

Prospectus dated 24 October 2013



ALLIANZ SE

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

EUR 1,500,000,000 Undated Subordinated Fixed to Floating Rate Notes

Issue Price 99.953 per cent.

Allianz SE (the "**Issuer**"), will issue on 24 October 2013 (the "**Issue Date**") EUR 1,500,000,000 undated subordinated notes in a denomination of EUR 100,000 per Note (the "**Notes**") as Series 63 Tranche 1 under the € 25,000,000,000 Debt Issuance Programme of Allianz SE, Allianz Finance II B.V. and Allianz Finance III B.V. guaranteed by Allianz SE (the "**Programme**").

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

The Notes will bear interest from and including the 24 October 2013 (the "**Interest Commencement Date**") to but excluding 24 October 2023 (the "**First Call Date**") at a rate of 4.750 per cent. per annum, scheduled to be paid in arrear on 24 October of each year, commencing on 24 October 2014. Thereafter, unless previously redeemed, the Notes will bear interest at a rate of 3.60 per cent. per annum above the 3-months EURIBOR being the Euro-zone inter-bank offered rate for three-month Euro deposits, scheduled to be paid quarterly in arrear on 24 January, 24 April, 24 July and 24 October in each year (each a "**Floating Interest Payment Date**"), commencing on 24 January 2024.

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 or on any Floating Interest Payment Date thereafter, provided that on such date the Conditions to Redemption (as defined in the Terms and Conditions of the Notes) 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 relevant issue date (the "**Exchange Date**"), upon certification as to non-U.S. beneficial ownership. The Global Notes will be deposited prior to the issue date with Clearstream Banking AG, Frankfurt am Main ("**Clearstream Frankfurt**").

Joint Lead Managers

Citigroup

Commerzbank

Crédit Agricole CIB

Deutsche Bank

Co-Lead Managers

BayernLB

Helaba

**National Australia
Bank Limited**

**Société Générale
Corporate &
Investment
Banking**

SMBC Nikko

Responsibility statement

Allianz SE in its capacity as issuer (the "**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.

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 of Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank and Deutsche Bank AG, London Branch (together, the "**Joint Lead Managers**") and Bayerische Landesbank, Landesbank Hessen-Thüringen Girozentrale, National Australia Bank Limited, Société Générale and SMBC Nikko Capital Markets Limited (each a "**Co-Lead Manager**" and together with the Joint Lead Managers, the "**Managers**").

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

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus. This Prospectus identifies in general terms certain information that a prospective investor should consider prior to making an investment in the Notes. However, a prospective investor should conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in any Notes as any evaluation of the suitability for an investor of an investment in the Notes depends upon a prospective investor's particular financial and other circumstances, as well as on the specific terms of the Notes and, if it does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, it should consult its financial adviser 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 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 of the Notes 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 favorable 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 on-going global financial 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.

In addition, the assets and liabilities from a Group perspective are not necessarily matched in terms of interest rate duration. A change in prevailing interest rates may accordingly have a negative impact on the economic 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 the current 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 5.8% of the Allianz Group's financial assets as of 30 June 2013 (as of 31 December 2012: 5.6%), 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 have been particularly exposed to the uncertain current market conditions affecting the financial services sector generally. The Allianz Group has incurred significant impairments on the value of the securities and other financial assets that it holds and, until the global economic environment improves, there can be no assurance that the Allianz Group will not continue to do so.

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 2012 approximately 39.9% (fiscal year 2011: 38.4%) of the Allianz Group's gross premiums written in the Property-Casualty segment and 30.1% (fiscal year 2011: 29.9%) of the statutory premiums in the Life/Health segment originated in currencies other than the Euro. Furthermore, as of 31 December 2012, 64.6% (as of 31 December 2011: 63.2%) 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 AZ 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 exclude terrorist coverage from policies they write, this has not been possible in all cases, including as a result of legislative developments such as the Terrorism Risk Insurance Program Reauthorization Act in the United States. Furthermore, even if terrorism exclusions are permitted in the Allianz Group's primary insurance policies, there may still be liability for fires and other consequential damage claims that follow an act of terrorism itself. As a result the Allianz Group may have liability under primary insurance policies for acts of terrorism and may not be able to recover a portion or any of its losses from its reinsurers.

The Allianz Group cannot assess the future effects of terrorist attacks, potential ensuing military and other responsive actions, and the possibility of further terrorist attacks, on its businesses. Such matters have significantly adversely affected general economic, market and political conditions, increasing many of the risks in the Allianz Group's businesses noted in the previous risk factors. This may have a material negative effect on the Allianz Group's businesses and results of operations over time, in particular the value of the investments may be negatively affected by any market downturn after a terrorist attack.

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. Changes in existing laws and regulations, or in their interpretation by the authorities, may affect Allianz Group's tax burden and the way in which the Allianz Group companies conduct their business and the products they may offer. Changes in regulations relating to pensions and employment, social security, financial services including reinsurance business, taxation, securities products and transactions and consumer protection may materially adversely affect the Allianz Group's insurance, asset management and banking businesses by requiring the Allianz Group to restructure its activities, imposing increased costs or otherwise.

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.

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 also arise from financial reporting irregularities or compliance irregularities involving 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.

The Allianz Group is exposed to tax risks with respect to foreign account tax compliance.

The Allianz Group is exposed to significant liabilities under the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 and intergovernmental approaches relating to such provisions ("FATCA"). FATCA requires non-U.S. financial institutions including insurance companies like the Allianz Group to identify and report information on certain of its customers and certain holders of its debt and equity to a government authority in order to aid the combat of tax evasion by U.S. taxpayers on investments held outside the United States. FATCA imposes a 30 per cent. withholding tax on certain payments to non-U.S. financial institutions that do not comply with the identification and reporting requirements of FATCA. FATCA has not yet been fully developed and the future application of FATCA to the Allianz Group is uncertain. There are uncertainties with regard to the regulations that implement FATCA, which could lead to additional burdens including financial penalties and a decline in our reputation. The Allianz Group faces significant management and administrative challenges in complying with the identification and reporting requirements of FATCA. If, despite its significant group-wide efforts, the Allianz Group is found to not have successfully complied with FATCA, then such non-compliance could materially affect our results of operations and financial condition.

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 2012, the Allianz Group has recorded goodwill in an aggregate amount of EUR 11,679 million, of which EUR 6,937 million related to its asset management business, EUR 4,339 million related to its insurance business and EUR 403 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 89 million were recorded for goodwill in fiscal year 2012.

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 through impairments, which could materially adversely affect results of operations. No material impairments were recorded for DAC in fiscal year 2012.

As of 31 December 2012, the Allianz Group reported deferred tax assets of EUR 1,270 million. The deferred tax assets before netting with deferred tax liabilities amounted to EUR 13,139 million. EUR 1,834 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 articles of association 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 breakdown 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:

- (i) 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;
- (ii) 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;
- (iii) 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;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) are able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate 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 it 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 of the Notes).

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*), and (iii) subordinated obligations ranking at least *pari passu* with the Issuer's legally subordinated obligations pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*), and (iv) subordinated obligations required to be preferred by 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 relation to any other existing and future subordinated obligations of the Issuer that are expressed to rank behind all of the Issuer's unsubordinated obligations but are not expressed to rank behind all of the Issuer's (x) obligations subordinated by operation of law pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*), and (y) subordinated obligations ranking at least *pari passu* with the Issuer's legally subordinated obligations pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*) (and where the contractual provisions do not provide for any other ranking), there are good arguments that the default provision of § 39(2) of the German Insolvency Code (*Insolvenzordnung*) would apply, pursuant to which all contractually subordinated claims against the relevant insolvent debtor rank behind the claims referred to in § 39(1) of the German Insolvency Code (*Insolvenzordnung*) unless the contractual provisions provide otherwise. However, if a competent court were to find § 39(2) of the German Insolvency Code (*Insolvenzordnung*) inapplicable in relation to one or several of such existing and future subordinated obligations of the Issuer (e.g., because it finds that the parties to the relevant agreement have agreed that they rank *pari passu* with, or senior to, the obligations subordinated by operation of law pursuant to § 39(1) of the German Insolvency Code (*Insolvenzordnung*)), this may result in such obligations to rank prior to the obligations of the Issuer under the Notes and, hence, the relevant creditors may receive a portion of the insolvency dividend which exceeds the one received by the Noteholder (if any insolvency dividend is paid to subordinated creditors at all).

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 the rating methodology 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 on any Floating Interest Payment Date 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, 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 of the Notes if (i) a corresponding payment would result in, or accelerate, the occurrence of an Insolvency Event; or (ii) there is in effect on such date an order of the Competent Supervisory Authority prohibiting the Issuer in accordance with regulations applicable at such time from making payments under the Notes; or (iii) a Solvency Capital Event either has occurred on or prior to such date and is continuing on such date or would be caused by the payment by the Issuer of interest and/or Arrears of Interest on the relevant date, unless on or prior to such day the Competent Supervisory Authority has given, and not withdrawn by such day, its prior consent to the payment of the relevant interest and Arrears of Interest, respectively (to the extent it may give such prior consent in accordance with the Applicable Supervisory Regulations).

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 of the Notes, 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 of the Notes.

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 of the Notes 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 of the Notes provide that interest payments must be deferred (subject to limited exceptions further described in the Terms and Conditions of the Notes), 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.

Although the Solvency 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 on 17 December 2009, as amended from time to time, 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.

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 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.

No limitation on issuing further debt and guarantees

There is no restriction on the amount of debt which the Issuer may issue ranking equal or senior to the obligations under or in connection with the Notes and there is no restriction on the amount of debt or guarantees which the Issuer may issue ranking equal 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 such Notes may fall because of changes in the market yield. While the nominal interest rate (i.e. the coupon) of the Notes is fixed until, but excluding, the First Call Date, the market yield typically changes on a daily basis. As the market yield changes, the price of the Notes changes in the opposite direction. If the market yield increases, the price of the Notes typically falls. If the market yield falls, the price of the Note typically increases. Noteholders should be aware that movements of the market yield can adversely affect the price of the Notes and can lead to losses for the Noteholders.

Noteholders should also be aware that the market yield has two components, namely the risk free rate and the credit spread. The credit spread is reflective of the yield that investors require in addition to the yield on a risk free investment of equal tenor as a compensation for the risks inherent in the Notes. The credit spread changes

over time and can decrease as well as increase for a large number of different reasons. The market yield of the Notes can change due to changes of the credit spread, the risk free rate, or both.

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.

Floating Rate Interest

From and including the First Call Date the Notes bear interest at a rate per annum equal to the rate for deposits in euro for the 3 months plus a margin of 3.60 per cent. per annum.

The interest income on floating rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of floating rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having fixed interest rates. Investors are exposed to the risk that market interest rates decline.

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 of the Notes to amendments of the Terms and Conditions of the Notes 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 current 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 non-performance of the Notes. 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**").

Pursuant to 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. Among others, FTT shall however not be payable on 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.

The rates for the FTT shall be fixed by each Participating Member State but shall amount for transferrable securities to at least 0.1% of the taxable amount. The taxable amount 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. Where the FTT due has not been paid timely, 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.

On this basis in particular the sale, purchase and exchange of the Notes will be subject to the FTT at a minimum rate of 0.1% provided the abovementioned prerequisites are met. To the contrary, the issuance of the Notes under the Programme should likely not be subject to FTT.

The Draft Directive remains subject to negotiations among the Participating Member States and is the subject of legal challenge. It may therefore be altered prior to its adoption, the timing of which remains unclear. Moreover, the provision of the Draft Directive once adopted (the "Directive") 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 provisions contained in it. Finally, additional EU Member States may decide to participate. Prospective Noteholders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing, purchasing, holding and disposing 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 80; 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).

EU Savings Tax Directive

Under measures implemented in order to comply with European Union Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest and other similar income paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period (the ending of which depends on the conclusion of certain other agreements relating to information exchange with certain other countries), Austria, Belgium and Luxembourg are instead required (unless during that period they elect otherwise as Belgium has done) to operate a withholding system in relation to such payments. 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.

A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland). If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

U.S. Foreign Account Tax Compliance Withholding

Whilst the Notes are in global form and held within Euroclear, Clearstream, Frankfurt or Clearstream, Luxembourg (together, the "ICSDs"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs (see Taxation—U.S. Foreign Account Tax Compliance Withholding). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment 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 its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment 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. 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 Issuers, the Guarantor, any paying agent or any other person would, pursuant to the Terms and Conditions of the Notes 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.

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 am 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 Einzelurkunden 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 eigenhandigen Unterschriften von zwei Vertretungsberechtigten der Emittentin sowie die eigenhandige Unterschrift eines Kontrollbeauftragten des Fiscal Agent.

- (d) *Anleiheglaubiger.* Den Inhabern von Schuldverschreibungen ("**Anleiheglaubiger**") stehen Miteigentumsanteile oder vergleichbare andere Rechte an der Globalurkunde zu, die gema anwendbarem Recht und den Bestimmungen und Regeln des Clearingsystems ubertragen werden konnen.

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

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

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

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

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

"Vorrangige Verbindlichkeiten der Emittentin" bezeichnet:

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

§ 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 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.

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.

§ 3 Zinsen

§ 3.1 Verzinsung

- (a) *Festzins.*

- (i) Ab dem 24. Oktober 2013 (einschließlich) (der "**Zinslaufbeginn**") bis zum 24. Oktober 2023 (der "**Erste Kündigungstag**") (ausschließlich) wird jede Schuldverschreibung bezogen auf ihren Festgelegten Nennbetrag mit jährlich 4,750 % verzinst.

Bis zum Ersten Kündigungstag (einschließlich) sind die Zinsen nachträglich an dem 24. Oktober eines jeden Jahres, beginnend am 24. Oktober 2014 (jeweils ein "**Festzins-Zinszahlungstag**"), zur Zahlung vorgesehen und werden gemäß § 3.2 und § 3.3 fällig.

- (ii) Die Zinsen für einen beliebigen Zeitraum bis zum Ersten Kündigungstag (ausschließlich) werden auf der Grundlage des Festzins-Zinstagequotienten berechnet.

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

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

- (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 Interest

§ 3.1 Interest Rate

- (a) *Fixed Interest.*

- (i) From and including 24 October 2013 (the "**Interest Commencement Date**") to but excluding 24 October 2023 (the "**First Call Date**") each Note bears interest on its Specified Denomination at a rate of 4.750 per cent. per annum.

Until and including the First Call Date interest is scheduled to be paid in arrear on 24 October of each year, commencing on 24 October 2014 (each a "**Fixed Interest Payment Date**"), and will be due and payable (*fällig*) in accordance with the conditions set forth in § 3.2 and § 3.3.

- (ii) Interest for any period of time to but excluding the First Call Date will be calculated on the basis of the Fixed Day Count Fraction.

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

- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

und

- (B) wenn der Zinsberechnungszeitraum länger als eine Feststellungsperiode ist, die Summe aus
- (I) der Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in der der Zinsberechnungszeitraum beginnt, dividiert durch das Produkt aus (1) der Anzahl der Tage in der betreffenden Feststellungsperiode und (2) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden; und
- (II) die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum, die in die nachfolgende Feststellungsperiode fallen, dividiert durch das Produkt aus (1) der Anzahl der Tage in der betreffenden Feststellungsperiode und (2) der Anzahl der Feststellungsperioden, die üblicherweise in einem Jahr enden.
- (B) if the Calculation Period is longer than one Determination Period, the sum of:
- (I) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (II) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

Dabei gilt folgendes:

"Feststellungsperiode" bezeichnet jede Periode ab einem Feststellungstermin (einschließlich), der in ein beliebiges Jahr fällt, bis zum nächsten Feststellungstermin (ausschließlich).

"Feststellungstermin" bezeichnet jeden 24. Oktober.

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

(b) *Variabler Zins.*

(i) *Variable Zinszahlungstage.*

(A) Jede Schuldverschreibung wird bezogen auf ihren festgelegten Nennbetrag ab dem ersten Kündigungstag (einschließlich) bis zum ersten Variablen Zinszahlungstag (ausschließlich) und danach von jedem Variablen Zinszahlungstag (einschließlich) bis zum nächstfolgenden Variablen Zinszahlungstag (ausschließlich) mit einem jährlichen Satz, der dem Variablen Zinssatz (wie nachstehend definiert) entspricht, verzinst. Während eines jeden solchen Zeitraums sind die Zinsen nachträglich an jedem Variablen

Where:

"Determination Period" means each period from and including a Determination Date in any year to but excluding the next Determination Date.

"Determination Date" means each 24 October.

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

(b) *Floating Rate Interest.*

(i) *Floating Interest Payment Dates.*

(A) Each Note bears interest on its Specified Denomination at the rate per annum equal to the Floating Rate of Interest from and including the First Call Date to but excluding the first Floating Interest Payment Date and thereafter from and including each Floating Interest Payment Date to but excluding the next following Floating Interest Payment Date. During each such period interest is scheduled to be paid in arrear on each Floating Interest Payment Date and will be due and payable (*fällig*) in accordance with the conditions set forth in § 3.2 and § 3.3. The amount

Zinszahlungstag zur Zahlung vorgesehen und werden gemäß § 3.2 und § 3.3 fällig. Der zur Zahlung vorgesehene variable Zinsbetrag wird gemäß § 3.1(d) berechnet.

of floating interest scheduled to be paid shall be determined in accordance with § 3.1(d).

- (B) **"Variabler Zinszahlungstag"** bezeichnet, vorbehaltlich der Variablen Geschäftstagekonvention, 24. Januar, 24. April, 24. Juli und 24. Oktober eines jeden Jahres. Der erste Variable Zinszahlungstag ist, vorbehaltlich der Variablen Geschäftstagekonvention, der 24. Januar 2024.
- (B) **"Floating Interest Payment Date"** means, subject to the Floating Business Day Convention, 24 January, 24 April, 24 July and 24 October in each year. The first Floating Interest Payment Date will be 24 January 2024, subject to the Floating Business Day Convention.
- (C) **"Variable Geschäftstagekonvention"** hat die folgende Bedeutung: Fällt ein Variabler Zinszahlungstag auf einen Tag, der kein Geschäftstag (wie nachstehend definiert) ist, so wird der Variable Zinszahlungstag auf den nächstfolgenden Geschäftstag verschoben, es sei denn, jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Variable Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.
- (C) **"Floating Business Day Convention"** has the following meaning: If any Floating Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), the Floating Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Floating Interest Payment Date shall be brought forward to the immediately preceding Business Day.
- (ii) *Variabler Zinssatz.* Der **"Variable Zinssatz"** für jede Variable Zinsperiode (wie nachstehend definiert) ist der Zinssatz per annum, der dem Variablen Referenzsatz (wie nachstehend definiert) zuzüglich der Marge entspricht.
- (ii) *Floating Rate of Interest.* The **"Floating Rate of Interest"** for each Floating Interest Period (as defined below) will be a rate per annum equal to the Floating Reference Rate (as defined below) plus the Margin.
- (c) *Definitionen.* In diesen Anleihebedingungen gilt folgendes:
- (c) *Definitions.* In these Terms and Conditions:
- "Bildschirmseite"** bezeichnet Reuters Bildschirmseite EURIBOR01 oder eine andere Bildschirmseite von Reuters oder von einem anderen Informationsanbieter als Nachfolger, welche die Reuters Bildschirmseite EURIBOR01 ersetzt.
- "Screen Page"** means Reuters screen page EURIBOR01 or such other screen page of Reuters or such other information service which is the successor to Reuters screen page EURIBOR01.
- "Euro-Zone"** bezeichnet das Gebiet derjenigen Mitgliedstaaten der Europäischen Union, die gemäß dem Vertrag über die Gründung der Europäischen Gemeinschaft (unterzeichnet in Rom am 25. März 1957), geändert durch den Vertrag über die Europäische Union (unterzeichnet in Maastricht am 7. Februar 1992) und den Amsterdamer Vertrag vom 2. Oktober 1997, in seiner jeweiligen Fassung, eine einheitliche Währung eingeführt haben oder jeweils eingeführt haben werden.
- "Euro-zone"** means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992) and the Amsterdam Treaty of 2 October 1997, as further amended from time to time.
- "Geschäftstag"** bezeichnet einen Tag (außer einem Samstag oder Sonntag), (i) an dem das Clearingsystem und (ii) alle betroffenen Bereiche des Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) geöffnet sind, um Zahlungen abzuwickeln.
- "Business Day"** means a day which is a day (other than a Saturday or a Sunday) on which both (i) the Clearing System and (ii) all relevant parts of the Trans-European Automated Real-time Gross settlement Express Transfer system 2 (TARGET) are open to effect payments.
- "Marge"** bezeichnet 3,60 % per annum.
- "Margin"** means 3.60 per cent. per annum.
- "Referenzbanken"** bezeichnet die Hauptniederlassungen von vier von der Berechnungsstelle ausgewählten großen Banken im Interbankenmarkt der Euro-Zone.
- "Reference Banks"** means the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent.

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

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

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

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

Falls an dem betreffenden Zinsfestsetzungstag nur eine oder keine der Referenzbanken der Berechnungsstelle die im vorstehenden Absatz beschriebenen Angebotssätze nennt, ist der Variable Referenzsatz für die betreffende Variable Zinsperiode der Satz *per annum*, den die Berechnungsstelle als das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Sätze ermittelt, die von der Berechnungsstelle nach Treu und Glauben ausgewählte Großbanken im Interbankenmarkt der Euro-Zone um ca. 11.00 Uhr (Brüsseler Ortszeit) der Berechnungsstelle auf ihre Anfrage als den jeweiligen Satz nennen, zu dem sie an dem betreffenden Zinsfestsetzungstag Darlehen in Euro für die betreffende Zinsperiode und über einen Repräsentativen Betrag gegenüber führenden europäischen Banken anbieten.

Falls der Variable Referenzsatz nicht gemäß den vorstehenden Bestimmungen ermittelt werden kann, ist der Variable Referenzsatz der Angebotssatz oder das arithmetische Mittel (falls erforderlich, auf- oder abgerundet auf das nächste Tausendstel Prozent, wobei 0,0005 aufgerundet wird) der Angebotssätze auf der Bildschirmseite an dem letzten Tag vor dem Zinsfestsetzungstag, an dem diese Angebotssätze angezeigt wurden.

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

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

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

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

If on the relevant Interest Determination Date only one or none of the selected Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Floating Reference Rate for the relevant Floating Interest Period shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates, as communicated at approximately 11:00 a.m. (Brussels time) to (and at the request of) the Calculation Agent by major banks in the Euro-Zone interbank market, selected by the Calculation Agent acting in good faith, at which such banks offer, on the relevant Interest Determination Date, loans in euro for the relevant Floating Interest Period and in a Representative Amount to leading European banks.

If the Floating Reference Rate cannot be determined in accordance with the foregoing provisions, the Floating Reference Rate shall be the offered quotation or the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the offered quotations on the Screen Page on the last day preceding the Interest Determination Date on which such quotations were offered.

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

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

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

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

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

Die Berechnungsstelle wird zu oder baldmöglichst nach jedem Zeitpunkt, an dem der Variable Zinssatz zu bestimmen ist, den auf die Schuldverschreibungen zur Zahlung vorgesehenen variablen Zinsbetrag bezogen auf jeden festgelegten Nennbetrag (der "**Variable Zinsbetrag**") für die entsprechende Variable Zinsperiode berechnen. Der Variable Zinsbetrag wird ermittelt, indem der Variable Zinssatz und der Variable Zinstagequotient (wie nachstehend definiert) auf jeden festgelegten Nennbetrag angewendet werden, wobei der resultierende Betrag auf den nächsten 0,01 Euro auf- oder abgerundet wird, wobei 0,005 Euro aufgerundet werden.

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

- (e) *Bekanntmachung durch die Berechnungsstelle.*

Die Berechnungsstelle wird veranlassen, dass der Variable Zinssatz, der Variable Zinsbetrag für die jeweilige Variable Zinsperiode, die jeweilige Variable Zinsperiode und der relevante Variable Zinszahlungstag der Emittentin und den Anleihegläubigern durch Bekanntmachung gemäß § 10 und jeder Börse, an der die betreffenden Schuldverschreibungen zu diesem Zeitpunkt notiert sind und deren Regeln eine Mitteilung an die Börse verlangen, unverzüglich, aber keinesfalls später als zu Beginn der jeweiligen Variablen Zinsperiode bekannt gemacht werden. Im Fall einer Verlängerung oder Verkürzung der Variablen Zinsperiode können der mitgeteilte Variable Zinsbetrag und Variable Zinszahlungstag ohne Vorankündigung nachträglich angepasst (oder andere geeignete Anpassungsregelungen getroffen) werden. Jede solche Anpassung wird umgehend allen maßgeblichen Börsen, an denen die Schuldverschreibungen zu diesem Zeitpunkt notiert sind, sowie den Anleihegläubigern gemäß § 10 bekannt gemacht.

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

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

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

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

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

The Calculation Agent will, on or as soon as practicable after each date at which the Floating Rate of Interest is to be determined, calculate the amount of floating interest (the "**Floating Interest Amount**") scheduled to be paid on the Notes in respect of each Specified Denomination for the relevant Floating Interest Period. Each Floating Interest Amount shall be calculated by applying the Floating Rate of Interest and the Floating Day Count Fraction (as defined below) to each Specified Denomination and rounding the resulting figure to the nearest 0.01 euro, 0.005 euro being rounded upwards.

"**Floating Day Count Fraction**" means, in respect of the calculation of an amount of floating 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) (whether or not constituting a Floating Interest Period, the "**Calculation Period**") the actual number of days in the Calculation Period divided by 360 (actual/360).

- (e) *Publication by the Calculation Agent.*

The Calculation Agent will cause the Floating Rate of Interest, each Floating Interest Amount for each Floating Interest Period, each Floating Interest Period and the relevant Floating Interest Payment Date to be notified to the Issuer and to the Noteholders by notice in accordance with § 10 and, if required by the rules of any stock exchange on which the Notes are from time to time listed, to such stock exchange, without undue delay, but in no event later than the first day of the relevant Floating Interest Period. Each Floating Interest Amount and Floating Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Interest Period. Any such amendment will be promptly notified to any relevant stock exchange on which the Notes are then listed and to the Noteholders in accordance with § 10.

(f) *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 nach § 3.2(a)(iii) vorliegt.

(ii) Wenn in den letzten 6 Monaten vor dem betreffenden Zinszahlungstag kein Dividendenereignis (wie nachstehend definiert) eingetreten ist, werden diese Zinsen an diesem Zinszahlungstag fällig, sofern kein Pflichtaussetzungsereignis nach § 3.2(a)(iii) 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

(f) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3.1 by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agents and the Noteholders.

§ 3.2 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 pursuant to § 3.2(a)(iii) has occurred.

(ii) If during the six months before the relevant Interest Payment Date no Dividend Payment Event (as defined below) has occurred, the interest will be due and payable (*fällig*) on such Interest Payment Date, provided that no Compulsory Deferral Event pursuant to § 3.2(a)(iii) has occurred, 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.

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 Empfehlungen der Europäischen Aufsichtsbehörde für das Versicherungswesen und die betriebliche Altersversorgung, der Verwaltungspraxis der Zuständigen Aufsichtsbehörde und einschlägiger Gerichtsentscheidungen), die hinsichtlich der Solo-Solvabilität und der Gruppen-Solvabilität der Emittentin 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 eine Zahlung von Zinsen, Zinsrückständen oder Kapital 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 oder Zinsrückständen gemäß diesen Anleihebedingungen vorgesehen sind, eingetreten, wenn

- (i) eine entsprechende Zahlung zu einem Insolvenzereignis führen oder dessen Eintritt beschleunigen würde; oder
- (ii) an dem betreffenden Tag eine Anordnung der Zuständigen Aufsichtsbehörde in Kraft ist, die der Emittentin im Rahmen der dann anwendbaren gesetzlichen Bestimmungen untersagt, Zahlungen auf die Schuldverschreibungen zu leisten; oder
- (iii) an oder vor diesem Tag ein

- (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 Pensions Authority, the administrative practice of the Competent Supervisory Authority and any applicable decision of a court) for single solvency and group solvency purposes of the Issuer.

"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 a payment of interest or Arrears of Interest or principal 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 or Arrears of Interest is scheduled to be paid under these Terms and Conditions if

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

Solvenzkapitalereignis entweder eingetreten ist und an dem betreffenden Tag fort dauert oder durch die Zahlung von Zinsen und/oder Zinsrückständen durch die Emittentin an dem betreffenden Tag eintreten würde, es sei denn, die Zuständige Aufsichtsbehörde hat trotz Solvenzkapitalereignis an oder vor diesem Tag ihre vorherige Zustimmung zur Zahlung der betreffenden Zinsen bzw. Zinsrückstände erteilt und ihre Zustimmung bis zu diesem Tag nicht widerrufen.

"**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 "**Solvenzkapitalereignis**" ist eingetreten

- (i) bevor die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, falls die Emittentin oder die Gruppe der Emittentin nicht über ausreichende Mittel zur Deckung der geforderten Mindest-Solvabilitätsspanne (oder einem entsprechenden Begriff nach einer Änderung anzuwendender Vorschriften) verfügen, wie sie nach den Anwendbaren Aufsichtsrechtlichen Vorschriften oder nach den Vorschriften für Finanzkonglomerate vorgeschrieben sind; und
- (ii) nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, falls die Eigenmittel (unabhängig von der im Rahmen der Umsetzung der Solvency II Richtlinie gewählten Bezeichnung) der Emittentin oder der Gruppe der Emittentin nicht ausreichen, um die geltenden Solvenzkapitalanforderungen (unabhängig von der im Rahmen der Umsetzung der Solvency II Richtlinie gewählten Bezeichnung) gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften oder gemäß den Vorschriften für Finanzkonglomerate abzudecken, und 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 zwar 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,

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 on or prior to such day the Competent Supervisory Authority has, despite the Solvency Capital Event, given, and not withdrawn by such day, its prior consent to the payment of the relevant interest and Arrears of Interest, respectively.

"**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) 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 course of the implementation of the Solvency II Directive) of the Issuer or the Issuer's group is not sufficient to cover the relevant solvency capital requirement pursuant to the Applicable Supervisory Regulations or pursuant to the regulation for financial conglomerates (howsoever described in the course of the implementation of the Solvency II Directive) and 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 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

aufsichtsrechtliches Tier 1 Kapital (unabhängig von der im Rahmen der Umsetzung der Solvency II Richtlinie gewählten Bezeichnung).

"**Tier 2 Kapital**" bezeichnet, nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, aufsichtsrechtliches Tier 2 Kapital (unabhängig von der im Rahmen der Umsetzung der Solvency II Richtlinie 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 Schuldverschreibungen zwar 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

(howsoever described in the course of the implementation of the Solvency II Directive).

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

§ 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 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.

einbezogen werden.

- (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(c)(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 am 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 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

- (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(c)(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.

- (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

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) oder § 4(c) nicht zurückgezahlt.
- (b) *Rückzahlung nach Wahl der Emittentin.* Die Emittentin ist berechtigt, durch Kündigungserklärung gemäß § 4(e) und vorbehaltlich der Erfüllung der Rückzahlungsbedingungen (wie nachstehend definiert), die Schuldverschreibungen (insgesamt und nicht nur teilweise) erstmals mit Wirkung zum Ersten Kündigungstag und danach mit Wirkung zu jedem Variablen Zinszahlungstag zu kündigen. Die Rückzahlung steht auch nach einer Kündigungserklärung unter dem Vorbehalt der Erfüllung der Rückzahlungsbedingungen an dem in der Kündigungserklärung gemäß § 4(e) für die Rückzahlung festgelegten Tag. Sind die Rückzahlungsbedingungen an diesem Tag erfüllt, ist die Emittentin verpflichtet, die Schuldverschreibungen am festgelegten Rückzahlungstag zum Rückzahlungsbetrag (wie nachstehend definiert) zurückzuzahlen.
- (c) *Rückzahlung nach Eintritt eines Gross up-Ereignisses, eines Steuerereignisses, eines Aufsichtsrechtlichen Ereignisses, eines Rechnungslegungseignisses oder eines Ratingagenturereignisses.*
- (i) **Gross-up-Ereignis.**

Wenn vor dem Ersten Kündigungstag ein Gross-up-Ereignis (wie nachstehend definiert) eintritt, ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit (insgesamt und nicht nur teilweise) durch Kündigungserklärung gemäß § 4(e) und vorbehaltlich der Erfüllung der Rückzahlungsbedingungen (wie nachstehend definiert) mit Wirkung zu dem in der Kündigungserklärung gemäß § 4(e) für die Rückzahlung festgelegten Tag zu kündigen. Die Rückzahlung steht auch nach einer Kündigungserklärung unter dem Vorbehalt der Erfüllung der Rückzahlungsbedingungen an dem in der Kündigungserklärung gemäß § 4(e) für die

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) or § 4(c).
- (b) *Redemption at the option of the Issuer.* The Issuer may, upon giving a call notice in accordance with § 4(e) and subject to the Conditions to Redemption (as defined below) 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 thereafter with effect as of each Floating Interest Payment Date. Even if such call notice is given, the redemption is subject to the Conditions to Redemption being fulfilled on the date fixed for redemption in the notice pursuant to § 4(e). 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 specified redemption date.
- (c) *Redemption following a Gross up Event, a Tax Event, a Regulatory Event, an Accounting Event or a Rating Agency Event.*
- (i) **Gross up Event.**

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

Rückzahlung festgelegten Tag. Sind die Rückzahlungsbedingungen an diesem Tag erfüllt, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem in der Bekanntmachung festgelegten Kündigungstag 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.

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 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.

- (ii) Steuerereignis, Aufsichtsrechtliches Ereignis, Rechnungslegungsereignis oder Ratingagenturereignis.

Wenn vor dem Ersten Kündigungstag ein Steuerereignis, ein Aufsichtsrechtliches Ereignis, ein Rechnungslegungsereignis oder ein Ratingagenturereignis (jeweils wie nachstehend definiert) eintritt, ist die Emittentin berechtigt, die Schuldverschreibungen jederzeit (insgesamt und nicht nur teilweise) durch Kündigungserklärung gemäß § 4(e) und vorbehaltlich der Erfüllung der Rückzahlungsbedingungen mit Wirkung zu dem in der Kündigungserklärung gemäß § 4(e) für die Rückzahlung festgelegten Tag zu kündigen. Jedoch ist die Emittentin im Falle des Eintritts eines Rechnungslegungsereignisses oder eines Ratingagenturereignisses nicht zur Kündigung berechtigt, wenn die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist und ein solches Kündigungsrecht die Einbeziehung der Schuldverschreibung in

the redemption date specified in the notice.

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

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, 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.

- (ii) Tax Event, Regulatory Event, Accounting Event or Rating Agency Event.

If prior to the First Call Date a Tax Event, Regulatory Event, Accounting Event or Rating Agency Event (each as defined below) occurs, the Issuer may call and redeem the Notes (in whole but not in part) at any time on giving a call notice in accordance with § 4(e) and subject to the Conditions to Redemption being fulfilled, with effect as of the date fixed for redemption in the notice pursuant to § 4(e). However, there shall be no right to call the Notes for redemption upon the occurrence of an Accounting Event or a Rating Agency Event if the Solvency II Directive has become part of the Applicable Supervisory Regulations and such redemption right would prevent the inclusion of the Notes in the determination of the own funds of the Issuer or the Issuer's group at least as Tier 2 Capital or their qualification as Tier 2 Capital under the Applicable Supervisory Regulations. Even if such call notice is

die Berechnung der Eigenmittel der Emittentin oder der Gruppe der Emittentin mindestens als Tier 2 Kapital oder deren Qualifikation als Tier 2 Kapital nach den Anwendbaren Aufsichtsrechtlichen Vorschriften verhindert. Die Rückzahlung steht auch nach einer Kündigungserklärung unter dem Vorbehalt der Erfüllung der Rückzahlungsbedingungen an dem in der Kündigungserklärung gemäß § 4(e) für die Rückzahlung festgelegten Tag. Sind die Rückzahlungsbedingungen an diesem Tag erfüllt, ist die Emittentin verpflichtet, die Schuldverschreibungen an dem festgelegten Kündigungstag 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 entfällt.

Die Bekanntmachung der Rückzahlung hat den Rückzahlungstag festzulegen sowie die Tatsachen anzugeben, die das Kündigungsrecht der Emittentin begründen.

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 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 Schuld-

given, the redemption is subject to the Conditions to Redemption being fulfilled on the date fixed for redemption in the notice pursuant to § 4(e). 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 may be given earlier than 90 days prior to the date, on which the deductibility of interest falls away.

The notice of redemption must state the specified redemption date and the facts which establish the right of the Issuer to redeem the Notes.

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 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 the inclusion in

verschreibungen (insgesamt oder teilweise) nicht länger die Anforderungen für die Einbeziehung in die Berechnung der Eigenmittel für Zwecke der Ermittlung der Solo-Solvabilität oder der Gruppen-Solvabilität 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 Feststellung erfüllt hatten; oder

- (B) es, nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, gemäß den Anwendbaren Aufsichtsrechtlichen Vorschriften zulässig ist, für Eigenmittelzwecke der Emittentin oder der Gruppe der Emittentin Tier 2 Kapital vorzuhalten, und 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 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 die Verbindlichkeiten aus den Schuldverschreibungen zur Zahlung des Kapitals in dem nach Maßgabe der Anwendbaren Rechnungslegungsvorschriften aufgestellten Konzernjahresabschluss der

the determination of the own funds for single solvency or group solvency purposes of the Issuer, 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

- (B) upon the Solvency II Directive becoming part of the Applicable Supervisory Regulations, it is permitted under the Applicable Supervisory Regulations to use Tier 2 Capital for regulatory capital purposes of the Issuer or the Issuer's group, and 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 the inclusion in the determination of the 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, 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 for purposes of the

Emittentin nicht bzw. nicht mehr als Verbindlichkeiten 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:

"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 in Kraft tretenden Änderung 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 verschlechtert.

- (d) **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
 - (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, dass die Zuständige Aufsichtsbehörde trotz Solvenzkapitalereignis ihre vorherige Zustimmung zur Zahlung des Rückzahlungsbetrages bzw. zu dem Rückkauf erteilt und bis zu

Issuer's published consolidated annual financial statements and this cannot be avoided by the Issuer taking such measures it (acting in good faith) deems reasonable and appropriate. Where:

"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 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 amendment 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.

- (d) **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) 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 the Competent Supervisory Authority has 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

- diesem Tag nicht widerrufen hat;
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 (falls ein solcher Zustimmungsvorbehalt 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, oder, in dem Fall einer Rückzahlung aufgrund eines Aufsichtsrechtlichen Ereignisses, ein solcher Zustimmungsvorbehalt unmittelbar vor dessen Eintritt erforderlich war); und
- (D) im Falle einer Rückzahlung bzw. 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, oder, in dem Fall einer Rückzahlung aufgrund eines Aufsichtsrechtlichen Ereignisses, ein solcher Ersetzungsvorbehalt unmittelbar vor dessen Eintritt erforderlich war).
- (e) *Bekanntmachung der Rückzahlung.* Die Emittentin kann ein Recht zur Rückzahlung gemäß § 4(b) oder § 4(c) durch eine Bekanntmachung an die Anleihegläubiger gemäß § 10 unter Einhaltung einer Frist von nicht weniger als 30 und nicht mehr als 60 Tagen ausüben.
- (f) *Rückzahlungsbetrag.* "**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.
- (g) *Keine Rückzahlung nach Wahl des Anleihegläubigers.* Die Anleihegläubiger sind zu keinem Zeitpunkt berechtigt, von der Emittentin eine Rückzahlung der Schuldverschreibungen zu verlangen.
- Solvency Capital Event; and
- (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 (if under the Applicable Supervisory Regulations such consent 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), or, in the case of a redemption following a Regulatory Event, such consent had been required immediately before such Regulatory Event occurred); and
- (D) in the event of a redemption or the 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), or, in the case of a redemption following a Regulatory Event, such replacement had been required immediately before such Regulatory Event occurred).
- (e) *Notification of Redemption.* The Issuer will give not less than 30 nor more than 60 days' notice to the Noteholders in accordance with § 10 of any redemption pursuant to § 4(b) or § 4(c).
- (f) *Redemption Amount.* "**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).
- (g) *No redemption at the option of a Noteholder.* The Noteholders shall not be entitled to put the Notes for redemption at any time.

- (h) *Rückkauf.*
- (i) Die Emittentin und jede Tochtergesellschaft der Emittentin können jederzeit, vorbehaltlich zwingender gesetzlicher Regelungen und (außer unter den nachstehend in § 4(h)(ii) aufgeführten Umständen) vorbehaltlich der Erfüllung der Rückzahlungsbedingungen am Tag des Erwerbs, Schuldverschreibungen auf dem freien Markt oder anderweitig sowie zu jedem beliebigen Preis erwerben. Derartig erworbene Schuldverschreibungen können eingezogen, gehalten oder wieder veräußert werden.
- (ii) Die Rückzahlungsbedingungen müssen im Falle von Rückkäufen nicht erfüllt sein, soweit verbundene Unternehmen der Emittentin die Schuldverschreibungen für fremde Rechnung oder für Organismen für gemeinsame Anlagen in Wertpapieren 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(h)(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.
- (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. Die Emittentin ist nicht für irgendwelche Steuern oder Abgaben gleich welcher Art verantwortlich, die aufgrund solcher steuerlichen oder sonstigen gesetzlichen Vorschriften, Richtlinien oder Verordnungen oder Verträge auferlegt oder erhoben werden. Dies berührt jedoch nicht die Bestimmungen von § 6.
- (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.

- (h) *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(h)(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 Securities (UCITS), unless the majority of the shares in the relevant UCITS are held by the Issuer or one of its affiliates.
- (iii) § 4(h)(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.
- (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 and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such fiscal and other laws, regulations, directives or agreements, but without prejudice to the provisions of § 6.
- (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.

§ 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
Grosse Gallusstraße 10-14

§ 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.

§ 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
Grosse Gallusstraße 10-14

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

- (b) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, die Ernennung des Fiscal Agent, zusätzlicher Zahlstellen und der Berechnungsstelle jederzeit anders zu regeln oder zu beenden und einen anderen Fiscal Agent, zusätzliche oder andere Zahlstellen oder eine andere Berechnungsstelle zu ernennen. Sie wird sicherstellen, dass jederzeit (i) ein Fiscal Agent, (ii) eine Zahlstelle (die der Fiscal Agent sein kann) mit einer Geschäftsstelle in einer Stadt auf dem europäischen Festland, (iii) solange die Schuldverschreibungen an einer Börse notiert werden, eine Zahlstelle (die der Fiscal Agent sein kann) mit einer benannten Geschäftsstelle an dem von der betreffenden Börse vorgeschriebenen Ort und (iv) eine Berechnungsstelle bestimmt ist. Der Fiscal Agent, die Zahlstelle, die eventuell vorgesehenen weiteren 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, die Zahlstellen und die Berechnungsstelle erfolgen unverzüglich durch die Emittentin gemäß § 10.
- (c) *Erfüllungsgehilfen der Emittentin.* Der Fiscal Agent, die Zahlstellen 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

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 vary or terminate the appointment of the Fiscal Agent, any additional Paying Agent and the Calculation Agent and to appoint another Fiscal Agent, additional or other Paying Agents or another Calculation Agent, provided that it will at all times maintain (i) a Fiscal Agent, (ii) a Paying Agent (which may be the Fiscal Agent) with a specified office in a continental European city, (iii) so long as the Notes are listed on a stock exchange, a Paying Agent (which may be the Fiscal Agent) with a specified office in such city as may be required by the rules of the relevant stock exchange and (iv) a Calculation Agent. The Fiscal Agent, the Paying Agent, any additional Paying Agents and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Fiscal Agent, any Paying Agent and 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, any Paying Agent 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 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;

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 zu zahlen, und zwar ohne Abzug oder Einbehalt von Steuern oder sonstigen Abgaben jedweder Art, die von dem Land (oder den Ländern), in dem (in denen) die Neue Emittentin ihren Sitz oder Steuersitz hat, auferlegt, erhoben oder eingezogen werden;
- (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 Solvabilität der Emittentin bzw. Gruppe der Emittentin, das Insolvenzereignis, das Dividendenereignis, das Rechnungslegungsereignis, das Ratingagenturereignis und § 4(h)), oder dass die Bezugnahme auf die Neue Emittentin und gleichzeitig auch auf die Allianz SE, im Hinblick auf deren Verpflichtungen aus der Garantie gemäß § 9(a)(iv), erfolgen soll (Gross-up-Ereignis, Steuerereignis und 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. Erst mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin und im Fall einer wiederholten Anwendung dieses § 9 jede frühere Neue Emittentin von ihren sämtlichen Verpflichtungen aus den Schuldverschreibungen frei. Im Fall einer solchen Schuldnerersetzung werden die Wertpapierbörsen informiert, an denen die Schuldverschreibungen notiert sind.
- (iii) the New Issuer is in the position to pay to the Clearing System in the Specified Currency and without deducting or withholding any taxes or other duties of whatever nature imposed, levied or deducted by the country (or countries) in which the New Issuer has its domicile or tax residence all amounts required for the performance of the payment obligations arising from or in connection with the Notes;
- (iv) 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(h)), or that the reference shall be to the New Issuer and Allianz SE, in relation to Allianz SE's obligations under the guarantee pursuant to § 9(a)(iv), at the same time (Gross up Event, Tax Event and Taxation)).
- 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. Only upon such publication, the substitution shall become effective, and the Issuer and in the event of a repeated application of this § 9, any previous New Issuer shall be discharged from any and all obligations under the Notes. In the case of such substitution, the stock exchange(s), if any, on which the Notes are then listed will be notified.

§ 10 Bekanntmachungen

- (a) *Veröffentlichungen.* Alle Bekanntmachungen, die

§ 10 Notices

- (a) *Publications.* All notices regarding the Notes will

die Schuldverschreibungen betreffen, werden im Bundesanzeiger (soweit erforderlich) und (solange die Schuldverschreibungen an 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.* Die Emittentin wird ferner Bekanntmachungen, die die Schuldverschreibungen betreffen, durch eine Mitteilung an das Clearingsystem zur Weiterleitung an die Anleihegläubiger vornehmen. Jede derartige Mitteilung gilt am dritten 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 der Regelungen zur ersten Zinszahlung auf die weiteren Schuldverschreibungen) wie die vorliegenden Schuldverschreibungen zu begeben, so dass sie mit diesen eine Einheit bilden. Der Begriff "Schuldverschreibungen" umfasst im Fall einer solchen weiteren Begebung auch solche zusätzlich begebenen Schuldverschreibungen.

§ 12 Anwendbares Recht, Erfüllungsort und Gerichtsstand

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

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. Any notice will become effective for all purposes on the date of the first such publication.

- (b) *Notification to Clearing System.* In addition the Issuer will give notices relating to the Notes to the Clearing System, for communication by the Clearing System to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the third day after the date 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 provisions relating to the first payment of interest, if any, on the additional notes) 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, Place of Performance and Jurisdiction

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

§ 13 Änderung der Anleihebedingungen; Gemeinsamer Vertreter

- (a) *Änderung der Anleihebedingungen.* Vorbehaltlich der in § 2(b) und § 4(d) 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. des 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 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

§ 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(d) 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 § 10, 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 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

Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.

- (ii) Beschlüsse der Anleihegläubiger im Wege der Abstimmung ohne Versammlung werden nach § 18 SchVG getroffen. Die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Aufforderung zur Stimmabgabe werden die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.
- (d) *Zweite Gläubigerversammlung.* Wird die Beschlussfähigkeit bei der Abstimmung ohne Versammlung nach § 13(c)(ii) nicht festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, welche als zweite Gläubigerversammlung im Sinne des § 15(3) Satz 3 SchVG gilt.
- (e) *Anmeldung.* Die Stimmrechtsausübung ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor der Gläubigerversammlung im Falle einer Gläubigerversammlung (wie in § 13(c)(i) oder § 13(d) beschrieben) bzw. vor dem Beginn des Abstimmungszeitraums im Falle einer Abstimmung ohne Versammlung (wie in § 13(c)(ii) beschrieben) unter der in der Aufforderung zur Stimmabgabe angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung ihrer jeweiligen Depotbank in Textform und die Vorlage eines Sperrvermerks der Depotbank erbringen, aus dem hervorgeht, dass die relevanten Schuldverschreibungen für den Zeitraum vom Tag der Absendung der Anmeldung (einschließlich) bis zu dem angegebenen Ende der Versammlung (einschließlich) bzw. dem Ende des Abstimmungszeitraums (einschließlich) nicht übertragen werden können.
- (f) *Gemeinsamer Vertreter.* Die Anleihegläubiger können durch Mehrheitsbeschluss die Bestellung und Abberufung eines gemeinsamen Vertreters, die Aufgaben und Befugnisse des gemeinsamen Vertreters, die Übertragung von Rechten der Anleihegläubiger auf den gemeinsamen Vertreter und eine Beschränkung der Haftung des gemeinsamen Vertreters bestimmen. Die Bestellung eines gemeinsamen Vertreters bedarf einer Qualifizierten Mehrheit, wenn er ermächtigt wird, wesentlichen Änderungen der Anleihebedingungen gemäß § 13(a) zuzustimmen.

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

notified to Noteholders in the agenda of the meeting.

- (ii) Resolutions of the Noteholders by means of a voting not requiring a physical meeting (*Abstimmung ohne Versammlung*) will be made in accordance § 18 of the SchVG. The request for voting as submitted by the chairman (*Abstimmungsleiter*) will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders together with the request for voting.
- (d) *Second noteholders' meeting.* If it is ascertained that no quorum exists for the vote without meeting pursuant to § 13(c)(ii), the chairman (*Abstimmungsleiter*) may convene a meeting, which shall be deemed to be a second meeting within the meaning of § 15(3) sentence 3 of the SchVG..
- (e) *Registration.* The exercise of voting rights is subject to the registration of the Noteholders. The registration must be received at the address stated in the request for voting no later than the third day prior to the meeting in the case of a Noteholders' meeting (as described in § 13(c)(i) or § 13(d)) or the beginning of the voting period in the case of voting not requiring a physical meeting (as described in § 13(c)(ii)), as the case may be. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of their respective depositary bank hereof in text form and by submission of a blocking instruction by the depositary bank stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the stated end of the meeting or day the voting period ends, as the case may be.
- (f) *Joint representative.* The Noteholders may by majority resolution provide for the appointment or dismissal of a joint representative, the duties and responsibilities and the powers of such joint representative, the transfer of the rights of the Noteholders to the joint representative and a limitation of liability of the joint representative. Appointment of a joint representative may only be passed by a Qualified Majority if such joint representative is to be authorised to consent to a material change in the substance of the Terms and Conditions in accordance with § 13(a) hereof,

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

Rechte und Pflichten des gemeinsamen Vertreters gelten die Vorschriften des SchVG.

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

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

§ 14 Sprache

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

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 2011 and 2012. 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 2011 and 2012 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 2011 and 2012 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 2011 and 2012 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. The Allianz share was listed for the first time on the Berlin stock exchange in 1895. The property insurance business was expanded by the foundation of Neue Frankfurter Allgemeine Versicherungs-AG in 1929. In the course of the merger of Neue Frankfurter Allgemeine Versicherungs-AG with other insurance companies, the Frankfurter Versicherungs-AG was founded with its registered office in Frankfurt. In 1940, the company name of Allianz Versicherungs-Aktien-Gesellschaft was changed into Allianz Versicherungs-AG. In 1949, a second registered office of Allianz Versicherungs-AG was established in Munich, and the registered office in Berlin was given up in 1998.

In 1922, the life-insurance business was established by the formation of Allianz Lebensversicherungsbank AG with its registered office in Berlin. In 1927, the merger of Allianz Lebensversicherungsbank AG with various other life insurance companies led to the formation of Allianz und Stuttgarter Lebensversicherungsbank AG. In 1940, the company name was changed into Allianz Lebensversicherungs-AG. In 1949, the registered office of Allianz Lebensversicherungs-AG was transferred from Berlin to Stuttgart.

Business activities outside Germany were resumed with the opening of an Allianz branch in Paris, France, in 1959 and the opening of a head office in Milan, Italy, followed in 1966. During the early 1970s, there was an increasing expansion abroad, including into, inter alia, the United Kingdom, the Netherlands, Spain and Brazil. Since 1976, property/casualty business was also underwritten in the United States.

In 1984, the company acquired an interest in RAS, Italy, of approximately 14.3%, which it increased to an interest of approximately 51.5% until 1987. After execution of a share buy-back program conducted by RAS in December 2002, this participation increased to approximately 55.4% of the share capital. After completion of a voluntary tender offer in October/November 2005, the interest amounted to approximately 76.3% of the share capital.

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. With this holding company structure, the basis for the further internationalisation of the business of Allianz Group was created. The name was again changed, by resolution of the General Meeting of 7 October 1996, to "Allianz Aktiengesellschaft".

Since 1989, Allianz Group has activities in Central and Eastern Europe. In 1991, Allianz AG acquired the U.S. insurer Fireman's Fund Insurance Company ("**Fireman's Fund**"). Four years later, Allianz AG acquired Swiss ELVIA-Group in Zurich, Italian Lloyd Adriatico in Trieste and German Vereinte Group in Munich.

Since 1997, Vereinte Krankenversicherung is the health insurance company of Allianz Group. Today, it operates under the company name Allianz Private Krankenversicherungs-AG.

In 1998, Allianz AG acquired a majority interest in French insurer AGF with its registered office in Paris. Allianz Asset Management in Munich was also established in 1998.

Commencing in 1999, Allianz Group has intensified its activities in Asia including establishing a joint venture in China.

In 2000, Allianz AG acquired the U.S. asset management company PIMCO Advisors Holding L.P. Since 2000, Allianz Group is also active in the private equity business through Allianz Capital Partners GmbH, and, until 2009, through Allianz Private Equity Partners GmbH, which was merged into Allianz Capital Partners GmbH in August 2009.

From November 2000 until 26 October 2009, Allianz AG shares had been listed on the New York Stock Exchange. The respective stock trade was conducted via so-called American Depositary Receipts ("**ADR**").

In 2001, Allianz AG acquired Dresdner Bank with its registered office in Frankfurt am Main. In the same year, Allianz AG further acquired U.S. asset management company Nicholas-Applegate.

In 2002, Allianz AG consolidated the credit insurance activities of the Group under the roof of Euler & Hermes S.A., Paris.

On 3 February 2006, the extraordinary General Meetings of holders of 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".

In 2007, Allianz acquired through a mixed cash and exchange offer followed by a squeeze-out procedure the remaining shares of Assurances Générales de France (AGF) it did not own and now holds 100% of the company. In September 2009, AGF was re-branded to Allianz France.

By Agreements concluded on 31 August 2008 and adjusted on 27 November 2008 and 9 January 2009, Allianz SE and Commerzbank AG ("**Commerzbank**") agreed on the sale of Dresdner Bank AG ("**Dresdner Bank**") to Commerzbank. On 12 January 2009, Dresdner Bank was transferred to Commerzbank and removed from the scope of consolidation of the Allianz Group.

In order to concentrate on the most liquid market, Allianz decided to delist from the European exchanges in London, Paris, Milan as well as the Swiss Exchange and the New York Stock Exchange (NYSE) at the end of 2009 and the beginning of 2010, respectively. Allianz SE shares continue to be traded on all German exchanges and on Xetra in Frankfurt. After the NYSE delisting, Allianz SE Depositary Receipts (ADR) resumed trading in the U.S. on the OTCQX platform, a premium sector of the U.S. over-the-counter market.

Investments

Allianz Group's invested assets consist primarily of the portfolios of its various business operations. In addition to the regular portfolio managing process the following investments have been made since 31 December 2012.

On 12 July 2013, the Allianz Group acquired Yapı Kredi Bank's 93.94 % shareholding in the Turkish property-casualty insurance company Yapı Kredi Sigorta, including its life and pension insurance subsidiary Yapı Kredi Emeklilik. The transaction includes a 15 year exclusive distribution agreement with Yapı Kredi Bank. Yapı Kredi Bank retains a 20 % stake in Yapı Kredi Emeklilik to support the long-term strategic partnership with Allianz. The total gross consideration paid in cash to Yapı Kredi Bank amounted to € 714 mn (TYL 1,791 mn), while net of proceeds received from the sale of the Yapı Kredi Emeklilik stake to Yapı Kredi Bank, the consideration to Yapi Kredi Bank amounted to € 639 mn (TYL 1,603 mn).

As a result of the purchase of shares representing 93.94 % of the share capital of Yapı Kredi Sigorta on 12 July 2013, the Allianz Group duly filed on 22 July 2013 an application to the Turkish Capital Market Board to pursue a mandatory tender offer with respect to the remaining shares of Yapı Kredi Sigorta. The approval was granted by the Turkish Capital Market Board on 8 October 2013. The tender offer started on 14 October 2013.

Capitalization and Financial Indebtedness as of 30 June 2013

As of 30 June 2013

(amounts in € million)

Total debt:⁽¹⁾

Participation certificates and subordinated liabilities

Allianz SE⁽²⁾

Subordinated bonds	9,400
Participation certificates	-
Total Allianz SE	9,400

Banking subsidiaries

Subordinated bonds	264
Total banking subsidiaries	264

All other subsidiaries

Subordinated liabilities	399
Hybrid equity	45
Total all other subsidiaries	444

Subtotal	10,108
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Certificated liabilities

Allianz SE⁽³⁾

Senior bonds	6,551
Money market securities	1,119
Total Allianz SE	7,670

Banking subsidiaries

Senior bonds	592
Total banking subsidiaries	592

All other subsidiaries

Certificated liabilities	25
Total all other subsidiaries	25

Subtotal	8,287
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Total debt	18,395
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Equity:

Shareholders' equity

Issued capital	1,167
Capital reserve	27,648
Retained earnings ⁽⁴⁾	14,796
Foreign currency translation adjustments	(2,304)

	As of 30 June 2013
	<i>(amounts in € million)</i>
Unrealized gains and losses (net) ⁽⁵⁾	6,559
Subtotal	47,866
Non-controlling interests	2,558
Total equity	<u>50,424</u>
Total debt and equity	<u>68,819</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 2013, includes € (215) mn related to treasury shares.

⁽⁵⁾ As of 30 June 2013, includes € 193 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	Negative	Stable
Counterparty credit.....	AA	Not rated	aa- ⁽⁵⁾
Outlook.....	Stable		Stable
Senior unsecured debt	AA	Aa3	aa-
Outlook.....	Stable	Negative	Stable
Subordinated debt.....	A+/A	A2/A3	a+
Outlook.....	Stable	Negative	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.

Rating of the Notes

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

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

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

S&P defines "A+" as follows:

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

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

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

Business Operations and Steering

The Allianz Group's insurance and asset management businesses offer a comprehensive product range through multiple sales channels. Allianz Group serves its customers mainly through three business segments, Property-Casualty insurance, Life/Health insurance and Asset Management. In addition, the Corporate and Other segment's activities include the management and support of the Allianz Group's business through its central holding functions, as well as Banking and Alternative Investments.

Worldwide Presence and Business Divisions as of 31 December 2012



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
● ■	Mexico

South America

●	Argentina
● ■	Brazil
● ■	Colombia

INSURANCE USA

● ■	United States
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GLOBAL INSURANCE LINES & ANGLO MARKETS

●	United Kingdom
● ■	Australia
●	Ireland
●	Allianz Global Corporate and Speciality
●	Credit Insurance
● ■	Reinsurance
■	Allianz Worldwide Care

INSURANCE GROWTH MARKETS

Asia

●	Brunei ¹
● ■	China
●	Hong Kong ¹
● ■	India
● ■	Indonesia
● ■	Japan ¹
● ■	Laos
● ■	Malaysia
■	Pakistan
●	Singapore ¹
■	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

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

Travel Insurance, Assistance and Personal Service¹

Via Allianz Global Assistance, Allianz Group is the worldwide leader² of travel insurance, assistance services and personal services. Allianz Global Assistance is one of the Allianz Group's fast growing entities and is successfully developing highly sophisticated new products. Some services provided by Allianz Global Assistance are sold with Allianz insurance products, thus enriching the Allianz Group's global portfolio.

Allianz Global Automotive³

Allianz Global Automotive is the leading strategic partner to the automotive industry, combining sales expertise around the car dealer point-of-sale with product know-how in warranty, motor insurance and credit protection and lean and cost efficient end-to-end delivery. Based on premiums Allianz Group is the worldwide market leader³ in this segment, serving over 40 car brands across more than 25 countries.

Business Operations

Allianz is present in over 70 countries and offers a comprehensive range of insurance and asset management products and services to approximately 78 million customers. Allianz Group serves its customers mainly through three business segments, Property-Casualty insurance, Life/Health insurance and Asset Management. In addition, the Corporate and Other segment's activities include the management and support of the Allianz Group's business through its central holding functions, as well as Banking and 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 5 in the life/health insurance business⁴. 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") and Credit Insurance - are run globally. Based on premiums, Allianz Group estimates the split between private and corporate clients to be about 50% and 50% for the Property-Casualty segment, and about 80% and 20% for the Life/Health 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– Pension products for employees

¹ In 2013, Allianz Group's global entities Allianz Global Automotive, Allianz Global Assistance, Allianz Worldwide Care and the international health insurance business of Allianz France will be bundled to provide a comprehensive product range to Allianz Group's customers.

² Based on own estimates as of 2011.

Asset Management

Allianz Group's two major investment management businesses, PIMCO and AllianzGI operate under Allianz Asset Management ("AAM"). With over € 1,800 billion (including Allianz Group assets) assets under management, Allianz Group is one of the largest asset managers in the world which manage third-party assets with active investment strategies. Approximately 65% of third-party assets are from institutional investors, while 35% are from retail clients. Particular strongholds 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	<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.

The banking operations support the insurance business and complement Allianz Group's product offerings in Germany, Italy, France, the Netherlands and Bulgaria. As a division of Allianz Deutschland AG, Oldenburgische Landesbank AG ("**OLB**") is Allianz's main banking product and service provider in Germany. OLB, Germany's largest private regional bank, covers the northwest of Germany with 177 branches, focuses on retail and corporate clients. In its core market Germany, Allianz Group focuses its assurbanking activities (distribution of banking products through Allianz Group's German insurance agents' network) under the brand name Allianz Bank, which operates as branch of OLB. In January 2013, Allianz Group decided to cease business operations under the Allianz Bank brand with effect from 30 June 2013, not affecting the other banking business of OLB.

Property-Casualty insurance operations by business divisions¹

	€ mn											
	Gross premiums written					Premiums earned (net)			Operating profit (loss)			
	2012	2011	2010	internal ²		2012	2011	2010	2012	2011	2010	
2012				2011								
Germany	9,158	8,979	9,013	9,158	8,979	7,421	7,311	7,286	906	482	617	
Switzerland	1,501	1,436	1,389	1,442	1,436	1,450	1,423	1,377	198	157	155	
Austria	938	913	890	938	913	788	736	691	66	71	71	
German Speaking Countries³	11,630	11,328	11,292	11,571	11,357	9,674	9,470	9,354	1,177	710	843	
Italy ⁴	4,045	3,991	3,986	4,045	3,991	3,893	3,829	3,936	899	646	370	
France ⁵	3,538	3,313	3,300	3,386	3,313	3,200	3,098	3,085	413	373	174	
Netherlands	714	829	910	714	824	684	778	801	16	44	54	
Turkey	611	476	487	611	476	412	338	342	34	18	25	
Belgium ⁶	397	349	357	366	343	355	284	268	66	41	37	
Greece	108	121	116	108	121	90	95	86	19	15	16	
Africa	83	79	71	83	79	49	47	42	9	7	7	
Western & Southern Europe⁷	9,496	9,158	9,227	9,313	9,147	8,683	8,469	8,560	1,472	1,156	698	
South America	2,123	1,846	1,563	2,205	1,846	1,488	1,241	1,086	107	145	119	
Mexico	266	238	226	260	238	119	110	90	20	13	12	
Latin America	2,389	2,084	1,789	2,465	2,084	1,607	1,351	1,176	127	158	131	
Spain	1,953	2,011	2,011	1,953	2,011	1,810	1,833	1,834	250	331	282	
Portugal ⁸	317	338	294	316	301	265	257	241	38	43	37	
Iberia & Latin America	4,659	4,433	4,094	4,734	4,396	3,682	3,441	3,251	415	532	450	
United States	3,550	3,415	3,349	3,232	3,413	2,654	2,594	2,709	(550)	(130)	266	
USA⁴	3,550	3,415	3,349	3,232	3,413	2,654	2,594	2,709	(550)	(130)	266	
Allianz Global Corporate & Specialty ⁴	5,314	4,918	4,530	5,164	4,917	3,299	3,088	3,086	421	549	517	
Reinsurance PC	3,460	3,409	4,014	3,460	3,409	3,124	3,130	3,274	357	(130)	331	
Australia	3,018	2,508	2,161	2,763	2,508	2,235	1,881	1,632	394	313	302	
United Kingdom	2,318	2,111	1,939	2,166	2,111	2,165	1,891	1,782	199	206	185	
Credit Insurance	2,034	1,902	1,767	2,017	1,902	1,344	1,222	1,139	406	455	445	
Ireland ⁹	433	443	437	433	443	397	401	380	61	71	53	
Global Insurance Lines & Anglo Markets¹⁰	16,577	15,291	14,848	16,003	15,290	12,564	11,613	11,293	1,833	1,469	1,833	
Russia	678	732	698	663	732	603	618	565	5	10	(32)	
Poland	421	453	443	429	453	355	369	342	14	5	(7)	
Hungary	307	347	420	321	347	233	289	363	27	35	11	
Slovakia	336	345	349	336	345	273	284	295	70	79	48	
Czech Republic	280	288	268	286	288	225	223	206	32	30	27	
Romania	181	191	223	190	191	143	168	169	–	1	–	
Bulgaria	90	97	95	90	97	66	67	67	17	20	18	
Croatia	90	88	86	91	88	75	72	73	15	12	10	
Ukraine	13	13	9	12	13	7	7	6	3	–	–	
Kazakhstan	–	19	38	–	–	–	5	7	–	3	2	
Central and Eastern Europe ¹¹	2,393	2,563	2,629	2,419	2,544	1,980	2,102	2,093	175	178	55	
Asia-Pacific	596	486	486	557	486	320	284	280	57	41	49	
Middle East and North Africa	68	68	76	63	63	48	48	44	5	5	2	
Growth Markets	3,057	3,117	3,191	3,039	3,093	2,348	2,434	2,417	237	224	106	
Allianz Global Assistance	1,800	1,686	1,540	1,783	1,688	1,745	1,589	1,487	112	94	97	
Allianz Worldwide Care ⁹	384	302	245	384	302	355	275	220	23	14	11	
Global Assistance¹²	2,186	1,988	1,785	2,169	1,990	2,100	1,864	1,707	135	108	108	
Consolidation and Other ^{13, 14}	(4,266)	(3,958)	(3,891)	(4,243)	(3,974)	–	13	12	–	127	–	
Total	46,889	44,772	43,895	45,818	44,712	41,705	39,898	39,303	4,719	4,196	4,304	

¹ All figures as shown in the Allianz Group's annual report 2012.

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

³ In 2012, "Münchener und Magdeburger Agrarversicherung AG" was transferred from Consolidation and Other to German Speaking Countries. Prior year figures have not been adjusted. 2012 contains €33 mn gross premiums written, €15 mn premiums earned (net) and €7 mn operating profit.

⁴ 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. The reserve strengthening for asbestos risks in 2011 at Allianz S.p.A., at Fireman's Fund Insurance Company and at AGCS of in total €153 mn had no impact on the financial results of the Allianz Group and the single entities' combined ratio under IFRS.

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

⁶ Effective as of 1 August 2012, Allianz Belgium acquired the assets and assumed the liabilities related to the insurance activities of Mensura.

⁷ Contains €16 mn, €12 mn and €15 mn operating profit for 2012, 2011 and 2010, respectively, from a management holding located in Luxembourg.

⁸ In 4Q 2011 the premium accounting method changed which is adjusted in the internal growth.

%	Combined ratio			Loss ratio			Expense ratio		
	2012	2011	2010	2012	2011	2010	2012	2011	2010
Germany	96.8	102.9	100.8	69.2	75.1	73.4	27.6	27.8	27.4
Switzerland	92.0	95.4	94.6	68.8	73.1	73.1	23.2	22.3	21.5
Austria	97.3	93.5	96.0	71.4	67.1	69.7	25.9	26.4	26.3
German Speaking Countries³	96.1	101.0	99.6	69.3	74.1	73.1	26.8	26.9	26.5
Italy ⁴	85.0	93.2	99.6	60.3	68.4	74.8	24.7	24.8	24.8
France ⁵	96.9	97.9	102.7	69.1	71.1	75.1	27.8	26.8	27.6
Netherlands	103.3	99.7	98.7	74.8	68.7	68.6	28.5	31.0	30.1
Turkey	98.3	101.4	99.7	71.5	74.8	74.1	26.8	26.6	25.6
Belgium ⁶	94.0	97.6	99.2	62.0	63.0	64.3	32.0	34.6	34.9
Greece	82.4	90.0	88.4	37.7	53.1	52.4	44.7	36.9	36.0
Africa	94.7	97.9	96.1	48.8	53.6	48.3	45.9	44.3	47.8
Western & Southern Europe⁷	91.8	96.0	100.5	64.9	69.2	73.6	26.9	26.8	26.9
South America	99.0	96.7	96.7	67.4	66.0	64.9	31.6	30.7	31.8
Mexico	90.8	95.7	95.7	66.9	72.0	69.8	23.9	23.7	25.9
Latin America	98.4	96.6	96.6	67.4	66.4	65.2	31.0	30.2	31.4
Spain	91.0	87.9	90.3	70.1	67.4	69.8	20.9	20.5	20.5
Portugal ⁸	91.7	90.9	92.8	68.6	67.6	68.8	23.1	23.3	24.0
Iberia & Latin America	94.3	91.5	92.7	68.8	67.0	68.0	25.5	24.5	24.7
United States	129.5	115.5	102.4	101.1	86.5	69.9	28.4	29.0	32.5
USA⁴	129.5	115.5	102.4	101.1	86.5	69.9	28.4	29.0	32.5
Allianz Global Corporate & Specialty ⁴	96.3	92.9	93.1	68.7	65.7	65.2	27.6	27.2	27.9
Reinsurance PC	92.7	108.2	93.2	65.5	81.3	68.5	27.2	26.9	24.7
Australia	95.1	97.6	96.1	68.6	72.0	70.8	26.5	25.6	25.3
United Kingdom	96.4	95.7	96.0	64.4	63.9	61.7	32.0	31.8	34.3
Credit Insurance	80.2	74.0	71.7	51.9	45.7	41.7	28.3	28.3	30.0
Ireland ⁹	92.9	92.5	97.5	61.2	63.5	72.9	31.7	29.0	24.6
Global Insurance Lines & Anglo Markets¹⁰	93.5	96.3	92.1	65.2	68.5	64.4	28.3	27.8	27.7
Russia	103.2	101.7	109.5	61.1	61.4	64.3	42.1	40.3	45.2
Poland	100.5	103.0	105.9	66.9	69.0	71.4	33.6	34.0	34.5
Hungary	101.3	99.6	107.6	60.4	57.0	65.2	40.9	42.6	42.4
Slovakia	81.4	78.2	89.6	51.4	45.2	59.5	30.0	33.0	30.1
Czech Republic	90.5	91.9	91.2	63.7	65.4	66.4	26.8	26.5	24.8
Romania	105.8	104.4	104.2	77.7	73.5	78.1	28.1	30.9	26.1
Bulgaria	75.9	75.9	75.2	47.4	48.8	46.4	28.5	27.1	28.8
Croatia	88.0	91.3	92.9	50.6	53.7	58.0	37.4	37.6	34.9
Ukraine	85.2	112.9	122.8	33.5	57.1	38.0	51.7	55.8	84.8
Kazakhstan	-	59.8	78.4	-	12.5	21.3	-	47.3	57.1
Central and Eastern Europe ¹¹	96.9	96.6	102.0	61.3	60.5	65.2	35.6	36.1	36.8
Asia-Pacific	91.3	93.8	91.2	59.7	64.1	61.4	31.6	29.7	29.8
Middle East and North Africa	105.1	101.5	109.9	70.1	69.1	73.9	35.0	32.4	36.0
Growth Markets	96.3	96.4	101.0	61.3	61.1	65.0	35.0	35.3	36.0
Allianz Global Assistance	95.2	96.1	95.6	59.6	60.2	59.6	35.6	35.9	36.0
Allianz Worldwide Care ⁹	93.8	96.0	96.5	74.5	75.5	76.0	19.3	20.5	20.5
Global Assistance¹²	95.0	96.1	95.7	62.1	62.5	61.7	32.9	33.6	34.0
Consolidation and Other ^{13,14}	-	-	-	-	-	-	-	-	-
Total	96.3	97.8	97.2	68.3	69.9	69.1	28.0	27.9	28.1

⁹ From the third quarter of 2012 onwards, Allianz Worldwide Care was transferred from Global Insurance Lines & Anglo Markets to Global Assistance. Prior year figures have been adjusted.

¹⁰ Contains €(5) mn, €5 mn and €(0.1) mn operating profit (loss) for 2012, 2011 and 2010, respectively, from AGF UK.

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

¹² Contains gross premiums written of €2 mn from Allianz Global Automotive in 2012.

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

¹⁴ The 2011 analysis of the Allianz Group's asbestos risks resulted in a reduction of reserves and a positive run-off result of €130 mn reflected in the operating profit for 2011.

Life/Health insurance operations by business divisions¹

	Statutory premiums ²						Premiums earned (net)		
	2012	2011	2010	internal ⁴		2012	2011	2010	
				2012	2011				
Germany Life ⁵	15,179	15,673	15,961	15,179	15,673	11,282	11,224	11,651	
Germany Health	3,269	3,204	3,209	3,269	3,204	3,268	3,204	3,209	
Switzerland	1,903	1,707	1,502	1,827	1,703	686	670	582	
Austria	407	420	398	407	420	288	301	289	
German Speaking Countries	20,758	21,004	21,070	20,682	21,000	15,524	15,399	15,731	
Italy ⁵	6,364	6,915	8,841	6,364	6,915	543	631	656	
France ⁵	7,977	7,705	8,014	7,977	7,620	3,056	3,027	3,086	
Belgium/Luxembourg	2,019	1,275	1,160	2,019	1,285	416	437	423	
Netherlands	276	317	315	276	308	135	150	135	
Turkey	114	96	103	114	96	37	34	36	
Greece	95	109	116	95	109	57	65	67	
Africa	52	45	41	52	45	24	21	22	
Western & Southern Europe	16,897	16,462	18,590	16,897	16,378	4,268	4,365	4,425	
Mexico	152	146	111	149	146	24	42	56	
South America	103	72	56	93	72	99	60	45	
Latin America	255	218	167	242	218	123	102	101	
Spain	1,075	965	926	1,075	969	495	380	374	
Portugal	190	194	183	190	194	86	86	84	
Iberia & Latin America	1,520	1,377	1,276	1,507	1,381	704	568	559	
United States	7,289	7,786	8,155	6,729	7,786	848	660	624	
USA	7,289	7,786	8,155	6,729	7,786	848	660	624	
Reinsurance LH	484	374	314	484	374	425	343	307	
Global Insurance Lines & Anglo Markets	484	374	314	484	374	425	343	307	
South Korea	1,871	1,657	1,836	1,760	1,657	580	596	707	
Taiwan	1,352	1,314	2,170	1,254	1,314	129	133	166	
Indonesia	760	606	431	750	606	305	266	169	
Malaysia	330	269	242	308	269	211	191	183	
Japan	1	479	1,202	1	479	5	95	7	
Other	789	645	606	733	645	623	483	505	
Asia-Pacific	5,103	4,970	6,487	4,806	4,970	1,853	1,764	1,737	
Poland	411	377	368	425	377	125	104	121	
Slovakia	244	249	244	244	249	206	186	171	
Hungary	147	175	182	156	175	53	56	62	
Czech Republic	171	152	143	175	152	66	61	57	
Russia	94	59	25	91	59	90	57	24	
Croatia	55	50	47	55	50	52	48	45	
Bulgaria	31	29	26	31	29	27	25	25	
Romania	23	22	22	24	22	13	12	12	
Central and Eastern Europe	1,176	1,113	1,057	1,201	1,113	632	549	517	
Middle East and North Africa	170	163	137	160	153	138	122	126	
Global Life ⁵	4	4	270	4	4	1	-	8	
Growth Markets	6,453	6,250	7,951	6,171	6,240	2,624	2,435	2,388	

€ mn

	Statutory premiums ²					Premiums earned (net)		
				internal ⁴				
	2012	2011	2010	2012	2011	2012	2011	2010
Consolidation ⁷	(1,054)	(390)	(258)	(1,055)	(390)	–	–	–
Total	52,347	52,863	57,098	51,415	52,769	24,393	23,770	24,034

¹ All figures as shown in the Allianz Group's annual report 2012.

² Statutory premiums are gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.

³ Represents operating profit (loss) divided by the average of current year-end and previous year-end net reserves, whereby 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.

	Operating profit (loss)			Margin on reserves ³		
	2012	2011	2010	2012	2011	2010
	€ mn	€ mn	€ mn	bps	bps	bps
Germany Life ⁵	1,027	878	980	61	56	65
Germany Health	198	150	174	83	68	83
Switzerland	79	77	74	62	65	72
Austria	31	13	28	78	33	75
German Speaking Countries	1,335	1,118	1,256	64	57	68
Italy ⁵	237	203	292	54	47	67
France ⁵	356	420	439	51	63	67
Belgium/Luxembourg	68	62	64	73	74	89
Netherlands	60	56	48	147	136	113
Turkey	5	5	6	110	99	125
Greece	5	3	4	158	102	115
Africa	5	5	1	236	224	70
Western & Southern Europe	736	754	854	57	61	70
Mexico	5	5	5	148	201	335
South America	6	12	9	165	387	299
Latin America	11	17	14	157	308	312
Spain	108	119	114	180	210	201
Portugal	5	21	20	111	452	446
Iberia & Latin America	124	157	148	173	235	226
United States	457	305	361	69	49	67
USA	457	305	361	69	49	67
Reinsurance LH	47	28	23	208	126	102
Global Insurance Lines & Anglo Markets	47	28	23	208	126	102
South Korea	31	51	87	33	61	115
Taiwan	9	(55)	51	17	(102)	95
Indonesia	53	45	37	454	479	566
Malaysia	17	16	14	174	198	227
Japan	3	(91)	(39)	11	(445)	(342)
Other	49	19	8	140	54	24
Asia-Pacific	162	(15)	158	73	(7)	86
Poland	17	18	20	298	285	271
Slovakia	31	27	20	267	235	182
Hungary	4	8	6	115	227	149
Czech Republic	20	11	11	377	227	250
Russia	(3)	1	(6)	(185)	117	(1,102)
Croatia	3	4	4	125	171	193
Bulgaria	7	6	6	541	474	535
Romania	1	2	2	213	273	316
Central and Eastern Europe	80	77	63	247	245	202
Middle East and North Africa	15	9	12	300	223	399
Global Life ⁵	(1)	(1)	(2)	– ⁶	– ⁶	– ⁶
Growth Markets	256	70	231	99	28	104
Consolidation ⁷	–	(12)	(5)	– ⁶	– ⁶	– ⁶
Total	2,955	2,420	2,868	67	58	73

⁴ Statutory premiums adjusted for foreign currency translation and (de-)consolidation effects.

⁵ From the first quarter of 2011 on, the variable annuity business of Allianz Global Life is shown within Germany, France and Italy, respectively. Prior year figures have not been adjusted.

⁶ Presentation not meaningful.

⁷ Represents elimination of transactions between Allianz Group companies in different geographic regions.

Asset Management segment information¹

€ mn	2012	2011	2010
Management and loading fees	7,163	5,923	5,393
Performance fees	766	455	514
Other income	112	214	147
Fee and commission income	8,041	6,592	6,054
Commissions	(1,243)	(1,091)	(1,099)
Other expenses	(67)	(31)	(28)
Fee and commission expenses	(1,310)	(1,122)	(1,127)
Net fee and commission income	6,731	5,470	4,927
Net interest income ²	24	22	21
Income from financial assets and liabilities carried at fair value through income (net)	16	(11)	19
Other income	15	21	19
Operating revenues	6,786	5,502	4,986
Administrative expenses (net), excluding acquisition-related expenses	(3,772)	(3,246)	(2,926)
Operating expenses	(3,772)	(3,246)	(2,926)
Operating profit	3,014	2,256	2,060
Cost-income ratio³ in %	55.6	59.0	58.7

¹ All figures as shown in the Allianz Group's annual report 2012.

² Represents interest and similar income less interest expenses.

³ Represents operating expenses divided by operating revenue.

Corporate and Other segment information⁽¹⁾

€ mn	Corporate and Other		
	2012	2011	2010
Total revenues⁽²⁾	590	567	587
Premiums earned (net)	-	-	-
Operating investment result			
Interest and similar income	980	1,103	978
Operating income from financial assets and liabilities carried at fair value through income (net)	30	(11)	(41)
Operating realized gains/losses (net)	-	-	-
Interest expenses, excluding interest expenses from external debt	(765)	(811)	(714)
Operating impairments of investments (net)	-	-	-
Investment expenses	(103)	(100)	(97)
Subtotal	142	181	126
Fee and commission income	614	680	761
Other income	8	4	4
Claims and insurance benefits incurred (net)	-	-	-
Change in reserves for insurance and investment contracts (net)	-	-	-
Loan loss provisions	(111)	(121)	(56)
Acquisition and administrative expenses (net), excluding acquisition-related expenses	(1,284)	(1,220)	(1,350)
Fee and commission expenses	(494)	(420)	(424)
Operating restructuring charges	-	-	-
Other expenses	(3)	(1)	(3)
Reclassification of tax benefits	-	-	-
Operating profit (loss)	(1,128)	(897)	(942)
Non-operating investment result			
Non-operating income from financial assets and liabilities carried at fair value through income (net)	236	(426)	51
Non-operating realized gains/losses (net)	166	500	788
Non-operating impairments of investments (net)	(222)	(1,005)	(221)
Subtotal	180	(931)	618
Income from fully consolidated private equity investments (net)	(26)	(98)	(215)
Interest expenses from external debt	(991)	(973)	(889)
Acquisition-related expenses	(7)	4	-
Amortization of intangible assets	(203)	(153)	(197)
Non-operating restructuring charges	(32)	(7)	(35)
Reclassification of tax benefits	-	-	-
Non-operating items	(1,079)	(2,158)	(718)
Income (loss) before income taxes	(2,207)	(3,055)	(1,660)
Income taxes	320	554	775
Net income (loss)	(1,887)	(2,501)	(885)
Net income (loss) attributable to:			
Non-controlling interests	13	(7)	(77)
Shareholders	(1,900)	(2,494)	(808)

(1) All figures as shown in the Allianz Group's annual report 2012.

(2) Total revenues in Corporate and Other (Banking).

Selected Consolidated Financial Information

The selected consolidated financial data for the years ended 2012 and 2011 set forth below are derived from Allianz Group's consolidated financial statements. The Consolidated Financial Statements 2012 and 2011 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⁾	2012	2011
	<u>(amounts in € million)</u>	<u>(amounts in € million)</u>
Income Statement		
Total revenues ⁽²⁾	106,383	103,560
Operating profit ⁽³⁾	9,501	7,866
Net income.....	5,491	2,804
Balance Sheet		
Total assets	694,621	641,472
Shareholders' equity.....	53,553	44,915
Non-controlling interests	2,665	2,338
Total equity.....	56,218	47,253
Total liabilities.....	638,403	594,219

⁽¹⁾ All figures as shown in the Allianz Group's annual report 2012.

⁽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 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	2013	2012
	<u>(amounts in € million)</u>	<u>(amounts in € million)</u>
Income Statement		
Total revenues ⁽¹⁾	58,824	55,249
Operating profit ⁽²⁾⁽³⁾⁽⁴⁾	5,164	4,583
Net income ⁽³⁾	3,476	2,789
Balance Sheet⁽³⁾⁽⁵⁾		
Total assets	698,220	668,960
Shareholders' equity.....	47,866	48,013
Non-controlling interests	2,558	2,389
Total equity.....	50,424	50,402
Total liabilities.....	647,796	618,558

As of or for the First Half Year ended 30 June

2013

2012

(amounts in € million) (amounts in € million)

- (1) 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).
- (2) The Allianz Group uses operating profit as a key financial indicator to assess performance of its business segments and the Group as a whole.
- (3) Prior period 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 2 to the condensed consolidated interim financial statements in the Allianz Group's Interim Report Second Quarter and First Half Year of 2013.
- (4) As of the first quarter of 2013 all restructuring charges are presented within operating profit and all prior periods have been adjusted to conform to the current accounting presentation.
- (5) Balance sheet figures as of 2012 are presented as originally published.

Recent Developments since 30 June 2013

Allianz closes Yapi Kredi transaction in Turkey

On 12 July 2013, the Allianz Group acquired Yapı Kredi Bank's 93.94% shareholding in the Turkish property-casualty insurance company Yapı Kredi Sigorta. With respect to the remaining shares of Yapı Kredi Sigorta, the Allianz Group duly filed on 22 July 2013 an application to the Turkish Capital Market Board to pursue a mandatory tender offer. The approval was granted by the Turkish Capital Market Board on 8 October 2013. The tender offer started on 14 October 2013.

Hailstorm Andreas in Germany

At the end of July 2013, hailstorm Andreas caused severe damage in some parts of Germany. Allianz Group expects losses of approximately € 0.3 bn.

Outlook

*Economic outlook*³

As we move into the second half of 2013, the global economic picture remains mixed. Overall, global output is expected to grow moderately by 2.4% this year, following a rise of 2.3% in 2012. However, different regions are advancing at very different speeds. Although emerging market economies have lost steam in recent quarters, with an increase in GDP of just below 5%, real growth in these countries will still be considerably higher than in the industrialized world. In the Eurozone, Allianz Group expects to see the economy stabilize during the course of the year. Sentiment indices now paint a friendlier picture, the drop in inflation is buoying private consumption, substantial macroeconomic adjustments are evident in peripheral countries and there are signs of an economic acceleration in Germany. All these factors point to a recovery. The economic rebound in the Eurozone is likely to continue well into 2014, leading to real GDP growth of 1.5% for 2014 as a whole. Supported by brighter economic conditions in the single currency zone, the German economy could expand by about 2% next year. Overall, Allianz Group sees global output increasing by slightly more than 3% in 2014. Given modest growth perspectives worldwide and taking into account the dire unemployment situation in many industrialized countries – which dampens wage pressure – inflation is likely to remain subdued on a global level both this year and next.

Allianz Group expects to see a gradual exit from crisis mode in monetary policy led by the U.S. central bank reining in its asset purchases. Although monetary policy is expected to remain highly accommodative, financial markets are likely to react with increased uncertainty and volatility. The return to normality could well be accompanied by some turbulent swings in equity, bonds or commodity markets – as we witnessed in

³ The information presented in the sections Economic outlook, Insurance industry outlook and Asset management industry outlook is based on Allianz Group's own estimates.

May when, after several promising weeks on the financial markets, jitters returned and volatility rose markedly. There are two major reasons for this anxiety: The risky Japanese monetary policy experiment to double the monetary base with its knock-on impact on exchange rates, and the rumblings about an imminent Federal Reserve exit from quantitative easing. Yields on U.S. and German government bonds increased considerably, reaching 1.8% and 2.7% respectively in June. Spreads on government bonds from the Eurozone periphery widened, too. As of late, yields have again retreated somewhat, helped by the European Central Bank (ECB) announcement in early July that it would keep key interest rates at current or lower levels for an extended period. Although recent political turmoil in Portugal and Greece has shown that the Euro crisis is not yet over, Allianz Group expects it to continue to abate. With short term rates close to zero, there are limited prospects of a sharp rise in yields on longer-term bonds. Allianz Group expects yields on 10-year German and U.S. government bonds merely to climb to slightly above 2% and close to 3% respectively by the end of 2014. With growth in the United States set to outpace that in the Eurozone and the expectation that the Federal Reserve will exit from its very expansionary monetary policy earlier than the ECB, the Dollar is likely to appreciate against the Euro in the coming months. However, in the course of 2014, with growth in Europe catching up, the Euro should move up again.

Besides a possible renewed escalation of the Eurozone sovereign debt crisis, there are other negative factors that could jeopardize the global outlook. The key hotspots remain the political situation in North Africa and the Middle East. Rising geopolitical tensions could exert a considerable drag on the global economy, not least if these spark a sharp rise in crude oil prices.

Insurance industry outlook

While financial markets remain volatile, economic growth is set to accelerate in 2013. This is good news for insurance markets. However, growth momentum in industrialized countries will remain moderate. Allianz Group expects that insurance markets in Western Europe, after two consecutive years of falling premiums, will stabilize in 2013. The U.S. market should also continue its slow upswing. On the other hand, in 2013 Allianz Group expects to see double-digit growth in emerging markets. Against this backdrop, Allianz Group forecasts that insurance profits will stay under pressure, as the effects of a lower investment yield environment as well as volatile financial markets take their toll. However, in the longer term there is the potential for growth and improved earnings should interest rates and yields increase.

In the property-casualty sector, relatively stable premium growth should continue in the second half of 2013. However, while growth in the previous year was mainly driven by rising premium rates, for the rest of 2013 the main driver will be the expected uptick in economic activity which bolsters demand for insurance coverage. In particular in the emerging markets, robust economic advances, rising household incomes and heightened risk awareness will drive stronger premium growth for the foreseeable future leading to double digit rises in emerging Asia and Latin America. Globally, Allianz Group expects nominal premium revenue to climb in the 3–5% range per annum in 2013.

The life sector was severely hit by the unfavourable market conditions of recent years, particularly in Europe. In 2013, Allianz Group expects premium growth to recover across the board. Western Europe will remain the weakest region in terms of growth with some markets still shrinking. Not until 2014 will all European markets start to advance. Resumed growth will go hand in hand with a changing business mix which is set to evolve towards more attractive unit-linked and protection business if interest rates stay at their low levels – as anticipated. On the other hand, growth in emerging markets – which is driven by higher incomes and the rising demand for social protection – is likely to accelerate considerably. Again emerging Asia and Latin America are the growth champions with double digit growth expected in the course of 2013. All in all, Allianz Group expects that global nominal premium revenue will rise in the 4–6% range per annum in 2013.

Asset management industry outlook

The outlook for the asset management industry for 2013 remains uncertain. Although there are signs of a slow recovery in the global economy and of a gradually receding European sovereign debt crisis, helped by massive liquidity support from major central banks, financial markets in developed countries are still plagued by uncertainty and capital markets are expected to be vulnerable to potential setbacks in the near future.

The recent sharp rise in yields on U.S. Treasuries was a timely reminder of the high uncertainty surrounding the unwinding of quantitative easing. Therefore, net inflows are expected to stay volatile as investors are likely to remain cautious, shifting their funds between high- and low-risk assets as sentiment ebbs and flows.

The upside potential for market-driven growth in the asset management industry will be limited in both the fixed income and the equity areas for as long as GDP growth rates in major developed countries continue to lag behind long-term trends.

Besides the uncertainty in the investment climate, the wave of regulatory change – particularly in the consumer protection and transparency fields – will put further pressure on the industry and may even trigger changes in business models and the way funds are sold. Furthermore, complying with increased regulatory oversight and reporting requirements risks pushing up operational costs, amplifying the need for strict cost control. Fierce competition between money managers is only going to increase. Given this batch of challenges, Allianz Group expects the industry's profitability to remain under pressure.

In such an environment, money managers' ability to grow is dependent on achieving above benchmark investment results, offering diverse and comprehensive investment products and upping the scale and efficiency of their operations.

Outlook for the Allianz Group

As discussed earlier, the world economy is likely to regain some momentum, and Allianz Group looks set to enter a period of moderate growth. Despite signs of a global recovery, there are clear risks for 2013 and beyond. Geopolitical tensions, a renewed flare-up of the 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 severe shocks.

Overview: outlook and assumptions 2013

Outlook 2013	
Allianz Group	Maintenance of strong capital and solvency ratios ¹
	Protection of shareholders' investments, while continuing to provide attractive returns and dividends (dividend payout ratio of 40%).
	Profitable growth.
	Investment strategy focused on generating attractive returns and minimizing vulnerability to price fluctuations.
Property-Casualty	Growth in gross premiums written between 2.5% and 3.5%.
	Combined ratio of 96% over the cycle.
	Pressure on investment income due to reinvestments in a low interest rate environment.
	Overcompensation of the underlying claims inflation by the aggregate effect of improvements in pricing, claims management and productivity gains.
Life/Health	Revenues at 2012 levels.
	Pressure on investment income due to low interest rates and normalization of the net harvesting result.
	Prioritizing profitability over growth, taking further product and pricing actions as necessary.
Asset Management	Moderate growth in total assets under management and continued net inflows, especially into fixed income products.

Cost-income ratio at or below 60%.

⁽¹⁾ The conglomerate solvency ratio decreased by approximately 17 percentage points as of 1 January 2013 due to amendments to IAS 19.
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Allianz Group's outlook is based on the following assumptions:

- Moderate global economic growth
- Interest rates remain low
- No dramatic interest rate movements
- No severe disruptions of the capital markets
- No disruptive fiscal or regulatory interference
- Level of claims from natural catastrophes returning to more expected average levels
- Average U.S. Dollar to Euro exchange rate of 1.25

Allianz Group expects its business mix and profitability contributions to remain unchanged compared to 2012: its Property--Casualty business will carry on making up the majority of our operating profit, while Allianz Group anticipates that the Asset Management segment will continue to be a significant source of operating profit, driven by the strong asset base growth in 2012. However, Allianz Group expects the growth rate in Asset Management to ease and further expects operating profit in Life/Health to revert to a more usual level due to the normalization of the investment result.

Although the global economy is showing signs of a slow recovery, investment results are likely to remain under pressure due to low interest rates and the continued uncertainty surrounding sovereign debts. This will be partly offset by a better operational performance in the business segments and a growth-driven increase in Allianz Group's asset base.

In 2012, Allianz Group's total revenues amounted to € 106.4bn, representing a 0.5% increase on an internal basis compared to last year. The decline in Life/Health revenues, reflecting the challenging market environment and the trade-off between volume and margins, was more than compensated for by excellent growth in Asset Management along with a moderate increase in Property-Casualty premiums. Allianz Group expects the modest revenue rise to continue in 2013, with Property-Casualty and Asset Management experiencing positive internal growth, while Life/Health volumes are likely to remain under pressure due to the uncertain financial market outlook and its selective focus on profitable growth.

How the level of our future total revenues will evolve is – apart from financial market developments – also dependent on market cycles and Allianz Group's ability to address continuing and emerging challenges and exploit new business opportunities.

As Allianz Group's product and service offerings differ from country to country, information about the development of its sales markets and modifications to Allianz Group's product portfolio also varies. Overall, Allianz Group expects its market and product mix to remain relatively unaltered. The Property-Casualty product mix will change slightly, driven by its recent acquisitions of the activities of Mensura (specialist in worker's accident insurance) and Gan Eurocourtage (focused on commercial lines) and the expected decline in its crop premiums in the U.S. due to a reduced share in the reinsurance agreement. In the Life/Health segment, in line with expected market trends, Allianz Group could see a fall in premiums from life insurance products with guarantees. In addition, Allianz Group decided to cease business operations under the Allianz Bank brand with effect from 30 June 2013, not affecting the other banking business of OLB.

Allianz Group is confident about staying on course towards profitable growth for the rest of 2013. However, as could be witnessed in the first six months, unfavourable 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 current half year's operating profit and net income to arrive at an expected result for the full year.

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

Significant Changes

Save as disclosed in the Section "*Recent Developments since 30 June 2013*", there have been no significant changes with regard to the financial position or the trading position of Allianz Group since 30 June 2013.

Trend Information

There has been no material adverse change in the prospects of Allianz Group since 31 December 2012.

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.

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, involving claims by and against them, which arise in the ordinary course of their businesses, including in connection with 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 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 hereof, 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 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. However, the decision is not final as it has been appealed to the higher regional court (*Oberlandesgericht*) of Frankfurt. The Management believes that a claim to increase the cash settlement does not exist. 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's ("**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 various putative class action lawsuits in connection with the marketing and sale of deferred annuity products. Two of those lawsuits are currently pending as certified class actions in California. The complaints allege generally that the defendant engaged in, among other practices, deceptive trade practices and misleading advertising in connection with the sale of such products. These lawsuits have not yet progressed to a stage at which the outcome or exposure can be determined. In a class action lawsuit in Minnesota the Court, based upon a jury trial, entered final judgment in favor of Allianz Life in January 2010. In another California class action the parties reached settlement, which the court approved in 2011.

In January 2013, Allianz SE received a tax assessment notice from the Italian Tax Authority which declares a tax liability of Allianz SE of € 1.4 bn including penalties and interest. The Italian Tax Authority asserts 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, represents a taxable event. The Management believes that the tax liability does not exist and has taken legal remedy against the tax assessment notice.

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 2012. For a description of the Allianz Group's scope of consolidation as of 31 December 2012, see Note 5, page 251 et seqq. to the Consolidated Financial Statements 2012.

The Allianz Group's business operations and structure are described in the Business Operations and Markets chapter starting on page 93 of Allianz Group's Annual Report 2012. In 2013, Allianz Group's global entities Allianz Global Automotive, Allianz Global Assistance, Allianz Worldwide Care and the international health insurance business of Allianz France are expected to be bundled to provide a comprehensive product range to Allianz Group's customers.

List of participations of the Allianz Group as of 31 December 2012 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 2012. Please refer to section "Documents Incorporated by Reference" on page 90 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 issues a declaration of conformity with the Code.

On 12 December 2012, 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 in the version of 15 May 2012, published by the Federal Ministry of Justice in the official section of the Federal Gazette ("*Bundesanzeiger*").
2. Since the last Declaration of Conformity as of 15 December 2010, Allianz SE has complied with the recommendations of the Code in the version of 26 May 2010 with the exception to No. 5.4.6 para. 2 sentence 1 of the Code (the compensation rules for Supervisory Board of Allianz SE do not provide for any performance-related components. The company believes fair fixed remuneration is more suitable to the control function of the Supervisory Board irrespective of success of the company). Since the Code in the version of 15 May 2012 does not contain a recommendation for performance-related compensation components for the Supervisory Board any more, there will be no deviation in this regard in the future."

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	Member of the supervisory body of Unicredit S.p.A.
Dr. Christof Mascher	Operations	None
Jay Ralph	Asset Management Worldwide	None
Dr. Dieter Wemmer	Controlling, Reporting, Risk	None
Dr. Werner Zedelius	Insurance German Speaking Countries	None
Dr. Maximilian Zimmerer	Finance	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 reports 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 risk management system, (iv) the external audit and (v) 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
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
Igor Landau ⁽¹⁾	Chairman of the Supervisory Board of adidas AG, Member of the board of directors of Sanofi S.A.	Member of the Supervisory Boards of adidas AG (chairman) and member of the board of directors of Sanofi S.A.
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

Name	Principal Occupation	Principal Outside Board Memberships
(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 2012 (see pages 336 – 340 of the Annual Report 2012 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 € 1,167,232,000 divided into 455,950,000 registered no-par value shares (*Stückaktien*) with restricted transferability. An increase of the share capital of Allianz SE by € 1,408,000 to € 1,168,640,000 (456,500,000 shares), due to the issuance of shares offered to employees of Allianz Group, is expected to become effective by the end of October 2013. 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

Pursuant to the foreign account tax compliance provisions of FATCA, the relevant Issuer, the Guarantor, or any other non-U.S. financial institutions through which payments on the Notes may be 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) any Notes 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) any Notes which are treated as equity for U.S. federal tax purposes, whenever issued.

The application of FATCA to interest, principal or other amounts paid with respect to the Notes is not clear for the time being.

Germany signed an intergovernmental agreement (Model I) with the United States to help implement FATCA for certain German entities on 31 May 2013. The impact of the intergovernmental agreement on Allianz SE and its reporting and withholding responsibilities under FATCA is still unclear. The legislation implementing the provisions of the agreement into national law still needs to be drafted. Allianz SE may be required to report certain information on its U.S. account holders to the competent government of Germany in order (i) to obtain an exemption from FATCA withholding on payments it receives and/or (ii) to comply with applicable law. It is not yet certain how the United States and Germany will address withholding on "foreign passthru payments" (which may include payments on the Notes) or if such withholding will be required at all. If Germany fails to enact implementing legislation, Allianz SE's obligations under FATCA may be different from those described above.

The Netherlands has not signed an intergovernmental agreement with the United States to help implement FATCA. Accordingly, under existing U.S. guidance, for the Issuers that are organized in the Netherlands, withholding tax may be triggered under FATCA on payments by such Issuers if (i) the relevant Issuer is a foreign financial institution ("**FFI**") (as defined in FATCA) which enters into and complies with an agreement (an "**FFI Agreement**") with the U.S. Internal Revenue Service ("**IRS**") to provide certain

information on its account holders (making such Issuer a "**Participating FFI**"), (ii) the relevant Issuer is required to withhold on "foreign passthru payments", and (iii)(a) an investor does not provide information sufficient for the relevant Participating FFI to determine that the investor is not subject to withholding under FATCA, or (b) any FFI to or through which payment on such Notes is made is not a Participating FFI or otherwise exempt from FATCA withholding. If the Netherlands enters into an intergovernmental agreement with the United States (and enacts relevant implementing legislation), the obligations of the Issuers that are organized in the Netherlands may be different from those described above.

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 Issuers, the Guarantor, any paying agent or any other person would, pursuant to the Terms and Conditions of the Notes 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.

Whilst the Notes are in global form and held within Euroclear, Clearstream, Frankfurt or Clearstream, Luxembourg (together, the "**ICSDs**"), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the relevant Issuer, the Guarantor, any paying agent and the ICSDs, given that each of the entities in the payment chain between the relevant Issuer (or the Guarantor) and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an intergovernmental agreement will be unlikely to affect the Notes. However, the Terms and Conditions of the Notes specifically provide that they may be cleared other than through an ICSD, in which case the ability of a holder of the Notes to receive payments free of FATCA withholding will depend on the relevant clearing system's FATCA status.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ALLIANZ SE, 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 overview 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 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 (*unmittelbar 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 succeeding 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 in the subsequent paragraph – *Withholding Tax*), the investor will have to include the income received from its investment in the Notes in its income tax return and 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 an available loss carry forward or a foreign tax credit). If the investor's total income tax liability on all taxable income including the investment income determined by generally applicable individual progressive tax rates is lower than 25 per cent. the investor may opt to be taxed at individual progressive tax rates with respect to its investment income.

Capital losses from the Notes held as private assets are tax-recognised irrespective of the holding period of the Notes. The losses may, however, not be used to offset other income like employment or business income but may only be offset against investment income subject to certain limitations. Losses not utilised in one year may be carried forward into subsequent years but may not be carried back into preceding years.

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 married couples filing their tax return jointly). 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 possible.

Withholding tax

If the Notes are kept or administered in a domestic securities deposit account by a German credit or financial services institution (*Kredit- oder Finanzdienstleistungsinstitut*) (or by a German branch of a foreign credit or financial services institution), or by a German securities trading firm (*Wertpapierhandelsunternehmen*) or by 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 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 since their acquisition. If the Notes were sold or redeemed after being transferred to another 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 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.

German 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 who 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. Losses from the disposal or redemption of the Notes will generally be tax-recognised and may generally be offset by income subject to certain limitations.

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 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 business assets, subject to certain requirements. Any losses incurred from the disposal or redemption of the Notes will not be taken into account for withholding tax purposes. 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 resident investors

Income derived from the Notes by Noteholders who are not tax resident in Germany is in general exempt from German income taxation, and no withholding tax shall be withheld, provided however (i) the Notes are not 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 not 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 withholding tax similar to that described above under the paragraphs *Withholding tax*. 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 / gift tax

The transfer of 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*), had 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 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 Notes does, at present, not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany (despite the European initiative on financial transaction tax). However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sales of Notes 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 and self-applied tax on interest

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 June 21, 2005 implementing the European Union 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 July 1, 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 Council

Directive 2009/65/EC, 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%. 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.

Luxembourg resident individuals

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 the Council Directive 85/611/EEC, as replaced by Council Directive 2009/65/EC, or for the exchange of information regime) are subject to a 10% withholding tax (the "**10% Luxembourg Withholding Tax**").

Pursuant to the Luxembourg law dated December 23, 2005 as amended by the law of July 17, 2008, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10% tax (the "**10% Self-applied Tax**") on interest payments made after December 31, 2007 by certain non-Luxembourg paying agents (defined in the same way as in the Savings Directive), i.e. paying agents located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive.

The 10% Luxembourg Withholding Tax or the 10% **Self-applied Tax** represents the final tax liability for the Luxembourg resident individual taxpayers, receiving the payment in the course of their private wealth.

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**") as of 1 January 2014.

Pursuant to 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. Among others, FTT shall however not be payable on 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.

The rates for the FTT shall be fixed by each Participating Member State but shall amount for transferrable securities to at least 0.1 per cent. of the taxable amount. The taxable amount 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. Where the FTT due has not been paid timely, 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.

On this basis in particular the sale, purchase and exchange of the Notes will be subject to the FTT at a minimum rate of 0.1 per cent. provided the abovementioned prerequisites are met. To the contrary, the issuance of the Notes under the Programme should likely not be subject to FTT.

The Draft Directive is still subject to negotiations among the Participating Member States and therefore might be changed at any time. Moreover, the provision of the Draft Directive once adopted (the "Directive") 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 provisions contained in it. Prospective holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing, purchasing, holding and disposing 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). 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.

On 13 November 2008, the European Commission published a proposal for a new draft of the Savings Directive, which, if implemented, would broaden the scope of the requirements described above. The European Parliament expressed its opinion on the proposal on 24 April 2009 and the European Economic and Social Committee did the same on 13 May 2009.

A second review of the Savings Directive was published on 2 March 2012. The main findings of the review, including the widespread use of offshore jurisdictions for intermediary entities and the growth in key markets that provide products comparable to debt claims, reinforce the case to not only extend the scope of the Savings Directive, but also of relevant agreements.

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 22 October 2013 (the "**Subscription Agreement**") among the Issuer and Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank and Deutsche Bank AG, London Branch (together, the "**Joint Lead Managers**") and Bayerische Landesbank, Landesbank Hessen-Thüringen Girozentrale, National Australia Bank Limited, Société Générale and SMBC Nikko Capital Markets Limited (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 24 October 2013. 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 other than explicitly mentioned in this Prospectus 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.

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 11 October 2013.
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: DE000A1YCQ29
Common Code: 098554386
German Securities Code (*WKN*): A1YCQ2
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 until the First Call Date which is assumed to be 24 October 2023 is 4.756 per cent. per annum, calculated on the basis of the issue price. Such yield is calculated in accordance with the ICMA (International Capital Markets Association) Method.

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 23 May 2013 (" Base Prospectus ")	
General Description of the Programme	Pages 36-37

Information Incorporated by Reference	Reference
Allianz Group	
<i>Annual Report 2012</i>	
Consolidated Balance Sheets	Page 219
Consolidated Income Statements	Page 220
Consolidated Statements of Comprehensive Income	Page 221
Consolidated Statements of Changes in Equity	Page 222
Consolidated Statements of Cash Flows	Pages 223-225
Notes to the Consolidated Financial Statements	Pages 226-365
Notes to the Consolidated Balance Sheets	Pages 272-310
Notes to the Consolidated Income Statements	Pages 311-323
Other Information	Pages 324-356
List of participations of the Allianz Group as of December 31, 2012 according to § 313(2) HGB	Pages 357-364
Auditor's Report	Page 366

Information Incorporated by Reference	Reference
Allianz Group	
<i>Annual Report 2011</i>	
Consolidated Balance Sheets	Page 182
Consolidated Income Statements	Page 183
Consolidated Statements of Comprehensive Income	Page 184
Consolidated Statements of Changes in Equity	Page 185

Consolidated Statements of Cash Flows	Pages 186-188
Notes to the Consolidated Financial Statements	Pages 189-325
Supplementary Information to the Consolidated Balance Sheets	Pages 236-269
Supplementary Information to the Consolidated Income Statements	Pages 270-284
Other Information	Pages 285-317
List of participations of the Allianz Group as of December 31, 2011 according to § 313(2) HGB	Pages 318-324
Auditor's Report	Page 326

Allianz Group	
<i>Unaudited Consolidated Interim Report for the Second Quarter and First Half Year of 2013</i>	
Consolidated Balance Sheets	Page 53
Consolidated Income Statements	Page 54
Consolidated Statements of Comprehensive Income	Page 55
Consolidated Statements of Changes in Equity	Page 56
Condensed Consolidated Statements of Cash Flows	Pages 57-58
Notes to the Condensed Consolidated Interim Financial Statements	Pages 59-122
Review Report	Page 123

Allianz Group	
<i>Unaudited Consolidated Interim Report for the Second Quarter and First Half Year of 2012</i>	
Consolidated Balance Sheets	Page 54
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Condensed Consolidated Statements of Cash Flows	Pages 58-59
Notes to the Condensed Consolidated Interim Financial Statements	Pages 60-105
Review Report	Page 106

Allianz SE	
<i>Annual Report 2012</i>	
Balance Sheet	Pages 94-95
Income Statement	Page 96
Notes to the Financial Statements	Pages 97-131
List of participations Allianz SE, Munich as of December 31, 2012 according to § 285 No. 11 HGB in conjunction with § 286 (3) No. 1 HGB	Pages 126-130
Auditor's Report	Page 132

Allianz SE	
<i>Annual Report 2011</i>	
Balance Sheet	Pages 86-87
Income Statement	Page 88
Notes to the Financial Statements	Pages 89-124
List of participations Allianz SE, Munich as of December, 31 2011 according to § 285 No. 11 HGB in conjunction with § 286 (3) No. 1 HGB	Pages 120-123
Auditor's Report	Page 125

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 23 May 2013, which is incorporated by reference itself, relating to the Annual Reports of 2012 and 2011 of Allianz Group, as well as the references relating to the Annual Reports 2012 and 2011 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

Commerzbank Aktiengesellschaft
Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Germany

Crédit Agricole Corporate and Investment Bank
9 Quai du Président Paul Doumer
92920 Paris La Défense Cedex
France

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Co-Lead Managers

Bayerische Landesbank
Brienner Straße 18
80333 Munich
Germany

Landesbank Hessen-Thüringen Girozentrale
MAIN TOWER
Neue Mainzer Str. 52 – 58
60311 Frankfurt am Main
Germany

**National Australia Bank
Limited**
88 Wood Street
London EC2V 7QQ
United Kingdom

Société Générale
SG House
41 Tower Hill
London EC3N 4SG
United Kingdom

**SMBC Nikko Capital Markets
Limited**
One New Change
London, EC4M 9AF
United Kingdom

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