

OFFERING CIRCULAR

\$1,250,000,000



ALLIANZ SE

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

3.500% Perpetual Fixed Rate Resettable Restricted Tier 1 Notes

The \$1,250,000,000 aggregate nominal amount of 3.500% 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 November 17, 2025 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, 2026 (the “First Reset Date”), at a fixed rate of 3.500% *per annum* payable annually in arrear on April 30 in each year, commencing on April 30, 2021 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 Interest 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 U.S. Securities Act of 1933, as amended (the “U.S. 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 qualified institutional buyers (“QIBs”) in accordance with Rule 144A under the U.S. Securities Act (“Rule 144A”) and 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 U.S. Securities Act (“Regulation S”)) in offshore transactions in accordance with Regulation S. Prospective purchasers that are QIBs

are hereby notified that the seller of the Notes may be relying on the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144A. The Notes are not transferable except in accordance with the restrictions described under “Notice to Investors”.

Investing in the Notes involves risks. See “Risk Factors” beginning on page 36 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 Directive 2014/65/EU, as amended, (“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 (the “Prospectus Regulation”) and, in accordance with the Prospectus Regulation, no prospectus is required in connection with the listing of the Notes.

Offering Price: 100.015%

The offering price set forth above does not include accrued interest, if any. Interest on the Notes will accrue from November 17, 2020.

The Notes will be evidenced by two or more global certificates in registered form deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (“DTC”). The initial distribution of the Notes will be cleared through DTC only, which will occur on or about November 17, 2020. Beneficial interests in the Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants, including Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking S.A., Luxembourg (“Clearstream”).

Joint Lead Managers

Citigroup

BNP PARIBAS

BofA Securities

Deutsche Bank Securities

HSBC

Co-Lead Managers

COMMERZBANK

Credit Agricole CIB

nabSecurities, LLC

UniCredit Capital Markets

The date of this Offering Circular is November 10, 2020.

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NOTICE TO INVESTORS

None of the Issuer or Citigroup Global Markets Inc., BNP Paribas Securities Corp., BofA Securities, Inc., Deutsche Bank Securities Inc., HSBC Securities (USA) Inc., Commerz Markets LLC, Credit Agricole Securities (USA) Inc., nabSecurities, LLC and UniCredit Capital Markets LLC (collectively, the “Initial Purchasers”) has authorized anyone to provide you with any information or represent anything about the Issuer or the Initial Purchasers, the Issuer’s financial results or this offering that is not contained in this Offering Circular. The Issuer and the Initial Purchasers 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 Initial Purchasers 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 Initial Purchasers 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 Initial Purchasers 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 Initial Purchasers shall have any responsibility for any of the foregoing legal requirements.

The Initial Purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Circular. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by the Initial Purchasers as to the past or future.

The information set out in relation to sections of this Offering Circular describing clearing arrangements, including the section entitled “Book-Entry—Clearance Systems,” is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream currently in effect. While the Issuer accepts responsibility for accurately summarizing the information concerning DTC, Euroclear and Clearstream, it accepts no further responsibility in respect of such information. In addition, this Offering Circular contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us or the Initial Purchasers.

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 Initial Purchasers in connection with your investigation of the accuracy of this information or your decision whether to invest in the Notes.

The Issuer reserves the right to withdraw this offering at any time. The Issuer is making this offering subject to the terms described in this Offering Circular and the purchase agreement relating to the Notes entered into between the Issuer and the Initial Purchasers (the “Purchase Agreement”). The Issuer and the Initial Purchasers reserve the right to reject all or a part of any offer to purchase the Notes, for any reason. The Issuer and the Initial Purchasers also reserve the right to sell less than all of the Notes offered by this Offering Circular or to sell to any purchaser less than the amount of Notes it has offered to purchase.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold, except as permitted under the U.S. Securities Act and the applicable state securities laws, pursuant to registration or exemption therefrom. As a prospective investor, you should be aware that you may be required to bear the financial risks of an investment in the Notes for an indefinite period of time. Please refer to the sections in this Offering Circular entitled “Plan of Distribution”.

The distribution of this Offering Circular and the offering and sale of the Notes in certain jurisdictions may be restricted by law. Please see notices to investors in this section starting on page 7 and “*Selling Restrictions*” starting on page 136.

The Notes will be issued in the form of global notes. Please see “Book-Entry—Clearance Systems”.

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 US INVESTORS

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this Offering Circular under “Plan of Distribution”.

The Notes offered hereby have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold in the United States, except to “qualified institutional buyers,” or QIBs, within the meaning of Rule 144A in reliance on an exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A. Prospective purchasers are hereby notified that the sellers of the Notes may be relying on the exemption from the registration requirements of Section 5 of the U.S. Securities Act provided by Rule 144A. The Notes may be offered and sold to 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) in reliance on Rule 903 or Rule 904 of Regulation S. For a description of certain further restrictions on resale or transfer of the Notes, please see “Plan of Distribution”.

The Notes described in this Offering Circular have not been registered with, recommended by or approved by the U.S. Securities and Exchange Commission (the “SEC”), any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC, any state securities commission in the United States or any such securities commission or authority passed upon the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other countries.

NOTICE TO EEA AND UK INVESTORS

This Offering Circular has been prepared on the basis that any offer of the Notes in any member state of the European Economic Area (the “EEA”) or the United Kingdom (the “UK”) will be made pursuant to an exemption under Regulation (EU) 2017/1129 (the “Prospectus Regulation”) from the requirement to publish a prospectus for offers of the securities referred to herein. Accordingly any person making or intending to make an offer in a member state or the UK of Notes which are the subject of the offering contemplated in this Offering Circular may only do so in circumstances in which no obligation arises for the Issuer or any of the Initial Purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor the Initial Purchasers have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any of the Initial Purchasers to publish a prospectus for such offer.

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 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.

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. In particular, in June 2015, the FCA published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (the “PI Instrument”). In addition, (i) on January 1, 2018, the provisions of Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products (“PRIIPs”) became directly applicable in all EEA member states (including the UK) and (ii) MiFID II was required to be implemented in EEA member states (including the UK) by January 3, 2018. Together the PI Instrument, PRIIPs and MiFID II are referred to as the “Regulations”.

The Regulations set out various obligations in relation to (i) the manufacture and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write-down or convertible securities, such as the Notes. 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) including the Regulations. Each Initial Purchaser is required to comply with some or all of the Regulations.

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 Initial Purchaser, each prospective investor represents, warrants, agrees with, and undertakes to, the Issuer and each Initial Purchaser that:

1. it is not a retail client in the EEA or the UK (as defined in MiFID II);
2. whether or not it is subject to the Regulations, it will not:
 - (i) sell or offer the Notes (or any beneficial interests therein) to retail clients in the EEA or the UK (as defined in MiFID II) 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 EEA or the UK (in each case within the meaning of MiFID II), 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 the PI Instrument; and

3. it will at all times 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), including (without limitation) MiFID II 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) is eligible counterparties and professional clients (each as defined in MiFID II); and
2. no key information document (“KID”) under PRIIPs has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under PRIIPs.

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 Initial Purchasers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding on both the agent and its underlying client(s).

PRIIPs Regulation/Prohibition of Sales to EEA and 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 EEA or in 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 (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 or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

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.

NOTICE TO UK INVESTORS

This Offering Circular has not been approved by an authorised person in the United Kingdom. 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; (iii) are outside the United Kingdom; or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (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.

IN CONNECTION WITH THE OFFERING OF THE NOTES, CITIGROUP GLOBAL MARKETS INC. (OR PERSONS ACTING ON ITS BEHALF) MAY OVERALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT CITIGROUP GLOBAL MARKETS INC. (OR PERSONS ACTING ON ITS BEHALF) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN 30 DAYS AFTER THE DATE ON WHICH THE ISSUER RECEIVED THE PROCEEDS OF THE NOTES, OR NO LATER THAN 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE SECURITIES, WHICHEVER IS EARLIER. ANY STABILIZING ACTION OR OVER-ALLOTMENT OF THE NOTES MUST BE CONDUCTED BY CITIGROUP GLOBAL MARKETS INC. (OR PERSONS ACTING ON ITS BEHALF) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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.

WHERE YOU CAN FIND MORE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, during any period during which the Issuer is neither a reporting company under Sections 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the “Exchange Act”) nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, the Issuer will make available on request to each holder in connection with any resale thereof and to any prospective purchaser of such Notes from such holder, in each case upon request, the information specified in and meeting the requirements of Rule 144(d)(4) under the U.S. Securities Act.

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 Initial Purchaser has independently verified any such information and neither the Issuer nor any Initial Purchaser 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, 2019 compared to a selected peer group of comparable international insurers with similar product offerings, which comprises AIG, AXA, Chubb, Generali, PingAn, 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, 2019, 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, PingAn, Prudential 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, 2019, compared to disclosed assets under management of a selected peer group of comparable asset managers comprising Aberdeen, Ameriprise, Amundi, AXA, Blackrock, DWS, Franklin, Invesco, Janus Henderson, Legg Mason, Natixis, Schroders, T. Rowe and UBS.

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>Quarterly and Nine Months 2020 Earnings Release (the "Allianz Group 9M Earnings Release")</i>	
	Pages 1-6

Information Incorporated by Reference	Pages Incorporated
Allianz Group	
<i>First Half-Year Report 2020 (the "Allianz Group 1H 2020 Interim Report")</i>	
Interim Group Management Report	
Executive Summary	Pages 2-4
Property-Casualty Insurance Operations	Pages 5-6
Life/Health Insurance Operations	Pages 7-9
Asset Management	Pages 10-11
Corporate and Other	Page 12
Outlook	Pages 13-14
Balance Sheet Review	Pages 15-16
Reconciliations	Pages 17-18
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 27-46
Review Report	Page 49

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

Information Incorporated by Reference	Pages Incorporated
Allianz Group	
<i>Annual Report 2019 (the "Allianz Group 2019 Annual Report")</i>	
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
Reconciliations	Pages 74-75
Risk and Opportunity Report	Pages 76-91
Consolidated Balance Sheet	Page 94
Consolidated Income Statement	Page 95
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
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 2019 (the "Allianz SE 2019 Annual Report")</i>	
Balance Sheets	Pages 60-61
Income Statement	Page 62
Notes to the Financial Statements	Pages 63-90
Independent Auditor's Report	Pages 93-96

Information Incorporated by Reference	Pages Incorporated
Allianz Group	
<i>Annual Report 2018 (the "Allianz Group 2018 Annual Report")</i>	
Group Management Report	
Business Operations	Pages 50-52
Business Environment	Page 53

Information Incorporated by Reference	Pages Incorporated
Allianz Group	
<i>Annual Report 2018 (the “Allianz Group 2018 Annual Report”)</i>	
Executive Summary of 2018 Results	Page 54
Property-Casualty Insurance Operations	Pages 55-56
Life/Health Insurance Operations	Pages 57-59
Asset Management	Pages 60-61
Corporate and Other	Page 62
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Other Information	Pages 139-153
List of participations of the Allianz Group as of December 31, 2018 according to § 313(2) HGB German Commercial Code	Pages 154-162
Independent Auditor’s Report	Pages 165-169

Information Incorporated by Reference	Pages Incorporated
Allianz Group	
<i>Solvency and Financial Condition Report 2019 (the “SFCR 2019 Report”)</i>	
Risk Profile	Pages 50-63
Valuation for Solvency Purposes	Pages 64-89
Capital Management	Pages 90-110

Information Incorporated by Reference	Pages Incorporated
Allianz Group	
<i>Own Funds Report and Life Supplement 2019 (the “Own Funds 2019 Report”)</i>	
Group Chapters	Pages 5-10
Appendix	Pages 31-33

The Consolidated Balance Sheet of the Allianz Group as of September 30, 2020 in the document titled “Allianz Group – Financial information as of 30 September 2020” (the “Allianz Group 9M Financial Supplement”) (see the column titled “30.09.2020” on page 2 of the Allianz Group 9M Financial Supplement) shall be deemed to be incorporated by reference in, and form part of, this Offering Circular.

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 9M Earnings Release, the Allianz Group 9M Financial Supplement, the Allianz Group 1H 2020 Interim Report, the Allianz Group 2019 Annual Report, the Allianz SE 2019 Annual Report, the Allianz Group 2018 Annual Report, the SFCR 2019 Report and the Own Funds 2019 Report (collectively, the “Allianz Group Reports”) are accessible on the following websites of the Issuer:

Allianz Group 9M Earnings Release	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/press/document/results/q3_2020/Allianz-3Q-2020-Earnings-Release_EN.pdf
Allianz Group 9M Financial Supplement	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results/2020-3q/en-financial-supplement-3q-2020.pdf
Allianz Group 1H 2020 Interim Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results/2020-2q/en-interim-report-2q-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 2019 Annual Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/annual-report/ar-2019/en-GB-SE-Annual-Report-Allianz-2019.pdf
Allianz Group 2018 Annual Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/annual-report/ar-2018/en-AR-Group-2018.pdf
SFCR 2019 Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/sfcr/2020/EN-Allianz-Group-SFCR-2019.pdf
Own Funds 2019 Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/annual-report/ar-2019/en-own-funds-report-2019.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.

ENFORCEABILITY OF CIVIL LIABILITIES

Allianz 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. The provisions of German law governing stock corporations apply to Allianz, as a European Company incorporated in the Federal Republic of Germany, subject to special European regulations on SE (including Council Regulation (EC) No 2157/2001 of October 8, 2001 on the Statute for a European company (SE)) and the German SE Implementation Act ("*SE-Ausführungsgesetz*"). Many of the directors and officers of Allianz, and some of the experts named in this document, are not citizens or residents of the United States, and all or a substantial part of the assets of these persons may be located outside the United States. Also, a large part of the assets of Allianz are located outside the United States. As a result, you may not be able to effect service of process on such persons or the Issuer within the United States. You may also not be able to enforce against them, either inside or outside the United States, judgments obtained against them in U.S. courts, or to enforce in U.S. courts judgments obtained against them in courts in jurisdictions outside the United States, whether or not predicated upon the civil liability provisions of the securities laws of the United States or any state or territory within the United States.

The United States and Germany do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. In general, the enforcement of a final judgment of a United States court requires a declaration of enforceability by a German court in a special proceeding. Therefore, a final judgment for the payment of money rendered by a federal or state court in the United States based on civil liability, whether or not predicated solely upon United States federal securities laws, may not be enforceable, either in whole or in part, in Germany. In addition, awards of punitive damages in actions brought in the United States or elsewhere are likely to be unenforceable in Germany.

Under German law, a stock corporation may indemnify its employees, and, under certain circumstances, German labor law requires a stock corporation to do so. However, a stock corporation may not, as a general matter, indemnify members of the board of management or the supervisory board. Certain limited exceptions may apply if the indemnification is in the legitimate interest of the stock corporation. The Issuer's articles of incorporation do not contain provisions regarding the indemnification of its directors and officers. A German stock corporation may purchase directors' and officers' insurance. The Issuer has obtained liability insurance for members of its Supervisory Board and its Management Board and certain of its officers.

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 Initial Purchasers 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);
- 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 36 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

The 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. Allianz Group’s key markets (in terms of premiums) for both property-casualty and life/health 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 Credit Insurance – are run globally.

Asset Management

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

Corporate and Other

The Corporate and Other business segment’s activities include the management and support of the Allianz Group’s businesses through its central holding functions, Banking and Alternative as well as Digital Investments. The holding functions manage and support the Allianz Group’s businesses through its strategy, risk, corporate finance, treasury, financial reporting, controlling, communication, legal, human resources, technology, and other functions. Banking operations, which focus primarily on retail clients, support the Allianz Group’s insurance

business and complement the products the Allianz Group offers in Italy, France, and Bulgaria. Digital Investments identifies and invests in digital growth companies and provides digital investment management services and an interface between portfolio companies and the Allianz Group. Alternative Investments provides global alternative investment management services in the real estate sector, mostly on behalf of its insurance operations.

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 US\$ 200,000 per Note (the “Initial Nominal Amount”) issued in an aggregate nominal amount of US\$ 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:	Citigroup Global Markets Inc. BNP Paribas Securities Corp. BofA Securities, Inc. Deutsche Bank Securities Inc. HSBC Securities (USA) Inc.
Issue Price per Note:	100.015 per cent. of the Initial Nominal Amount.
Form of the Notes:	The Notes are represented by two or more permanent global certificates without interest coupons, each of which will represent either Notes sold in the United States of America (the “United States”) to “qualified institutional buyers” as defined in, and in reliance on, Rule 144A under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) (the “Rule 144A Global Note(s)”) or Notes sold outside the United States to persons other than U.S. persons as defined in, and in reliance on, Regulation S under the U.S. Securities Act (the “Regulation S Global Note(s)”) and, together with the Rule 144A Global Note, the “Global Notes,” and each a “Global Note”). Copies of the Global Notes are available for inspection, at no charge, during normal business hours at the office of the Fiscal Agent.
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 Initial Purchasers’ 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 (including the potential refinancing of existing debt and, depending on the circumstances and as the case may be, own funds instruments).
Fiscal Agent, Paying Agent, Registrar, Transfer Agent and Calculation Agent:	Deutsche Bank Trust Company Americas, a New York banking corporation.
Listing Agent:	Deutsche Bank Luxembourg S.A.
Clearing System:	DTC.
Issue Date:	November 17, 2020.
Currency:	U.S. Dollars (“US\$”).
Denomination:	US\$ 200,000 per Note, subject to any write-downs or write-ups. Each Note may only be held and transferred in a denomination that is equal to its current nominal amount.
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) November 17, 2020 (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, 2021 (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 3.500% <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 Interest Rate and the initial credit spread of 2.973% <i>per annum</i>.</p>
Reference Interest Rate:	Annualized CMT Rate. The Annualized CMT Rate is based on the semi-annual CMT Rate, i.e., a semi-annual yield for U.S. Treasury Securities at “constant maturity” for a period to maturity of five years, as published in the H.15 under the caption “Treasury constant maturities (nominal)”.
Reset Dates:	April 30, 2026 (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 “*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.*”).

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 payment of interest is scheduled, an Insolvency Event has occurred and is continuing on such date or if 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 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 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 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 a description of the Available Distributable Items see “*Interest Payments And Distributable Items Of The Issuer*” and “*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.*”

No Default and no Right to Accelerate Repayment of the Principal of the Notes:

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.
Redemption at the Option of the Issuer:	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, lower than the Reference Nominal Amount.
Optional Redemption Dates:	<ul style="list-style-type: none"> (i) Each Business Day falling in a period from and including November 17, 2025 to (but excluding) the First Reset Date; (ii) the First Reset Date; (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 (iv) each Reset Date.
Redemption after the Occurrence of a Tax Event, Regulatory Event or Rating Agency Event:	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).
Conditions to Redemption:	Conditions to Redemption means the requirements 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 Applicable Supervisory Requirements in order for the Notes to qualify as Restricted Tier 1 Instruments. For a description of 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>
Write-downs of the Nominal Amount of the Notes:	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 US\$ 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>).
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> <ul style="list-style-type: none"> (i) the amount of own-fund items of the Issuer (i.e., on an individual, 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”);</p> <p>(ii) the amount of own-fund items of the Issuer (i.e., on an individual, 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 minimum consolidated group solvency capital requirement applicable to the Group in accordance with the Applicable Supervisory Requirements is 100% or less of the relevant minimum capital requirement (the ratio of the relevant own-fund items to the relevant minimum solvency capital requirement hereinafter referred to as the “Minimum Group SCR Ratio”);</p> <p>(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.</p>
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:	<p>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.</p> <p>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.</p>
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 “ <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> ”).
Reference Nominal Amount and Permanent Write-down:	<p>“Reference Nominal Amount” means, with respect to each Note:</p> <p>(i) at the issue date and for so long as the Reference Nominal Amount has</p>

not been reduced, the Initial Nominal Amount of such Note and

(ii) thereafter, the reduced Reference Nominal Amount of such Note.

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.

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 *“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.”*).

No Set-off:

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 *“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.”*).

Further Issues of Notes:

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.

Amendments to the Terms and Conditions of the Notes:

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 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.

Substitution of the Issuer:

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.

Repurchase:

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 “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>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 by German law, without giving effect to the conflict of laws provisions of German international private law (<i>Kollisionsnormen des deutschen Internationalen Privatrechts</i>). Any disposition (<i>Verfügung</i>) of beneficial interests in the Notes, including transfers and pledges, executed between Participants and between DTC itself and Participants shall be governed by the laws of the State of New York.</p> <p>To the extent permitted pursuant to Council Regulation (EC) No. 864/2007 of July 11, 2007, on the law applicable to non-contractual obligations, all non-contractual claims arising out of or in connection with the Notes are governed by and will be construed in accordance with German law without giving effect to the conflict of laws provisions of German international private 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>
CUSIP:	018820 AA8 (144A) / X10001 AA7 (Regulation S)
ISIN:	US018820AA81 (144A) / USX10001AA78 (Regulation S)
Common Code:	225980667 (144A) / 225949310 (Regulation S)

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 year ended December 31, 2019 and 2018 (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 nine months ended September 30, 2020 prepared in accordance with IFRS applicable to interim financial reporting adopted by the European Union (IAS 34) (the “Condensed Consolidated Interim Financial Statements”). The Consolidated Financial Statements have been audited 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 unaudited condensed consolidated interim financial statements of Allianz Group as of and for the six months ended June 30, 2020 prepared in accordance with IFRS applicable to interim financial reporting adopted by the European Union (IAS 34) 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 nine months ended September 30, 2019 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 nine months ended September 30,	
		2019	2018¹	2020	2019
		(audited)		(unaudited)	
Total revenues	(€ mn)	142,369	132,283	104,870	106,890
Operating profit/(loss)	(€ mn)	11,855	11,512	7,776	9,105
Net income/(loss)	(€ mn)	8,302	7,703	5,232	6,348
attributable to non-controlling interests	(€ mn)	387	241	242	292
attributable to shareholders	(€ mn)	7,914	7,462	4,990	6,056
Shareholders’ equity ²	(€ mn)	74,002	61,232	74,640	74,573

⁽¹⁾ The comparative figures shown for the 2018 financial year are taken from the audited consolidated financial statements as of and for the year ended December 31, 2019. They have been restated to reflect the change in the total revenues definition for Property-Casualty, which, effective January 1, 2019, includes both gross premiums written and fee and commission income.

(2) Excluding non-controlling interests.

Reconciliation of Reportable Segments to Allianz Group Figures

€ mn	<u>Total revenues¹</u>		<u>Operating profit/(loss)</u>		<u>Net income/(loss)</u>	
	<u>For the year ended December 31, (audited)</u>		<u>For the year ended December 31, (audited)</u>		<u>For the year ended December 31, (audited)</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
German Speaking Countries and Central & Eastern Europe	15,919	15,514	1,884	1,641	1,624	1,207
Western & Southern Europe and Asia Pacific	12,320	12,513	1,518	1,776	1,083	1,339
Iberia & Latin America and Allianz Partners	12,547	10,741	457	498	274	320
Global Insurance Lines & Anglo Markets, Middle East and Africa.....	25,177	24,058	1,159	1,826	982	1,448
Consolidation.....	(6,808)	(7,426)	28	(16)	20	(13)
Total Property-Casualty	59,156	55,401	5,045	5,725	3,983	4,302
German Speaking Countries and Central & Eastern Europe	34,380	28,758	1,649	1,620	1,132	1,097
Western & Southern Europe and Asia Pacific	28,053	29,335	1,620	1,359	1,235	823
Iberia & Latin America.....	1,653	1,873	267	286	235	235
USA.....	12,265	10,832	1,153	852	1,006	664
Global Insurance Lines & Anglo Markets, Middle East and Africa.....	885	711	59	49	(55)	29
Consolidation and Other.....	(810)	(1,059)	(40)	(14)	(30)	(12)
Total Life/Health.....	76,426	70,450	4,708	4,152	3,523	2,837
Asset Management.....	7,164	6,732	2,704	2,530	1,992	1,922
Corporate and Other.....	239	275	(602)	(831)	(1,194)	(1,294)
Consolidation	(616)	(575)	-	(64)	(2)	(63)
Group.....	142,369	132,283	11,855	11,512	8,302	7,703

(1) The comparative figures shown for the 2018 financial year are taken from the audited consolidated financial statements as of and for the year ended December 31, 2019. They have been restated to reflect the change in the total revenues definition for Property-Casualty, which, effective January 1, 2019, includes both gross premiums written and fee and commission income.

Reconciliation of Reportable Segments to Allianz Group Figures

€ mn	<u>Total revenues</u>		<u>Operating profit/(loss)</u>		<u>Net income/(loss)</u>	
	<u>For the nine months ended September 30, (unaudited)</u>		<u>For the nine months ended September 30, (unaudited)</u>		<u>For the nine months ended September 30, (unaudited)</u>	
	<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	13,212	13,022	1,382	1,227	894	1,043
Western & Southern Europe and Asia Pacific	9,085	9,155	1,286	1,184	811	822
Iberia & Latin America and Allianz Partners	8,544	9,625	562	368	341	179

€ mn	<u>Total revenues</u>		<u>Operating profit/(loss)</u>		<u>Net income/(loss)</u>	
	<u>For the nine months ended September 30, (unaudited)</u>		<u>For the nine months ended September 30, (unaudited)</u>		<u>For the nine months ended September 30, (unaudited)</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Global Insurance Lines & Anglo Markets, Middle East and Africa.....	21,545	20,008	284	1,405	(15)	1,040
Consolidation.....	(5,658)	(5,710)	(25)	-	(19)	-
Total Property-Casualty	46,727	46,101	3,490	4,184	2,011	3,083
German Speaking Countries and Central & Eastern Europe	24,744	25,355	1,166	1,212	796	828
Western & Southern Europe and Asia Pacific	19,814	19,984	1,165	1,177	864	893
Iberia & Latin America.....	950	1,105	101	199	564	184
USA.....	7,105	9,393	504	809	479	696
Global Insurance Lines & Anglo Markets, Middle East and Africa.....	797	671	35	45	(31)	29
Consolidation and Other.....	(305)	(612)	(40)	(32)	(31)	(26)
Total Life/Health.....	53,106	55,895	2,930	3,410	2,640	2,605
Asset Management.....	5,270	5,155	1,996	1,954	1,387	1,465
Corporate and Other	174	191	(634)	(444)	(808)	(806)
Consolidation	(407)	(452)	(5)	-	2	2
	104,87	106,89				
Group.....	0	0	7,776	9,105	5,232	6,348

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 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 September 30, 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, 2019, 2018 and 2017.

	As of September 30,	As of September 30,	As of December 31,		
	2020 (including transitionals)	2020 (excluding transitionals)	2019 (excluding transitionals)	2018 (excluding transitionals)	2017 (excluding transitionals)
	Solo SCR ratio ¹	244%	237%	242%	345%
Group SCR ratio ²	224%	192%	212%	229%	229%
Solo MCR ratio ³	873%	833%	869%	1,213%	1,248%
Group MCR ratio ⁴	278%	238%	261%	309%	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.

Recent Developments Since December 31, 2019

Since December 31, 2019, the following recent developments have occurred:

Bond Transactions

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

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

On May 22, 2020, Allianz SE issued €1 billion Subordinated Fixed to Floating Rate Notes with scheduled maturity in 2050. The proceeds were used for general corporate purposes including the refinancing of existing debt.

Share buy-back program

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

On November 6, 2020, Allianz announced that the Board of Management decided to cancel the second €750 million tranche of the share buy-back program. This terminates the share buy-back program.

M&A

On March 5, 2020, Allianz Strategic Investments S.à r.l – in cooperation with Allianz X, the digital investment unit of Allianz Group and Allianz Germany, entered into binding agreements with General Atlantic and other shareholders of ControlExpert Group to acquire a large majority participation in ControlExpert Group, a leading technology-driven automotive claims processing company active in 16 countries. The transaction was closed on October 27, 2020.

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

On July 2, 2020, Allianz Group closed its acquisition of approximately 4% of the share capital of Taikang Insurance Group Inc., formerly known as Taikang Life Insurance Co., Ltd., from Goldman Sachs Group, Inc.

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 fund-related aspects of the relationship are subject to the approval of the AllianzGI U.S. Funds Board and fund shareholders.

On July 10, 2020, Allianz Group closed its acquisition of the automobile and certain other property and casualty insurance business lines from SulAmerica Companhia Nacional de Seguros, Brazil.

Results for the Nine Months Ended September 30, 2020

On November 6, 2020, Allianz released the Allianz Group 9M Earnings Release, which is incorporated by reference into this Offering Circular. Refer to the Allianz Group 9M Earnings Release for more information on the significant effect that the Covid-19 pandemic had on the Allianz Group's results for the first nine months of 2020.

Outlook for 2020

Economic outlook¹

Based on the assumption of a gradual, u-shaped recovery from the Covid-19 shock, Allianz Group expects global GDP (gross domestic product) to fall by 4.7% in 2020, followed by an incomplete rebound of 4.6% in 2021. The return to pre-crisis levels, mainly driven by China and the United States, is not expected before 2022. The severe health and economic crisis triggered by Covid-19 creates high levels of uncertainty.

In Allianz Group's base case, the U.S. GDP is expected to shrink by 5.3% in 2020 and grow by 3.7 % in 2021. In the Eurozone, the shape of the U is expected to be even more pronounced, with GDP recovering only by 4.8% in 2021 following an expected drop of -7.8% in 2020. Continued sanitary restrictions, lingering contagion fears, heightened economic uncertainty, and the expected uneven global recovery are expected to shape consumption and investment decisions and keep a lid on underlying growth dynamics. As a result, Eurozone GDP is expected to recover to pre-crisis levels only in late 2022.

Fiscal and monetary policy are expected to remain expansionary for the time being. For money markets, in particular, a new cycle of interest rate hikes seems to be a long way off. It is very likely, after this very severe recession, that central banks will be more cautious than ever when it comes to monetary normalization. In this context, yields in developed markets are expected to remain on a long-term downward slope. For 2020, Allianz Group expects 10-year Bunds to finish the year at -0.5% and 10-year U.S. Treasuries at 1.0%.

Insurance industry outlook¹

The Covid-19 pandemic rendered Allianz Group's forecast at the beginning of the year, which predicted rising premiums in 2020, obsolete. Now, a decline in global premiums has to be expected.

In the property-casualty sector, the link between economic activity and insurance demand is close. Therefore, the recession and gradual recovery, affecting new business in many lines of business, are expected to have an impact on premium growth.

In the life sector, demand for some products, such as unit-linked policies, is directly influenced by capital markets; therefore, higher volatility could influence premium growth. Industry profitability could be affected by two factors: Increased market volatility and suppressed yields may put pressure on investment income while Covid-19-related claims may shape underwriting profitability. Visibility on claims remains still relatively low and capital market developments are hardly predictable amidst an evolving pandemic. The trend of market hardening, however, might not be stopped by the pandemic, quite the contrary.

Over the long-term, Covid-19 might accelerate structural changes in the industry: The digitalization of the business model, the pivot to Asia, and the growing significance of ESG-factors (ESG = Environment, Social, Governance) are likely to gather steam after Covid-19.

Asset management industry outlook¹

The industry's profitability remains under pressure from continuous flows into passive products, new pricing models, and rising distribution costs. Digital channels such as robo-advisory platforms are gaining prominence and the strengthening of regulatory oversight could also affect profitability. At the same time, opportunities in the area of active management are expected to continue to arise, particularly in alternative/illiquid and solutions-oriented strategies, but also in equity and fixed-income products. In order to continue growing, it is vital for asset managers to keep sufficient business volumes, ensure efficient operations, and maintain a strong investment performance. Overall, it will be essential for asset managers to address their asset flows and profitability through continued structural changes in areas such as product innovation, cost structure, and growth strategies.

Outlook for the Allianz Group

The outlook for 2020 assumed no significant deviation from the underlying assumptions, i.e., stable global economic growth and no major disruption. In light of the macroeconomic development caused by the pandemic, however, and the expected impact on the financial development of the operating entities of the Group, the Board of Management does not assume that Allianz Group will be able to achieve the target range for the operating profit 2020 in the amount of €12 bn +/- €500 mn as communicated in the 2019 Annual Report. Therefore, the overall outlook for 2020 was withdrawn on April 30, 2020.

In our Property-Casualty insurance business, the strongest impact from the pandemic concerns the underwriting result, with a negative net effect of €0.9 bn at the end of the first nine months of 2020. The negative impact was primarily in entertainment, business interruption, business closure, Euler Hermes and travel. This negative impact is partly offset by a decline in frequency. Overall, the impact for 2020 will depend on the further development of the pandemic. Consequently, despite some positive impacts as described above, Allianz Group expects a reduction in annual operating profit compared to the prior year.

The impact of the pandemic on the Life/Health business is largely due to the capital markets development. The market turbulences seen in the first nine months led to a negative impact of €0.4 bn on operating profit, mainly via higher impairments and a spike in market volatility affecting the hedge result of Allianz Group's U.S. business. The overall impact for 2020 will depend on the further pandemic development and its impact on capital markets. Allianz Group expects a lower operating profit compared to 2019.

The Asset Management segment was affected by the financial market downturn and related investor uncertainties which led to negative market valuation of assets under management, net outflows and lower performance fees in the first quarter 2020. Although market development in 2Q and 3Q has provided some tailwind, markets still face high volatility and a pronounced level of risk.

Allianz Group's Corporate and Other segment is also affected by the development of the capital markets due to a lower expected investment result.

Given the overall uncertainty due to the pandemic as described above, a quantitative outlook in the usual manner cannot be given at the moment.

⁽¹⁾The information presented is based on our own estimates.

Litigation

Since July 2020, several complaints have been filed in the U.S. Federal Court for the Southern District of New York against certain Allianz Global Investors (AllianzGI) entities as well as, in certain complaints, Allianz SE and Allianz Asset Management GmbH, in connection with losses suffered by investors in AllianzGI's Structured Alpha funds during the Covid-19-related market downturn. In addition to the complaints filed to date, Allianz expects that other investors in such AllianzGI funds may bring similar actions. Allianz is reviewing the complaints and intends to defend vigorously against the allegations therein, which Allianz believes to be legally and factually flawed. AllianzGI U.S. has also received related information requests from the SEC regarding AllianzGI's Structured Alpha funds, and is fully cooperating with the SEC's investigation. 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."*

Concurrent Euro-denominated Restricted Tier 1 Notes Offering under Regulation S only

Concurrently with the launch of the offering of the Notes, the Issuer has launched an offering of euro-denominated Restricted Tier 1 notes outside of the United States pursuant to Regulation S of the U.S. Securities Act. Such euro-denominated Restricted Tier 1 notes are not being offered or sold to investors in the United States.

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, 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. 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, and, in some case, re-imposed, by countries around the world to slow the spread of Covid-19 has resulted in a severe global recession and financial crisis. As economic activity is drastically reduced 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:** For the nine months ended September 30, 2020, the operating profit of the Property-Casualty business decreased significantly as higher claims, driven in part by Covid-19 related losses, resulted in a significant deterioration in underwriting result of €-0.9 bn. 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 business interruption and event cancellation lines of business. 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:** For the nine months ended September 30, 2020, the operating profit of the Life and Health business decreased in part due to a Covid-19-induced lower investment margin resulting from higher impairments and increased hedging expenses amounting to €-0.4 bn. 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: 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 is causing significant price movements on the financial market especially for equities and credit spreads. It is also expected to continue to have an impact 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 is increasing with the associated impact on the banking sector if the state and state orchestrated aids prove to be not 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 from 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, 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 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.
- 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, current legislative proposals could 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 establish a U.S. federal program for covering business interruption losses resulting from a public health emergency. Due to such legislative proposals, our insurance contracts may ultimately be interpreted to provide broader coverage for business interruption losses than the Allianz Group anticipated or intended, resulting in claims expenses that exceed our claims reserves.

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 during the first nine months of 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.

During the first nine months of 2020, our Solvency II capitalization ratio (excluding transitionals) declined from 212% to 192%, predominantly driven by negative market developments from the Covid-19 pandemic. Any continued impact of 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, the credit spread and the equity risk are the most material risks for the Allianz Group in the category of market risks.

The Allianz Group is exposed to credit spread risk.

The Allianz Group holds a significant portfolio of fixed-income assets such as bonds. The value of this portfolio 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 September 30, 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 again 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.

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 the local or global economy overall, 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 Protector, to make substantial contributions to Protector 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 authorisation 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 can result out of the current EIOPA Solvency II review, which may impact Allianz' capitalization, but can also be due to the fact that the Allianz Group has been designated as a "Global Systemically Important Insurer" by the Financial Stability Board and will be subject to the respective policy measures which may apply to such groups. In addition, it is unclear how the Common Framework for the Supervision of Internationally Active Insurance Groups ("Comframe") of the International Association of Insurance Supervisors ("IAIS") will finally be implemented. Effects of the regulatory changes on the Allianz Group may range from additional administrative cost to implement and comply with new rules to increased cost of capital and a materially adverse effect on the Allianz Group's business, results of operation and prospects. Finally, the potential for a multiplicity of different regulatory regimes, capital standards and reporting requirements will increase operational complexity and costs. 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. For more information on the Allianz Group's legal proceedings, 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 damages in case of events such as operational errors, software and

hardware errors, power blackouts, damage, computer viruses, terrorist or other acts of sabotage as well as other internal or external threats. Operational risks also include legal and compliance risks.

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 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. Accordingly, the Notes are being offered and sold only to qualified institutional buyers in the United States and to certain persons outside of the United States. 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 Regulation (EU) No 1286/2014 (the "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.

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., U.S. dollars) 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. 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 the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) 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 irrational.

Any suspension of redemption of the Notes 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 USD 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 minimum consolidated group solvency capital ratio of Allianz Group 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. 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 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 USD 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. Accordingly, 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 will 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 minimum consolidated group solvency capital ratio of Allianz Group 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 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 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 interest rate 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, 2026, 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 interest rate on which the reset interest rate 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 interest rate cannot be anticipated, and that neither the current nor historical level of the reference interest rate is an indication of its future development. Due to varying interest income and the option of the Issuer to cancel 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.

The Notes have a reference interest rate based on the annualized CMT rate; if such rate is unavailable or discontinued, this may adversely affect the value of and return on the Notes.

The reference interest rate for the Notes is the annualized CMT rate. The CMT rate is the rate equal to the yield for U.S. Treasury securities at constant maturity for five-year maturities appearing on the Bloomberg L.P. service or any successor service designated as "H.15" under the caption "Treasury Constant Maturities (nominal)".

To the extent the relevant CMT rate does not appear on the relevant Bloomberg Screen, or as a fallback on the web page of the Board of Governors of the Federal Reserve System (<http://www.federalreserve.gov/releases/H15/>), the annualized CMT rate for the relevant reset period will be determined using alternative methods. Any of these alternative methods 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 was available in its current form. 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*”). 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. or S&P Global Ratings Europe Limited 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. If the Issuer redeems the Notes, especially in this scenario, there is a risk for investors not to 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. 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.

The Notes are a new issue of securities and have no established 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 assurances can be given that the application for listing will be approved or that an active trading market will develop. This applies to RT1 securities in general and the Notes in particular, as the Notes are the first such securities issued by a German insurance undertaking. 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 underwriters 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.

Unlike other subordinated debt instruments issued to date by the Issuer or members of the Allianz Group, 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 the market applies to the risks relating to the Issuer or 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 period following the first reset date will be determined from time to time as the sum of the annualized CMT rate plus a fixed credit spread, which credit spread will remain unchanged after the first reset date and will not reset (see "Risk Factors—Risks Related to the Notes—Other Risks Related to the Expected Return of the Notes—The Notes have a reference interest rate based on the annualized CMT rate; if such rate is unavailable or discontinued, this may adversely affect the value of and return on 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 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 non-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 rating 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 U.S. federal income tax treatment of the Notes is uncertain.

There is no authority that directly addresses the U.S. federal income tax treatment of an instrument, such as the Notes, that is denominated as a debt instrument but that provides for no maturity date. It is therefore unclear whether the Notes should be treated as the Issuer’s equity or debt for U.S. federal income tax purposes. However, we believe, and the discussion below under the heading “*Taxation—United States Tax Considerations*” assumes, that the Notes will be treated as equity for U.S. federal income tax purposes. This characterization will be binding on investors, unless the respective investor expressly discloses that it is adopting a contrary position on its U.S. federal income tax return.

In addition, no statutory, judicial or administrative authority directly addresses the U.S. federal income tax treatment of a write-down of the Notes, including the effect of a potential future write-up of the Notes. Among other matters, there is no authority addressing whether investors would be entitled to a deduction for loss at the time of a write-down. Investors may, for example, be required to wait to take a deduction until it is certain that no write-up can occur, or until there is an actual or deemed sale, exchange or other taxable disposition of the Notes. It is also possible that, if investors take a deduction at the time of a write-down, they may be required to recognize a gain at the time of a future write-up. See “*Taxation—United States Tax Considerations*” for additional information regarding the U.S. federal income tax treatment of the Notes. Investors should consult their tax advisors to determine the U.S. federal income tax consequences of ownership 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.

It is possible that we will be classified as a passive foreign investment company for U.S. federal income tax purposes, in which case United States holders (as defined in “Taxation—United States Tax Considerations”) of Notes would be subject to adverse U.S. tax consequences.

In general, we will be a passive foreign investment company (“PFIC”) with respect to you if, for any taxable year in which you hold the Notes, either (i) at least 75% of our gross income for the taxable year is passive income or (ii) at least 50% of the value, determined on the basis of a quarterly average, of our assets is attributable to assets that produce or are held for the production of passive income (including cash). To the extent we own (directly or indirectly) at least 25% (by value) of the stock of another corporation, for the purpose of determining whether we are a PFIC, we are treated as if we hold our proportionate share of the assets and earn our proportionate share of the income of such corporation.

The Code provides for special rules under which income that would otherwise be treated as passive income that is derived in the active conduct of an insurance business by a “qualifying insurance corporation” will be treated as active income for purposes of the PFIC rules. Generally, the Code defines a “qualifying insurance corporation” as a foreign insurance corporation the “applicable insurance liabilities” of which constitute more than 25% of its total assets. Because we believe that our “applicable insurance liabilities” constitute more than 25% of our total assets and that we satisfy other requirements, we believe that we constitute a “qualifying insurance corporation” under the Code, and we therefore believe that substantially all of our income is active income for PFIC purposes. Accordingly, we believe that we should not currently be classified as a PFIC for tax purposes. However, whether we qualify as a “qualifying insurance corporation” under the Code is a factual determination that is based on a number of technical financial tests, and it is therefore possible that we may not constitute a “qualifying insurance corporation” in the current taxable year or in future taxable years. If that is the case, we would be classified as a PFIC, in which case United States holders of the Notes would be subject to the adverse tax consequences described below.

Moreover, in July 2019, the IRS issued proposed regulations that are not currently in effect that provide for additional requirements for determining when a “qualifying insurance corporation” will be treated as actively conducting an insurance business. Under the technical requirements of the proposed regulations, while not entirely clear, we believe that it is possible that less than 50% of our assets will be owned by entities that are eligible to treat insurance-related assets as “active” for PFIC purposes (or otherwise be treated as “active” for PFIC purposes), in which case we could be classified as a PFIC for tax purposes. As noted above, the proposed regulations are not currently in effect, and we therefore do not intend to currently apply the proposed regulations for purposes of determining whether we are a PFIC. In addition, the IRS has received a significant number of comment letters that have questioned the rationale of the proposed regulations and recommended that the proposed regulations be amended. If, however, the proposed regulations are finalized in their current form, there is a possibility that we will be classified as a PFIC thereafter, in which case United States holders of the Notes would be subject to the adverse tax consequences described below.

If we were to be treated as a PFIC, United States holders of Notes would be required (i) to pay a special addition to tax on certain distributions and gains upon a sale of Notes, (ii) to pay tax on any gain from the sale or other disposition of Notes at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain, and (iii) to comply with additional reporting obligations in respect of their Notes. Additionally, interest payments with respect to the Notes would not constitute qualified dividend income with respect to a holder if we were a PFIC either in the taxable year of the distribution or in the preceding taxable year. Holders should consult their tax advisors regarding the potential application of the PFIC regime.

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, Germany has yet to implement 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”), which is based on the OECD’s “Base Erosion and Profit Shifting” (BEPS) action plan. In a ministerial draft for an act implementing ATAD into German law issued on December 10, 2019 by the German Federal Ministry of Finance, 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 draft law defines “structured arrangements” in more detail to a certain extent, the

definition of “structured arrangements” in the draft law is nevertheless open to interpretation. In addition, the final text and scope of a German law implementing ATAD is not yet clear and its future application by the competent tax office cannot be predicted. While the Issuer believes that the provisions of ATAD are not aimed at applying to own funds instruments of regulated institutions that are primarily or exclusively placed with investors that are not affiliated to 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 any 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—Risks Related to the Repayment of Principal – The Notes may be redeemed at an amount that is lower than the initial nominal amount of the Notes.*”).

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. In particular, EIOPA is currently undertaking a review of the Solvency II Directive and is expected to deliver advice to the European Commission by the end of 2020, 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 the future policy measures that may apply to such groups. In addition, the International Association of Insurance Supervisors have published a set of international standards for regulation of the insurance industry, the Common Framework for the Supervision of Internationally Active Insurance Groups (“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.

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 relevant regulatory capital requirements and make them more onerous. 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 early 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—Risks Related to the Repayment of Principal—The Notes may be redeemed at an amount that is lower than the initial nominal amount of the Notes.*”).

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 its ongoing 2020 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 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 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 U.S. dollars. Potential investors whose functional currency is not the U.S. dollar 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 U.S. dollar 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 Initial Purchasers' 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 (including the potential refinancing of existing debt and, depending on the circumstances and as the case may be, own funds instruments).

CAPITALIZATION AND FINANCIAL INDEBTEDNESS OF ALLIANZ GROUP

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

Total liabilities Amounts in € million

	As of September 30, 2020	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017
Senior bonds (unaudited)	8,523	8,085	8,037	8,539
Money market securities	1,179	1,124	1,163	1,058
Total certificated liabilities	9,703	9,209	9,199	9,596
Subordinated bonds (unaudited)	14,098	13,193	13,430	13,251
Hybrid equity ¹	45	45	45	45
Total subordinated liabilities	14,143	13,238	13,475	13,295

⁽¹⁾ Relates to hybrid equity issued by subsidiaries.

Total equity Amounts in € million

	As of September 30, 2020	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017
Shareholders' equity				
Issued capital	1,170	1,170	1,170	1,170
Additional paid-in capital	27,758	27,758	27,758	27,758
Retained earnings ^{1,2}	29,669	29,577	27,967	27,199
Foreign currency translation adjustments	(3,935)	(2,195)	(2,607)	(2,749)
Unrealized gains and losses (net) ^{3,4}	19,978	17,691	6,945	12,175
Subtotal	74,640	74,002	61,232	65,553
Non-controlling interests	3,278	3,363	2,447	3,049
Total	77,918	77,364	63,679	68,602

⁽¹⁾ As of September 30, 2020, includes €(815) million (December 31, 2019: €(55) million; December 31, 2018: €(84) million; December 31, 2017: €(115) million) related to treasury shares.

⁽²⁾ In February 2020, a share buy-back with an intended volume of €1.5 billion was launched. During the first half year of 2020, Allianz SE purchased 4.9 million own shares for an amount of €750 million as a first tranche. The second tranche with a volume of €750 million was cancelled in November 2020.

⁽³⁾ As of September 30, 2020, includes €506 million (December 31, 2019: €415 million; December 31, 2018: €267 million; December 31, 2017: €274 million) related to cash flow hedges.

⁽⁴⁾ Additional off-balance sheet unrealized gains on real estate, associates and joint ventures attributable to the shareholders amounted to €4.6 billion as of September 30, 2020 (December 31, 2019: €4.5 billion; December 31, 2018: €4.2 billion; December 31, 2017: €3.7 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 September 30, 2020	As of December 31, 2019	As of December 31, 2018	As of December 31, 2017
Certificated liabilities	9,703	9,209	9,199	9,596
Subordinated liabilities	14,143	13,238	13,475	13,295
Equity	77,918	77,364	63,679	68,602
Total (unaudited)	101,764	99,811	86,353	91,493

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.

Business Overview

Principal Activities of the Allianz Group

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

The Allianz Group's structure reflects both its business segments and geographical regions. Business activities are organized by product and type of service, based on how these are strategically managed: insurance activities, asset management activities, and corporate and other activities. Due to differences in the nature of products, risks, and capital allocation, insurance activities are further divided into property-casualty and life/health categories. In accordance with the responsibilities of the Board of Management, each of the insurance categories is grouped into reportable segments. In 2019, the Allianz Group had 11 reportable segments.

Allianz Group structure – Business Segments and Reportable Segments

Property-Casualty	Life/Health	Asset Management	Corporate and Other
– German Speaking Countries and Central & Eastern Europe	– German Speaking Countries and Central & Eastern Europe	– Asset Management	– Corporate and Other
– Western & Southern	– Western & Southern		

Allianz Group structure – Business Segments and Reportable Segments

Property-Casualty	Life/Health	Asset Management	Corporate and Other
Europe and Asia Pacific	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

Insurance German Speaking Countries, Insurance Central & Eastern Europe	Global insurance lines & Anglo markets, Insurance Middle East and Africa
■ ■ Germany	Global insurance lines & Anglo markets
■ ■ Switzerland	■ United Kingdom
Central & Eastern Europe	■ ■ Australia
■ ■ Austria	■ Ireland
■ ■ ■ Bulgaria	■ Allianz Global Corporate & Specialty
■ ■ Croatia	■ Euler Hermes
■ ■ Czech Republic	■ ■ Reinsurance
■ ■ Hungary	Middle East
■ ■ Poland	■ ■ Egypt
■ ■ Romania	■ ■ Lebanon
■ ■ Slovakia	■ ■ Saudi Arabia
■ ■ Russia	Africa
■ Ukraine	■ ■ Cameroon
Insurance Western & Southern Europe and Asia Pacific	■ Congo Brazzaville
Europe	■ Ghana
■ ■ ■ Italy	■ ■ Ivory Coast
■ ■ Greece	■ ■ Kenya
■ ■ Turkey	■ ■ Madagascar
■ ■ ■ France	■ ■ Morocco
■ ■ Belgium	■ ■ Nigeria
■ ■ The Netherlands	■ ■ Senegal
■ ■ Luxembourg	Asset Management
Asia Pacific	North and Latin America
■ ■ China	■ ■ United States
■ Hong Kong ¹	■ ■ Canada
■ ■ Indonesia	■ ■ Brazil
■ Japan ¹	Europe
■ Laos	■ ■ Germany
■ ■ Malaysia	■ ■ Austria
■ Pakistan	■ ■ France
■ Philippines	■ ■ Italy
■ Singapore ¹	■ ■ Ireland
■ ■ Sri Lanka	■ ■ Luxembourg
■ Taiwan	■ ■ Spain
■ ■ Thailand	■ ■ Switzerland
■ ■ India	■ ■ Belgium
Insurance Iberia & Latin America, Allianz Partners and Allianz Direct	■ ■ The Netherlands
Iberia	■ ■ United Kingdom
■ ■ Spain	■ ■ Sweden
■ ■ Portugal	Asia Pacific

Latin America	■ ■	Japan
■ Argentina	■ ■	Hong Kong
■ ■ Brazil	■ ■	Taiwan
■ ■ Colombia	■ ■	Singapore
■ ■ Mexico	■ ■	China
Allianz Partners	■ ■	Australia
■ ■ Allianz 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, 2019.

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, 2019, Allianz Group's operating profit was generated from the following regions and business lines:

	Operating profit split¹
German Speaking countries and Central & Eastern Europe	28%
Western & Southern Europe and Asia Pacific	25%
Asset Management.....	22%
Global Insurance Lines & Anglo Markets, Middle East and Africa	10%
United States	9%
Iberia, LatAm, Allianz Partners, Allianz Direct	6%

(1) Operating profit for the year ended December 31, 2019 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, 2019.

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	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,	Allianz IARD S.A. France, Paris la	Allianz Versicherungs-AG Germany,	Allianz Beratungs- und Vertriebs-	PIMCO Deutschland GmbH Germany,	Allianz Global Risks U.S. Insurance	Allianz p.l.c. Ireland, Dublin	Allianz Latin America (Brazil,	Companhia de Seguros Allianz

Brussels	Défense	Munich	AG Germany, Munich	Munich	Company Corp. United States, Chicago (IL)		Argentina, Colombia, Mexico)	Portugal S.A. Portugal, Lisbon
Allianz Nederland Groep N.V. Netherlands, Rotterdam	Allianz Hellas Insurance Company S.A. Greece, Athens	Allianz Elementar Versicheru ngs-AG Austria, Vienna	Allianz Suisse Versicheru ngs- Gesellschaf t 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 Lebens- versicherun gs-AG Austria, Vienna	Allianz Suisse Lebensvers icherungs- Gesellschaf t AG Switzerland, Wallisellen	Allianz Global Investors U.S. Holdings LLC United States, Dover (DE)	Allianz MENA (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 p.l.c. Malaysia, Kuala Lumpur	Allianz other Asia Pacific (Indonesia, Thailand)	Allianz Hungária Biztosító Zrt. Hungary, Budapest	Allianz- Slovenská poist'ovna a.s. Slovakia, Bratislava	Allianz Life Insurance Company of North America United States, Minneapolis (MN)				
		JSC Insurance Company Allianz Russia,	Allianz other CEE (Croatia, Bulgaria, Romania)					

	Moscow				
					<p>The functional divisions</p> <p>H1 – Chairman of the Board</p> <p>H2 – Finance, Controlling, Risk</p> <p>H3 – Investment Management</p> <p>H4 – Operations</p> <p>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.</p>

Insurance Operations

Allianz Group offers a wide range of property-casualty and life/health insurance products to both retail and corporate customers. For the Property-Casualty business segment, these include motor, accident, property, general liability, travel insurance and assistance services; the Life/Health business segment offers savings and investment-oriented products in addition to life and health insurance. Allianz Group is the leading property-casualty insurer worldwide and ranks among the top five in the life/health insurance business. Allianz Group's key markets (in terms of premiums) for both property-casualty and life/health are Germany, France, Italy, and the United States.

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

Asset Management

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

Corporate and Other

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

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, scenario analyses, stress testing 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, solvency 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 2019 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% and a "holding period" of one year (reflecting the ability of insurance or reinsurance companies to withstand a 1-in-200-year event). 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 had determined its regulatory capital requirements on the basis of a partial internal model since January 1, 2016.¹

In addition to the SCR, insurance and reinsurance companies should 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 from (a) entities applying either internal or standard models in accordance with Solvency II, (b) entities regulated under insurance

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.

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 September 30, 2020, the eligible own funds of Allianz Group increased by €13.6 bn due to the application of transitional measures on technical provisions, and the Allianz Group SCR ratio increased by 32 percentage points from 192% to 224%. The Group MCR ratio increased by 41 percentage points from 238% to 278%.

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 September 30, 2020, the eligible solo own funds of Allianz SE increased by €13.6 bn due to the application of transitional measures on technical provisions, whereas the Allianz Solo SCR and Solo MCR increased by €4.6 bn and €1.1 bn respectively. The Solo SCR ratio increased by 7 percentage points from 237% to 244%. The Solo MCR increased by 40 percentage points from 833% to 873%.

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 the prior regulatory regime (known as “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 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 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 would be largely reduced or even nil.

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 September 30, 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, 2019, 2018 and 2017.

	As of September 30,	As of September 30,	As of December 31,		
	2020 (including transitionals)	2020 (excluding transitionals)	2019 (excluding transitionals)	2018 (excluding transitionals)	2017 (excluding transitionals)
Solo SCR ratio ¹	244%	237%	242%	345%	355%
Group SCR ratio ²	224%	192%	212%	229%	229%
Solo MCR ratio ³	873%	833%	869%	1,213%	1,248%
Group MCR ratio ⁴	278%	238%	261%	309%	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.

Own Funds and SCR Movements

The owns funds of the Allianz Group as of September 30, 2020 amounted to €94.2 billion (including transitionals) and €80.6 billion (excluding transitionals). The table below illustrates the breakdown of own funds (including transitionals) by tier as of September 30, 2020.

€ bn	Own Funds	% of Total
Unrestricted Tier 1	78.3	83%
Restricted Tier 1	3.3	3%
Tier 2	11.3	12%
Tier 3	1.2	1%
Total Group own funds	94.2	100%

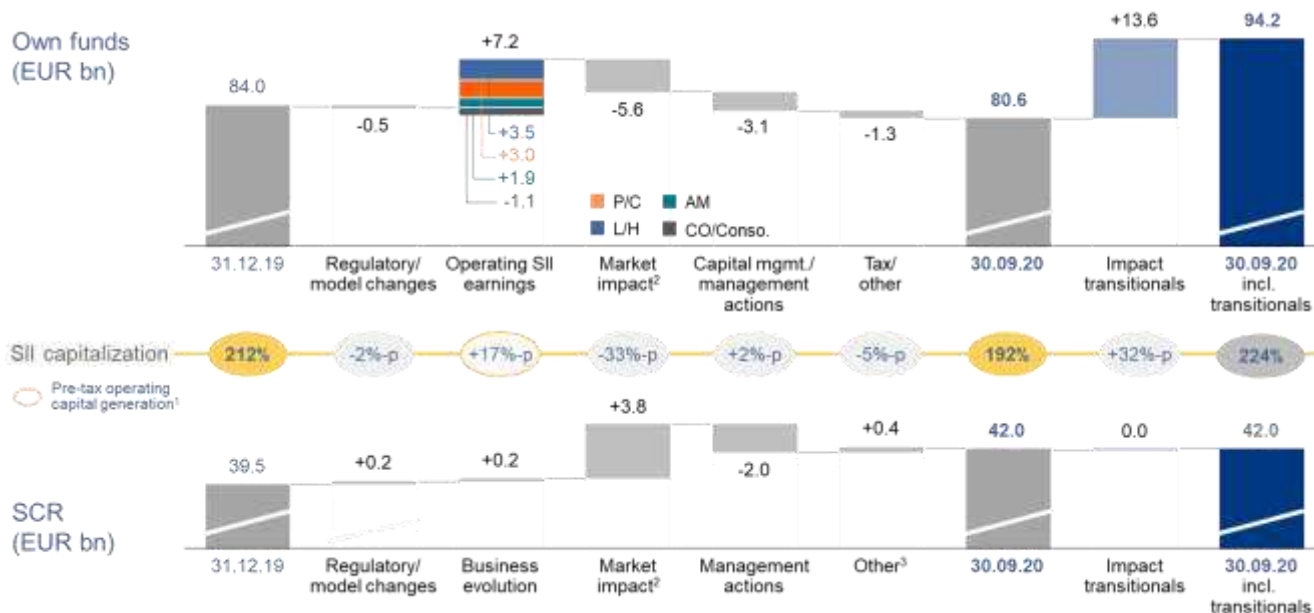
By comparison, the SCR applicable to the Allianz Group as of September 30, 2020 (including transitionals) amounted to €42.0 billion (both including and excluding transitionals). As a result, Allianz Group’s solvency capital ratio as of September 30, 2020 amounted to 224% (including transitionals) and 192% (excluding transitionals).

The Allianz Group’s ratio of Unrestricted Tier 1 capital to SCR as of September 30, 2020 was 186% (including transitionals) and 154% (excluding transitionals) (December 31, 2019: 176% (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 September 30, 2020 was 38% (both including and excluding transitionals) (December 31, 2019: 36% (excluding transitionals)).

For more information of the breakdown of the Allianz Group's own funds as of December 31, 2019, see the Own Funds 2019 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, 2019 to September 30, 2020 (excluding transitionals), along with the impact of the transitional measures for technical provisions. For information describing such movements in 2019, see the Own Funds 2019 Report, which is incorporated by reference herein.



- (1) Represents the change in Solvency II 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, 2019 to September 30, 2020

Regulatory/model changes. The regulatory / model changes in the first nine months of 2020 resulted in a €0.5 billion decrease of own funds after-tax, mainly driven by a reduction in the ultimate forward rate (“UFR”)² (-15 bps) and the introduction of the “simple look-through participation” model change at Allianz Leben and Allianz Private Krankenversicherung.

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).

Operating SII earnings. Operating Solvency II (“Operating SII”) earnings for the first nine months of 2020 amounted to €7.2 billion before tax and dividend accrual:

- Operating SII earnings of the L/H segment (€3.5 billion) include €1.3 billion from new business value.
- Operating SII earnings of the P/C segment (€3.0 billion) is below respective IFRS operating profit (€3.5 billion).
- Operating SII earnings of the Asset Management segment (€1.9 billion) is close to the corresponding IFRS operating profit (€2.0 billion).
- Operating SII earnings of the Corporate segment (–€1.1 billion) include –€0.5 billion external debt interest expenses.

Market impacts. The market impact on own funds amounted to a decrease of €5.6 billion which was predominantly driven by negative market developments following Covid-19 and the associated governmental responses.

Capital management/management actions. Capital management/management actions decreased own funds by €3.1 billion, mainly driven by the –€2.8 billion dividend accrual and the –€1.5 billion deduction for the share buy back, partially offset by a Tier 2 subordinated debt issuance (+€1.0 billion) and certain management actions, including the deconsolidation of Allianz’s interest in Banco Popular and the acquisition of Allianz Brasil Seguradora S.A. (“SulAmerica”).

Taxes. Taxes increased own funds by €0.2 billion.

For more information on the movement of own funds from December 31, 2018 to December 31, 2019, see the Own Funds 2019 Report, which is incorporated by reference herein.

SCR Movements – December 31, 2019 to September 30, 2020

The SCR movement is mainly driven by adverse market movements including the decrease in swap rates and still partially lower equity markets as well as increased credit spreads. The market impact of €3.8 billion was partially offset by management actions of €2.0 billion including several de-risking actions such as the reduction in equity exposure or duration hedging.

Movements of Solvency Capital Ratio – December 31, 2019 to September 30, 2020

As a result of the decrease in own funds (excluding transitionals) and increase in SCR during this period, the Allianz Group’s solvency capital ratio (excluding transitionals) decreased from 212% to 192%, which was predominantly driven by negative market developments following Covid-19 and the associated governmental responses, offset in part by capital generation and management actions.

The application of the transitionals increased Allianz Group’s own funds by €13.6 billion, as a result of which the Allianz Group’s solvency capital ratio (including transitionals) was 224% at September 30, 2020.

As of the date of this Offering Circular, the Issuer anticipates that its acquisition of interests in ControlExpertGroup and in the bancassurance joint venture with BBVA is expected to reduce the Allianz Group’s solvency capital ratio by approximately 2 percentage points in the fourth quarter of 2020, but this impact is expected to be offset by the termination of the second €750 million tranche of the share buy-back program.

The following table presents the key sensitivities (excluding transitionals) on the Allianz Group’s solvency capital ratio as of September 30, 2020:

<i><u>Sensitivities</u></i> ¹	<i><u>Scenario</u></i>	<i><u>Group SCR Ratio Impact as of September 30, 2020</u></i>
<i>Equity markets</i> ²	+30%	14 percentage points
<i>Equity markets</i> ²	-30%	(13) percentage points
<i>Interest rate Solvency II (non-parallel)</i>	+50 bps	6 percentage points
<i>Interest rate Solvency II (non-parallel)</i>	-50 bps	(9) percentage points
<i>Credit spread on government bonds</i>	+50 bps	(12) percentage points
<i>Credit spread on corporate bonds</i>	+50 bps	4 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 8 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 +8 percentage points for a +30% stress scenario and (6) percentage points for a -30% stress scenario.

Capital Management

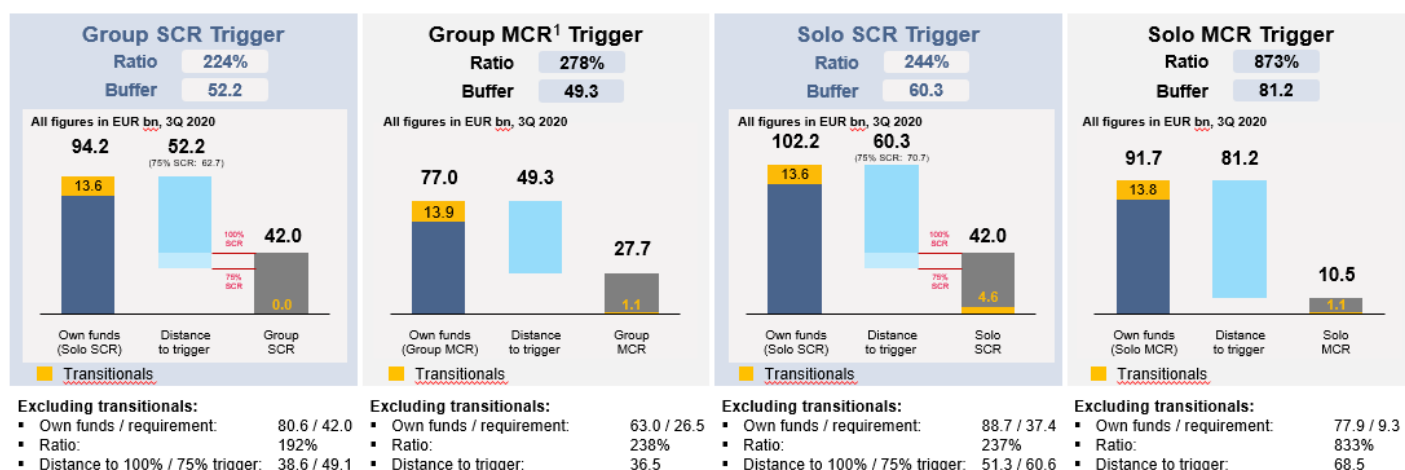
The Issuer's management has defined a clear framework for its capital management policy:

- 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. 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 the Allianz Group (i.e., the Group MCR Ratio) 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 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 September 30, 2020, both including and excluding transitionals.



(1) “Group MCR” means the minimum consolidated group Solvency Capital Requirement.

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 year ended December 31, 2019 and 2018 (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 nine months ended September 30, 2020 prepared in accordance with IFRS applicable to interim financial reporting adopted by the European Union (IAS 34) (the “Condensed Consolidated Interim Financial Statements”). The Consolidated Financial Statements have been audited 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 unaudited condensed consolidated interim financial statements of Allianz Group as of and for the six months ended June 30, 2020 prepared in accordance with IFRS applicable to interim financial reporting adopted by the European Union (IAS 34) 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 nine months ended September 30, 2019, 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 2018 and 2019. The key figures for the financial years 2018 and 2019 are audited, unless otherwise indicated.

Key figures for the year ended December 31, 2019 and 2018

		Year ended December 31,		Change
		2019	2018	
Total revenues ¹	€mn	142,369	132,283	7.6%
Property-Casualty	€mn	59,156	55,401	6.8%
Life/Health	€mn	76,426	70,450	8.5%
Asset Management	€mn	7,164	6,732	6.4%
Corporate and Other	€mn	239	275	-13.1%
Consolidation	€mn	(616)	(575)	7.1%
Operating profit/(loss)	€mn	11,855	11,512	3.0%
Property-Casualty	€mn	5,045	5,725	-11.9%
Life/Health	€mn	4,708	4,152	13.4%
Asset Management	€mn	2,704	2,530	6.9%
Corporate and Other	€mn	(602)	(831)	-27.6%
Consolidation	€mn	-	(64)	n.m.
Net income/(loss)	€mn	8,302	7,703	7.8%
attributable to non-controlling interests	€mn	387	241	60.6%
attributable to shareholders	€mn	7,914	7,462	6.1%
Additional KPIs				
Group Return on equity ^{2,3} (unaudited)	%	13.6%	13.2%	0.4%-p
Property-Casualty Combined ratio (unaudited)	%	95.5%	94.0%	1.5%-p
Life/Health New business margin	%	3.2%	3.6%	-0.3%-p
Life/Health value of new business	€ mn	2,167	2,087	3.8%
Asset Management Cost-income ratio (unaudited)	%	62.3%	62.4%	-0.2%-p
Shareholders' equity ³	€mn	74,002	61,232	20.9%
Solvency II capitalization ratio (without transitionals) ⁴	%	212%	229%	-17%-p

(1) The comparative figures shown for the 2018 financial year are taken from the audited consolidated financial statements as of and for the year ended December 31, 2019. They have been restated to reflect the change in the total revenues definition for Property-Casualty, which, effective January 1, 2019, includes both gross premiums written and fee and commission income.

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

(3) Excluding non-controlling interests.

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

The following tables indicate key figures for the first nine months ended on September 30, 2020 and 2019. The key figures for the first nine months ended on September 30, 2020 and 2019 are unaudited.

Key figures for the nine months ended September 30, 2020 and 2019

		Nine months ended September 30,		Change
		2020	2019	
Total revenues	€mn	104,870	106,890	-1.9%
Property-Casualty ¹	€ mn	46,727	46,101	1.4%
Life/Health	€ mn	53,106	55,895	-5.0%
Asset Management	€ mn	5,270	5,155	2.2%
Corporate and Other	€ mn	174	191	-9.1%
Consolidation	€ mn	(407)	(452)	-10.0%
Operating profit/loss	€ mn	7,776	9,105	-14.6%
Property-Casualty	€ mn	3,490	4,184	-16.6%
Life/Health	€ mn	2,930	3,410	-14.1%
Asset Management	€ mn	1,996	1,954	2.2%
Corporate and Other	€ mn	(634)	(444)	42.9%
Consolidation	€ mn	(5)	-	n.m.

		Nine months ended		
		September 30,		
		2020	2019	Change
Net income	€ mn	5,232	6,348	-17.6%
Attributable to non-controlling interests	€ mn	242	292	-16.9%
Attributable to shareholders	€ mn	4,990	6,056	-17.6%
Additional KPIs				
Group Return on equity ^{2,3}	%	8.5%	10.6%	-2.1%-p
Property-Casualty Combined ratio	%	96.0%	94.1%	1.9%-p
Life/Health New business margin	%	2.9	3.4	-0.5%-p
Life/Health value of new business	€ mn	1,222	1,648	-25.9%
Asset Management Cost-income ratio	%	62.1%	62.1%	0.0%-p
Shareholders' equity ³	€ mn	74,640	74,573	0.09%
Solvency II capitalization ratio (without transitionals) ⁴	%	192%	202%	-10%-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 excluding unrealized gains/losses on bonds, net of shadow accounting, at the beginning and at the end of the period.

(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 was 224% as of September 30, 2020.

Reconciliation of Reportable Segments

Reconciliation of Reportable Segments to Allianz Group Figures for the year ended December 31, 2019 and 2018. The figures for the financial years 2018 and 2019 are audited, unless otherwise indicated.

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

(1) The comparative figures shown for the 2018 financial year are taken from the audited consolidated financial statements as of and for the year ended December 31, 2019. They have been restated to reflect the change in the total

revenues definition for Property-Casualty, which, effective January 1, 2019, includes both gross premiums written and fee and commission income.

Reconciliation of Reportable Segments to Allianz Group Figures for the nine months ended September 30, 2020 and 2019 (unaudited).

€ mn	Total revenues		Operating profit/(loss)		Net income/(loss)	
	Nine months ended September 30,					
	2020	2019	2020	2019	2020	2019
German Speaking Countries and Central & Eastern Europe.....	13,212	13,022	1,382	1,227	894	1,043
Western & Southern Europe and Asia Pacific	9,085	9,155	1,286	1,184	811	822
Iberia & Latin America and Allianz Partners	8,544	9,625	562	368	341	179
Global Insurance Lines & Anglo Markets, Middle East and Africa	21,545	20,008	284	1,405	(15)	1,040
Consolidation.....	(5,658)	(5,710)	(25)	-	(19)	-
Total Property-Casualty.....	46,727	46,101	3,490	4,184	2,011	3,083
German Speaking Countries and Central & Eastern Europe.....	24,744	25,355	1,166	1,212	796	828
Western & Southern Europe and Asia Pacific	19,814	19,984	1,165	1,177	864	893
Iberia & Latin America.....	950	1,105	101	199	564	184
USA	7,105	9,393	504	809	479	696
Global Insurance Lines & Anglo Markets, Middle East and Africa	797	671	35	45	(31)	29
Consolidation and Other	(305)	(612)	(40)	(32)	(31)	(26)
Total Life/Health.....	53,106	55,895	2,930	3,410	2,640	2,605
Asset Management.....	5,270	5,155	1,996	1,954	1,387	1,465
Corporate and Other	174	191	(634)	(444)	(808)	(806)
Consolidation	(407)	(452)	(5)	-	2	2
Group.....	104,870	106,890	7,776	9,105	5,232	6,348

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

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

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

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.

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,
- acquisition-related expenses (from business combinations),
- amortization of intangible assets,
- restructuring and integration expenses,
- profit/(loss) of substantial subsidiaries classified as held for sale.

The following exceptions apply to this general rule:

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

Operating profit should be viewed as complementary to, and not as a substitute for, income before income taxes or net income, 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 net income attributable to shareholders divided by the average shareholders' equity excluding unrealized gains/losses on bonds net of shadow accounting at the beginning of the period and at the end of the period.

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

⁽¹⁾ Shareholders' equity excluding non-controlling interests

⁽²⁾ Shareholders' equity excluding unrealized gains/losses on bonds net of shadow accounting

Limitations on the Usefulness

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

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).

$$\text{CR}_{\text{PC Segment}} = \frac{\text{benefits incurred (net)}^1}{\text{Premiums earned (net)}^1}$$

⁽¹⁾ In insurance terminology the term “net” means after reinsurance ceded.

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

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

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

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, 2019 and December 31, 2018 (audited).

The figures for the financial years 2018 and 2019 are audited, unless otherwise indicated.

A. Total Revenues¹

Composition of total revenues

€ mn

	Year ended December	
	2019	2018
PROPERTY-CASUALTY		
Total revenues	59,156	55,401
consisting of:.....		
Gross premiums written	57,210	53,636
Fee and commission income	1,946	1,765
LIFE/HEALTH		
Statutory premiums	76,426	70,450
ASSET MANAGEMENT		
Operating revenues	7,164	6,732
consisting of:		
Net fee and commission income (unaudited)	7,171	6,713
Net interest and similar income (unaudited)	(10)	3

Composition of total revenues

€ mn

	Year ended December 31,	
	2019	2018
Income from financial assets and liabilities carried at fair value through income (net)	1	5
Other income	1	11
CORPORATE AND OTHER		
thereof: Total revenues (Banking)	239	275
consisting of:		
Interest and similar income (unaudited)	73	95
Income from financial assets and liabilities carried at fair value through income (net) ² (unaudited)	3	3
Fee and commission income (unaudited)	576	577
Other income (unaudited)	-	4
Interest expenses, excluding interest expenses from external debt (unaudited)	(21)	(24)
Fee and commission expenses (unaudited)	(394)	(382)
Consolidation effects within Corporate and Other (unaudited)	1	-
CONSOLIDATION	(616)	(575)
Allianz Group total revenues	142,369	132,283

(1) The comparative figures shown for the 2018 financial year are taken from the audited consolidated financial statements as of and for the year ended December 31, 2019. They have been restated to reflect the change in the total revenues definition for Property-Casualty, which, effective January 1, 2019, includes both gross premiums written and fee and commission income.

(2) Includes trading income.

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

€ mn

	Year ended December 31,	
	2019	2018
Statutory premiums	76,426	70,450
Ceded premiums written (unaudited)	(727)	(625)
Change in unearned premiums (net)	(632)	(563)
Deposits from insurance and investment contracts (unaudited)	(50,480)	(46,095)
Premiums earned (net)	24,586	23,167

B. Operating Profit (OP)

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

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

€ mn

	Year ended December 31, 2019					
	Property - Casualty	Life/Health	Asset Managem ent	Corpora te and Other	Consolidati on	Group
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.

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

€ mn

	Year ended December 31, 2018 ²					
	Property - Casualty	Life/Health	Asset Managem ent	Corpora te and Other	Consolidati on	Group
Operating profit/(loss)	5,725	4,152	2,530	(831)	(64)	11,512
Non-operating investment result						
Non-operating income from financial assets and liabilities carried at fair value through income (net) ¹	40	16	-	19	(7)	67
Non-operating realized gains/losses (net) ¹	663	134	-	156	(3)	951
Non-operating impairments of investments (net) ¹	(396)	(41)	-	(137)	-	(575)
Subtotal	307	108	-	38	(10)	443
Non-operating change in reserves for insurance and investment contracts (net) ¹	-	(22)	-	-	-	(22)
Interest expenses from external debt...	-	-	-	(840)	-	(840)
Acquisition-related expenses	-	-	-	-	-	-
Non-operating amortization of intangible assets	(55)	(278)	(13)	(9)	-	(355)
Non-operating restructuring and integration expenses	(180)	(64)	(2)	(94)	-	(339)
Non-operating items	73	(256)	(15)	(905)	(10)	(1,113)
Income/(loss) before income taxes	5,798	3,896	2,515	(1,736)	(74)	10,399
Income taxes	(1,496)	(1,059)	(593)	443	10	(2,696)

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

€ mn

	Year ended December 31, 2018 ²					Group
	Property - Casualty	Life/Health	Asset Management	Corporate and Other	Consolidated	
Net income/(loss)	4,302	2,837	1,922	(1,294)	(63)	7,703
Net income/(loss) attributable to:						
Non-controlling interests	66	166	73	(64)	-	241
Shareholders	4,236	2,671	1,848	(1,230)	(63)	7,462

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

⁽²⁾ Effective January 1, 2019, the Allianz Group amended its operating profit definition to exclude certain costs that arise directly from integration measures associated with external acquisitions of a certain magnitude or Group internal business combinations of entities with large business activities. Prior year figures have not been adjusted in light of the new operating profit definition.

C. Return on Equity (ROE)

Reconciliation of return on equity for the Allianz Group

€ mn

	Year ended December 31,	
	2019	2018
Net income/(loss) attributable to shareholders	7,914	7,462
Shareholders' equity bop	61,232	65,553
Shareholders' equity eop	74,002	61,232
Unrealized gains/losses on bonds (net of shadow accounting) bop (unaudited)	4,894	8,904
Unrealized gains/losses on bonds (net of shadow accounting) eop (unaudited)	13,796	4,894
Return on equity (excluding unrealized gains/losses on bonds net of shadow accounting) in % (unaudited)	13.6	13.2

D. Combined Ratio (CR)

Reconciliation of combined ratio

€ mn

	Year ended December 31,	
	2019	2018
Claims and insurance benefits incurred (net)	(34,900)	(31,864)
Acquisition and administrative expenses (net) (excluding acquisition-related expenses)	(14,119)	(13,542)
Premiums earned (net)	51,328	48,305
Combined ratio in % (unaudited)	95.5	94.0
Loss ratio in % (unaudited)	68.0	66.0
Expense ratio in % (unaudited)	27.5	28.0

E. Cost-Income Ratio (CIR)

Reconciliation of cost-income ratio

€ mn

	Year ended December 31,	
	2019	2018
Operating expenses	(4,460)	(4,202)
Operating revenues	7,164	6,732
Cost-income ratio in % (unaudited)	62.3	62.4

Reconciliations as of September 30, 2020 and September 30, 2019 (Unaudited)

A. Total Revenues

Composition of total revenues
€ mn

	Nine months ended September 30,	
	2020	2019
PROPERTY-CASUALTY		
Total revenues	46,727	46,101
consisting of:		
Gross premiums written.....	45,503	44,653
Fee and commission income.....	1,225	1,448
LIFE/HEALTH	53,106	55,895
Statutory premiums		
ASSET MANAGEMENT	5,270	5,155
Operating revenues		
consisting of:	5,277	5,153
Net fee and commission income	(11)	(8)
Net interest and similar income	4	10
Income from financial assets and liabilities carried at fair value through income (net)	1	1
CORPORATE AND OTHER		
thereof: Total revenues (Banking)	174	191
consisting of:		
Interest and similar income.....	51	56
Income from financial assets and liabilities carried at fair value through income (net) ¹	1	3
Fee and commission income.....	401	431
Interest expenses, excluding interest expenses from external debt.....	(16)	(15)
Fee and commission expenses	(267)	(284)
Consolidation effects within Corporate and Other	3	-
CONSOLIDATION	(407)	(452)
Allianz Group total revenues	104,870	106,890

⁽¹⁾ Includes trading income.

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

	Nine months ended September 30,	
	2020	2019
Statutory premiums	53,106	55,895
Ceded premiums written	(679)	(546)
Change in unearned premiums (net)	(464)	(507)
Deposits from insurance and investment contracts	(34,292)	(36,820)
Premiums earned (net)	17,671	18,022

B. Operating Profit (OP)

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

	Nine months ended September 30, 2020					Group
	Property- Casualty	Life/Health	Asset Management	Corporate and Other	Consolidation	
Operating profit/(loss)	3,490	2,930	1,996	(634)	(5)	7,776

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

€ mn

	Nine months ended September 30, 2020					Group
	Property-Casualty	Life/Health	Asset Management	Corporate and Other	Consolidation	
Non-operating investment result						
Non-operating income from financial assets and liabilities carried at fair value through income (net) ¹	(10)	13	-	(72)	(2)	(71)
Non-operating realized gains/losses (net) ¹	280	634	-	216	8	1,138
Non-operating impairments of investments (net) ¹	(513)	(135)	-	(95)	-	(743)
Subtotal	(244)	512	-	49	6	324
Non-operating change in reserves for insurance and investment contracts (net) ¹	-	73	-	-	-	73
Interest expenses from external debt....	-	-	-	(545)	-	(545)
Acquisition-related expenses	-	-	-	-	-	-
Non-operating amortization of intangible assets	(84)	(34)	(12)	(13)	-	(143)
Non-operating restructuring and integration expenses	(252)	(39)	(125)	(59)	-	(475)
Reclassification from operating profit (loss)	-	1	-	-	-	1
Non-operating items	(579)	512	(137)	(568)	6	(766)
Income/(loss) before income taxes	2,911	3,442	1,859	(1,202)	1	7,010
Income taxes	(900)	(802)	(472)	394	2	(1,778)
Net income/(loss)	2,011	2,640	1,387	(808)	2	5,232
Net income/(loss) attributable to:						
Non-controlling interests	74	118	80	(30)	-	242
Shareholders	1,937	2,522	1,307	(778)	3	4,990

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

€ mn

	Nine months ended September 30, 2019					Group
	Property-Casualty	Life/Health	Asset Management	Corporate and Other	Consolidation	
Operating profit/(loss)	4,184	3,410	1,954	(444)	-	9,105
Non-operating investment result						
Non-operating income from financial assets and liabilities carried at fair value through income (net) ¹	(111)	81	-	(24)	1	(52)
Non-operating realized gains/losses (net) ¹	497	88	-	37	-	622
Non-operating impairments of investments (net) ¹	(273)	(29)	-	(28)	-	(330)
Subtotal	112	141	-	(15)	2	240
Non-operating change in reserves for insurance and investment contracts (net) ¹	-	(35)	-	-	-	(35)
Interest expenses from external debt....	-	-	-	(632)	-	(632)
Acquisition-related expenses	-	-	-	-	-	-
Non-operating amortization of intangible assets	(76)	(38)	(12)	(8)	-	(134)
Non-operating restructuring and integration expenses	(76)	(14)	-	(53)	-	(143)
Reclassification from operating profit (loss)	-	-	-	-	-	-

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

€ mn

	Nine months ended September 30, 2019					
	Property-Casualty	Life/Health	Asset Management	Corporate and Other	Consolidation	Group
Non-operating items	(39)	54	(12)	(708)	2	(703)
Income/(loss) before income taxes	4,145	3,464	1,942	(1,152)	2	8,401
Income taxes	(1,062)	(859)	(478)	346	-	(2,054)
Net income/(loss)	3,083	2,605	1,465	(806)	2	6,348
Net income/(loss) attributable to:						
Non-controlling interests	54	138	62	37	-	292
Shareholders	3,029	2,466	1,403	(844)	2	6,056

⁽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

	Nine months ended September 30,	
	2020	2019
Net income/(loss) attributable to shareholders.....	4,990	6,056
Shareholders' equity bop	74,002	61,232
Shareholders' equity eop	74,640	74,573
Unrealized gains/losses on bonds (net of shadow accounting) bop	13,796	4,894
Unrealized gains/losses on bonds (net of shadow accounting) eop	17,068	16,537
Return on equity (excluding unrealized gains/losses on bonds net of shadow accounting) in %	8.5	10.6

D. Combined Ratio (CR)

Reconciliation of combined ratio

€ mn

	Nine months ended September 30,	
	2020	2019
Claims and insurance benefits incurred (net).....	(26,939)	(25,525)
Acquisition and administrative expenses (net) (excluding acquisition-related expenses)	(10,324)	(10,452)
Premiums earned (net)	38,833	38,230
Combined ratio in %	96.0	94.1
Loss ratio in %	69.4	66.8
Expense ratio in %	26.6	27.3

The combined ratio of the Property-Casualty business segment increased by 1.9 percentage points to 96.0% in the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019, affected by an overall negative impact of Covid-19 and higher claims from natural catastrophes. The impact on the combined ratio from natural catastrophes increased from 1.4 percentage points in the first nine months of 2019 to 1.8 percentage points in the first nine months of 2020. The overall negative impact of Covid-19 on the Allianz Group's underwriting results amounted to €0.9 billion in the nine months ended September 30, 2020.

E. Cost-Income Ratio (CIR)

Reconciliation of cost-income ratio

€ mn

	Nine months ended September 30,	
	2020	2019
Operating expenses	(3,273)	(3,201)

Reconciliation of cost-income ratio

€ mn

	Nine months ended September 30,	
	2020	2019
Operating revenues	5,270	5,155
Cost-income ratio in %	62.1	62.1

The cost-income ratio of the Asset Management business segment for the nine months ended September 30, 2020 was stable compared to 2019 as higher revenues were offset by higher expenses.

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, 2019.

€ bn	Consolidated	Property-Casualty ²	Life & Health ²
Twelve months ended December 31, 2019			
Debt Instruments.....	643.6	87.3	520.7
Equities	78.3	10.5	63.5
Real Estate ¹	13.0	3.0	9.8
Cash/Other	19.4	5.8	8.9
Total	754.4	106.6	602.9

(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, 2019, the duration of the Group's assets was 9.6 years and the duration of the Group's liabilities was 9.7 years. For the nine months ended September 30, 2020, the duration of the Group's assets was 10.4 years and the duration of the Group's liabilities was 10.8 years. In Property-Casualty, the duration of the segment's assets was 5.4 years and 5.5 years for the year ended December 31, 2019 and the nine months ended September 30, 2020, respectively, and the duration of the segment's liabilities was 4.4 years for both the year ended December 31, 2019 and the nine months ended September 30, 2020, respectively. In Life & Health, the duration of the segment's assets was 10.2 years and 11.2 years for the year ended December 31, 2019 and the nine months ended September 30, 2020, respectively, and the duration of the segment's liabilities was 10.4 and 11.7 for the year ended December 31, 2019 and the nine months ended September 30, 2020, respectively. The duration gap in the Life & Health segment increased from -0.1 years to -0.4 years from December 31, 2019 to September 30, 2020 driven by the strong decrease in swap rates, slightly compensated by 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 September 30, 2020 amounted to €774.2 billion (December 31, 2019: €754.4 billion). Current yield on the investment portfolio as of December 31, 2019 was 3.1%, with a five-year average impairment (January 1, 2015 to December 31, 2019) on debt instruments of 4 basis points.

As of September 30, 2020 approximately 93% of debt instruments were investment grade (December 31, 2019: 93%) and 27% of debt instruments, or €173 billion, were BBB+, BBB or BBB- rated (December 31, 2019: 27%), excluding self-originated German private retail mortgage loans. As of September 30, 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, with €13.7 billion in net unrealized gains (net of unrealized losses; before policyholder participation, tax and non-controlling interests). Of this segment of the

Allianz Group’s portfolio, 33% are rated BBB+, 48% are rated BBB and 19% are rated BBB-, as of December 31, 2019. As of December 31, 2019, 82% 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 €161 billion (reflecting alternative equity investments measured at market value and alternative debt investments measured at book value) of the Allianz Group’s overall investment portfolio, of which 55% are in alternative debt and 45% are in alternative equity, as of December 31, 2019. Of the alternative equity holdings, 69% are real estate holdings. The vast majority of the alternative debt holdings have a loan-to-value ratio of under 60%.

The following table shows the current performance of the alternative asset segment of the Allianz Group’s portfolio as of December 31, 2019:

	<u>Net Unrealized Gains¹</u>	<u>Current Yield</u>
<u>Alternative Debt</u>	€8.4 billion	3.4%
<u>Alternative Equity</u>	€18.2 billion	4.5%

⁽¹⁾ Net of unrealized losses; before policyholder participation, tax and non-controlling interests.

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 €9,703 million as of September 30, 2020 (December 31, 2019: €9,209 million). The change was due to the issuance of two senior bonds with a total volume of €1.25 billion and the redemption of a €0.75 billion senior bond in the first nine months of 2020. The Allianz Group’s total subordinated liabilities reached €14,143 million as of September 30, 2020 (December 31, 2019: €13,238 million). The change was due to the issuance of a subordinated bond in the first nine months of 2020 with a volume of €1.0 billion.

The following tables show the tenor of the Allianz Group’s current outstanding senior and subordinated debt and first potential call dates. 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.

	<i>All Bonds shown at Final Maturity (€ bn)</i>			<i>All Bonds (€ bn) Non-Callable Bonds shown at Final Maturity Callable Bonds shown at Next Call Date</i>		
	<i>Senior Bonds</i>	<i>Subordinated Bonds (no coupon step-up)</i>	<i>Subordinated Bonds (coupon step-up)</i>	<i>Senior Bonds</i>	<i>Subordinated Bonds (no coupon step-up)</i>	<i>Subordinated Bonds (coupon step-up)</i>
2020	0.5	-	-	0.5	0.9	-
2021	-	-	-	-	0.8	1.6
2022	1.5	-	-	1.5	1.3	1.5
2023	0.75	-	-	0.75	-	1.5
2024	-	-	-	-	-	1.5
2025	0.5	-	-	0.5	-	1.5
2026	0.75	-	-	0.75	-	-
2027	0.75	-	-	0.75	-	1.0
2028	0.75	-	-	0.75	-	-
2029	-	-	-	-	-	1.5
2030	0.75	-	-	0.75	-	1.0
2031	1.5	-	-	1.5	-	-
...	-	-	-	-	-	-
2041	-	-	1.6	-	-	-
2042	-	-	1.5	-	-	-
2043	0.83	-	-	0.83	-	-
2044	-	-	-	-	-	-

2045	-	-	1.5	-	-	-
2046	-	-	-	-	-	-
2047	-	-	1.0	-	-	-
2048	-	-	-	-	-	-
2049	-	-	1.5	-	-	-
2050	-	-	1.0	-	-	-
...	-	-	-	-	-	-
<i>Perpetual</i>	-	2.9	3.0	-	-	-

Shareholders' Equity — Market Sensitivities

Shareholders' equity of the Allianz Group amounted to €74.6 billion as of September 30, 2020 (December 31, 2019: €74.0 billion), consisting of unrealized gains/losses (net) of €20.0 billion (December 31, 2019: €17.7 billion), retained earnings (including foreign currency translation adjustments) of €25.7 billion (December 31, 2019: €27.4 billion) and paid-in capital of €28.9 billion (December 31, 2019: €28.9 billion). Additional off-balance sheet unrealized gains on real estate, associates and joint ventures attributable to the shareholders amounted to €4.5 billion as of December 31, 2019 and €4.6 billion as of September 30, 2020. 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 September 30, 2020:

<u>Sensitivities</u>	<u>Scenario</u>	<u>Estimated Shareholders' Equity Impact per September 30, 2020 (€ bn)</u>
Equity markets	-30%	-3.8
Interest rate	+50 bps	-5.5
Interest rate	-50 bps	+5.5
Credit spread on government bonds	+50 bps	-3.1
Credit spread on corporate bonds	+50 bps	-3.0

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 1H 2020 Interim Report incorporated herein by reference.

The value of new business decreased from €1,648 million in the nine months ended September 30, 2019 to €1,222 million in the nine months ended September 30, 2020 impacted by market developments (in particular lower interest rates) and lower volumes (in particular Covid-19 related sales slowdown and business steering to maintain profitability), partly offset by improved products and business mix. The new business margin decreased from 3.4% for the nine months ended September 30, 2019 to 2.9% for the nine months ended September 30, 2020 driven by market developments (in particular lower interest rates for EUR and USD), partly offset by improved products and business mix.

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*)). Allianz SE is also 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 of Allianz SE 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. Christof Mascher ⁽¹⁾	Operations (COO); Allianz Services	Member of the supervisory board of Volkswagen Autoversicherung AG
Niran Peiris ⁽¹⁾	Global Insurance Lines & Anglo Markets, Reinsurance, Middle East, Africa	None
Dr. Klaus-Peter Röhler	Insurance German Speaking Countries and Central & Eastern Europe	Member of the supervisory board of EUROKAI GmbH & Co. KGaA
Iván de la Sota	Business Transformation; Insurance Iberia & Latin America; Allianz Partners	None
Giulio Terzariol	Finance, Controlling, Risk (CFO)	None
Dr. Günther Thallinger	Investment Management	None
Renate Wagner	Human Resources, Legal, Compliance, Mergers & Acquisitions	None

⁽¹⁾ Effective January 1, 2021, Barbara Karuth-Zelle and Christopher Townsend will succeed Dr. Christof Mascher and Niran Peiris in the Board of Management of Allianz SE.

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:

<u>Name</u>	<u>Principal Occupation</u>	<u>Principal Outside Board Memberships and/or other duties</u>
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 Curanum AG (Chairwoman), Segesta SpA, Senior Living Group NV
Christine Bosse ⁽¹⁾	Member of various Supervisory Boards	Member of the Supervisory Board of P/F BankNordik (Chairwoman)
Gabriele Burkhardt-Berg Vice Chairwoman ⁽²⁾	Chairwoman of the Group Works Council, Allianz SE	None
Dr. Friedrich Eichiner ⁽¹⁾	Member of various Supervisory Boards	Member of the Supervisory Boards of FESTO AG (Chairman), FESTO Management SE (Chairman), Infineon Technologies AG
Jean-Claude Le Goaër ⁽²⁾	Employee Allianz Informatique G.I.E.	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 Deutsche Lufthansa AG, FC Bayern München AG, Accenture Plc
Godfrey Robert Hayward ⁽²⁾	Employee of Allianz Insurance Plc	None
Frank Kirsch ⁽²⁾	Employee of Allianz Insurance Plc.	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 – Maersk A/S

⁽¹⁾ Shareholder Representative

⁽²⁾ Employee Representative

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

Conflicts of Interest

Allianz SE has not been notified or otherwise 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 businesses, including, amongst others, their activities as insurance, banking and asset management companies, employers, investors and taxpayers. It is not feasible to predict or determine the ultimate outcome of the pending or threatened proceedings. Apart from the proceedings discussed below, Allianz SE is not aware of any threatened or pending legal, regulatory or arbitration proceedings nor were there any such proceedings, during a period covering the 12 months preceding the date of this Offering Circular, 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 governmental, legal, regulatory or arbitration proceedings in which Allianz Group companies have been involved during the past 12 months are in particular the following:

In September 2015 and in January 2017, two separate putative class action complaints were filed against Allianz Life Insurance Company of North America (“Allianz Life”) making allegations similar to those made in prior class actions regarding the sale of Allianz Life's annuity products, including allegations of breach of contract and violation of California

unfair competition law. In one matter, the Court denied class certification. The case, which continued as an individual action, was settled between the parties with no effect on Allianz Group's financial position. The ultimate outcome of the remaining case cannot yet be determined.

Since July 2020, several complaints have been filed in the U.S. Federal Court for the Southern District of New York against certain Allianz Global Investors (AllianzGI) entities as well as, in certain complaints, Allianz SE and Allianz Asset Management GmbH, in connection with losses suffered by investors in AllianzGI's Structured Alpha funds during the Covid-19-related market downturn. In addition to the complaints filed to date, Allianz expects that other investors in such AllianzGI funds may bring similar actions. Allianz is reviewing the complaints and intends to defend vigorously against the allegations therein, which Allianz believes to be legally and factually flawed. AllianzGI U.S. has also received related information requests from the SEC regarding AllianzGI's Structured Alpha funds, and is fully cooperating with the SEC's investigation.

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, 2019, 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 the year ended December 31, 2019. 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, 2019 and 2018, the items derived from the Issuer’s Audited German GAAP Financial Statements as of and for the financial year ended December 31, 2019 (including the comparative financial information as of and for the financial year ended December 31, 2018) 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,	
		2019	2018
(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>)	4,603,376	5,355,011
(b) plus, any unappropriated earnings carried forward	Unappropriated earnings carried forward (<i>Gewinnvortrag aus dem Vorjahr</i>)	776,906	689,142
(c) plus any distributable reserves, taking into account any withdrawal from or transfer to reserves,	Other revenue reserves (<i>andere Gewinnrücklagen</i>)	6,779,948	7,353,906
	<i>minus</i> transfer to revenue reserves (<i>Einstellungen in Gewinnrücklagen</i>)	900,000	1,500,000
provided that any prohibitions on distributions pursuant to the applicable laws and the articles of association of the Issuer are respected at all times. ²	<i>minus</i> amount exempted from distribution pursuant to § 253(2) sentence 1 HGB in connection with § 253(6) HGB ^{4, 8}	888,178	1,010,582
	<i>minus</i> amount exempted from distribution pursuant to § 268(8) sentence 1 HGB ^{5, 8}	18,864	30,722
	<i>minus</i> amount exempted from distribution pursuant to § 268(8) sentence 3 HGB ^{6, 8}	1,352	1,269
	<i>minus</i> amount to be deducted from unappropriated reserves pursuant to § 272(1a) HGB ^{7, 8}	1,671	2,651
= Available Distributable Items (unaudited)	—	<u>10,350,165</u>	<u>10,852,835</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,	
		2019	2018
Increase by an amount equal to what has been accounted for as expenses for distributions in respect of Distribution Relevant Instruments	—	—	—
= 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	—	10,350,165	10,852,835

(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, 2019 and 2018, 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 2019 financial year (in an aggregate amount of €3,767 million) and 2018 financial year (in an aggregate amount of €3,428 million) with respect to each preceding financial year reduced the unappropriated earnings carried forward into the 2019 financial year and the 2018 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, 2019, 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:

§ 1 - Currency, Initial Nominal Amount, Form

- (1) *Currency; Initial Nominal Amount.* This series of subordinated notes of Allianz SE (the “**Issuer**”) is issued in US\$ (the “**Specified Currency**”) in the aggregate nominal amount of US\$ 1,250,000,000 (in words: one billion, two hundred fifty million U.S. Dollars) and is divided into notes (the “**Notes**” and each a “**Note**”) in a nominal amount of US\$ 200,000 per Note (the “**Initial Nominal Amount**”).
- (2) *Form; Global Notes.*
 - (a) The Notes are represented by two or more permanent global certificates without interest coupons, each of which will represent either Notes sold in the United States of America (the “**United States**”) to “qualified institutional buyers” as defined in, and in reliance on, Rule 144A under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) (the “**Rule 144A Global Note(s)**”) or Notes sold outside the United States to persons other than U.S. persons as defined in, and in reliance on, Regulation S under the U.S. Securities Act (the “**Regulation S Global Note(s)**” and, together with the Rule 144A Global Note, the “**Global Notes**”, and each a “**Global Note**”). Copies of the Global Notes are available for inspection, at no charge, during normal business hours at the office of the Fiscal Agent (as defined in § 6 (1)).
 - (b) The Global Notes are kept in custody by the Fiscal Agent, as custodian for The Depository Trust Company, New York (together with any successor or nominee, “**DTC**”) until all obligations of the Issuer under the Notes have been satisfied.
 - (c) The Global Notes are issued in registered form in the name of Cede & Co., as nominee of DTC, recorded in a register (the “**Register**”) kept by the Registrar (as defined in § 6 (1)) and represent the Notes credited to securities accounts maintained with DTC by financial institutions that are participants in DTC (the “**Participants**”), including Clearstream Banking, S.A., Luxembourg, and Euroclear Bank SA/NV, Brussels, and any successor in such capacity. The Global Notes shall be manually signed by two authorized signatories of the Issuer and will each be manually authenticated by or on behalf of the Fiscal Agent.
 - (d) The Notes represented by the Global Notes will equal the aggregate current nominal amount of the Notes outstanding at any time.
 - (e) Definitive certificates and interest coupons for individual Notes (“**Certificated Notes**”) will not be issued, unless DTC notifies the Issuer that it is unwilling or unable to continue as clearing agency for the Global Notes and a successor depository which shall be a clearing agency registered under the U.S. Securities Exchange Act of 1934, as amended, is not appointed by the Issuer within 90 days of such notice. Only in such case, a Holder may request the issue of Certificated Notes.

“**Holder**” means (a) in the case of Notes represented by Global Notes, any beneficial owner of a book-entry interest in the Notes, and (b) in case of Notes represented by Certificated Notes, the person or persons whose names appear in the Register.

- (3) *Exchange and Transfer of Notes.*
 - (a) The Notes represented by a Rule 144A Global Note may be exchanged for Notes represented by a Regulation S Global Note and vice versa. Such exchanges will be recorded in the Register and shall be effected by an increase or a decrease in the aggregate current nominal amount of the Rule 144A Global Note(s) by the aggregate current nominal amount of Notes so exchanged and a corresponding decrease or increase in the aggregate current nominal amount of the Regulation S Global Note(s).
 - (b) Transfers of Notes shall require appropriate entries in securities accounts maintained with DTC by the Participants. Exchanges of Notes pursuant to § 1 (3) (a) may not be effected during the period commencing on the Record Date (as defined in § 5 (3)) and ending on the related payment date (both dates inclusive). Each Note may only be held and transferred in a denomination that is equal to its current nominal amount.
 - (c) The following restrictions with respect to the registration of any transfer of any Note shall apply:

- (i) Except as provided for in § 1 (2) (e), Certificated Notes will not be issued in exchange for beneficial interests in the Global Notes; all beneficial interests in the Global Notes will be held directly or indirectly through a Participant.
- (ii) Transfers of the Global Notes will be limited to transfers of such Global Notes in whole, but not in part, to DTC, its successors or their respective nominees. Beneficial interests in the Global Notes may be transferred by the beneficial owners thereof in accordance with the respective rules and operating procedures of DTC or its Participants and the provisions hereof.
- (iii) Transfers of beneficial interests in one Global Note to parties who will hold the beneficial interests through the same Global Note may be effected in the ordinary way in accordance with the respective rules and operating procedures of DTC or its Participants and the provisions hereof.
- (iv) Transfers of beneficial interests between Global Notes will be effected through the Transfer Agent who will contact the Registrar to procure the exchange of beneficial interests in one Global Note for beneficial interests of an equal current nominal amount in another Global Note; provided, however, that the Transfer Agent will not be required to accept for registration of transfer any beneficial interests in a Global Note except upon presentation of evidence satisfactory to the Registrar and the Transfer Agent of compliance with § 1 (3) (c) (v), (vi) and (vii). For each transfer of beneficial interests between the Global Notes, the Registrar shall record the appropriate endorsements to reflect the respective modifications to the aggregate current nominal amount of each Global Note.
- (v) Unless the Global Notes have previously been exchanged for Certificated Notes, beneficial interests in a Regulation S Global Note may only be transferred during the 40-day period commencing on the later of the date of issue of the Notes and the date of commencement of the distribution of the Notes (the “**Distribution Compliance Period**”) to persons who take delivery in the form of a beneficial interest in a Rule 144A Global Note, if such transfer occurs in connection with a transfer of the Notes pursuant to Rule 144A of the U.S. Securities Act and the transferor first delivers to the Registrar with respect to the Notes a written certificate (substantially in the form set forth in the Fiscal and Paying Agency Agreement (as defined in § 6 (3)) and obtainable from the Fiscal Agent) to the effect that the Notes are being transferred to a person who the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the U.S. Securities Act, acquiring the Notes for its own account or the account of such a qualified institutional buyer in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.
- (vi) Unless the Global Notes have previously been exchanged for Certificated Notes, beneficial interests in a Regulation S Global Note or a Rule 144A Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in a Regulation S Global Note, whether prior to or after the expiration of the Distribution Compliance Period, only if the transferor first delivers to the Registrar a written certificate (substantially in the form set forth in the Fiscal and Paying Agency Agreement and obtainable from the Fiscal Agent) to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or Rule 144A of the U.S. Securities Act.
- (vii) Transfers of interests in Certificated Notes may be made only in accordance with the legend contained on the face of such Certificated Notes, and the Transfer Agent will not be required to accept for registration of transfer any such Certificated Notes except upon presentation of evidence satisfactory to the Registrar and the Transfer Agent that such transfer is being made in compliance with such legend.

§ 2 - Status

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

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.

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).

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*).

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.

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, no security or guarantee of 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.

“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 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 most recently by Art. 24 (3) of the Second Financial Market Amendment Act dated June 23, 2017, 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 specified in § 39 (1) nos. 1 to 5 InsO of the Issuer, (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.

“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, either.*

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 - 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 particular taking into account any write-down and write-up pursuant to § 4 (8)-(9)) from (and including) November 17, 2020 (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, 2021 (short first interest period).

(2) *Rate of Interest.* The rate of interest (the “**Rate of Interest**”) for each Interest Period (as defined below) will, except as otherwise provided below, be:

- (a) for the period from (and including) the Interest Commencement Date to (but excluding) April 30, 2026 (the “**First Reset Date**”) a fixed rate of 3.500% *per annum* (the “**Initial Rate of Interest**”), and
- (b) 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 Interest Rate (as defined below) and the initial credit spread of 2.973% *per annum* (the “**Credit Spread**”).

“**Reference Interest Rate**” means the Annualized CMT Rate, which is determined by the Calculation Agent (as defined in § 6 (1)) for each Reset Date on the relevant Interest Determination Date.

“**Annualized CMT Rate**” means the semi-annual CMT Rate which is annualized by application of the following formula:

$$\text{Annualized CMT Rate} = \left(1 + \frac{\text{CMT Rate}}{2}\right)^2 - 1$$

If the determination of the Annualized CMT Rate would cause a Regulatory Event, the Annualized CMT Rate for the relevant Interest Determination Date shall be (x) for each Reset Period except the first Reset Period, the Annualized CMT Rate on the last preceding Interest Determination Date and (y) for the first Reset Period, 0.527 % *per annum*.

“**CMT Rate**” means:

- (i) the rate expressed as a percentage equal to the semi-annual yield for U.S. Treasury Securities at “constant maturity” for a period to maturity of five years, as published in the H.15 under the caption “Treasury constant maturities (nominal)”, as such yield is displayed on the relevant Interest Determination Date on the Bloomberg L.P. service, or any successor service, on page “NDX” (under caption “H15T5Y”), or any other page as may replace that page on that service for the purpose of displaying “Treasury constant maturities (nominal)” as reported in the H.15 (the “**Bloomberg Screen**”);
- (ii) if the yield referred to in paragraph (i) is not published on the Bloomberg Screen on the relevant Interest Determination Date, then a rate equal to the semi-annual yield for U.S. Treasury Securities at “constant maturity” having a period to maturity of five years as published on such Interest Determination Date in the H.15 under the caption “Treasury constant maturities (nominal)”; or
- (iii) if neither the yield referred to in paragraph (i) nor the yield referred to in paragraph (ii) above are published on the relevant Interest Determination Date, then the CMT Rate will be the rate (expressed as a percentage rate *per annum* and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent.

being rounded upwards)) calculated by the Calculation Agent as a semi-annual yield to maturity for a 5-year Benchmark U.S. Treasury Security based on the arithmetic mean (as rounded as aforesaid) of a selection of three out of five bid prices on the secondary market at approximately 11:00 a.m. (New York time) on the U.S. Treasury Securities Business Day following the related Interest Determination Date provided to the Calculation Agent by five leading primary dealers of U.S. Treasury Securities in New York (each a “**Reference Dealer**”) selected by the Calculation Agent, eliminating the highest (or, in the event of equality, one of the highest) and the lowest (or, in the event of equality, one of the lowest) of the five provided quotations.

If fewer than five but more than two of such quotations are provided, then the CMT Rate will be the rate (expressed as a percentage rate *per annum* and rounded to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) calculated by the Calculation Agent and will be a semi-annual yield to maturity for a 5-year Benchmark U.S. Treasury Security based on the arithmetic mean (rounded as aforesaid) of the aforementioned bid prices on the secondary market, whereby neither the highest nor the lowest quotation shall be eliminated.

If fewer than three Reference Dealers selected by the Calculation Agent provide bid prices, or there is no outstanding 5-year Benchmark U.S. Treasury Security, then (x) for each Reset Period except the first Reset Period, the CMT Rate for the relevant Interest Determination Date shall be the CMT Rate on the last preceding Interest Determination Date or (y) for the first Reset Period, the Reference Interest Rate shall be 0.527 % *per annum*.

In each of paragraphs (i) to (iii) above, the relevant rate shall be as determined by the Calculation Agent.

“**5-year Benchmark U.S. Treasury Security**” means, on the relevant Interest Determination Date, the U.S. Treasury Security with the longest remaining term to maturity, an original term to maturity upon issue of approximately five years, a remaining term to maturity of not less than four years and a nominal amount of at least US\$ 1,000,000,000.

“**H.15**” means the daily statistical release designated as H.15, or any successor publication, published by the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15/> or any successor site or publication.

“**U.S. Treasury Securities Business Day**” means any day except for a Saturday, Sunday or a day on which, due to a recommendation of the Securities Industry and Financial Markets Association (or its successor), the fixed income departments of its members are closed for the entire day for purposes of trading in U.S. treasury securities.

“**U.S. Treasury Securities**” means securities that are direct obligations of the United States Treasury, issued other than on a discount rate basis.

“**Reset Date**” means the First Reset Date and any fifth anniversary of the immediately preceding Reset Date.

“**Interest Determination Date**” means, in respect of the Reference Interest Rate to be determined in relation to the period from (and including) a Reset Date to (but excluding) the next following Reset Date (each such period, a “**Reset Period**”), the second U.S. Treasury Securities Business Day preceding the Reset Date on which such period commences.

“**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.

- (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 Interest 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 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 Holders.
- (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 interest³.
- (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**”) the number of days in the Calculation Period divided by 360, calculated in accordance with the following formula:

$$DCF = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**DCF**” means Day Count Fraction;

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“**D₁**” is the first day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the day, expressed as a number, immediately following the last day of the Calculation Period, unless such number would be 31 and **D₁** is greater than 29, in which case **D₂** will be 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

³ 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*).

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 payment of interest is scheduled, an Insolvency Event has occurred and is continuing on such date or if 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 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 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 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 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.

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.

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 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.

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 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 to cover the minimum capital requirement (regardless of the terminology used by the Applicable Supervisory Requirements) applicable to the Issuer or to cover 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.

§ 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 (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).

If the Conditions to Redemption are fulfilled on the date fixed for redemption in the Redemption Notice (as defined in § 4 (5)), the Issuer shall redeem the Notes at the Redemption Amount (as defined in § 4 (6)) on such date plus any interest accrued until (but excluding) the date fixed for redemption (subject to § 3 (8)). 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 in accordance with § 12 (1) without undue delay (*unverzüglich*).

“**Optional Redemption Date**” means

- (i) each Business Day falling in a period from and including November 17, 2025 to (but excluding) the First Reset Date;
- (ii) the First Reset Date;
- (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

- (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 fulfillment of the Conditions to Redemption, call and redeem the Notes, in whole but not in part, at any time upon not less than 15 days' prior notice.

If the Conditions to Redemption are fulfilled on the date fixed for redemption in the Redemption Notice (as defined in § 4 (5)), the Issuer shall redeem the Notes at the Redemption Amount (as defined in § 4 (6)) on such date plus any interest accrued until (but excluding) the date fixed for redemption (subject to § 3 (8)). 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 in accordance with § 12 (1) without undue delay (*unverzüglich*).

- (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 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 under the Applicable Supervisory Requirements.

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.

“**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.

- (d) *Rating Agency Event.* A “**Rating Agency Event**” 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 their respective successors) is, in the reasonable opinion of the Issuer, materially adversely affected.
- (4) *Conditions to Redemption.*
- (a) “**Conditions to Redemption**” means the requirements 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 Applicable Supervisory Requirements in order for the Notes to qualify as Restricted Tier 1 Instruments. 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
 - (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) 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 November 17, 2025
- (1) 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; or
 - (2) in case of a redemption following the occurrence of a Tax Event, if no replacement or conversion in accordance with (1) occurs,
 - (a) the respective solvency capital requirement applicable to the Issuer and/or the Group (on an individual basis and on a consolidated basis, as applicable) in accordance with Applicable Supervisory Requirements, after the redemption, will be exceeded each 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 (“**Appropriate Margin**”); 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; or
 - (3) in case of a redemption following the occurrence of a Regulatory Event if no replacement or conversion in accordance with (1) occurs
 - (a) an Appropriate Margin exists; and
 - (b) the Competent Supervisory Authority considers it sufficiently certain that the change relevant for the 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) November 17, 2025 to (but excluding) November 17, 2030
- (1) the respective solvency capital requirement applicable to the Issuer and/or the Group (on an individual basis and on a 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.*

“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.

“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.

“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.

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

(5) *Form 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 termination 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.

(6) *Redemption at the Option of the Issuer pursuant to § 4 (2) only after Successful Write-up; 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 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 the Holders to Require Redemption.* The Holders shall have no right to require 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 US\$ 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, the other Agents and the Holders.

For the purpose of these Terms and Conditions, a Note with a current nominal amount of US\$ 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 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 (i.e. on an individual, 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 (i.e. on an individual, 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 minimum consolidated group solvency capital requirement applicable to the Group in accordance with the Applicable Supervisory Requirements is 100 % or less of the relevant minimum capital requirement (the ratio of the relevant own-fund items to the relevant minimum solvency capital requirement hereinafter referred to as the “**Minimum Group SCR 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).

“**Regulatory Ratio**” means each of the following ratios: the Solo SCR Ratio, the Group SCR Ratio, the Solo MCR Ratio and the Minimum Group SCR 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 as a Restricted Tier 1 Instrument 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 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 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 individual or on a 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 it to (i) the Competent Supervisory Authority, (ii) the Holders in accordance with § 12 (1), (iii) the Calculation Agent, the Paying Agent and the other Agents 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.

If the requirements for the recognition as a Restricted Tier 1 Instrument 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 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 as 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 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 the other Agents, 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 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.* Payments of principal of, and interest on, the Notes will be made on the relevant payment date to, or to the order of, DTC or its nominee as the registered owner thereof, for credit to the accounts of the respective Participants in U.S. Dollars for credit to the Holders as set forth below. The amount of payments of principal will correspond to the current nominal amount of the Notes represented by the Global Notes, as established at the close of business on the relevant Record Date. Payments of principal will be made upon presentation and surrender of the Global Notes to the Paying Agent. All payments are subject to all applicable fiscal and other laws, directives and regulations or agreements to which the Issuer, the Calculation Agent or the Paying Agent have agreed to be subject. Subject to the provisions of § 7, the Issuer shall not be obligated 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.
- (2) *Discharge.*
- (a) The Issuer will be discharged from its duty of payment by making payment to, or to the order of, DTC.
- (b) Following an exchange of the Global Notes for Certificated Notes, payment of principal and interest in respect of the Certificated Notes shall be made to the corporate trust office of the Fiscal Agent. In such case, the Issuer shall be discharged from its duty of payment by making payment to, or to the order of, the Holders.
- (3) *Record date.* The record date (the “**Record Date**”) (*Stichtag*) for purposes of payments of principal and interest will be, in respect of each such payment, the New York Business Day immediately preceding the relevant due date. In the case of Certificated Notes, the Record Date will be the fifteenth New York Business Day preceding the relevant due date.

“**New York Business Day**” means any day on which banking institutions in New York City, New York, United States, are neither obliged nor authorized to close.

- (4) *Payment Day.* 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 (other than a Saturday or Sunday) on which banks and foreign exchange markets are generally open for business and settle payments in U.S. Dollars in New York City, New York, United States, and Frankfurt am Main, Germany.

- (5) *Payment Date and Due Date.* For the purposes of these Terms and Conditions payment date means the day on which the payment is actually to be made, and, where applicable, as adjusted in accordance with § 5 (4), and due date means the payment date provided for herein, without any such adjustment.
- (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 be payable under § 7.

§ 6 - The Agents

- (1) *Appointment; Specified Office.* The initial fiscal agent (the “**Fiscal Agent**”), the initial transfer agent (the “**Transfer Agent**”), the initial registrar (the “**Registrar**”), the initial paying agent (the “**Paying Agent**”) and the initial calculation agent (the “**Calculation Agent**”) and their respective initial specified offices are:

Fiscal Agent:

Deutsche Bank Trust Company Americas
Trust and Agency Service
60 Wall Street, 24th Floor
Mail Stop: NYC60 – 2405
New York, New York 10005
U.S.A.

Transfer Agent:

Deutsche Bank Trust Company Americas
Trust and Agency Service
60 Wall Street, 24th Floor
Mail Stop: NYC60 – 2405
New York, New York 10005
U.S.A.

Registrar:

Deutsche Bank Trust Company Americas
Trust and Agency Service
60 Wall Street, 24th Floor
Mail Stop: NYC60 – 2405
New York, New York 10005
U.S.A.

Paying Agent:

Deutsche Bank Trust Company Americas
Trust and Agency Service
60 Wall Street, 24th Floor
Mail Stop: NYC60 – 2405
New York, New York 10005
U.S.A.

Calculation Agent:

Deutsche Bank Trust Company Americas
Trust and Agency Service
60 Wall Street, 24th Floor
Mail Stop: NYC60 – 2405
New York, New York 10005
U.S.A.

The Fiscal Agent, the Transfer Agent, the Registrar, the Paying Agent and the Calculation Agent reserve the right at any time to change their respective specified office to some other specified office in the same country.

- (2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Transfer Agent, Registrar, a Paying Agent or the Calculation Agent (together the “**Agents**” and each an “**Agent**”) and to appoint another Agent or additional Agents. The Issuer shall at all times maintain a Fiscal Agent, Transfer Agent, Registrar, Paying Agent and a Calculation Agent. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when such change shall be of immediate effect) after not less than 5 days’ prior notice thereof shall have been given to the Holders in accordance with § 12 (1).
- (3) *Agents of the Issuer.* Each Agent acts solely as agent of the Issuer and does not have any obligations towards, or relationship of agency or trust to, any of the Holders. Each Agent will only be responsible for the performance of the duties and obligations expressly imposed upon it in the Fiscal and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

“**Fiscal and Paying Agency Agreement**” means the Fiscal and Paying Agency Agreement dated on or about November 17, 2020 among, *inter alia*, the Issuer and Deutsche Bank Trust Company Americas, a New York

banking corporation, copies of which are available for inspection, at no charge, during normal business hours at the office of the Fiscal Agent.

§ 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 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 imposed or withheld solely because of a change in law, regulation, or administrative or judicial interpretation occurring after the day on which the payment becomes due or is duly provided for, whichever occurs later; or
- (f) which are estate, inheritance, gift, sales, excise, transfer, wealth, personal property or similar taxes or duties; or
- (g) which any paying agent (which term may include the Issuer) must withhold or deduct from any payment of principal or of interest, if such payment can be made without such withholding or deduction by another paying agent; or
- (h) with respect to any Holder that is not the sole beneficial owner of the relevant Note, or that is a 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
- (i) in the case of any combination of the above items.

In any event, 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 - 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) *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) *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) *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) *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 (4) 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.
- (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.

- (7) The rights of Holders arising under this § 9 may only be exercised in accordance with DTC’s applicable procedures.

§ 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, appoints a process agent within the Federal Republic of Germany;
 - (ii) the New Issuer is in the position to pay to, or to the order of, DTC in the Specified Currency and 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 all amounts required for the performance of the payment obligations arising from or in connection with the Notes;
 - (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 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. In the case of such substitution, the stock exchange(s), if any, on which the Notes are then listed at the initiative of the Issuer will be notified.

§ 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 and 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 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) *Cancellation.* All Notes redeemed in full shall be cancelled without undue delay (*unverzüglich*) and may not be reissued or resold.
- (4) *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) *Notices to DTC.* The Issuer shall deliver all notices concerning the Notes to DTC for communication by DTC to the Holders, other than notices stipulated in § 9 which shall be made exclusively pursuant to the provisions of the SchVG. Any such notice will be deemed to have been given to the Holders on the seventh day after the day on which said notice was given to DTC.

Conveyance of notices and other communications by DTC to its participants, by those participants to its indirect participants, and by participants and indirect participants to beneficial owners of book-entry interests will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. The Fiscal Agent will send any notices in respect of the Notes held in book-entry form to DTC or its nominee.

- (2) *Publications on the website of the Luxembourg Stock Exchange.*
 - (a) In addition, all notices regarding the Notes will be published (so long as the Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF) on the website of the Luxembourg Stock Exchange (currently www.bourse.lu).
 - (b) So long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF, § 12 (2) (a) shall apply. To the extent the rules of the Luxembourg Stock Exchange so permit, the Issuer may deliver the relevant notice pursuant to § 12 (1) instead of publication pursuant § 12 (2) (a).

§ 13 - Tier 1 Own-Fund Items

The purpose of the Notes is to furnish the Issuer with Tier 1 Own-Fund Items on an individual basis and on a consolidated basis for an indefinite period of time.

§ 14 - Applicable Law, Interpretation 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 by German law, without giving effect to the conflict of laws provisions of German international private law (*Kollisionsnormen des deutschen Internationalen Privatrechts*). Any disposition (*Verfügung*) of beneficial interests in the Notes, including transfers and pledges, executed between Participants and between DTC itself and Participants shall be governed by the laws of the State of New York.

To the extent permitted pursuant to Council Regulation (EC) No. 864/2007 of July 11, 2007, on the law applicable to non-contractual obligations, all non-contractual claims arising out of or in connection with the Notes are governed by and will be construed in accordance with German law without giving effect to the conflict of laws provisions of German international private law.

- (2) *Interpretation.* These Terms and Conditions are to be construed pursuant to German law. A German term in parenthesis and/or italics inserted herein is binding for the interpretation of the relevant term. German legal concepts which are addressed in the English language in these Terms and Conditions will be interpreted pursuant to German law and not with a view to the meaning of such English language terms in any other jurisdiction.
- (3) *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.

- (4) *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 such statement and (c) confirming that the Custodian has given written notice to DTC and the Registrar containing the information pursuant to (a) and (b) and bearing acknowledgement of DTC and the relevant Participant and (ii) a copy of the Global Note representing

the relevant Notes certified as being a true copy by an authorized officer of DTC or of the Registrar, without the need for production in such proceedings of the actual records or the Global Note representing the Notes.

For purposes of the foregoing, “**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 DTC and its Participants, including any other clearing system which maintains an account with or participates in DTC.

BOOK-ENTRY—CLEARANCE SYSTEMS

The information set out in the sections of this Offering Circular describing clearing and settlement arrangements is subject to any change or reinterpretation of the rules, regulations and procedures of DTC as currently in effect. The information in such sections concerning clearing systems has been obtained from sources that the Issuer believes to be reliable. The Issuer accepts responsibility only for the correct extraction and reproduction of such information, but not for the accuracy of such information. If an investor wishes to use the facilities of any clearing system, it should confirm the applicability of the rules, regulations and procedures of the relevant clearing system. The Issuer will not be responsible or liable for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to such book-entry interests.

The certificates representing the Notes will be issued in two or more global certificates, without interest coupons, and in registered form in the name of Cede & Co., as nominee of DTC, and recorded in a register (the “Register”) kept by the Registrar and represent the Notes credited to securities accounts maintained with DTC by financial institutions that are participants in DTC, including Clearstream Banking, S.A., Luxembourg, and Euroclear Bank SA/NV, Brussels, and any successor in such capacity.

Transfers of Notes shall require appropriate entries in securities accounts maintained with DTC by the participants. Exchanges of Notes pursuant to § 1 (3) (a) of the Terms and Conditions of the Notes may not be effected during the period commencing on the Record Date (as defined in “*Terms and Conditions of the Notes — § 5 Payments*”) and ending on the related payment date (both dates inclusive). Each Note may only be held and transferred in a denomination that is equal to its current nominal amount.

Definitive certificates and interest coupons for individual Notes (“Certificated Notes”) will not be issued, unless DTC notifies the Issuer that it is unwilling or unable to continue as clearing agency for the global notes and a successor depository which shall be a clearing agency registered under the U.S. Securities Exchange Act of 1934, as amended, is not appointed by the Issuer within 90 days of such notice. Only in such case, a Holder may request the issue of Certificated Notes.

The Notes represented by a Rule 144A Global Note may be exchanged for Notes represented by a Regulation S Global Note and vice versa. Such exchanges will be recorded in the Register and shall be effected by an increase or a decrease in the aggregate current nominal amount of the Rule 144A Global Note(s) by the aggregate current nominal amount of Notes so exchanged and a corresponding decrease or increase in the aggregate current nominal amount of the Regulation S Global Note(s).

Each global note (and any Notes issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein described under “*Plan of Distribution*”. In addition, each global note will be subject to the restrictions on transfers set forth in “*Terms and Conditions of the Notes — § 1*”.

So long as DTC, or its nominee, is the registered owner or holder of a global note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such global note for all purposes under the fiscal and paying agent agreement and the Notes. No beneficial owner of an interest in a global note will be able to transfer that interest except in accordance with DTC’s applicable procedures, in addition to those provided for under the fiscal and paying agent agreement and, if applicable, those of Euroclear and Clearstream.

Conveyance of notices and other communications by DTC to its participants, by each of those participants to its indirect participants, and by participants and indirect participants to beneficial owners of interests in a global note will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The fiscal agent will send any notices in respect of the Notes held in book-entry form to DTC or its nominee.

In addition, all notices regarding the Notes will be published (so long as the Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF) on the website of the Luxembourg Stock Exchange (currently www.bourse.lu).

Neither DTC nor its nominee will consent or vote with respect to the Notes unless authorized by a participant in accordance with DTC’s procedures. Under its usual procedures, DTC mails an omnibus proxy to the Issuer as soon as possible after the record date. The omnibus proxy assigns DTC’s or its nominee’s consenting or voting rights to those participants to whose account the Notes are credited on the record date.

Payments of the principal of, and interest on, a global note will be made to DTC or its nominee, as the case may be, as the registered owner thereof. Neither the Issuer nor the fiscal agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in a global note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer expects that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a global note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global note as shown on the records of DTC or its nominee. The Issuer also expects that payments by participants to owners of beneficial interests in such global note held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant European depository; however, those cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in that system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the relevant European depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the European depositories.

Because of time zone differences, credits of securities received in Euroclear or Clearstream as a result of a transaction with a person that does not hold the Notes through Euroclear or Clearstream will be made during subsequent securities settlement processing and dated the first day Euroclear or Clearstream, as the case may be, is open for business following the DTC settlement date. Those credits or any transactions in those securities settled during that processing will be reported to the relevant Euroclear or Clearstream participants on that business day. Cash received in Euroclear or Clearstream as a result of sales of securities by or through a Euroclear participant or a Clearstream participant to a DTC participant will be received with value on the DTC settlement date, but will be available in the relevant Euroclear or Clearstream cash account only as of the first day Euroclear or Clearstream, as the case may be, is open for business following settlement in DTC.

The Issuer expects that DTC will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in a global note are credited and only in respect of such portion of the aggregate nominal amount of Notes as to which such participant or participants has or have given such direction.

DTC

DTC is a limited purpose trust company organized under the New York State Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the US Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for its participants and facilitates the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly, or indirect participants.

Euroclear

Euroclear holds securities and book-entry interests in securities for participating organizations and facilitates the clearance and settlement of securities transactions between Euroclear participants, and between Euroclear participants and participants of certain other securities intermediaries through electronic book-entry changes in accounts of such participants or other securities intermediaries. Euroclear provides Euroclear participants, among other things, with safekeeping, administration, clearance and settlement, securities lending and borrowing, and related services. Euroclear participants are investment banks, securities brokers and dealers, banks, central banks, supnationals, custodians, investment managers, corporations, trust companies and certain other organizations. Certain of the Initial Purchasers, or other financial entities involved in this offering, may be Euroclear participants. Non-participants in the Euroclear system

may hold and transfer book-entry interests in the Notes through accounts with a participant in the Euroclear system or any other securities intermediary that holds a book-entry interest in the securities through one or more securities intermediaries standing between such other securities intermediary and Euroclear.

Investors electing to acquire Notes in the offering through an account with Euroclear or some other securities intermediary must follow the settlement procedures of such intermediary with respect to the settlement of new issues of securities. Notes to be acquired against payment through an account with Euroclear will be credited to the securities clearance accounts of the respective Euroclear participants in the securities processing cycle for the first day Euroclear is open for business following the settlement date for value as of the settlement date.

Investors electing to acquire, hold or transfer Notes through an account with Euroclear or some other securities intermediary must follow the settlement procedures of such intermediary with respect to the settlement of secondary market transactions in securities. Euroclear will not monitor or enforce any transfer restrictions with respect to the Notes. Investors that acquire, hold and transfer interests in the Notes by book-entry through accounts with Euroclear or any other securities intermediary are subject to the laws and contractual provisions governing their relationship with their intermediary, as well as the laws and contractual provisions governing the relationship between such intermediary and each other intermediary, if any, standing between themselves and the individual Notes.

Euroclear has advised that, under Belgian law, investors that are credited with securities on the records of Euroclear have a co-property right in the fungible pool of interests in securities on deposit with Euroclear in an amount equal to the amount of interests in securities credited to their accounts. In the event of the insolvency of Euroclear, Euroclear participants would have a right under Belgian law to the return of the amount and type of interests in securities credited to their accounts with Euroclear. If Euroclear did not have a sufficient amount of interests in securities on deposit of a particular type to cover the claims of all participants credited with such interests in securities on Euroclear's records, all participants having an amount of interests in securities of such type credited to their accounts with Euroclear would have the right under Belgian law to the return of their pro rata share of the amount of interests in securities actually on deposit. Under Belgian law, Euroclear is required to pass on the benefits of ownership in any interests in Notes on deposit with it (such as dividends, voting rights and other entitlements) to any person credited with such interests in securities on its records. Distributions with respect to the Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Euroclear terms and conditions.

Clearstream

Clearstream advises that it is incorporated under the laws of Luxembourg and licensed as a bank and professional depository. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions among its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. Clearstream has established an electronic bridge with the Euroclear operator to facilitate the settlement of trades between Clearstream and Euroclear. As a registered bank in Luxembourg, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector. As a professional depository, Clearstream is subject to regulation by the Luxembourg Monetary Institute. Clearstream participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. In the United States, Clearstream participants are limited to securities brokers and dealers and banks, and may include the Initial Purchasers, or other financial entities involved in, this offering. Other institutions that maintain a custodial relationship with a Clearstream participant may obtain indirect access to Clearstream. Clearstream is an indirect participant in DTC. Distributions with respect to Notes held beneficially through Clearstream will be credited to cash accounts of Clearstream participants in accordance with its rules and procedures.

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in a global note among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuer nor the fiscal agent will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their respective operations.

Summary of Provisions Relating to Certificated Notes

If DTC is at any time unwilling or unable to continue as a depository for the global notes and a successor depository is not appointed by the Issuer within 90 days and a holder so requests, the Issuer will issue certificated Notes in exchange for the global notes. Certificated notes delivered in exchange for book-entry interests will be registered in the names, and

issued in a nominal amount of US\$200,000, requested by or on behalf of DTC or the successor depository (in accordance with its customary procedures).

Except in the limited circumstances described above, owners of book-entry interests will not be entitled to receive physical delivery of individual definitive certificates. The Notes are not issuable in bearer form.

Subject to any applicable transfer restrictions, the holder of a certificated note bearing the legend referred to under "Selling Restrictions—United States" may transfer or exchange such Notes in whole or in part by surrendering them to the fiscal agent. Prior to any proposed transfer of Notes in certificated form, the holder may be required to provide certifications and other documentation to the fiscal agent as described above. In the case of a transfer of only part of a note, the original principal amount of both the part transferred and the balance not transferred must be in authorized denominations, and new Notes will be issued to the transferor and transferee, respectively, by the fiscal agent. Upon the transfer, exchange or replacement of certificated Notes not bearing the legend described above, the fiscal agent will deliver certificated Notes that do not bear such legend.

Upon the transfer, exchange or replacement of certificated Notes bearing the legend described above, or upon a specific request for removal of the legend from such certificated note, the fiscal agent will deliver only certificated Notes bearing such legend or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence, which may include an opinion of legal counsel of recognized standing, as may be reasonably required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the U.S. Securities Act.

Payment of principal and interest in respect of the certificated Notes shall be payable at the office or agency of the Issuer which shall initially be at the corporate trust office of the fiscal agent, which is located at Deutsche Bank Trust Company Americas, Trust and Agency Services, 60 Wall Street, 24th Floor, MailStop: NYC60-2405, New York, NY 10005.

The certificated Notes, at the option of the Holder and subject to the restrictions contained in the Notes and in the fiscal and paying agent agreement, may be exchanged or transferred, upon surrender for exchange or presentation for registration of transfer at the office of the fiscal agent. Any certificated note surrendered for exchange or presented for registration of transfer shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the fiscal agent, duly endorsed by the holder thereof or his attorney duly authorized in writing. Notes issued upon such transfer will be executed by the Issuer and upon the written request of the Issuer, authenticated by the fiscal agent, registered in the name of the designated transferee or transferees and delivered at the office of the fiscal agent or mailed, at the request, risk and expense of, and to the address requested by, the designated transferee or transferees.

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 PURCHASERS OF 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 “*German Tax Resident Investors*” 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).

Withholding Tax

For German tax residents, 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, 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 disposal 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 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. Corporate investors 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 the 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 7 February 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, the solidarity surcharge and church tax thereon).

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 Notes are fully or partially irrecoverable or arising from the fact that the receivables under the Notes are cancelled as worthless, 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 €10,000 p.a.; losses in excess of €10,000 p.a. will be carried forward and offset against capital investment income per subsequent year only up to an amount of €10,000 p.a.. This could also apply to losses from the Notes, which arise in connection with a Write-Down of the Notes.

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 "*Foreign Tax Resident Investors*" 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 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. In these cases, income of foreign investors is generally subject to German taxation and may also be subject to withholding tax as described above in subsection *Withholding Tax*.

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 (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 the solidarity surcharge and, if applicable, the church tax thereon) at source.

United States Tax Considerations

NO STATUTORY, REGULATORY, JUDICIAL OR ADMINISTRATIVE AUTHORITY DIRECTLY DISCUSSES HOW THE NOTES SHOULD BE TREATED FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. AS A RESULT, THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF YOUR INVESTMENT IN THE NOTES ARE UNCERTAIN. ACCORDINGLY, WE URGE YOU TO CONSULT YOUR TAX ADVISOR AS TO THE

TAX CONSEQUENCES OF OWNERSHIP OF THE NOTES DESCRIBED BELOW AND AS TO THE APPLICATION OF STATE, LOCAL, OR OTHER TAX LAWS TO YOUR INVESTMENT IN YOUR NOTES.

This section describes the material United States federal income tax consequences to a United States holder (as defined below) of owning the Notes we are offering. It applies to you only if you acquire Notes in the offering and you hold your Notes as capital assets for tax purposes. This section addresses only United States federal income taxation and does not address all of the tax consequences that may be relevant to you in light of your individual circumstances, including foreign, state or local tax consequences, and tax consequences arising under the Medicare contribution tax on net investment income or the alternative minimum tax. This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

- a holder of Notes that is not a United States holder,
- a dealer in securities,
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings,
- a bank,
- a life insurance company,
- a tax-exempt organization,
- a person that actually or constructively owns 10% or more of the combined voting power of our voting stock or of the total value of our stock,
- a person that owns Notes that are a hedge or that are hedged against interest rate risks,
- a person that owns Notes as part of a straddle or conversion transaction for tax purposes,
- a person that purchases or sells Notes as part of a wash sale for tax purposes, or
- a person whose functional currency for tax purposes is not the U.S. dollar.

This section is based on the Internal Revenue Code of 1986, as amended (the “**Code**”), its legislative history, existing and proposed regulations under the Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

If an entity or arrangement that is treated as a partnership for United States federal income tax purposes holds the Notes, the United States federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the Notes should consult its tax advisor with regard to the United States federal income tax treatment of an investment in the Notes.

Please consult your own tax advisor concerning the consequences of owning these Notes in your particular circumstances under the Code and the laws of any other taxing jurisdiction.

You are a United States holder if you are a beneficial owner of a Security and you are, for United States federal income tax purposes:

- a citizen or resident of the United States,
- a domestic corporation (including an entity treated as a domestic corporation for United States federal income tax purposes),
- an estate whose income is subject to United States federal income tax regardless of its source, or
- a trust if a United States court can exercise primary supervision over the trust’s administration and one or more United States persons are authorized to control all substantial decisions of the trust.

Characterization of Notes for United States Federal Income Tax Purposes

There is no authority that addresses the United States federal income tax treatment of an instrument with terms similar to the Notes. We believe, and the discussion below assumes, that the Notes will be treated as equity for United States federal income tax purposes. This characterization will be binding on a holder, unless the holder expressly discloses that it is adopting a contrary position on its United States federal income tax return.

Payments of Interest

The interest payments with respect to the Notes will be treated as dividends to the extent of our current or accumulated earnings and profits as determined for United States federal income tax purposes. Because we do not currently maintain calculations of our earnings and profits under United States federal income tax principles, it is expected that all interest payments on the Notes will generally be reported to United States holders of Notes as dividends.

Subject to the discussion under “—PFIC Considerations,” interest payments we make with respect to the Notes that are treated as dividends for United States federal income tax purposes generally will be qualified dividend income taxable to holders at the preferential rates applicable to long-term capital gains, provided that certain requirements are met and we qualify for the benefits of the income tax treaty between the United States and Germany (the “**Treaty**”). To be eligible for this reduced rate, the holders must hold the Notes for more than 60 days during the 121-day period beginning 60 days before the applicable interest payment date, and meet other holding period requirements. We currently expect that we will be eligible for the benefits of the Treaty and we therefore expect that interest payments on the Notes will be treated as qualified dividend income, but there can be no assurances that we will be eligible for the benefits of the Treaty in any particular taxable year. Amounts we pay with respect to the Notes will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

The amount of an interest payment on the Notes will include amounts, if any, withheld in respect of German taxes, and any additional amounts that are paid in respect of any such withholding taxes. For more information on German withholding taxes, please see the discussion under “German Tax Considerations” in this Offering Circular. Amounts we pay with respect to the Notes will be considered foreign-source income to United States holders of Notes. Subject to applicable limitations, some of which vary depending upon your circumstances, German income taxes withheld from interest payments on the Notes to a United States holder of Notes not eligible for a reduction in or exemption from German withholding tax (under the Treaty or otherwise) will be creditable against United States federal income tax liability of the United States holder of Notes. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the preferential tax rate applicable to qualified dividend income.

Dividends will generally be income from sources outside the United States and will generally be “passive” income for purposes of computing the foreign tax credit allowable to a United States holder. The rules governing foreign tax credits are complex, and you should consult your tax advisor regarding the creditability of foreign taxes in your particular circumstances.

Sale or Redemption of Notes

Subject to the discussion under “—PFIC Considerations” below, you will generally recognize capital gain or loss upon the sale or redemption of your Notes in an amount equal to the difference between the amount you receive at such time and your tax basis in the Notes. In general, your tax basis in your Notes will be equal to the price you paid for them. Such capital gain or loss will be long-term capital gain or loss if you held your Notes for more than one year. Long-term capital gain of a non-corporate United States holder of Notes is generally taxed at preferential rates. The deductibility of capital losses is subject to limitations. Such gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. Holders that actually or constructively continue to hold equity of us following a redemption of Notes may be subject to Section 302 of the Code, which could cause the redemption proceeds to be treated as dividend income. Such holders are advised to consult their own tax advisors regarding the tax treatment of a redemption of their Notes.

Write-Up or Write-Down of the Notes

No statutory, judicial or administrative authority directly addresses the U.S. federal income tax treatment of a write-down of the Notes, including the effect of the potential for a future write-up of the Notes. Among other matters, there is no authority addressing whether you would be entitled to a deduction for loss at the time of a write-down. You may, for example, be required to wait to take a deduction until it is certain that no write-up can occur, or until there is an actual or deemed sale, exchange or other taxable disposition of the Notes. It is also possible that, if you take a deduction at the time of a write-down, you may be required to recognize gain at the time of a future write-up. You should consult your tax advisor to determine the U.S. federal income tax consequences to you of a write-down or write-up of the Notes.

PFIC Considerations

In general, we will be a PFIC with respect to you if, for any taxable year in which you hold the Notes, either (i) at least 75% of our gross income for the taxable year is passive income or (ii) at least 50% of the value, determined on the basis of a quarterly average, of our assets is attributable to assets that produce or are held for the production of passive income (including cash). To the extent we own (directly or indirectly) at least 25% (by value) of the stock of another corporation, for the purpose of determining whether we are a PFIC, we are treated as if we hold our proportionate share of the assets and earn our proportionate share of the income of such corporation.

The Code provides for special rules under which income that would otherwise be treated as passive income that is derived in the active conduct of an insurance business by a “qualifying insurance corporation” will be treated as active income for purposes of the PFIC rules. Generally, the Code defines a “qualifying insurance corporation” as a foreign insurance corporation the “applicable insurance liabilities” of which constitute more than 25 percent of its total assets. Because we believe that our “applicable insurance liabilities” constitute more than 25 percent of our total assets and that we satisfy other requirements, we believe that we constitute a “qualifying insurance corporation” under the Code, and we therefore believe that substantially all of our income is active income for PFIC purposes. Accordingly, we believe that we should not currently be classified as a PFIC for tax purposes. However, whether we qualify as a “qualifying insurance corporation” under the Code is a factual determination that is based on a number of technical financial tests, and it is therefore possible that we may not constitute a “qualifying insurance corporation” in the current taxable year or in future taxable years. If that is the case, we would be classified as a PFIC, in which case United States holders of the Notes would be subject to the adverse tax consequences described below.

Moreover, in July 2019, the IRS issued proposed regulations that are not currently in effect that provide additional requirements for determining when a “qualifying insurance corporation” will be treated as actively conducting an insurance business. Under the technical requirements of the proposed regulations, while not entirely clear, we believe that it is possible that less than 50% of our assets will be owned by entities that are eligible to treat insurance-related assets as “active” for PFIC purposes (or otherwise be treated as “active” for PFIC purposes), in which case we could be classified as a PFIC for tax purposes. As noted above, the proposed regulations are not currently in effect, and we therefore do not intend to currently apply the proposed regulations for purposes of determining whether we are a PFIC. In addition, the IRS has received a significant number of comment letters that have questioned the rationale of the proposed regulations and recommended that the proposed regulations be amended. If, however, the proposed regulations are finalized in their current form, there is a possibility that we will be classified as a PFIC thereafter, in which case United States holders of the Notes would be subject to the adverse tax consequences described below.

If we were to be treated as a PFIC, and you are a United States holder of Notes that did not make a mark-to-market election, as described below, you will generally be subject to special rules with respect to:

- any gain you realize on the sale or other disposition of your Notes and
- any excess distribution that we make to you (generally, any distributions to you during a single taxable year, other than the taxable year in which your holding period in the Notes begins, that are greater than 125% of the average annual distributions received by you in respect of the Notes during the three preceding taxable years or, if shorter, your holding period for the Notes that preceded the taxable year in which you receive the distribution).

Under these rules:

- the gain or excess distribution will be allocated ratably over your holding period for the Notes,
- the amount allocated to the taxable year in which you realized the gain or excess distribution or to prior years before the first year in which we were a PFIC with respect to you will be taxed as ordinary income,
- the amount allocated to each other prior year will be taxed at the highest tax rate in effect for that year, and
- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such year.

Special rules apply for calculating the amount of the foreign tax credit with respect to excess distributions by a PFIC.

If we are a PFIC for any taxable year, to the extent any of our subsidiaries are also PFICs, you will generally be deemed to own shares in such lower-tier PFICs that are directly or indirectly owned by us in the proportion which the value of the Notes you own bears to the value of all of our equity interests, and you will generally be subject to the tax consequences described above (and the Form 8621 reporting requirement described below) with respect to the shares of such lower-tier

PFIC you would be deemed to own. As a result, if we receive a distribution from any lower-tier PFIC or sell shares in a lower-tier PFIC, you will generally be subject to tax under the excess distribution rules described above in the same manner as if you had held your proportionate share of the lower-tier PFIC stock directly, even if we do not distribute such amounts to you. However, if you are treated as receiving an excess distribution in respect of a lower-tier PFIC, you would increase your tax basis in your Notes by the amount of such distribution. In addition, if we distribute such amount to you with respect to your Notes, you would not include the distribution in income but you would rather reduce your tax basis in your Notes by the amount of the distribution. The application of the PFIC rules to indirect ownership of any lower-tier PFIC that we hold is complex and uncertain, and you should therefore consult your tax advisor regarding the application of such rules to your ownership of our shares.

If we are a PFIC in a taxable year and the Notes are treated as “marketable stock” in such year, you may make a mark-to-market election with respect to your Notes. If you make this election, you will not be subject to the PFIC rules described above. Instead, in general, you will include as ordinary income each year the excess, if any, of the fair market value of your Notes at the end of the taxable year over your adjusted basis in your Notes. You will also be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted basis of your Notes over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). Your basis in the Notes will be adjusted to reflect any such income or loss amounts. Any gain that you recognize on the sale or other disposition of your Notes would be ordinary income and any loss would be an ordinary loss to the extent of the net amount of previously included income as a result of the mark-to-market election and, thereafter, a capital loss. Because a mark-to-market election cannot be made for equity interests in any lower-tier PFICs we own, you would continue to be subject to the excess distribution rules (and corresponding basis adjustments, as discussed above) with respect to any of our subsidiaries that are PFICs, any distributions we receive from a subsidiary that is a PFIC, and any gain we recognize upon a sale of shares of a subsidiary that is a PFIC, even if you make a mark-to-market election with respect to your Notes. The interaction of the mark-to-market rules and the rules governing lower-tier PFICs is complex and uncertain, and you should therefore consult your own tax advisor regarding the application of such rules to your ownership of the Notes.

If we were a PFIC for any taxable year during which you owned Notes, we would generally continue to be treated as a PFIC with respect to you for all succeeding years during which you owned the Notes, even if we ceased to meet the threshold requirements for PFIC status.

In addition, notwithstanding any election you make with regard to the Notes, dividends that you receive from us will not constitute qualified dividend income to you if we are a PFIC (or are treated as a PFIC with respect to you) either in the taxable year of the distribution or the preceding taxable year. Dividends that you receive that do not constitute qualified dividend income are not eligible for taxation at the preferential rates applicable to qualified dividend income. Instead, you must include the gross amount of any such dividend paid by us out of our accumulated earnings and profits (as determined for United States federal income tax purposes) in your gross income, and it will be subject to tax at rates applicable to ordinary income.

We do not currently intend to provide information necessary for you to make qualified electing fund elections which, if available, would result in tax treatment different from the general tax treatment for PFICs described above.

If you own the Notes during any year that we are a PFIC with respect to you, you may be required to file IRS Form 8621. You should consult your tax advisor regarding the determination of whether we are a PFIC for any taxable year and the potential application of the PFIC rules to your ownership of the Notes.

Substitution of the Issuer

If the relevant Issuer exercises the right to substitute the debtor of the Notes, the substitution might, for U.S. federal income tax purposes, be treated as an exchange of the Notes for new notes issued by the New Issuer. Such a substitution could, depending on the facts, result in the recognition of a taxable gain or loss for the respective investors.

Information with Respect to Foreign Financial Assets

A United States holder that owns “specified foreign financial assets” with an aggregate value in excess of \$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with its tax returns. “Specified foreign financial assets” may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts that have non-United States issuers or counterparties, and (iii) interests in foreign entities. United States holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of Notes.

Information Reporting and Backup Withholding

Information reporting requirements, on IRS Form 1099, generally will apply to interest on the Notes or other taxable distributions made to non-corporate United States holders within the United States and the payment of proceeds to such holders from the sale of Notes effected at a U.S. office of a broker. Additionally, backup withholding may apply to such payments if you fail to comply with applicable certification requirements, or (in the case of distributions) you are notified by the IRS that you have failed to report all interest and dividends required to be shown on your United States federal income tax returns.

In general, payment of the proceeds from the sale of Notes effected at a foreign office of a broker will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the United States, (ii) the proceeds or confirmation are sent to the United States or (iii) the sale has certain other specified connections with the United States.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a refund claim with the IRS.

ERISA CONSIDERATIONS

A fiduciary of a pension, profit-sharing or other employee benefit plan (a “Plan”) subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), should consider the fiduciary standards of ERISA in the context of the Plan’s particular circumstances before authorizing an investment in the Notes. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code (the “Code”).

Section 406 of ERISA and Section 4975 of the Code prohibit Plans, as well as individual retirement accounts, Keogh plans, and any other plans that are subject to Section 4975 of the Code (also “Plans”), from engaging in certain transactions involving “plan assets” with persons who are “parties in interest” under ERISA or “disqualified persons” under the Code with respect to the Plan. A violation of these prohibited transaction rules may result in excise tax or other liabilities under ERISA or the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain employee benefit plans and arrangements including those that are governmental plans (as defined in section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) (“Non-ERISA arrangements”) are not subject to the requirements of Section 406 of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, foreign or other regulations, rules or laws (“Similar laws”).

The acquisition and holding of the Notes by a Plan or any entity whose underlying assets include “plan assets” by reason of any Plan’s investment in the entity (a “Plan Asset Entity”) with respect to which the Issuer or certain of our affiliates is or becomes a party in interest or disqualified person may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, unless those Notes are acquired and held pursuant to and in accordance with an applicable exemption. Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of Notes where neither the Issuer nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction and the Plan pays no more and receives no less than “adequate consideration” in connection with the transaction (the “service provider exemption”). Moreover, the United States Department of Labor has issued several prohibited transaction class exemptions, or “PTCEs,” that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the securities. These exemptions include:

- PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;
- PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;
- PTCE 91-38, an exemption for transactions involving bank collective investment funds;
- PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and
- PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Any purchaser or holder of the Notes or any interest in the Notes will be deemed to have represented by its purchase and holding of the Notes that it either (1) is not a Plan, a Plan Asset Entity, or a Non-ERISA Arrangement and is not purchasing those Notes on behalf of or with the assets of any Plan, a Plan Asset Entity, or Non-ERISA Arrangement or (2) the purchase and holding of the Notes will not constitute a non-exempt prohibited transaction under ERISA or the Code or a similar violation under any applicable Similar Laws.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing the Notes on behalf of or with the assets of any Plan, a Plan Asset Entity, or Non-ERISA Arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above, the service provider exemption or any other applicable exemption, or the potential consequences of any purchase or holding under Similar Laws, as applicable.

Purchasers of the Notes have exclusive responsibility for ensuring that their purchase and holding of the Notes do not violate the fiduciary or prohibited transaction rules of ERISA or the Code or any similar provisions of Similar Laws. The sale of any Notes to a Plan, Plan Asset Entity or Non-ERISA Arrangement is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or

Non-ERISA Arrangement or that such investment is appropriate for such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement.

PLAN OF DISTRIBUTION

Under the terms and subject to the conditions set forth in the purchase agreement (the “Purchase Agreement”) dated November 10, 2020 among the Issuer and the initial purchasers of the Notes (the “Initial Purchasers”) set forth in the table below, the Initial Purchasers have, severally and not jointly, agreed to purchase from the Issuer, and the Issuer has agreed to sell to the Initial Purchasers, the respective principal amounts of Notes set forth opposite the names of the Initial Purchasers below:

<u>Name</u>	<u>Principal Amount of Notes</u>
Citigroup Global Markets Inc.	US\$ 232,400,000
BNP Paribas Securities Corp.	US\$ 232,200,000
BofA Securities, Inc.	US\$ 232,200,000
Deutsche Bank Securities Inc.	US\$ 232,200,000
HSBC Securities (USA) Inc.	US\$ 232,200,000
Commerz Markets LLC	US\$ 22,200,000
Credit Agricole Securities (USA) Inc.	US\$ 22,200,000
nabSecurities, LLC.....	US\$ 22,200,000
UniCredit Capital Markets LLC.....	US\$ 22,200,000
Total	<u>US\$ 1,250,000,000</u>

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes is subject to approval of certain legal matters by their counsel and to certain other conditions. The Initial Purchasers are obligated to take and pay for all of the Notes offered hereby if any are taken. If an Initial Purchaser defaults, the Purchase Agreement provides that the purchase commitments of the nondefaulting Initial Purchasers may be increased or the Purchase Agreement may be terminated.

The Purchase Agreement provides that the Issuer will indemnify the Initial Purchasers against certain liabilities or contribute to payments which the Initial Purchasers may be required to make in respect thereof.

The Purchase Agreement provides that until the business day (as defined therein) following the issue date of the Notes, neither the Issuer nor any finance company subsidiary of the Issuer will, without the prior written consent of the Joint Lead Managers, directly or indirectly, issue, sell, offer or agree to sell, grant any option for the sale of, or otherwise dispose of, any Notes or any security substantially similar to the Notes in the United States.

The Initial Purchasers expect that delivery of the Notes will be made against payment therefor on or about the issue date, which will be the fourth New York business day following the date of pricing of the Notes (such settlement being referred to as “T+4”). Under Rule 15c6-1 under the Securities Exchange Act of 1934, trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of this Offering Circular or the next two succeeding business days will be required, by virtue of the fact that the Notes initially settle in T+4, to specify an alternative settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes on the date of this Offering Circular or the next two succeeding business days should consult their advisors.

The Initial Purchasers have advised the Issuer that they propose to offer the Notes initially at the offering price listed on the cover page of this Offering Circular. After the initial offering of the Notes, the offering price and other selling terms may from time to time be varied by the Initial Purchasers. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. Each Initial Purchaser has agreed to resell the Notes to purchasers only in accordance with the restrictions described herein under “—Selling Restrictions” and “Notice to Investors.”

The Notes have not been registered under the Securities Act or any state securities laws. The Initial Purchasers propose to offer the Notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. The Initial Purchasers will not offer or sell the Notes except to persons they reasonably believe to be qualified institutional buyers or pursuant to offers and sales to non-U.S. persons that occur outside of the United States within the meaning of Regulation S. In addition, until 40 days following the commencement of this offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. Each purchaser of the Notes will be deemed to have made acknowledgments, representations and agreements as described under “Notice to Investors and “Selling Restrictions.”

In order to facilitate the offering of the Notes, the Initial Purchasers may engage in transactions that stabilize, maintain or otherwise affect the price of Notes. Specifically, the Initial Purchasers may over-allot in connection with the offering, creating a short position in the Notes for their own accounts. In addition, to cover over-allotments or stabilize the price of the Notes, the Initial Purchasers may bid for, and purchase, the Notes in the open market. Finally, the Initial Purchasers may reclaim selling concessions allowed to dealers for distributing the Notes in the offering, if the Initial Purchasers repurchase previously distributed Notes in transactions to cover short positions established by said Purchasers, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the Notes above independent market levels. The Initial Purchasers are not required to engage in these activities, and may end any of these activities at any time.

The Notes are a new issue of securities with no established 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 assurances can be given that the application for listing will be approved or that an active trading market will develop. The Initial Purchasers have advised the Issuer that certain of the Initial Purchasers presently intend to make a market in the Notes as permitted by applicable laws and regulations. Such Purchasers are not obligated, however, to make a market in the Notes and any such market making may be discontinued at any time at the discretion of such Purchasers. Accordingly, no assurance can be given as to the liquidity of, or trading market for, the Notes.

The Initial Purchasers 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 Initial Purchasers 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 Initial Purchasers 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. If any of the Initial Purchasers or their affiliates have a lending relationship with us, certain of those Initial Purchasers or their affiliates routinely hedge, and certain other of those Initial Purchasers may hedge, their credit exposure to Allianz consistent with their customary risk management policies. Typically, these Initial Purchasers 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 Initial Purchasers 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.

Deutsche Bank Securities Inc., one of the Initial Purchasers, is an affiliate of Deutsche Bank Trust Company Americas, which is acting as Fiscal Agent, Paying Agent, Registrar, Transfer Agent and Calculation Agent in connection with this offering of Notes.

SELLING RESTRICTIONS

United States

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes have not been registered under the U.S. 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 U.S. Securities Act and applicable state securities laws. Accordingly, the Notes offered hereby are being offered and sold only to “qualified institutional buyers” (as defined in Rule 144A) in reliance on Rule 144A and 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 purchaser of Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the Initial Purchasers as follows:

- (1) It understands and acknowledges that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the U.S. Securities Act, and that the Notes have not been registered under the U.S. Securities Act or any applicable state securities law, are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any state securities law, including sales pursuant to Rule 144A, and may not be offered, sold or otherwise transferred in the United States or to, or for the account or benefit of, any “U.S. person” except in compliance with the registration requirements of the U.S. Securities Act or any applicable state securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set out in paragraph (5) below.
- (2) It is not an “affiliate” (as defined in Rule 144 under the U.S. Securities Act) of the Issuer or acting on the Issuer’s behalf and it is either:
 - (i) a QIB and is aware that any sale of Notes to it will be made in reliance on Rule 144A and the acquisition of Notes will be for its own account or for the account of another QIB; or
 - (ii) a person that is not, and is not acting for the account or benefit of, a “U.S. person” (as defined in Regulation S) purchasing the Notes outside the United States in an offshore transaction pursuant to Regulation S.
- (3) It acknowledges that neither we nor the Initial Purchasers, nor any person representing us or the Initial Purchasers, have made any representation to it with respect to the offering or sale of any Notes, other than the information contained in this Offering Circular, which Offering Circular has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It has had access to such financial and other information concerning us and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes.
- (4) It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposal of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the U.S. Securities Act.
- (5) Each holder of Notes issued pursuant to Regulation S agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes during the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the issue date of the Notes), only (i) to the Issuer or any affiliate thereof, (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, (iii) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A, (iv) outside the United States in compliance with Rule 903 or Rule 904 under the U.S. Securities Act, or (v) pursuant to any other available exemption from the registration requirements

of the U.S. Securities Act, in each of the foregoing cases in compliance with any applicable state securities laws, and any applicable local laws and regulations.

- (6) Each holder of Notes issued in reliance on Rule 144A agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes only (i) to the Issuer or any affiliate thereof, (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, (iii) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A, (iv) outside the United States in compliance with Rule 903 or Rule 904 under the U.S. Securities Act, or (v) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, in each of the foregoing cases in compliance with any applicable state securities laws, and any applicable local laws and regulations.
- (7) Each purchaser acknowledges that each Security will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, [in the case of a Regulation S Note: DURING THE DISTRIBUTION COMPLIANCE PERIOD, WHICH IS THE 40-DAY PERIOD COMMENCING ON THE LATER OF THE DATE OF COMMENCEMENT OF THE OFFERING OF THE SECURITIES AND THE DATE OF THE ORIGINAL ISSUE OF THE SECURITIES] ONLY (A) TO THE ISSUER OR ANY AFFILIATE THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER REGULATION S UNDER THE U.S. SECURITIES ACT, OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, IN EACH OF THE FOREGOING CASES IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS.

- (1) It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on the transfer of such Notes.
- (2) It acknowledges that until 40 days after the commencement of the offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.
- (3) It acknowledges that the fiscal agent will not be required to accept for registration of transfer any Notes except upon presentation of evidence satisfactory to us and the fiscal agent that the restrictions set out therein have been complied with.
- (4) It acknowledges that we, the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify the Initial Purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

No offer and sale of the Notes shall be made to persons resident in Puerto Rico and the States of Alabama and New Mexico.

Prohibition of Sales to EEA and UK Retail Investors

Each of the Initial Purchasers 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 to any retail investor in the EEA or the UK. 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 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.

United Kingdom

Each of the Initial Purchasers 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 Initial Purchasers 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 Initial Purchasers 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 Initial Purchasers 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 Initial Purchasers severally represents, warrants and agrees 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.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (“NI 33-105”), the Initial Purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

General

Each of the Initial Purchasers has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Offering Circular and has obtained and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Initial Purchasers shall have any responsibility therefor.

Neither the Issuer nor the Initial Purchasers represents that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

VALIDITY OF SECURITIES

Certain legal matters in connection with the offering with respect to United States federal and New York state law will be passed upon on behalf of the Issuer by Sullivan & Cromwell LLP, counsel to the Issuer. The validity of the Notes and certain legal matters with respect to German law in connection with the offering will be passed upon on behalf of the Issuer by Hengeler Mueller Partnerschaft von Rechtsanwälten mbB, counsel to the Issuer. The validity of the Notes and certain legal matters in connection with the offering with respect to United States federal, New York and German law will be passed upon on behalf of the Initial Purchasers by Linklaters LLP, counsel to the Initial Purchasers in connection with the offering.

INDEPENDENT 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 ending December 31, 2018 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 for the financial years ended December 31, 2018 and December 31, 2019 were prepared in accordance with German commercial law and supplementary provisions of the articles of incorporation. The statutory financial statements for the financial years 2018 and 2019 were audited by PwC in accordance with § 317 of the German Commercial Code (*Handelsgesetzbuch*) and German generally accepted auditing standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (“IDW”), Institute of Public Auditors in Germany). PwC issued an unqualified audit opinion for the financial years ended December 31, 2018 and December 31, 2019. The statutory financial statements of Allianz SE for the financial year ended December 31, 2019 are incorporated by reference in this Offering Circular.

The consolidated financial statements of Allianz Group for the financial years ended December 31, 2019 and December 31, 2018, 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) of the German Commercial Code and supplementary provisions of the articles of incorporation. The consolidated financial statements for the financial years 2019 and 2018 have been audited by PwC in accordance with § 317 of the German Commercial Code and German generally accepted standards for the audit of financial statements promulgated by the IDW. PwC issued an unqualified audit opinion for the financial years ended December 31, 2019 and December 31, 2018.

The unaudited condensed consolidated interim financial statements of Allianz Group as of and for the six months ended June 30, 2020, 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, 2020 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, 2020.

The auditor’s reports for the statutory financial statements for the financial year ended December 31, 2019 and the consolidated financial statements for the financial years ended December 31, 2019 and December 31, 2018 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, 2020 refers to the interim group management report, as a whole, which is incorporated by reference 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). Those examinations were not made in accordance with generally accepted auditing or attestation standards in the United States. Accordingly, PwC does not express any opinion on this information or on the consolidated financial statements or the unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2020 incorporated by reference in this Offering Circular, in each case in accordance with U.S. generally accepted auditing standards or U.S. attestation standards. 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.

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 November 4, 2020 and on November 10, 2020 and a resolution of the standing committee of the Issuer’s Supervisory Board on November 5, 2020, 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 DTC. The Global Notes have been assigned ISIN(s): US018820AA81 (144A) / USX10001AA78 (Regulation S) and CUSIP No(s): 018820 AA8 (144A) / X10001 AA7 (Regulation S).
3. Allianz will appoint Deutsche Bank Trust Company Americas as Fiscal Agent, Paying Agent, Registrar, Transfer Agent and Calculation Agent with respect to the Notes. A physical copy of the Fiscal and Paying Agency Agreement, dated the date of the issuance of the Notes, will be available for inspection at 60 Wall Street, 24th Floor, New York, NY, 10005. 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.
4. The independent auditors of Allianz are PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.
5. This Offering Circular constitutes a prospectus for purpose of Part IV of the Luxembourg law on prospectuses for securities dated July 16, 2019.
6. Save as disclosed in the Allianz Group 9M Earnings Release incorporated by reference herein, the section entitled “*Summary—Recent Developments Since December 31, 2019—Outlook*” and the section entitled “*Risk Factors*”, there has been no material change in the financial position of the Issuer since September 30, 2020.
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) are available for inspection free of charge during normal business hours upon written request to the Fiscal Agent at the offices of the Fiscal Agent. In addition, each of the Allianz Group Reports are accessible free of charge on the following websites of the Issuer:

Allianz Group 9M Earnings Release	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/press/document/results/q3_2020/Allianz-3Q-2020-Earnings-Release_EN.pdf
Allianz Group 9M Financial Supplement	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results/2020-3q/en-financial-supplement-3q-2020.pdf
Allianz Group 1H 2020 Interim Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results/2020-2q/en-interim-report-2q-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 2019 Annual Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/annual-report/ar-2019/en-GB-SE-Annual-Report-Allianz-2019.pdf
Allianz Group 2018 Annual Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/annual-report/ar-2018/en-AR-Group-2018.pdf
SFCR 2019 Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/sfcr/2020/EN-Allianz-Group-SFCR-2019.pdf
Own Funds 2019 Report	https://www.allianz.com/content/dam/onemarketing/azcom/Allianz_com/investor-relations/en/results-reports/annual-r

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Germany

\$1,250,000,000



ALLIANZ SE

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

3.500% Perpetual Fixed Rate Resetable Restricted Tier 1 Notes

OFFERING CIRCULAR

November 10, 2020

Joint Lead Managers

Citigroup

BNP PARIBAS

BofA Securities

**Deutsche Bank
Securities**

HSBC

Co-Lead Managers

COMMERZBANK

Credit Agricole CIB

nabSecurities, LLC

**UniCredit Capital
Markets**

