



ALLIANZ SE

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

EUR 1,500,000,000 Undated Subordinated Resettable Fixed Rate Notes

Issue Price 99.741 per cent.

Allianz SE (the "**Issuer**"), will issue on 18 September 2014 (the "**Issue Date**") EUR 1,500,000,000 undated subordinated resettable fixed rate notes in a denomination of EUR 100,000 per Note (the "**Notes**") as Series 66 Tranche 1 under the € 25,000,000,000 Debt Issuance Programme of Allianz SE, Allianz Finance II B.V. and Allianz Finance III B.V. guaranteed by Allianz SE (the "**Programme**").

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

The Notes will bear interest from and including 18 September 2014 (the "**Interest Commencement Date**") to but excluding 18 September 2024 (the "**First Call Date**") at a rate of 3.375 per cent. per annum. Thereafter, from and including the First Call Date the Notes will bear interest at the relevant Reset Fixed Interest Rate (each as defined in the Terms and Conditions of the Notes). Interest is scheduled to be paid in arrear on 18 September of each year, commencing on 18 September 2015.

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

The Notes have no final maturity date. The Notes may be redeemed at par plus any interest accrued and any arrears of interest on the First Call Date and at any time thereafter, provided that on such date the Conditions to Redemption (as defined in the Terms and Conditions) are fulfilled. Under certain circumstances described in Condition 4 of the Terms and Conditions, the Notes may be subject to early redemption.

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

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

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

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

Joint Lead Managers

Citigroup

Commerzbank

HSBC

**Société Générale Corporate
& Investment Banking**

Co-Lead Managers

BayernLB

Crédit Agricole CIB

Helaba

**Santander Global
Banking & Markets**

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

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

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

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

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

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

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

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

upon a prospective investor's particular financial and other circumstances, as well as on the specific terms of the Notes and, if it does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, it should consult its financial adviser prior to deciding to make an investment on the suitability of the Notes.

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

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

Cautionary note regarding forward-looking statements

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

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

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RISK FACTORS

Risk factors relating to Allianz SE /Allianz Group

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

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

Risks arising from the financial markets

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

The share price of Allianz SE has been volatile in the past and may continue to be affected in particular in the wake of the ongoing global financial crisis. The share price and trading volume of Allianz SE's common stock may continue to be subject to significant fluctuations due in part to the high volatility in the securities markets generally, and in financial institutions' shares in particular, as well as developments which impact the Allianz Group's financial results. Factors other than the Allianz Group's financial results that may affect Allianz SE's share price include but are not limited to: market expectations of the performance and capital adequacy of financial institutions generally; investor perception of and the actual performance of other financial institutions; investor perception of the success and impact of the Allianz Group's strategy; a downgrade or rumored downgrade of the Allianz Group companies' credit ratings; potential litigation or regulatory action involving the Allianz Group or any of the industries the Allianz Group has exposure to through the Allianz Group's insurance, asset management and corporate and other activities; announcements concerning the bankruptcy or other similar reorganization proceedings involving, or any investigations into the accounting practices of, any insurance or reinsurance companies, banks or asset management companies outside the Allianz Group; and general market volatility and liquidity conditions.

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

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

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

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

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

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

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

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

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

The occurrence of such adverse scenarios or another adverse event might result in higher levels of financial market volatility, especially in the equity and foreign exchange markets, lower interest rates due to monetary policy response, increased challenges in the banking sector, including bank run scenarios, where large number of customers withdraw their deposits, as well as bond impairments and increased bond spreads due to a flight to quality and other difficult to predict spill-over effects. Since the Allianz Group has a significant parts of its business and investment exposures in countries that might be affected by a contagion of the sovereign debt crisis, especially in Italy and Spain, the occurrence of any such adverse scenarios would most likely have unforeseeable adverse impacts on the Allianz Group's business and financial position.

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

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

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

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

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

Assets and liabilities from a Group perspective are not necessarily matched in terms of interest rate sensitivities and therefore any big unexpected change in interest rates could materially adversely affect the Allianz Group's bond and interest rate derivative positions. 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 affect the levels of new product sales or surrenders of business in force. Products designed to partly or entirely transfer exposure to interest rate movements to the policyholder reduce partly the impact of interest rate fluctuation on this business. However, reductions in the effective investment income below the rates prevailing at the issue date of the policy, or below the long-term guarantees in countries such as Germany and Switzerland, would reduce the profit margins or lead to losses on the Life/Health insurance business written by the Allianz Group's Life/Health subsidiaries to the extent the maturity composition of the assets does not match the maturity composition of the insurance obligations they are backing. In particular, if low interest rates persist, the effective investment income will be negatively impacted over a longer period. Similarly, reductions in the effective investment income of the fixed income trust assets backing the Allianz Group's pension reserves may lead to deficits of the internal pension plans, and these deficits would have to be covered by the Allianz Group. Interest rate volatility risk could substantially impact the economic capitalization in a low interest rate environment, as long term guarantees in Life/Health business increase in value.

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

The Allianz Group holds a significant equity portfolio, which represented approximately 6.7% of the Allianz Group's financial assets as of 30 June 2014 (as of 31 December 2013: 6.6%), excluding financial assets and liabilities carried at fair value through income. Volatility in equity markets affects the market value and liquidity of these holdings. The Allianz Group also has real estate holdings in its investment portfolio, the value of which is likewise exposed to changes in real estate market prices and volatility. Most of the Allianz Group's financial assets and liabilities are recorded at fair value, including trading assets and liabilities, financial assets and liabilities designated at fair value through income, and securities available-for-sale. Changes in the value of securities held for trading purposes and financial assets designated at fair value through income are recorded through the Allianz Group's consolidated income statement. Changes in the market value of securities available-for-sale are recorded directly in the Allianz Group's consolidated shareholders' equity. Available-for-sale equity and fixed income securities, as well as securities classified as held-to-maturity, are reviewed regularly for impairment, with write-downs to fair value charged to income if there is objective evidence that the cost may not be recovered. The Allianz Group holds interests in a number of financial institutions as part of its portfolios, which are particularly exposed to uncertain market conditions affecting the financial services sector generally. In prior years the Allianz Group has incurred significant impairments on the value of the securities and other financial assets that it holds and there can be no assurance that the Allianz Group will not recognize significant impairments in the future again.

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

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

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

Credit Risks - Reinsurance: The Allianz Group transfers exposure to certain risks in the Property-Casualty and Life/Health insurance businesses to others through reinsurance arrangements. Under these arrangements, other insurers assume a portion of the Allianz Group's losses and expenses associated with reported and unreported losses in exchange for a portion of policy premiums. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly. Any decrease in the amount of the Allianz Group's reinsurance will increase its risk of loss. When the Allianz Group companies obtain reinsurance, they are still liable for those transferred risks if the reinsurer cannot meet its obligations. Accordingly, the Allianz Group bears credit risk with respect to these reinsurers. Therefore, the inability or unwillingness of one or more of the Allianz Group's reinsurance partners to meet their financial obligations, or the insolvency of the Allianz Group's reinsurance partners, could materially affect the Allianz Group's

results of operations. Although the Allianz Group conducts periodic reviews of the financial statements and reputations of its reinsurance partners, including, and as appropriate, requiring letters of credit, deposits or other financial measures to further minimize its exposure to credit risk, reinsurers may become financially unsound by the time they are called upon to pay amounts due.

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

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

The Allianz Group prepares its consolidated financial statements in Euro. However, a significant portion of the revenues and expenses from the Allianz Group companies outside the Euro zone, including in the United States, Switzerland and the United Kingdom, originates in currencies other than the Euro. In the fiscal year 2013 approximately 35.9% (fiscal year 2012: 39.9%) of the Allianz Group's gross premiums written in the Property-Casualty segment and 27.5% (fiscal year 2012: 30.1%) of the statutory premiums in the Life/Health segment originated in currencies other than the Euro. Furthermore, as of 31 December 2013, 61.5% (as of 31 December 2012: 64.6%) of the third-party assets under management in the Asset Management segment were in the United States.

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

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

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

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

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

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

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

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

On a quarterly basis, Allianz Group monitors reserve levels, movements and trends. This monitoring is conducted on the basis of quarterly data submitted by the subsidiaries as well as through frequent dialogue

with local actuaries. However, there can be no assurance that ultimate losses will not materially exceed the established reserves and have a material adverse effect on the Allianz Group's result of operations.

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

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

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

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

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

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

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

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

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

In particular, the Allianz Group's more mature insurance markets (e.g. Germany, France, Italy and the United States) are highly competitive. In recent years, the Allianz Group has also experienced increasing competition in emerging markets, as large insurance companies and other financial services providers have

also entered these markets to participate in their high growth potential. In addition, local institutions have become more experienced and have established strategic relationships, alliances or mergers with the Allianz Group's competitors. Downturns in the economies of these markets might even increase the competitive pressure, potentially resulting in lower margins or business volumes for the Allianz Group.

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

Risks arising from the environment and the geopolitical situation

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

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

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

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

Increased geopolitical risks following the terrorist attack of 11 September 2001, and any future terrorist attacks, could have a continuing negative impact on the Allianz Group's businesses.

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

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

Risks arising from legal and regulatory conditions

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

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

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

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

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

In the same context, governments, regulatory authorities and others have made and continue to make proposals to reform the regulatory framework for the financial services industry to enhance its resilience against future crises. Proposals include, among others, requests for more stringent regulatory capital and liquidity standards, regulation of specific types of business perceived as particularly dangerous, and expansion of the resolution powers of regulators. It is possible that the future regulatory framework for the financial industry may change, perhaps significantly. This is also due to the fact that Allianz Group has been designated as "Global Systemically Important Insurer" by the Financial Stability Board and will be subject to the respective policy measures which apply to such groups. 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.

The EU Solvency II Directive (2009/138/EC) which was adopted in November 2009, as amended from time to time, will create a supervisory regime, and particularly a new solvency regime, for insurance and reinsurance undertakings operating in the European Union. Discussions on implementing measures are still ongoing and the potential future impact on available resources and capital requirements cannot currently be fully assessed. However, it is expected that solvency capital requirements for insurance and reinsurance undertakings will overall increase as opposed to the current Solvency I regime and that capital ratios will become more volatile. The internal model that has been developed and implemented by the Allianz Group to assess its solvency capital requirements under the future Solvency II regime may not be approved by the supervisory authorities which may lead not only to operational cost for modifying the internal model, but also to negative effects on the Allianz Group's capital adequacy.

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

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

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

Other risks

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

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

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

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

Business and market conditions may impact the amount of goodwill the Allianz Group carries in its consolidated financial statements. As of 31 December 2013, the Allianz Group has recorded goodwill in an aggregate amount of EUR 11,544 million, of which EUR 6,805 million related to its asset management business, EUR 4,432 million related to its insurance business and EUR 307 million related to its corporate and other businesses.

As the value of certain parts of the Allianz Group's businesses, including in particular the Allianz Group's asset management business, are significantly impacted by such factors as the state of financial markets and ongoing operating performance, significant declines in financial markets or operating performance could also result in impairment of other goodwill carried by the Allianz Group companies and result in significant write-downs, which could be material. Impairments of EUR 96 million were recorded for goodwill in fiscal year 2013.

The assumptions the Allianz Group made with respect to recoverability of deferred policy acquisition costs ("DAC") are also affected by such factors as operating performance and market conditions. DAC is incurred in connection with the production of new and renewal insurance business and is deferred and amortized generally in proportion to profits or to premium income expected to be generated over the life of the underlying policies, depending on the classification of the product. If the assumptions on which expected profits are based prove to be incorrect, it may be necessary to accelerate amortization of DAC, even to the extent of writing down DAC, which could materially adversely affect results of operations. No material write-downs were recorded for DAC in fiscal year 2013.

As of 31 December 2013, the Allianz Group reported deferred tax assets of EUR 1,508 million. The deferred tax assets before netting with deferred tax liabilities amounted to EUR 15,555 million. EUR 1,561 million thereof resulted from tax losses which are carried forward to future periods. The calculation of the respective tax assets and liabilities is based on current tax laws and IFRS and depends on the performance of Allianz SE and of certain business units in particular.

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

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

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

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

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

Operational risks may disrupt the Allianz Group's business.

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

Risk factors relating to the Notes

The Notes may not be a suitable investment for all investors

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

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

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

Perpetual securities

The Notes are perpetual securities and have no fixed maturity date or redemption date. The Issuer is under no obligation to redeem the Notes at any time and the holders of the Notes (each a "**Noteholder**") have no right to call for their redemption.

Subordination

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

The terms of the Notes provide that the obligations of the Issuer under the Notes rank subordinated to all of the Issuer's (i) unsubordinated obligations, (ii) obligations subordinated by operation of law pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*), (iii) subordinated obligations ranking at least *pari passu* with the Issuer's obligations subordinated by operation of law pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*), (iv) subordinated obligations required to be preferred by mandatory provisions of law, and (v) subordinated dated obligations of the Issuer, unless such obligations are expressed to rank *pari passu* with, or junior to, the Notes. In the event of liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of, or against the Issuer, the claims of the Noteholders under the Notes will be satisfied only after the claims of all holders of the Issuer's Senior Ranking Debt. In any such event, Noteholders will not receive any amounts payable in respect of the Notes until the claims of all Issuer's Senior Ranking Debt have first been satisfied in full.

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

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

Risks in case of an early redemption of the Notes

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

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

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

Interest deferral

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

Compulsory deferral of interest payments

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

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

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

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

Optional deferral of interest payments

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

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

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

Restrictions on payment of Arrears of Interest

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

The payment of Arrears of Interest may become subject to regulatory approval (see the risk "Changes in Applicable Supervisory Regulations upon implementation of the Solvency II Directive" below).

No express Events of Default

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

Changes in applicable supervisory regulations upon implementation of the Solvency II Directive

The Terms and Conditions provide that interest payments must be deferred (subject to limited exceptions further described in the Terms and Conditions), inter alia, if under the Applicable Supervisory Regulations a Solvency Capital Event has occurred and is continuing.

In addition, the Issuer may call the Notes for redemption prior to the First Call Date, inter alia, if, upon the implementation of the Solvency II Directive into the Applicable Supervisory Regulations the Notes would not be eligible to qualify at least for the inclusion in the determination of the tier 2 regulatory capital for single solvency purposes or for group solvency purposes of the Issuer (including transitional provisions).

Although the Solvency II Directive, as amended by the so-called Omnibus II Directive, has been adopted by the European Parliament and the Council of the European Union and published in the Official Journal of the European Union, the implementation rules in general and the exact criteria for instruments eligible as tier 2 regulatory capital as well as the corresponding transitional arrangements in particular have not been finalised yet. In addition, it is unclear how the Common Framework for the Supervision of Internationally Active Insurance Groups ("**Comframe**") will be implemented.

Therefore, it is currently difficult to predict the exact effect the implementation of the Solvency II Directive will have on the Issuer and the Allianz Group as well as on the eligibility of the Notes at least as tier 2 regulatory capital.

Accordingly, Noteholders should be aware that the implementation of the Solvency II Directive or of Comframe may lead to, or increase the likelihood of, a deferral of interest payments under the Notes and/or

an early redemption of the Notes. Such final implementation may also impact the Issuer's ability to pay any Arrears of Interest.

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

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

No limitation on issuing further debt and guarantees

There is no restriction on the amount of debt or guarantees which the Issuer may issue ranking equal with or senior to the obligations under or in connection with the Notes. Such issuance of further debt and guarantees may reduce the amount recoverable by the Noteholders upon insolvency or winding-up of the Issuer. Furthermore, the issue of further debt and guarantees, whether equal, senior or junior ranking, may increase the likelihood that payments of the principal amount or interest under the Notes will be mandatorily deferred or may, in the case of interest payments, be deferred at the option of the Issuer.

Liquidity risk

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

Fixed Rate Interest

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

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

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

In addition, Noteholders are exposed to reinvestment risk with respect to proceeds from coupon payments or early redemptions by the issuer. If the market yield declines, and if Noteholders want to invest such proceeds in comparable transactions, Noteholders will only be able to reinvest such proceeds in comparable transactions at the then prevailing lower market yields.

Reset of fixed rate coupon after the First Call Date

From and including the First Call Date, each Note bears interest at a rate per annum equal to the applicable Reset Fixed Interest Rate (as defined in the Terms and Conditions). The Reset Fixed Interest Rate (i) equals the 10-year ISDAFIX Swap Rate (as defined in the Terms and Conditions) plus a constant margin, (ii) is

applicable for a ten year period (or for a shorter period in case the Notes are redeemed), and (iii) is recalculated every ten years. Investors should be aware that the future performance of the 10-year ISDAFIX Swap Rate and hence the interest income on the Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of the Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments without resetting nominal interest rates.

As mentioned under "Fixed Rate Interest", the market yield has two components, namely the risk free rate and the credit spread. Noteholders should be aware that the Reset Fixed Interest Rate is calculated by adding a constant margin (a proxy for the credit spread of the Notes at the time of issuance) to the 10-year ISDAFIX Swap Rate prevailing at the relevant Interest Determination Date (as defined in the Terms and Conditions). Although the coupon is adjusted every ten years to the then prevailing market level (i.e. the 10-year ISDAFIX Swap Rate), the second component of the coupon (i.e. the constant margin) is kept unchanged and may not reflect the fair market level of the credit spread of the Notes at the time of the reset.

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

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

Currency risk in relation to Notes

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

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

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

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

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

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

Market volatility and other factors

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

Legal investment considerations may restrict certain investors to acquire the Notes

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

Transaction costs

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

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

Margin lending

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

European Initiative on Financial Transaction Tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax ("**FTT**"). According to the Draft Directive, the FTT shall be implemented in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia; the "**Participating Member States**"). The FTT as provided under the Draft Directive was originally scheduled to be applicable as of 1 January 2014.

Pursuant to the original proposal under the Draft Directive, the FTT shall be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (inter alia) primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue. Thus, the issuance of the Notes should not be subject to the FTT.

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

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

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

Tax impact of the investment

An effective yield on the Notes may be diminished by the tax impact on an investment in the Notes. Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on Noteholders generally in Germany and Luxembourg is described under "TAXATION", starting on page 84; however, the tax impact on an individual Noteholder may differ from the situation described for Noteholders generally.

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

Change in tax law

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

U.S. Foreign Account Tax Compliance Withholding

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

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

RESPONSIBILITY STATEMENT

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

TERMS AND CONDITIONS OF THE NOTES

Bedingungen der Schuldverschreibungen ("Anleihebedingungen")

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

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

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

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

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

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

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

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

§ 1 Currency, Denomination, Form, Global Note

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

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

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

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

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

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

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

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

§ 2 Status

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

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

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

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

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

"Vorrangige Verbindlichkeiten der Emittentin" bezeichnet:

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

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

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

§ 2 Status

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

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

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

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

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

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

- (i) unsubordinated obligations; and
- (ii) obligations subordinated by operation of law pursuant to § 39(1) of the

§ 39 Absatz 1 Insolvenzordnung; und

- (iii) alle nachrangigen Verbindlichkeiten der Emittentin, soweit diese mit gesetzlich nachrangigen Verbindlichkeiten der Emittentin gemäß § 39 Absatz 1 Insolvenzordnung zumindest gleichrangig sind; und
- (iv) alle nachrangigen Verbindlichkeiten der Emittentin, die aufgrund zwingender gesetzlicher Bestimmungen vorrangig sind; und
- (v) alle nachrangigen Verbindlichkeiten der Emittentin mit begrenzter Laufzeit, soweit für solche Verbindlichkeiten nicht ausdrücklich ein Gleich- oder Nachrang gegenüber den Verbindlichkeiten der Emittentin aus den Schuldverschreibungen festgelegt ist. Die Emittentin hat das Recht, den Status der Schuldverschreibungen dahingehend zu ändern, dass der Vorrang von Verbindlichkeiten gemäß dieser Ziffer (v) entfällt. Die Änderung wird mit Bekanntmachung der Emittentin hierüber an die Anleihegläubiger gemäß § 10 wirksam, vorausgesetzt, die Zuständige Aufsichtsbehörde hat ihre vorherige Zustimmung erteilt.

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

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

German Insolvency Code (*Insolvenzordnung*); and

- (iii) subordinated obligations ranking at least *pari passu* with the Issuer's obligations subordinated by operation of law pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*); and
- (iv) subordinated obligations required to be preferred by mandatory provisions of law; and
- (v) subordinated dated obligations of the Issuer, unless such obligations are expressed to rank *pari passu* with, or junior to, the Notes. The Issuer has the right to amend the status of the Notes such that the senior rank of obligations pursuant to this clause (v) will cease to apply. Such amendment shall become effective upon notice thereof by the Issuer to the Noteholders pursuant to § 10, provided that prior consent of the Competent Supervisory Authority has been obtained.

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

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

§ 3 Zinsen

§ 3.1 Verzinsung

- (a) *Zinsen.* Ab dem 18. September 2014 (der "**Zinslaufbeginn**") (einschließlich) bis zum 18. September 2024 (der "**Erste Kündigungstag**") (ausschließlich) wird jede Schuldverschreibung bezogen auf ihren Festgelegten Nennbetrag mit jährlich 3,375 % verzinst.

Ab dem Ersten Kündigungstag (einschließlich) wird jede Schuldverschreibung bezogen auf ihren Festgelegten Nennbetrag jährlich mit dem jeweils anwendbaren Reset-Festzinssatz verzinst.

Der "**Reset-Festzinssatz**" ist der Referenzsatz für den betreffenden Reset-Zeitraum zuzüglich der Marge per annum, wie von der Berechnungsstelle festgelegt.

Die Zinsen sind nachträglich am 18. September eines jeden Jahres (jeweils ein "**Zinszahlungstag**"), beginnend am 18. September 2015 zur Zahlung vorgesehen und werden gemäß § 3.2 und § 3.3 fällig.

- (b) *Berechnung des Zinsbetrags, Zinstagequotient.* Die Berechnungsstelle wird den Zinsbetrag je Schuldverschreibung (der "**Zinsbetrag**") für einen beliebigen Zeitraum berechnen, indem der jeweils anwendbare Zinssatz und der Zinstagequotient (wie nachstehend definiert) auf jeden Festgelegten Nennbetrag angewendet werden, wobei der resultierende Betrag auf den nächsten EUR 0,01 auf- oder abgerundet wird, wobei EUR 0,005 aufgerundet werden.

"**Zinstagequotient**" bezeichnet bei der Berechnung des Zinsbetrages für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses Zeitraums (ausschließlich)) die Anzahl von Tagen in dem jeweiligen Zeitraum dividiert durch die Anzahl von Tagen in der betreffenden Zinsperiode.

- (c) *Definitionen.* In diesen Anleihebedingungen gilt Folgendes:

"**10-Jahres ISDAFIX Swapsatz**" bezeichnet den als Prozentsatz ausgedrückten Swapsatz per annum bezüglich in Euro denominierter Swap-Transaktionen mit einer Laufzeit von 10 Jahren, der auf der Bildschirmseite am jeweiligen Zinsfestlegungstag unter der Bildüberschrift "EURIBOR BASIS – EUR" und über der Spalte "11:00AM FRANKFURT"

§ 3 Interest

§ 3.1 Interest Rate

- (a) *Interest.* From and including 18 September 2014 (the "**Interest Commencement Date**") to but excluding 18 September 2024 (the "**First Call Date**") each Note bears interest on its Specified Denomination at a rate of 3.375 per cent. per annum.

From and including the First Call Date, each Note bears interest on its Specified Denomination at a rate per annum equal to the applicable Reset Fixed Interest Rate.

The "**Reset Fixed Interest Rate**" will be the Reference Rate for the relevant Reset Period plus the Margin per annum, as determined by the Calculation Agent.

Interest is scheduled to be paid in arrear on 18 September of each year (each an "**Interest Payment Date**"), commencing on 18 September 2015 and will be due and payable (*fällig*) in accordance with the conditions set forth in § 3.2 and § 3.3.

- (b) *Calculation of Interest Amount, Day Count Fraction.* The Calculation Agent will calculate the amount of interest per Note (the "**Interest Amount**") for any period of time by applying the applicable rate of interest and the Day Count Fraction (as defined below) to each Specified Denomination and rounding the resulting figure to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last day of such period) the number of days in the relevant period divided by the number of days in the relevant Interest Period.

- (c) *Definitions.* In these Terms and Conditions:

"**10-year ISDAFIX Swap Rate**" means the annual swap rate expressed as a percentage per annum for euro swap transactions with a maturity of 10 years which appears on the Screen Page on the relevant Interest Determination Date under the heading "EURIBOR BASIS – EUR" and above the caption "11:00AM FRANKFURT" as of 11:00

gegen 11:00 Uhr (Frankfurter Ortszeit) angezeigt wird.

"10-Jahres Mid Swapsatz-Quotierungen" bezeichnet das arithmetische Mittel der nachgefragten und angebotenen Prozentsätze für den jährlichen Festzinszahlungsstrom (berechnet auf einer 30/360 Tage-Berechnungsbasis) einer fixed-for-floating Euro Zinsswap-Transaktion, (x) die eine 10-jährige Laufzeit hat und am jeweiligen Reset-Termin beginnt, (y) die auf einen Betrag lautet, der dem einer repräsentativen einzelnen Transaktion in dem relevanten Markt zur relevanten Zeit eines anerkannten Händlers mit guter Bonität im Swap-Markt entspricht, und (z) deren variabler Zahlungsstrom auf dem 6-Monats EURIBOR Satz beruht (berechnet auf einer Actual/360 Tage-Berechnungsbasis).

Der **"10-Jahres Reset-Referenzbankensatz"** ist der Prozentsatz, der auf Basis der 10-Jahres Mid Swapsatz-Quotierungen, die der Berechnungsstelle ungefähr um 11:00 Uhr (Frankfurter Zeit) von bis zu fünf führenden Swap-Händlern im Interbankenhandel (die **"Reset-Referenzbanken"**) gestellt werden, am Zinsfestlegungstag von der Berechnungsstelle festgelegt wird. Wenn mindestens drei Quotierungen genannt werden, wird der 10-Jahres Reset-Referenzbankensatz das arithmetische Mittel der Quotierungen unter Ausschluss der höchsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der höchsten Quotierungen) und der niedrigsten Quotierung (bzw., für den Fall von gleich hohen Quotierungen, einer der niedrigsten Quotierungen) sein. Falls nur zwei oder weniger Quotierungen zur Verfügung gestellt werden, und falls zum betreffenden Zeitpunkt die International Swaps and Derivatives Association, Inc. ("**ISDA**") eine Auffangregelung zur Bestimmung des 10-Jahres Reset-Referenzbankensatzes veröffentlicht hat, wird die Berechnungsstelle den 10-Jahres Reset-Referenzbankensatz auf Basis dieser Auffangregelung berechnen. Falls die ISDA zum betreffenden Zeitpunkt keine solche Auffangregelung veröffentlicht hat, gilt folgendes: Falls nur zwei Quotierungen zur Verfügung gestellt werden, ist der 10-Jahres Reset-Referenzbankensatz das rechnerische Mittel der zur Verfügung gestellten Quotierungen. Falls nur eine Quotierung zur Verfügung gestellt wird, ist der 10-Jahres Reset-Referenzbankensatz die zur Verfügung gestellte Quotierung. Falls keine Quotierungen zur Verfügung gestellt werden, ist der 10-Jahres Reset-Referenzbankensatz der letzte Mid Swap-Satz für Euro-Swap-Transaktionen

a.m. (Frankfurt time).

"10-year Mid Swap Rate Quotations" means the arithmetic mean of the bid and offered rates for the annual fixed rate leg (calculated on a 30/360 day count basis) of a fixed-for-floating Euro interest rate swap transaction which transaction (x) has a term of 10 years and commencing on the relevant Reset Date, (y) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (z) has a floating leg based on the 6-months EURIBOR rate (calculated on an Actual/360 day count basis).

"10-year Reset Reference Bank Rate" means the percentage rate determined by the Calculation Agent on the basis of the 10-year Mid Swap Rate Quotations provided by up to five leading swap dealers in the interbank market (the **"Reset Reference Banks"**) to the Calculation Agent at approximately 11.00 a.m. (Frankfurt time) on the Interest Determination Date. If at least three quotations are provided, the 10-year Reset Reference Bank Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, and if the International Swaps and Derivatives Association, Inc. ("**ISDA**") has published a fallback provision for the determination of the 10-year Reset Reference Bank Rate at the relevant time, the Calculation Agent will determine the 10-year Reset Reference Bank Rate on the basis of such fallback provision. If the ISDA has not published such a fallback provision at the relevant time, the following shall apply: If only two quotations are provided, the 10-year Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the 10-year Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the 10-year Reset Reference Bank Rate will be equal to the last available 10 year mid swap rate for euro swap transactions, expressed as an annual rate, on the Screen Page.

mit einer Laufzeit von 10 Jahren, ausgedrückt auf jährlicher Basis, der auf der Bildschirmseite verfügbar ist.

"**Bildschirmseite**" bezeichnet die Reuters Bildschirmseite ISDAFIX2. Hat die Bildschirmseite dauerhaft aufgehört, den 10-Jahres ISDAFIX Swapsatz anzugeben, ist diese Quotierung jedoch auf einer anderen von der Berechnungsstelle nach billigem Ermessen ausgewählten Bildschirmseite verfügbar (die "**Ersatzbildschirmseite**"), wird die Ersatzbildschirmseite zum Zweck der Festlegung des 10-Jahres ISDAFIX Swapsatzes eingesetzt.

"**Geschäftstag**" bezeichnet einen Tag (außer einem Samstag oder Sonntag), (i) an dem das Clearingsystem und (ii) alle betroffenen Bereiche des Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) geöffnet sind, um Zahlungen abzuwickeln.

"**Marge**" bezeichnet 3,20 % per annum.

Der "**Referenzsatz**" für einen Reset-Zeitraum wird von der Berechnungsstelle an dem Zinsfestlegungstag vor dem Reset-Termin, an dem der betreffende Reset-Zeitraum beginnt, festgelegt und ist

- (i) der als Prozentsatz ausgedrückte 10-Jahres ISDAFIX Swapsatz per annum; oder
- (ii) falls irgendeine für die Festlegung des 10-Jahres ISDAFIX Swapsatzes benötigte Information am jeweiligen Zinsfestlegungstag nicht auf der Bildschirmseite erscheint, der 10-Jahres Reset-Referenzbankensatz an diesem Zinsfestlegungstag,

wobei alle Festlegungen durch die Berechnungsstelle vorgenommen werden.

"**Reset-Termin**" bezeichnet den Ersten Kündigungstag und jeden zehnten Jahrestag des Ersten Kündigungstages.

"**Reset-Zeitraum**" bezeichnet jeden Zeitraum ab einem Reset-Termin (einschließlich) bis zu dem nächstfolgenden Reset-Termin (ausschließlich).

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

"**Zinsfestlegungstag**" bezeichnet den zweiten TARGET-Geschäftstag vor dem jeweiligen

"**Screen Page**" means Reuters Screen Page ISDAFIX2. If the Screen Page permanently ceases to quote the 10-year ISDAFIX Swap Rate but such quotation is available from another page selected by the Calculation Agent in equitable discretion (the "**Replacement Screen Page**"), the Replacement Screen Page shall be used for the purpose of the calculation of the 10-year ISDAFIX Swap Rate.

"**Business Day**" means a day which is a day (other than a Saturday or a Sunday) on which both (i) the Clearing System and (ii) all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) are open to effect payments.

"**Margin**" means 3.20 per cent. per annum.

The "**Reference Rate**" for a Reset Period will be determined by the Calculation Agent on the Interest Determination Date prior to the Reset Date on which the relevant Reset Period commences and will be

- (i) the 10-year ISDAFIX Swap Rate expressed as a percentage per annum; or
- (ii) in the event that any of the information required for the purposes of the determination of the 10-year ISDAFIX Swap Rate does not appear on the Screen Page on the relevant Interest Determination Date, the 10-year Reset Reference Bank Rate on that Interest Determination Date,

in each case as determined by the Calculation Agent.

"**Reset Date**" means the First Call Date and each tenth anniversary of the First Call Date.

"**Reset Period**" means each period from and including a Reset Date to but excluding the next following Reset Date.

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

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

Reset-Termin.

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

- (d) *Berechnung des Reset-Festzinssatzes, Benachrichtigung über den Reset-Festzinssatz.* Die Berechnungsstelle wird den Referenzsatz feststellen und den Reset-Festzinssatz für die Schuldverschreibungen am jeweiligen Zinsfestlegungstag bestimmen und veranlassen, dass dieser der Emittentin, dem Fiscal Agent und jeder Börse, an der die Schuldverschreibungen zu diesem Zeitpunkt auf Veranlassung der Emittentin notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, sowie den Anleihegläubigern gemäß § 10 unverzüglich, aber keinesfalls später als am vierten auf dessen Bestimmung folgenden Geschäftstag mitgeteilt wird.
- (e) *Verbindlichkeit der Festsetzungen.* Alle Bescheinigungen, Mitteilungen, Gutachten, Festsetzungen, Berechnungen, Quotierungen und Entscheidungen, die von der Berechnungsstelle für die Zwecke dieses § 3.1 gemacht, abgegeben, getroffen oder eingeholt werden, sind (sofern nicht ein offensichtlicher Irrtum vorliegt) für die Emittentin, den Fiscal Agent, die Zahlstellen und die Anleihegläubiger bindend.

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

- (a) Zinsen, die während einer Zinsperiode auflaufen, werden an dem Zinszahlungstag für diese Zinsperiode wie folgt fällig:
- (i) Wenn in den letzten 6 Monaten vor dem betreffenden Zinszahlungstag ein Dividendenereignis (wie nachstehend definiert) eingetreten ist, werden diese Zinsen an diesem Zinszahlungstag fällig, sofern kein Pflichtaussetzungsereignis in Bezug auf diesen Zinszahlungstag eingetreten ist.
- (ii) Wenn in den letzten 6 Monaten vor dem betreffenden Zinszahlungstag kein Dividendenereignis (wie nachstehend definiert) eingetreten ist, werden diese Zinsen an diesem Zinszahlungstag fällig, sofern kein Pflichtaussetzungs-

relevant Reset Date.

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

- (d) *Calculation of Reset Fixed Interest Rate, Notification of Reset Fixed Interest Rate.* The Calculation Agent will, on the relevant Interest Determination Date, determine the Reference Rate and calculate the Reset Fixed Interest Rate and cause the same to be notified to the Issuer, the Fiscal Agent and, if required by the rules of any stock exchange on which the Notes are then listed at the initiative of the Issuer, to such stock exchange, and to the Holders in accordance with § 10 without undue delay, but, in any case, not later than on the fourth Business Day after its determination.
- (e) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3.1 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agents and the Noteholders.

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

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

ereignis in Bezug auf diesen Zinszahlungstag eingetreten ist, und sofern sich die Emittentin nicht dazu entscheidet, durch eine Bekanntmachung an die Anleihegläubiger gemäß § 10 innerhalb einer Frist von nicht weniger als 10 und nicht mehr als 15 Geschäftstagen vor dem betreffenden Zinszahlungstag, die betreffende Zinszahlung vollständig oder teilweise auszusetzen.

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

(iii) Wenn in Bezug auf den betreffenden Zinszahlungstag ein Pflichtaussetzungsereignis eingetreten ist, werden Zinsen an diesem Zinszahlungstag nicht fällig. Die Emittentin wird die Anleihegläubiger gemäß § 10 über den Eintritt eines Pflichtaussetzungsereignisses baldmöglichst nach seiner Feststellung, spätestens am vierten Geschäftstag nach dem betreffenden Zinszahlungstag informieren. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

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

Zinsrückstände werden nicht verzinst.

(c) In diesen Anleihebedingungen gilt Folgendes:

"**Anwendbare Aufsichtsrechtliche Vorschriften**" bezeichnet die Vorschriften des Versicherungsaufsichtsrechts und darauf bezogene Regelungen und Verordnungen (einschließlich der Leitlinien und

Compulsory Deferral Event has occurred with respect to such Interest Payment Date, and that the Issuer does not elect to defer the relevant payment of interest in whole or in part by giving not less than 10 and not more than 15 Business Days' notice to the Noteholders prior to the relevant Interest Payment Date in accordance with § 10.

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

(iii) If a Compulsory Deferral Event has occurred with respect to the relevant Interest Payment Date, interest will not be due and payable (*fällig*) on that Interest Payment Date. The Issuer will give notice to the Noteholders of the occurrence of the Compulsory Deferral Event in accordance with § 10 as soon as possible after its determination but in no event later than on the fourth Business Day following the relevant Interest Payment Date. Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

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

Arrears of Interest will not bear interest.

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

"**Applicable Supervisory Regulations**" means the provisions of insurance supervisory laws and any rules and regulations thereunder (including the guidelines and recommendations of the European Insurance and Occupational

Empfehlungen der Europäischen Aufsichtsbehörde für das Versicherungswesen und die betriebliche Altersversorgung, der Verwaltungspraxis der Zuständigen Aufsichtsbehörde und einschlägiger Gerichtsentscheidungen), die hinsichtlich der Solo-Solvabilität der Emittentin und der Gruppen-Solvabilität der Gruppe der Emittentin (einschließlich der Kapitaladäquanz von international tätigen Versicherungsgruppen) anwendbar sind.

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

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

"Dividendenereignis" bezeichnet jedes der folgenden Ereignisse:

- (i) auf der letzten ordentlichen Hauptversammlung der Emittentin wurde eine Dividende, sonstige Ausschüttung oder Zahlung auf eine beliebige Gattung von Aktien der Emittentin wirksam beschlossen; oder
- (ii) seit der letzten ordentlichen Hauptversammlung der Emittentin hat die Emittentin eine Abschlagszahlung auf den Bilanzgewinn geleistet.

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

- (i) die Zahlung ein Insolvenzereignis auslösen oder dessen Eintritt beschleunigen würde; oder
- (ii) an dem betreffenden Tag eine Anordnung der Zuständigen Aufsichtsbehörde in Kraft ist, die der Emittentin im Rahmen der dann anwendbaren gesetzlichen Bestimmungen untersagt, Zahlungen

zur Pensions Authority, der administrativen Praxis der zuständigen Aufsichtsbehörde und jeder anwendbaren Entscheidung eines Gerichts) für die Solvenz des Emittenten und die Solvenz der Gruppe des Emittenten (einschließlich der Kapitaladäquanz von internationalen aktiven Versicherungsgruppen).

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

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

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

- (i) the most recent ordinary general meeting of shareholders (*ordentliche Hauptversammlung*) of the Issuer has validly resolved on any dividend, other distribution or payment in respect of any class of shares of the Issuer; or
- (ii) any payment on account of the balance sheet profit has been made by the Issuer since the most recent ordinary general meeting of shareholders (*ordentliche Hauptversammlung*) of the Issuer.

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

- (i) such payment would cause or accelerate the occurrence of an Insolvency Event; or
- (ii) there is in effect on such date an order of the Competent Supervisory Authority prohibiting the Issuer in accordance with regulations applicable at such time from making payments under the Notes;

auf die Schuldverschreibungen zu leisten; oder

- (iii) an oder vor diesem Tag ein Solvenzkapitalereignis eingetreten ist und an dem betreffenden Tag fort dauert oder durch die Zahlung von Zinsen und/oder Zinsrückständen auf die Schuldverschreibungen durch die Emittentin an dem betreffenden Tag eintreten würde, es sei denn,
- (A) die Zuständige Aufsichtsbehörde hat an oder vor diesem Tag ausnahmsweise ihre vorherige Zustimmung zu der Zahlung der betreffenden Zinsen und/oder Zinsrückständen auf die Schuldverschreibungen trotz Solvenzkapitalereignis erteilt und ihre Zustimmung bis zu diesem Tag nicht widerrufen; und
- (B) die Zahlung der betreffenden Zinsen und/oder Zinsrückstände auf die Schuldverschreibungen führt nicht zu einer weiteren Schwächung der Solvabilität der Emittentin oder der Gruppe der Emittentin; und
- (C) die geltenden Mindestkapitalanforderungen (MCR) sind (unabhängig von den in den Anwendbaren Aufsichtsrechtlichen Vorschriften gewählten Bezeichnungen) gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften auch nach der Zahlung der betreffenden Zinsen und/oder Zinsrückstände erfüllt.

"**Solvency II Richtlinie**" bezeichnet die Richtlinie 2009/138/EG des Europäischen Parlaments und der Kommission vom 25. November 2009 in der jeweils geltenden Fassung, die dazu erlassenen weiteren Rechtsakte der Europäischen Union und die darauf bezogenen deutschen Umsetzungsgesetze.

Ein "**Solvvenzkapitalereignis**" ist eingetreten

- (i) bevor die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, falls die Emittentin oder die Gruppe der Emittentin nicht über ausreichende Mittel zur Deckung der geforderten Mindest-Solvabilitätsspanne (oder

or

- (iii) a Solvency Capital Event either has occurred on or prior to such date and is continuing on such date or would be caused by the payment by the Issuer of interest and/or Arrears of Interest on the Notes on the relevant date, unless
- (A) on or prior to such date the Competent Supervisory Authority has exceptionally given, and not withdrawn by such date, its prior consent to the payment of the relevant interest and/or Arrears of Interest despite the Solvency Capital Event; and
- (B) the payment of the relevant interest and/or Arrears of Interest on the Notes does not further weaken the solvency position of the Issuer or the Issuer's group; and
- (C) the applicable minimum capital requirement (MCR) (howsoever described in the Applicable Supervisory Regulations) pursuant to the Applicable Supervisory Regulations is complied with after the payment of the relevant interest and/or Arrears of Interest is made.

"**Solvency II Directive**" means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 as amended from time to time, the further legislative acts of the European Union enacted in relation thereto, and the German legislation implementing the same.

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

- (i) prior to the Solvency II Directive becoming part of the Applicable Supervisory Regulations, if the Issuer or the Issuer's group do not have sufficient funds to cover the required minimum solvency margin (or a comparable term in case of a change in applicable rules)

einem entsprechenden Begriff nach einer Änderung anzuwendender Vorschriften) verfügen, wie sie nach den Anwendbaren Aufsichtsrechtlichen Vorschriften oder nach den Vorschriften für Finanzkonglomerate vorgeschrieben sind; und

- (ii) nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, falls die Eigenmittel (unabhängig von der in den Anwendbaren Aufsichtsrechtlichen Vorschriften gewählten Bezeichnung) der Emittentin oder der Gruppe der Emittentin nicht ausreichen, um die geltenden Solvenzkapitalanforderungen (SCR) oder die geltenden Mindestkapitalanforderungen (MCR) oder die geltenden Kapitaladäquanzanforderungen (jeweils unabhängig von den in den Anwendbaren Aufsichtsrechtlichen Vorschriften gewählten Bezeichnungen) gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften oder gemäß den Vorschriften für Finanzkonglomerate abzudecken, je nachdem, welche Unterdeckung zuerst eintritt, und falls für die Qualifikation der Schuldverschreibungen als Tier 2 Kapital der Emittentin oder der Gruppe der Emittentin im Falle einer solchen Unterschreitung eine Aussetzung von Zinszahlungen erforderlich bzw. die Nachzahlung von Zinsrückständen, die Rückzahlung des Kapitals oder der Rückkauf untersagt ist.

Dies gilt auch dann, wenn die Schuldverschreibungen nicht die Voraussetzungen für die Qualifikation als Tier 2 Kapital erfüllen, jedoch aufgrund der Übergangsvorschriften der Anwendbaren Aufsichtsrechtlichen Vorschriften als Tier 1 Kapital in die Berechnung der Eigenmittel einbezogen werden.

"Tier 1 Kapital" bezeichnet, nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, aufsichtsrechtliches Tier 1 Kapital (unabhängig von der in den Anwendbaren Aufsichtsrechtlichen Vorschriften gewählten Bezeichnung).

"Tier 2 Kapital" bezeichnet, nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, aufsichtsrechtliches Tier 2 Kapital

in accordance with Applicable Supervisory Regulations or in accordance with the regulations for financial conglomerates; and

- (ii) upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations, if the regulatory capital (howsoever described in the Applicable Supervisory Regulations) of the Issuer or the Issuer's group is not sufficient to cover the applicable solvency capital requirement (SCR) or the applicable minimum capital requirement (MCR) or the applicable capital adequacy requirement (in each case howsoever described in the Applicable Supervisory Regulations), whichever occurs earlier, pursuant to the Applicable Supervisory Regulations or pursuant to the regulation for financial conglomerates, and if a deferral of interest is required or a payment of Arrears of Interest or a repayment of principal or repurchase is prohibited, respectively, in the case of such insufficiency in order for the Notes to qualify as Tier 2 Capital of the Issuer or the Issuer's group.

This shall also apply if the Notes do not fulfil the requirements to qualify as Tier 2 Capital but are being recognised as Tier 1 Capital for purposes of calculating the own funds under the transitional provisions of the Applicable Supervisory Regulations.

"Tier 1 Capital" means, upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations, tier 1 regulatory capital (howsoever described in the Applicable Supervisory Regulations).

"Tier 2 Capital" means, upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations, tier 2 regulatory capital (howsoever described in the Applicable

(unabhängig von der in den Anwendbaren Aufsichtsrechtlichen Vorschriften gewählten Bezeichnung).

§ 3.3 Nachzahlung von Zinsrückständen.

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

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

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

Die "**Nachzahlungsvoraussetzungen**" sind an einem Tag in Bezug auf eine Zahlung von Zinsrückständen erfüllt, wenn

- (i) an diesem Tag kein Pflichtaussetzungsereignis eingetreten ist und fort dauert; und
- (ii) an oder vor diesem Tag die Zuständige Aufsichtsbehörde ihre Zustimmung zu der betreffenden Zahlung erteilt und nicht widerrufen hat, vorausgesetzt, dass zu diesem Zeitpunkt die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, und dass eine solche Zustimmung zum betreffenden Zeitpunkt für die Qualifikation der Schuldverschreibungen als Tier 2 Kapital der Emittentin oder der Gruppe der Emittentin gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften erforderlich ist.

Dies gilt auch dann, wenn die Schuld-

Supervisory Regulations).

§ 3.3 Payment of Arrears of Interest.

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

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

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

The "**Conditions to Settlement**" are fulfilled on a day with respect to any payment of Arrears of Interest if

- (i) on such day no Compulsory Deferral Event has occurred and is continuing; and
- (ii) on or prior to such day the Competent Supervisory Authority has given, and not withdrawn, its consent to the relevant payment, provided that the Solvency II Directive has become part of the Applicable Supervisory Regulations and that under the Applicable Supervisory Regulations such consent is required at the time in order for the Notes to qualify as Tier 2 Capital of the Issuer or the Issuer's group.

This shall also apply if the Notes do not

verschreibungen nicht die Voraussetzungen für die Qualifikation als Tier 2 Kapital erfüllen, jedoch aufgrund der Übergangsvorschriften der Anwendbaren Aufsichtsrechtlichen Vorschriften als Tier 1 Kapital in die Berechnung der Eigenmittel einbezogen werden (sofern die Zuständige Aufsichtsbehörde nach den Anwendbaren Aufsichtsrechtlichen Vorschriften berechtigt ist, ihre Zustimmung zu erteilen).

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

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

- (i) den nächsten Zinszahlungstag, der auf den Tag folgt, an dem ein Dividendenereignis eingetreten ist, und in Bezug auf den die Nachzahlungsvoraussetzungen erfüllt sind;
- (ii) den Tag, an dem die Schuldverschreibungen gemäß § 4 zur Rückzahlung fällig werden;
- (iii) den Tag, an dem eine Verfügung zur Auflösung, Abwicklung oder Liquidation der Emittentin ergeht (sofern dies nicht für die Zwecke oder als Folge eines Zusammenschlusses, einer Umstrukturierung oder Sanierung geschieht, bei dem bzw. bei der die Emittentin noch zahlungsfähig ist und bei dem bzw. bei der die fortführende Gesellschaft im Wesentlichen alle Vermögenswerte und Verpflichtungen der Emittentin übernimmt).

- (c) Wenn ein Aufsichtsrechtliches Ereignis (wie in § 4(d)(ii) definiert) eintritt, ist die Emittentin verpflichtet, Zinsrückstände, die durch wahlweise Aussetzung gemäß § 3.2(a)(ii) entstanden sind, vorbehaltlich der Erfüllung der Nachzahlungsvoraussetzungen spätestens an dem Zinszahlungstag (der "**Teilweise Pflichtnachzahlungstag**") nachzuzahlen, der auf den späteren der folgenden Tage fällt: (i) den fünften Jahrestag des betreffenden Zinszahlungstags, an dem sich die Emittentin zur Aussetzung der entsprechenden aufgelaufenen Zinsen entschieden hat, und (ii) den ersten Zinszahlungstag, der mindestens fünf Jahre nach dem Tag des Eintritts des

fulfil the requirements to qualify as Tier 2 Capital but are being recognised as Tier 1 Capital for purposes of calculating the own funds under the transitional provisions of the Applicable Supervisory Regulations (if the Competent Supervisory Authority is entitled to give such consent under the Applicable Supervisory Regulations).

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

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

- (i) the next Interest Payment Date following the date on which a Dividend Payment Event occurred, and in respect of which the Conditions to Settlement are fulfilled;
- (ii) the date on which the Notes fall due for redemption in accordance with § 4; and
- (iii) the date on which an order is made for the winding up, dissolution or liquidation of the Issuer (other than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, where the continuing entity assumes substantially all of the assets and obligations of the Issuer).

- (c) If a Regulatory Event (as defined in § 4(d)(ii)) occurs, the Issuer must pay outstanding Arrears of Interest resulting from an optional deferral pursuant to § 3.2(a)(ii), subject to the Conditions to Settlement being fulfilled, no later than on the Interest Payment Date (the "**Partial Compulsory Settlement Date**") falling on or after the later of (i) the fifth anniversary of the relevant Interest Payment Date in respect of which the Issuer elected to defer the relevant accrued interest and (ii) the fifth anniversary of the date on which the Regulatory Event occurs.

Aufsichtsrechtlichen Ereignisses liegt.

- (d) Falls an einem Freiwilligen Nachzahlungstag, einem Pflichtnachzahlungstag oder einem Teilweisen Pflichtnachzahlungstag die Nachzahlungsvoraussetzungen, soweit erforderlich, nicht erfüllt sind, werden Zinsrückstände, deren Zahlung an diesem Tag vorgesehen war, an dem betreffenden Freiwilligen Nachzahlungstag, Pflichtnachzahlungstag bzw. Teilweisen Pflichtnachzahlungstag nicht fällig, sondern bleiben ausstehend und werden weiter als Zinsrückstände behandelt. Die Emittentin wird die Anleihegläubiger gemäß § 10 über die Nichterfüllung der Nachzahlungsvoraussetzungen baldmöglichst nach ihrer Feststellung, spätestens am vierten Geschäftstag nach dem betreffenden Freiwilligen Nachzahlungstag, Pflichtnachzahlungstag bzw. Teilweisen Pflichtnachzahlungstag informieren. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

Soweit an einem Teilweisen Pflichtnachzahlungstag die Nachzahlungsvoraussetzungen, soweit erforderlich, nicht erfüllt sind, werden die betreffenden Zinsrückstände am nächsten Zinszahlungstag fällig, an dem die Nachzahlungsvoraussetzungen erfüllt sind.

§ 3.4 Ende des Zinslaufs

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

§ 4 Rückzahlung

- (a) *Keine Endfälligkeit.* Die Schuldverschreibungen haben keinen Endfälligkeitstag und werden, außer in den Fällen gemäß § 4(b), § 4(c) oder § 4(d) nicht zurückgezahlt.
- (b) *Rückzahlung nach Wahl der Emittentin.* Die Emittentin ist berechtigt, durch

- (d) If on an Optional Settlement Date, a Compulsory Settlement Date or a Partial Compulsory Settlement Date the Conditions to Settlement, to the extent required, are not fulfilled, Arrears of Interest scheduled to be paid on such date will not become due and payable (*fällig*) on the relevant Optional Settlement Date, Compulsory Settlement Date or Partial Compulsory Settlement Date, as the case may be, but will remain outstanding and will continue to be treated as Arrears of Interest. The Issuer will give notice to the Noteholders regarding the non-fulfilment of the Conditions to Settlement in accordance with § 10 as soon as possible after its determination but in no event later than on the fourth Business Day following the relevant Optional Settlement Date, Compulsory Settlement Date or Partial Compulsory Settlement Date. Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

If on any Partial Compulsory Settlement Date the Conditions to Settlement, to the extent required, are not fulfilled, the relevant Arrears of Interest will become due and payable (*fällig*) on the next Interest Payment Date on which the Conditions to Settlement are fulfilled.

§ 3.4 End of interest accrual

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

§ 4 Redemption

- (a) *No scheduled redemption.* The Notes have no final maturity date and shall not be redeemed except in the cases provided for in § 4(b), § 4(c) or § 4(d).
- (b) *Redemption at the option of the Issuer.* The Issuer may, upon giving a notice of redemption

Kündigungserklärung gemäß § 4(g) und vorbehaltlich der Erfüllung der Rückzahlungsbedingungen gemäß § 4(e), die Schuldverschreibungen (insgesamt und nicht nur teilweise) erstmals mit Wirkung zum Ersten Kündigungstag und danach jederzeit zu kündigen. Sind die Rückzahlungsbedingungen an diesem Tag erfüllt, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Bekanntmachung festgelegten Rückzahlungstag zum Rückzahlungsbetrag (wie nachstehend definiert) zurückzuzahlen.

(c) *Rückzahlung nach Eintritt eines Gross up-Ereignisses.*

(i) Wenn vor dem Ersten Kündigungstag ein Gross-up-Ereignis (wie nachstehend definiert) eintritt, ist die Emittentin vorbehaltlich der Erfüllung der Rückzahlungsbedingungen gemäß § 4(e) und vorbehaltlich § 4(f) berechtigt, die Schuldverschreibungen jederzeit (insgesamt und nicht nur teilweise) durch Kündigungserklärung gemäß § 4(g) mit Wirkung zu dem in der Kündigungserklärung für die Rückzahlung festgelegten Tag zu kündigen. Sind die Rückzahlungsbedingungen an diesem Tag erfüllt, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Bekanntmachung festgelegten Rückzahlungstag zum Rückzahlungsbetrag (wie nachstehend definiert) zurückzuzahlen.

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

(ii) Ein "**Gross-up-Ereignis**" tritt ein, wenn der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin dem Fiscal Agent eine Kopie davon gibt), aus dem hervorgeht, dass die Emittentin aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Gesetzesänderung (oder einer Änderung von darunter erlassenen Bestimmungen und Vorschriften) der Bundesrepublik Deutschland oder einer zur Erhebung von Steuern berechtigten Gebietskörperschaft oder Behörde der Bundesrepublik Deutschland, oder als Folge einer Änderung der offiziellen Auslegung oder Anwendung dieser

in accordance with § 4(g) and subject to the Conditions to Redemption pursuant to § 4(e) being fulfilled, call the Notes for redemption (in whole but not in part) for the first time with effect as of the First Call Date and at any time thereafter. If the Conditions to Redemption are fulfilled on such day, the Issuer shall redeem the Notes at the Redemption Amount (as defined below) on the redemption date specified in the notice.

(c) *Redemption following a Gross up Event.*

(i) If a Gross up Event (as defined below) occurs prior to the First Call Date, the Issuer may, subject to the Conditions to Redemption pursuant to § 4(e) being fulfilled and subject to § 4(f), on giving a notice of redemption in accordance with § 4(g), call the Notes for redemption (in whole but not in part) at any time with effect as of the date fixed for redemption in the notice. If the Conditions to Redemption are fulfilled on such day, the Issuer shall redeem the Notes at the Redemption Amount (as defined below) on the redemption date specified in the notice.

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

(ii) A "**Gross up Event**" will occur if an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Fiscal Agent with a copy thereof) stating that the Issuer has or will become obliged to pay Additional Amounts pursuant to § 6 on the Notes, as a result of any change in, or amendment to, the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or any political subdivision or any authority of or in the Federal Republic of Germany having power to tax, or as a result of any change in, or amendment to, the official interpretation or application of any such laws, rules or regulations by any legislative body, court,

Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen) verpflichtet ist oder verpflichtet sein wird, Zusätzliche Beträge gemäß § 6 auf die Schuldverschreibungen zu zahlen, und die Emittentin diese Verpflichtung nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für zumutbar und angemessen hält.

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

(i) Wenn vor dem Ersten Kündigungstag ein Steuerereignis, ein Aufsichtsrechtliches Ereignis, ein Rechnungslegungsereignis oder ein Ratingagenturereignis (jeweils wie nachstehend definiert) eintritt, ist die Emittentin vorbehaltlich der Erfüllung der Rückzahlungsbedingungen gemäß § 4(e) und vorbehaltlich § 4(f) berechtigt, die Schuldverschreibungen jederzeit (insgesamt und nicht nur teilweise) durch Kündigungserklärung gemäß § 4(g) mit Wirkung zu dem in der Kündigungserklärung für die Rückzahlung festgelegten Tag zu kündigen. Sind die Rückzahlungsbedingungen an diesem Tag erfüllt, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem festgelegten Rückzahlungstag zum Rückzahlungsbetrag (wie nachstehend definiert) zurückzuzahlen.

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

(ii) Ein "**Steuerereignis**" tritt ein, wenn der Emittentin ein Gutachten einer anerkannten Anwaltskanzlei vorliegt (und die Emittentin dem Fiscal Agent eine Kopie davon gibt), aus dem hervorgeht, dass aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen in Kraft tretenden Gesetzesänderung (oder einer

governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), which change or amendment becomes effective on or after the date of issue of the Notes, and that obligation cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

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

(i) If a Tax Event, Regulatory Event, Accounting Event or Rating Agency Event (each as defined below) occurs prior to the First Call Date, the Issuer may, subject to the Conditions to Redemption pursuant to § 4(e) being fulfilled and subject to § 4(f), on giving a notice of redemption in accordance with § 4(g), call the Notes for redemption (in whole but not in part) at any time with effect as of the date fixed for redemption in the notice. If the Conditions to Redemption are fulfilled on such day, the Issuer shall redeem the Notes at the Redemption Amount (as defined below) on the redemption date specified in the notice.

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

(ii) A "**Tax Event**" will occur if an opinion of a recognised law firm has been delivered to the Issuer (and the Issuer has provided the Fiscal Agent with a copy thereof) stating that, as a result of any change in, or amendment to, the laws (or any rules or regulations thereunder) of the Federal Republic of Germany or any political subdivision or

Änderung von darunter erlassenen Bestimmungen und Vorschriften) der Bundesrepublik Deutschland oder einer zur Erhebung von Steuern berechtigten Gebietskörperschaft oder Behörde der Bundesrepublik Deutschland, oder als Folge einer Änderung der offiziellen Auslegung oder Anwendung dieser Gesetze, Bestimmungen oder Vorschriften durch eine gesetzgebende Körperschaft, ein Gericht, eine Regierungsstelle oder eine Aufsichtsbehörde (einschließlich des Erlasses von Gesetzen sowie der Bekanntmachung gerichtlicher oder aufsichtsrechtlicher Entscheidungen), Zinsen, die von der Emittentin auf die Schuldverschreibungen zu zahlen sind, von der Emittentin nicht mehr für die Zwecke der deutschen Ertragsteuer voll abzugsfähig sind, bzw. nicht mehr voll abzugsfähig sein werden, und die Emittentin dieses Risiko nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für zumutbar und angemessen hält.

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

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

any authority of or in the Federal Republic of Germany having power to tax, or as a result of any change in, or amendment to, the official interpretation or application of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination), which change or amendment becomes effective on or after the date of issue of the Notes, interest payable by the Issuer in respect of the Notes is no longer, or will no longer be, fully deductible by the Issuer for German income tax purposes, and that risk cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate.

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

- (A) on or after the date of issue of the Notes, and prior to the Solvency II Directive becoming part of the Applicable Supervisory Regulations, the Competent Supervisory Authority states in writing to the Issuer that under Applicable Supervisory Regulations the Notes (in whole or in part) no longer fulfil the requirements for inclusion in the determination of own funds for single solvency of the Issuer or group solvency purposes of the Issuer's group, except where this is the result of exceeding any applicable limits on the inclusion of the Notes in the own funds pursuant to the Applicable Supervisory Regulations; this applies only if prior to such statement the Notes did fulfil such requirements; or

Feststellung erfüllt hatten; oder

- (B) nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, die Zuständige Aufsichtsbehörde schriftlich gegenüber der Emittentin feststellt, dass nach den Anwendbaren Aufsichtsrechtlichen Vorschriften (einschließlich der Übergangsvorschriften) die Schuldverschreibungen (insgesamt oder teilweise) nicht die Anforderungen für die Einbeziehung in die Berechnung der Eigenmittel mindestens als Tier 2 Kapital für Zwecke der Ermittlung der Solo-Solvabilität der Emittentin oder der Gruppen-Solvabilität der Gruppe der Emittentin (einschließlich der Kapitaladäquanz von international tätigen Versicherungsgruppen) erfüllen oder sie derartige Anforderungen nicht länger erfüllen, nachdem sie diese Anforderungen nach der Umsetzung der Solvency II Richtlinie zunächst erfüllt hatten, es sei denn, dies beruht in den genannten Fällen allein auf der Überschreitung der Anrechnungsobergrenzen für die Einbeziehung solcher Wertpapiere in das Tier 2 Kapital der Emittentin oder der Gruppe der Emittentin aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften.

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

- (B) upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations the Competent Supervisory Authority states in writing to the Issuer that under the Applicable Supervisory Regulations (including the transitional provisions) the Notes (in whole or in part) would not be eligible to qualify for inclusion in the determination of own funds at least as Tier 2 Capital for single solvency purposes of the Issuer or for group solvency purposes of the Issuer's group (including the capital adequacy of internationally active insurance groups), or that they no longer fulfil such requirements provided that upon implementation of the Solvency II Directive the Notes did fulfil such requirements, except in each case where this is merely the result of exceeding any applicable limits on the inclusion of the Notes in the Tier 2 Capital of the Issuer or the Issuer's group pursuant to the Applicable Supervisory Regulations.

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

ausweisen kann und die Emittentin dies nicht abwenden kann, indem sie Maßnahmen ergreift, die sie nach Treu und Glauben für zumutbar und angemessen hält. Dabei gilt Folgendes:

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

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

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

avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate. Where:

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

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

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

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

erfüllt; und

- (C) die Zuständige Aufsichtsbehörde ihre Zustimmung zur Rückzahlung und der Zahlung des Rückzahlungsbetrages bzw. zu dem Rückkauf erteilt und bis zu diesem Tag nicht widerrufen hat; und
- (D) im Falle eines Rückkaufs der Schuldverschreibungen vor dem Ersten Kündigungstag das Kapital durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden ist (falls ein solcher Ersetzungsvorbehalt für die Einbeziehung der Schuldverschreibungen in die Berechnung der Eigenmittel der Emittentin oder der Gruppe der Emittentin mindestens als Tier 2 Kapital nach den Anwendbaren Aufsichtsrechtlichen Vorschriften (einschließlich der Übergangsvorschriften) erforderlich ist).

- (f) *Verzicht auf Kündigungsrechte, Einschränkung der Kündigungsrechte.* Die Emittentin ist jederzeit berechtigt, auf einzelne, mehrere oder alle ihrer Rechte zur Kündigung der Schuldverschreibungen gemäß § 4(c) und/oder § 4(d) durch Veröffentlichung einer Bekanntmachung an die Anleihegläubiger gemäß § 10 für einen in dieser Bekanntmachung festgelegten Zeitraum zu verzichten. In diesem Fall ist die Emittentin für den in der Veröffentlichung jeweils festgelegten Zeitraum nicht berechtigt, diese Kündigungsrechte auszuüben.

Die Emittentin ist darüber hinaus jederzeit berechtigt, einzelne, mehrere oder alle ihre Rechte zur Kündigung der Schuldverschreibungen gemäß § 4(c) und/oder § 4(d) durch Veröffentlichung einer Bekanntmachung an die Anleihegläubiger gemäß § 10 für einen in dieser Veröffentlichung festgelegten Zeitraum dahingehend einzuschränken, dass sie zu einer Rückzahlung der Schuldverschreibungen im Anschluß an die Kündigung nur berechtigt ist, wenn das Kapital durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden ist.

- (C) the Competent Supervisory Authority has given, and not withdrawn by such day, its prior consent to the redemption of the Notes and the payment of the Redemption Amount or to the repurchase of the Notes; and
- (D) in the event of a repurchase of the Notes prior to the First Call Date the capital has been replaced by other at least equivalent regulatory capital (if such replacement is required in order for the Notes to be recognised in the determination of the own funds of the Issuer or the Issuer's group at least as Tier 2 Capital under the Applicable Supervisory Regulations (including the transitional provisions)).

- (f) *Waiver of call rights, restriction of call rights.* At any time the Issuer may, by publishing a notice to the Noteholders in accordance with § 10, waive any, some or all of its rights to call the Notes for redemption in accordance with § 4(c) and/or § 4(d) for the period of time as specified in the notice. In this case the Issuer will not be entitled to call the Notes for redemption during the period of time as specified in such notice.

Furthermore, the Issuer may at any time, by publishing a notice to the Noteholders in accordance with § 10, restrict any, some or all of its rights to call the Notes for redemption in accordance with § 4(c) and/or § 4(d) such that the Issuer will only be entitled to so redeem the Notes following a call for redemption during the period of time as specified in such notice if the capital has been replaced by other at least equivalent regulatory capital.

- (g) *Kündigung, Bekanntmachung der Rückzahlung.* Die Emittentin kann die Kündigung der Schuldverschreibungen gemäß § 4(b), § 4(c) oder § 4(d) durch Veröffentlichung einer Bekanntmachung an die Anleihegläubiger gemäß § 10 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen erklären.
- Die Bekanntmachung der Rückzahlung hat den Rückzahlungstag festzulegen sowie die Tatsachen anzugeben, die das Kündigungsrecht der Emittentin begründen.
- Die Rückzahlung gemäß § 4(b), § 4(c) oder § 4(d) steht auch nach einer Kündigungserklärung unter dem Vorbehalt der Erfüllung der Rückzahlungsbedingungen an dem in der Kündigungserklärung gemäß diesem § 4(g) für die Rückzahlung festgelegten Tag.
- (h) *Rückzahlungsbetrag.* Der "**Rückzahlungsbetrag**" ist ein Betrag je Schuldverschreibung in Höhe des festgelegten Nennbetrages zuzüglich der bis zum Tag der Rückzahlung (ausschließlich) in Bezug auf diese Schuldverschreibung aufgelaufenen, aber noch nicht bezahlten Zinsen sowie, zur Klarstellung, sämtlicher gemäß § 3.3(b) fälligen Zinsrückstände in Bezug auf diese Schuldverschreibung.
- (i) *Keine Rückzahlung nach Wahl des Anleihegläubigers.* Die Anleihegläubiger sind zu keinem Zeitpunkt berechtigt, von der Emittentin eine Rückzahlung der Schuldverschreibungen zu verlangen.
- (j) *Rückkauf.*
- (i) Die Emittentin und jede Tochtergesellschaft der Emittentin können jederzeit, vorbehaltlich zwingender gesetzlicher Regelungen und (außer unter den nachstehend in § 4(j)(ii) aufgeführten Umständen) vorbehaltlich der Erfüllung der Rückzahlungsbedingungen am Tag des Rückkaufs, Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis erwerben. Derartig erworbene Schuldverschreibungen können eingezogen, gehalten oder wieder veräußert werden.
- (ii) Die Rückzahlungsbedingungen müssen im Falle von Rückkäufen nicht erfüllt sein, soweit verbundene Unternehmen der Emittentin die Schuldverschreibungen für fremde
- (g) *Call, Notice of Redemption.* The Issuer may call the Notes for redemption pursuant to § 4(b), § 4(c) or § 4(d) by publishing a notice to the Noteholders in accordance with § 10 subject to observing a notice period of not less than 30 nor more than 60 days'.
- The notice of redemption must state the specified redemption date and the facts which establish the right of the Issuer to redeem the Notes.
- Even if such notice of redemption is given pursuant to § 4(b), § 4(c) or § 4(d), the redemption is subject to the Conditions to Redemption being fulfilled on the date fixed for redemption in the notice pursuant to this § 4(g).
- (h) *Redemption Amount.* The "**Redemption Amount**" means an amount per Note equal to the Specified Denomination plus any interest accrued on such Note to but excluding the date of redemption but yet unpaid and, for the avoidance of doubt, any Arrears of Interest due on such Note pursuant to § 3.3(b).
- (i) *No redemption at the option of a Noteholder.* The Noteholders shall not be entitled to put the Notes for redemption at any time.
- (j) *Purchase.*
- (i) The Issuer and any subsidiary of the Issuer may at any time, subject to mandatory provisions of law and (except in the circumstances set out in § 4(j)(ii) below) to the Conditions to Redemption being fulfilled on the relevant purchase date, purchase Notes in the open market or otherwise and at any price. Such acquired Notes may be cancelled, held or resold.
- (ii) The Conditions to Redemption do not have to be fulfilled for purchases made by affiliates of the Issuer for the account of a third party or Undertakings for Collective Investment in Transferable

Rechnung oder für Organismen für gemeinsame Anlagen in Wertpapieren erwerben, es sei denn, die Anteile an diesen Organismen werden mehrheitlich von der Emittentin oder einer ihrer verbundenen Unternehmen gehalten.

- (iii) Für einen Erwerb von Schuldverschreibungen im Rahmen eines Umtauschs gegen andere Wertpapiere gelten § 4(j)(i) und (ii) entsprechend.

§ 5 Zahlungen

- (a) *Zahlungen.* Die Zahlung von Kapital und Zinsen auf die Schuldverschreibungen erfolgt an das Clearingsystem oder an dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearingsystems. Die Zahlung von Zinsen auf Schuldverschreibungen, die durch eine Vorläufige Globalurkunde verbrieft sind, erfolgt nach ordnungsgemäßem Nachweis gemäß § 1(c).
- (b) *Zahlungsweise.* Auf die Schuldverschreibungen zu leistende Zahlungen werden in der festgelegten Währung geleistet. Den Anleihegläubigern werden keine Kosten oder Gebühren in Bezug auf diese Zahlungen auferlegt. Sämtliche Zahlungen stehen unter dem Vorbehalt geltender steuerlicher und sonstiger gesetzlicher Vorschriften, Richtlinien und Verordnungen oder Verträge denen sich die Emittentin, der Fiscal Agent oder eine Zahlstelle unterworfen haben. Vorbehaltlich § 6 ist die Emittentin nicht verpflichtet, zusätzliche Beträge als Ausgleich für irgendwelche Steuern oder Abgaben gleich welcher Art, die aufgrund solcher steuerlichen oder sonstigen gesetzlichen Vorschriften, Richtlinien oder Verordnungen oder Verträge auferlegt oder erhoben werden, an die Anleihegläubiger zu zahlen.
- (c) Die Emittentin wird durch Leistung der Zahlung an das Clearingsystem oder an dessen Order von ihrer Zahlungspflicht befreit.
- (d) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Geschäftstag ist, dann hat der Anleihegläubiger keinen Anspruch auf Zahlung vor dem nächstfolgenden Geschäftstag. Der Anleihegläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Securities (UCITS), unless the majority of the shares in the relevant UCITS are held by the Issuer or one of its affiliates.

- (iii) § 4(j)(i) and (ii) shall apply *mutatis mutandis* to an acquisition of the Notes by way of exchange for other securities.

§ 5 Payments

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

§ 6 Besteuerung

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

- (a) die wegen einer Verbindung des betreffenden Anleihegläubigers zu der Bundesrepublik Deutschland, die nicht nur aus der bloßen Inhaberschaft der Schuldverschreibungen besteht, einzubehalten oder abzuziehen sind; oder
- (b) deren Einbehalt oder Abzug ein Anleihegläubiger durch Vorlage eines Formulars oder einer Urkunde und/oder durch Abgabe einer Nichtansässigkeitserklärung oder Inanspruchnahme einer vergleichbaren Ausnahme oder Geltendmachung eines Erstattungsanspruches hätte vermeiden können aber nicht vermieden hat; oder
- (c) die aufgrund (i) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (ii) einer zwischenstaatlichen Vereinbarung, eines zwischenstaatlichen Abkommens oder einer zwischenstaatlichen Verständigung über deren Besteuerung, an der die Bundesrepublik Deutschland oder die Europäische Union beteiligt ist, oder (iii) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung, Vereinbarung, Abkommen oder Verständigung umsetzt oder befolgt, abzuziehen oder einzubehalten sind.

Die Emittentin ist keinesfalls verpflichtet, zusätzliche Beträge in Bezug auf einen Einbehalt oder Abzug von Beträgen zu zahlen, die gemäß Sections 1471 bis 1474 des U.S. Internal Revenue Code (in der jeweils geltenden Fassung oder gemäß Nachfolgebestimmungen), gemäß zwischenstaatlicher Abkommen, gemäß den in einer anderen

§ 6 Taxation

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

- (a) which are to be withheld or deducted by reason of the relevant Noteholder having some connection with the Federal Republic of Germany other than the mere holding of that Note; or
- (b) the withholding or deduction of which a Noteholder would be able to avoid by presenting any form or certificate and/or making a declaration of non-residence or similar claim for exemption or refund but fails to do so; or
- (c) which are to be withheld or deducted pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty, agreement or understanding relating to such taxation and to which the Federal Republic of Germany or the European Union is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty, agreement or understanding.

In any event, the Issuer will have no obligation to pay additional amounts deducted or withheld by the Issuer, the relevant Paying Agent or any other party ("**FATCA Withholding**") in relation to any withholding or deduction of any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor

Rechtsordnung in Zusammenhang mit diesen Bestimmungen erlassenen Durchführungsvorschriften oder gemäß mit dem Internal Revenue Service geschlossenen Verträgen von der Emittentin, der jeweiligen Zahlstelle oder einem anderen Beteiligten abgezogen oder einbehalten wurden ("FATCA-Steuerabzug") oder Anleger in Bezug auf einen FATCA-Steuerabzug schadlos zu halten.

§ 7 Vorlegung, Verjährung

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

§ 8 Fiscal Agent, Zahlstellen und Berechnungsstelle

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

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

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

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

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

Die Emittentin wird sicherstellen, dass jederzeit (i) ein Fiscal Agent und eine Berechnungsstelle, (ii) eine Zahlstelle mit einer Geschäftsstelle in einer Stadt auf dem europäischen Festland und (iii) so lange die Schuldverschreibungen auf Veranlassung der Emittentin an einer Börse notiert werden, eine Zahlstelle mit einer benannten Geschäftsstelle an dem von der betreffenden Börse vorgeschriebenen Ort bestimmt ist. Der Fiscal

provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service or indemnify any investor in relation to any FATCA Withholding.

§ 7 Presentation, Prescription

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

§ 8 Fiscal Agent, Paying Agents and Calculation Agent

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

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

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

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

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

The Issuer will at all times maintain (i) a Fiscal Agent and a Calculation Agent (ii) a Paying Agent with a specified office in a continental European city and (iii) so long as the Notes are listed on a stock exchange at the initiative of the Issuer, a Paying Agent with a specified office in such city as may be required by the rules of the relevant stock exchange. The Fiscal Agent, any Paying Agent and the Calculation Agent reserve the right at any time

Agent, etwaige Zahlstellen und die Berechnungsstelle behalten sich das Recht vor, jederzeit anstelle ihrer jeweils benannten Geschäftsstelle eine andere Geschäftsstelle in derselben Stadt zu bestimmen. Bekanntmachungen hinsichtlich aller Veränderungen im Hinblick auf den Fiscal Agent, etwaige Zahlstellen und die Berechnungsstelle erfolgen unverzüglich durch die Emittentin gemäß § 10.

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

§ 9 Schuldnerersetzung

- (a) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger eine andere Gesellschaft (soweit es sich bei dieser Gesellschaft nicht um ein Versicherungsunternehmen handelt), die direkt oder indirekt von der Emittentin kontrolliert wird, als neue Emittentin für alle sich aus oder im Zusammenhang mit den Schuldverschreibungen ergebenden Verpflichtungen mit schuldbefreiender Wirkung für die Emittentin an die Stelle der Emittentin zu setzen (die "**Neue Emittentin**"), sofern
- (i) die Neue Emittentin sämtliche Verpflichtungen der Emittentin aus oder im Zusammenhang mit den Schuldverschreibungen übernimmt und, sofern eine Zustellung an die Neue Emittentin außerhalb der Bundesrepublik Deutschland erfolgen müsste, einen Zustellungsbevollmächtigten in der Bundesrepublik Deutschland bestellt;
- (ii) die Emittentin und die Neue Emittentin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen erhalten haben;
- (iii) die Neue Emittentin in der Lage ist, sämtliche zur Erfüllung der aufgrund der Schuldverschreibungen bestehenden Zahlungsverpflichtungen erforderlichen Beträge in der Festgelegten Währung an das Clearingsystem oder den Fiscal Agent zu zahlen, und zwar ohne Abzug

to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Fiscal Agent, any Paying Agent or the Calculation Agent will be given promptly by the Issuer to the Noteholders in accordance with § 10.

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

§ 9 Substitution

- (a) *Substitution.* The Issuer may at any time, without the consent of the Noteholders, substitute for the Issuer any other company (other than an insurance undertaking) which is directly or indirectly controlled by the Issuer, as new issuer (the "**New Issuer**") in respect of all obligations arising under or in connection with the Notes with the effect of releasing the Issuer of all such obligations, if:
- (i) the New Issuer assumes any and all obligations of the Issuer arising under or in connection with the Notes and, if service of process vis-à-vis the New Issuer would have to be effected outside the Federal Republic of Germany, appoints a process agent within the Federal Republic of Germany;
- (ii) the Issuer and the New Issuer have obtained all authorisations and approvals necessary for the substitution and the fulfilment of the obligations arising under or in connection with the Notes;
- (iii) the New Issuer is in the position to pay to the Clearing System or the Fiscal Agent in the Specified Currency and without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New

oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Emittentin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden;

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

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

Im Fall einer Schuldnerersetzung gilt jede Bezugnahme auf die Bundesrepublik Deutschland (außer in § 12) als eine solche auf den Staat, in welchem die Neue Emittentin steuerlich ansässig ist, soweit sich aus dem vorstehenden Satz 2 nichts anderes ergibt.

- (c) *Bekanntmachung und Wirksamwerden der Ersetzung.* Die Ersetzung der Emittentin ist gemäß § 10 bekanntzumachen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin und im Fall einer wiederholten Anwendung dieses § 9 jede frühere Neue Emittentin von ihren

Issuer has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Notes;

- (iv) the Issuer irrevocably guarantees such obligations of the New Issuer under the Notes on terms which ensure that each Noteholder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place;
 - (v) the Competent Supervisory Authority has given its prior consent thereto; and
 - (vi) the Conditions to Redemption, which shall apply mutatis mutandis to the substitution, are fulfilled at the time of the substitution.
- (b) *References.* In the event of a substitution pursuant to § 9(a), any reference in these Terms and Conditions to the Issuer shall be a reference to the New Issuer.

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

In the event of a substitution any reference to the Federal Republic of Germany (except in § 12) shall be a reference to the New Issuer's country of domicile for tax purposes, unless sentence 2 above provides otherwise.

- (c) *Notice and effectiveness of substitution.* Notice of any substitution of the Issuer shall be given by notice in accordance with § 10. Upon such publication, the substitution shall become effective, and the Issuer and in the event of a repeated application of this § 9, any previous New Issuer shall be discharged

sämtlichen Verpflichtungen aus den Schuldverschreibungen frei. Im Fall einer solchen Schuldnerersetzung wird (werden) die Wertpapierbörse(n) informiert, an der (denen) die Schuldverschreibungen dann auf Veranlassung der Emittentin notiert sind.

§ 10 Bekanntmachungen

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

§ 11 Begebung weiterer Schuldverschreibungen

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

§ 12 Anwendbares Recht und Gerichtsstand

- (a) *Geltendes Recht.* Form und Inhalt der Schuldverschreibungen sowie alle sich daraus ergebenden Rechte und Pflichten bestimmen sich ausschließlich nach dem Recht der Bundesrepublik Deutschland.
- (b) *Gerichtsstand.* Vorbehaltlich eines zwingenden Gerichtsstandes für besondere Rechtsstreitigkeiten im Zusammenhang mit dem Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz – *SchVG*) in seiner jeweiligen gültigen

from any and all obligations under the Notes. In the case of such substitution, the stock exchange(s), if any, on which the Notes are then listed at the initiative of the Issuer will be notified.

§ 10 Notices

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

§ 11 Further Issues

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

§ 12 Applicable Law and Jurisdiction

- (a) *Applicable law.* The form and content of the Notes as well as all the rights and duties arising therefrom are governed exclusively by the laws of the Federal Republic of Germany.
- (b) *Jurisdiction.* Subject to any exclusive court of venue for specific legal proceedings in connection with the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (*Schuldverschreibungsgesetz – SchVG*),

Fassung (das "SchVG"), ist nicht-ausschließlicher Gerichtsstand für alle sich aus den in diesen Anleihebedingungen geregelten Rechtsverhältnissen ergebenden Rechtsstreitigkeiten mit der Emittentin Frankfurt am Main.

- (c) *Gerichtliche Geltendmachung.* Jeder Anleihegläubiger kann in Rechtsstreitigkeiten gegen die Emittentin im eigenen Namen seine Rechte aus den ihm zustehenden Schuldverschreibungen geltend machen unter Vorlage der folgenden Dokumente: (a) einer Bescheinigung seiner Depotbank, die (i) den vollen Namen und die volle Anschrift des Anleihegläubigers bezeichnet, (ii) den Gesamtnennbetrag der Schuldverschreibungen angibt, die am Ausstellungstag dieser Bescheinigung dem bei dieser Depotbank bestehenden Depot dieses Anleihegläubigers gutgeschrieben sind, und (iii) bestätigt, dass die Depotbank dem Clearingsystem und dem Fiscal Agent eine schriftliche Mitteilung zugeleitet hat, die die Angaben gemäß (i) und (ii) enthält und Bestätigungsvermerke des Clearingsystems sowie des jeweiligen Clearingsystem-Kontoinhabers trägt, sowie (b) einer von einem Vertretungsberechtigten des Clearingsystems oder des Fiscal Agent bestätigten Ablichtung der Globalurkunde.

§ 13 Änderung der Anleihebedingungen; Gemeinsamer Vertreter

- (a) *Änderung der Anleihebedingungen.* Vorbehaltlich der in § 2(b) und § 4(e) genannten aufsichtsrechtlichen Beschränkungen und vorbehaltlich der Zustimmung der Zuständigen Aufsichtsbehörde (sofern diese im betreffenden Zeitpunkt aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften erforderlich ist) kann die Emittentin die Anleihebedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der Anleihegläubiger nach Maßgabe der §§ 5 ff. SchVG ändern. Eine Änderung der Anleihebedingungen ohne Zustimmung der Emittentin scheidet aus.

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

- (b) *Mehrheitserfordernisse.* Vorbehaltlich des

as amended from time to time (the "SchVG"), non-exclusive court of venue for all litigation with the Issuer arising from the legal relations established in these Terms and Conditions is Frankfurt am Main.

- (c) *Enforcement.* Any Noteholder may in any proceedings against the Issuer protect and enforce in its own name its rights arising under its Notes by submitting the following documents: (a) a certificate issued by its depositary bank (i) stating the full name and address of the Noteholder, (ii) specifying an aggregate principal amount of Notes credited on the date of such certificate to such Noteholder's securities account maintained with such depositary bank and (iii) confirming that the depositary bank has given a written notice to the Clearing System as well as to the Fiscal Agent containing the information pursuant to (i) and (ii) and bearing acknowledgements of the Clearing System and the relevant Clearing System accountholder as well as (b) a copy of the Global Bond certified by a duly authorised officer of the Clearing System or the Fiscal Agent as being a true copy.

§ 13 Amendments to the Terms and Conditions; Joint Representative

- (a) *Amendment of the Terms and Conditions.* Subject to the regulatory restrictions set out in § 2(b) and in § 4(e) and subject to the consent of the Competent Supervisory Authority (if under the Applicable Supervisory Regulations such consent is required at the time), the Issuer may amend the Terms and Conditions with the consent of a majority resolution of the Noteholders pursuant to §§ 5 et seq. of the SchVG. There will be no amendment of the Terms and Conditions without the Issuer's consent.

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

- (b) *Majority requirements.* Except as provided by

nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nummer 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine "**Qualifizierte Mehrheit**"). Das Stimmrecht ruht, solange die Schuldverschreibungen der Emittentin oder einem mit ihr verbundenen Unternehmen (§ 271 Absatz 2 HGB) zustehen oder für Rechnung der Emittentin oder eines mit ihr verbundenen Unternehmens gehalten werden.

(c) *Beschlüsse.* Beschlüsse der Anleihegläubiger werden entweder in einer Gläubigerversammlung nach § 13(c)(i) oder im Wege der Abstimmung ohne Versammlung nach § 13(c)(ii) getroffen, die von der Emittentin oder einem gemeinsamen Vertreter einberufen wird. Anleihegläubiger, deren Schuldverschreibungen zusammen 5 % des jeweils ausstehenden Gesamtnennbetrags der Schuldverschreibungen erreichen, können gemäß § 9 Absatz 1 S. 2 SchVG schriftlich die Einberufung einer Anleihegläubigerversammlung oder Abstimmung ohne Versammlung mit einer gemäß § 9 Absatz 1 S. 2 SchVG zulässigen Begründung verlangen.

(i) Beschlüsse der Anleihegläubiger im Rahmen einer Gläubigerversammlung werden nach §§ 9 ff. SchVG getroffen. Die Einberufung der Gläubigerversammlung regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Einberufung der Gläubigerversammlung werden in der Tagesordnung die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.

(ii) Beschlüsse der Anleihegläubiger im Wege der Abstimmung ohne Versammlung werden nach § 18 SchVG getroffen. Die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Aufforderung zur Stimmabgabe werden die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.

the following sentence and provided that the quorum requirements are being met, the Noteholders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5(3) numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 per cent. of the voting rights participating in the vote (a "**Qualified Majority**"). The voting right is suspended as long as any Notes are attributable to the Issuer or any of its affiliates (within the meaning of § 271(2) of the German Commercial Code (*Handelsgesetzbuch*) or are being held for the account of the Issuer or any of its affiliates.

(c) *Resolutions.* Resolutions of the Noteholders will be made either in a Noteholders' meeting in accordance with § 13(c)(i) or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 13(c)(ii), in either case convened by the Issuer or a joint representative, if any. Pursuant to § 9(1) sentence 2 of the SchVG, Noteholders holding Notes in the total amount of 5 per cent. of the outstanding principal amount of the Notes may in writing request to convene a Noteholders' meeting or vote without a meeting for any of the reasons permitted pursuant to § 9(1) sentence 2 of the SchVG.

(i) Resolutions of the Noteholders in a Noteholders' meeting will be made in accordance with § 9 et seq. of the SchVG. The convening notice of a Noteholders' meeting will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders in the agenda of the meeting.

(ii) Resolutions of the Noteholders by means of a voting not requiring a physical meeting (*Abstimmung ohne Versammlung*) will be made in accordance § 18 of the SchVG. The request for voting as submitted by the chairman (*Abstimmungsleiter*) will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders together with the request

for voting.

- (d) *Zweite Gläubigerversammlung.* Wird die Beschlussfähigkeit bei der Abstimmung ohne Versammlung nach § 13(c)(ii) nicht festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, welche als zweite Gläubigerversammlung im Sinne des § 15(3) Satz 3 SchVG gilt.
- (e) *Anmeldung.* Die Stimmrechtsausübung ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor der Gläubigerversammlung im Falle einer Gläubigerversammlung (wie in § 13(c)(i) oder § 13(d) beschrieben) bzw. vor dem Beginn des Abstimmungszeitraums im Falle einer Abstimmung ohne Versammlung (wie in § 13(c)(ii) beschrieben) unter der in der Aufforderung zur Stimmabgabe angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung ihrer jeweiligen Depotbank in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis zu dem angegebenen Ende der Versammlung (einschließlich) bzw. dem Ende des Abstimmungszeitraums (einschließlich) nicht übertragen werden können.
- (f) *Gemeinsamer Vertreter.* Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, die Aufgaben und Befugnisse des gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den gemeinsamen Vertreter und eine Beschränkung der Haftung des gemeinsamen Vertreters bestimmen. Die Bestellung eines gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt wird, wesentlichen Änderungen der Anleihebedingungen gemäß § 13(a) zuzustimmen.
- (d) *Second noteholders' meeting.* If it is ascertained that no quorum exists for the vote without meeting pursuant to § 13(c)(ii), the chairman (*Abstimmungsleiter*) may convene a meeting, which shall be deemed to be a second meeting within the meaning of § 15(3) sentence 3 of the SchVG.
- (e) *Registration.* The exercise of voting rights is subject to the registration of the Noteholders. The registration must be received at the address stated in the request for voting no later than the third day prior to the meeting in the case of a Noteholders' meeting (as described in § 13(c)(i) or § 13(d)) or the beginning of the voting period in the case of voting not requiring a physical meeting (as described in § 13(c)(ii)), as the case may be. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of their respective depositary bank hereof in text form and by submission of a blocking instruction by the depositary bank stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting or day the voting period ends, as the case may be.
- (f) *Joint representative.* The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative, the duties and responsibilities and the powers of such joint representative, the transfer of the rights of the Noteholders to the joint representative and a limitation of liability of the joint representative. Appointment of a joint representative may only be passed by a Qualified Majority if such joint representative is to be authorised to consent to a material change in the substance of the Terms and Conditions in accordance with § 13(a) hereof,

Der gemeinsame Vertreter hat die Aufgaben und Befugnisse, welche ihm durch Gesetz oder von den Anleihegläubigern durch Mehrheitsbeschluss eingeräumt wurden. Er hat die Weisungen der Anleihegläubiger zu befolgen. Soweit er zur Geltendmachung von Rechten der Anleihegläubiger ermächtigt ist, sind die einzelnen Anleihegläubiger zur selbständigen Geltendmachung dieser Rechte nicht befugt, es sei denn der

The joint representative shall have the duties and powers provided by law or granted by majority resolutions of the Noteholders. The joint representative shall comply with the instructions of the Noteholders. To the extent that the joint representative has been authorised to assert certain rights of the Noteholders, the Noteholders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority

Mehrheitsbeschluss sieht dies ausdrücklich vor. Über seine Tätigkeit hat der gemeinsame Vertreter den Anleihegläubigern zu berichten. Für die Abberufung und die sonstigen Rechte und Pflichten des gemeinsamen Vertreters gelten die Vorschriften des SchVG.

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

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

§ 14 Sprache

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

resolution. The joint representative shall provide reports to the Noteholders on its activities. The regulations of the SchVG apply with regard to the recall and the other rights and obligations of the joint representative.

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

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

§ 14 Language

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

USE OF PROCEEDS

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

DESCRIPTION OF ALLIANZ SE AND ALLIANZ GROUP

Allianz Group

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

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

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

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

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

Fiscal Year

The fiscal year of Allianz SE is the calendar year.

Term and Dissolution

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

Statutory auditors

Allianz SE has appointed KPMG AG Wirtschaftsprüfungsgesellschaft, formerly KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft ("**KPMG**"), Ganghoferstr. 29, 80339 Munich, Germany, as auditor for the fiscal years (*Geschäftsjahr*) ending 31 December 2012 and 2013. KPMG is a member of the German Chamber of Auditors (*Wirtschaftsprüferkammer*).

The statutory financial statements of Allianz SE for the fiscal years ended 31 December 2012 and 2013 were prepared in accordance with German commercial law and supplementary provisions of the articles of incorporation. The statutory financial statements were audited by KPMG in accordance with § 317 Handelsgesetzbuch ("**HGB**", German Commercial Code) and German generally accepted auditing standards for the audit of financial statements promulgated by the *Institut der Wirtschaftsprüfer* ("**IDW**", Institute of Public Auditors in Germany). KPMG has issued an unqualified audit opinion for both years.

The consolidated financial statements of Allianz SE for the fiscal years ended 31 December 2012 and 2013 were prepared in accordance with IFRS as adopted by the European Union, and the additional requirements of § 315 a Abs. 1 HGB and supplementary provisions of the articles of incorporation. The consolidated

financial statements for the fiscal years 2012 and 2013 were audited by KPMG in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the IDW. KPMG has issued an unqualified audit report for both years.

History and Development of Allianz SE

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

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

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

Investments

Effective 1 July 2014, the Allianz S.p.A. acquired in a first step the distribution activities of the Property-Casualty insurance branch of UnipolSai Assicurazioni S.p.A., Bologna, which includes, inter alia, a network of 725 agencies and 470 employees dedicated to the management of such activities. In a second step as part of the transaction, the Property-Casualty insurance portfolio managed by the transferred agencies, with premiums equal to approximately € 1.1 bn will be acquired. This second step shall become effective on 31 December 2014, subject to the approval by the Italian insurance regulator Istituto per la Vigilanza sulle Assicurazioni (IVASS). The aggregate consideration to be paid amounts to a maximum of € 440 mn. It includes a one-off payment of € 200 mn plus a contingent consideration arrangement which requires the Allianz S.p.A. to pay the seller a certain multiple of the premiums attributable to policies renewed and transferred during a specified period after the acquisition date up to a maximum of € 240 mn. The potential amount of the future payment that the Allianz S.p.A. could be required to make under the contingent consideration arrangement is between € 0 mn and € 240 mn and is expected to be paid in January 2015. Allianz S.p.A. will finance the acquisition with own funds.

Capitalization and Financial Indebtedness as of 30 June 2014

	As of 30 June 2014
	<i>(amounts in € million)</i>
Total debt: ⁽¹⁾	
Participation certificates and subordinated liabilities	
Allianz SE ⁽²⁾	
Subordinated bonds.....	9,776
Participation certificates.....	-
Total Allianz SE	9,776
Banking subsidiaries	
Subordinated bonds.....	254
Total banking subsidiaries	254
All other subsidiaries	
Subordinated liabilities	400
Hybrid equity	45
Total all other subsidiaries	445
Subtotal	10,475
Certificated liabilities	
Allianz SE ⁽³⁾	
Senior bonds	6,620
Money market securities	939
Total Allianz SE	7,559
Banking subsidiaries	
Senior bonds	531
Total banking subsidiaries	531
All other subsidiaries	
Certificated liabilities.....	-
Total all other subsidiaries	-
Subtotal	8,090
Total debt	18,565
Equity:	
Shareholders' equity	
Issued capital.....	1,169
Capital reserves.....	27,701
Retained earnings ⁽⁴⁾	18,046
Foreign currency translation adjustments	(3,077)

	As of 30 June 2014
	<i>(amounts in € million)</i>
Unrealized gains and losses (net) ⁽⁵⁾	11,140
Subtotal	54,979
Non-controlling interests	2,833
Total equity	<u>57,812</u>
Total debt and equity	<u><u>76,377</u></u>

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

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

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

⁽⁴⁾ As of 30 June 2014, includes € (216) mn related to treasury shares.

⁽⁵⁾ As of 30 June 2014, includes € 251 mn related to cash flow hedges.

Ratings⁽¹⁾

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

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

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

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

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

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

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

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

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

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

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

Moody's defines the issued ratings as follows:

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

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

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

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

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

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

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

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

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

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

⁽⁵⁾ Issuer credit rating.

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

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

Business Operations and Steering

Allianz offers a comprehensive range of insurance and asset management products and services and has more than 83 million insured customers. Allianz Group's business activities are first organized by product and type of service based on how these are strategically managed: insurance activities, asset management activities and corporate and other activities. Due to differences in the nature of products, risks and capital allocation, insurance activities are further divided into Property-Casualty and Life/Health categories. In accordance with the responsibilities of the Board of Management, each of the insurance categories is grouped into regional reportable segments. Corporate and other activities are divided into three different reportable segments in order to differentiate between the respective products, risks and capital allocation.

Worldwide Presence and Business Divisions as of 31 December 2013



INSURANCE GERMAN SPEAKING COUNTRIES

- ■ ○ Germany
- ■ Austria
- ■ Switzerland

INSURANCE WESTERN AND SOUTHERN EUROPE

Europe

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

Africa

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

INSURANCE IBERIA & LATIN AMERICA

- ■ Spain
- ■ Portugal

Latin America

- Argentina
- ■ Brazil
- ■ Colombia
- ■ Mexico

GLOBAL INSURANCE LINES & ANGLO MARKETS

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

ALLIANZ WORLDWIDE PARTNERS

- ■ Allianz Worldwide Partners

INSURANCE GROWTH MARKETS

Asia

- Brunei¹
- ■ China
- Hong Kong¹
- ■ India
- ■ Indonesia
- Japan¹
- Laos
- ■ Malaysia
- Pakistan
- Singapore¹
- South Korea
- ■ Sri Lanka
- Taiwan
- ■ Thailand

Central and Eastern Europe

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

INSURANCE GROWTH MARKETS

Middle East and North Africa

- ■ Egypt
- ■ Lebanon
- ■ Saudi Arabia

INSURANCE USA

- ■ United States

ASSET MANAGEMENT

America

- * United States
- * Canada

Europe/Middle East

- * Germany
- * France
- * Italy
- * Portugal
- * Spain
- * Switzerland
- * Austria
- * Netherlands
- * United Kingdom
- * Nordics
- * Middle East

Asia-Pacific

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

- Property-Casualty
- Life/Health
- Banking
- Retail Asset Management
- * Institutional Asset Management

¹ Property-Casualty business belongs to Allianz Global Corporate and Speciality.

Business Operations

Allianz SE and its subsidiaries (the "**Allianz Group**") offer Property-Casualty insurance, Life/Health insurance and Asset Management products and services in over 70 countries, with the largest of its operations in Europe. Allianz SE, as the parent company of the Allianz Group, has its headquarters in Munich, Germany.

The Allianz Group structure reflects both business segments and geographical regions. Allianz Group's business activities are first organized by product and type of service based on how these are strategically managed: insurance activities, asset management activities and corporate and other activities. Due to differences in the nature of products, risks and capital allocation, insurance activities are further divided into Property-Casualty and Life/Health categories. In accordance with the responsibilities of the Board of Management, each of the insurance categories is grouped into regional reportable segments. Corporate and other activities are divided into three different reportable segments in order to differentiate between the respective products, risks and capital allocation. In total, the Allianz Group has 17 reportable segments.

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

Insurance Operations

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

Most of Allianz Group's insurance markets are served by local Allianz companies. However, some business lines – such as Allianz Global & Specialty ("**AGCS**"), Allianz Worldwide Partners ("**AWP**") and Credit Insurance - are run globally. Based on premiums, the split between private and corporate clients is approximately 50%/50% for the Property-Casualty business segment, and about 80%/20% for the Life/Health business segment.

SELECTED PRODUCT RANGE PROPERTY-CASUALTY AND LIFE/HEALTH

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

Asset Management

Allianz Group's two major investment management businesses, PIMCO and AllianzGI operate under Allianz Asset Management ("**AAM**"). With over EUR 1,770 billion assets under management (including those of the Allianz Group), Allianz Group is one of the largest asset managers in the world handling third-party assets with

active investment strategies. 63% of third-party assets are from institutional investors, while 37% are from retail clients. Core markets include the United States, Germany, France, Italy, the United Kingdom and the Asia-Pacific region.

SELECTED PRODUCT RANGE ASSET MANAGEMENT

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

Corporate and Other

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

Holding & Treasury Operations

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

Banking operations

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

Alternative Investments Operations

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

Property-Casualty insurance operations by reportable segments¹

	Gross premiums written				Premiums earned (net)		Operating profit (loss)	
	2013	2012	internal ²		2013	2012	2013	2012
			2013	2012				
Germany ³	9,261	9,158	9,261	9,115	7,611	7,421	661	828
Switzerland	1,489	1,501	1,518	1,501	1,422	1,450	194	192
Austria	966	938	966	938	814	788	62	76
German Speaking Countries⁴	11,748	11,630	11,777	11,587	9,861	9,674	916	1,102
Italy	4,032	4,045	4,032	4,045	3,950	3,893	1,126	881
France ⁵	4,174	3,538	3,557	3,538	3,804	3,200	401	411
The Netherlands	700	714	700	705	659	684	27	15
Turkey ⁶	978	611	838	611	753	412	69	34
Belgium ⁷	465	397	374	364	427	355	50	62
Greece	111	108	111	108	87	90	17	19
Africa	87	83	87	83	55	49	11	9
Western & Southern Europe⁸	10,547	9,496	9,699	9,454	9,735	8,683	1,712	1,447
Latin America	2,350	2,389	2,651	2,388	1,737	1,607	133	126
Spain	1,958	1,953	1,958	1,953	1,804	1,810	236	239
Portugal	312	317	312	317	269	265	26	38
Iberia & Latin America	4,620	4,659	4,921	4,658	3,810	3,682	395	403
United States	2,058	3,550	2,141	3,550	1,988	2,654	154	(546)
USA⁹	2,058	3,550	2,141	3,550	1,988	2,654	154	(546)
Allianz Global Corporate & Specialty	4,999	5,314	5,063	5,314	2,926	3,299	427	415
Reinsurance PC ³	3,345	3,460	3,305	3,460	2,880	3,124	317	357
Australia	2,847	3,018	3,158	3,018	2,235	2,235	378	394
United Kingdom	2,274	2,318	2,382	2,318	2,122	2,165	201	215
Credit Insurance	2,092	2,034	2,043	1,998	1,435	1,344	407	409
Ireland	412	433	412	433	372	397	62	69
Global Insurance Lines & Anglo Markets¹⁰	15,969	16,577	16,363	16,541	11,970	12,564	1,785	1,854
Russia	808	678	857	678	598	603	(38)	-
Poland	427	421	428	421	345	355	12	14
Hungary	268	307	274	307	230	233	27	27
Slovakia	321	336	321	336	266	273	53	70
Czech Republic	276	280	285	280	228	225	44	32
Romania	186	181	185	181	150	143	5	-
Bulgaria	82	90	82	90	63	66	19	17
Croatia	93	90	94	90	77	75	13	15
Ukraine	16	13	17	13	7	7	-	3
Central and Eastern Europe ¹¹	2,477	2,393	2,544	2,393	1,964	1,980	127	171
Asia-Pacific	667	596	702	596	377	320	67	56
Middle East and North Africa	67	68	73	68	46	48	8	5
Growth Markets	3,211	3,057	3,319	3,057	2,387	2,348	202	232
Allianz Global Assistance	1,972	1,800	1,980	1,800	1,842	1,745	96	99
Allianz Worldwide Care	452	384	452	384	419	355	30	24
Allianz Worldwide Partners¹²	2,507	2,186	2,515	2,230	2,296	2,100	102	122
Consolidation and Other ¹³	(4,081)	(4,266)	(4,041)	(4,224)	-	-	2	-
Total	46,579	46,889	46,694	46,853	42,047	41,705	5,268	4,614

¹ All figures as shown in the Allianz Group's annual report 2013.

² This reflects gross premiums written on an internal basis, adjusted for foreign currency translation and (de-)consolidation effects.

³ The combined ratio 2013 at Germany and Reinsurance PC was impacted by a one-off effect related to the commutation of internal reinsurance resulting in a 0.9 percentage point improvement in the combined ratio for Germany and an increase of 2.3 percentage points in Reinsurance PC. This had no impact at Group level.

⁴ Includes "Münchener und Magdeburger Agrarversicherung AGW with gross premiums written of € 32 mn, premiums earned (net) of € 14 mn and operating loss of € 1 mn for 2013, and gross premiums written of € 33 mn, premiums earned (net) of € 15 mn and operating profit of € 6 mn for 2012.

⁵ Effective as of 1 October 2012, Allianz France acquired the property-casualty brokerage portfolio-related activities (excluding transport) of Gan Eurocourtage.

⁶ On 12 July 2013, Allianz Turkey acquired Yapı Kredi Bank's shareholding in the Turkish property-casualty insurance company Yapı Kredi Sigorta.

- ⁷ Effective as of 1 August 2012, Allianz Belgium acquired the assets and assumed the liabilities related to the insurance activities of Mensura.
- ⁸ Contains € 11 mn and € 16 mn operating profit for 2013 and 2012, respectively, from a management holding located in Luxembourg.

%

	Combined ratio		Loss ratio		Expense ratio	
	2013	2012	2013	2012	2013	2012
Germany ³	99.5	96.8	73.4	69.2	26.1	27.6
Switzerland	91.1	92.4	67.9	68.9	23.2	23.5
Austria	96.5	96.1	70.5	71.4	26.0	24.7
German Speaking Countries⁴	98.0	96.0	72.3	69.3	25.7	26.7
Italy	78.2	85.0	53.1	60.3	25.1	24.7
France ⁵	97.6	96.9	68.9	69.1	28.7	27.8
The Netherlands	99.8	103.1	70.2	74.7	29.6	28.4
Turkey ⁶	96.1	98.3	71.4	71.5	24.7	26.8
Belgium ⁷	94.0	93.9	65.4	62.0	28.6	31.9
Greece	83.9	82.4	50.1	37.7	33.8	44.7
Africa	95.7	94.7	52.1	48.9	43.6	45.8
Western & Southern Europe⁸	89.4	91.8	62.3	64.9	27.1	26.9
Latin America	98.3	98.4	66.4	67.4	31.9	31.0
Spain	90.9	91.0	70.0	70.1	20.9	20.9
Portugal	95.0	92.0	72.6	68.5	22.4	23.5
Iberia & Latin America	94.6	94.3	68.6	68.8	26.0	25.5
United States	103.6	129.4	69.2	101.1	34.4	28.3
USA⁹	103.6	129.4	69.2	101.1	34.4	28.3
Allianz Global Corporate & Specialty	95.0	96.2	67.3	68.7	27.7	27.5
Reinsurance PC ³	92.8	92.7	61.2	65.5	31.6	27.2
Australia	93.5	95.2	68.1	68.7	25.4	26.5
United Kingdom	96.0	95.6	64.5	64.3	31.5	31.3
Credit Insurance	79.3	79.7	50.4	51.9	28.9	27.8
Ireland	90.1	91.0	59.2	61.0	30.9	30.0
Global Insurance Lines & Anglo Markets¹⁰	92.5	93.2	63.3	65.2	29.2	28.0
Russia	112.0	103.2	69.7	61.1	42.3	42.1
Poland	100.9	100.5	65.8	66.9	35.1	33.6
Hungary	100.4	101.3	60.0	60.4	40.4	40.9
Slovakia	86.2	81.4	54.8	51.4	31.4	30.0
Czech Republic	84.5	90.5	56.6	63.7	27.9	26.8
Romania	102.9	105.8	72.6	77.7	30.3	28.1
Bulgaria	72.1	75.9	44.8	47.4	27.3	28.5
Croatia	89.3	88.0	50.1	50.6	39.2	37.4
Ukraine	124.8	85.2	59.9	33.5	64.9	51.7
Central and Eastern Europe ¹¹	99.5	96.9	62.9	61.3	36.6	35.6
Asia-Pacific	91.2	91.3	60.1	59.7	31.1	31.6
Middle East and North Africa	95.6	105.1	61.5	70.1	34.1	35.0
Growth Markets	98.2	96.3	62.5	61.3	35.7	35.0
Allianz Global Assistance	96.1	95.3	61.0	59.6	35.1	35.7
Allianz Worldwide Care	93.3	93.8	73.5	74.5	19.8	19.3
Allianz Worldwide Partners¹²	96.7	95.1	63.5	62.1	33.2	33.0
Consolidation and Other ¹³	-	-	-	-	-	-
Total	94.3	96.2	65.9	68.3	28.4	27.9

⁹ The reserve strengthening for asbestos risks in 2012 at Fireman's Fund Insurance Company of € 71 mn had no impact on the financial results of the Allianz Group and Fireman's Fund's combined ratio under IFRS.

¹⁰ Contains € 7 mn and € 5 mn operating loss for 2013 and 2012, respectively, from AGF UK.

¹¹ Contains income and expense items from a management holding and consolidations between countries in this region.

¹² The business division Allianz Worldwide Partners includes the legal entities of Allianz Global Assistance and Allianz Worldwide Care as well as the reinsurance business of Allianz Global Automotive and income and expenses of a management holding. The set-up of this division will be further enhanced during the following quarters. The reinsurance business of Allianz Global Automotive contributed with gross premiums written of € 83 mn, premiums earned (net) of € 35 mn and an operating loss of € 24 mn for 2013 and with gross premiums written of € 2 mn, premiums earned (net) of € 0.3 mn and an operating loss of € 1 mn for 2012. The operating profit of Allianz Worldwide Partners includes Global Automotive central costs. Operating profit slightly up on an underlying basis.

¹³ Represents elimination of transactions between Allianz Group companies in different geographic regions.

Life/Health insurance operations by reportable segments¹

	Statutory premiums ²⁾ as stated		Statutory premiums ²⁾ internal ⁵⁾		Premiums earned (net)		Operating profit (loss) ³⁾		Margin on reserves ⁴⁾	
	€mn		€mn		€mn		€mn		bps	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Germany Life	17,000	15,179	17,000	15,179	11,538	11,282	862	1,026	48	61
Germany Health	3,264	3,269	3,264	3,269	3,264	3,268	201	197	80	83
Switzerland	1,602	1,903	1,634	1,903	488	686	78	79	60	62
Austria	385	407	385	407	282	288	33	31	77	78
German Speaking Countries	22,251	20,758	22,283	20,758	15,572	15,524	1,174	1,333	53	64
Italy	8,430	6,364	8,430	6,364	483	543	216	237	45	54
France	8,511	7,977	8,511	7,977	3,401	3,056	421	353	56	50
Belgium/Luxembourg	2,049	2,019	2,049	2,019	400	416	61	64	59	69
The Netherlands	277	276	277	276	140	135	28	58	66	144
Greece	90	95	90	95	53	57	2	5	65	158
Turkey ⁶⁾	419	114	184	114	81	37	3	5	25	110
Africa	54	52	54	52	25	24	4	5	185	238
Western & Southern Europe	19,830	16,897	19,595	16,897	4,583	4,268	735	727	53	57
Latin America	329	255	334	255	145	123	9	11	109	158
Spain	1,225	1,075	1,225	1,075	457	495	128	107	196	177
Portugal	232	190	232	190	83	86	21	5	403	111
Iberia & Latin America	1,786	1,520	1,791	1,520	685	704	158	123	201	171
United States	7,317	7,289	7,571	7,289	883	848	487	457	70	69
USA	7,317	7,289	7,571	7,289	883	848	487	457	70	69
Reinsurance LH	515	484	515	484	430	425	23	47	111	208
Global Insurance Lines & Anglo Markets	515	484	515	484	430	425	23	47	111	208
South Korea	1,354	1,871	1,357	1,871	494	580	(129)	31	(130)	33
Taiwan	1,745	1,352	1,810	1,352	152	129	—	9	—	18
Indonesia	686	760	789	760	247	305	60	54	505	454
Malaysia	381	330	403	330	200	211	18	17	167	174
Japan	—	1	—	1	6	5	7	3	39	13
Other	926	789	945	789	636	622	80	49	230	140
Asia-Pacific	5,092	5,103	5,304	5,103	1,735	1,852	36	163	16	73
Poland	127	411	127	411	40	125	16	17	270	298
Slovakia	245	244	245	244	209	206	29	32	243	267
Hungary	165	147	168	147	46	53	9	4	244	115
Czech Republic	172	171	178	171	77	66	17	20	303	377
Russia	84	94	90	94	83	90	—	(3)	—	(185)
Croatia	62	55	63	55	61	52	4	3	132	125
Bulgaria	35	31	35	31	30	27	4	7	302	541
Romania	23	23	23	23	14	13	1	1	221	213
Central and Eastern Europe ⁷⁾	913	1,176	929	1,176	560	632	78	79	228	247
Middle East and North Africa	163	170	185	170	131	139	17	15	304	300
Global Life	6	4	6	4	2	1	—	(1)	— ⁸⁾	— ⁸⁾
Growth Markets	6,174	6,453	6,424	6,453	2,428	2,624	131	256	49	99
Consolidation ⁹⁾	(1,089)	(1,054)	(1,091)	(1,054)	—	—	1	—	— ⁸⁾	— ⁸⁾
Total	56,784	52,347	57,088	52,347	24,581	24,393	2,709	2,943	58	67

- 1) All figures as shown in the Allianz Group's annual report 2013.
- 2) Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.
- 3) Prior year figures have been restated to reflect the retrospective application of the amended standard IAS 19 – Employee Benefits, effective as of 1 January 2013. As of 1 January 2013, all restructuring charges are presented within operating profit and all prior year figures have been adjusted to conform to the current accounting presentation.
- 4) Represents operating profit (loss) divided by the average of the current and previous year-end net reserves, where net reserves equal reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets.
- 5) Statutory premiums adjusted for foreign currency translation and (de-)consolidation effects.
- 6) On 12 July 2013, Allianz acquired Yapı Kredi Bank's 93.94% shareholding in the Turkish property-casualty insurance company Yapı Kredi Sigorta, including its life and pension insurance subsidiary Yapı Kredi Emeklilik.
- 7) Contains income and expense items from a management holding and consolidations between countries in this region.
- 8) Presentation not meaningful.
- 9) Represents elimination of transactions between Allianz Group companies in different geographic regions.

Asset Management segment information¹

€ mn	2013	2012
Management and loading fees	8,032	7,163
Performance fees	510	766
Other income	69	112
Fee and commission income	8,611	8,041
Commissions	(1,403)	(1,243)
Other expenses	(81)	(67)
Fee and commission expenses	(1,484)	(1,310)
Net fee and commission income	7,127	6,731
Net interest income ²	12	24
Income from financial assets and liabilities carried at fair value through income (net)	13	16
Other income	10	15
Operating revenues	7,162	6,786
Administrative expenses (net), excluding acquisition-related expenses	(3,995)	(3,770)
Restructuring charges	(6)	(63)
Operating expenses	(4,001)	(3,833)
Operating profit	3,161	2,953
Income Taxes	(1,181)	(1,029)
Net Income	1,925	1,810
Cost-income ratio ³ in %	55.9	56.5

¹ All figures as shown in the Allianz Group's annual report 2013.

² Represents interest and similar income less interest expenses.

³ Represents operating expenses divided by operating revenue.

Corporate and Other segment information¹

€ mn	Corporate and Other	
	2013	2012
Total revenues²	551	590
Premiums earned (net)	–	–
Operating investment result		
Interest and similar income	903	980
Operating income from financial assets and liabilities carried at fair value through income (net)	40	30
Operating realized gains/losses (net)	–	–
Interest expenses, excluding interest expenses from external debt	(623)	(765)
Operating impairments of investments (net)	–	–
Investment expenses	(83)	(103)
Subtotal	237	142
Fee and commission income	687	614
Other income	1	8
Claims and insurance benefits incurred (net)	–	–
Change in reserves for insurance and investment contracts (net)	–	–
Loan loss provisions	(86)	(111)
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(1,295)	(1,238)
Fee and commission expenses	(493)	(494)
Restructuring charges	(53)	(32)
Other expenses	(2)	(3)
Reclassification of tax benefits	–	–
Operating profit (loss)	(1,004)	(1,114)
Non-operating investment result		
Non-operating income from financial assets and liabilities carried at fair value through income (net)	(46)	236
Non-operating realized gains/losses (net)	346	166
Non-operating impairments of investments (net)	(80)	(222)
Subtotal	220	180
Income from fully consolidated private equity investments (net)	(17)	(26)
Interest expenses from external debt	(901)	(991)
Acquisition-related expenses	(2)	(7)
Amortization of intangible assets	(106)	(203)
Reclassification of tax benefits	–	–
Non-operating items	(806)	(1,047)
Income (loss) before income taxes	(1,810)	(2,161)
Income taxes	476	307
Net income (loss)	(1,334)	(1,854)
Net income (loss) attributable to:		
Non-controlling interests	7	13
Shareholders	(1,341)	(1,867)

¹ All figures as shown in the Allianz Group's annual report 2013.

² Total revenues in Corporate and Other (Banking).

Selected Consolidated Financial Information

The selected consolidated financial data for the years ended 2013 and 2012 set forth below are derived from Allianz Group's consolidated financial statements. The Consolidated Financial Statements 2013 and 2012 were audited by KPMG.

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

As of or for the Years ended 31 December ⁽¹⁾	2013	2012
	<i>(amounts in € million)</i>	<i>(amounts in € million)</i>
Income Statement⁽²⁾		
Total revenues ⁽³⁾	110,773	106,383
Operating profit ⁽⁴⁾	10,066	9,337
Net income.....	6,344	5,558
Balance Sheet		
Total assets.....	711,530	694,447
Shareholders' equity.....	50,084	50,388
Non-controlling interests	2,765	2,575
Total equity	52,849	52,963
Total liabilities	658,681	641,484

⁽¹⁾ All figures as shown in the Allianz Group's annual report 2013.

⁽²⁾ Prior year figures have been restated to reflect the retrospective application of the amended standard IAS 19 – Employee Benefits, effective as of 1 January 2013. For further information, please refer to note 4 to the consolidated financial statements in the Allianz Group's annual report 2013.

As of 1 January 2013, all restructuring charges are presented within operating profit and all prior year figures have been adjusted to conform to the current accounting presentation.

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

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

"As of or for the First Half Year ended 30 June⁽¹⁾

	2014	2013
	<i>(amounts in € million)</i>	<i>(amounts in € million)</i>
Income Statement		
Total revenues ⁽²⁾	63,420	58,824
Operating profit ⁽³⁾	5,494	5,164
Net income ⁽³⁾	3,598	3,476
Balance Sheet⁽⁴⁾		
Total assets.....	754,330	698,220
Shareholders' equity.....	54,979	47,866
Non-controlling interests	2,833	2,558
Total equity	57,812	50,424
Total liabilities	696,518	647,796

⁽¹⁾ All figures as shown in the Allianz Group's Interim Report Second Quarter and First Half Year of 2014 and Allianz Group's Interim Report Second Quarter and First Half Year of 2013.

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

⁽³⁾ The Allianz Group uses operating profit and net income as a key financial indicator to assess the performance of its business segments and the Group as a whole.

⁽⁴⁾ Balance sheet figures as of 2013 are presented as originally published."

Recent Developments since 30 June 2014

Allianz S.p.A. acquires distribution activities of the property-casualty insurance branch of UnipolSai Assicurazioni S.p.A.

Effective 1 July 2014, the Allianz S.p.A. acquired in a first step the distribution activities of the Property-Casualty insurance branch of UnipolSai Assicurazioni S.p.A., Bologna, which includes, inter alia, a network of 725 agencies and 470 employees dedicated to the management of such activities. In a second step as part of the transaction, the Property-Casualty insurance portfolio managed by the transferred agencies, with premiums equal to approximately € 1.1 bn will be acquired. This second step shall become effective on 31 December 2014, subject to the approval by the Italian insurance regulator Istituto per la Vigilanza sulle Assicurazioni (IVASS). The aggregate consideration to be paid amounts to a maximum of € 440 mn. It includes a one-off payment of € 200 mn plus a contingent consideration arrangement which requires the Allianz S.p.A. to pay the seller a certain multiple of the premiums attributable to policies renewed and transferred during a specified period after the acquisition date up to a maximum of € 240 mn. The potential amount of the future payment that the Allianz S.p.A. could be required to make under the contingent consideration arrangement is between € 0 mn and € 240 mn and is expected to be paid in January 2015.

Significant Changes

Unless described in the Section "*Recent Developments*", there have been no significant changes with regard to the financial position or the trading position of Allianz Group since 30 June 2014.

Trend Information

There has been no material adverse change in the prospects of Allianz SE since 31 December 2013.

Outlook for 2014

Economic outlook¹

In the first six months of 2014, global economic momentum was somewhat less pronounced than originally expected. The slowdown in the first quarter was partly due to disappointing developments in the United States, where curbs on production and demand because of the severe winter contributed to a decline in overall output. Weaker growth in emerging market heavyweights like Brazil and Russia also contributed to lower-than-expected economic momentum in the first half of the year. However, there is a good chance that the global economy will reaccelerate in the second half of 2014. This view is supported by the favorable readings of the purchasing managers' indices for the manufacturing industry, in particular in industrialized countries. Given higher expected growth in the industrialized world than in 2013, global output is likely to expand by 2.7 % in 2014. Fears that economic development in emerging markets would deteriorate substantially look unfounded. Nevertheless, they have lost steam since 2012 and will not return to their pre-crisis growth rates, not least due to structural problems in some major emerging market economies. However, with an expected real GDP increase of 4.4 % in 2014, growth in these countries will still be considerably higher than in the industrialized world, where Allianz Group expects an increase of 1.7 %. In the Eurozone, the economy is also starting to get back on its feet in crisis-ridden member states, narrowing the "north-south divide". Current economic indicators suggest the economic recovery is set to continue, albeit at a moderate pace. For 2014 as a whole, Allianz Group expects real GDP growth of 1.2 %. Supported by brighter economic conditions in the Eurozone, the German economy could expand by about 2 % in 2014. Inflation is likely to remain subdued on a global level, not least due to the dire unemployment situation in many industrialized countries, which keeps the lid on wages. Despite the overall favorable growth picture, risks for the global economy have recently increased. In this respect, a further escalation of the conflict

¹ The information presented in the section Economic outlook is based on Allianz Group's own estimates.

between Russia and Ukraine, combined with a spiral of far-reaching economic sanctions and corresponding counter-sanctions, ranks first on the list.

For the remainder of this year, financial markets will probably remain under the twin spell of monetary policy and geopolitical tensions. Regarding the former, Allianz Group expects to see a gradual exit from crisis mode, led by the U.S. central bank reining in its asset purchases. Given its concerns about low inflation, banking liquidity and lending growth, the European Central Bank will most likely stick to its very expansionary policy stance before eventually starting to exit from crisis mode in 2015. Even though monetary policy would still remain highly accommodative, cautious steps towards an exit could well be accompanied by sharp swings in the equity, bond and currency markets. Although the effects of the sovereign debt crisis in the Eurozone are still being felt, Allianz Group expects further normalization.

Insurance industry outlook

Global economic expansion is set to continue in 2014. Therefore, the macroeconomic environment will be in general supportive of world premium growth. However, differences in growth levels between markets will become wider, reflecting specific political, regulatory and economic conditions. The outlook for profitability remains challenging, as investment returns are expected to stay low and the regulatory environment continues to become more demanding in terms of capital and reserve requirements.

In the *property-casualty* sector, Allianz Group anticipates stable premium growth in 2014 as the increase in economic activity bolsters demand for insurance coverage. In particular, the recovery in Europe should pave the way for a return to positive premium growth in almost all parts of the region. Emerging markets should display robust growth rates, which in part are also the result of increasing insurance penetration. However, in some markets tighter regulation and political instability might lead to a more moderate expansion. The increase in premium rates on the other hand may slow down somewhat in 2014. Overall, Allianz Group expects global premium revenue to rise by around 4 % in 2014 (adjusted for foreign currency translation effects).

After gradual improvements over the last years, property-casualty profitability is expected to remain stable in 2014. Low yields are working their way through to earnings as price increases slow down and reserve releases dwindle.

In the *life* sector, Allianz Group expects premium growth to recover. In mature markets, better economic prospects and a new product mix will help to support top-line growth. In emerging markets, strong growth will be mainly driven by rising incomes and social security reforms. All in all, Allianz Group expects that global premium revenue will rise in the 3.5 % – 4.5 % range in 2014 (adjusted for foreign currency translation effects).

With interest rates remaining at low levels, companies will continue to adapt their business models to the challenging environment. Besides a stronger focus on the protection business – including health – new and more flexible guarantee concepts are set to come to the forefront in the savings business. At the same time, insurers will continue to look for new, long-term investment opportunities, paying special attention to infrastructure investments. But despite progress on these fronts, profitability will remain under pressure, not least because of more stringent capital and reserve requirements.

Asset management industry outlook

Increasing asset valuations for equities and decreasing bond-yields in developed markets have provided a tailwind for the asset management industry so far in 2014. Nevertheless, considerable downside risks remain and could materialize if global growth fails to meet expectations or political uncertainties come to the fore. A reduction of the currently highly supportive monetary policy may also put the positive trends in financial

markets at risk. The further development of regulatory activities – particularly in the consumer protection and transparency fields – is an additional source of uncertainty for the asset management industry.

Although equities may remain vulnerable to setbacks in the near future due to increased valuations, higher interest rates and global demographic trends on the other hand, will increase the attractiveness of bonds. This holds true in particular for liability-driven investors and for the growing number of retirees in the developed world looking for a stable stream of income.

Improving economic conditions in certain developed markets as well as trends in client demand represent a positive environment for further asset management industry growth. At the same time, industry profitability is expected to remain challenged as asset flows into passive products and growing expenses from higher distribution or marketing costs put pressure on operating margins, and the effects of increased regulatory oversight and reporting take their toll.

In such an environment a money manager's ability to grow is dependent on providing innovative client-focused investment solutions, delivering above-benchmark investment results, offering comprehensive investment products and services, its ability to prudently and holistically respond to client needs and upping the scale and efficiency of operations.

Outlook for the Allianz Group

As discussed earlier, there is a good chance that the global economy will reaccelerate in the second half of 2014 and Allianz Group looks set to enter a period of moderate growth. Despite signs of a global recovery, however, there are clear risks for 2014. Geopolitical tensions, a renewed flare-up of the European sovereign debt crisis in large industrialized countries and currency or trade wars all have the potential to send the world economy into a tailspin. However, the outlook provided here assumes the absence of such shocks.

Allianz Group expects its business mix and profitability contributions to remain largely unchanged compared to 2013. Allianz Group's Property-Casualty business will carry on making up the majority of its operating profit. Allianz Group anticipates that the Asset Management business segment will continue to be a significant source of operating profit, even though at a lower level mainly due to lower expected performance fees and lower average assets under management. In the Life/Health business segment, operating profitability will remain under pressure due to low yields. However, Allianz Group expects an increase compared to the 2013 results, which were burdened by negative one-off effects.

Although the global economy is showing signs of a recovery, investment results are likely to remain under pressure due to low interest rates and the continued uncertainty surrounding the European sovereign debt crisis. These results will be partly offset by a better operational performance in the business segments and a growth-driven increase in our operating asset base.

The financial results for the first six months of 2014 are set out in the Interim Report Second Quarter and First Half Year of 2014. Allianz Group is confident about staying on course towards profitable growth during the rest of 2014. However, as witnessed in 2013, unfavorable developments in the business environment can have adverse impacts on aspects of Allianz Group's performance. It would therefore be inappropriate to simply annualize the half year operating profit and net income to arrive at an expected result for the full year 2014.

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

Legal Proceedings

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

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

On 24 May 2002, pursuant to a statutory squeeze-out procedure, the general meeting of Dresdner Bank AG resolved to transfer shares from its minority shareholders to Allianz as principal shareholder in return for payment of a cash settlement amounting to € 51.50 per share. Allianz established the amount of the cash settlement on the basis of an expert opinion, and its adequacy was confirmed by a court appointed auditor. Some of the former minority shareholders applied for a court review of the appropriate amount of the cash settlement in a mediation procedure (*Spruchverfahren*). In September 2013, the district court (*Landgericht*) of Frankfurt dismissed the minority shareholders' claims in their entirety. This decision has been appealed to the higher regional court (*Oberlandesgericht*) of Frankfurt. In the event that a final decision were to determine a higher amount as an appropriate cash settlement, this would affect all of the approximately 16 mn shares that were transferred to Allianz.

The U.S. Department of Justice ("**DOJ**") is conducting an investigation into whether certain employees of Fireman's Fund Insurance Company ("**FFIC**"), a subsidiary of Allianz SE, engaged in violation (criminal or civil) of the False Claims Act in connection with FFIC's involvement as a provider of federal crop insurance from 1997 to 2003. The investigation concerns the issue of whether FFIC employees submitted false claims to the government through various practices, including backdating and inappropriately designating new producer status. Two former FFIC claims employees and one contract adjuster have pled guilty to assisting farmers in asserting fraudulent crop claims. The DOJ and FFIC are in negotiations to reach a final resolution of this matter. The outcome cannot be predicted at this stage.

Allianz Life Insurance Company of North America (Allianz Life) has been named as a defendant in class action lawsuits in connection with the marketing and sale of deferred annuity products. Two of those lawsuits are pending as certified class actions in California. Those two lawsuits were commenced in 2005, and have been consolidated. The complaints allege generally that the defendant misrepresented and/or failed to disclose certain product information in connection with the sale of these products. The parties to this consolidated action reached a settlement. However, the settlement still requires court approval. The settlement does not have a material negative financial impact on Allianz Group.

In November 2013, Allianz SE reached an agreement with the Italian Tax Authority closing a controversy regarding several independent tax issues. The result of the settlement is covered by -Allianz Group's provision and has therefore no negative impact on its income statement. The settlement includes an alleged tax liability of Allianz SE of €1.4 bn including penalties and interest, as declared by a tax assessment notice

from the Italian Tax Authority received by Allianz SE in January 2013. The Italian Tax Authority asserted that the combination of the businesses in Italy following the cross-border merger of the Italian Riunione Adriatica di Sicurtà (RAS) with and into the former Allianz AG in 2006, which led to the change of legal form into Allianz SE, represented a taxable event.

Cautionary Note Regarding Forward-Looking Statements

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

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

Organizational Structure

Description of the Allianz Group

Allianz SE is the parent company of the Allianz Group which is a global financial service provider and comprises the parent company and more than 900 fully consolidated entities as of 31 December 2013. For a description of the Allianz Group's scope of consolidation as of 31 December 2013, see Note 5 to the Consolidated Financial Statements 2013.

The Allianz Group's business operations and structure are described in the Business Operations and Markets chapter starting on page 49 of Allianz Group's Annual Report 2013.

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

List of participations of the Allianz Group as of 31 December 2013 according to § 313 (2) HGB

The information on participations of the Allianz Group has been incorporated in this Prospectus by reference to the respective section of the Annual Report 2013. Please refer to section "Documents Incorporated by Reference" on page 95 of this Prospectus.

Management and Supervisory Bodies of Allianz SE

General

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

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

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

Applicable Corporate Governance Rules

Principal sources of enacted corporate governance standards for a European Company with its registered seat in Germany are the SE-Regulation, the German Act on the SE-Implementation (*SE-Ausführungsgesetz, SEAG*), the German Act on Employee Participation in a SE (*SE-Beteiligungsgesetz, SEBG*) and the German Stock Corporation Act (*Aktiengesetz*) as well as the German Corporate Governance Code (*Deutscher Corporate Governance Kodex, "Code"*). The Code summarizes the fundamental guidelines for best-practice corporate governance in Germany and in addition to restating various corporate governance-related mandatory provisions of German law, the Code contains "recommendations", which reflect widely recognized standards of corporate governance. Although the Code does not have the force of law, it has a legal basis through the declaration of conformity required by Section 161 of the German Stock Corporation Act, which requires that the Board of Management and the Supervisory Board annually issue a declaration of conformity with the Code.

On 12 December 2013, the Board of Management and the Supervisory Board of Allianz SE issued the following declaration of conformity:

- "1. Allianz SE fully complies and will continue to fully comply with the recommendations of the German Corporate Governance Code Commission (Code Commission) in the version of 13 May 2013, published by the Federal Ministry of Justice in the official section of the Federal Gazette ("Bundesanzeiger") with the following single exception:

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

2. Since the last Declaration of Conformity as of December 12, 2012, Allianz SE has fully complied with the recommendations of the Code Commission in the version of May 15, 2012."

In addition, the Board of Management and the Supervisory Board of Allianz SE issued the following amendment to the declaration of conformity in March 2014:

"In December 2013, the Board of Management and Supervisory Board submitted a Declaration of Conformity in accordance with § 161 AktG, which now shall be amended regarding one aspect:

According to no. 5.4.5 German Corporate Governance Code, members of a Board of Management of a listed company shall not accept more than three Supervisory Board mandates in external listed companies. Allianz SE intends to deviate from such recommendation for the time period between May 7, 2014 and May 21, 2014 for the following reason:

The shareholders' representatives of the Supervisory Board resolved to propose Mr. Jim Hagemann Snabe to the Annual General Meeting on May 7, 2014 for the byelection to the Supervisory Board. Currently, Mr. Snabe is Co-CEO of SAP AG and member of three Supervisory Boards of listed companies. In case of a successful election to the Supervisory Board of Allianz SE, Mr. Snabe would

accept his fourth Supervisory Board mandate as of May 7, 2014. Mr. Snabe has the intention to resign from his Co-CEO position at SAP AG as of May 21, 2014. For such transition period of two weeks Allianz SE assumes the deviation caused by one additional mandate to be acceptable."

Board of Management

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

Name	Area of Responsibility	Principal Outside Board Memberships
Michael Diekmann	Chairman of the Board of Management	Member of the Supervisory Boards of BASF SE (Vice Chairman), Linde AG (Vice Chairman) and Siemens AG
Oliver Bäte	Insurance Western and Southern Europe	None
Manuel Bauer	Insurance Growth Markets	Member of the supervisory bodies of Bajaj Allianz General Insurance Co. Ltd. and Bajaj Allianz Life Insurance Co. Ltd.
Gary C. Bhojwani	Insurance USA	None
Clement B. Booth	Global Insurance Lines and Anglo Markets	None
Dr. Helga Jung	Insurance Iberia and Latin America. Legal & Compliance, Mergers & Acquisitions	Member of the supervisory body of Unicredit S.p.A.
Dr. Christof Mascher	Operations	Member of the supervisory body of Volkswagen Autoversicherung AG
Jay Ralph	Asset Management Worldwide	None
Dr. Dieter Wemmer	Finance, Controlling, Risk	None
Dr. Werner Zedelius	Insurance German Speaking Countries	None
Dr. Maximilian Zimmerer	Investments	None

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

Supervisory Board

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

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

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

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

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

Name	Principal Occupation	Principal Outside Board Memberships
Dr. Helmut Perlet, Chairman ⁽¹⁾	Former member of the Board of Management of Allianz SE	Member of the Supervisory Boards of Commerzbank AG and GEA Group AG
Dante Barban ⁽²⁾	Employee, Allianz S.p.A., General secretary of the trade union FNA	None
Dr. Wulf H. Bernotat ⁽¹⁾	Former chairman of the Board of Management of E.ON AG	Member of the Supervisory Boards of Metro AG, Deutsche Telekom AG, Bertelsmann Management SE, Bertelsmann SE & Co. KGaA and Deutsche Annington Immobilien SE (Chairman)
Christine Bosse ⁽¹⁾	Former Group CEO of the Executive Management of Tryg	Member of the Supervisory Boards of Flügger A/S (Chairwoman), Aker ASA and TDC A/S
Gabriele Burkhardt-Berg ⁽²⁾	Employee, Allianz Deutschland AG	None
Jean-Jacques Cette ⁽²⁾	Secretary of the Group Works Council of Allianz France S.A.	None.
Ira Gloe-Semler ⁽²⁾	Chair of the federal insurance group of the trade union ver.di	None
Franz Heiß ⁽²⁾	Employee, Allianz Beratungs- und Vertriebs-AG	None
Prof. Dr. Renate Köcher ⁽¹⁾	Chairperson Institut für Demoskopie, Allensbach	Member of the Supervisory Boards of BMW AG, Infineon Technologies AG, Robert Bosch GmbH and Nestlé Deutschland AG

Name	Principal Occupation	Principal Outside Board Memberships
Jim Hagemann Snabe ⁽¹⁾	Co-Chief Executive Officer of SAP AG and Director of Snabe ApS	Member of the Supervisory Boards of Siemens AG, Bang & Olufsen A/S (Deputy Chairman) and Danske Bank A/S
Peter D. Sutherland ⁽¹⁾	Chairman, Goldman Sachs International	Member of the board of directors of BW Group Ltd. and Koç Holding A. Ş.
Rolf Zimmermann ⁽²⁾	Employee, Allianz Deutschland AG	None

⁽¹⁾ Shareholder Representative

⁽²⁾ Employee Representative

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

Conflicts of Interest

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

Major Shareholders

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

On 20 April 2011 Black Rock, Inc., New York, USA ("**Blackrock**") notified Allianz SE that on 13 April 2011 the share of the voting rights directly or indirectly held by Blackrock amounted to 5.03% of the voting rights.

Material Contracts

Long-term Distribution Agreement with Commerzbank AG.

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

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

in connection with the transfer by Dresdner Bank AG of the Allianz Banking business to Oldenburgische Landesbank AG.

Contingent liabilities

For commitments creating contingent liabilities, please refer to Note 46 of the Consolidated Financial Statements 2013 (see pages 218 – 222 of the Annual Report 2013 of the Allianz Group).

Share Capital of Allianz SE

Share Capital

As of the date of this Prospectus, the share capital of Allianz SE is EUR 1,168,640,000 divided into 456,500,000 registered no-par value shares (*Stückaktien*) with restricted transferability. Each share is entitled to one vote.

Form and Certification of the Shares / Consent to Transfer

All shares of Allianz SE are issued as registered shares with restricted transferability with no-par value (*Stückaktien*). The shares may only be transferred with the consent of Allianz SE. Allianz SE will only withhold its consent to a duly applied request if it deems this to be necessary in the interest of Allianz SE on exceptional grounds. Allianz SE will inform the applicant about the reasons leading to such refusal. ADEUS Aktienregister-Service-GmbH keeps the share register of Allianz SE. Registration of a shareholder in the share register is a prerequisite for the exercise of participation and voting rights during the general meeting.

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

TAXATION

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

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

U.S. Foreign Account Tax Compliance Withholding

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

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

Pursuant to FATCA, non-U.S. financial institutions through which payments on financial instruments are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2016 in respect of (i) financial instruments issued or materially modified on or after the later of (a) 1 July 2014, and (b) the date that is six months after the date on which the final regulations applicable to "foreign passthru payments" are filed in the Federal Register and (ii) financial instruments which are treated as equity for U.S. federal tax purposes, whenever issued. Under the existing guidance, this withholding tax may be triggered if (i) an issuer or paying agent as applicable, is a foreign financial institution ("**FFI**") (as defined in FATCA) which is obliged to provide certain information on its account holders (making the FFI, as applicable, a "**Participating FFI**" or if based in Germany a "**Reporting Model 1 FFI**"), (ii) the FFI is required to withhold on "foreign passthru payments", and (iii)(a) an investor does not provide information sufficient for the relevant FFI to determine whether the investor is subject to withholding under FATCA, or (b) any FFI to or through which payment on such financial instruments is made is not a Participating FFI or a Reporting Model 1 FFI or otherwise exempt from FATCA withholding.

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

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

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

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

Federal Republic of Germany

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

German tax residents holding Notes as private assets

Taxation of income from the Notes

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

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

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

The flat tax is generally collected by way of withholding (see subsequent paragraph – *Withholding tax*) and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Notes. If, however, no or not sufficient tax was withheld (e.g., in case there is no Domestic Paying Agent as defined below), the investor will have to include the income received with respect to the Notes in its annual income tax return. The flat tax will then be collected by way of tax assessment. The investor may also opt for inclusion of investment income in its income tax return if the aggregated amount of tax withheld on

investment income during the year exceeded the investor's aggregated flat tax liability on investment income (e.g., because of available losses carried forward or foreign tax credits). If the investor's individual income tax rate which is applicable on all taxable income including the investment income is lower than 25 per cent. the investor may opt to be taxed at individual progressive rates with respect to its investment income.

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

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

Withholding tax

If the Notes are kept or administered in a domestic securities deposit account with a German credit institution (*Kreditinstitut*) or financial services institution (*Finanzdienstleistungsinstitut*) (or with a German branch of a foreign credit or financial services institution), or with a German securities trading company (*Wertpapierhandelsunternehmen*) or with a German securities trading bank (*Wertpapierhandelsbank*) (each a "**Domestic Paying Agent**") which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor by way of withholding which, in the case of interest received after 31 December 2014, is provided for as a standard procedure unless the Noteholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

Capital gains from the sale or redemption of the Notes are also subject to the 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, if the Notes are kept or administered by a Domestic Paying Agent effecting the sale or redemption from the time of their acquisition. If the Notes were sold or redeemed after being transferred to a securities deposit account with another Domestic Paying Agent, 25 per cent. withholding tax (plus solidarity surcharge thereon) would be levied on 30 per cent. of the proceeds from the sale or the redemption, as the case may be, unless the investor or the previous depository bank was able and allowed to prove evidence for the investor's actual acquisition costs to the current Domestic Paying Agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor by way of withholding which, in the case of capital gains received after 31 December 2014, is provided for as a standard procedure unless the Noteholder has filed a blocking notice with the German Federal Central Tax Office.

German tax resident investors holding the Notes as business assets

Taxation of income from the Notes

If the Notes are held as business assets (*Betriebsvermögen*) by an individual or corporate investor which is tax resident in Germany (i.e., a corporation with its statutory seat or place of management in Germany), interest income and capital gains from the Notes are subject to personal income tax at individual progressive rates or corporate income tax (plus a 5.5 per cent. solidarity surcharge thereon and church tax, if applicable)

and, in general, trade tax. The effective trade tax rate depends on the applicable trade tax factor (*Gewerbesteuer-Hebesatz*) of the relevant municipality where the business is located. In case of individual investors the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances. Capital losses from the disposal or redemption of the Notes should generally be tax-recognised and may generally be offset against other income.

Withholding tax

If the Notes are kept or administered by a Domestic Paying Agent which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is generally levied on the interest payments. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor by way of withholding which, in the case of interest received after 31 December 2014, is provided for as a standard procedure unless the Noteholder has filed a blocking notice with the German Federal Central Tax Office.

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

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

Non-German tax resident investors

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

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

Inheritance tax and gift tax

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

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

Special regulations may apply to certain German expatriates.

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

Other taxes

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

Luxembourg

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

Withholding tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Noteholders and to certain so-called residual entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest) to Noteholders. There is also no Luxembourg withholding tax, subject to the exception of payments made to individual Noteholders and to certain so-called residual entities, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes to Noteholders.

Luxembourg non-resident individuals

Under the Luxembourg laws dated 21 June 2005, as amended, implementing the Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**", see subsequent paragraph – *EU Savings Income Tax*) and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union ("**EU**"), a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of an individual or certain "residual entities" resident or established in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or, in the case of an individual beneficiary, for the tax certificate procedure. "Residual entities" within the meaning of Article 4.2 of the Savings Directive are entities established in a Member State or in certain EU dependent or associated territories which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation and that are not and have not opted to be treated as a UCITS recognized in accordance with Council Directive 85/611/EEC, as replaced by Directive 2009/65/EC of the European Parliament and of the Council, or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands.

The current withholding tax rate is 35%. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent. The withholding tax system will only apply during a transitional period, the

ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

The Council of the European Union adopted certain amendments to the Savings Directive, which will, upon implementation, amend or broaden the scope of the requirements described above.

Luxembourg resident individuals

Pursuant to the Luxembourg law dated 23 December 2005 as amended by the law of 17 July 2008, interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg resident individuals or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with Council Directive 85/611/EEC, as replaced by Directive 2009/65/EC of the European Parliament and of the Council, or for the exchange of information regime) are subject to a 10% withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

European Initiative on Financial Transaction Tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax ("**FTT**"). According to the Draft Directive, the FTT shall be implemented in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia; the "**Participating Member States**"). The FTT as provided under the Draft Directive was originally scheduled to be applicable as of 1 January 2014.

Pursuant to the original proposal under the Draft Directive, the FTT shall be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (inter alia) primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue. Thus, the issuance of the Notes should not be subject to the FTT.

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

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

Nevertheless the FTT remains subject to negotiation between the Participating Member States and was (and most probably will be) the subject of legal challenge. It may still be adopted and be altered prior to its adoption, the timing of which remains unclear. Moreover, once any directive has been adopted (the "Directive"), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the Directive might deviate from the Directive itself. Finally, additional EU Member States may decide to participate. Prospective

holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

EU Savings Income Tax

On 3 June 2003 the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income (the "**Savings Directive**"). The Savings Directive is effective as from 1 July 2005. Under the Savings Directive each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State; however, Austria and Luxembourg may instead apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period has commenced on 1 July 2005 and terminates at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). In Germany, provisions for implementing the Savings Directive have been enacted by legislative regulations of the federal government (Zinsinformationsverordnung). These provisions apply as from 1 July 2005. Similar provisions may apply under agreements entered into pursuant to the Savings Directive in respect of interest payments made by persons within the jurisdiction of certain territories, not being Member States to individuals resident in Member States, and, in some cases, vice versa.

The Luxembourg government has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect as from 1 January 2015.

The Council of the European Union adopted certain amendments to the Savings Directive, which will, upon implementation, amend or broaden the scope of the requirements described above.

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

SUBSCRIPTION AND SALE

General

Pursuant to a subscription agreement dated 16 September 2014 (the "**Subscription Agreement**") among the Issuer and Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, HSBC Bank plc and Société Générale (together, the "**Joint Lead Managers**") and Banco Santander, S.A., Bayerische Landesbank, Crédit Agricole Corporate and Investment Bank and Landesbank Hessen-Thüringen Girozentrale (each a "**Co-Lead Manager**" and together with the Joint Lead Managers, the "**Managers**"), the Issuer has agreed to sell to the Managers, and the Managers have agreed, subject to certain customary closing conditions, to purchase, the Notes on 18 September 2014. The Issuer has furthermore agreed to pay certain commissions to the Managers and to reimburse the Managers for certain expenses incurred in connection with the issue of the Notes. Commissions may be payable by the Managers to certain third party intermediaries in connection with the initial sale and distribution of the Notes.

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

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

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

Selling restrictions

General

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

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

United States of America and its territories

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

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

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

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

United Kingdom

Each Manager has represented, warranted and agreed that:

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

Republic of Italy

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

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

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

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

GENERAL INFORMATION

1. **Documents available for inspection:** For so long as Notes are outstanding, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of each Paying Agent. In addition this Prospectus (together with any Supplement, if any) will be available in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu):
 - (i) the Articles of Association (*Satzung*) of Allianz SE;
 - (ii) this Prospectus; and
 - (iii) the documents specified in the section "Documents Incorporated by Reference" below.
2. **Authorisations:** The issue of Notes under the Programme by Allianz SE has been authorised by a resolution of the Board of Management of Allianz SE passed on 8 September 2014.
3. **Legend on Global Notes:** Each Global Note will bear the following legend:

"Neither this note nor any related guarantee in respect thereof has been or will be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold in the United States of America (including the states and the District of Columbia) or its territories or possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, U.S. persons, unless an exemption from the registration requirements of the Securities Act is available.

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

The Notes have the following securities codes:

ISIN:	DE000A13R7Z7
Common Code:	000111157464
German Securities Code (<i>WKN</i>):	A13R7Z
5. **Expenses of the issue:** The total expenses related to the admission to trading of the Notes are expected to amount to approximately € 25,000.
6. **Luxembourg listing and admission to trading:** Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market.
7. **Notices to Noteholders:** All notices regarding the Notes will be published in the Federal Gazette (to the extent required) and (so long as the Notes are listed on the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange on www.bourse.lu. The Issuer will be entitled to deliver all notices concerning the Notes to the Clearing Systems for communication by the Clearing Systems to the Holders.
8. **Yield:** For the subscribers, the yield of the Notes is 3.406 per cent. per annum, calculated on the basis of (i) the issue price and (ii) the assumption that the Notes will be called on the First Call Date. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) Method. Notwithstanding the above mentioned assumption, there is no assurance as to whether or

not the Notes will be actually called on the First Call Date. Therefore the yield realized by subscribers may be significantly lower.

DOCUMENTS INCORPORATED BY REFERENCE

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

Cross reference list

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

Information Incorporated by Reference	Reference
Allianz Group	
<i>Annual Report 2013</i>	
Business Operations and Markets	Page 49-55
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Consolidated Statements of Comprehensive Income	Page 129
Consolidated Statements of Changes in Equity	Page 130
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List of participations of the Allianz Group as of December 31, 2013 according to § 313(2) HGB	Pages 233-239
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Allianz Group	
<i>Annual Report 2012</i>	
Consolidated Balance Sheets	Page 219
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List of participations of the Allianz Group as of December 31, 2012 according to § 313(2) HGB	Pages 357-364
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Allianz Group	
<i>Unaudited Consolidated Interim Report for the Second Quarter and First Half Year of 2014</i>	
Consolidated Balance Sheets	Page 47
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Condensed Consolidated Statements of Cash Flows	Pages 51-52
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All of these pages shall be deemed to be incorporated in by reference, and to form part of, this Prospectus.

The non-incorporated parts of such documents, i.e. the pages not listed in the table above, are either not relevant for the investor or covered elsewhere in the Prospectus pursuant to Art 28.4 of the Commission Regulation (EC) 809/2004. This is in particular the case for the references in the Base Prospectus, dated 22 May 2014, which is incorporated by reference itself, relating to the Annual Reports of 2013 and 2012 of Allianz Group, as well as the references relating to the Annual Reports 2013 and 2012 of Allianz SE which are not incorporated by reference as they are already covered in this Prospectus. Copies of the documents which are incorporated herein by reference will be available free of charge from the specified offices of the Principal Paying Agent and the Luxembourg Paying Agent set out at the end of this Prospectus.

This Prospectus and the documents incorporated by reference are also available for viewing at www.bourse.lu.

Registered Offices of the Issuer

Allianz SE
Königinstrasse 28
D-80802 Munich
Germany

Fiscal Agent and Principal Paying Agent

Deutsche Bank Aktiengesellschaft
Grosse Gallusstrasse 10-14
D-60272 Frankfurt am Main
Germany

Joint Lead Managers

Citigroup Global Markets Limited

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

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

Commerzbank Aktiengesellschaft

Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Germany

Société Générale
29 boulevard Haussmann
75009 Paris
France

Co-Lead Managers

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

Bayerische Landesbank
Briennerstraße 18
80333 Munich
Germany

Crédit Agricole Corporate and Investment Bank

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

Landesbank Hessen-Thüringen Girozentrale

MAIN TOWER
Neue Mainzer Str. 52 – 58
60311 Frankfurt am Main
Germany

Auditors to Allianz SE

KPMG AG
Wirtschaftsprüfungsgesellschaft
Ganghoferstrasse 29
D-80339 Munich
Germany

Legal Advisers to the Managers as to German law

Linklaters LLP
Mainzer Landstrasse 16
D-60325 Frankfurt am Main
Germany