträume dann (x) dem Neuen Benchmarksatz an dem betreffenden Zinsfestlegungstag zuzüglich (y) der Anpassungsspanne.

(iv) *Benchmark-Änderungen.* Wenn ein Neuer Benchmarksatz und die entsprechende Anpassungsspanne gemäß diesem § 3 (2) (e) festgelegt werden, und wenn der Unabhängige Berater feststellt, dass resultierend aus den vorgenannten Festlegungen Änderungen der

to the first Reset Period shall be 0.021 % *per annum*.

If the fallback rate determined in accordance with this § 3 (2) (e) (ii) is to be applied, § 3 (2) (e) will be operated again to determine the Reference Rate applicable to the next subsequent (and, if required, further subsequent) Reset Period(s).

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

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

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

In either case the Reference Rate for the Reset Period commencing immediately after the Effective Date and (subject to the occurrence of a further Benchmark Event) all following Reset Periods 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 (2) (e), and if the Independent Adviser determines that, resulting from the aforementioned determinations, amendments to the

Bedingungen für die Feststellungen des anwendbaren Zinssatzes notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der entsprechenden Anpassungsspanne zu gewährleisten (diese Änderungen, die "**Benchmark-Änderungen**"), dann wird der Unabhängige Berater die Benchmark-Änderungen feststellen.

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

- (1) den Referenzsatz einschließlich der "Bildschirmseite" und/oder (in Ersetzung von Ziffer (i) der Definition des Begriffs "Referenzsatz" in § 3 (2) (b) (i)) die Methode zur Bestimmung des Ausweichsatzes (sog. *Fallback*) für den Referenzsatz einschließlich des Referenzbankensatzes; und/oder
 - (2) die Definitionen der Begriffe "Geschäftstag", "Zinszahlungstag", "Zinsperiode", "Zinstagequotient" und/oder "Zinsfestlegungstag" (einschließlich der Festlegung ob der Referenzsatz vorwärts- oder rückwärtsgerichtet bestimmt wird); und/oder
 - (3) die Geschäftstagekonvention gemäß § 5 (5).
- (v) *Mitteilungen, etc.* Die Emittentin wird einen Neuen Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen gemäß diesem § 3 (2) (e) bzw. den Ausweichsatz gemäß § 3 (2) (c) oder § 3 (2) (e) (ii) der Hauptzahlstelle, den Zahlstellen, der Berechnungsstelle sowie gemäß § 12 den Gläubigern mitteilen, und zwar sobald eine solche Mitteilung (nach Ansicht der Emittentin) nach deren Feststellung

conditions for the determinations of the applicable Rate of Interest are necessary to ensure the proper operation of the New Benchmark Rate and the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"), then the Independent Adviser will determine the Benchmark Amendments.

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

- (1) the Reference Rate including the "Screen Page" and/or (in replacement of clause (i) of the definition of the term "Reference Rate" in § 3 (2) (b) (i)) the method for determining the fallback rate in relation to the Reference Rate, including the Reference Bank Rate; and/or
 - (2) the definitions of the terms "Business Day", "Interest Payment Date", "Interest Period", "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
 - (3) the business day convention in § 5 (5).
- (v) *Notices, etc.* The Issuer will notify the Principal Paying Agent, the Paying Agents, the Calculation Agent and, in accordance with § 12, the Holders of a New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this § 3 (2) (e) or the fallback rate in accordance with § 3 (2) (c) or § 3 (2) (e) (ii), as the case may be, as soon as such notification is (in the Issuer's view) required following the

erforderlich ist, spätestens jedoch an dem 10. Geschäftstag vor dem betreffenden Zinsfestlegungstag. Eine solche Mitteilung ist unwiderruflich und hat den Stichtag zu benennen.

Der Neue Benchmarksatz, die Anpassungsspanne und etwaige Benchmark-Änderungen bzw. der Ausweichsatz, die bzw. der jeweils in der Mitteilung benannt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, die Hauptzahlstelle, die Zahlstellen, die Berechnungsstelle und die Gläubiger bindend. Die Anleihebedingungen gelten ab dem Stichtag als durch den Neuen Benchmarksatz, die Anpassungsspanne und die etwaigen Benchmark-Änderungen geändert.

An oder vor dem Tag dieser Mitteilung hat die Emittentin der Hauptzahlstelle und der Berechnungsstelle eine durch zwei Unterschriftsberechtigte der Emittentin unterzeichnete Bescheinigung zu überlassen, die

- (1)
 - (α) bestätigt, dass ein Benchmark-Ereignis eingetreten ist;
 - (β) den nach Maßgabe der Bestimmungen dieses § 3 (2) (e) festgestellten Neuen Benchmarksatz benennt;
 - (γ) die entsprechende Anpassungsspanne und etwaige Benchmark-Änderungen benennt, die jeweils nach Maßgabe der Bestimmungen dieses § 3 (2) (e) festgestellt wurden; und
 - (δ) den Stichtag benennt; und

- (2) bestätigt, dass die etwaigen

determination thereof, but in any event not later than on the 10th Business Day prior to the relevant Interest Determination Date. Any such notice shall be irrevocable and shall specify the Effective Date.

The New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) or the fallback rate, as the case may be, each as specified in the notice, shall (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the Paying Agents, the Calculation Agent and the Holders. The Terms and Conditions shall be deemed to have been amended by the New Benchmark Rate, the Adjustment Spread and any Benchmark Amendments with effect from the Effective Date.

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

- (1)
 - (α) confirming that a Benchmark Event has occurred;
 - (β) specifying the relevant New Benchmark Rate determined in accordance with the provisions of this § 3 (2) (e);
 - (γ) specifying the applicable Adjustment Spread and the Benchmark Amendments (if any), each determined in accordance with the provisions of this § 3 (2) (e); and
 - (δ) specifying the Effective Date; and

- (2) confirming that the Benchmark

Benchmark-Änderungen notwendig sind, um die ordnungsgemäße Anwendung des Neuen Benchmarksatzes und der entsprechenden Anpassungsspanne zu gewährleisten.

Amendments, if any, are necessary to ensure the proper operation of the New Benchmark Rate and the applicable Adjustment Spread.

(vi) *Definitionen.* Zur Verwendung in diesem § 3 (2) (e):

Die "**Anpassungsspanne**", die positiv, negativ oder gleich Null sein kann, wird in Basispunkten ausgedrückt und bezeichnet entweder (x) die Spanne oder (y) 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 Nominierungsgremium empfohlen wird; oder

(2) (sofern keine Empfehlung gemäß Ziffer (1) 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 für die

(vi) *Definitions.* As used in this § 3 (2) (e):

The "**Adjustment Spread**", which may be positive, negative or zero, will be expressed in basis points and means either (x) the spread, or (y) 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 Initial Benchmark Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or

(2) (if no recommendation pursuant to clause (1) 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 Initial 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)

Schuldverschreibungen
angemessen ist) als industrieweiter
Standard für Over-the-Counter
Derivatetransaktionen, die sich auf
den Ursprünglichen
Benchmarksatz beziehen,
anerkannt oder 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
Anleihekaptalmärkten zur Bestimmung
eines Mid-Swap-Satzes mit 5-jähriger
Laufzeit in EUR angewendet wird, wobei
sämtliche Feststellungen durch den
Unabhängigen Berater vorgenommen
werden.

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

- (1) eine öffentliche Erklärung oder
eine Veröffentlichung von
Informationen durch oder im
Namen der für den Administrator
des Ursprünglichen
Benchmarksatzes zuständigen
Aufsichtsbehörde vorgenommen
wird, (x) aus der hervorgeht, dass
dieser Administrator die
Bereitstellung des Ursprünglichen
Benchmarksatzes dauerhaft oder
auf unbestimmte Zeit eingestellt
hat oder einstellen wird, es sei
denn, es gibt einen
Nachfolgeadministrator, der den
Ursprünglichen Benchmarksatz
weiterhin bereitstellt, oder (y)
aufgrund derer der Ursprüngliche
Benchmarksatz allgemein oder in

is recognized or acknowledged as
being the industry standard for
over-the-counter derivative
transactions which reference the
Initial Benchmark Rate, where the
Initial 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 an alternative
screen rate which is customarily applied in
the international debt capital markets for
the purpose of determining mid swap rates
with a 5-year maturity in EUR, provided
that all determinations will be made by the
Independent Adviser.

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

- (1) a public statement or publication of
information by or on behalf of the
regulatory supervisor of the Initial
Benchmark Rate administrator is
made, (x) stating that said
administrator has ceased or will
cease to provide the Initial
Benchmark Rate permanently or
indefinitely, unless there is a
successor administrator that will
continue to provide the Initial
Benchmark Rate, or (y) as a
consequence of which the Initial
Benchmark Rate will be prohibited
from being used either generally or
in respect of the Notes; or

Bezug auf die Schuldverschreibungen nicht mehr verwendet werden darf; oder

(2) eine öffentliche Erklärung oder eine Veröffentlichung von Informationen durch oder im Namen des Administrators des Ursprünglichen Benchmarksatzes vorgenommen wird, die besagt, dass der Administrator die Bereitstellung des Ursprünglichen Benchmarksatzes dauerhaft oder auf unbestimmte Zeit eingestellt hat oder einstellen wird, es sei denn, es gibt einen Nachfolgeadministrator, der den Ursprünglichen Benchmarksatz weiterhin bereitstellt; oder

(3) eine öffentliche Erklärung der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes veröffentlicht wird, wonach der Ursprüngliche Benchmarksatz ihrer Ansicht nach nicht mehr repräsentativ für den zugrunde liegenden Markt, den er zu messen vorgibt, ist oder sein wird, und keine von der Aufsichtsbehörde des Administrators des Ursprünglichen Benchmarksatzes geforderten Maßnahmen zur Behebung einer solchen Situation ergriffen worden sind oder zu erwarten sind; oder

(4) die Verwendung des Ursprünglichen Benchmarksatzes aus irgendeinem Grund nach einem Gesetz oder einer Verordnung, die in Bezug auf die Zahlstellen, die Berechnungsstelle, die Emittentin oder jeden Dritten anwendbar sind, rechtswidrig geworden ist; oder

(5) der Ursprüngliche Benchmarksatz ohne vorherige offizielle

(2) a public statement or publication of information by or on behalf of the Initial Benchmark Rate administrator is made, stating that said administrator has ceased or will cease to provide the Initial Benchmark Rate permanently or indefinitely, unless there is a successor administrator that will continue to provide the Initial Benchmark Rate; or

(3) a public statement by the regulatory supervisor of the Initial Benchmark Rate administrator is made that, in its view, the Initial Benchmark Rate is no longer, or will no longer be, representative of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the supervisor of the Initial Benchmark Rate administrator; or

(4) it has become, for any reason, unlawful under any law or regulation applicable to any Paying Agent, the Calculation Agent, the Issuer or any other party to use the Initial Benchmark Rate; or

(5) the Initial Benchmark Rate is permanently no longer published

Ankündigung durch die zuständige Behörde oder den Administrator dauerhaft nicht mehr veröffentlicht wird; oder

- (6) eine wesentliche Änderung der Methodologie des Ursprünglichen Benchmarksatzes vorgenommen wird.

"**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 (2) (e) 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 (I) der Zentralbank für die Währung, in der die Benchmark oder der Bildschirmsatz dargestellt wird, (II) einer Zentralbank oder anderen Aufsichtsbehörde, die für die Aufsicht des Administrators der Benchmark oder des Bildschirmsatzes zuständig ist, (III) einer Gruppe der zuvor genannten Zentralbanken oder

without a previous official announcement by the competent authority or the administrator; or

- (6) a material change is made to the Initial Benchmark Rate methodology.

"**Successor Benchmark Rate**" means a successor to or replacement of the Initial 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 (2) (e).

"**Relevant Nominating Body**" means, in respect of the replacement of the Initial 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 (I) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (II) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (III) a group of the aforementioned central banks or

anderer Aufsichtsbehörden oder (IV) 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 den internationalen Anleihekapitalmärkten.

(vii) Der Stichtag für die Anwendung des Neuen Benchmarksatzes, der Anpassungsspanne und der etwaigen Benchmark-Änderungen gemäß diesem § 3 (2) (e) (der "**Stichtag**") ist der Zinsfestlegungstag, der auf den frühesten der folgenden Tage fällt oder diesem nachfolgt:

(A) den Tag, an dem die Veröffentlichung des Ursprünglichen Benchmarksatzes eingestellt wird, an dem der Ursprüngliche Benchmarksatz eingestellt wird bzw. ab dem der Ursprüngliche Benchmarksatz nicht mehr repräsentativ ist oder sein wird, wenn das Benchmark-Ereignis aufgrund der Ziffern (1) (x), (2) bzw. (3) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder

(B) den Tag, ab dem der Ursprüngliche Benchmarksatz nicht mehr verwendet werden darf, wenn das Benchmark-Ereignis aufgrund der Ziffern (1) (y) oder (4) der Definition des Begriffs "Benchmark-Ereignis" eingetreten ist; oder

(C) den Tag des Eintritts des Benchmark-Ereignisses, wenn das Benchmark-Ereignis aufgrund der Ziffern (5) oder (6) der Definition

other supervisory authorities or (IV) 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 debt capital markets, in each case appointed by the Issuer.

(vii) The effective date for the application of the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) determined under this § 3 (2) (e) (the "**Effective Date**") will be the Interest Determination Date falling on or after the earliest of the following dates:

(A) if the Benchmark Event has occurred as a result of clauses (1) (x), (2) or (3) of the definition of the term "Benchmark Event", the date of cessation of publication of the Initial Benchmark Rate, the date of the discontinuation of the Initial Benchmark Rate or the date as from which the Initial Benchmark Rate is no longer, or will no longer be, representative, as the case may be; or

(B) if the Benchmark Event has occurred as a result of clauses (1) (y) or (4) of the definition of the term "Benchmark Event", the date from which the prohibition applies; or

(C) if the Benchmark Event has occurred as a result of clauses (5) or (6) of the definition of the term "Benchmark Event", the date of the

des Begriffs
"Benchmark-Ereignis" eingetreten
ist.

occurrence of the Benchmark
Event.

(viii) Wenn ein Benchmark-Ereignis in Bezug auf einen Neuen Benchmarksatz eintritt, gilt dieser § 3 (2) (e) entsprechend für die Ersetzung des Neuen Benchmarksatzes durch einen neuen Nachfolge-Benchmarksatz bzw. Alternativ-Benchmarksatz. In diesem Fall gilt jede Bezugnahme in diesem § 3 auf den Begriff Ursprünglicher Benchmarksatz als Bezugnahme auf den zuletzt verwendeten Neuen Benchmarksatz.

(viii) If a Benchmark Event occurs in relation to any New Benchmark Rate, § 3 (2) (e) 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, all references in this § 3 to the term Initial Benchmark Rate shall be deemed to be a reference to the New Benchmark Rate last applied.

(ix) In diesem § 3 (2) (e) 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.

(ix) Any reference in this § 3 (2) (e) to the term "Initial Benchmark Rate" shall be deemed to include a reference to any component part thereof, as applicable, if a Benchmark Event has occurred in respect of that component part.

(3) *Zinsbetrag; Auswirkung einer Herab- oder Hochschreibung auf den Zinsbetrag.* Der "**Zinsbetrag**" wird ermittelt, indem der Zinssatz und der Zinstagequotient (wie nachstehend definiert) (vorbehaltlich § 3 (8) und § 4 (8)-(9)) auf den aktuellen Nennbetrag jeder Schuldverschreibung angewendet werden. Der resultierende Betrag wird auf die kleinste Untereinheit der Festgelegten Währung auf- oder abgerundet, wobei 0,5 solcher Untereinheiten aufgerundet werden. Unverzüglich nach Bestimmung des Referenzsatzes wird die Berechnungsstelle den anwendbaren Zinssatz bestimmen und (vorbehaltlich § 3 (8) und § 4 (8)-(9)) den je Schuldverschreibung zu zahlenden Zinsbetrag in Bezug auf den aktuellen Nennbetrag je Schuldverschreibung für die entsprechenden Zinsperioden berechnen. Im Falle einer Herabschreibung nach § 4 (8) werden die Schuldverschreibungen für die gesamte betreffende Zinsperiode, in welcher eine Herabschreibung erfolgt, sowie (vorbehaltlich

(3) *Interest Amount; Impact of a Write-Down or a Write-Up on the Interest Amount.* The "**Interest Amount**" shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) (subject to § 3 (8) and § 4 (8)-(9)) to the current nominal amount of each Note. The resulting figure will be rounded to the nearest sub-unit of the Specified Currency, with 0.5 of such sub-unit being rounded upwards. The Calculation Agent will, without undue delay (*unverzüglich*) after the determination of the Reference Rate, determine the applicable Rate of Interest and (subject to § 3 (8) and § 4 (8)-(9)) calculate the Interest Amount payable per Note in respect of the current nominal amount per Note for the relevant Interest Periods. In the event of a write-down pursuant to § 4 (8), the Notes shall, in respect of the entire relevant Interest Period in which a write-down occurs, and (subject to a write-up in accordance with § 4 (9)) in respect of all Interest Periods thereafter, only bear interest on the accordingly reduced current nominal

einer Hochschreibung gemäß § 4 (9)) für alle weiteren Zinsperioden nur bezogen auf den entsprechend reduzierten aktuellen Nennbetrag verzinst. Eine etwaige Hochschreibung wird erstmals für die Zinsperiode berücksichtigt, die an dem Zinszahlungstag (d.h. am Hochschreibungstag, wie in § 4 (9) (c) definiert) beginnt, zu welchem gemäß § 4 (9) die Hochschreibung erfolgt.

(4) *Mitteilung von Zinssatz und Zinsbetrag.* Die Berechnungsstelle wird veranlassen, dass (i) der Emittentin, der Zahlstelle und den Gläubigern (gemäß § 12 (1)) und (ii) jeder Börse, an der die betreffenden Schuldverschreibungen auf Veranlassung der Emittentin zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, der Zinssatz und der Zinsbetrag (unter dem Vorbehalt der Anwendung von § 3 (8) und § 4 (8)-(9)) für die Zinsperioden von dem betreffenden Zinsanpassungstag bis zum nächsten Zinsanpassungstag in jedem Fall unverzüglich, aber keinesfalls später als am fünften Tag der jeweiligen Zinsperiode, für die der betreffende Zinssatz und der betreffende Zinsbetrag erstmals gelten, mitgeteilt werden. Die Berechnungsstelle wird veranlassen, dass der (i) Emittentin, der Zahlstelle und den Gläubigern gemäß § 12 (1) und (ii) jeder Börse, an der die betreffenden Schuldverschreibungen auf Veranlassung der Emittentin zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, bei jeder Vornahme einer Herabschreibung gemäß § 4 (8) oder einer Hochschreibung gemäß § 4 (9) unverzüglich der geänderte Zinsbetrag für die betreffende Zinsperiode, in der diese Herab- bzw. Hochschreibung erstmalig anwendbar ist, mitgeteilt wird.

(5) *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 3 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die

amount. Any write-up will be effective starting from the Interest Period commencing on the Interest Payment Date (i.e. on the Write-up Date as defined in § 4 (9) (c)) on which the write-up occurs pursuant to § 4 (9).

(4) *Notification of the Rate of Interest and the Interest Amount.* The Calculation Agent shall procure that (i) the Issuer, the Paying Agent and the Holders (in accordance with § 12 (1)) and (ii) if required by the rules of any stock exchange on which the Notes are listed from time to time at the request of the Issuer, such stock exchange, will be notified of the Rate of Interest and the Interest Amount (subject to the application of § 3 (8) and § 4 (8)-(9)) for the Interest Periods from the relevant Reset Date up to the next Reset Date in each case without undue delay (*unverzüglich*), but in no event later than the fifth day of the Interest Period in relation to which the relevant Rate of Interest and the relevant Interest Amount apply for the first time. If at any time a write-down in accordance with § 4 (8) or a write-up in accordance with § 4 (9) is effected, the Calculation Agent shall procure that (i) the Issuer, the Paying Agent and the Holders pursuant to § 12 (1) and (ii) if required by the rules of any stock exchange on which the Notes are listed from time to time at the request of the Issuer, such stock exchange, will be notified without undue delay (*unverzüglich*) of the amended Interest Amount for the relevant Interest Period, during which such write-down or write-up is applicable for the first time.

(5) *Determinations are Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Paying Agent and the

Emittentin, die Zahlstelle und die Gläubiger bindend.

(6) *Ende des Zinslaufs.* Der Zinslauf der Schuldverschreibungen endet mit Beginn des Tages, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, ist der jeweils aktuelle Nennbetrag jeder Schuldverschreibung ab dem Tag der Fälligkeit (einschließlich) bis zum Tag der tatsächlichen Rückzahlung der Schuldverschreibungen (ausschließlich) in Höhe des gesetzlich festgelegten Zinssatzes für Verzugszinsen¹ zu verzinsen.

(7) *Zinstagequotient.*

"Zinstagequotient" bezeichnet im Hinblick auf die Berechnung eines Zinsbetrages auf die Schuldverschreibungen für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses Zeitraums (ausschließlich)) (der **"Zinsberechnungszeitraum"**):

- (i) wenn der Zinsberechnungszeitraum der Feststellungsperiode entspricht, in die er fällt, oder kürzer als diese ist, die Anzahl von Tagen in dem Zinsberechnungszeitraum dividiert durch das Produkt aus (x) der Anzahl von Tagen in der betreffenden Feststellungsperiode und (y) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden; und
- (ii) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus
 - (α) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die

Holder.

(6) *End of Interest Accrual.* The Notes shall cease to bear interest from the beginning of the day on which they become due (*fällig*) for redemption. If the Issuer fails to redeem the Notes when due (*fällig*), each Note will bear interest on its current nominal amount from (and including) the due date to (but excluding) the day of actual redemption of the Notes at the statutory default rate of interest¹.

(7) *Day Count Fraction.*

"Day Count Fraction" means, in respect of the calculation of an 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) (the **"Calculation Period"**):

- (i) 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 product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (ii) if the Calculation Period is longer than the Determination Period, the sum of:
 - (α) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period

¹ Der gesetzliche Verzugszinssatz beträgt gemäß §§ 288 Absatz 1, 247 BGB für das Jahr fünf Prozentpunkte über dem von der Deutschen Bundesbank von Zeit zu Zeit veröffentlichten Basiszinssatz. / The default rate of interest for the year established by law is five percentage points above the basic rate of interest published by Deutsche Bundesbank from time to time, §§ 288 (1), 247 German Civil Code (*Bürgerliches Gesetzbuch*).

Feststellungsperiode fallen, in der der Zinsberechnungszeitraum beginnt, dividiert durch das Produkt aus (x) der Anzahl der Tage in der betreffenden Feststellungsperiode und (y) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden; und

- (β) die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen, dividiert durch das Produkt aus (x) der Anzahl der Tage in der betreffenden Feststellungsperiode und (y) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden.

Dabei gilt Folgendes:

"**Feststellungsperiode**" bezeichnet jede Periode ab dem 30. April (einschließlich), der in ein beliebiges Jahr fällt, bis zum nächsten 30. April (ausschließlich).

- (8) *Ausschluss der Zinszahlung.*
- (a) *Ausschluss der Zinszahlung im Ermessen der Emittentin.* Die Emittentin hat das Recht, die Zinszahlung auf die Schuldverschreibungen nach freiem Ermessen ganz oder teilweise entfallen zu lassen. Sie wird sich bemühen, den Gläubigern spätestens am betreffenden Zinszahlungstag gemäß § 12 (1) mitzuteilen, wenn sie von diesem Recht Gebrauch macht. Ein Unterlassen der Benachrichtigung der Gläubiger berührt nicht die Wirksamkeit des Ausschlusses der Zinszahlungen und stellt in keinem Fall eine Pflichtverletzung dar. Eine bis zum betreffenden Zinszahlungstag nicht erfolgte Benachrichtigung ist unverzüglich nachzuholen.
- (b) *Zwingender Ausschluss der Zinszahlung.* Eine Zinszahlung auf die Schuldverschreibungen ist für die betreffende Zinsperiode zwingend ausgeschlossen:
- (i) wenn an oder vor dem Tag, an dem diese

begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

- (β) the number of days in such Calculation Period falling in the next following Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year.

Where:

"**Determination Period**" means each period from (and including) April 30 in any given year to (but excluding) the next following April 30.

- (8) *Cancellation of Interest Payment.*
- (a) *Cancellation of Interest Payment at discretion of the Issuer.* The Issuer has the right to cancel all or part of any payment of interest on the Notes in its sole discretion. If the Issuer exercises such right, it will endeavor to give notice to the Holders in accordance with § 12 (1) no later than on the relevant Interest Payment Date. Any failure to give such notice shall not affect the validity of the cancellation and shall not constitute a default for any purpose. A notice which has not been given by the relevant Interest Payment Date shall be given without undue delay (*unverzüglich*) thereafter.
- (b) *Mandatory Cancellation of Interest Payment.* Payment of interest on the Notes for the relevant Interest Period shall be mandatorily cancelled:
- (i) if on or prior to the date on which the

Zinszahlung vorgesehen ist, ein Insolvenzereignis entweder eingetreten ist und an diesem Tag fortbesteht oder wenn und soweit die Zinszahlung ein Insolvenzereignis auslösen würde oder dessen drohenden Eintritt beschleunigen würde; oder

(ii) wenn und soweit eine Anordnung der Zuständigen Aufsichtsbehörde der Emittentin untersagt, Zahlungen auf die Schuldverschreibungen zu leisten, oder wenn und soweit ein anderes gesetzliches oder behördliches Ausschüttungsverbot in Bezug auf die Schuldverschreibungen besteht; oder

(iii) wenn an oder vor dem Tag, an dem diese Zinszahlung vorgesehen ist, ein Solvenzkapitalereignis entweder eingetreten ist und an diesem Tag fortbesteht oder wenn und soweit die Zinszahlung zu dem Eintritt eines Solvenzkapitalereignisses führen würde, es sei denn, die nach den Anwendbaren Aufsichtsrechtlichen Anforderungen geltenden Bedingungen für eine ausnahmsweise Zulassung der Zinszahlung sind an diesem Tag erfüllt; am Tag der Begebung der Schuldverschreibungen setzt dies voraus, dass:

- (1) die Zuständige Aufsichtsbehörde an oder vor diesem Tag ausnahmsweise ihre Zustimmung zu der betreffenden Zinszahlung in Kenntnis des Eintritts des Solvenzkapitalereignisses erteilt und ihre Zustimmung bis zu diesem Tag nicht widerrufen hat,
- (2) die Solvabilität der Emittentin und der Gruppe durch die Ausschüttung nicht weiter geschwächt wird, und
- (3) die nach den Anwendbaren Aufsichtsrechtlichen Anforderungen für die Emittentin geltende Mindestkapitalanforderung (unabhängig von der in den

payment of interest is scheduled, an Insolvency Event has occurred and is continuing on such date or if and to the extent such payment of interest would cause an Insolvency Event or accelerate the imminent occurrence of such Insolvency Event; or

(ii) if and to the extent an order of the Competent Supervisory Authority is in effect prohibiting the Issuer from making payments under the Notes, or if and to the extent there is in effect any other prohibition on distributions in respect of the Notes, whether by statute or by official order; or

(iii) if on or prior to the date on which the payment of interest is scheduled, a Solvency Capital Event has occurred and is continuing on such date or if and to the extent such payment of interest would cause a Solvency Capital Event, unless the conditions under the Applicable Supervisory Requirements for the exceptional permission of the payment of interest are fulfilled on such date; on the date of issue of the Notes such conditions require that:

- (1) on or prior to such date, the Competent Supervisory Authority, being aware of the occurrence of a Solvency Capital Event, by way of exception, has given, and not withdrawn by such date, its consent to the relevant payment of interest,
- (2) the solvency position of the Issuer and the Group would not be further weakened by the distribution, and
- (3) the minimum capital requirement applicable to the Issuer pursuant to the Applicable Supervisory Requirements (regardless of the terminology used by the Applicable Supervisory

Anwendbaren Aufsichtsrechtlichen Anforderungen gewählten Bezeichnung) und die für die Gruppe nach den Anwendbaren Aufsichtsrechtlichen Anforderungen geltende konsolidierte Mindestsolvenzkapitalanforderung (unabhängig von der in den Anwendbaren Aufsichtsrechtlichen Anforderungen gewählten Bezeichnung) nach der Zinszahlung eingehalten wird; oder

- (iv) soweit eine solche Zinszahlung zusammen mit den für denselben Tag geplanten und den in dem laufenden Geschäftsjahr der Emittentin (bis zu dem Tag (einschließlich), an dem diese Zinszahlung vorgesehen ist) bereits erfolgten weiteren Ausschüttungen auf Aktien und Ausschüttungen auf andere Instrumente, die nur aus den Ausschüttungsfähigen Bestandteilen vorgenommen werden dürfen, die Ausschüttungsfähigen Bestandteile übersteigen würde, wobei die Ausschüttungsfähigen Bestandteile für diesen Zweck um einen Betrag erhöht werden, der bereits als Aufwand für solche Ausschüttungen (einschließlich Zinszahlungen auf die Schuldverschreibungen) in die Ermittlung des Gewinns, der den Ausschüttungsfähigen Bestandteilen zugrunde liegt, eingegangen ist.

Die Emittentin wird sich bemühen, den Ausschluss einer Zinszahlung auf die Schuldverschreibungen für die betreffende Zinsperiode nach diesem § 3 (8) (b) spätestens am betreffenden Zinszahlungstag gemäß § 12 (1) mitzuteilen. Ein Unterlassen der Benachrichtigung der Gläubiger berührt nicht die Wirksamkeit des Ausschlusses der Zinszahlungen und stellt in keinem Fall eine Pflichtverletzung dar. Eine bis zum betreffenden Zinszahlungstag nicht erfolgte Benachrichtigung ist unverzüglich nachzuholen.

Requirements) and the minimum consolidated group solvency capital requirement applicable to the Group pursuant to the Applicable Supervisory Requirements (regardless of the terminology used by the Applicable Supervisory Requirements) are complied with after such payment of interest; or

- (iv) to the extent that such payment of interest, together with any additional Distributions in respect of shares and Distributions on other instruments on which Distributions may only be made from Available Distributable Items that are scheduled to be made on the same day or that have been made in the then current financial year of the Issuer (up to (and including) the day on which such interest payment is scheduled to be made), would exceed the Available Distributable Items; provided that, for such purpose, the Available Distributable Items shall be increased by an amount equal to that which has been accounted for as expenses for such Distributions (including interest payments on the Notes) in the determination of the profit on which the Available Distributable Items are based.

The Issuer will endeavor to give notice of the cancellation of an interest payment on the Notes for the relevant Interest Period pursuant to this § 3 (8) (b) in accordance with § 12 (1) no later than the relevant Interest Payment Date. Any failure to give notice to the Holders shall not affect the validity of the cancellation and shall not constitute a default for any purpose. A notice which has not been given by the relevant Interest Payment Date shall be given without undue delay (*unverzüglich*) thereafter.

Das freie Ermessen der Emittentin zum Ausschluss der Zinszahlung nach § 3 (8) (a) bleibt auch dann unberührt, wenn eine Zinszahlung nach diesem § 3 (8) (b) zwingend ausgeschlossen ist.

(c) *Folgen entfallener Zinszahlungen.* Die Emittentin ist berechtigt, die Mittel aus entfallenen Zinszahlungen uneingeschränkt zur Erfüllung ihrer eigenen Verpflichtungen bei deren Fälligkeit zu nutzen. Soweit Zinszahlungen entfallen, schließt dies sämtliche gemäß § 7 zahlbaren Zusätzlichen Beträge (wie in § 7 definiert) ein. Entfallene Zinszahlungen werden nicht nachgezahlt. Der Ausschluss einer Zinszahlung berechtigt die Gläubiger nicht zur Kündigung der Schuldverschreibungen und stellt keinen Ausfall der Emittentin dar.

(d) *Bestimmte Definitionen.*

"**Ausschüttung**" bezeichnet jede Art der Auszahlung von Dividenden oder Zinsen.

"**Ausschüttungsfähige Bestandteile**" bezeichnet in Bezug auf eine Zinszahlung die ausschüttungsfähigen Bestandteile wie in den Anwendbaren Aufsichtsrechtlichen Anforderungen für diesen Zweck (unabhängig von der darin gewählten Bezeichnung) definiert; am Tag der Begebung der Schuldverschreibungen bezeichnet dieser Begriff – ausgehend von dem handelsrechtlichen Einzelabschluss der Emittentin und nicht auf der Basis des Konzernabschlusses – den (wenn vorhanden) positiven Saldo aus (i) Jahresüberschuss oder Jahresfehlbetrag am Ende des dem betreffenden Zinszahlungstag unmittelbar vorhergehenden Geschäftsjahres der Emittentin, für das ein testierter Jahresabschluss vorliegt, zuzüglich (ii) etwaiger vorgetragener Gewinne und ausschüttungsfähiger Rücklagen unter Berücksichtigung etwaiger Entnahmen und Einstellungen, jedoch abzüglich (iii) vorgetragener Verluste, wobei stets die aufgrund anzuwendender Rechtsvorschriften

The Issuer's sole discretion to cancel any interest payment according to § 3 (8) (a) shall remain unaffected even if an interest payment is mandatorily cancelled pursuant to this § 3 (8) (b).

(c) *Consequences of Cancelled Interest Payments.* The Issuer is entitled to use the funds from cancelled payments of interest without restrictions for the fulfillment of its own obligations when due (*fällig*). To the extent that payments of interest are cancelled, such cancellation includes all Additional Amounts (as defined in § 7) payable pursuant to § 7. Any payments of interest which have been cancelled will not be made at any later date. The cancellation of an interest payment does not entitle the Holders to require the redemption of the Notes and shall not constitute an event of default of the Issuer for any purpose.

(d) *Certain Definitions.*

"**Distribution**" means any kind of payment of dividends or interest.

"**Available Distributable Items**" means, with respect to any payment of interest, the available distributable items as defined for this purpose in the Applicable Supervisory Requirements (regardless of the terminology used therein); on the date of issue of the Notes, such term refers – on the basis of the individual financial statements of the Issuer prepared in accordance with German commercial law and not on the basis of the consolidated financial statements – to the (if existing) positive balance of (i) the net income (*Jahresüberschuss*) or the net loss (*Jahresfehlbetrag*) as of the end of the financial year of the Issuer immediately preceding the relevant Interest Payment Date for which audited annual financial statements are available, plus (ii) any unappropriated earnings carried forward (*vorgetragene Gewinne*) and distributable reserves, taking into account any withdrawal from or transfer to reserves, but less (iii) any losses carried forward, provided that any prohibition on distributions pursuant to the

oder der Satzung der Emittentin vorgesehenen Ausschüttungssperren zu beachten sind.

Ein "**Insolvenzereignis**" ist unabhängig von der Einleitung eines Insolvenz- oder Liquidationsverfahrens eingetreten, wenn im Hinblick auf die Emittentin ein Eröffnungsgrund für ein Insolvenzverfahren im Sinne der Anwendbaren Insolvenzrechtlichen Vorschriften vorliegt. Gemäß den am Tag der Begebung der Schuldverschreibungen geltenden Anwendbaren Insolvenzrechtlichen Vorschriften sind folgende Eröffnungsgründe möglich: An dem betreffenden Tag (i) ist die Emittentin überschuldet im Sinne von § 19 InsO oder (ii) ist die Emittentin zahlungsunfähig im Sinne von § 17 InsO oder (iii) liegt eine drohende Zahlungsunfähigkeit der Emittentin im Sinne von § 18 InsO vor (jedoch unabhängig davon, ob die Eröffnung des Insolvenzverfahrens beantragt wurde).

"**Anwendbare Insolvenzrechtliche Vorschriften**" bezeichnet die maßgeblichen Vorschriften zur Regelung öffentlicher und/oder privater Verfahren, die der Abwicklung und/oder Sanierung der Emittentin dienen (einschließlich der insolvenzrechtlichen Vorschriften), und der weiteren, darauf bezogenen Regelungen und Verordnungen sowie Beschlüsse und sonstige Entscheidungen einer für die Abwicklung und/oder Sanierung zuständigen Behörde und sonstige Vorschriften (einschließlich der Verwaltungspraxis dieser Behörden und einschlägiger Gerichtspraxis und Gerichtsentscheidungen), die jeweils in Bezug auf die Emittentin in dem betreffenden Zeitpunkt anwendbar sind.

"**Gruppen MCR**" bezeichnet (i) die nach den Anwendbaren Aufsichtsrechtlichen Anforderungen für die Gruppe geltende konsolidierte Mindestsolvenzkapitalanforderung (unabhängig von der in den Anwendbaren Aufsichtsrechtlichen Anforderungen gewählten Bezeichnung) oder (ii) (wenn anwendbar) eine künftig für die Gruppe geltende Kapitalanforderung, welche die

applicable laws and the articles of association of the Issuer are respected at all times.

An "**Insolvency Event**" occurs, regardless of the commencement of any Insolvency or Liquidation Proceedings, if a reason for the commencement of insolvency proceedings in respect of the Issuer within the meaning of the Applicable Insolvency Regulations exists. Pursuant to the Applicable Insolvency Regulations in effect on the date of issue of the Notes, the following reasons for the commencement of insolvency proceedings apply: on any relevant day, (i) the Issuer is over-indebted (*überschuldet*) within the meaning of § 19 InsO or (ii) the Issuer is illiquid (*zahlungsunfähig*) within the meaning of § 17 InsO or (iii) an imminent illiquidity (*drohende Zahlungsunfähigkeit*) of the Issuer within the meaning of § 18 InsO exists (regardless, however, of whether or not commencement of any insolvency proceedings has been applied for).

"**Applicable Insolvency Regulations**" means the relevant provisions governing public and/or private proceedings for the resolution and/or reorganization of the Issuer (including insolvency laws) and any further rules and regulations thereunder and any orders or other decisions of any authority which is competent for the resolution and/or reorganization, and any other provisions (including the administrative practice of such authorities and any pertinent court case law and court decisions) that are applicable to the Issuer from time to time.

"**Group MCR**" means (i) the minimum consolidated group solvency capital requirement (regardless of the terminology used by the Applicable Supervisory Requirements) applicable to the Group pursuant to the Applicable Supervisory Requirements, or (ii) (as and when applicable) a capital requirement as applicable to the Group in the future, which functionally replaces the capital requirement

Kapitalanforderung nach (i) gemäß den dann Anwendbaren Aufsichtsrechtlichen Anforderungen funktional für die relevanten Zwecke ersetzt.

Ein "**Solvenzkapitalereignis**" ist eingetreten, wenn die Eigenmittel (unabhängig von der in den Anwendbaren Aufsichtsrechtlichen Anforderungen gewählten Bezeichnung) der Emittentin und/oder der Gruppe nicht ausreichen, um (i) die für die Emittentin und/oder die Gruppe jeweils geltende Solvenzkapitalanforderung (unabhängig von der in den Anwendbaren Aufsichtsrechtlichen Anforderungen gewählten Bezeichnung) oder (ii) die für die Emittentin geltende Mindestkapitalanforderung (unabhängig von der in den Anwendbaren Aufsichtsrechtlichen Anforderungen gewählten Bezeichnung) oder (iii) die relevante Gruppen MCR abzudecken, in jedem Fall gemäß den im betreffenden Zeitpunkt Anwendbaren Aufsichtsrechtlichen Anforderungen.

§ 4

Rückzahlung; Herab- und Hochschreibungen

- (1) *Keine Endfälligkeit.* Die Schuldverschreibungen haben keinen Endfälligkeitstag.
- (2) *Rückzahlung nach Wahl der Emittentin.* Die Emittentin kann die Schuldverschreibungen insgesamt, jedoch nicht teilweise, vorbehaltlich der Erfüllung der Rückzahlungsbedingungen und vorbehaltlich § 4 (5) und (6) unter Einhaltung einer Frist von nicht weniger als 15 Tagen zu jedem Optionalen Rückzahlungstag (wie nachstehend definiert) kündigen und zurückzahlen.

"**Optionalen Rückzahlungstag**" bezeichnet

- (i) jeden Geschäftstag in dem Zeitraum ab dem 30. Oktober 2031 (einschließlich) bis zu dem Ersten Zinsanpassungstag (ausschließlich);
- (ii) den Ersten Zinsanpassungstag;
- (iii) nach dem Ersten Zinsanpassungstag, jeden

referred to in (i) pursuant to the Applicable Supervisory Requirements for the relevant purposes at that time.

A "**Solvency Capital Event**" occurs if the own-funds (*Eigenmittel*) (regardless of the terminology used by the Applicable Supervisory Requirements) of the Issuer and/or of the Group are not sufficient to cover (i) the respective solvency capital requirement (regardless of the terminology used by the Applicable Supervisory Requirements) applicable to the Issuer and/or the Group, as the case may be, or (ii) the minimum capital requirement (regardless of the terminology used by the Applicable Supervisory Requirements) applicable to the Issuer, or (iii) the relevant Group MCR, in each case as applicable at the relevant time pursuant to the Applicable Supervisory Requirements.

§ 4

Redemption; Write-downs; Write-ups

- (1) *No Scheduled Maturity.* The Notes have no scheduled maturity date.
- (2) *Redemption at the Option of the Issuer.* The Issuer may, subject to fulfillment of the Conditions to Redemption and subject to § 4 (5) and (6), call and redeem the Notes, in whole but not in part, upon not less than 15 days' prior notice, with effect as of any Optional Redemption Date (as defined below).

"**Optional Redemption Date**" means

- (i) each Business Day falling in a period from (and including) October 30, 2031 to (but excluding) the First Reset Date;
- (ii) the First Reset Date;
- (iii) after the First Reset Date, each Business

Geschäftstag in dem Zeitraum ab dem 30. Oktober (einschließlich) unmittelbar vor jedem Zinsanpassungstag bis zu diesem Zinsanpassungstag (ausschließlich); und

(iv) jeden Zinsanpassungstag.

(3) *Rückzahlung nach Eintritt eines Steuerereignisses, eines Aufsichtsrechtlichen Ereignisses oder eines Ratingagenturereignisses.*

(a) Bei Eintritt eines Steuerereignisses, eines Aufsichtsrechtlichen Ereignisses oder eines Ratingagenturereignisses ist die Emittentin vorbehaltlich der Erfüllung der Rückzahlungsbedingungen und vorbehaltlich § 4 (5) jederzeit berechtigt, die Schuldverschreibungen insgesamt, jedoch nicht teilweise, unter Einhaltung einer Frist von mindestens 15 Tagen zu kündigen und zurückzuzahlen (jedes dieser Kündigungsrechte ein "**Außerordentliches Kündigungsrecht**").

Die Emittentin ist jedoch berechtigt, jederzeit nach freiem Ermessen auf jedes der Außerordentlichen Kündigungsrechte für einen von der Emittentin zu bestimmenden (befristeten oder unbefristeten) Zeitraum (der "**Nichtanwendungszeitraum**") durch Mitteilung an die Gläubiger gemäß § 12 (1) zu verzichten. Jede solche Mitteilung ist unwiderruflich und hat den/die Nichtanwendungszeitraum/-räume zu benennen, in denen die Emittentin über das/die betreffende(n) Außerordentliche(n) Kündigungsrecht(e) nicht verfügen wird.

(b) *Steuerereignis.* Ein "**Steuerereignis**" tritt ein, falls sich die steuerliche Behandlung der Schuldverschreibungen in Folge einer an oder nach dem Verzinsungsbeginn eingetretenen Rechts- oder Rechtsprechungsänderung (einschließlich des Falles, dass die betreffende Änderung, Ergänzung oder Klarstellung rückwirkend Anwendung findet), einschließlich einer Änderung von steuerrechtlichen oder aufsichtsrechtlichen Gesetzen, Regelungen oder Verfahrensweisen, ändert (insbesondere, jedoch nicht ausschließlich, im Hinblick auf die

Day falling in a period from (and including) October 30 immediately before each Reset Date to (but excluding) such Reset Date; and

(iv) each Reset Date.

(3) *Redemption after the Occurrence of a Tax Event, Regulatory Event or a Rating Agency Event.*

(a) Upon the occurrence of a Tax Event, a Regulatory Event or a Rating Agency Event, the Issuer may, subject to the fulfillment of the Conditions to Redemption and subject to § 4 (5), call and redeem the Notes, in whole but not in part, at any time upon not less than 15 days' prior notice (each of such call rights, an "**Extraordinary Call Right**").

The Issuer may waive, however, at any time and in its sole discretion, any of the Extraordinary Call Rights for a (definite or indefinite) period of time to be determined by the Issuer (the "**Inapplicability Period**") by notice to the Holders in accordance with § 12 (1). Any notice so given will be irrevocable and shall specify the Inapplicability Period(s) during which the Issuer shall cease to have the respective Extraordinary Call Right(s).

(b) *Tax Event.* A "**Tax Event**" occurs if, due to a change in applicable legislation or relevant jurisprudence, including a change in any fiscal or regulatory legislation, rules or practices, occurring on or after the Interest Commencement Date (including in case any such change, amendment or clarification has retroactive effect), the tax treatment of the Notes changes (including but not limited to the tax deductibility of the interest expense related to the Notes or the obligation to pay Additional Amounts (as defined in § 7)) and if, in the Issuer's own reasonable

steuerliche Abzugsfähigkeit des Zinsaufwands in Bezug auf die Schuldverschreibungen oder die Verpflichtung zur Zahlung von Zusätzlichen Beträgen (wie in § 7 definiert)) und diese Änderung für die Emittentin nach eigener, begründeter Auffassung der Emittentin wesentlich nachteilig ist.

- (c) *Aufsichtsrechtliches Ereignis.* Ein "**Aufsichtsrechtliches Ereignis**" tritt ein, wenn sich die aufsichtsrechtliche Einstufung der Schuldverschreibungen ändert, und diese Änderung wahrscheinlich zu einem vollständigen oder teilweisen Ausschluss der Schuldverschreibungen aus den Tier 1 Eigenmittelbestandteilen der Emittentin (d.h. auf individueller und/oder konsolidierter Basis) im Sinne der Anwendbaren Aufsichtsrechtlichen Anforderungen führen würde.

Dies schließt insbesondere den Fall ein, dass die Anwendbaren Aufsichtsrechtlichen Anforderungen hinsichtlich eigener Regeln für international tätige Versicherungsgruppen (IAIG) und/oder global systemrelevante Versicherer (G-SII) ergänzt oder geändert werden und, in der Folge dieser Ergänzung und/oder Änderung, die Schuldverschreibungen wahrscheinlich nicht (mehr) vollständig als Eigenmittelbestandteile der für Nachranginstrumente höchstmöglichen Klasse gemäß diesen Regeln angerechnet werden (einschließlich nach Ablauf etwaiger Übergangsbestimmungen).

Für die Feststellung des Vorliegens eines Aufsichtsrechtlichen Ereignisses genügt insbesondere eine entsprechende Mitteilung der Zuständigen Aufsichtsbehörde an die Emittentin.

Zur Klarstellung: Ein Überschreiten der nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Anforderungen jeweils geltenden Anrechnungsobergrenzen oder eine verminderte Anrechenbarkeit infolge einer Herabschreibung nach § 4 (8) begründen kein Aufsichtsrechtliches Ereignis.

- (d) *Ratingagenturereignis.* Ein

opinion, this change has a material adverse effect for the Issuer.

- (c) *Regulatory Event.* A "**Regulatory Event**" occurs if there is a change in the regulatory classification of the Notes that would be likely to result in an exclusion of the Notes in full or in part from the Tier 1 Own-Fund Items of the Issuer (*i.e.*, on an individual and/or consolidated basis) under the Applicable Supervisory Requirements.

This includes (without limitation) an event where the Applicable Supervisory Requirements are supplemented or amended in relation to provisions specifically governing internationally active insurance groups (IAIG) and/or global systemically important insurers (G-SII), and where, following such supplement and/or amendment, the Notes would likely not or no longer be recognized in full as own-fund items of the highest tier available for subordinated debt instruments pursuant to such provisions, including after the expiration of transitional rules, if any.

For the purposes of the determination of the occurrence of a Regulatory Event, it suffices in particular if the Competent Supervisory Authority has made a communication to that effect to the Issuer.

For the avoidance of doubt, exceeding the applicable quantitative limits in accordance with the Applicable Supervisory Requirements or a reduced recognition as a result of a write-down in accordance with § 4 (8) does not constitute a Regulatory Event.

- (d) *Rating Agency Event.* A "**Rating Agency Event**"

"**Ratingagenturereignis**" tritt ein, wenn sich in Folge einer an oder nach dem Verzinsungsbeginn eingetretenen Änderung oder Klarstellung der Rating-Methodologie (oder deren Auslegung) die Behandlung der Schuldverschreibungen für die Bemessung der Kapitalisierung oder Verschuldung der Emittentin oder der Gruppe durch Moody's Investors Service, Inc. oder S&P Global Ratings Europe Limited oder eine ihrer jeweiligen Nachfolgerinnen (in jedem Fall unter Einschluss verbundener Unternehmen), nach eigener, begründeter Auffassung der Emittentin erheblich verschlechtert.

(4) *Rückzahlungsbedingungen.*

(a) Die "**Rückzahlungsbedingungen**" sind die an einem Tag in Bezug auf eine vorgesehene Kündigung und Rückzahlung oder einen geplanten Rückkauf (wie in § 11 (2) definiert) der Schuldverschreibungen nach den Anwendbaren Aufsichtsrechtlichen Anforderungen für die Anerkennung von Restricted Tier 1 Instrumenten zu erfüllenden Voraussetzungen. Am Tag der Begebung der Schuldverschreibungen setzt dies voraus, dass:

- (i) kein an diesem Tag noch fortbestehendes Insolvenzereignis eingetreten ist und die Zahlung des Rückzahlungsbetrages oder der Rückkauf nicht zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde (wobei jedoch ungeachtet dessen die Forderungen der Gläubiger aus den Schuldverschreibungen in einem Insolvenz- oder Liquidationsverfahren im Hinblick auf die Emittentin nach Maßgabe der Anwendbaren Insolvenzrechtlichen Vorschriften fällig werden); und
- (ii) kein an diesem Tag noch fortbestehendes Relevantes Konzerntochter-Insolvenzereignis eingetreten ist, es sei denn, die Zuständige Aufsichtsbehörde hat in Kenntnis des Eintritts eines noch fortbestehenden Relevanten Konzerntochter-Insolvenzereignisses keine

occurs if, as a consequence of a change or clarification of the rating methodology (or the interpretation thereof) on or after the Interest Commencement Date, the treatment of the Notes with regards to measuring the capitalization or the leverage of the Issuer or the Group by Moody's Investors Service, Inc. or S&P Global Ratings Europe Limited or any of their respective successors (in each case including any affiliates) is, in the reasonable opinion of the Issuer, materially adversely affected.

(4) *Conditions to Redemption.*

(a) "**Conditions to Redemption**" means the conditions that must be fulfilled on any date with respect to a scheduled call and redemption or a planned Repurchase (as defined in § 11 (2)) of the Notes in accordance with the requirements for the recognition of Restricted Tier 1 Instruments pursuant to the Applicable Supervisory Requirements. On the date of issue of the Notes this requires that:

- (i) no Insolvency Event has occurred and is continuing on such date and that the payment of the Redemption Amount or the Repurchase would not result in, or accelerate, the occurrence of an Insolvency Event (notwithstanding the above, the claims of the Holders under the Notes in any Insolvency or Liquidation Proceeding in relation to the Issuer will fall due in accordance with the Applicable Insolvency Regulations); and
- (ii) no Relevant Consolidated Subsidiary Insolvency Event has occurred and is continuing on such date, unless the Competent Supervisory Authority, being aware of the occurrence of a Relevant Consolidated Subsidiary Insolvency Event that is continuing, has not objected to the redemption or Repurchase; and

Bedenken gegen die Rückzahlung bzw. den Rückkauf geäußert; und

(iii) kein an diesem Tag noch fortbestehendes Solvenzkapitalereignis eingetreten ist und die Rückzahlung bzw. der Rückkauf der Schuldverschreibungen nicht zu einem Solvenzkapitalereignis führen würde, es sei denn, die Rückzahlung bzw. der Rückkauf ist auch in einem solchen Fall ausnahmsweise nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Anforderungen zulässig; dies setzt voraus, dass:

(1) die Zuständige Aufsichtsbehörde in Kenntnis des Eintritts eines noch fortbestehenden Solvenzkapitalereignisses ihre Zustimmung gemäß dem nachstehenden Absatz (iv) erteilt und bis zu diesem Tag nicht widerrufen hat; und

(2) das über die Schuldverschreibungen eingezahlte Kapital durch die Einzahlung anderer, zumindest gleichwertiger Tier 1 Eigenmittelbestandteile ersetzt oder in einen solchen Bestandteil umgewandelt wird; und

(3) die nach den Anwendbaren Aufsichtsrechtlichen Anforderungen für die Emittentin geltende Mindestkapitalanforderung (unabhängig von der in den Anwendbaren Aufsichtsrechtlichen Anforderungen gewählten Bezeichnung) und die für die Gruppe geltende konsolidierte Mindestsolvenzkapitalanforderung (unabhängig von der in den Anwendbaren Aufsichtsrechtlichen Anforderungen gewählten Bezeichnung) nach der Rückzahlung bzw. dem Rückkauf eingehalten wird; und

(iii) no Solvency Capital Event has occurred and is continuing on such date and the redemption or the Repurchase of the Notes would not result in a Solvency Capital Event, unless the redemption or the Repurchase is exceptionally permitted in such a case under the Applicable Supervisory Requirements; such exceptional permission requires that:

(1) the Competent Supervisory Authority, being aware of the occurrence of a Solvency Capital Event that is continuing, has given, and not withdrawn by such date, its consent according to subparagraph (iv) below; and

(2) the capital paid in for the Notes is replaced with or converted into other paid-in Tier 1 Own-Fund Items of at least the same quality; and

(3) the minimum capital requirement applicable to the Issuer pursuant to the Applicable Supervisory Requirements (regardless of the terminology used by the Applicable Supervisory Requirements) and the minimum consolidated group solvency capital requirement applicable to the Group (regardless of the terminology used by the Applicable Supervisory Requirements) are complied with after the redemption or the Repurchase; and

- (iv) die Zuständige Aufsichtsbehörde ihre nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Anforderungen erforderliche Zustimmung zur Kündigung und Zahlung des Rückzahlungsbetrages bzw. zu dem Rückkauf erteilt und bis zu diesem Tag nicht widerrufen hat; und
- (v) im Falle einer Rückzahlung oder eines Rückkaufs der Schuldverschreibungen vor dem 7. September 2026 (vorbehaltlich § 4 (4) (a) (v) (1) und (2)) das über die Schuldverschreibungen eingezahlte Kapital durch die Einzahlung anderer, zumindest gleichwertiger Tier 1 Eigenmittelbestandteile ersetzt oder in einen solchen Bestandteil umgewandelt wird, wobei:
- (1) im Falle einer Rückzahlung bei Eintritt eines Steuerereignisses kein Erfordernis der Ersetzung oder Umwandlung gemäß § 4 (4) (a) (v) besteht, wenn
- (A) eine Angemessene Überdeckung vorliegt; und
- (B) die Emittentin der Zuständigen Aufsichtsbehörde gegenüber hinreichend nachweist, dass das Steuerereignis wesentlich ist und am Tag der Begebung der Schuldverschreibungen nach vernünftigem Ermessen nicht vorherzusehen war; und
- (2) im Falle einer Rückzahlung bei Eintritt eines Aufsichtsrechtlichen Ereignisses kein Erfordernis der Ersetzung oder Umwandlung gemäß § 4 (4) (a) (v) besteht, wenn
- (A) eine Angemessene Überdeckung vorliegt; und
- (B) die Zuständige Aufsichtsbehörde es für ausreichend sicher hält, dass die für das Aufsichtsrechtliche Ereignis
- (iv) the Competent Supervisory Authority has given, and not withdrawn by such day, its consent to the redemption and payment of the Redemption Amount or to the Repurchase, as required, under the Applicable Supervisory Requirements; and
- (v) in the event of a redemption or a Repurchase of the Notes prior to September 7, 2026 (subject to § 4 (4) (a) (v) (1) and (2)) the capital paid in for the Notes is replaced with or converted into other paid-in Tier 1 Own-Fund Items of at least the same quality, provided that:
- (1) in case of a redemption following the occurrence of a Tax Event no replacement or conversion requirement in accordance with § 4 (4) (a) (v) applies if
- (A) an Appropriate Margin exists; and
- (B) the Issuer demonstrates to the satisfaction of the Competent Supervisory Authority that the Tax Event is material and was not reasonably foreseeable at the date of issue of the Notes; and
- (2) in case of a redemption following the occurrence of a Regulatory Event no replacement or conversion requirement in accordance with § 4 (4) (a) (v) applies, if
- (A) an Appropriate Margin exists; and
- (B) the Competent Supervisory Authority considers it sufficiently certain that the change relevant for the

relevante Änderung stattfindet oder stattfinden wird, und die Emittentin der Zuständigen Aufsichtsbehörde gegenüber hinreichend nachweist, dass die betreffende aufsichtsrechtliche Neueinstufung oder der betreffende Ausschluss der Schuldverschreibungen am Tag ihrer Begebung nach vernünftigem Ermessen nicht vorherzusehen war; und

(vi) im Falle einer Rückzahlung oder eines Rückkaufs der Schuldverschreibungen ab dem 7. September 2026 (einschließlich) bis zum 7. September 2031 (ausschließlich)

(1) die nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Anforderungen für die Emittentin und/oder die Gruppe jeweils geltende Solvenzkapitalanforderung (auf individueller bzw. konsolidierter Basis) jeweils um eine Angemessene Überdeckung überschritten wird; oder

(2) das über die Schuldverschreibungen eingezahlte Kapital durch die Einzahlung anderer, zumindest gleichwertiger Tier 1 Eigenmittelbestandteile ersetzt oder in einen solchen Bestandteil umgewandelt wird.

(b) Zur Klarstellung: Die Nichterfüllung der Rückzahlungsbedingungen berechtigt die Gläubiger nicht zur Kündigung der Schuldverschreibungen und stellt keinen Ausfall der Emittentin dar.

(c) *Definitionen.*

Eine "**Angemessene Überdeckung**" liegt vor, wenn die nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Anforderungen für die Emittentin und/oder die Gruppe jeweils geltende Solvenzkapitalanforderung (auf individueller bzw. konsolidierter Basis) unter

Regulatory Event occurs or will occur and the Issuer demonstrates to the satisfaction of the Competent Supervisory Authority that the regulatory reclassification or the exclusion of the Notes was not reasonably foreseeable at the date of issue of the Notes; and

(vi) in the event of a redemption or a Repurchase of the Notes from (and including) September 7, 2026 to (but excluding) September 7, 2031

(1) the respective solvency capital requirement applicable to the Issuer and/or the Group (on an individual or consolidated basis, as applicable) in accordance with Applicable Supervisory Requirements, will be exceeded each by an Appropriate Margin, or

(2) the capital paid in for the Notes is replaced with or converted into other paid in Tier 1 Own-Fund Items of at least the same quality.

(b) For the avoidance of doubt, the non-fulfillment of the Conditions to Redemption shall not entitle the Holders to require the redemption of the Notes and shall not constitute a default of the Issuer.

(c) *Definitions.*

An "**Appropriate Margin**" exists if the respective solvency capital requirement applicable to the Issuer and/or the Group (on an individual or consolidated basis, as applicable) in accordance with Applicable Supervisory Requirements, after the redemption, will be

Berücksichtigung der Solvabilität der Emittentin bzw. der Gruppe, einschließlich ihres jeweiligen mittelfristigen Kapitalmanagementplans, nach der Rückzahlung jeweils zuzüglich einer angemessenen Sicherheitsmarge bedeckt ist.

"Einrichtung der betrieblichen Altersversorgung" hat die diesem Begriff in der Richtlinie (EU) 2016/2341 des Europäischen Parlaments und des Rates vom 14. Dezember 2016 über die Tätigkeiten und die Beaufsichtigung von Einrichtungen der betrieblichen Altersversorgung (EbAV) in der jeweils geltenden Fassung zugewiesene Bedeutung.

"Relevantes

Konzerntochter-Insolvenzereignis" bezeichnet die Einleitung eines Insolvenz- oder Liquidationsverfahrens im Hinblick auf ein Tochterunternehmen der Emittentin (§ 290 Absatz 1 HGB) mit Sitz im Europäischen Wirtschaftsraum, das entweder ein Versicherungsunternehmen oder ein Rückversicherungsunternehmen oder eine Einrichtung der betrieblichen Altersversorgung (jeweils wie unten definiert) ist, wenn und solange die Emittentin in Abstimmung mit der Zuständigen Aufsichtsbehörde feststellt, dass die Vermögenswerte des betreffenden Tochterunternehmens (möglicherweise) nicht ausreichen werden, um sämtliche Versicherungs- und Rückversicherungsverpflichtungen bzw. Altersversorgungsleistungen dieses Tochterunternehmens gegenüber den Versicherungsnehmern und den Anspruchsberechtigten unter den Versicherungs- oder Rückversicherungsverträgen bzw. den Altersversorgungssystemen des Tochterunternehmens zu befriedigen.

"Restricted Tier 1 Instrumente" bezeichnet Tier 1 Eigenmittelbestandteile im Sinne von Artikel 69 (a) (iii), (a) (v) und (b) der Delegierten Verordnung unter Ausschluss solcher Instrumente, die diesen Tier 1 Eigenmittelbestandteilen durch

exceeded by an appropriate margin, taking into account the solvency position of the Issuer and/or the Group, including their respective medium-term capital management plan.

"Institution for Occupational Retirement Provision" has the meaning given to this term in Directive 2016/2341/EU of the European Parliament and of the Council of December 14, 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs), as amended from time to time.

"Relevant Consolidated Subsidiary Insolvency Event" means the commencement of insolvency or liquidation proceedings with respect to a subsidiary (as defined in § 290 (1) German Commercial Code (*Handelsgesetzbuch*)) of the Issuer that has its seat in the European Economic Area and which is either an Insurance Undertaking or a Reinsurance Undertaking or any Institution for Occupational Retirement Provision (each as defined below), if and as long as the Issuer determines, in conjunction with the Competent Supervisory Authority, that the assets of that subsidiary may or will be insufficient to meet all insurance, reinsurance and occupational pension obligations, respectively, of such subsidiary towards policy holders and beneficiaries of insurance and reinsurance contracts or occupational pension schemes of the subsidiary.

"Restricted Tier 1 Instruments" means Tier 1 Own-Fund Items according to Article 69 (a) (iii), (a) (v) and (b) of the Delegated Regulation, excluding such instruments that are treated as Tier 1 Own-Fund Items by application of transitional provisions.

Übergangsbestimmungen gleichgestellt werden.

"Rückversicherungsunternehmen" hat die diesem Begriff in der Solvency II Richtlinie zugewiesene Bedeutung.

"Solvency II Richtlinie" bezeichnet die Richtlinie 2009/138/EG des Europäischen Parlaments und des Rates betreffend die Aufnahme und Ausübung der Versicherungs- und der Rückversicherungstätigkeit (Solvabilität II) in der jeweils geltenden Fassung; soweit Bestimmungen der Solvency II Richtlinie geändert oder ersetzt werden, bezieht sich der Verweis auf Bestimmungen der Solvency II Richtlinie in diesen Anleihebedingungen auf die geänderten Bestimmungen bzw. die Nachfolgeregelungen.

"Tier 1 Eigenmittelbestandteile" bezeichnet Tier 1 Eigenmittelbestandteile im Sinne von Artikel 69 Delegierte Verordnung einschließlich solcher Instrumente, die diesen Tier 1 Eigenmittelbestandteilen durch Übergangsbestimmungen gleichgestellt werden.

"Versicherungsunternehmen" hat die diesem Begriff in der Solvency II Richtlinie zugewiesene Bedeutung.

- (5) *Form der Kündigungsmittelteilung; Unwirksamkeit der Kündigung.* Eine Kündigung nach § 4 (2) oder (3) hat durch Mitteilung an die Gläubiger gemäß § 12 (1) zu erfolgen (**"Kündigungsmittelteilung"**). Sie ist vorbehaltlich der Erfüllung der Rückzahlungsbedingungen unwiderruflich, muss den für die Rückzahlung festgelegten Termin und im Falle einer Kündigung und Rückzahlung nach § 4 (3) den Grund für diese Kündigung und Rückzahlung nennen.

Sofern die Rückzahlungsbedingungen an dem in der Kündigungsmittelteilung für die Rückzahlung festgelegten Tag erfüllt sind, ist die Emittentin verpflichtet, die Schuldverschreibungen an diesem Tag zum Rückzahlungsbetrag (wie in § 4 (6) definiert) zuzüglich bis zum für die Rückzahlung festgesetzten Tag (ausschließlich

"Reinsurance Undertaking" has the meaning given to this term in the Solvency II Directive.

"Solvency II Directive" means Directive 2009/138/EC of the European Parliament and the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), as amended from time to time; to the extent that provisions of the Solvency II Directive are amended or replaced, the reference to the provisions of the Solvency II Directive as used in these Terms and Conditions shall refer to such amended provisions or successor provisions from time to time.

"Tier 1 Own-Fund Items" means tier 1 own-fund items according to Article 69 of the Delegated Regulation including instruments that are treated as tier 1 own-fund items by application of transitional provisions.

"Insurance Undertaking" has the meaning given to this term in the Solvency II Directive.

- (5) *Form of the Redemption Notice; Invalidity of the Redemption Notice.* Any notice of redemption pursuant to § 4 (2) or (3) shall be given to the Holders in accordance with § 12 (1) (**"Redemption Notice"**). Subject to the fulfillment of the Conditions to Redemption, the notice shall be irrevocable and shall specify the date fixed for redemption and, in case of a call and redemption pursuant to § 4 (3), the reason for such call and redemption.

If the Conditions to Redemption are fulfilled on the date fixed for redemption in the Redemption Notice, the Issuer shall redeem the Notes at the Redemption Amount (as defined in § 4 (6)) on such date plus any interest accrued to (but excluding) the date fixed for redemption (subject to § 3 (8)).

(vorbehaltlich § 3 (8)) aufgelaufener Zinsen zurückzuzahlen.

Falls die Rückzahlungsbedingungen an dem in der Kündigungsmitteilung für die Rückzahlung festgelegten Tag nicht erfüllt sind, wird die Kündigungsmitteilung als unwirksam behandelt und die betreffende Rückzahlung darf nicht erfolgen; die Emittentin hat die Gläubiger hierüber unverzüglich durch Mitteilung gemäß § 12 (1) zu informieren. Sollte die Emittentin die Mitteilung nicht bis zu dem für die Rückzahlung festgelegten Termin veröffentlicht haben, hat sie dies unverzüglich nachzuholen.

Ein Unterlassen der Mitteilung lässt die Unwirksamkeit der Kündigung und das Rückzahlungsverbot unberührt und stellt in keinem Fall eine Pflichtverletzung dar.

Wenn die Rückzahlungsbedingungen nicht erfüllt sind, berechtigt dies die Gläubiger nicht, von der Emittentin die Rückzahlung der Schuldverschreibungen zu verlangen, und eine aus diesem Grunde nicht erfolgte Rückzahlung der Schuldverschreibungen begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

(6) *Rückzahlung nach Wahl der Emittentin gemäß § 4 (2) nur zum Referenznennbetrag; Rückzahlungsbetrag.* Die Emittentin kann ihr Kündigungsrecht nach § 4 (2) nur ausüben, wenn der aktuelle Nennbetrag der Schuldverschreibungen ihrem im betreffenden Zeitpunkt geltenden Referenznennbetrag (wie in § 4 (9) (d) definiert) entspricht. Der "**Rückzahlungsbetrag**" einer Schuldverschreibung entspricht im Fall einer Kündigung und Rückzahlung nach § 4 (2) ihrem im betreffenden Zeitpunkt geltenden Referenznennbetrag.

Im Übrigen steht die Ausübung eines Kündigungsrechts im alleinigen Ermessen der Emittentin. In den Fällen einer Rückzahlung nach § 4 (3) entspricht der "**Rückzahlungsbetrag**"

If the Conditions to Redemption are not fulfilled on the date fixed for redemption in the Redemption Notice, the Redemption Notice shall be deemed invalid and the corresponding redemption shall not be made; the Issuer shall inform the Holders thereof by notice in accordance with § 12 (1) without undue delay (*unverzüglich*). If the Issuer has not published the notice by the date fixed for redemption, it shall do so after such date without undue delay (*unverzüglich*).

Failure to give such notice shall not affect the invalidity of the notice and the prohibition of redemption and shall in no event constitute an event of default.

Failure to comply with the Conditions to Redemption shall not entitle the Holders to require the Issuer to redeem the Notes and any failure to redeem the Notes for such reason shall not constitute a default by the Issuer or any other event of default under these Notes or for any other purpose.

(6) *Redemption at the Option of the Issuer pursuant to § 4 (2) only at the Reference Nominal Amount; Redemption Amount.* The Issuer may only exercise its redemption right in accordance with § 4 (2) if the current nominal amount of the Notes is equal to their Reference Nominal Amount (as defined in § 4 (9) (d)) prevailing at the relevant point in time. In case of a call and redemption in accordance with § 4 (2), the "**Redemption Amount**" of each Note shall be their Reference Nominal Amount prevailing at the relevant point in time.

In any other case, the exercise of any redemption right is at the sole discretion of the Issuer. In the event of a redemption pursuant to § 4 (3), the "**Redemption Amount**" of each Note is the

einer Schuldverschreibung jeweils ihrem aktuellen Nennbetrag (zur Klarstellung: d.h. unter Berücksichtigung vorgenommener Herabschreibung(en), soweit nicht durch Hochschreibung(en) kompensiert), soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder zurückgekauft und entwertet.

Im Falle einer Rückzahlung nach Einleitung eines Insolvenz- oder Liquidationsverfahrens im Hinblick auf die Emittentin entspricht der Rückzahlungsbetrag einer Schuldverschreibung ihrem aktuellen Nennbetrag (zur Klarstellung: d.h. unter Berücksichtigung vorgenommener Herabschreibung(en), soweit nicht durch Hochschreibung(en) kompensiert), soweit nicht zuvor bereits ganz oder teilweise zurückgezahlt oder zurückgekauft und entwertet; die Nachrangregelung nach § 2 bleibt hiervon unberührt.

(7) *Kein Recht der Gläubiger zur Kündigung oder zur Fälligestellung.* Die Gläubiger haben kein Recht zur Kündigung oder anderweitigen Fälligestellung der Schuldverschreibungen.

(8) *Herabschreibung.*

(a) Im Falle des Eintritts eines Auslöseereignisses oder eines Verschlechterungsereignisses ist der aktuelle Nennbetrag jeder Schuldverschreibung (vorbehaltlich § 4 (8) (b)) vollständig durch Reduktion des aktuellen Nennbetrags auf EUR 0,01 herabzuschreiben. Die Emittentin hat den Eintritt eines solchen Ereignisses nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Anforderungen festzustellen. Eine jede solche Feststellung ist (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Berechnungsstelle, die Zahlstelle und die Gläubiger bindend.

Eine Schuldverschreibung mit einem aktuellen Nennbetrag von EUR 0,01 gilt für die Zwecke dieser Anleihebedingungen in dem betreffenden Zeitpunkt als vollständig herabgeschrieben.

Zur Klarstellung: Der Eintritt eines Auslöseereignisses oder eines Verschlechterungsereignisses berechtigt die

current nominal amount of such Note (for the avoidance of doubt, taking into account write-down(s) made, to the extent not compensated by write-up(s)) to the extent not previously redeemed in whole or in part or repurchased and cancelled.

In the event of a redemption after the commencement of Insolvency or Liquidation Proceedings with respect to the Issuer, the Redemption Amount of each Note is the current nominal amount of such Note (for the avoidance of doubt, taking into account write-down(s) made, to the extent not compensated by write-up(s)) to the extent not previously redeemed in whole or in part or repurchased and cancelled; the provision on subordination pursuant to § 2 remains unaffected by this provision.

(7) *No Right of Termination or Acceleration by the Holders.* The Holders shall have no right to terminate or otherwise accelerate the redemption of the Notes.

(8) *Write-down.*

(a) Upon the occurrence of a Trigger Event or a Deterioration Event, the current nominal amount of each Note shall (subject to § 4 (8) (b)) be fully written down by reduction of the current nominal amount to EUR 0.01. The Issuer will determine the occurrence of such an event pursuant to the Applicable Supervisory Requirements. Absent manifest error, such determination shall be binding on the Calculation Agent, the Paying Agent and the Holders.

For the purpose of these Terms and Conditions, a Note with a current nominal amount of EUR 0.01 shall be deemed to be fully written down at that point in time.

For the avoidance of doubt, the occurrence of a Trigger Event or a Deterioration Event shall not entitle the Holders to require the redemption of

Gläubiger nicht zur Kündigung der Schuldverschreibungen und stellt keinen Ausfall der Emittentin dar.

Ein "**Auslöseereignis**" tritt ein, wenn die Schuldverschreibungen nicht vollständig herabgeschrieben sind und zumindest eine der folgenden Bedingungen (i)-(iii) erfüllt ist:

- (i) der Betrag der nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Anforderungen auf die geltende Solvenzkapitalanforderung anrechnungsfähigen Eigenmittelbestandteile der Emittentin (ausschließlich auf individueller Basis, nicht auf konsolidierter Basis) beläuft sich auf 75 % der betreffenden Solvenzkapitalanforderung oder weniger (das Verhältnis von den betreffenden Eigenmittelbestandteilen zu der betreffenden Solvenzkapitalanforderung nachfolgend als die "**Solo SCR Quote**" bezeichnet), und/oder der Betrag der nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Anforderungen auf die geltende Solvenzkapitalanforderung der Gruppe anrechnungsfähigen Eigenmittelbestandteile der Gruppe beläuft sich auf 75 % der betreffenden Solvenzkapitalanforderung oder weniger (das Verhältnis von den betreffenden Eigenmittelbestandteilen zu der betreffenden Solvenzkapitalanforderung nachfolgend als die "**Gruppen SCR Quote**" bezeichnet);
- (ii) der Betrag der nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Anforderungen auf die geltende Mindestkapitalanforderung anrechnungsfähigen Eigenmittelbestandteile der Emittentin (ausschließlich auf individueller Basis, nicht auf konsolidierter Basis) beläuft sich auf 100 % der betreffenden Mindestkapitalanforderung oder weniger (das Verhältnis von den betreffenden

the Notes and shall not constitute a default of the Issuer.

A "**Trigger Event**" occurs if the Notes are not fully written down and at least one of the following conditions (i)-(iii) is fulfilled:

- (i) the amount of own-fund items of the Issuer (solely on an individual and not on a consolidated basis) eligible to cover the relevant solvency capital requirement in accordance with the Applicable Supervisory Requirements is 75 % or less of the relevant solvency capital requirement (the ratio of the relevant own-fund items to the relevant solvency capital requirement hereinafter referred to as the "**Solo SCR Ratio**") and/or the amount of own-fund items of the Group eligible to cover the relevant solvency requirement of the Group in accordance with the Applicable Supervisory Requirements is 75 % or less of the relevant solvency capital requirement (the ratio of the relevant own-fund items to the relevant solvency capital requirement hereinafter referred to as the "**Group SCR Ratio**");
- (ii) the amount of own-fund items of the Issuer (solely on an individual and not on a consolidated basis) eligible to cover the relevant minimum capital requirement in accordance with the Applicable Supervisory Requirements is 100 % of the relevant minimum capital requirement or less (the ratio of the relevant own-fund items to the relevant minimum capital requirement hereinafter referred to as the "**Solo MCR Ratio**") and/or the amount of own-fund

Eigenmittelbestandteilen zu der betreffenden Mindestkapitalanforderung nachfolgend als die "**Solo MCR Quote**" bezeichnet), und/oder der Betrag der nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Anforderungen auf die geltende Gruppen MCR anrechnungsfähigen

Eigenmittelbestandteile der Gruppe beläuft sich auf 100 % der betreffenden Gruppen MCR oder weniger (das Verhältnis von den betreffenden Eigenmittelbestandteilen zu der betreffenden Gruppen MCR nachfolgend als die "**Gruppen MCR Quote**" bezeichnet);

- (iii) die Solo SCR Quote beläuft sich auf weniger als 100 %, aber mehr als 75 % und hat sich nicht innerhalb von drei Monaten, nachdem diese Nichteinhaltung der Solvenzkapitalanforderung erstmalig festgestellt wurde, auf mindestens 100 % verbessert, und/oder die Gruppen SCR Quote beläuft sich auf weniger als 100 %, aber mehr als 75 % und wurde nicht innerhalb von drei Monaten, nachdem diese Nichteinhaltung der Solvenzkapitalanforderung erstmalig festgestellt wurde, auf mindestens 100 % verbessert (ein Auslöseereignis unter den in diesem (iii) bezeichneten Umständen nachfolgend jeweils ein "**Besonderes Auslöseereignis**").

Ein "**Verschlechterungsereignis**" tritt ein, wenn die Schuldverschreibungen nicht vollständig herabgeschrieben sind, zuvor ein Auslöseereignis eingetreten ist und fortbesteht und sich eine für den Eintritt dieses Auslöseereignisses maßgebliche Regulatorische Quote weiter verschlechtert hat. Die Verschlechterung der maßgeblichen Regulatorischen Quote(n) hat die Emittentin nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Anforderungen (insbesondere unter Beachtung der Fristen und Stichtage zur Berücksichtigung von

items of the Group eligible to cover the relevant Group MCR applicable to the Group in accordance with the Applicable Supervisory Requirements is 100 % or less of the relevant Group MCR (the ratio of the relevant own-fund items to the relevant Group MCR hereinafter referred to as the "**Group MCR Ratio**");

- (iii) the Solo SCR Ratio is less than 100 % but more than 75 % and has not improved to at least 100 % within three months after the non-compliance with the solvency capital requirement was determined for the first time and/or the Group SCR Ratio is less than 100 % but more than 75 % and has not improved to at least 100 % within three months after the non-compliance with the solvency capital requirement was determined for the first time (any Trigger Event under the circumstances stated in this (iii) is a "**Special Trigger Event**").

A "**Deterioration Event**" occurs if the Notes have not been fully written down, a Trigger Event has occurred previously and is continuing and a Regulatory Ratio relevant for the occurrence of this Trigger Event has further deteriorated. The Issuer will determine the deterioration of the relevant Regulatory Ratio(s) pursuant to the Applicable Supervisory Requirements (including in compliance with the time limits and deadlines within which such deteriorations of the Regulatory Ratio(s) must be taken into account).

Verschlechterungen der Regulatorischen Quote(n)) festzustellen.

"**Regulatorische Quote**" bezeichnet jede der folgenden Quoten: die Solo SCR Quote, die Gruppen SCR Quote, die Solo MCR Quote und die Gruppen MCR Quote.

Die Vornahme von Herabschreibungen in Bezug auf die Schuldverschreibungen erfolgt unabhängig von einer Herabschreibung oder Pflichtwandelung anderer Restricted Tier 1 Instrumente oder ähnlich ausgestalteter Instrumente, die eine Herabschreibung oder Pflichtwandelung vorsehen, und hängt keinesfalls von der Durchführung einer solchen Herabschreibung oder Pflichtwandelung anderer Restricted Tier 1 Instrumente oder ähnlich ausgestalteter Instrumente ab.

- (b) Wenn und soweit die für die Anerkennung von Restricted Tier 1 Instrumenten zu erfüllenden Voraussetzungen gemäß den Anwendbaren Aufsichtsrechtlichen Anforderungen dies zulassen, kann die Emittentin ausnahmsweise von einer Herabschreibung ganz oder teilweise absehen und den aktuellen Nennbetrag jeder Schuldverschreibung entweder nicht oder nur um einen Teilbetrag herabschreiben. Die Emittentin ist jedoch nicht verpflichtet, in einem solchen Fall von einer vollständigen Herabschreibung abzusehen oder eine nach den Anwendbaren Aufsichtsrechtlichen Anforderungen gegebenenfalls erforderliche Zustimmung der Zuständigen Aufsichtsbehörde zum Verzicht auf eine Herabschreibung zu beantragen; es steht ihr außerdem frei, einen solchen Antrag jederzeit zurückzunehmen.

Am Tag der Begebung der Schuldverschreibungen ist ein Absehen von der vollständigen Herabschreibung nach den Anwendbaren Aufsichtsrechtlichen Anforderungen nach Maßgabe der folgenden Regelungen zulässig:

- (i) *Herabschreibung bis Heilung*. Ist ein Besonderes Auslöseereignis eingetreten und würde eine teilweise Herabschreibung

"**Regulatory Ratio**" means each of the following ratios: the Solo SCR Ratio, the Group SCR Ratio, the Solo MCR Ratio and the Group MCR Ratio.

Any write-down in respect of the Notes shall be made regardless of the write-down or mandatory conversion of any other Restricted Tier 1 Instruments or of instruments with comparable terms, to which a write-down or mandatory conversion applies, and shall in no way depend on the implementation of such write-down or mandatory conversion of other Restricted Tier 1 Instruments or instruments with comparable terms.

- (b) If and to the extent the requirements for the recognition of Restricted Tier 1 Instruments in accordance with the Applicable Supervisory Requirements permit, the Issuer may exceptionally elect to refrain from a write-down in full or in part and can write down the current nominal amount of each Note either not at all or only partially. However, in such case the Issuer shall not be obligated to refrain from a full write-down or, if the Applicable Supervisory Requirements require the consent of the Competent Supervisory Authority, to apply for such consent to waive the write-down; moreover, any such application may be withdrawn by the Issuer at any time.

On the date of issue of the Notes, the Issuer may refrain from effecting a full write-down pursuant to the Applicable Supervisory Requirements subject to the following provisions:

- (i) *Write-down Until Cure*. If a Special Trigger Event has occurred and a partial write-down would be sufficient to re-establish

ausreichen, um erneut für die Einhaltung der betroffenen Regulatorischen Quote(n) zu sorgen, kann die Emittentin den aktuellen Nennbetrag jeder Schuldverschreibung nur teilweise herabschreiben und zwar in einer Höhe, die ausreicht, um erneut für die Einhaltung der betroffenen Regulatorischen Quote(n) zu sorgen.

(ii) *Lineare Herabschreibung.* Ist ein Besonderes Auslöseereignis eingetreten und würde eine teilweise Herabschreibung nicht ausreichen, um erneut für die Einhaltung der betroffenen Regulatorischen Quote(n) zu sorgen, wird der Nennbetrag einer jeden Schuldverschreibung linear und in einer Weise herabgeschrieben, die gewährleistet, dass die Herabschreibung gänzlich vollzogen ist, wenn die betroffene(n) Regulatorische(n) Quote(n) 75 % erreicht bzw. erreichen.

(iii) *Weitere Herabschreibung(en) nach einer teilweisen Herabschreibung gemäß (ii):*

(1) Im Falle des Eintritts eines Auslöseereignisses nach (i) oder (ii) der Definition dieses Begriffes erfolgt eine vollständige Herabschreibung.

(2) Falls am Ende des Dreimonatszeitraums nach dem zuletzt festgestellten Eintritt eines Besonderen Auslöseereignisses, das zur erstmaligen Herabschreibung geführt hat, ein Verschlechterungsereignis, aber kein weiteres Auslöseereignis nach (i) oder (ii) der Definition dieses Begriffes eingetreten ist, wird der Nennbetrag jeder Schuldverschreibung gemäß (ii) weiter herabgeschrieben, um dieser Verschlechterung der betroffenen Regulatorischen Quote(n) Rechnung zu tragen.

(3) Am Ende jedes nachfolgenden Dreimonatszeitraums wird für jede nachfolgende Verschlechterung der

compliance with the relevant Regulatory Ratio(s), the Issuer may effect a write-down of the current nominal amount of each Note only in part, namely by the amount sufficient to re-establish compliance with the relevant Regulatory Ratio(s).

(ii) *Linear Write-down.* If a Special Trigger Event has occurred and a partial write-down would not be sufficient to re-establish compliance with the relevant Regulatory Ratio(s), the nominal amount of each Note will be written-down on a linear basis and in a manner which ensures that the full write-down will occur when the relevant Regulatory Ratio(s) reach(es) 75 %.

(iii) *Further Write-down(s) Subsequent to a Partial Write-down According to (ii):*

(1) Upon the occurrence of a Trigger Event according to (i) or (ii) of the definition thereof, a full write-down will be effected.

(2) If, at the end of a three-month period after the last determined occurrence of a Special Trigger Event, which caused the initial write-down, a Deterioration Event, but no other Trigger Event pursuant to (i) or (ii) of the definition thereof, has occurred, the nominal amount of each Note will be further written-down according to (ii) in order to take into account this deterioration of the relevant Regulatory Ratio(s).

(3) At the end of each subsequent three-month period, the method according to (iii) (2) will be applied to

betroffenen Regulatorischen Quote(n) die Methode gemäß (iii) (2) so lange entsprechend angewandt, bis die Emittentin die betroffene(n) Regulatorische(n) Quote(n) erneut erfüllt oder der Nennbetrag jeder Schuldverschreibung vollständig herabgeschrieben ist.

(iv) *Aufsichtliche Aussetzung der Herabschreibung (Waiver)*. Die Emittentin kann weiter von einer Herabschreibung absehen, wenn ein oder mehrere Besondere Auslöseereignisse eingetreten sind und nicht zugleich ein Auslöseereignis nach (i) oder (ii) der Definition dieses Begriffs eingetreten ist, und die Zuständige Aufsichtsbehörde sich ausnahmsweise damit einverstanden erklärt, von einer Herabschreibung abzusehen, wobei dies zumindest voraussetzt, dass ihr die beiden folgenden Informationen vorliegen:

- (1) Projektionen, welche die Emittentin der Zuständigen Aufsichtsbehörde bei Übermittlung des in Umsetzung von Artikel 138 Absatz 2 der Richtlinie 2009/138/EG nach nationalem Recht verlangten Sanierungsplans vorlegt, aus denen hervorgeht, dass eine Herabschreibung in diesem Fall mit großer Wahrscheinlichkeit eine Steuerschuld nach sich zöge, welche die Solvabilität der Emittentin oder der Gruppe schwer beeinträchtigen würde; und
- (2) eine Bescheinigung der bestellten Abschlussprüfer der Emittentin, wonach alle den Projektionen zugrunde liegenden Annahmen realistisch sind.

Die Emittentin hat einen etwaigen Antrag auf eine aufsichtliche Aussetzung der Herabschreibung bereits unmittelbar nach Feststellung einer Nichteinhaltung der Solvenzkapitalanforderung (auf

each subsequent deterioration of the relevant Regulatory Ratio(s) until the Issuer has re-established compliance with the relevant Regulatory Ratio(s) or the nominal amount of each Note is fully written-down.

(iv) *Prudential Waiver of the Write-down (Waiver)*. The Issuer is further allowed to refrain from effecting a write-down if one or more Special Trigger Events have occurred and, at the same time, no Trigger Event according to (i) or (ii) of the definition thereof has occurred and the Competent Supervisory Authority has, by way of exception, declared its consent to the waiver of the write-down, which requires that at least the following information must be available to the Competent Supervisory Authority:

- (1) projections, which the Issuer submits to the Competent Supervisory Authority when submitting the recovery plan required by Article 138 (2) of the Directive 2009/138/EC, as implemented in national law, stating that a write-down in that case would be very likely to give rise to a tax liability that would have a significantly adverse effect on the Issuer's or the Group's solvency position; and
- (2) a certificate issued by the Issuer's appointed auditor certifying that all of the assumptions used in the projections are realistic.

The Issuer shall prepare the application (if any) for the prudential waiver of the write-down immediately upon determination of any non-compliance with the solvency capital requirement (on an

individueller und/oder konsolidierter Basis) und vor Eintritt des Besonderen Auslöseereignisses vorzubereiten und frühestmöglich (aber nicht später als nach den Anwendbaren Aufsichtsrechtlichen Anforderungen zulässig) bei der Zuständigen Aufsichtsbehörde einzureichen.

(c) Im Falle der Feststellung des Eintritts eines Auslöseereignisses oder eines Verschlechterungsereignisses wird die Emittentin

(i) unverzüglich, spätestens jedoch innerhalb von fünf Geschäftstagen die Zuständige Aufsichtsbehörde sowie die Gläubiger gemäß § 12 (1) über den Eintritt des Auslöseereignisses bzw. Verschlechterungsereignisses sowie den Umstand, dass ggf. eine (vollständige oder teilweise) Herabschreibung vorzunehmen ist, informieren; und

(ii) unverzüglich, spätestens jedoch innerhalb von fünf Geschäftstagen nach Vorliegen der notwendigen Informationen und Voraussetzungen für die Bestimmung des Betrags der Herabschreibung den Betrag der Herabschreibung je Schuldverschreibung nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Anforderungen und den daraus resultierenden neuen aktuellen Nennbetrag bestimmen und (i) der Zuständigen Aufsichtsbehörde, (ii) den Gläubigern gemäß § 12 (1), (iii) der Berechnungsstelle und der Zahlstelle sowie (iv) jeder Börse, an der die betreffenden Schuldverschreibungen auf Veranlassung der Emittentin zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, mitteilen bzw. (bei Vorliegen der entsprechenden Voraussetzungen nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Anforderungen) den unter (i)-(iv) bezeichneten Stellen mitteilen, dass von einer Herabschreibung abgesehen wird.

individual and/or consolidated basis) and prior to the occurrence of the Special Trigger Event and shall file it with the Competent Supervisory Authority as early as possible (but no later than permissible under the Applicable Supervisory Requirements).

(c) Upon determination of the occurrence of a Trigger Event or of a Deterioration Event, the Issuer shall

(i) without undue delay (*unverzüglich*), but no later than within five Business Days, inform the Competent Supervisory Authority and the Holders in accordance with § 12 (1) of the occurrence of the Trigger Event or the Deterioration Event and the fact that, if any, a (full or partial) write-down may be necessary; and

(ii) without undue delay (*unverzüglich*), but no later than five Business Days after the necessary information is available and the conditions for the determination of the amount of the write-down are met, determine the amount of the write-down per Note in accordance with the Applicable Supervisory Requirements and the resulting new current nominal amount and so notify (i) the Competent Supervisory Authority, (ii) the Holders in accordance with § 12 (1), (iii) the Calculation Agent and the Paying Agent and (iv), if required by the rules of any stock exchange on which the Notes are listed from time to time at the request of the Issuer, such stock exchange, or (if the relevant conditions under the Applicable Supervisory Requirements are met) notify the persons listed in (i)-(iv) that no write-down will be effected.

Sofern nach den zum jeweiligen Zeitpunkt für die Anerkennung von Restricted Tier 1 Instrumenten zu erfüllenden Voraussetzungen gemäß den Anwendbaren Aufsichtsrechtlichen Anforderungen eine frühere Bestimmung des Betrags der Herabschreibung erforderlich ist oder die Zuständige Aufsichtsbehörde eine frühere Bestimmung verlangt, erfolgt die Bestimmung entsprechend diesen Anforderungen bzw. diesem Verlangen früher.

Die Mitteilung des geänderten Zinsbetrags gemäß § 3 (4) wird nicht durch Mitteilungen nach diesem § 4 (8) (c) ersetzt.

(d) Die Herabschreibung erfolgt mit der Bestimmung des Herabschreibungsbetrags durch die Emittentin oder (falls anwendbar) die Zuständige Aufsichtsbehörde in der Höhe des von der Emittentin bzw. der Zuständigen Aufsichtsbehörde festgestellten Betrags, und der aktuelle Nennbetrag jeder noch ausstehenden Schuldverschreibung ist ab diesem Zeitpunkt auf den so bestimmten neuen aktuellen Nennbetrag reduziert. Ein Unterlassen der Mitteilungen nach § 4 (8) (c) berührt nicht die Wirksamkeit einer Herabschreibung. Eine nicht erfolgte Mitteilung ist jeweils unverzüglich nachzuholen. Ein Unterlassen der Mitteilungen berechtigt die Gläubiger jedoch in keinem Fall zur Kündigung der Schuldverschreibungen und stellt keinen Ausfall der Emittentin dar.

(e) Soweit die Schuldverschreibungen nicht bereits vollständig herabgeschrieben sind, können weitere Herabschreibungen zu einem späteren Zeitpunkt erfolgen, wenn und soweit – bei Vorliegen der übrigen Voraussetzungen – ein weiteres Auslöseereignis oder Verschlechterungsereignis eingetreten ist.

(f) Die Umkehr einer Herabschreibung erfolgt ausschließlich im Rahmen einer Hochschreibung gemäß § 4 (9).

(9) *Hochschreibung.*

(a) Nach der Vornahme einer Herabschreibung nach § 4 (8) kann der aktuelle Nennbetrag jeder

If the requirements for the recognition of Restricted Tier 1 Instruments pursuant to the Applicable Supervisory Requirements at the relevant time require an earlier determination of the amount of the write-down or the Competent Supervisory Authority requires such earlier determination, the determination shall, according to these requirements or this request, be effected earlier.

The notifications pursuant to this § 4 (8) (c) do not replace the notification of the amended Interest Amount pursuant to § 3 (4).

(d) The write-down is effected upon the determination of the write-down amount by the Issuer or (if applicable) by the Competent Supervisory Authority, in an amount as determined by the Issuer or the Competent Supervisory Authority and, as of that point in time, the current nominal amount of each outstanding Note is reduced to the new current nominal amount so determined. Any failure to give the notices pursuant to § 4 (8) (c) shall not affect the validity of the write-down. Any notice that has not been given shall be subsequently given without undue delay (*unverzüglich*). For any purpose, any failure to give such notice shall not entitle the Holders to require the redemption of the Notes and shall not constitute an event of default of the Issuer.

(e) To the extent the Notes are not already fully written down, further write-downs can be effected at a later date, if and to the extent a further Trigger Event or a further Deterioration Event occurs – provided that the other relevant requirements are met.

(f) A reversal of any write-down shall only be effected by way of a write-up in accordance with § 4 (9).

(9) *Write-up.*

(a) After a write-down has been effected in accordance with § 4 (8), the current nominal

ausstehenden Schuldverschreibung in jedem der Herabschreibung nachfolgenden Geschäftsjahr der Emittentin in einem oder in mehreren Schritten nach Maßgabe der Bestimmungen in § 4 (9) (b) bis zur vollständigen Höhe ihres Referenznennbetrags (wie in § 4 (9) (d) definiert) hochgeschrieben werden.

- (b) Wenn und soweit die Emittentin an dem fünften Geschäftstag vor einem Zinszahlungstag feststellt, dass nach Maßgabe der für die Anerkennung von Restricted Tier 1 Instrumenten zu erfüllenden Voraussetzungen gemäß den Anwendbaren Aufsichtsrechtlichen Anforderungen eine Hochschreibung mit Wirkung zu diesem Zinszahlungstag zulässig ist, kann sie im freien Ermessen entscheiden, eine solche Hochschreibung vorzunehmen.

Am Tag der Begebung der Schuldverschreibungen setzt die Hochschreibung nach den Anwendbaren Aufsichtsrechtlichen Anforderungen insbesondere voraus, dass

- (i) jede Regulatorische Quote höher als 100 % ist, die Hochschreibung nicht zu einem Absinken einer Regulatorischen Quote auf 100 % oder weniger führt und keine der Regulatorischen Quoten innerhalb der nächsten drei Monate ab Hochschreibung auf 100 % oder weniger abzusinken droht;
- (ii) eine Hochschreibung auf Basis des im Rahmen einer *pro forma*-Rechnung (ggf. auf Grundlage des aufgestellten Jahresabschlusses) zu ermittelnden Jahresüberschuss der Emittentin des letzten abgeschlossenen Geschäftsjahres möglich wäre und sich keine der Regulatorischen Quoten in dem letzten abgeschlossenen Geschäftsjahr auf 100 % oder weniger belaufen hat;
- (iii) die Hochschreibung in einer Weise durchgeführt wird, die den Verlustausgleich gemäß Artikel 71 Absatz 5 Delegierte Verordnung nicht beeinträchtigt;
- (iv) die Hochschreibung nicht zu

amount of each Note outstanding may be written up in one or more steps in accordance with the provisions of § 4 (9) (b) in each financial year of the Issuer following the occurrence of such write-down until its full Reference Nominal Amount (as defined in § 4 (9) (d)) has been restored.

- (b) The Issuer may elect in its sole discretion to effect a write-up if and to the extent that the Issuer determines on the fifth Business Day prior to an Interest Payment Date that, in accordance with the requirements for recognition of Restricted Tier 1 Instruments, a write-up is permitted with effect as of that Interest Payment Date under the Applicable Supervisory Requirements.

On the date of issue of the Notes, a write-up requires pursuant to the Applicable Supervisory Requirements in particular that

- (i) each Regulatory Ratio is higher than 100 %, the write-up would not cause any Regulatory Ratio to decline to 100 % or less and there is no imminent risk that any Regulatory Ratio declines to 100 % or less within the next three months after the write-up;
- (ii) a write-up would be possible on the basis of the net income (*Jahresüberschuss*) of the Issuer of the immediately preceding financial year to be determined on the basis of a *pro forma* calculation (which may be based on the prepared annual financial statements (*aufgestellter Jahresabschluss*)) and no Regulatory Ratio was 100 % or less during the immediately preceding financial year;
- (iii) the write-up is implemented in a manner that does not undermine the loss absorbency pursuant to Article 71 (5) of the Delegated Regulation;
- (iv) the write-up would not cause a hindrance to

Rekapitalisierungshindernissen im Hinblick auf die Emittentin und/oder die Gruppe führt; und

- (v) kein Insolvenz- oder Liquidationsverfahren über die Emittentin eingeleitet wurde, das noch andauert.

Die Hochschreibung erfolgt vorbehaltlich etwaiger bereits übernommener vertraglicher Einschränkungen unter gleichrangiger Verwendung der hierfür vorgesehenen Beträge mit der Hochschreibung anderer Restricted Tier 1 Instrumente der Emittentin, die eine Hochschreibung vorsehen und bei denen die Voraussetzungen einer Hochschreibung erfüllt sind.

- (c) Wenn sich die Emittentin (ggf. nach einer vorherigen Abstimmung mit der Zuständigen Aufsichtsbehörde) für die Vornahme einer Hochschreibung gemäß § 4 (9) (b) entscheidet, wird sie unverzüglich gemäß § 12 (1) die Gläubiger, die Zuständige Aufsichtsbehörde, die Berechnungsstelle, die Zahlstelle sowie jede Börse, an der die betreffenden Schuldverschreibungen auf Veranlassung der Emittentin zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, von der Vornahme der Hochschreibung (einschließlich des Hochschreibungsbetrags als Prozentsatz des Referenznennbetrags je Schuldverschreibung, des neuen aktuellen Nennbetrags je Schuldverschreibung und des Zinszahlungstages, an dem die Hochschreibung wirksam werden soll (jeweils ein "**Hochschreibungstag**")) unterrichten. Die Hochschreibung gilt mit Wirkung ab dem in der Mitteilung nach diesem Absatz (c) bezeichneten Hochschreibungstag als vorgenommen und der jeweilige aktuelle Nennbetrag jeder Schuldverschreibung wird um den in der Mitteilung angegebenen Betrag auf den neuen aktuellen Nennbetrag erhöht.
- (d) Wurde der Nennbetrag ganz oder teilweise herabgeschrieben und innerhalb von 10 Jahren nach der zuletzt erfolgten Herabschreibung nicht

recapitalization in respect of the Issuer and/or the Group; and

- (v) no Insolvency or Liquidation Proceedings have been initiated against the Issuer that are still ongoing.

Subject to any existing contractual restrictions, the write-up shall be effected using the amounts designated therefor on a *pari passu* basis with the write-up of other Restricted Tier 1 Instruments of the Issuer which provide for a write-up and for which the conditions for a write-up are fulfilled.

- (c) If the Issuer (if required, after prior consultation with the Competent Supervisory Authority) elects to effect a write-up pursuant to § 4 (9) (b), it shall notify the Holders, the Competent Supervisory Authority, the Calculation Agent, the Paying Agent, and, if required by the rules of any stock exchange on which the Notes are listed from time to time at the request of the Issuer, such stock exchange of the write up (such notice shall specify the amount of the write-up as a percentage of the Reference Nominal Amount per Note, the new current nominal amount per Note and the Interest Payment Date, upon which the write-up is to become effective (in each case, a "**Write-up Date**")) without undue delay (*unverzüglich*) in accordance with § 12 (1). The write-up shall be deemed to be made with effect from the Write-up Date specified in the notice given in accordance with this paragraph (c) and the current nominal amount of each Note shall be increased by the amount stated in this notice to the new current nominal amount.
- (d) If the nominal amount was written down in full or in part and has not been written up to the then prevailing Reference Nominal Amount in full

vollständig auf den dann geltenden Referenznennbetrag hochgeschrieben, wird der Referenznennbetrag jeder Schuldverschreibung mit Wirkung zum zehnten Jahrestag der zuletzt erfolgten Herabschreibung auf den betreffenden aktuellen Nennbetrag jeder Schuldverschreibung vermindert. Hat sich der Referenznennbetrag nach dieser Bestimmung vermindert, wird die Emittentin dies den Gläubigern gemäß § 12 (1) mitteilen; ein Unterlassen dieser Mitteilung stellt jedoch in keinem Fall eine Pflichtverletzung dar.

"**Referenznennbetrag**" bezeichnet in Bezug auf jede Schuldverschreibung: (i) am Tag der Begebung und solange der Referenznennbetrag nicht nach diesem § 4 (9) (d) vermindert wurde, den Ursprünglichen Nennbetrag dieser Schuldverschreibung und (ii) anschließend ihren nach diesem § 4 (9) (d) verminderten Referenznennbetrag. Eine Schuldverschreibung, die zuvor herabgeschrieben wurde, kann jeweils höchstens auf einen Nennbetrag hochgeschrieben werden, der dem dann geltenden Referenznennbetrag entspricht.

§ 5

Zahlungen

- (1) *Zahlungen von Kapital und Zinsen.*
- (a) *Zahlungen auf Kapital.* Zahlungen auf Kapital in Bezug auf die Schuldverschreibungen erfolgen nach Maßgabe von § 5 (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems außerhalb der Vereinigten Staaten.
- (b) *Zahlung von Zinsen.* Die Zahlung von Zinsen auf die Schuldverschreibungen erfolgt nach Maßgabe von § 5 (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.
- (2) *Zahlungsweise.* Sämtliche auf die Schuldverschreibungen zu leistenden Zahlungen werden in der Festgelegten Währung geleistet. Den Gläubigern werden keine Kosten oder Gebühren in Bezug auf diese Zahlungen auferlegt. Sämtliche Zahlungen stehen unter dem

within ten years after the last write-down, then the Reference Nominal Amount of each Note shall be reduced to the current nominal amount of each Note as of the tenth anniversary of the last write-down. Upon a reduction of the Reference Nominal Amount in accordance with this provision, the Issuer will notify the Holders in accordance with § 12 (1); however, any failure to give such notice shall not constitute a default for any purpose.

"**Reference Nominal Amount**" means, with respect to each Note: (i) at the issue date and for so long as the Reference Nominal Amount has not been reduced pursuant to this § 4 (9) (d), the Initial Nominal Amount of such Note and (ii) thereafter, the Reference Nominal Amount of such Note as reduced pursuant to this § 4 (9) (d). A Note that was previously written down can, at any time, only be written up to a maximum nominal amount equal to its then prevailing Reference Nominal Amount.

§ 5

Payments

- (1) *Payments of Principal and Interest.*
- (a) *Payments of Principal.* Payment of principal in respect of the Notes shall be made, subject to § 5 (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System outside the United States.
- (b) *Payment of Interest.* Payment of Interest on the Notes shall be made, subject to § 5 (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.
- (2) *Manner of Payment.* Payments of any amounts due in respect of the Notes shall be made in the Specified Currency. No commission or expenses shall be charged to the Holders in respect of such payments. All payments are subject to all applicable fiscal and other laws, directives and

Vorbehalt geltender steuerlicher und sonstiger gesetzlicher Vorschriften, Richtlinien und Verordnungen oder Verträge, denen sich die Emittentin oder eine Zahlstelle unterworfen haben. Vorbehaltlich § 7 ist die Emittentin nicht verpflichtet, Zusätzliche Beträge (wie in § 7 definiert) 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 Gläubiger zu zahlen.

(3) *Vereinigte Staaten.* Für die Zwecke des § 5 (1) bezeichnet "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des District of Columbia) sowie deren Territorien (einschließlich Puerto Rico, der Amerikanischen Jungferninseln (*U.S. Virgin Islands*), Guam, Amerikanisch-Samoa, Wake Island und der Nördlichen Marianen (*Northern Mariana Islands*)).

(4) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(5) *Geschäftstagekonvention.* Ist der Fälligkeitstag für eine Zahlung von Kapital oder Zinsen kein Geschäftstag, wird der Fälligkeitstag auf den nächsten Tag verschoben, der ein Geschäftstag ist. Für eine solche Zahlungsverzögerung werden keine weiteren Zinsen gezahlt.

"**Geschäftstag**" bezeichnet einen Tag, an dem das Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET2) betriebsbereit ist und das Clearing-System Zahlungen in EUR abwickelt.

(6) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, den Rückzahlungsbetrag der Schuldverschreibungen sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbare Beträge ein. Bezugnahmen in diesen Anleihebedingungen auf Zinsen auf die Schuldverschreibungen schließen alle Beträge,

regulations or agreements to which the Issuer or any Paying Agent have agreed to be subject to. Without prejudice to the provisions of § 7, the Issuer will not be obliged to pay to the Holders any Additional Amounts (as defined in § 7) as compensation for any taxes or duties of whatever nature imposed or levied by such fiscal and other laws, regulations, directives or agreements.

(3) *United States.* For the purposes of § 5 (1), "**United States**" means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

(4) *Discharge.* The Issuer will be discharged from its duty of payment by making payment to, or to the order of, the Clearing System.

(5) *Business Day Convention.* If any due date for payment of principal or interest is not a Business Day, it will be postponed to the next day which is a Business Day. No further interest shall be paid in respect of the delay in such payment.

"**Business Day**" means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET2) is operational and the Clearing System settles payments in EUR.

(6) *References to Principal and Interest.* Any reference in these Terms and Conditions to principal will include, as applicable, the Redemption Amount of the Notes and any other amounts payable in respect of the Notes. Any reference in these Terms and Conditions to interest in respect of the Notes will include all amounts payable pursuant to § 3 and, if applicable, the Additional Amounts which may

die gemäß § 3 zahlbar sind, sowie gegebenenfalls sämtliche gemäß § 7 zahlbaren Zusätzlichen Beträge ein.

- (7) *Hinterlegung von Kapital und Zinsen.* Die Emittentin ist berechtigt, beim Amtsgericht München Zins- oder Kapitalbeträge zu hinterlegen, die von den Gläubigern nicht innerhalb von zwölf Monaten nach dem Fälligkeitstag beansprucht worden sind, auch wenn die Gläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt und auf das Recht der Rücknahme verzichtet wird, erlöschen die jeweiligen Ansprüche der Gläubiger gegen die Emittentin.

§ 6

Die Hauptzahlstelle, weitere Zahlstellen und die Berechnungsstelle

- (1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Hauptzahlstelle (die "**Hauptzahlstelle**"), die anfänglich bestellte Berechnungsstelle (die "**Berechnungsstelle**") und deren jeweilige anfänglich bezeichneten Geschäftsstellen lauten wie folgt:

Hauptzahlstelle:

Deutsche Bank
Taunusanlage 12
60325 Frankfurt am Main

Berechnungsstelle:

Deutsche Bank
Taunusanlage 12
60325 Frankfurt am Main

Die Hauptzahlstelle, etwaige Zahlstellen und die Berechnungsstelle behalten sich das Recht vor, jederzeit anstelle ihrer jeweils benannten Geschäftsstellen eine andere Geschäftsstelle in demselben Land zu bestimmen.

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

be payable under § 7.

- (7) *Deposit of Principal and Interest.* The Issuer may deposit with the local court (*Amtsgericht*) in Munich principal or interest not claimed by Holders within twelve months after the due date, even though such Holders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Holders against the Issuer shall cease.

§ 6

The Principal Paying Agent, additional Paying Agents and the Calculation Agent

- (1) *Appointment; Specified Office.* The initial principal paying agent (the "**Principal Paying Agent**") and the initial calculation agent (the "**Calculation Agent**") and their respective initial specified offices are:

Principal Paying Agent:

Deutsche Bank
Taunusanlage 12
60325 Frankfurt am Main

Calculation Agent:

Deutsche Bank
Taunusanlage 12
60325 Frankfurt am Main

The Principal Paying Agent, any Paying Agent and the Calculation Agent reserve the right at any time to determine, instead of their respective specified offices, another office in the same country.

- (2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to appoint additional paying agents (together with the Principal Paying Agent, the "**Paying Agents**" and each a "**Paying Agent**"). The Issuer further reserves the right at any time to vary or terminate

Hauptzahlstelle, anderer Zahlstellen und der Berechnungsstelle jederzeit anders zu regeln oder zu beenden.

Die Emittentin wird sicherstellen, dass jederzeit (i) 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. Bekanntmachungen hinsichtlich aller Veränderungen im Hinblick auf eine Zahlstelle und die Berechnungsstelle erfolgen unverzüglich durch die Emittentin gemäß § 12.

- (3) *Beauftragte der Emittentin.* Die Zahlstelle(n) und die Berechnungsstelle handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber dem Gläubiger; es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und dem Gläubiger begründet.
- (4) Wenn die Emittentin gemäß diesen Anleihebedingungen einen Unabhängigen Berater bestellt, dann ist § 6 (3) entsprechend auf den Unabhängigen Berater anzuwenden.

§ 7 Steuern

Sämtliche auf die Schuldverschreibungen zu zahlenden Beträge sind ohne Einbehalt oder Abzug von oder aufgrund von gegenwärtigen oder zukünftigen Steuern oder sonstigen Abgaben gleich welcher Art zu leisten, die von oder in dem Staat, in dem die Emittentin steuerlich ansässig ist, oder von einer seiner Gebietskörperschaften oder einer seiner zur Erhebung von Steuern berechtigten Behörden oder sonstigen Stellen auferlegt, eingezogen, einbehalten, festgesetzt oder erhoben werden, es sei denn, dieser Einbehalt oder Abzug ist gesetzlich vorgeschrieben. Im Fall des Einhalts oder Abzugs in Bezug auf Zinszahlungen (nicht jedoch Zahlungen auf Kapital) wird die Emittentin (vorbehaltlich § 3 (8)) diejenigen zusätzlichen Beträge

the appointment of the Principal Paying Agent, other Paying Agents and the Calculation Agent.

The Issuer will ensure that (i) a Calculation Agent (ii) a Paying Agent with an 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, are determined at all times. Notices of all changes with respect to any Paying Agent and the Calculation Agent will be given promptly by the Issuer in accordance with § 12.

- (3) *Agents of the Issuer.* The Paying Agent(s) and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards the Holder; no relationship of agency or trust is established between these agents and the Holder.
- (4) If the Issuer appoints an Independent Adviser in accordance with these Terms and Conditions, § 6 (3) shall apply *mutatis mutandis* to the Independent Adviser.

§ 7 Taxes

All amounts payable in respect of the Notes shall be paid without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed, levied, collected, withheld, assessed, or charged by way of withholding or deduction by or in the country in which the Issuer is tax resident or any of its local authorities, tax authorities or other bodies entitled to charge taxes, unless such withholding or deduction is required by law. In the event of such withholding or deduction on payments of interest (but not in respect of the payment of any principal), the Issuer shall (subject to § 3 (8)) pay such additional amounts ("**Additional Amounts**") as shall be necessary in order that the net amounts received by the Holders, after such withholding

(die "**Zusätzlichen Beträge**") zahlen, die erforderlich sind, damit die den Gläubigern zufließenden Nettobeträge nach diesem Einbehalt oder Abzug jeweils den Beträgen entsprechen, die die Gläubiger ohne einen solchen Einbehalt oder Abzug erhalten hätten; die Verpflichtung zur Zahlung solcher Zusätzlichen Beträge besteht jedoch nicht im Hinblick auf Steuern und Abgaben,

(a) die wegen einer Verbindung des betreffenden Gläubigers 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 Gläubiger durch Vorlage eines Formulars oder einer Bescheinigung und/oder durch Abgabe einer Nichtansässigkeitsklärung 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; oder

(d) die anders als durch Einbehalt oder Abzug durch die Emittentin oder die Zahlstelle erhoben werden; oder

(e) die Nachlass-, Erbschafts-, Schenkungs-, Umsatz-, Verbrauchs-, Verkehrs-, Vermögens-, Sach- oder ähnliche Steuern oder Abgaben sind; oder

(f) im Fall eines Gläubigers, der nicht der alleinige Berechtigte (*beneficial owner*) der jeweiligen

or deduction, shall equal the respective amounts which would otherwise have been receivable by the Holders in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable on account of any taxes or duties:

(a) which are to be withheld or deducted by reason of the relevant Holder 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 Holder 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 has failed 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 such Directive, Regulation, treaty, agreement or understanding; or

(d) which are imposed other than by withholding or deduction by the Issuer or the Paying Agent; or

(e) which are estate, inheritance, gift, sales, excise, transfer, wealth, personal property or similar taxes or duties; or

(f) with respect to any Holder that is not the sole beneficial owner of the relevant Note, or that is a

Schuldverschreibung ist oder der ein Treuhänder oder eine Personengesellschaft ist, jedoch nur soweit der Berechtigte (*beneficial owner*), ein Begünstigter oder ein Treugeber des Treuhänders oder ein Gesellschafter der Personengesellschaft keinen Anspruch auf die Zahlung der Zusätzlichen Beträge gehabt hätte, wenn der jeweilige Berechtigte (*beneficial owner*), Begünstigte, Treugeber oder Gesellschafter unmittelbar seinen wirtschaftlichen (*beneficial interest*) oder verteilungsfähigen (*distributive*) Anteil an der Zahlung erhalten hätte; oder

(g) im Falle einer Kombination der vorgenannten Varianten.

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

fiduciary or partnership, but only to the extent that the beneficial owner, a beneficiary or settlor with respect to the fiduciary, or a member of the partnership would not have been entitled to the payment of an Additional Amount had such beneficial owner, beneficiary, settlor or member received directly its beneficial interest or distributive share of the payment; or

(g) in the case of any combination of the above items.

The Issuer will not have any obligation to pay additional amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party in relation to any withholding or deduction of any amounts pursuant to the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (as amended from time to time, or pursuant to any successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA Withholding**"), or to otherwise indemnify any Holder in relation to any FATCA Withholding.

§ 8

Vorlegungsfrist, Verjährung

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf 10 Jahre verkürzt. Die Verjährungsfrist für Ansprüche aus den Schuldverschreibungen, die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre von dem Ende der Vorlegungsfrist an.

§ 9

Änderung der Anleihebedingungen, Gemeinsamer Vertreter

(1) *Änderung der Anleihebedingungen.* Die Gläubiger können, vorbehaltlich der Einhaltung der aufsichtsrechtlichen Voraussetzungen für die Anerkennung der Schuldverschreibungen als Tier 1 Eigenmittelbestandteile und (falls nach den Anwendbaren Aufsichtsrechtlichen Anforderungen erforderlich) der Zustimmung der Zuständigen Aufsichtsbehörde, entsprechend den Bestimmungen des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz – "**SchVG**") durch einen Beschluss mit der in § 9 (2) bestimmten Mehrheit über einen im SchVG zugelassenen Gegenstand eine Änderung der Anleihebedingungen mit der Emittentin vereinbaren. Die Emittentin wird die Zuständige Aufsichtsbehörde vor Durchführung der Abstimmung von den zur Abstimmung vorzulegenden Änderungen der Anleihebedingungen unterrichten. Zur Klarstellung: Die Anleihebedingungen können nicht ohne Zustimmung der Emittentin geändert werden.

Die Mehrheitsbeschlüsse der Gläubiger sind für alle Gläubiger gleichermaßen verbindlich. Ein Mehrheitsbeschluss der Gläubiger, der nicht gleiche Bedingungen für alle Gläubiger vorsieht, ist unwirksam, es sei denn, die benachteiligten Gläubiger stimmen ihrer Benachteiligung ausdrücklich zu.

§ 8

Term of presentation, Prescription

The presentation period provided in § 801 (1) sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch – BGB*) is reduced to 10 years for the Notes. The period for prescription for claims under the Notes presented for payment during the presentation period shall be two years beginning at the end of the relevant presentation period.

§ 9

Amendments to the Terms and Conditions, Joint Representative

(1) *Amendment to the Terms and Conditions.* In accordance with the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – "SchVG"*), the Holders may, subject to compliance with the requirements of regulatory law for the recognition of the Notes as Tier 1 Own-Fund Items and (if necessary under Applicable Supervisory Requirements) the permission of the Competent Supervisory Authority, agree with the Issuer on amendments to the Terms and Conditions with regard to matters permitted by the SchVG by resolution with the majority specified in § 9 (2). The Issuer will notify the Competent Supervisory Authority of amendments to the Terms and Conditions to be submitted for voting prior to the voting. For the avoidance of doubt, the Terms and Conditions may not be amended without the consent of the Issuer.

Majority resolutions of the Holders shall be equally binding on all Holders. A majority resolution of the Holders which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to being treated disadvantageously.

- (2) *Mehrheitserfordernisse.* Die Gläubiger entscheiden mit einer Mehrheit von 75 % der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen nicht geändert wird und die keinen Gegenstand des § 5 Absatz 3 Nr. 1 bis Nr. 9 SchVG betreffen, bedürfen zu ihrer Wirksamkeit einer einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte.
- (2) *Majority.* Resolutions shall be passed by a majority of not less than 75 % of the voting rights participating in the voting. Resolutions relating to amendments to the Terms and Conditions which are not material and which do not relate to the matters listed in § 5 (3) nos. 1 to 9 SchVG require a simple majority of the voting rights participating in the vote to be effective.
- (3) *Abstimmung ohne Versammlung.* Alle Abstimmungen werden ausschließlich im Wege der Abstimmung ohne Versammlung durchgeführt. Eine Gläubigerversammlung und eine Übernahme der Kosten für eine solche Versammlung durch die Emittentin findet ausschließlich im Fall des § 18 Absatz 4 Satz 2 SchVG statt.
- (3) *Vote Without a Meeting.* All votes will be made exclusively by vote taken without a meeting. A meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances of § 18 (4) sentence 2 SchVG.
- (4) *Leitung der Abstimmung.* Die Abstimmung wird von einem von der Emittentin beauftragten Notar oder, falls der gemeinsame Vertreter der Gläubiger zur Abstimmung aufgefordert hat, vom gemeinsamen Vertreter geleitet.
- (4) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Holders' joint representative has convened the vote, by the joint representative.
- (5) *Stimmrecht.* An Abstimmungen der Gläubiger nimmt jeder Gläubiger nach Maßgabe des aktuellen Nennbetrags oder des rechnerischen Anteils seiner Berechtigung an den ausstehenden Schuldverschreibungen teil. Das Stimmrecht ruht, solange die Schuldverschreibungen der Emittentin oder einem mit ihr verbundenen Unternehmen (im Sinne von § 271 Absatz 2 HGB) zustehen oder für Rechnung der Emittentin oder eines mit ihr verbundenen Unternehmen gehalten werden. Für den Nachweis der Berechtigung zur Teilnahme an der Abstimmung reicht ein auf den Tag der Abstimmung datierter, in Textform erstellter besonderer Nachweis der Depotbank des jeweiligen Gläubigers gemäß § 14 (3) aus. Kann nur ein auf einen früheren Tag datierter Nachweis beigebracht werden, ist zusätzlich zu einem solchen Nachweis die Vorlage eines Sperrvermerks der Depotbank des jeweiligen Gläubigers erforderlich, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum ab dem Datum der Bestätigung bis zum Zeitpunkt der
- (5) *Voting Right.* Each Holder participating in any vote shall cast votes in accordance with the current nominal amount or the notional share of its entitlement to the outstanding Notes. The voting right is suspended as long as the Notes are attributable to the Issuer or an affiliate (within the meaning of § 271 (2) German Commercial Code) or are held for the account of the Issuer or an affiliate. Special confirmation in text form dated the date of the vote from the Custodian of the relevant Holder is sufficient evidence in accordance with § 14 (3) of the eligibility to participate in such vote. If such a confirmation can only be provided dated on an earlier date, then, in addition to such confirmation, a blocking instruction from the Custodian of the relevant Holder is required, which evidences that the relevant Notes are not able to be transferred during the period from the date of such confirmation until the time of the vote.

Stimmabgabe nicht übertragen werden können.

(6) *Gemeinsamer Vertreter.*

Die Gläubiger können durch Mehrheitsbeschluss zur Wahrnehmung ihrer Rechte einen gemeinsamen Vertreter für alle Gläubiger bestellen.

Ist der gemeinsame Vertreter zur Beschlussfassung zu Änderungen berechtigt, die einer qualifizierten Mehrheit nach § 9 (2) bedürfen, bedarf die Bestellung des gemeinsamen Vertreters derselben qualifizierten Mehrheit.

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

§ 10

Ersetzung der Emittentin

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Gläubiger eine andere Gesellschaft, 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 ("**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

(6) *Joint Representative.*

The Holders may by majority resolution appoint a joint representative to exercise the Holders' rights on behalf of each Holder.

If the joint representative is authorized to resolve on a change that requires a qualified majority pursuant to § 9 (2), the appointment of the joint representative also requires such qualified majority.

The joint representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The joint representative shall comply with the instructions of the Holders. To the extent that the joint representative has been authorized to assert certain rights of the Holders, the Holders 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 Holders on its activities. The regulations of the SchVG apply with regard to the removal and the other rights and obligations of the joint representative.

§ 10

Substitution of the Issuer

(1) *Substitution.* The Issuer may at any time, without the consent of the Holders, substitute for the Issuer any other company 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,

Deutschland erfolgen müsste, einen Zustellungsbevollmächtigten in der Bundesrepublik Deutschland bestellt;

(ii) die Neue Emittentin in der Lage ist, sämtliche Beträge in der Festgelegten Währung an das Clearingsystem oder die Zahlstelle(n) zu zahlen, die zur Erfüllung aus oder im Zusammenhang mit den Schuldverschreibungen bestehenden Zahlungsverpflichtungen zu zahlen sind, 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 steuerlich ansässig ist, auferlegt, eingezogen, einbehalten, festgesetzt oder erhoben werden;

(iii) die Emittentin unwiderruflich die Verpflichtungen der Neuen Emittentin aus den Schuldverschreibungen zu Bedingungen garantiert, die sicherstellen, dass vorbehaltlich der Regelungen dieses § 10 jeder Gläubiger wirtschaftlich so gestellt wird, wie er ohne die Ersetzung stehen würde;

(iv) die Ersetzung nicht zu dem Eintreten eines Rechts der Neuen Emittentin zur Rückzahlung der Schuldverschreibungen gemäß § 4 (3) (a) führt;

(v) die Rückzahlungsbedingungen, die für die Ersetzung entsprechende Anwendung finden, zum Zeitpunkt der Ersetzung erfüllt sind; und

(vi) die Ersetzung im Einklang mit den Anwendbaren Aufsichtsrechtlichen Anforderungen erfolgt.

(2) *Bezugnahmen.* Im Fall einer Ersetzung der Emittentin gemäß § 10 (1) 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

appoints a process agent within the Federal Republic of Germany;

(ii) the New Issuer is in the position to pay to the Clearing System or the Paying Agent(s) all amounts in the Specified Currency required for the performance of the payment obligations arising from or in connection with the Notes, without deducting or withholding any taxes or other duties of whatever nature imposed, levied, collected, withheld, assessed or charged by the country (or countries) in which the New Issuer has its domicile for tax purposes;

(iii) 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 § 10, each Holder will be placed in the position which the Holder would be in financially if the substitution had not taken place;

(iv) the substitution would not result in a right of the New Issuer to redeem the Notes in accordance with § 4 (3) (a);

(v) the Conditions to Redemption, which shall apply *mutatis mutandis* to the substitution, are fulfilled at the time of the substitution; and

(vi) the substitution is made in accordance with the Applicable Supervisory Requirements.

(2) *References.* In the event of a substitution of the Issuer pursuant to § 10 (1), 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 does not require that the

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, das Insolvenzereignis, das Ratingagenturereignis und § 11 (2)), oder dass die Bezugnahme auf die Neue Emittentin und gleichzeitig auch auf die Allianz SE, im Hinblick auf deren jeweilige steuerliche Ansässigkeit und die Verpflichtungen aus der Garantie gemäß § 10 (1) (iii), erfolgen soll (z. B. Steuerereignis).

- (3) *Bekanntmachung und Wirksamwerden der Ersetzung.* Die Ersetzung der Emittentin ist den Gläubigern gemäß § 12 bekanntzumachen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin und im Fall einer wiederholten Anwendung dieses § 10 jede frühere Neue Emittentin von ihren sämtlichen Verpflichtungen aus den Schuldverschreibungen frei.

§ 11

Begebung weiterer Schuldverschreibungen, Rückkauf und Entwertung

- (1) *Begebung weiterer Schuldverschreibungen.* Wenn der aktuelle Nennbetrag jeder dann ausstehenden Schuldverschreibung zum betreffenden Zeitpunkt ihrem Ursprünglichen Nennbetrag entspricht, ist die Emittentin berechtigt, ohne Zustimmung der Gläubiger, jedoch nach Maßgabe der Anwendbaren Aufsichtsrechtlichen Anforderungen weitere Schuldverschreibungen mit gleicher Ausstattung wie die Schuldverschreibungen (sofern erforderlich, mit Ausnahme des Tages der Begebung, des Verzinsungsbeginns und/oder des Ausgabekurses) in der Weise zu begeben, dass sie mit diesen Schuldverschreibungen eine einheitliche Serie bilden. Eine solche Aufstockung darf nur vorgenommen werden, wenn sie nicht die Emittentin zur Kündigung und Rückzahlung der Schuldverschreibungen nach § 4 (3) (a) berechtigt.
- (2) *Rückkauf.* Die Emittentin und ihre

relevant reference shall continue to be a reference only to Allianz SE (i.e. in particular for solo solvency purposes of the Issuer or for group solvency purposes of the Group, the Insolvency Event, the Rating Agency Event and § 11 (2)), or that the reference shall be to the New Issuer and Allianz SE, in relation to their respective domicile for tax purposes and to the obligations under the guarantee pursuant to § 10 (1) (iii), at the same time (e.g. Tax Event).

- (3) *Notice and Effectiveness of Substitution.* Notice of any substitution of the Issuer shall be given to the Holders in accordance with § 12. Upon such publication of the substitution, the substitution shall become effective, and the Issuer and in the event of a repeated application of this § 10, any previous New Issuer shall be discharged from any and all obligations under the Notes.

§ 11

Further Issues, Repurchases and Cancellation

- (1) *Further Issues of Notes.* If the current nominal amount of any Notes outstanding at that time is equal to the Initial Nominal Amount of these Notes, the Issuer may, without the consent of the Holders but pursuant to the Applicable Supervisory Requirements, issue further Notes having the same terms and conditions as the Notes (if necessary, except for the date of issue, the interest commencement date and/or the issue price) so as to form a single series with the Notes. Such an increase shall only be permissible if it does not entitle the Issuer to call and redeem the Notes in accordance with § 4 (3) (a).
- (2) *Repurchase.* The Issuer and any of its subsidiaries

Tochterunternehmen sind (vorbehaltlich der Erfüllung der Rückzahlungsbedingungen) jederzeit berechtigt, Schuldverschreibungen zu jedem beliebigen Kurs zu kaufen (jeweils ein "Rückkauf"). Die von der Emittentin erworbenen Schuldverschreibungen können nach Wahl der Emittentin von ihr gehalten, weiterverkauft oder bei der Zahlstelle zwecks Entwertung eingereicht werden.

- (3) *Erwerb für fremde Rechnung; OGAW.* 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.

§ 12 Mitteilungen

- (1) *Veröffentlichungen.* Alle Bekanntmachungen, die die Schuldverschreibungen betreffen, werden (solange die Schuldverschreibungen an der offiziellen Liste der Luxemburger Wertpapierbörse notiert sind) auf der Internet-Seite der Luxemburger Börse (derzeit www.bourse.lu) veröffentlicht. Jede solche Mitteilung gilt am Tag der ersten Veröffentlichung als wirksam erfolgt.
- (2) *Mitteilungen an das Clearingsystem.* Solange Schuldverschreibungen an der offiziellen Liste der Luxemburger Wertpapierbörse notiert sind, findet § 12 (1) Anwendung. Soweit die Regeln der Luxemburger Börse dies zulassen, kann die Emittentin eine Veröffentlichung nach § 12 (1) durch eine Mitteilung an das Clearing System zur Weiterleitung an die Gläubiger ersetzen; jede derartige Mitteilung gilt am fünften Tag nach dem Tag der Mitteilung an das Clearing System als den Gläubigern mitgeteilt.

may (subject to the Conditions to Redemption being fulfilled) at any time purchase Notes at any price (each a "**Repurchase**"). Notes acquired by the Issuer may, at the option of the Issuer, be held, resold or surrendered by it to the Paying Agent for cancellation.

- (3) *Purchase for the Account of a Third Party; UCITS.* The Conditions to Redemption do not have to be fulfilled for any Repurchases made by affiliates of the Issuer for the account of a third party or for 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.

§ 12 Notices

- (1) *Publications.* All notices regarding the Notes will be published (so long as the Notes are listed on the official list of the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange (currently www.bourse.lu). Any such notice will be deemed to have been validly given for all purposes on the date of the first such publication.
- (2) *Notifications to Clearing System.* So long as any Notes are listed on the official list of the Luxembourg Stock Exchange, § 12 (1) shall apply. To the extent 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 Holders, instead of publication pursuant to § 12 (1) above; any such notice shall be deemed to have been given to the Holders on the fifth day after the day on which the notice was given to the Clearing System.

§ 13

Zweck der Schuldverschreibungen

Zweck der Schuldverschreibungen ist die Überlassung von Tier 1 Eigenmittelbestandteilen auf unbestimmte Zeit an die Emittentin auf individueller und konsolidierter Basis (Solo-Solvabilität und Gruppen-Solvabilität).

§ 14

Anwendbares Recht und Gerichtsstand

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Gläubiger und der Emittentin bestimmen sich in jeder Hinsicht nach deutschem Recht.

(2) *Gerichtsstand.* Ausschließlich zuständig für sämtliche aus oder im Zusammenhang mit den Schuldverschreibungen entstehenden Klagen oder sonstigen Verfahren ("**Rechtsstreitigkeiten**") ist das Landgericht Frankfurt am Main, Bundesrepublik Deutschland.

Für Entscheidungen gemäß § 9 Absatz 2, § 13 Absatz 3 und § 18 Absatz 2 SchVG ist gemäß § 9 Absatz 3 S. 1 1. Alt. SchVG das Amtsgericht München, Bundesrepublik Deutschland zuständig. Für Entscheidungen über die Anfechtung von Beschlüssen der Gläubiger ist gemäß § 20 Absatz 3 S. 3 1. Alt. SchVG das Landgericht München, Bundesrepublik Deutschland ausschließlich zuständig.

(3) *Gerichtliche Geltendmachung.* Jeder Gläubiger von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Gläubiger und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage zu schützen oder geltend zu machen: (i) indem er eine Bescheinigung der Depotbank (wie nachfolgend definiert) beibringt, bei der er für die Schuldverschreibungen ein Wertpapierdepot

§ 13

Purpose of the Notes

The purpose of the Notes is to furnish the Issuer with Tier 1 Own-Fund Items on an individual and consolidated basis (solo solvency and group solvency) for an indefinite period of time.

§ 14

Applicable Law and Place of Jurisdiction

(1) *Applicable Law.* The Notes, as to form and content, and all rights and obligations of the Holders and the Issuer, shall be governed in all respects by German law.

(2) *Jurisdiction.* The regional court (*Landgericht*) in Frankfurt am Main, Federal Republic of Germany, shall have exclusive jurisdiction for any action or other legal proceedings ("**Proceedings**") arising out of or in connection with the Notes.

Pursuant to § 9 (3) sentence 1, 1st alternative SchVG, the Local Court (*Amtsgericht*) of Munich, Federal Republic of Germany, shall have jurisdiction to decide on any matters pursuant to § 9 (2), § 13 (3) and § 18 (2) SchVG. Pursuant to § 20 (3) sentence 3, 1st alternative SchVG, the Regional Court (*Landgericht*) of Munich, Federal Republic of Germany, shall have exclusive jurisdiction to decide on the challenge of resolutions of the Holders.

(3) *Judicial Enforcement.* Any Holder of Notes may in any Proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in its own name its rights arising under such Notes on the basis of (i) a statement issued by the Custodian (as defined below) with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate current nominal amount of Notes credited to such securities account on the date of

unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Gläubigers enthält, (b) den gesamten aktuellen Nennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind, und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, welche die vorstehend unter (a) und (b) bezeichneten Informationen enthält und Bestätigungsvermerke des Clearing Systems sowie des jeweiligen Kontoinhabers des Clearing Systems trägt, und (ii) indem er eine Kopie der Globalurkunde vorlegt, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing Systems bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der Globalurkunde in einem solchen Verfahren erforderlich wäre.

"**Depotbank**" bezeichnet jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben, und bei der/dem der Gläubiger ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems.

§ 15
Sprache

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

such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and bearing acknowledgement of the Clearing System and the relevant the Clearing System account holder and (ii) a copy of the Global Note certified as being a true copy by an authorized officer of the Clearing System, without the need for production in such proceedings of the actual records or the Global Note.

"**Custodian**" means any bank or other financial institution of recognized standing authorized to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and includes the Clearing System.

§ 15
Language

These Terms and Conditions are written in the German language. An English language translation is included. The German text shall prevail and shall be binding. The English language translation is provided for convenience only.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisors as to the consequences under the tax laws of the country of which they are resident for tax purposes. This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date. Also investors should note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisors in relation to the tax consequences for them of any such appointment.

German Tax Considerations

The following is a general discussion of certain German tax consequences resulting from the acquisition, ownership and disposition of the Notes. This discussion does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser subject to special tax regimes, such as banks, insurance companies, investment funds or tax-exempt organizations. Although any information given hereafter reflects the opinion of the Issuer, it must not be misunderstood as a representation or guarantee, and courts or other relevant authorities may come to different interpretations of the applicable laws. This summary is based on the laws (including tax treaties) currently in force and as applied on the date of this Offering Circular in the Federal Republic of Germany, which are subject to change, possibly with retroactive effect.

PROSPECTIVE INVESTORS IN THE NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES UNDER THE TAX LAWS APPLICABLE IN THE FEDERAL REPUBLIC OF GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS OR WHOSE TAX LAWS APPLY TO THEM FOR OTHER REASONS.

German Tax Resident Investors

This subsection refers to persons who are tax resident in Germany (*i.e.*, persons whose residence, habitual abode, statutory seat or place of management is located inside the Federal Republic of Germany) (“**German Tax Resident Investors**”).

Withholding Tax

For German Tax Resident Investors, interest payments on the Notes are subject to withholding tax, provided that (i) the Notes are entered into a foreign register or being issued in the form of global certificates (*Sammelurkunden*) within the meaning of § 9a of the German Securities Deposit Act (*Depotgesetz*) or as partial debentures (*Teilschuldverschreibungen*) and (ii) a Disbursing Agent keeps the Notes in custody or administers the Notes or carries out the disposal of the Notes and pays out or credits the investment income, or a Disbursing Agent pays out or credits the investment income against delivery of the interest coupon or partial debenture to someone other than a foreign credit institution or financial services institution (“**Over-The-Counter Transaction**,” *Tafelgeschäft*). “**Disbursing Agents**” (*inländische Zahlstellen*) which are required to deduct the withholding tax from such interest payments are German resident credit institutions and financial services institutions (including in both cases German branches of foreign institutions), German securities trading companies or securities trading banks, or – if no German resident credit institution or financial services institution is the Disbursing Agent – subject to the same requirements the Issuer. The applicable withholding tax rate is 25% (plus a 5.5% solidarity surcharge thereon, resulting in a total withholding of 26.375%, plus, if applicable, church tax).

On December 13, 2019, the law regarding a significant reduction of the solidarity surcharge (*Gesetz zur Rückführung des Solidaritätszuschlags 1995*) came into force. Even though this new law has no impact on the solidarity surcharge levied in addition to the withholding tax, it can affect the solidarity surcharge levied on the income tax liability which the withholding tax is credited against, as the case may be. According to this new law the threshold as of which solidarity surcharge is levied will be significantly increased to an individual income tax-threshold of €16,956 (€33,912 for jointly assessed German Tax Resident Investors), so that the solidarity surcharge shall be abolished in full for approximately 90% of the German taxpayers and partly for a further 6.5% of German taxpayers. The new rules apply as of 2021. Investors are advised to monitor further future developments.

The church tax is generally collected by the Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor is required to include the interest income in his/her income tax return and the church tax will then be levied by way of an assessment.

The withholding tax regime also applies to any gains from the sale, transfer or redemption of Notes realized by individuals holding the Notes as private (and not as business) assets (*Privatvermögen*) (“**Private Individual Investors**”) if (i) a Disbursing Agent keeps the Notes in custody or administers the Notes or carries out the sale, transfer, disposal or redemption of the Notes and pays out or credits the capital investment income, or (ii) the gains are realized by way of an Over-The-Counter Transaction. Subject to exceptions, the amount of capital gains on which the withholding tax charge is applied is generally the difference between the proceeds received upon the sale, transfer, disposal or redemption of the Notes and (after the deduction of actual expenses directly related thereto) the acquisition costs. Accrued interest (*Stückzinsen*) received by the investor upon disposal of the Notes between two interest payment dates is considered as part of the sales proceeds thus increasing a capital gain or reducing a capital loss from the Notes. Accrued interest paid by the investor upon an acquisition of the Notes qualifies as negative investment income to be offset or carried forward by the Disbursing Agent as explained below. If Notes kept or administered in the same custodial account have been acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purpose of determining the capital gains. Where the Notes are acquired and/or sold in a currency other than Euro, the acquisition costs and sale proceeds will be converted into Euro on the basis of the exchange rate applicable at the time of sale or the time of acquisition, as applicable. The taxable capital gain therefore also includes any currency gains (and losses).

If interest coupons or interest claims are disposed of separately (*i.e.*, without the Notes), the gains from the disposition are also subject to withholding tax. The same applies to the gains from the redemption of interest coupons or interest claims realized by the former investor and to proceeds from the payment of interest coupons or interest claims if the Notes have been disposed of separately.

If the Notes have not been kept in a custodial account with the same Disbursing Agent since their acquisition and the current Disbursing Agent has not been notified of the actual acquisition costs of the Notes in the form required by law, or if the gains are realized by way of an Over-The-Counter-Transaction with a Disbursing Agent, tax at a rate of 25% (plus a 5.5% solidarity surcharge and, if applicable, church tax thereon) will be imposed on an amount equal to 30% of the proceeds from the sale, transfer, disposal or redemption of the Notes.

In computing any withholding tax, the Disbursing Agent generally deducts from the withholding tax base negative investment income (*e.g.*, accrued interest paid upon the acquisition of a security and losses from the sale of other securities with the exception of shares) realized by the Private Individual Investor *via* the Disbursing Agent and carries forward any losses that cannot be offset to the following year. If losses cannot be offset in full against positive investment income by the Disbursing Agent in the current year, the investor can, instead, request that the Disbursing Agent issues a certificate stating the losses in order for them to be offset against other positive income from capital investments or carried forward in the assessment procedure. The request must reach the Disbursing Agent by 15 December of the current year and is irrevocable. In addition, subject to certain requirements and restrictions, the Disbursing Agent credits foreign withholding taxes levied on investment income in a given year regarding securities held by a Private Individual Investor in the custodial account with the Disbursing Agent.

Upon a Private Individual Investor filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, no withholding tax is applied in the amount shown on the exemption certificate, with a maximum exemption of €801 (€1,602 for individuals filing jointly). No withholding tax will be levied either if a Private Individual Investor has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) which also includes the tax identification number and which has been issued by the competent German tax office.

In the case of corporate investors and investors who are individuals or partnerships holding the Notes as business (and not as private) assets (“**Business Investors**”), a Disbursing Agent is also required to deduct withholding tax from interest payments. In computing the withholding tax for such investors, the Disbursing Agent must not deduct from the withholding tax base any negative investment income or foreign withholding taxes. Business Investors in the form of corporations will generally not be subject to withholding tax on gains from the sale, transfer or redemption of the Notes or the separate disposition of interest coupons or interest claims, provided that in the case of entities of certain legal forms the status of the entity has been evidenced by a certificate of the competent tax office. The same applies upon notification by use of the officially prescribed form towards the Disbursing Agent in the case of Notes held by individuals or partnerships as business (and not as private) assets.

Private Individual Investors

For Private Individual Investors the withholding tax is – without prejudice to certain exceptions – definitive and satisfies the Private Individual Investor’s income tax liability (including solidarity surcharge and, if applicable, church tax) with respect to the relevant income from the investment in the Notes (so-called “**Flat Tax**,” *Abgeltungsteuer*).

The coalition agreement between the German Christian Democratic Party and the German Social Democratic Party dated February 7, 2018 provides that the Flat Tax regime shall be partially abolished for certain capital investment income, in particular interest income. That means, however, that income received by Private Individual Investors may be

taxed at individual progressive income tax rates of up to 45% in the future (plus, if applicable, solidarity surcharge and church tax thereon). There is, however, no draft bill available yet and hence the details of any such potential change are still uncertain.

Under the Flat Tax regime, Private Individual Investors can apply in their income tax return to have their income assessed in accordance with the general rules on determining an individual's tax bracket if this results in a lower tax burden. Also in this case, income-related expenses (other than actual expenses directly related to a disposal) cannot be deducted from the investment income, except for the annual lump sum deduction (*Sparer-Pauschbetrag*) of €801 (€1,602 for individuals filing jointly). If the tax on the income from the Notes is assessed, any tax withheld by the Disbursing Agent will be credited against the Private Individual Investor's income tax liability and, to the extent the withheld amount exceeds the actual income tax liability, refunded to the Private Individual Investor.

To the extent withholding tax has not been levied, such as in the case of Notes kept in custody abroad or if no Disbursing Agent is involved in the payment process, the Private Individual Investor must report his or her interest income and capital gains derived from the Notes in his or her tax return and then will also be taxed at a rate of 25% (plus a 5.5% solidarity surcharge and, if applicable, church tax thereon).

If the withholding tax on a sale, transfer, disposal or redemption of the Notes has been calculated from 30% of the respective proceeds (rather than from the actual gain), a Private Individual Investor may and in case the actual gain is higher than 30% of the respective proceeds (and, according to administrative guidance, the difference between the actual gain and 30% of the respective proceeds is more than €500) must apply for an assessment on the basis of his or her actual acquisition costs. Also in this case, income-related expenses (other than actual expenses directly related to the disposal) cannot be deducted from the investment income, except for the aforementioned annual lump sum deduction.

Losses resulting from the sale, transfer or redemption of the Notes can only be offset against income derived from other capital investment. In the event that a set off is not possible in the assessment period in which the losses have been realized, such losses can be carried forward into future assessment periods and offset against capital investment income generated in future assessment periods. Losses arising from the fact that a receivable is fully or partially irrecoverable or arising from the fact that the receivables under the Notes are cancelled as worthless and losses arising from a transfer of a worthless Note to a third party or from any other default can be offset up only up to an amount of €20,000; losses in excess of €20,000 will be carried forward and offset against capital investment income per subsequent year only up to an amount of €20,000. This could also apply to losses from the Notes which arise in connection with a Write-Down of the Notes. Such losses carried forward have to be reported by the Private Individual Investor in his/her tax return. In case the investor desires to use his/her losses to the extent that they have not been offset by the Disbursing Agent, the investor can request a certificate regarding the amount of losses that have not been offset already so that such losses cannot be credited any more against eligible gains by the Disbursing Agent. In case the investor does not request such certificate, respective losses are credited against eligible gains by the Disbursing Agent.

Business Investors

In case of Business Investors, interest payments and capital gains from the sale, transfer, disposal or redemption of the Notes or the separate disposition of interest coupons and interest claims are generally subject to German income tax or corporate income tax (in each case plus solidarity surcharge and, if applicable in the case of individual investors, church tax thereon). The Business Investor is required to report the income and related (business) expenses in its tax return and will be taxed at its applicable tax rate. Any withholding tax deducted from interest payments and, as the case may be, from capital gains is, subject to certain requirements, creditable as advance payment against the investor's corporate or individual income tax liability (plus solidarity surcharge and, if applicable in the case of individual investors, church tax thereon). To the extent the amount withheld exceeds the (corporate) income tax liability, the withholding tax is, as a rule, refundable.

The interest payments and capital gains are also subject to trade tax if the Notes are attributable to a German permanent establishment of a trade or business. If the investor is an individual or an individual partner of a partnership, the trade tax may be completely or in part credited against the individual's income tax liability pursuant to a lump sum method.

Foreign Tax Resident Investors

This subsection refers to persons who are not tax resident in Germany (*i.e.*, persons having neither of their residence, habitual abode, statutory seat or place of management inside the Federal Republic of Germany) ("**Foreign Tax Resident Investors**").

Foreign Tax Resident Investors are generally not subject to German taxation with their interest income and capital gains from the investment in the Notes. Therefore, generally no German withholding tax is withheld from such income, even if the Notes are held in custody with a Disbursing Agent.

However, exceptions apply if the income from the Notes constitutes German-source income. This is the case if the Notes form part of the business property of a permanent establishment maintained inside the Federal Republic of Germany or are attributable to the business income derived through a German permanent representative appointed by the investor, if capital gains are realized by way of an Over-the-Counter-Transaction or, in case of interest income, if the claim for the repayment of the principal under the Notes is directly or indirectly secured by German-situs real estate, German-situs rights which are subject to the civil law provisions on real estate or ships which are registered with a German ship register, unless the Notes are issued in the form of global certificates (*Sammelurkunden*) within the meaning of § 9a of the German Securities Deposit Act (*Depotgesetz*) or in the form of partial debentures (*Teilschuldverschreibungen*) as long as they do not contain a right of conversion or a profit-contingent element. In these cases, income of Foreign Tax Resident Investors is generally subject to German taxation and may also be subject to withholding tax as described above in subsection *Withholding Tax*. Subject to certain prerequisites, however, a Foreign Tax Resident Investor may benefit from a relief based on an assessment to tax or under an applicable double tax treaty.

Substitution of the Issuer

If the relevant Issuer exercises the right to substitute the debtor of the Notes, the substitution might, for German tax purposes, be treated as an exchange of the Notes for new notes issued by the New Issuer. Such a substitution could result in the recognition of a taxable gain or loss for the respective investors.

Inheritance and Gift Tax

Inheritance or gift taxes with respect to the Notes will, in principle, arise under German law if (i), in the case of inheritance tax, either the decedent or the beneficiary or, in the case of gift tax, either the donor or the donee is a resident of Germany at the relevant point in time, or (ii) the Notes are attributable to a German trade or business for which a permanent establishment is maintained or a permanent representative has been appointed in Germany, or (iii) the claims under the Notes are directly or indirectly secured by German-situs real estate or ships which are registered with a German ship register (unless the Notes qualify as bonds which are issued as partial debentures). In addition, certain German expatriates will be subject to inheritance and gift tax. However, applicable double taxation treaties may provide for exceptions to the German domestic inheritance and gift tax regulations.

Other Taxes

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

The proposals for the introduction of a financial transaction tax

The European Commission has published a proposal for a Directive for a common financial transaction tax (“FTT”) in certain participating EU Member States. The proposed FTT has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. However, the issuance and subscription of the Notes should be exempt.

The FTT could apply to persons both within and outside of the participating EU Member States. Generally, it would apply to certain dealings in financial instruments where at least one party is a financial institution, and either (i) at least one party is established or deemed to be established in a participating EU Member State or (ii) the financial instruments are issued in a participating EU Member State. As of June 28, 2018, according to a report by the Council of the European Union, more preparatory work by the Council of the European Union will be required on the proposed FTT.

The proposed Directive remains subject to negotiation between the participating EU Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear.

On December 9, 2019, the German Federal Finance Minister announced another final proposal for a Directive for a financial transaction tax implemented by way of the enhanced cooperation mechanism to 9 other participating EU Member States (“New FTT”), which, according to media sources, was revised again in April 2020. As of today, the draft legislation has not yet been made available to the public.

According to publicly available information from the German Federal Ministry of Finance and media sources, the New FTT will only apply to financial transactions involving shares. Therefore, it is still unclear if the New FTT will also cover debt instruments or if the issuance and subscription of the Notes as well as dealings in the Notes will be not subject to the New FTT.

The proposed New FTT remains subject to negotiation between the participating EU Member States. The New FTT could therefore be altered and the scope could be broadened prior to any implementation.

Responsibility of the Issuer for the Withholding of Tax at Source

The Issuer does not assume any responsibility for the deduction of withholding tax (including solidarity surcharge and, if applicable, the church tax thereon) at source.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement dated September 1, 2021 (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 September 7, 2021. 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 and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing, cash management and brokerage activities. From time to time in the ordinary course of their respective businesses, one or more of the Managers and their affiliates have performed and will continue to perform investment banking, commercial banking, hedging, cash management and advisory services for the Issuer and their respective affiliates from time to time, including acting as underwriters or book-runners in the Issuer’s past offerings, for which they have received or may receive customary fees and expenses.

In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Managers and/or their affiliates may receive allocations of Notes which could affect future trading of the Notes. If any of the Managers or their affiliates have a lending relationship with us, certain of those Managers or their affiliates routinely hedge, and certain other of those Managers may hedge, their credit exposure to Allianz consistent with their customary risk management policies. Typically, these Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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

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. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) 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.

United States of America and its Territories

The Notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes offered hereby are being offered and sold only to persons outside the United States that are not, and are not acting for the account or benefit of, "U.S. persons" in offshore transactions (as defined in Regulation S) pursuant to Regulation S. 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 or 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 of the Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

Other Regulatory Restrictions

Each of the Managers has represented and agreed that:

- a) 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 the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each of the Managers has severally represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “Companies Ordinance”) or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, any advertisement, invitation or document relating to the Notes, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are or are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made thereunder.

Japan

Each of the Managers has severally represented and agreed that the Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended); it will not offer or sell, directly or indirectly, any of the Notes in Japan or to, or for the account or benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to, or for the account or benefit of, any resident for reoffering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan except (i) pursuant to an exemption from the registration requirements of, or otherwise in compliance with, the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and (ii) in compliance with the other relevant laws and regulations of Japan.

Singapore

Each of the Managers has severally represented and agreed that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the “MAS”). Accordingly, each of the Managers has severally represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in section 276(7) of the SFA; or
- as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA), that the Notes are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“FinSA”) and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

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 financial years ended December 31, 2020 and December 31, 2019. PwC is a member of the German Chamber of Certified Accountants (*Wirtschaftsprüferkammer KöR*), Berlin.

The statutory financial statements of Allianz SE as of and for the financial year ended December 31, 2020 were prepared in accordance with German commercial law and supplementary provisions of the articles of incorporation. The statutory financial statements as of and for the financial year ended December 31, 2020 were audited by PwC in accordance with § 317 of the German Commercial Code (*Handelsgesetzbuch* – “HGB”) 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 financial year ended December 31, 2020. The statutory financial statements of Allianz SE for the financial year ended December 31, 2020 are incorporated by reference in this Offering Circular.

The consolidated financial statements of Allianz Group as of and for the financial years ended December 31, 2020 and December 31, 2019, which are incorporated by reference in this Offering Circular, have been prepared on the basis of the International Financial Reporting Standards, as adopted by the European Union (“IFRS”), and the additional requirements of § 315e (1) HGB and supplementary provisions of the articles of incorporation. The consolidated financial statements as of and for the financial years ended December 31, 2020 and December 31, 2019 have been audited by PwC in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the IDW. PwC issued an unqualified audit opinion for the financial years ended December 31, 2020 and December 31, 2019.

The unaudited condensed consolidated interim financial statements of Allianz Group as of and for the six months ended June 30, 2021, which are incorporated by reference in this Offering Circular, have been prepared in accordance with IFRS applicable to interim financial reporting (IAS 34). The unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2021 have been reviewed by PwC in accordance with German generally accepted standards for the review of financial statements (*IDW AuS 900*). PwC issued a review report with respect to the unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2021.

The auditor’s reports for the statutory financial statements as of and for the financial year ended December 31, 2020 and the consolidated financial statements as of and for the financial years ended December 31, 2020 and December 31, 2019 each make reference to the management report of Allianz SE and group management reports as a whole. Parts of the group management reports are incorporated by reference in this Offering Circular as described under “Incorporation by Reference – Cross Reference List” in this Offering Circular. The management report of Allianz SE is neither included nor incorporated by reference in this Offering Circular. Additionally, the review report on the unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2021 refers to the interim group management report, as a whole, which is incorporated by reference in parts as described under “Incorporation by Reference – Cross Reference List” in this section of the Offering Circular. The management report of Allianz SE, the group management reports and the interim group management report were prepared by, and are the sole responsibility of, the Company’s management in accordance with German generally accepted accounting principles and in accordance with the provisions of the German Securities Trading Act (“WpHG”) applicable to interim group management reports.

The examination of and auditor’s reports upon such (group) management report, as well as the examination of and the review report upon the interim group management report are required and were performed in accordance with § 317 HGB/§115 WpHG and German generally accepted standards for the audit of management reports promulgated by the German Institut der Wirtschaftsprüfer (IDW). The auditor’s reports upon such group management reports/review report upon such interim group management report relate to the group management reports/interim group management report as a whole. PwC did not express an audit or review opinion solely upon those parts of the group management reports or interim group management report that are incorporated by reference in this Offering Circular as described under “Incorporation by Reference – Cross Reference List” in this Offering Circular.

The auditor’s reports for the audit of the statutory financial statements and the consolidated financial statements for the financial year ended December 31, 2020, also comprise, in accordance with § 322 (1) sentence 4 HGB, an assurance reporting in accordance with § 317 (3b) HGB on the electronic reproduction of the consolidated financial statements and the group management report prepared for publication purposes (“ESEF-Report”). The documents prepared in the ESEF format, that are the subject matter of the ESEF-Report are neither included nor incorporated by reference in this Offering Circular.

GENERAL INFORMATION

The following information is required by the rules of the Luxembourg Stock Exchange:

1. The issuance of the Notes and the exclusion of the subscription rights of the shareholders have been authorized by resolutions of the Issuer's Management Board on August 4, 2021 and on September 1, 2021 and a resolution of the standing committee of the Issuer's Supervisory Board on August 5, 2021, based on the authorization granted by the annual general meeting of Allianz on May 9, 2018.
2. The Notes have been accepted for clearance through the Clearstream Banking AG, Frankfurt am Main, Mergenthalerallee 61, 65760 Eschborn, Germany. The Notes have the following securities codes: Common Code: 234587463, German Securities Code (WKN): A3E5TR, ISIN: DE000A3E5TR0.
3. The statutory auditors of Allianz are PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.
4. This Offering Circular constitutes a prospectus for purpose of Part IV of the Luxembourg law on prospectuses for securities dated July 16, 2019.
5. Save as disclosed in the sections of the Allianz Group 1H 2021 Interim Report incorporated herein by reference, and the sections entitled "*Summary—Recent Developments Since December 31, 2020*" and "*Risk Factors*", there has been no material change in the financial position of the Issuer since June 30, 2021.
6. Allianz will appoint Deutsche Bank Aktiengesellschaft as Paying Agent with respect to the Notes. A physical copy of the Agency Agreement, dated the date of the issuance of the Notes, will be available for inspection at Taunusanlage 12, 60325 Frankfurt am Main, Federal Republic of Germany. In addition, a copy of the current, and any future, published annual and interim report of Allianz may be obtained free of charge at the office of the Issuer.
7. The Articles of Association of the Issuer are registered in the commercial register at the local court (Amtsgericht) in Munich under the entry number HRB 164232. Copies of the Articles of Association of the Issuer, this Offering Circular and each of the Allianz Group Reports (in certain cases, only portions of which are incorporated by reference into this Offering Circular, as is specified in the section entitled "*Incorporation by Reference*" above) are available for electronic inspection free of charge during normal business hours from the registered office of the Issuer and the website of the Luxembourg Stock Exchange (www.bourse.lu). In addition, each of the Allianz Group Reports are accessible free of charge on the following websites of the Issuer:

Allianz Group 1H 2021 Interim Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results/2021-2q/en-interim-report-2q-2021.pdf
Allianz Group 2020 Annual Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/annual-report/ar-2020/en-Allianz-Group-Annual-Report-2020.pdf
Allianz Group 2019 Annual Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/annual-report/ar-2019/en-AR-Group-Annual-Report-Allianz-2019.pdf
Allianz SE 2020 Annual Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/annual-report/ar-2020/en-Allianz-SE-Annual-Report-2020.pdf
SFCR 2020 Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/sfcr/2021/en-Allianz-Group-SFCR-2020.pdf
Own Funds 2020 Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/annual-report/ar-2020/en-Own-Funds-Report-2020.pdf

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ALLIANZ SE

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

€1,250,000,000

2.600 per cent. Perpetual Fixed Rate Resettable Restricted Tier 1 Notes

OFFERING CIRCULAR

September 1, 2021

Joint Lead Managers

BofA Securities

Citigroup

COMMERZBANK

Crédit Agricole CIB

Deutsche Bank

HSBC

Co-Lead Managers

BNP PARIBAS

BayernLB

Helaba

National Australia Bank Limited

**Société Générale
Corporate & Investment Banking**

UniCredit
