



ALLIANZ SE

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

USD 1,000,000,000 5.5 per cent. Undated Subordinated Notes

Issue Price 100 per cent.

Allianz SE (the "**Issuer**"), will issue on 28 November 2012 (the "**Issue Date**") USD 1,000,000,000 5.5 per cent Undated Subordinated Notes in a denomination of USD 200,000 per Note (the "**Notes**") as Series 57 under the € 20,000,000,000 Debt Issuance Programme of Allianz SE, Allianz Finance II B.V. and Allianz Finance III B.V. guaranteed by Allianz SE (the "**Programme**").

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

The Notes will bear interest from and including the Issue Date at a rate of 5.5 per cent. per annum, scheduled to be paid semi-annually in arrear on 26 March and on 26 September in each year, commencing on 26 March 2013 (short first coupon).

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 the option of the Issuer (in whole but not in part) at par plus accrued and deferred interest, if any, on 26 September 2018 (the "**First Call Date**") or on any Interest Payment Date thereafter, provided that on such date the Conditions to Redemption (as defined in the Terms and Conditions) are fulfilled. Under certain circumstances described in Condition 4(b) and Condition 4(c) 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 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 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 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 a depositary common to Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**").

Joint Lead Managers

CITIBANK INTERNATIONAL
PLC

DEUTSCHE BANK

HSBC

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 deemed to be 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 Citibank International plc and Deutsche Bank AG, London Branch and HSBC Bank plc (together, the "**Joint Lead Managers**" or 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, DEUTSCHE BANK AG, LONDON BRANCH (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, 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 in such forward-looking statements. Such deviations may arise, without limitation, because of changes in the general economic condition and competitive situation, particularly in the Allianz Group's core business and core markets, or the impact of acquisitions, related integration issues and reorganization measures. Deviations may also arise from the frequency and severity of insured loss events, including natural catastrophes, and from the development of loss expenses, mortality and morbidity levels and trends, persistency levels, and, particularly in our banking business, the extent of credit defaults. In addition, the performance of the financial markets (particularly market volatility, liquidity and credit defaults) as well as changes in interest rate levels, currency exchange rates and changes in national and international laws and regulations, particularly tax regulation, may have a relevant impact. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences. The company assumes no obligation to update any forwardlooking statement.

WARNING

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of the document, you should obtain independent professional advice.

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DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with 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 shall be deemed to be incorporated in, and form part of, this Prospectus:

Cross reference list

Information Incorporated by Reference	Reference
Base Prospectus, dated 23 May 2012 (" Original Base Prospectus ")	
General Description of the Programme	Pages 42-44

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
Condensed Consolidated Statements of Cash Flows	Pages 186-188
Notes to the Condensed Consolidated Financial Statements	Pages 189-317
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
Auditors' Report	Page 326

Allianz Group	
<i>Annual Report 2010</i>	
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Notes to the Consolidated Financial Statements	Pages 159-289
Supplementary Information to the Consolidated Balance Sheets	Pages 208-241
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List of participations of the Allianz Group as of December 31, 2010 according to § 313 (2) HGB	Pages 290-296
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Consolidated Balance Sheets	Page 56
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List of participations of the Allianz SE as of December 31, 2011 according to § 285 No. 11 HGB in conjunction with § 286 (3) No. 1 HGB	Pages 120-123
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Allianz SE	
<i>Annual Report 2010</i>	
Balance Sheet	Page 88-89
Income Statements	Page 90
Notes to the Financial Statements	Pages 91-114
List of participations of the Allianz SE as of December 31, 2010 according to § 285 No. 11 HGB in conjunction with § 286 (3) No. 1 HGB	Pages 115-118
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All of which shall be deemed to be incorporated in, and to form part of, this Prospectus.

Any information not listed in the cross reference list but included in the documents incorporated by reference is given for information purposes only. The references in the Original Base Prospectus relating to the Annual Reports of 2011 and 2010 of Allianz Group, as well as the references relating to the Annual Reports 2011 and 2010 of Allianz SE are not incorporated by reference as they are already covered in this Prospectus pursuant to Art 28.4 of the Commission Regulation (EC) 809/2004.

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.

RISK FACTORS

Risk factors relating to Allianz SE/Allianz Group

The following is a description of risk factors in relation to Allianz SE. The realisation of any of the risks described below may affect the ability of Allianz SE to fulfil its payment obligations in relation to the Notes 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 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, in particular in the wake of the ongoing global financial crisis. The ability of the Allianz Group to meet its financing needs in an environment like this 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 sustained break-down of such markets 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 worldwide persistent 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.

The Allianz Group has been and may continue to be adversely affected by the development of the global economy in general and global capital 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. The crisis in the North American mortgage market and the subsequent crisis in the global capital markets have led to a re-evaluation of risks, particularly credit risks. In addition, the Euro zone sovereign debt crisis and concerns over the viability of the European Union have further increased uncertainties in the capital markets. The probability of default has 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 has increased significantly. At the same time, liquidity in the markets for these assets has fallen 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 energy costs including oil prices, rising unemployment, limited availability and higher cost of credit, continued 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 remain high or may even increase, and that the prospects for the global economy and global capital markets remain challenging. There is a risk that the global economic recovery 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, including, but not limited to, 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 have been and may continue to remain under pressure. The Allianz Group's management cannot assess how the global economy and the global capital 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 ongoing 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 5.6% of the Allianz Group's financial assets as of September 30, 2012 (as of December 31, 2011: 6.0%), 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 2011 approximately 38.4% (fiscal year 2010: 37.6%) of the Allianz Group's gross premiums written in the Property-Casualty segment and 29.9% (fiscal year 2010: 30.4%) of the statutory premiums in the Life/Health segment originated in currencies other than the Euro. Furthermore, as of December 31, 2011, 63.2% (as of 31 December 2010: 62.1%) 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, based on the facts and circumstances available at the time the reserves are established, 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, including IBNR 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. The Allianz Group's results of operations depend significantly upon the extent to which the Allianz Group's actual claims experience is consistent with the assumptions the Allianz Group uses in setting the prices for products and establishing the liabilities for obligations for technical provisions and claims. To the extent that the Allianz Group's actual claims experience is less favorable than the underlying assumptions used in establishing such liabilities, the Allianz Group may be required to increase its reserves, which may materially adversely affect its results of operations.

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. The Allianz Group also conducts reviews of various lines of business to consider the adequacy of reserve levels. However, because the establishment of reserves for loss and loss adjustment expenses is an inherently uncertain process, there can be no assurance that ultimate losses will not materially exceed the established reserves for loss and loss adjustment expenses and have a material adverse effect on the Allianz Group's results 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 represent the majority.

Results of the Allianz Group's asset management activities are affected by share prices, share valuation, interest rates, FX rates and market volatility. In addition, third-party funds are subject to withdrawal in the event the Allianz Group's investment performance is not competitive with other asset management firms. Accordingly, fee income from the asset management business might decline if the level of the Allianz Group's third-party assets under management were to decline due to non-competitive investment performance or otherwise. In addition performance fees might decline as well.

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.

Although the Allianz Group monitors its overall exposure to catastrophes and other unpredictable events in each geographic region, 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 September 11, 2001, and any future terrorist attacks, could have a continuing negative impact on the Allianz Group's businesses.

After September 11, 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 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 may affect the way in which they 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 agencies 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. Also, bank regulators and other supervisory authorities in the EU, the United States and

elsewhere continue to scrutinize payment processing and other transactions under regulations governing such matters as money-laundering, prohibited transactions with countries subject to sanctions, and bribery or other anti-corruption measures. If the Allianz Group fails to address, or appears to fail to address, appropriately any of these changes or initiatives, the Allianz Group's reputation could be harmed and the Allianz Group companies could be subject to additional legal risk, including enforcement actions, fines and penalties. Despite their best efforts to comply with applicable regulations, there are a number of risks in areas where applicable regulations may be unclear or where regulators revise their previous guidance or courts overturn previous rulings. Regulators and other authorities have the power to bring administrative or judicial proceedings against the Allianz Group companies, which could result, among other things, in significant adverse publicity and reputational harm, suspension or revocation of licenses, cease-and-desist orders, fines, civil penalties, criminal penalties or other disciplinary action that could materially harm the Allianz Group's results of operations and financial condition.

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. 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, creates 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 favorable 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 arising from failure or perceived failure to comply with legal and regulatory requirements, financial reporting 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, regulatory investigations

of the mutual fund, banking and insurance industries, and litigation that arises from the failure or perceived failure by the Allianz Group companies to comply with legal, regulatory and compliance requirements, could result in adverse publicity and reputational harm, lead to increased regulatory supervision, affect the Allianz Group's ability to attract and retain customers, impair access to the capital markets, result in law suits, enforcement actions, fines and penalties or have other adverse effects on the Allianz Group in ways that are not predictable.

Other risks

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

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

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

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

Business and market conditions may impact the amount of goodwill the Allianz Group carries in its consolidated financial statements. As of December 31, 2011, the Allianz Group has recorded goodwill in an aggregate amount of EUR 11,722 million, of which EUR 6,985 million related to its asset management business, EUR 4,246 million related to its insurance business and EUR 491 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 337 million were recorded for goodwill in fiscal year 2011.

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 2011.

As of December 31, 2011, the Allianz Group had a total of EUR 2,321 million in net deferred tax assets and EUR 3,881 million in net deferred tax liabilities. 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. As of December 31, 2011, EUR 2,081 million of deferred tax assets depended on the ability to use existing tax-loss carry forwards.

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.

Following the sale of Dresdner Bank AG (Dresdner Bank)' in January 2009, Allianz SE retains the contingent obligation to indemnify, under certain circumstances, the Federal Association of German Banks (Bundesverband deutscher Banken e.V.) in connection with Dresdner Bank for the period Allianz SE owned Dresdner Bank.

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 Oldenburgische Landesbank Aktiengesellschaft ("Oldenburgische Landesbank"), Münsterländische Bank Thie & Co. KG and Bankhaus W. Fortmann & Söhne KG, which remain part of the Allianz Group following the sale of Dresdner Bank.

With the sale of Dresdner Bank having become effective on January 12, 2009, Allianz terminated its indemnification undertaking issued in the fiscal year 2001 in favor of the Federal Association of German Banks with respect to Dresdner Bank since the date of sale. As a result, Allianz's on-going indemnification obligation relates to supporting measures in favor of Dresdner Bank that are based on facts that were already existing at the time of the termination.

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

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

Operational risks may disrupt the Allianz Group's business

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

other acts of sabotage as well as other internal or external threats. Operational risks also include legal and compliance risks.

Risk factors relating to the Notes

The Notes may not be a suitable investment for all investors

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

- (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 its particular financial situation, an investment in the Notes and the impact the Notes will have on its 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) be 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 its investment and its 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 Issuer is under no obligation to redeem the Notes at any time and the holders of the Notes (each a "**Noteholder**") have no right to call for their redemption.

Subordination

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

The terms of the Notes provide that the obligations of the Issuer under the Notes rank subordinated to all of the Issuer's (i) unsubordinated obligations, and (ii) legally subordinated obligations 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) dated subordinated obligations. 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) legally subordinated obligations 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 legally subordinated obligations 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, (ii) interest payable by the Issuer in respect of the Notes is no longer fully deductible by the Issuer for German income tax purposes, or (iii) the Notes may no longer be recorded as liabilities on the consolidated balance sheet of the Issuer. The Notes may also be redeemed, subject to the Conditions to Redemption, at the Redemption Amount if the Notes do no longer qualify as regulatory capital as intended upon issuance of the Notes or if the capital treatment of the Notes becomes materially unfavourable, 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 principal amount on the First Call Date or on any 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 yield and 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 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 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, with respect to each Optional Interest Payment Date, elect in its discretion to defer the payment of accrued interest by giving not less than 10 and not more than 15 Business Days' prior notice to the Noteholders. Such interest will not be due and payable (*fällig*) on that Interest Payment Date.

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

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

Restrictions on payment of Arrears of Interest

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

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

No express Events of Default

The Noteholders should be aware that the Terms and Conditions do not contain any express events of default provision.

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), 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 issuers 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 or 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. 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 Notes

The Notes bear interest at a fixed rate.

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, 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 falls. If the market yield falls, the price of the Note 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 (or market spread respectively) 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 (or market spreads respectively).

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

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. 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.

Currency risk in relation to Notes

The Notes are denominated in US Dollar. 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, investors 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 towards 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 that the Issuer will be in a position to fully perform all obligations under the Notes when they fall due decreases, 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 suffer. 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. In addition, 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 occurs, 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 or that economic and market conditions will not have any other adverse effect.

Legal investment considerations may restrict certain investments

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 the Notes. For instance, credit institutions as a rule charge their clients for own 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.

Noteholders must further take into account that upon sales or purchases of Notes prior to an interest payment date (depending on their type and features), respectively, no accrued interest might be paid or charged, as the case may be.

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 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 may suffer losses instead of realising gains.

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, Luxembourg and Hong Kong is described under "TAXATION", starting on page 84; however, the tax impact on an individual Noteholder may differ from the situation described for Noteholders generally.

All investors are advised to contact their own tax advisors for advice on the tax impact of an investment in the Notes. Examples of taxation risk that investors should consider together with their advisors include among others the risk of double taxation (in Germany and Hong Kong 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. 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. If a withholding tax is imposed on payments made by a Paying Agent, the Issuer will be required (save as provided in the Terms and Conditions) to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

The application to payments under the Notes of the recently enacted foreign account tax compliance withholding law in the United States is uncertain.

Allianz SE and other non-U.S. financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2016 in respect of (i) any Notes issued or materially modified on or after 1 January 2013 and (ii) any Notes which are treated as equity for U.S. federal tax purposes whenever issued, pursuant to the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 ("**FATCA**"). Under current guidance, this withholding tax may be triggered if (i) Allianz SE is a foreign financial institution ("**FFI**") (as defined in FATCA) which enters into and complies with an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information on its account holders (making Allianz SE a "**Participating FFI**"), (ii) Allianz SE has a positive "passthru percentage", and (iii)(a) an investor does not provide information sufficient for the relevant Participating FFI (including any non-U.S. financial institution through which payments on the Notes are made that is itself a Participating FFI) to determine whether the investor is 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.

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

In particular, Germany has announced that it intends to enter into an intergovernmental agreement with the United States to help implement FATCA for certain German entities. The impact of such an agreement on the Allianz SE and its reporting and withholding responsibilities under FATCA is unclear. The United States has released a model intergovernmental agreement (the "model IGA") pursuant to which an FFI in a signatory country could be treated as a deemed-compliant FFI, an exempt FFI or a Reporting FFI not subject to withholding or required to withhold with respect to certain payments. A Reporting FFI would, however, be required to report certain information on its U.S. account holders to its home government. It is not yet certain how the United States and Germany will address withholding by Reporting FFIs on "foreign passthru payments" (such as payments on the Notes) or if such withholding will be required at all. Allianz SE expects to be treated as a Reporting FFI pursuant to the model IGA, provided Germany agrees to the model IGA in its current form. However, it is not certain that Germany will enter into an intergovernmental agreement or that it will enter into an intergovernmental agreement substantially in the same form as the model IGA. In addition, other FFIs through which payments are made may be liable to withhold amounts under FATCA in respect of Notes issued on or after 1 January 2013 (and any Notes which are treated as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued) if the conditions in the first paragraph above are satisfied.

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, investors may, if FATCA is implemented as currently proposed by the IRS, receive less interest or principal than expected.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO ALLIANZ SE, THE NOTES AND THE HOLDERS IS UNCERTAIN AT THIS TIME. EACH HOLDER OF NOTES 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.

TERMS AND CONDITIONS OF THE NOTES

Bedingungen der Schuldverschreibungen ("Anleihebedingungen")

§ 1 Form und Nennbetrag

(a) Die Allianz SE, München (die "**Emittentin**") begibt nachrangige Schuldverschreibungen ohne feste Laufzeit (die "**Schuldverschreibungen**") in US Dollar (die "**Festgelegte Währung**") im Gesamtnennbetrag von USD 1.000.000.000, eingeteilt in Schuldverschreibungen im festgelegten Nennbetrag von je USD 200.000 (der "**Festgelegte Nennbetrag**").

(b) Die Schuldverschreibungen sind zunächst in einer vorläufigen Inhaber-Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft, die bei einer gemeinsamen Verwahrstelle für Clearstream Banking, société anonyme, Luxemburg ("**Clearstream, Luxembourg**") und Euroclear Bank SA/NV ("**Euroclear**") (zusammen das "**Clearing System**") hinterlegt ist.

Die Vorläufige Globalurkunde wird insgesamt oder teilweise und unentgeltlich am oder nach dem Tag, der 40 Tage nach dem späteren der folgenden Tage liegt, dem Tag des Beginns des Angebots oder dem Tag der Begebung der vorläufigen Globalurkunde, gegen Nachweis über das Nichtbestehen wirtschaftlichen U.S.-Eigentums im Sinne des U.S.-Rechts (non-U.S. beneficial ownership), für den Inhaber von Schuldverschreibungen gegen eine dauerhafte Inhaber-Globalurkunde (die "**Dauer-Globalurkunde**") (die Vorläufige Globalurkunde und die Dauer-Globalurkunde jeweils auch eine "**Globalurkunde**") ohne Zinsscheine eingetauscht. Ein Recht der Anleihegläubiger auf Ausgabe und Lieferung von Einzelurkunden oder Zinsscheinen besteht nicht.

Die Vorläufige Globalurkunde und die Dauer-Globalurkunde tragen jeweils die eigenhändigen Unterschriften von zwei Vertretungsberechtigten der Emittentin sowie die eigenhändige Unterschrift eines Kontrollbeauftragten des Fiscal Agent.

(c) Die Vorläufige Globalurkunde und die Dauer-Globalurkunde werden solange von einem Clearing System oder im Auftrag eines Clearing Systems verwahrt, bis sämtliche Verpflichtungen der Emittentin aus den Schuldverschreibungen erfüllt sind.

Den Anleihegläubigern stehen Miteigentumsanteile an der Globalurkunde zu, die gemäß anwendbarem Recht und den Bestimmungen und Regeln des Clearing Systems übertragen werden können.

§ 2 Status

(a) Status der Schuldverschreibungen

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

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

1. Form and Denomination

(a) The undated subordinated Notes are issued by Allianz SE (the "**Issuer**") in US Dollar (the "**Specified Currency**"), in the aggregate principal amount of USD 1,000,000,000, divided into notes in the specified denomination of USD 200,000 (the "**Specified Denomination**") each (the "**Notes**").

(b) The Notes are initially represented by a temporary global bearer Note (the "**Temporary Global Note**") without interest coupons which is deposited with a depositary common to Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**") (together the "**Clearing System**").

The Temporary Global Note will be exchangeable, in whole or in part and free of charge to the holder of Notes, on or after the day 40 days after the later of the commencement of the offering and the date of issue of the Temporary Global Note for a permanent global bearer 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 to require the issue and delivery of definitive notes or interest coupons is excluded.

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.

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

The Noteholders are entitled to co-ownership participations in the Global Note, which are transferable in accordance with applicable laws and the rules and regulations of the Clearing System.

2. Status

(a) Status of the Notes

The obligations under the Notes constitute unsecured obligations of the Issuer ranking *pari passu* among themselves.

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.

Die Anleihegläubiger sind nicht berechtigt, Forderungen aus den Schuldverschreibungen gegen etwaige Forderungen der Emittentin gegen sie aufzurechnen. Die Emittentin ist nicht berechtigt, Forderungen gegenüber Anleihegläubigern 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, vorausgesetzt, die Zuständige Aufsichtsbehörde hat ihre vorherige Zustimmung erteilt. Im Fall einer solchen

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) legally subordinated obligations 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. 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 notification thereof by the Issuer to the Noteholders pursuant to Condition 10, provided that prior consent of the Competent Regulatory Authority has been obtained. Following any such amendment, the Notes will rank senior to the USD 2,000,000,000 8.375 per cent. Undated Subordinated Callable Bonds issued by the Issuer on 10 June 2008

Änderung werden die Schuldverschreibungen vorrangig vor den USD 2.000.000.000 8,375 % nachrangigen Schuldverschreibungen mit unbegrenzter Laufzeit, die die Emittentin am 10. Juni 2008 emittiert hat (ISIN US0188052007), soweit diese zum betreffenden Zeitpunkt noch ausstehend sind.

(ISIN: US0188052007), as far as these are still outstanding at this point of time.

- (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.

- (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 Condition 2 or limit the term of the Notes or shorten any applicable notice period (*Kündigungsfrist*) in respect of the Notes. If the Notes are repaid early, the amounts repaid must be returned to the Issuer irrespective of any agreement to the contrary, to the extent the Issuer has not been dissolved and if such repaid amounts have not been replaced by other at least equivalent regulatory capital (*Eigenmittel*) of at least equal status or if the Competent Supervisory Authority has given its consent to the redemption.

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

§ 3 Zinsen

3.1 Verzinsung

- (a) Ab dem 28. November 2012 (einschließlich) (der "**Zinslaufbeginn**") wird jede Schuldverschreibung bezogen auf ihren Festgelegten Nennbetrag mit jährlich 5,5 % verzinst. Die Zinsen sind nachträglich am 26. März und 26. September eines jeden Jahres zur Zahlung vorgesehen, erstmals am 26. März 2013 (jeweils ein "**Zinszahlungstag**") (kurze erste Zinsperiode) und werden nach Maßgabe der in § 3.2 und § 3.3 dargelegten Bedingungen fällig.

- (b) Sofern Zinsen in Bezug auf eine Zinsperiode oder einen Teil davon zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).

"Zinstagequotient" bezeichnet im Hinblick auf die Berechnung eines Betrages von Zinsen auf die Schuldverschreibungen für einen beliebigen Zeitraum (ab dem ersten Tag dieses Zeitraums (einschließlich) bis zum letzten Tag dieses Zeitraums (ausschließlich)) (der "**Zinsberechnungszeitraum**") die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360, wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln ist (es sei denn, (i) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraumes weder auf den 30. noch auf den 31. Tag eines Monats fällt, wobei in

3. Interest

3.1 Interest Rate

- (a) From and including 28 November 2012 (the "**Interest Commencement Date**") each Note bears interest on its Specified Denomination at a rate of 5.5 per cent. per annum. Interest is scheduled to be paid in arrear on 26 March and 26 September of each year commencing on 26 March 2013 (each an "**Interest Payment Date**") (short first coupon) and will be due and payable (*fällig*) in accordance with the conditions set out in Condition 3.2 and Condition 3.3.

- (b) If interest is required to be calculated for any Interest Period or part thereof, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).

"Day Count Fraction" means, in respect of the calculation of an amount of interest on the Notes for any period of time (from and including the first day of such period to but excluding the last day of such period) (the "**Calculation Period**") the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February in

diesem Fall der diesen Tag enthaltende Monat nicht als ein auf 30 Tage gekürzter Monat zu behandeln ist, oder (ii) der letzte Tag des Zinsberechnungszeitraumes fällt auf den letzten Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).

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

3.2 Fälligkeit von Zinszahlungen, wahlweise und zwingende Aussetzung von Zinszahlungen

- (a) Zinsen, die während einer Zinsperiode auflaufen, die an einem Obligatorischen Zinszahlungstag (ausschließlich) endet, werden an diesem Obligatorischen Zinszahlungstag fällig.
- (b) Zinsen, die während einer Zinsperiode auflaufen, die an einem Fakultativen Zinszahlungstag (ausschließlich) endet, werden an diesem Fakultativen Zinszahlungstag fällig, es sei denn, die Emittentin entscheidet sich 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 dazu, die betreffende Zinszahlung auszusetzen.

Wenn sich die Emittentin an einem Fakultativen Zinszahlungstag zur vollständigen oder teilweisen Aussetzung aufgelaufener Zinsen entschieden hat, dann ist sie nicht verpflichtet, an dem betreffenden Fakultativen 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.

- (c) Falls in Bezug auf einen Zinszahlungstag ein Pflichtaussetzungsereignis eingetreten ist, werden Zinsen, die während eines Zeitraumes aufgelaufen sind, der an dem betreffenden Zinszahlungstag (ausschließlich) endet, an diesem Zinszahlungstag nicht fällig. Die Emittentin wird die Anleihegläubiger gemäß § 10 über den Eintritt eines Pflichtaussetzungsereignisses baldmöglichst nach seiner Feststellung, spätestens am vierten Geschäftstag nach dem betreffenden Zinszahlungstag informieren. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.
- (d) Nach Maßgabe dieses § 3.2 nicht fällig gewordene aufgelaufene Zinsen für eine Zinsperiode sind Zinsrückstände (die "**Zinsrückstände**").

which case the month of February shall not be considered to be lengthened to a 30-day month).

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

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

- (a) Interest which accrues during an Interest Period ending on but excluding a Compulsory Interest Payment Date will be due and payable (*fällig*) on such Compulsory Interest Payment Date.
- (b) Interest which accrues during an Interest Period ending on but excluding an Optional Interest Payment Date will be due and payable (*fällig*) on that Optional Interest Payment Date, unless the Issuer elects, 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 Condition 10, to defer the relevant payment of interest.

If the Issuer elects to defer, in whole or in part, accrued interest on an Optional Interest Payment Date, then it will not have any obligation to pay accrued interest on such Optional 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.

- (c) If a Compulsory Deferral Event has occurred with respect to any 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. The Issuer will give notice to the Noteholders of the occurrence of the Compulsory Deferral Event in accordance with Condition 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.
- (d) Accrued interest in respect of an Interest Period not due and payable in accordance with this Condition 3.2 will constitute arrears of interest ("**Arrears of Interest**").

Zinsrückstände werden nicht verzinst.

- (e) 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 jeweiligen Vorschriften des jeweiligen Insolvenzrechts und darauf bezogene Regelungen und Verordnungen (einschließlich der Rechtspraxis oder einschlägiger Gerichtsentscheidungen), die jeweils in Bezug auf die Emittentin anwendbar sind.

"Fakultativer Zinszahlungstag" bezeichnet jeden Zinszahlungstag, in Bezug auf den während der letzten sechs Monate vor dem betreffenden Zinszahlungstag kein Obligatorisches Zinszahlungsereignis eingetreten ist, und in Bezug auf den kein Pflichtaussetzungsereignis eingetreten ist und fort dauert.

"Geschäftstag" bezeichnet einen Tag (außer einem Samstag oder Sonntag), an dem Geschäftsbanken in London, New York und Frankfurt für Geschäfte (einschließlich Devisen- und Sortengeschäfte) geöffnet sind.

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

"Obligatorischer Zinszahlungstag" bezeichnet jeden Zinszahlungstag, in Bezug auf den während der letzten sechs Monate vor dem betreffenden Zinszahlungstag ein Obligatorisches Zinszahlungsereignis eingetreten ist, und in Bezug auf den kein Pflichtaussetzungsereignis eingetreten ist und fort dauert.

"Obligatorisches Zinszahlungsereignis" bezeichnet jedes der folgenden Ereignisse:

- (i) auf der letzten ordentlichen Hauptversammlung der Emittentin, die stattfand, 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.

Arrears of Interest will not bear interest.

- (e) 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.

"Optional Interest Payment Date" means each Interest Payment Date in respect of which no Compulsory Interest Payment Event occurred during the six months before the relevant Interest Payment Date, and in respect of which no Compulsory Deferral Event has occurred and is continuing.

"Business Day" means a day which is a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency) in London, New York and Frankfurt.

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

"Compulsory Interest Payment Date" means any Interest Payment Date in respect of which a Compulsory Interest Payment Event occurred during the six months before the relevant Interest Payment Date, and in respect of which no Compulsory Deferral Event has occurred and is continuing.

"Compulsory Interest 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.

Ein "**Pflichtaussetzungsereignis**" 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) am 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 Solvenzkapitalereignis entweder eingetreten ist und am betreffenden Tag fort dauert oder durch die Zahlung von Zinsen und/oder Zinsrückständen durch die Emittentin am betreffenden Tag eintreten würde, es sei denn, die Zuständige Aufsichtsbehörde hat 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 (sofern sie nach den Anwendbaren Aufsichtsrechtlichen Vorschriften berechtigt ist, ihre Zustimmung zu erteilen).

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

Ein "**Solvvenzkapitalereignis**" ist eingetreten

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

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 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).

"**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

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 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 ganz oder teilweise nachzuzahlen, wenn die Nachzahlungsvoraussetzungen (wie nachstehend definiert) in Bezug auf diese Zahlung erfüllt sind.

Wenn sich die Emittentin dazu entscheidet, ausstehende Zinsrückstände ganz 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.

Nach einer solchen Bekanntmachung wird der darin angegebene Betrag an Zinsrückständen am angegebenen Freiwilligen Nachzahlungstag fällig und die Emittentin ist verpflichtet, diesen Betrag an Zinsrückständen am Freiwilligen Nachzahlungstag nachzuzahlen, sofern an diesem Tag die Nachzahlungsvoraussetzungen (wie nachstehend definiert) in Bezug auf die betreffende Zahlung erfüllt sind.

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

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 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 Condition 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**").

Upon such notice being given, the amount of Arrears of Interest specified therein 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 if on such date the Conditions to Settlement (as defined below) are fulfilled with respect to the relevant payment.

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) 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 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 Obligatorisches Zinszahlungsereignis 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(b)(ii) definiert) eintritt, werden Zinsrückstände, die durch wahlweise Aussetzung gemäß § 3.2(b) entstanden sind, jeweils an dem Zinszahlungstag zur Nachzahlung fällig, der auf den fünften Jahrestag des betreffenden Fakultativen Zinszahlungstags fällt, an dem sich die Emittentin zur Aussetzung der entsprechenden aufgelaufenen Zinsen entschieden hat, frühestens jedoch an dem ersten Zinszahlungstag, der mindestens fünf Jahre nach dem Tag des Eintritts des Aufsichtsrechtlichen Ereignisses liegt, (dieser Zinszahlungstag jeweils
- (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.
- (b) Compulsory payment of Arrears of Interest
- The Issuer must pay outstanding Arrears of Interest (in whole but not in part) 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 Compulsory Interest 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 Condition 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 Condition 4(b)(ii)) occurs, Arrears of Interest resulting from an optional deferral pursuant to Condition 3.2(b) will be paid on the later of the Interest Payment Date falling on or after the fifth anniversary of the relevant Optional Interest Payment Date in respect of which the Issuer elected to defer the relevant accrued interest and the Interest Payment Date falling on or after the fifth anniversary of the date on which the Regulatory Event occurs (the **"Partial Compulsory Settlement Date"**).

ein "Teilweiser Pflichtnachzahlungstag").

- (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. Die Emittentin wird die Anleihegläubiger gemäß § 10 über die Nichterfüllung der Nachzahlungsvoraussetzungen baldmöglichst nach ihrer Feststellung, spätestens am vierten Geschäftstag nach dem betreffenden Freiwilligen Nachzahlungstag, Pflichtnachzahlungstag bzw. Teilweisen Pflichtnachzahlungstag informieren. Eine Nichtzahlung aus diesem Grunde begründet keinen Verzug der Emittentin und keine anderweitige Verletzung ihrer Verpflichtungen aufgrund dieser Schuldverschreibungen oder für sonstige Zwecke.

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

3.4 Ende des Zinslaufs

Der Zinslauf der Schuldverschreibung endet mit Ablauf des Tages, der dem Tag unmittelbar vorangeht, an dem sie zur Rückzahlung fällig wird. 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 gemäß den Bestimmungen in § 4(b) oder (c) nicht zurückgezahlt.
- (b) 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 (wie in § 4(c) definiert) ein Gross-up-Ereignis eintritt, ist die Emittentin jederzeit berechtigt, durch Erklärung gemäß § 4(e)

- (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. The Issuer will give notice to the Noteholders regarding the non-fulfilment of the Conditions to Settlement in accordance with Condition 10 as soon as possible after its determination but in no event later than on the fourth Business Day following the relevant Optional Settlement Date, Compulsory Settlement Date or Partial Compulsory Settlement Date. Any such failure to pay will not constitute a default of the Issuer or any other breach of its obligations under the Notes or for any other purpose.

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

3.4 End of interest accrual

Each Note 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 Condition 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 accordance with the provisions set out in Conditions 4(b) or (c).
- (b) 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 (as defined in § 4(c)) a Gross-Up Event occurs, the Issuer may at any time, upon giving notice in accordance with Condition 4(e) and subject

und vorbehaltlich der Erfüllung der Rückzahlungsbedingungen (wie nachstehend definiert), die Schuldverschreibungen (insgesamt und nicht nur teilweise) mit Wirkung zu dem in der Erklärung gemäß § 4(e) für die Rückzahlung festgelegten Tag zu kündigen. Die Rückzahlung steht auch nach einer Kündigungserklärung unter dem Vorbehalt der Erfüllung der Rückzahlungsbedingungen (wie nachstehend definiert) an dem in der Erklärung gemäß § 4(e) für die Rückzahlung festgelegten Tag. Sind die Rückzahlungsbedingungen erfüllt, ist die Emittentin verpflichtet, die Schuldverschreibungen am festgelegten Kündigungstag zu einem Betrag je Schuldverschreibung in Höhe des Rückzahlungsbetrages (wie nachstehend definiert) zurückzuzahlen.

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

Ein "**Gross-up-Ereignis**" tritt ein, wenn dem Fiscal Agent ein Gutachten eines anerkannten unabhängigen Steuerberaters vorgelegt wird, 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 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 zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.

- (ii) Wenn vor dem Ersten Kündigungstag ein Steuerereignis, ein Aufsichtsrechtliches Ereignis, ein Rechnungslegungsereignis oder ein Ratingagenturereignis eintritt, ist die Emittentin jederzeit berechtigt, durch Erklärung gemäß § 4(e) und vorbehaltlich der Erfüllung der Rückzahlungsbedingungen (wie nachstehend definiert), die Schuldverschreibungen (insgesamt und nicht nur teilweise) mit Wirkung zu dem in der Erklärung gemäß § 4(e) für die Rückzahlung festgelegten Tag zu kündigen. Jedoch ist die Emittentin im Falle eines Eintretens eines

to the Conditions to Redemption (as defined below) being fulfilled, call the Notes for redemption (in whole but not in part) with effect as of the date fixed for redemption in the notice pursuant to Condition 4(e). Even if such call notice is given, the redemption is subject to the Conditions to Redemption (as defined below) being fulfilled on the date fixed for redemption in the notice pursuant to Condition 4(e). If the Conditions to Redemption are fulfilled, the Issuer shall redeem the Notes at an amount per Note equal to the Redemption Amount (as defined below) on the specified redemption date.

No such call 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 Condition 6) on the Notes.

A "**Gross up Event**" will occur if an opinion of a recognised independent tax adviser has been delivered to the Fiscal Agent, stating that the Issuer has or will become obliged to pay Additional Amounts pursuant to Condition 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 the official interpretation or application of any such laws, rules or regulations, 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 reasonable measures it (acting in good faith) deems appropriate.

- (ii) If prior to the First Call Date a Tax Event, Regulatory Event, Accounting Event or Rating Agency Event occurs, the Issuer may at any time, upon giving notice in accordance with Condition 4(e) and subject to the Conditions to Redemption being fulfilled, call the Notes for redemption (in whole but not in part) with effect as of the date fixed for redemption in the notice pursuant to Condition 4(e). However, there shall be no right to call the Notes for redemption in case of an Accounting Event or a Rating Agency Event, if the Solvency II Directive has become part of the Applicable Supervisory Regulations and such right

Rechnungslegungsereignisses oder eines Ratingagenturereignisses nicht zur Kündigung berechtigt, wenn die Solvency II Richtlinie Teil der Anwendbaren Aufsichtrechtlichen Vorschriften geworden ist und ein solches Recht die Einbeziehung der Schuldverschreibung in 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 Erklärung gemäß § 4(e) für die Rückzahlung festgelegten Tag. Sind die Rückzahlungsbedingungen erfüllt, ist die Emittentin verpflichtet, die Schuldverschreibungen am festgelegten Kündigungstag zu einem Betrag je Schuldverschreibung in Höhe des Rückzahlungsbetrages (wie nachstehend definiert) zurückzuzahlen.

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

Ein **"Steuerereignis"** tritt ein, wenn der Hauptzahlstelle ein Gutachten eines anerkannten unabhängigen Steuerberaters vorgelegt wird, aus dem hervorgeht, dass aufgrund einer an oder nach dem Tag der Begebung der Schuldverschreibungen eintretenden Gesetzesänderung (oder einer Änderung von darunter erlassenen Bestimmungen und Vorschriften) der Bundesrepublik Deutschland oder einer Gebietskörperschaft oder Behörde der Bundesrepublik Deutschland, oder als Folge einer Änderung der offiziellen Auslegung oder Anwendung solcher 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. innerhalb von 90 Tagen nach dem Datum des Gutachtens nicht mehr voll abzugsfähig sein werden, und die Emittentin dieses Risiko nicht abwenden kann, indem sie zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für angemessen hält.

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

(A) am oder nach dem Tag der Begebung der

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 given, the redemption is subject to the Conditions to Redemption being fulfilled on the date fixed for redemption in the notice pursuant to Condition 4(e). If the Conditions to Redemption are fulfilled, the Issuer shall redeem the Notes at an amount per Note equal to the Redemption Amount (as defined below) on the specified redemption date.

The notice of early 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 independent tax counsel has been delivered to the Principal Paying Agent, stating that as a result of any amendment to, or change in, 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 amendment to, or change in, an 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 within 90 days of the date of the opinion 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 reasonable measures it (acting in good faith) deems appropriate.

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

(A) on or after the date of issue of the Notes, and prior to the Solvency II

Schuldverschreibungen, und bevor die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist, die Zuständige Aufsichtsbehörde schriftlich gegenüber der Emittentin feststellt, dass nach den Anwendbaren Aufsichtsrechtlichen Vorschriften die Schuldverschreibungen ganz 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,

(I) dass nach den Anwendbaren Aufsichtsrechtlichen Vorschriften (einschließlich der Übergangsvorschriften) die Schuldverschreibungen ganz 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

(II) dass nach den Anwendbaren Aufsichtsrechtlichen Vorschriften (einschließlich der Übergangsvorschriften) die Schuldverschreibungen ganz oder teilweise nicht länger die Anforderungen für eine solche Einbeziehung in die Berechnung der Eigenmittel mindestens als Tier 2

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 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 such securities 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

(I) 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

(II) that under the Applicable Supervisory Regulations (including the transitional provisions) the Notes (in whole or in part) no longer fulfil the requirements for such inclusion in the determination of the own funds at least as Tier 2 Capital for single solvency

Kapital für Zwecke der Ermittlung der Solo-Solvabilität der Emittentin oder der Gruppen-Solvabilität der Gruppe der Emittentin erfüllen, sofern sie nach der Umsetzung der Solvency II Richtlinie zunächst die Anforderungen für eine solche Einbeziehung in die Berechnung des Tier 2 Kapitals der Emittentin oder der Gruppe der Emittentin erfüllt hatten,

es sei denn, dies beruht in beiden Fällen (I) und (II) 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 Hauptzahlstelle ein Gutachten einer unabhängigen anerkannten Wirtschaftsprüfungsgesellschaft übergeben worden ist, aus dem hervorgeht, dass die Emittentin aufgrund einer Änderung der Anwendbaren Rechnungslegungsvorschriften die Verbindlichkeiten aus den Schuldverschreibungen zur Zahlung des Kapitals in dem nach Maßgabe der Anwendbaren Rechnungslegungsvorschriften aufgestellten Konzernjahresabschluss der Emittentin nicht bzw. nicht mehr als Verbindlichkeiten ausweisen kann und die Emittentin dies nicht abwenden kann, indem sie zumutbare Maßnahmen ergreift, die sie nach Treu und Glauben für 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 aufgrund einer 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

purposes of the Issuer or for group solvency purposes of the Issuer's group, provided that upon implementation of the Solvency II Directive the Notes did fulfil the requirements for the inclusion in the determination of the Tier 2 Capital of the Issuer or the Issuer's group,

except where in each case (I) and (II) this is merely the result of exceeding any applicable limits on the inclusion of such securities 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 accounting firm has been delivered to the Principal Paying Agent, stating that as a result of any change in or amendment to the Applicable Accounting Standards 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 Issuer's published consolidated annual financial statements and this cannot be avoided by the Issuer taking such reasonable measures it (acting in good faith) deems appropriate. Where:

"Applicable Accounting Standards"

means the International Financial Reporting Standards (IFRS) as applicable at the relevant dates and for the relevant periods, or other accounting principles generally accepted 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, the capital treatment of the Notes for the Issuer or the Issuer's group becomes, in the reasonable opinion of the Issuer materially

erheblich nachteilig wird.

(c) Rückzahlung nach Wahl der Emittentin

Die Emittentin ist berechtigt, durch Erklärung gemäß § 4(e) und vorbehaltlich der Erfüllung der Rückzahlungsbedingungen, die Schuldverschreibungen (insgesamt und nicht nur teilweise) erstmals mit Wirkung zum 26. September 2018 (der "**Erste Kündigungstag**") und jederzeit danach zu kündigen. Die Rückzahlung steht auch nach einer Kündigungserklärung unter dem Vorbehalt der Erfüllung der Rückzahlungsbedingungen an dem in der Erklärung gemäß § 4(e) für die Rückzahlung festgelegten Tag. Sind die Rückzahlungsbedingungen erfüllt, ist die Emittentin verpflichtet, die Schuldverschreibungen am festgelegten Rückzahlungstag zu einem Betrag je Schuldverschreibung in Höhe des Rückzahlungsbetrages zurückzuzahlen.

(d) Rückzahlungsbedingungen

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

- (i) im Falle einer Rückzahlung oder einem Rückkauf der Schuldverschreibungen 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; bzw.
- (ii) nachdem die Solvency II Richtlinie Teil der Anwendbaren Aufsichtsrechtlichen Vorschriften geworden ist,
 - (A) eine entsprechende Zahlung bzw. ein entsprechender 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 ihre vorherige Zustimmung zur Rückzahlung und der Zahlung von aufgelaufenen Zinsen bzw. etwaigen Zinsrückständen auf die Schuldverschreibungen bzw. zu dem Rückkauf erteilt und bis zu diesem Tag nicht widerrufen hat (sofern sie nach den Anwendbaren Aufsichtsrechtlichen Vorschriften berechtigt ist, ihre Zustimmung zu erteilen); und

unfavourable.

(c) Redemption at the option of the Issuer

The Issuer may, upon giving notice in accordance with Condition 4(e) and subject to the Conditions to Redemption being fulfilled call the Notes for redemption (in whole but not in part) for the first time with effect as of 26 September 2018 (the "**First Call Date**") and subsequently at any time thereafter. 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 Condition 4(e). If the Conditions to Redemption are fulfilled, the Issuer shall redeem the Notes at an amount per Note equal to the Redemption Amount on the specified redemption date.

(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) in the case of a redemption or repurchase of the Notes 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) a corresponding payment or a corresponding 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 accrued interest and Arrears of Interest (if any) on the Notes or to the repurchase of the Notes (to the extent it may give such prior consent in accordance with the Applicable Supervisory Regulations); and

- (C) die Zuständige Aufsichtsbehörde ihre Zustimmung zur Rückzahlung und der Zahlung von aufgelaufenen Zinsen bzw. etwaigen Zinsrückständen auf die Schuldverschreibungen bzw. zu dem Rückkauf erteilt und bis zu diesem Tag nicht widerrufen hat (falls eine solche Zustimmung zum betreffenden Zeitpunkt 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) jeweils erforderlich ist); und
- (D) im Falle einer Rückzahlung bzw. einem Rückkauf der Schuldverschreibungen vor dem Ersten Kündigungstag gemäß § 4(b) außer in dem Fall einer Kündigung aufgrund eines Aufsichtsrechtlichen Ereignisses, das Kapital durch die Einzahlung anderer, zumindest gleichwertiger Eigenmittel ersetzt worden ist (falls eine solche Ersetzung zum betreffenden Zeitpunkt 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) jeweils erforderlich ist); und
- (E) falls
- (I) die Emittentin zur Kündigung der Schuldverschreibungen gemäß Variante (B) der Definition von "Aufsichtsrechtliches Ereignis" berechtigt wäre; und
- (II) die Schuldverschreibungen jedoch zu diesem Zeitpunkt die Anforderungen für eine Einbeziehung in die Berechnung des aufsichtsrechtlichen Tier 3 Kapitals (unabhängig von der im Rahmen der Umsetzung der Solvency II Richtlinie gewählten Bezeichnung) erfüllen,
- der zurückzuzahlende Nennbetrag nach vorheriger Zustimmung der
- (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 accrued interest and Arrears of Interest (if any) on the Notes or to the repurchase of the Notes (if under the Applicable Supervisory Regulations such consent is required at the time 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)); and
- (D) in the event of a redemption or the repurchase of the Notes prior to the First Call Date pursuant to Condition 4(b) except in the case of a redemption following a Regulatory Event, the capital has been replaced by other at least equivalent regulatory capital (if such replacement is required at the time 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)); and
- (E) if
- (I) the Issuer would be entitled to redeem the Notes pursuant to alternative (B) of the definition of "Regulatory Event"; and
- (II) the Notes fulfil the requirements for the inclusion in the determination of the tier 3 regulatory capital (howsoever described in the course of the implementation of the Solvency II Directive) at that time,
- the principal amount of the Notes to be repaid has been replaced with the

	<p>Zuständigen Aufsichtsbehörde (sofern im betreffenden Zeitpunkt eine solche Zustimmung aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften erforderlich ist) durch die Einzahlung anderer Eigenmittel, die zumindest die Anforderungen für eine Einbeziehung in die Berechnung des aufsichtsrechtlichen Tier 3 Kapitals erfüllen, ersetzt worden ist (sofern im betreffenden Zeitpunkt eine solche Ersetzung aufgrund der Anwendbaren Aufsichtsrechtlichen Vorschriften erforderlich ist), es sei denn, die Zuständige Aufsichtsbehörde hat der Rückzahlung der Schuldverschreibungen ohne eine solche Ersetzung zuvor zugestimmt.</p>	<p>prior consent of the Competent Supervisory Authority (if such consent is required according to the Applicable Supervisory Regulations) by other capital (<i>Eigenmittel</i>) that at least fulfils the requirements for the inclusion in the determination of the tier 3 regulatory capital (if such replacement is required at the relevant time under the Applicable Supervisory Regulations) with the prior consent of the Competent Supervisory Authority (if under the Applicable Supervisory Regulations such consent is required at the time), unless the Competent Supervisory Authority has given its prior consent to the redemption of the Notes without such replacement.</p>
(e)	<p>Bekanntmachung der Vorzeitigen Rückzahlung</p> <p>Die Emittentin kann ein Recht zur vorzeitigen Rückzahlung gemäß § 4(b) oder (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.</p>	<p>Notification of Early Redemption</p> <p>The Issuer will give not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 10 of any early redemption pursuant to Condition 4(b) or (c).</p>
(f)	<p>Rückzahlungsbetrag</p> <p>"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.</p>	<p>Redemption Amount</p> <p>"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 Condition 3.3(b).</p>
(g)	<p>Die Anleihegläubiger sind zu keinem Zeitpunkt berechtigt, von der Emittentin eine vorzeitige Rückzahlung der Schuldverschreibungen zu verlangen.</p>	<p>The Noteholders shall not be entitled to put the Notes for redemption at any time.</p>
(h)	<p>Erwerb</p> <p>(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.</p> <p>(ii) Die Rückzahlungsbedingungen müssen im Falle von Rückkäufen nicht erfüllt sein, soweit verbundene Unternehmen der Emittentin die Schuldverschreibungen für fremde Rechnung oder für Organismen für gemeinsame Anlagen in Wertpapieren (OGAW) erwerben, es sei denn, die Anteile an diesen OGAW werden mehrheitlich von</p>	<p>Purchase</p> <p>(i) The Issuer and any subsidiary of the Issuer may at any time, subject to mandatory provisions of law and (except in the circumstances set out in Condition 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.</p> <p>(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</p>

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) Die Zahlung von Kapital und Zinsen auf Schuldverschreibungen erfolgt an das Clearing System oder an dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems. Die Zahlung von Zinsen auf Schuldverschreibungen, die durch eine Vorläufige Globalurkunde verbrieft sind, erfolgt nach ordnungsgemäßigem Nachweis gemäß § 1(b).
- (b) Auf die Schuldverschreibungen zu leistende Zahlungen werden in der Festgelegten Währung geleistet. Sämtliche Zahlungen stehen unter dem Vorbehalt geltender steuerlicher und sonstiger gesetzlicher Vorschriften, Richtlinien und Verordnungen oder Verträge denen sich die Emittentin, der Fiscal Agent, 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. Den Anleihegläubigern werden keine Kosten oder Gebühren in Bezug auf diese Zahlungen auferlegt.
- (c) Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder an dessen Order von ihrer Zahlungspflicht befreit.
- (d) Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann hat der Anleihegläubiger keinen Anspruch auf Zahlung vor dem nächstfolgenden Zahltag. Der Anleihegläubiger ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund dieser Verspätung zu verlangen.

Für diese Zwecke bezeichnet "**Zahltag**" einen Tag (außer einem Samstag oder Sonntag), (i) an dem das Clearing System und (ii) Geschäftsbanken und Devisenmärkte in London, New York und Frankfurt Zahlungen abwickeln.

- (e) Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Festgelegten Nennbetrag und etwaige Zusätzliche Beträge (wie nachstehend definiert) im Hinblick darauf. Eine Bezugnahme in diesen Anleihebedingungen auf Zinsen schließt jegliche Zusätzlichen Beträge im Hinblick auf Zinsen ein, die gemäß § 6 fällig sind.
- (f) Die Emittentin ist berechtigt, beim Amtsgericht Frankfurt am Main Zins- oder Kapitalbeträge zu hinterlegen, die von den Anleihegläubigern nicht innerhalb von zwölf Monaten nach dem

or one of its affiliates.

- (iii) Condition 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) Payment of principal and interest on the Notes shall be made to the Clearing System or to its order for credit to the relevant account holders of the Clearing System. Payment of interest on Notes represented by a Temporary Global Note shall be made, upon due certification as provided in Condition 1(b).
- (b) Payments of amounts due in respect of the Notes shall be made in the Specified Currency. All payments will be subject to all applicable fiscal and other laws, directives and regulations or agreements to which the Issuer, the Fiscal Agent, 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 Condition 6. No commission or expenses shall be charged to the Bondholders in respect of such payments.
- (c) The Issuer shall be discharged by payment to, or to the order of, the Clearing System.
- (d) If the due date for payment of any amount in respect of any Note is not a Payment Business Day then the Noteholder shall not be entitled to payment until the next such day, and shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "**Payment 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) commercial banks and foreign exchange markets in London, New York and Frankfurt settle payments.

- (e) Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Specified Denomination and any Additional Amounts (as defined below) in respect thereof. Any reference in these Terms and Conditions to interest will be deemed to include any Additional Amounts in respect of interest which may be payable under Condition 6.
- (f) The Issuer may deposit with the local court (*Amtsgericht*) in Frankfurt am Main principal or interest not claimed by Noteholders within twelve months after the relevant due date, even though such

maßgeblichen Fälligkeitstag beansprucht worden sind, auch wenn die Anleihegläubiger sich nicht in Annahmeverzug befinden. Soweit eine solche Hinterlegung erfolgt, und auf das Recht der Rücknahme verzichtet wird, erlöschen die Ansprüche der Anleihegläubiger gegen die Emittentin.

§ 6 Besteuerung

Sämtliche Zahlungen von Kapital und Zinsen in Bezug auf die Schuldverschreibungen 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 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 von einem Anleihegläubiger oder in dessen Namen zur Zahlung vorgelegt werden, der solchen Steuern, Abgaben, Festsetzungen oder behördlichen Gebühren in Bezug auf diese Schuldverschreibungen dadurch unterliegt, dass er eine Verbindung zu der Bundesrepublik Deutschland hat, die nicht nur aus der bloßen Inhaberschaft der Schuldverschreibungen besteht; oder
- (b) die von einem Anleihegläubiger oder in dessen Namen zur Zahlung vorgelegt werden, obwohl er solchen Einbehalt oder Abzug durch Vorlage eines Formulars oder einer Urkunde und/oder durch Abgabe einer Nichtansässigkeits-Erklärung oder Inanspruchnahme einer vergleichbaren Ausnahme oder Geltendmachung eines Erstattungsanspruches hätte vermeiden können; oder
- (c) die später als 15 Tage nach dem Stichtag (wie nachstehend definiert) vorgelegt werden; oder
- (d) für den Fall von Einbehalten und Abzügen bei Zahlungen an Einzelpersonen, die gemäß der Richtlinie des Rates 2003/48/EG oder jeder anderen Richtlinie der Europäischen Union zur Besteuerung privater Zinserträge erfolgen, die die Beschlüsse der ECOFIN Versammlung vom 3. Juni 2003 umsetzt oder aufgrund eines Gesetzes, das aufgrund dieser Richtlinie erlassen wurde, ihr entspricht oder eingeführt wurde, um einer solchen Richtlinie nachzukommen.

In diesem § 6 ist der "**Stichtag**" entweder (i) der Tag, an dem die betreffende Zahlung erstmals fällig wird, oder (ii) der Tag, an dem der gesamte fällige Betrag nach Maßgabe von § 5(c) gezahlt wurde, wobei der später eintretende Tag maßgeblich ist.

Noteholders may not be in default of acceptance of payment. If and to the extent that the deposit is effected and the right of withdrawal is waived, the respective claims of such Noteholders against the Issuer shall cease.

6. Taxation

All payments of principal and interest in respect of the Notes will be made 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 (as the case may be) or any political subdivision or any authority of or in the Federal Republic of Germany (as the case may be) 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 in respect of any Note:

- (a) if it is presented for payment by or on behalf of a Noteholder which is liable to such taxes, duties, assessments or governmental charges in respect of that Note by reason of it having some connection with the Federal Republic of Germany other than the mere holding of that Note; or
- (b) if it is presented for payment by or on behalf of a Noteholder which would be able to avoid such withholding or deduction 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) if it is presented for payment more than 15 days after the Relevant Date (as defined below); or
- (d) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of June 3, 2003 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

In this § 6, "**Relevant Date**" means the later of the following dates: (i) the date on which the payment in question first becomes due or (ii) the date on which, the full amount payable has been paid in accordance with Condition 5(c).

§ 7 Vorlegung, Verjährung

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

§ 8 Fiscal Agent und Zahlstellen

- (a) Der Fiscal Agent und die Hauptzahlstelle sind nachstehend mit den benannten anfänglichen Geschäftsstellen aufgeführt:

Fiscal Agent und Hauptzahlstelle:

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

Die Bezeichnungen "Zahlstellen" und "Zahlstelle" schließt, soweit der Zusammenhang nichts anderes verlangt, die Hauptzahlstelle ein.

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

7. Presentation, Prescription

- (a) 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) 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 and Paying Agents

- (a) The Fiscal Agent and the Principal Paying Agent and their respective initial specified offices are as follows:

Fiscal Agent and Principal Paying Agent:

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

The terms "Paying Agents" and "Paying Agent" shall include the Principal Paying Agent, unless the context requires otherwise.

- (b) The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, the Principal Paying Agent and any additional Paying Agent and to appoint another Fiscal Agent or Principal Paying Agent or additional or other Paying Agents provided that it will at all times maintain (i) a Fiscal Agent, (ii) a Paying Agent (which may be the Principal Paying Agent) with a specified office in a continental European city, and (iii) so long as the Notes are listed on a stock exchange, a Paying Agent (which may be the Principal Paying Agent) with a specified office in such city as may be required by the rules of the relevant stock exchange. The Fiscal Agent, the Principal Paying Agent and any additional Paying Agents 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, the Principal Paying Agent and any Paying Agent will be given promptly by the Issuer to the Noteholders in accordance with Condition 10.
- (c) The Fiscal Agent, the Principal Paying Agent and any Paying 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

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 schuldbeitragender Wirkung für die Emittentin an die Stelle der Emittentin zu ersetzen (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; und
 - (ii) die Emittentin und die Neue Emittentin sämtliche für die Schuldnerersetzung und die Erfüllung der Verpflichtungen aus oder im Zusammenhang mit den Schuldverschreibungen erforderlichen Genehmigungen erhalten haben; und
 - (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 Clearing System 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; und
 - (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; und
 - (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 Obligatorische Zins-

direkt oder indirekt 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; and
 - (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; and
 - (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; and
 - (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; and
 - (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 Condition 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

zahlungseignis, das Rechnungslegungseignis, 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 § 13) als eine solche auf den Staat, in welchem die Neue Emittentin steuerlich ansässig ist, soweit sich aus Satz 2 nichts anderes ergibt.

(c) Bekanntmachung und Wirksamwerden der Ersetzung

Die Ersetzung der Emittentin ist gemäß § 10 bekanntzumachen. Mit der Bekanntmachung der Ersetzung wird die Ersetzung wirksam und die Emittentin und im Fall einer wiederholten Anwendung dieses § 9 jede frühere Neue Emittentin von ihren sämtlichen Verpflichtungen aus den Schuldverschreibungen frei. Im Fall einer solchen Schuldnerersetzung werden die Wertpapierbörsen informiert, an denen die Schuldverschreibungen notiert sind.

§ 10 Bekanntmachungen

- (a) Alle Bekanntmachungen, die 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. Für das Datum und die Rechtswirksamkeit sämtlicher Bekanntmachungen ist die erste Veröffentlichung maßgeblich.
- (b) Die Emittentin wird ferner Bekanntmachungen, die die Schuldverschreibungen betreffen, durch eine Mitteilung an das Clearing System zur Weiterleitung an die Anleihegläubiger vornehmen. Jede derartige Mitteilung gilt am dritten Tag nach dem Tag der Mitteilung an das Clearing System 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 ersten Zinszahlung) 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 Änderung der Anleihebedingungen durch Beschluss der Anleihegläubiger; Gemeinsamer Vertreter

- (a) Vorbehaltlich der in § 2(b) und § 4(d) genannten aufsichtsrechtlichen Beschränkungen und vorbehaltlich der Zustimmung der Zuständigen Aufsichtsbehörde (sofern im betreffenden Zeitpunkt eine solche Zustimmung aufgrund der Anwendbaren

Compulsory Interest Payment Event, the Accounting Event, the Rating Agency Event and Condition 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 Condition 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 Condition 13) shall be a reference to the New Issuer's country of domicile for tax purposes, unless sentence 2 provides otherwise.

(c) Notice and Effectiveness of Substitution

Notice of any substitution of the Issuer shall be given by notice in accordance with Condition 10. Upon such publication, the substitution shall become effective, and the Issuer and in the event of a repeated application of this Condition 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. Notices

- (a) 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. Any notice will become effective for all purposes on the date of the first such publication.
- (b) 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 the first payment of interest, if any, on them) 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. Amendments to the Terms and Conditions by resolution of the Noteholders; Joint Representative

- (a) Subject to the regulatory restrictions set out in Condition 2(b) and in Condition 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

Aufsichtsrechtlichen Vorschriften erforderlich ist), kann die Emittentin die Anleihebedingungen mit Zustimmung aufgrund Mehrheitsbeschlusses der Anleihegläubiger nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz – *SchVG*) in seiner jeweiligen gültigen Fassung (das "**SchVG**") ändern. 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 § 12(b) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger verbindlich.

- (b) 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 der Anleihegläubiger werden entweder in einer Gläubigerversammlung nach § 12(c)(i) oder im Wege der Abstimmung ohne Versammlung nach § 12(c)(ii) getroffen, die von der Emittentin oder einem gemeinsamen Vertreter einberufen wird. Gemäß § 9 Absatz 1 S. 2 SchVG können Anleihegläubiger, deren Schuldverschreibungen zusammen 5 % des jeweils ausstehenden Gesamtnennbetrags der Schuldverschreibungen erreichen, schriftlich die Durchführung einer Anleihegläubigerversammlung oder Abstimmung ohne Versammlung mit einer gemäß § 9 Absatz 1 S. 2 SchVG zulässigen Begründung verlangen.
 - (i) Beschlüsse der Anleihegläubiger im Rahmen einer Gläubigerversammlung werden nach §§ 9 ff. SchVG getroffen. Die Einberufung der Gläubigerversammlung regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Einberufung der Gläubigerversammlung werden in der Tagesordnung die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben. Für die Teilnahme an der Gläubigerversammlung oder die Ausübung der Stimmrechte ist eine Anmeldung der Anleihegläubiger vor der Versammlung erforderlich. Die Anmeldung muss unter der in der Einberufung mitgeteilten Adresse spätestens am dritten

amend the Terms and Conditions with the consent of a majority resolution of the Noteholders pursuant to §§ 5 et seq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen*) (*Schuldverschreibungsgesetz – SchVG*), as amended from time to time (the "**SchVG**"). 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 Condition 9, by resolutions passed by such majority of the votes of the Noteholders as stated under Condition 12(b) below. A duly passed majority resolution will be binding upon all Noteholders.

- (b) 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 of the Noteholders will be made either in a Noteholders' meeting in accordance with Condition 12(c)(i) or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with Condition 12(c)(ii), in either case convened by the Issuer or a joint representative, if any. Pursuant to § 9(1) sentence 2 of the SchVG, Noteholders holding Notes in the total amount of 5 per cent. of the outstanding principal amount of the Notes may in writing request to convene a Noteholders' meeting or vote without a meeting for any of the reasons permitted pursuant to § 9(1) sentence 2 of the SchVG.
 - (i) Resolutions of the Noteholders in a Noteholders' meeting will be made in accordance with § 9 et seq. of the SchVG. The convening notice of a Noteholders' meeting will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Noteholders in the agenda of the meeting. The attendance at the Noteholders' meeting or the exercise of voting rights requires a registration of the Noteholders prior to the meeting. Any such registration must be received at the address stated in the convening notice by no later than the third calendar day preceding the Noteholders' meeting.

Kalendertag vor der Gläubigerversammlung zugehen.

- (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) Die Stimmrechtsausübung ist von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor dem Beginn des Abstimmungszeitraums 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 seiner 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 dem Ende des Abstimmungszeitraums (einschließlich) nicht übertragen werden können.
- (e) Wird die Beschlussfähigkeit bei der Abstimmung ohne Versammlung nach § 12(c)(ii) nicht festgestellt, kann der Abstimmungsleiter eine Gläubigerversammlung einberufen, welche als zweite Gläubigerversammlung im Sinne des § 15(3) Satz 3 SchVG gilt. Die Teilnahme an der zweiten Gläubigerversammlung und die Stimmrechtsausübung sind von einer vorherigen Anmeldung der Anleihegläubiger abhängig. Die Anmeldung muss bis zum dritten Tag vor der zweiten Gläubigerversammlung unter der in der Einberufung angegebenen Anschrift zugehen. Zusammen mit der Anmeldung müssen Anleihegläubiger den Nachweis ihrer Berechtigung zur Teilnahme an der Abstimmung durch eine besondere Bescheinigung seiner 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 zum angegebenen Ende der Versammlung (einschließlich) nicht übertragen werden können.
- (f) 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 § 12(a)
- (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) 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 preceding the beginning of the voting period. As part of the registration, Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of its custodian bank hereof in text form and by submission of a blocking instruction by the custodian bank stating that the relevant Notes are not transferable from and including the day such registration has been sent until and including the day the voting period ends.
- (e) If it is ascertained that no quorum exists for the vote without meeting pursuant to Condition 12(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. Attendance at the second meeting and exercise of voting rights is subject to the registration of the Noteholders. The registration must be received at the address stated in the convening notice no later than the third day preceding the second bondholders' meeting. Noteholders must demonstrate their eligibility to participate in the vote by means of a special confirmation of its custodian bank hereof in text form and by submission of a blocking instruction by the custodian 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.
- (f) 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

zuzustimmen.

- (g) Bekanntmachungen betreffend diesen § 12 erfolgen gemäß den §§ 5ff. SchVG sowie nach § 10.

§ 13 Anwendbares Recht, Erfüllungsort und Gerichtsstand

- (a) 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) Nicht-ausschließlicher Gerichtsstand für alle sich aus den in diesen Anleihebedingungen geregelten Rechtsverhältnissen ergebenden Rechtsstreitigkeiten mit der Emittentin ist Frankfurt am Main.

Für Entscheidungen gemäß § 9 Absatz 2, § 13 Absatz 3 und § 18 Absatz 2 SchVG ist gemäß § 9 Absatz 3 SchVG das Amtsgericht zuständig, in dessen Bezirk die Emittentin ihren Sitz hat. Für Entscheidungen über die Anfechtung von Beschlüssen der Anleihegläubiger ist gemäß § 20 Absatz 3 SchVG das Landgericht ausschließlich zuständig, in dessen Bezirk die Emittentin ihren Sitz hat.

- (c) Die Gerichte der Bundesrepublik Deutschland sind ausschließlich zuständig für die Kraftloserklärung abhanden gekommener oder vernichteter Schuldverschreibungen.

- (d) 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 Clearing System und der Hauptzahlstelle eine schriftliche Mitteilung zugeleitet hat, die die Angaben gemäß (i) und (ii) enthält und Bestätigungsvermerke des Clearing Systems sowie des jeweiligen Clearing System-Kontoinhabers trägt, sowie (b) einer von einem Vertretungsberechtigten des Clearing Systems oder der Hauptzahlstelle beglaubigten Ablichtung der Globalurkunde.

§ 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.

accordance with Condition 12(a) hereof,

- (g) Any notices concerning this Condition 12 will be made in accordance with § 5 et seq. of the SchVG and Condition 10.

13. Applicable Law, Place of Performance and Jurisdiction

- (a) 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) 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.

The local court (*Amtsgericht*) in the district where the Issuer has its registered office will have jurisdiction for all judgments pursuant to § 9(2), § 13(3) and § 18(2) SchVG in accordance with § 9(3) SchVG. The regional court (*Landgericht*) in the district where the Issuer has its registered office will have exclusive jurisdiction for all judgments over contested resolutions by Noteholders in accordance with § 20(3) SchVG.

- (c) The courts in the Federal Republic of Germany shall have exclusive jurisdiction over the annulment of lost or destroyed Notes.

- (d) 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 custodian 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 custodian bank and (iii) confirming that the custodian bank has given a written notice to the Clearing System as well as to the Principal Paying Agent containing the information pursuant to (i) and (ii) and bearing acknowledgements of the Clearing System and the relevant Clearing System accountholder as well as (b) a copy of the Global Note certified by a duly authorised officer of the Clearing System or the Principal Paying Agent as being a true copy.

14. Language

These Terms and Conditions are written in the German language and provided with an English language translation. The German text shall be prevailing 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 December 31, 2010 and 2011. KPMG is a member of the German Chamber of Auditors (*Wirtschaftsprüferkammer*).

The statutory financial statements of Allianz SE for the fiscal years ended December 31, 2010 and 2011 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 December 31, 2010 and 2011 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 2010 and 2011 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 February 5, 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 October 7, 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 October 26, 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 February 3, 2006, the extraordinary General Meetings of holders of RAS ordinary shares and holders of RAS savings shares and on February 8, 2006, the extraordinary General Meeting of Allianz AG agreed to the cross-border merger between Allianz AG and RAS. Upon registration of the merger with the commercial register of Allianz AG on October 13, 2006, Allianz 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 August 31, 2008 and adjusted on November 27, 2008 and January 9, 2009, Allianz SE and Commerzbank AG ("Commerzbank") agreed on the sale of Dresdner Bank AG ("Dresdner Bank") to Commerzbank. On January 12, 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 December 31, 2011.

On January 31, 2012 a consortium including the Allianz Group completed the acquisition of a 24.1 % stake in the Norwegian gas grid Gassled. The total value of the transaction was Norwegian Krone 17.35 bn (€ 2.26 bn). The stake was acquired through Solveig Gas Norway AS, a holding company, which is 40 % owned by Canada Pension Plan Investment Board, 30 % by the Allianz Investor Allianz Capital Partners GmbH and 30 % by Infinity Investments S.A., wholly owned by the Abu Dhabi Investment Authority. On January 24, 2012, Allianz Group, acting through Allianz Capital Partners GmbH, had already completed the acquisition of a 6.4 % stake in Gassled. The total value of the transaction was Norwegian Krone 4.639 bn (€606 mn).

In April 2012, Allianz Real Estate GmbH entered on behalf of various Allianz insurance companies into a number of strategic real estate investments in Germany with a total volume of approximately € 600 mn.

Capitalization and financial indebtedness as of September 30, 2012

	as of September 30, 2012
	€ million
Total debt:⁽¹⁾	
Participation certificates and subordinated liabilities	
Allianz SE⁽²⁾	
Subordinated bonds	8,696
Participation certificates	-
Total Allianz SE	8,696
Banking subsidiaries	
Subordinated bonds	274
Total banking subsidiaries	274
All other subsidiaries	
Subordinated liabilities	399
Hybrid equity	45
Total all other subsidiaries	444
Subtotal	9,414
Certificated liabilities	
Allianz SE⁽³⁾	
Senior bonds	6,826
Money market securities	1,592
Total Allianz SE	8,418
Banking subsidiaries	
Senior bonds	936
Total banking subsidiaries	936
All other subsidiaries	
Certificated liabilities	25
Total all other subsidiaries	25

	as of September 30, 2012
	€ million
Subtotal	9,379
Total debt	18,793
Equity:	
Shareholders' equity	
Issued capital	1,166
Capital reserve	27,597
Retained earnings ⁽⁴⁾	15,459
Foreign currency translation adjustments	(1,688)
Unrealized gains and losses (net) ⁽⁵⁾	9,381
Subtotal	51,915
Non-controlling interests	2,513
Total equity	54,428
Total debt and equity	73,221

- (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 September 30, 2012, include € (210) mn related to treasury shares.
- (5) As of September 30, 2012, include € 257 mn related to cash flow hedges.

Ratings

Ratings of the Issuer

As of the date of this prospectus, Allianz SE as Issuer had the following ratings⁽¹⁾:

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

Subordinated debt.....	A+/A ⁽³⁾	A2/A3 ⁽³⁾	a ⁺⁽³⁾
Outlook	Negative	Negative	Stable
Commercial paper (short term)	A-1+	Prime-1	Not rated

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

(2) Issuer credit rating.

(3) Final Ratings vary on the basis of maturity period and terms.

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."

A Standard & Poor's rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive means that a rating may be raised.
- Negative means that a rating may be lowered.
- Stable means that a rating is not likely to change.
- Developing means a rating may be raised or lowered.
- N.M. means not meaningful.

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."

A Moody's rating outlook is an opinion regarding the likely direction of an issuer's rating over the medium term. Where assigned, rating outlooks fall into the following four categories: Positive (POS), Negative (NEG), Stable (STA), and Developing (DEV - contingent upon an event). In the few instances where an issuer has multiple ratings with outlooks of differing directions, an "(m)" modifier (indicating multiple, differing outlooks) will be displayed, and Moody's written research will describe any differences and provide the rationale for these differences. An RUR (Rating(s) Under Review) designation indicates that an issuer has one or more ratings under review, and thus overrides the outlook designation. An RWR (Rating(s) Withdrawn) designation indicates that an issuer has no active ratings to which an outlook is applicable. When an outlook has not been assigned to a rated entity, NOO (No Outlook) may be displayed.

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."

An Outlook is assigned by A.M. Best to an interactive Best's Issuer Credit Rating (aaa to c) to indicate its potential direction over an intermediate term, generally defined as 12 to 36 months. An Outlook can be:

Positive:	Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.
Negative:	Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.
Stable:	Indicates low likelihood of a rating change due to stable financial/market trends.

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.

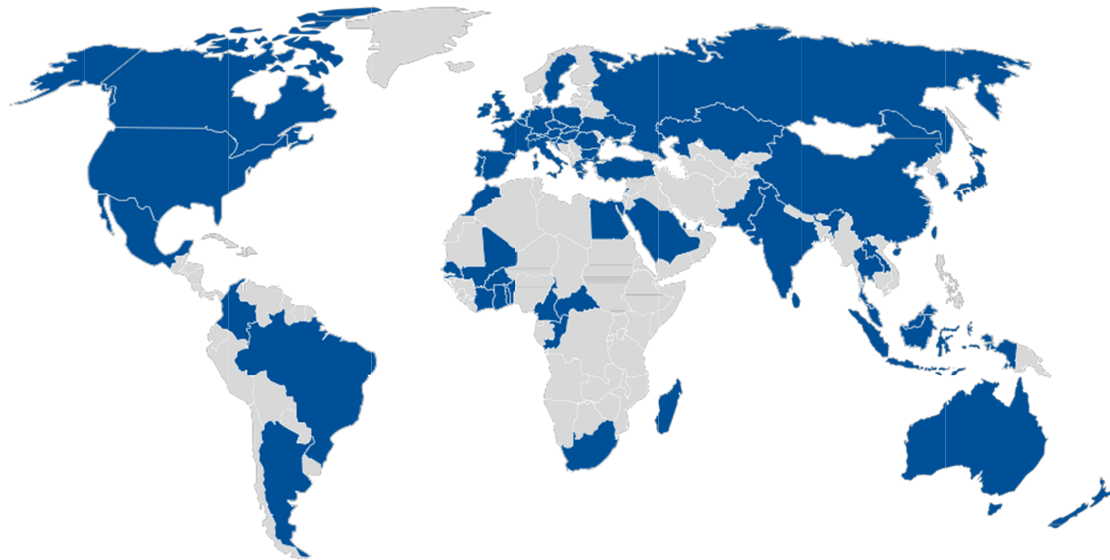
Where an issue of Notes is rated a security rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Any negative change in the credit rating of the Issuer could adversely affect the trading price of the Notes. Investors should consider 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 ("Standard & Poor's") and Moody's Investors Service Limited ("Moody's"), each of which is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of September 16, 2009 on credit rating agencies and is 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 manages and steers its operations via four business segments.

Worldwide Presence and Business Divisions as of December 31, 2011



Insurance German Speaking Countries

●	■	○	Germany
●	■		Switzerland
●	■		Austria

Insurance Europe, South America, Africa

Europe

●	■	○	Italy
●	■		Spain
●	■		Portugal
●	■		Greece
●	■		Turkey
●	■	○	France
●	■		Belgium
●	■		Netherlands
●	■		Luxembourg

South America

●		Argentina
●	■	Brazil
●	■	Colombia

Africa

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

Insurance NAFTA Markets

●	■	United States
●	■	Mexico

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
●			Kazakhstan
●	■		Poland
●	■		Romania
●	■		Russia
●	■		Slovakia
●			Ukraine

Middle East and North Africa

●	■	Bahrain
●	■	Egypt
●	■	Lebanon

		Qatar
		Saudi Arabia

Asset Management

America

<input type="checkbox"/>	*	United States
<input type="checkbox"/>		Canada

Europe/Middle East

<input type="checkbox"/>	*	Germany
<input type="checkbox"/>	*	France
<input type="checkbox"/>	*	Italy
<input type="checkbox"/>	*	Portugal
<input type="checkbox"/>	*	Spain
<input type="checkbox"/>	*	Switzerland
<input type="checkbox"/>	*	Austria
<input type="checkbox"/>	*	Netherlands
<input type="checkbox"/>	*	United Kingdom
<input type="checkbox"/>	*	Nordics
<input type="checkbox"/>	*	Middle East

Asia-Pacific

<input type="checkbox"/>	*	Japan
<input type="checkbox"/>	*	Hong Kong
<input type="checkbox"/>	*	Taiwan
<input type="checkbox"/>	*	Singapore
<input type="checkbox"/>	*	South Korea
<input type="checkbox"/>	*	China
<input type="checkbox"/>	*	India
<input type="checkbox"/>	*	Australia

● Property-Casualty ■ Life/Health ○ Banking □ Retail Asset Management * Institutional Asset Management

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

Travel insurance, assistance and personal service

Via Allianz Global Assistance, Allianz Group is the worldwide leader of travel insurance, assistance services and personal services, based on revenue.¹ 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 Automotive

Through Allianz Global Automotive, Allianz Group acts as global counterpart to car manufacturers and aims to further enhance its collaborations within the automotive industry by developing global strategic partnerships. Allianz Group is the market leader in terms of gross written premiums² and has collaborations with 44 car brands across 28 countries.

Business operations

Allianz is present in about 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's portfolio includes a wide range of Property-Casualty and Life/Health insurance products for 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 business.

Most of Allianz Group's insurance markets are served by local Allianz companies, while selected business lines are run globally, such as Global Corporate Customers, Credit Insurance, Assistance Services, Worldwide Care, Global Automotive and Reinsurance. Based on premiums, the split between private and corporate clients is estimated to be about 50% and 50% for the Property-Casualty segment, and about 80% and 20% for the Life/Health segment, respectively.

Asset management

As of December 31, 2011, Allianz Group is one of the largest active asset managers in the world which manage third-party assets with active investment strategies, with over €1,600 billion assets under management. Through 2011, the Asset Management business was governed by Allianz Global Investors ("AGI") operating with investment and distribution arms in all major markets, under brands such as PIMCO, AGI, RCM or AGI Capital. Particular strongholds include the United States, Germany, France, Italy, the United Kingdom, and the Asia-Pacific region. As of December 31, 2011, AGI managed €1,255 billion of third-party assets of which the share from institutional clients amounted to 67% while 33% came from retail clients.

¹ Source: Own local estimations as of 2010

² Source: Own local estimations as of 2010

As of January 1, 2012, the Asset Management business is run out of two distinct investment management businesses, PIMCO and AGI. Both units will operate under Allianz Asset Management (AAM), focusing solely on financial and overarching governance matters. This change is driven by the significant growth in the Asset Management business in recent years. It is intended to tailor products, solutions and distribution that best meet the clients' needs, and to further strengthen both brands.

SELECTED PRODUCT RANGE

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 ■ Highyield ■ 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

Activities in this segment include the management and support of the Allianz Group's businesses through its centralized holding functions as well as Banking and Alternative Investments.

Banking operations

The banking operations support the insurance business and complement Allianz Group's product offerings in Germany, Italy, France and Bulgaria. As a division of Allianz Deutschland AG, Oldenburgische Landesbank ("**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 176 branches, concentrating its activities on retail and corporate clients. In its core market Germany, Allianz Group focuses its assurbanking business (distribution of banking products through Allianz Group's German insurance agents' network) under the brand name Allianz Bank (operating as branch of OLB). The number of Allianz Bank branches and certified agencies, offering integrated financial services and products, increased in 2011 to 819. Additional agencies are planned to be certified in 2012.

Alternative Investments

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

Property-Casualty Operations by Business Divisions

	Gross premiums written			Gross premiums written internal ⁽¹⁾		Premiums earned (net)			Operating profit (loss)		
	€ mn			€ mn		€ mn			€ mn		
	2011	2010	2009	2011	2010	2011	2010	2009	2011	2010	2009
Germany ⁽²⁾	8,979	9,013	9,235	8,979	8,974	7,311	7,286	7,263	482	617	739
Switzerland ⁽³⁾	1,436	1,389	1,309	1,271	1,268	1,423	1,377	1,274	157	155	150
Austria	913	890	888	913	890	736	691	704	71	71	75
German Speaking Countries	11,328	11,292	11,432	11,163	11,132	9,470	9,354	9,241	710	843	964

	Gross premiums written			Gross premiums written internal ⁽¹⁾		Premiums earned (net)			Operating profit (loss)		
	€ mn			€ mn		€ mn			€ mn		
	2011	2010	2009	2011	2010	2011	2010	2009	2011	2010	2009
Italy ⁽⁴⁾	3,990	3,986	4,190	3,990	3,986	3,829	3,935	4,182	646	370	346
France	3,313	3,300	3,368	3,313	3,300	3,098	3,085	3,118	373	174	26
Spain	2,011	2,011	2,101	2,011	2,005	1,833	1,834	1,803	331	282	294
South America	1,846	1,563	1,151	1,872	1,563	1,241	1,086	825	145	119	73
Netherlands ⁽⁵⁾	829	910	916	829	834	778	801	803	44	54	53
Turkey	476	487	417	551	487	338	342	261	18	25	16
Belgium ⁽⁵⁾	349	357	353	349	327	284	268	265	41	37	43
Portugal	339	293	288	301	293	257	241	238	43	37	37
Greece	121	116	99	121	116	95	86	63	15	16	11
Africa	79	71	67	79	71	47	42	40	7	7	5
Europe incl. South America	13,353	13,094	12,950	13,416	12,982	11,800	11,720	11,598	1,680⁽⁶⁾	1,136⁽⁶⁾	926⁽⁶⁾
United States ⁽⁴⁾	3,415	3,350	3,521	3,637	3,311	2,594	2,710	3,010	(130)	266	341
Mexico	238	226	192	248	226	110	90	76	13	12	14
NAFTA Markets	3,653	3,576	3,713	3,885	3,537	2,704	2,800	3,086	(117)	278	355
Allianz Global Corporate & Specialty (AGCS) ^{(4),(5),(7)}	4,918	4,530	4,256	4,885	4,598	3,088	3,086	2,663	549	517	640
Reinsurance PC	3,409	4,014	3,719	3,409	4,014	3,130	3,274	3,076	(130)	331	365
United Kingdom	2,111	1,939	1,783	2,135	1,939	1,891	1,782	1,603	206	185	230
Credit Insurance	1,902	1,767	1,672	1,902	1,767	1,222	1,139	1,111	455	445	13
Australia	2,508	2,161	1,607	2,336	2,161	1,881	1,632	1,203	313	302	235
Ireland	745	682	627	745	682	676	600	570	85	64	(30)
Global Insurance Lines & Anglo Markets	15,593	15,093	13,664	15,412	15,161	11,888	11,513	10,226	1,478	1,844	1,453
Russia	732	698	642	743	698	618	565	525	10	(32)	31
Hungary	347	420	454	350	420	289	363	414	35	11	65
Poland	453	443	372	467	443	369	342	297	5	(7)	12
Slovakia	345	349	361	345	349	284	295	306	79	48	75
Romania	191	223	282	193	223	168	169	140	1	—	5
Czech Republic	288	268	274	280	268	223	206	219	30	27	41
Croatia	88	86	87	90	86	72	73	77	12	10	7
Bulgaria	97	95	101	97	95	67	67	75	20	18	19
Kazakhstan	19	38	33	19	38	5	7	6	3	2	(1)
Ukraine	13	9	9	13	9	7	6	6	—	—	(3)
Central and Eastern Europe ⁽⁸⁾	2,563	2,629	2,615	2,597	2,629	2,102	2,093	2,065	178	55	230
Asia-Pacific (excl. Australia) ^{(2),(5)}	486	486	472	487	439	284	280	259	41	49	36
Middle East and North Africa	68	76	69	71	75	48	44	35	5	2	1
Growth Markets	3,117	3,191	3,156	3,155	3,143	2,434	2,417	2,359	224	106	267
Assistance	1,686	1,540	1,355	1,686	1,540	1,589	1,487	1,307	94	97	95
Consolidation and Other ^{(7),(9)}	(3,958)	(3,891)	(3,747)	(3,947)	(3,723)	13	12	11	127 ⁽¹⁰⁾	—	4
Total	44,772	43,895	42,523	44,770	43,772	39,898	39,303	37,828	4,196	4,304	4,064

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

- (2) In 2011, Allianz China General Insurance Company Ltd., a former branch of Allianz Versicherungs-AG, was transferred from Germany to Asia-Pacific (excl. Australia). Prior year figures have not been adjusted.
- (3) In November 2010, the Allianz Group sold the subsidiaries Alba and Phenix Iart.
- (4) The reserve strengthening for asbestos risks in 2011 at Allianz S.p.A., at Fireman's Fund Insurance Company and at AGCS in a total of € 153 mn had no impact on the financial results of the Allianz Group and the single entities' combined ratio under IFRS.
- (5) Corporate customer business in the Netherlands and Belgium as well as Allianz Insurance (Hong Kong) Ltd. and Allianz Insurance Company of Singapore Pte. Ltd. were transferred to AGCS in 2010 and 2011. Prior year figures have not been adjusted.
- (6) Contains € 12 mn, € 15 mn and € 14 mn for 2011, 2010 and 2009, respectively, from a management holding located in Luxembourg and also € 5 mn, € (0.1) mn and € 8 mn for 2011, 2010 and 2009, respectively, from AGF UK.
- (7) Allianz Risk Transfer (ART) business shown within AGCS since 2011. Prior year figures have been adjusted accordingly.
- (8) Contains income and expense items from a management holding and consolidations between countries in this region.
- (9) Represents elimination of transactions between Allianz Group companies in different geographic regions.
- (10) 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.

	Combined ratio			Loss ratio			Expense ratio		
	%			%			%		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
Germany ⁽²⁾	102.9	100.8	98.7	75.1	73.4	70.9	27.8	27.4	27.8
Switzerland ⁽³⁾	95.4	94.6	93.5	73.1	73.1	70.5	22.3	21.5	23.0
Austria	93.5	96.0	95.9	67.1	69.7	69.2	26.4	26.3	26.7
German Speaking Countries	101.0	99.6	97.8	74.1	73.1	70.8	26.9	26.5	27.0
Italy ⁽⁴⁾	93.2	99.6	100.8	68.4	74.8	76.0	24.8	24.8	24.8
France	97.9	102.7	106.8	71.1	75.1	78.7	26.8	27.6	28.1
Spain	87.9	90.3	89.7	67.4	69.8	69.3	20.5	20.5	20.4
South America	96.7	96.7	98.4	66.0	64.9	66.0	30.7	31.8	32.4
Netherlands ⁽⁵⁾	99.7	98.7	98.8	68.7	68.6	69.2	31.0	30.1	29.6
Turkey	101.4	99.7	105.8	74.8	74.1	79.4	26.6	25.6	26.4
Belgium ⁽⁵⁾	97.6	99.2	97.3	63.0	64.3	61.1	34.6	34.9	36.2
Portugal	90.9	92.8	92.8	67.6	68.8	65.8	23.3	24.0	27.0
Greece	90.0	88.4	90.7	53.1	52.4	61.2	36.9	36.0	29.5
Africa	97.9	96.1	98.4	53.6	48.3	48.8	44.3	47.8	49.6
Europe incl. South America	94.7	98.5	100.2	68.6	72.2	73.9	26.1	26.3	26.3
United States ⁽⁴⁾	115.5	102.4	99.8	86.5	69.9	69.9	29.0	32.5	29.9
Mexico	95.7	95.7	89.4	72.0	69.8	64.3	23.7	25.9	25.1
NAFTA Markets	114.6	102.1	99.5	85.9	69.8	69.7	28.7	32.3	29.8
Allianz Global Corporate & Specialty (AGCS) ^{(4),(5),(7)}	92.9	93.1	87.4	65.7	65.2	60.9	27.2	27.9	26.5
Reinsurance PC	108.2	93.2	92.3	81.3	68.5	66.4	26.9	24.7	25.9
United Kingdom	95.7	96.0	92.9	63.9	61.7	59.3	31.8	34.3	33.6
Credit Insurance	74.0	71.7	110.4	45.7	41.7	82.4	28.3	30.0	28.0
Australia	97.6	96.1	94.8	72.0	70.8	70.2	25.6	25.3	24.6
Ireland	93.9	97.1	114.5	68.4	74.0	84.7	25.5	23.1	29.8
Global Insurance Lines & Anglo Markets	96.2	92.1	94.6	68.6	64.5	67.1	27.6	27.6	27.5
Russia	101.7	109.5	97.0	61.4	64.3	58.7	40.3	45.2	38.3
Hungary	99.6	107.6	94.0	57.0	65.2	60.8	42.6	42.4	33.2
Poland	103.0	105.9	99.9	69.0	71.4	65.3	34.0	34.5	34.6
Slovakia	78.2	89.6	79.9	45.2	59.5	51.1	33.0	30.1	28.8
Romania	104.4	104.2	100.6	73.5	78.1	78.9	30.9	26.1	21.7
Czech Republic	91.9	91.2	82.9	65.4	66.4	56.9	26.5	24.8	26.0
Croatia	91.3	92.9	99.3	53.7	58.0	60.6	37.6	34.9	38.7

	Combined ratio			Loss ratio			Expense ratio		
	%			%			%		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
Bulgaria	75.9	75.2	79.0	48.8	46.4	44.6	27.1	28.8	34.4
Kazakhstan	59.8	78.4	132.3	12.5	21.3	42.3	47.3	57.1	90.0
Ukraine	112.9	122.8	169.2	57.1	38.0	69.4	55.8	84.8	99.8
Central and Eastern Europe ⁽⁸⁾	96.6	102.0	92.9	60.5	65.2	59.7	36.1	36.8	33.2
Asia-Pacific (excl. Australia) ^{(2),(5)}	93.8	91.2	93.1	64.1	61.4	58.6	29.7	29.8	34.5
Middle East and North Africa	101.5	109.9	135.4	69.1	73.9	72.2	32.4	36.0	63.2
Growth Markets	96.4	101.0	93.6	61.1	65.0	59.8	35.3	36.0	33.8
Assistance	96.2	95.6	95.5	60.3	59.6	60.1	35.9	36.0	35.4
Consolidation and Other ^{(7),(9)}	—	—	—	—	—	—	—	—	—
Total	97.8	97.2	97.4	69.9	69.1	69.5	27.9	28.1	27.9

- (1) This reflects gross premiums written on an internal basis (adjusted for foreign currency translation and (de-)consolidation effects).
- (2) In 2011, Allianz China General Insurance Company Ltd., a former branch of Allianz Versicherungs-AG, was transferred from Germany to Asia-Pacific (excl. Australia). Prior year figures have not been adjusted.
- (3) In November 2010, the Allianz Group sold the subsidiaries Alba and Phenix Iart.
- (4) The reserve strengthening for asbestos risks in 2011 at Allianz S.p.A., at Fireman's Fund Insurance Company and at AGCS in a total of € 153 mn had no impact on the financial results of the Allianz Group and the single entities' combined ratio under IFRS.
- (5) Corporate customer business in the Netherlands and Belgium as well as Allianz Insurance (Hong Kong) Ltd. and Allianz Insurance Company of Singapore Pte. Ltd. were transferred to AGCS in 2010 and 2011. Prior year figures have not been adjusted.
- (6) Contains € 12 mn, € 15 mn and € 14 mn for 2011, 2010 and 2009, respectively, from a management holding located in Luxembourg and also € 5 mn, € (0.1) mn and € 8 mn for 2011, 2010 and 2009, respectively, from AGF UK.
- (7) Allianz Risk Transfer (ART) business shown within AGCS since 2011. Prior year figures have been adjusted accordingly.
- (8) Contains income and expense items from a management holding and consolidations between countries in this region.
- (9) Represents elimination of transactions between Allianz Group companies in different geographic regions.
- (10) 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.

Life/Health Operations ⁽¹⁾

	Statutory premiums ⁽²⁾ as stated € mn			Statutory premiums ⁽²⁾ internal € mn ⁽³⁾		Premiums earned (net) € mn		
	2011	2010	2009	2011	2010	2011	2010	2009
Germany Life ⁽⁴⁾	15,673	15,961	15,049	15,673	15,963	11,224	11,651	10,137
Germany Health ⁽⁵⁾	3,204	3,209	3,176	3,204	3,209	3,204	3,209	3,176
Switzerland	1,707	1,502	1,364	1,519	1,471	670	582	577
Austria	420	398	447	420	398	301	289	296
German Speaking Countries	21,004	21,070	20,036	20,816	21,041	15,399	15,731	14,186
Italy ⁽⁴⁾	6,915	8,841	8,664	6,915	8,930	631	657	763
France ⁽⁴⁾	7,705	8,014	7,299	7,705	8,190	3,028	3,085	2,860
Spain	965	926	948	965	926	379	374	449
South America	72	56	43	74	56	60	45	36
Netherlands	317	315	354	317	303	150	135	151
Turkey	96	103	83	112	103	34	36	35
Belgium/Luxembourg	1,275	1,160	834	1,275	1,173	437	423	375
Portugal	194	183	158	194	183	86	84	82
Greece	109	116	119	109	116	65	67	67

	Statutory premiums ⁽²⁾ as stated € mn			Statutory premiums ⁽²⁾ internal € mn ⁽³⁾		Premiums earned (net) € mn		
	2011	2010	2009	2011	2010	2011	2010	2009
Africa	45	41	42	45	41	21	22	20
Europe incl. South America	17,693	19,755	18,544	17,711	20,021	4,891	4,928	4,838
United States	7,786	8,155	6,507	8,196	8,155	660	624	591
Mexico	146	111	50	151	111	42	56	33
NAFTA Markets	7,932	8,266	6,557	8,347	8,266	702	680	624
Reinsurance LH	374	314	350	374	314	343	307	343
Global Insurance Line & Anglo Markets	374	314	350	374	314	343	307	343
South Korea	1,657	1,836	1,440	1,668	1,836	596	707	641
Taiwan	1,314	2,170	1,782	1,281	2,170	133	166	117
Malaysia	269	242	177	269	242	191	183	154
Indonesia	606	431	255	615	431	266	169	80
Japan	479	1,202	182	467	1,202	95	7	19
Other	645	606	361	652	606	483	505	282
Asia-Pacific	4,970	6,487	4,197	4,952	6,487	1,764	1,737	1,293
Hungary	175	182	124	177	182	56	62	65
Slovakia	249	244	256	249	244	186	171	170
Czech Republic	152	143	112	148	143	61	57	51
Poland	377	368	428	385	368	104	121	198
Romania	22	22	23	22	22	12	12	14
Croatia	50	47	46	51	47	48	45	43
Bulgaria	29	26	25	29	26	25	25	23
Russia	59	25	18	61	25	57	24	17
Central and Eastern Europe	1,113	1,057	1,032	1,122	1,057	549	517	581
Middle East and North Africa	163	137	101	183	136	122	126	95
Global Life ⁽⁴⁾	4	270	182	4	3	—	8	4
Growth Markets	6,250	7,951	5,512	6,261	7,683	2,435	2,388	1,973
Consolidation ⁽⁶⁾	(390)	(258)	(226)	(395)	(259)	—	—	—
Total	52,863	57,098	50,773	53,114	57,066	23,770	24,034	21,964

(1) Figures prior to 2010 have been restated to reflect a change in the Allianz Group's accounting policy.

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

(4) 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.

(5) Loss ratios were 76.2%, 75.0% and 73.5% for 2011, 2010 and 2009 respectively.

(6) Represents elimination of transactions between Allianz Group companies in different geographic regions.

	Operating profit (loss) € mn			Margin on reserves ⁽⁴⁾ bps		
	2011	2010	2009	2011	2010	2009
Germany Life ⁽¹⁾	878	980	677	56	65	48
Germany Health ⁽²⁾	150	174	152	68	83	78
Switzerland	77	74	43	65	71	49
Austria	13	28	25	33	75	72
German Speaking Countries	1,118	1,256	897	57	68	52
Italy ⁽¹⁾	203	293	245	47	67	59
France ⁽¹⁾	420	439	662	63	67	107
Spain	119	113	115	210	201	205
South America	12	9	9	387	299	367
Netherlands	56	48	47	136	113	119
Turkey	5	6	9	99	125	212
Belgium/Luxembourg	62	64	58	74	89	89
Portugal	21	20	17	452	446	406
Greece	3	4	3	102	115	107
Africa	5	1	4	224	70	233
Europe incl. South America	906	997	1,169	70	78	97
United States	305	361	432	49	67	91
Mexico	5	5	4	201	335	354
NAFTA Markets	310	366	436	50	67	91
Reinsurance LH	28	23	29	126	102	127
Global Insurance Line & Anglo Markets	28	23	29	126	102	127
South Korea	51	87	61	61	115	98
Taiwan	(55)	51	17	(102)	95	37
Malaysia	16	14	13	198	227	277
Indonesia	45	37	18	479	566	420
Japan	(91)	(39)	(25)	(445)	(342)	(652)
Other	19	8	(34)	54	24	—
Asia-Pacific	(15)	158	50	(7)	86	37
Hungary	8	6	12	227	149	309
Slovakia	27	20	37	235	182	341
Czech Republic	11	11	9	227	250	228
Poland	18	20	16	285	271	242
Romania	2	2	2	273	316	428
Croatia	4	4	2	171	193	112
Bulgaria	6	6	6	474	535	603
Russia	1	(6)	(8)	117	(1,102)	(2,097)
Central and Eastern Europe	77	63	76	245	202	262
Middle East and North Africa	9	12	8	223	399	384
Global Life ⁽¹⁾	(1)	(2)	4	—	(61)	372
Growth Markets	70	231	138	28	104	80
Consolidation ⁽³⁾	(12)	(5)	1	—	—	—
Total	2,420	2,868	2,670	58	73	74

(1) 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.

(2) Loss ratios were 76.2%, 75.0% and 73.5% for 2011, 2010 and 2009 respectively.

- (3) Represents elimination of transactions between Allianz Group companies in different geographic regions.
- (4) Represents operating profit divided by the average of current and prior year net reserves, whereby net reserves equals reserves for loss and loss adjustment expenses, reserves for insurance and investment contracts and financial liabilities for unit-linked contracts less reinsurance assets.

Asset Management

Euro mn	2011	2010	2009
Net fee and commission income	5,470	4,927	3,590
Net interest income	22	21	30
Income from financial assets and liabilities carried at fair value through income (net)	-11	19	40
Other income	21	19	29
Operating revenues	5,502	4,986	3,689
Administrative expenses (net), excluding acquisition-related expenses	-3,246	-2,926	-2,288
Operating expenses	-3,246	-2,926	-2,288
Operating profit	2,256	2,060	1,401
Realized gains/losses (net)	6	35	7
Impairments of investments (net)	-4	-1	-5
Acquisition-related expenses	-213	-440	-403
Amortization of intangible assets	-34	-30	-30
Restructuring charges	-12	-19	-68
Non-operating items	-257	-455	-499
Income before income taxes	1,999	1,605	902
Income taxes	-687	-659	-359
Net Income	1,312	946	543
Net income attributable to:			
- Non-controlling interests	18	0	5
- Shareholders	1,294	946	538
Cost-income ratio in %	59.0%	58.7%	62.0%

Corporate and Other

Euro mn	2011	2010	2009
Total revenues	567	587	517
Interest and similar income	1,103	978	1,066
Operating income from financial assets and liabilities carried at fair value through income (net)	-11	-41	-106
Fee and commission income	680	761	723
Other income	4	4	1
Operating revenues	1,776	1,702	1,684
Interest expenses, excluding interest expenses from external debt	-811	-714	-838
Loan loss provisions	-121	-56	-48
Investment expenses	-100	-97	-79
Acquisition and administrative expenses (net), excluding acquisition-related expenses	-1,220	-1,350	-1,348
Fee and commission expenses	-420	-424	-397
Other expenses	-1	-3	-2
Operating expenses	-2,673	-2,644	-2,712
Operating profit (loss)	-897	-942	-1,028
Non-operating income from financial assets and liabilities carried at fair value through income (net)	-426	51	249
Realized gains/losses (net)	500	788	842
Impairments of investments (net)	-1,005	-221	-394
Income from fully consolidated private equity investments (net)	-98	-215	-366
Interest expenses from external debt	-973	-889	-905
Acquisition-related expenses	4	0	-3
Amortization of intangible assets	-153	-197	-71

Euro mn	2011	2010	2009
Restructuring charges	-7	-35	-27
Non-operating items	-2,158	-718	-675
Income (loss) from continuing operations before income taxes	-3,055	-1,660	-1,703
Income taxes	554	775	1,063
Net income (loss) from continuing operations	-2,501	-885	-640
Net income (loss) from discontinued operations, net of income taxes	0	0	-395
Net income (loss)	-2,501	-885	-1,035
Net income (loss) attributable to:			
- Non-controlling interests	-7	-77	-60
- Shareholders	-2,494	-808	-975

Selected consolidated financial information

The selected consolidated financial data for the years ended 2011 and 2010 set forth below are derived from Allianz Group's consolidated financial statements. The Consolidated Financial Statements 2011 and 2010 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 included in this Prospectus.

As of or for the Years ended December 31,		2011	2010
		€	€
Income Statement			
Total revenues ⁽¹⁾	€ mn	103,560	106,451
Operating profit ⁽²⁾	€ mn	7,866	8,243
Net income from continuing operations	€ mn	2,804	5,209
Net income (loss) from discontinued operations, net of income taxes	€ mn	-	-
Net income	€ mn	2,804	5,209
Balance Sheet			
Total assets	€ mn	641,472	624,945
Shareholders' equity	€ mn	44,915	44,491
Non-controlling interests	€ mn	2,338	2,071
 Total equity	€ mn	 47,253	 46,562
Total liabilities	€ mn	594,219	578,383

(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.

As of or for the first nine months
ended September 30,

		2012	2011
		€	€
Income Statement			
Total revenues ⁽¹⁾	€ mn	80,456	78,549
Operating profit ⁽²⁾	€ mn	7,226	5,866
Net income.....	€ mn	4,202	2,244
Balance Sheet			
Total assets as of 30 September	€ mn	687,981	634,864
Shareholders' equity as of 30 September	€ mn	51,915	43,564
Non-controlling interests as of 30 September.....	€ mn	2,513	2,273
Total equity as of 30 September.....	€ mn	54,428	45,837
Total liabilities as of 30 September.....	€ mn	633,553	589,027

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

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

Recent developments since September 30, 2012

- On 16 October 2012, Allianz SE issued a subordinated bond in the amount of € 1.5 bn with a scheduled maturity in 2042.
- On 26 October 2012, Allianz and HSBC signed a 10-year exclusive bancassurance distribution agreement for life insurance in Asia. Allianz life insurance products will be distributed by HSBC in Australia, China, Indonesia, Malaysia, Sri Lanka and Taiwan as well as by other strategic partners of Allianz in Brunei and the Philippines. The upfront cash consideration by Allianz amounts to € 77 mn.

As part of the strategic partnership it has been agreed, that the assets and liabilities, other than the statutory deposits of approximately € 8 mn of HSBC Life (International), Taiwan Branch, will be transferred to Allianz Taiwan Life Insurance for a consideration of € 14 mn.

- At the end of October 2012, hurricane "Sandy" caused severe damage in the north-eastern parts of the United States. Based on current information, the expected losses cannot be reliably estimated.

Outlook

Economic outlook

As the end of 2012 approaches, the economic outlook remains clouded by uncertainty. In order to achieve at least a moderate recovery in global economic activity, it is crucial that the sovereign debt crisis in the Eurozone gradually subsides. The prospects for this have improved in recent months. The German Federal Constitutional Court ruling in mid-September paved the way for the swift establishment of the European Stability Mechanism (ESM). In conjunction with measures taken by the European Central Bank (ECB), and providing national policymakers push ahead with consolidation and structural reforms and European policymakers make further headway on economic and political integration, there are reasons to hope we are moving closer to a resolution of the debt crisis. This is one of the two central premises upon which our

outlook rests. The second main assumption relates to the Middle East and North Africa region, where Allianz Group anticipates Allianz Group will be spared any dramatic escalation, even though the political situation remains tense.

Based on these assumptions, the world economy is likely to regain some momentum in the coming months. Global output is expected to grow by 2.4 % this year. On both sides of the Atlantic, public and private sector consolidation needs, due to high debt levels, will continue to restrain economic activity. Monetary policy, however, is still very accommodative in the United States, Japan and Europe and overall favourable financing conditions are providing economic impetus for private households and the corporate sector alike. A monetary tightening in the Eurozone is unlikely before late 2013 and in the United States it might take even longer. The emerging markets remain key drivers of global growth, although their future growth rates will be lower than in previous years. Allianz Group expects the emerging markets to expand by 4.6 % this year. By way of comparison: from 2004 to 2008, the annual growth rate averaged 7.2 %.

In the United States, economic growth will probably be very moderate – at around 2.0 % – in 2012. Hurricane "Sandy" will very likely add to volatility in economic indicators, as the inevitable disruptions to economic activity will be followed by additional demand from reconstruction work. Looking ahead to 2013, the downside risks are considerable due to the sizeable fiscal policy uncertainties. In the Eurozone, Allianz Group expects to see a gradual recovery in 2013, following a slight decline in overall economic activity this year. The arguments in support of this include: political successes in getting to grips with the crisis that will boost confidence levels among economic players, the substantial support provided by the ECB's monetary policy and the relatively low external value of the Euro. Nevertheless, budgetary consolidation will exert a drag on the domestic economy. Furthermore, developments still vary considerably from country to country. Real GDP in the Eurozone is expected to decline by 0.3 % in 2012. The German economy will continue to outperform the Eurozone average thanks to robust domestic demand, a stable labor market and relatively low public sector consolidation needs. Allianz Group expects real GDP growth of 0.8 % in 2012.

Financial market jitters related to the European sovereign debt crisis have decreased in recent weeks. However, German government bonds continue to be considered a "safe haven", with yields on 10-year bonds hovering around 1.5 %. Provided the debt crisis abates, the "safe haven" effect will start to fade somewhat and yields on German government bonds are likely to creep up modestly. The picture is the same for 10-year U.S. Treasury yields, which are currently only slightly higher than those on German bonds. When the debt crisis abates, spreads on other EMU government bonds are likely to narrow gradually, although their level will remain high. As far as the stock market is concerned, low interest rates and relatively attractive price/earnings ratios provide a sound foundation for further gains in equities. However, as Allianz Group has seen repeatedly in recent months, a renewed pick up in risk aversion can easily send stock markets down again, no matter how positive corporate sector fundamentals appear to be.

Industry outlook

The economic outlook is more of the same sub-optimal growth we have experienced through 2012. As a consequence, world premium growth will be slow, with fairly robust growth in emerging markets outpacing that in developed markets. Any comprehensive solution to the Euro crisis will take time, as will the structural reforms needed to boost competitiveness and growth. Therefore, financial markets are expected to remain unsettled and interest rates to stay at very low levels to support the economy. Against this backdrop, Allianz Group forecasts a muted earnings outlook for the industry that will also be impacted by expected further investment de-risking. While balance sheets for the most part are likely to remain relatively strong, they will continue to be affected by financial market volatility and clouded by the uncertain future of Solvency II in Europe.

In the property-casualty sector, Allianz Group anticipates that the modest increase in premium rates in 2011 and 2012 will continue in 2013, despite the need for further increases to offset the impact of low investment yields. Consequently, premium growth will also remain sluggish in advanced markets where the headwinds of low economic growth and high unemployment depress insurance demand. However, in emerging markets, robust economic growth, rising incomes and heightened risk awareness will drive stronger premium growth.

In the life sector, Allianz Group expects relatively low interest rates to continue, limiting sales and profitability in mature markets. However, growth in emerging markets is expected to remain robust. Competition with banks in the short term savings market is also expected to persist – to the detriment of bancassurance life sales. If interest rates continue to be low, as anticipated, Allianz Group also envisage that the life business mix will continue to slowly evolve towards more attractive unit-linked and protection business. As this shift takes place Allianz Group expects new business profitability and the quality of earnings to gradually improve on a risk-adjusted basis.

Due to the persistent uncertainty regarding the further development of the global economy as well as the surrounding political conditions, financial markets are expected to stay volatile well into 2013 and flow expectations for the Asset Management industry remain subdued. Assuming that economic growth rates in the main OE CD markets will continue to lag behind the long-term trends – due to high national debt levels and the growing propensity of private households to save – the short-term growth prospects will be limited by the conditions in the market environment, both in the fixed income and the equity space. Further, it is hard to tell how the development of the global regulatory environment will impact the Asset Management industry (e.g. due to potentially increased administrative and equity requirements).

Outlook for the Allianz Group

The Allianz Group remains strongly capitalized with a solvency ratio of 190 %³ as of September 30, 2012.

All Allianz Group's operating segments made a significant contribution to the positive development. Life/Health operating profit was strong mainly thanks to a higher operating investment result as last year was heavily burdened by impairments. Allianz Group's Property-Casualty business benefited from lower losses from natural catastrophes. The growth and performance of Allianz Group's Asset Management segment continued to be outstanding and achieved a record level of operating profit in the third quarter.

Net income development for 2012 will continue to be influenced by balance sheet strengthening including investment de-risking and restructuring activities.

This outlook considers preliminary estimates regarding the impacts of hurricane "Sandy" as per 8 November 2012. As common with such large catastrophes, comprehensive and reliable loss estimates from all Allianz Group's affected clients across our various business segments and operating entities can only be made weeks or even months after the event. Furthermore, as always, other natural catastrophes, adverse developments in the capital markets as well as subsequent events and factors stated in Allianz Group's cautionary note regarding forward-looking statements, may also affect the results of Allianz Group's operations.

Significant changes

Unless described in the Section "Recent Developments", there have been no significant changes with regard to the financial position or the trading position of Allianz SE since September 30, 2012.

Trend information

There has been no material adverse change in the prospects of Allianz SE since December 31, 2011.

³ Solvency according to the E.U. Financial Conglomerates Directive. Off-balance sheet reserves are accepted by the authorities as eligible capital only upon request. Allianz SE has not submitted an application so far. Excluding off-balance sheet reserves, the solvency ratio as of 30 September 2012 would be 181 %.

Cautionary note regarding forward-looking statements

The statements contained herein may include prospects, 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 in such forward-looking statements. Such deviations may arise, without limitation, because of changes in the general economic condition and competitive situation, particularly in the Allianz Group's core business and core markets, or the impact of acquisitions, related integration issues and reorganization measures. Deviations may also arise from the frequency and severity of insured loss events, including natural catastrophes, and from the development of loss expenses, mortality and morbidity levels and trends, persistency levels, and, particularly in our banking business, the extent of credit defaults. In addition, the performance of the financial markets (particularly market volatility, liquidity and credit defaults) as well as changes in interest rate levels, currency exchange rates and changes in national and international laws and regulations, particularly tax regulation, may have a relevant impact. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences. The company assumes no obligation to update any forwardlooking statement.

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 preceeding 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 May 24, 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. The amount of the cash settlement was established by Allianz 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"), which is pending with the district court ("Landgericht") of Frankfurt. The Management believes that a claim to increase the cash settlement does not exist. In the event that the court 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.

Allianz Global Investors of America L.P. and certain of its subsidiaries have been named as defendants in multiple civil U.S. lawsuits commenced as putative class actions and other proceedings related to matters involving market timing in the mutual fund industry. These lawsuits have been consolidated into and transferred to a multidistrict litigation proceeding in the U.S. District Court for the District of Maryland. In April 2011 the court approved the parties' settlement that resolved all of the claims. The settlement does not have a material negative financial impact on Allianz Group.

The U.S. Department of Justice (DOJ) is conducting an investigation into whether certain employees of Fireman's Fund Insurance Company (FFIC), a subsidiary of Allianz SE, engaged in violation (criminal or

civil) of the False Claims Act in connection with FFIC's involvement as a provider of federal crop insurance from 1997 to 2003. The investigation concerns the issue of whether FFIC employees submitted false claims to the government through various practices, including backdating and inappropriately designating new producer status. Two former FFIC claims employees and one contract adjuster have pled guilty to assisting farmers in asserting fraudulent crop claims. The DOJ and FFIC are in negotiations to reach a final resolution of this matter. The outcome cannot be predicted at this stage.

Three members of the Fireman's Fund group of companies in the U.S.A., all subsidiaries of Allianz SE, are among the defendants named in a class action filed on August 1, 2005 in the United States District Court of New Jersey in connection with allegations relating to contingent commissions in the insurance industry. The court dismissed with prejudice the federal court causes of action and dismissed without prejudice the state law causes of action. Upon plaintiffs' appeal the Court of Appeals affirmed the dismissal of the majority of plaintiffs' claims. It vacated and remanded the remainder of the claims. The defendant Fireman's Fund Group companies reached a settlement with plaintiffs. The settlement does not have a material negative financial impact on Allianz Group.

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 a settlement which the court approved in 2011.

Organizational structure

Description of the Allianz Group

For a description of the Allianz Group's scope of consolidation as of December 31, 2011, see Note 5 to the Consolidated Financial Statements 2011.

List of participations of the Allianz Group as of December 31, 2011 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 2011. Please refer to section "Documents Incorporated by Reference" on page 5 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 December 14, 2011, 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 May 26, 2010, published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette ("elektronischer Bundesanzeiger") with the following single exception:

Deviating from Item 5.4.6 para. 2 sentence 1 of the German Corporate Governance Code ("Code"), the compensation rules for the Supervisory Board of Allianz SE resolved by the shareholders' meeting on May 4, 2011 and set forth in the Articles of Association do not provide for any performance-related components. The Company believes a fair fixed remuneration is more suitable to the control function of the Supervisory Board irrespective of success of the Company.
2. Since the last Declaration of Conformity as of December 15, 2010, Allianz SE has complied with the recommendations of the Code in the version of May 26, 2010 with the above-mentioned exception to Item 5.4.6 para. 2 sentence 1 of the Code."

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 ⁽¹⁾	Controlling, Reporting, Risk	None
Manuel Bauer	Insurance Growth Markets	Member of the supervisory bodies of Bajaj Allianz General Insurance

Name	Area of Responsibility	Principal Outside Board Memberships
		Co. Ltd., Bajaj Allianz Life Insurance Co. Ltd. and Zagrebacka Banka
Gary C. Bhojwani	Insurance USA	Member of the supervisory body of Allina Hospitals & Clinics
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 ⁽²⁾	Insurance Western and Southern Europe	None
Dr. Werner Zedelius	Insurance German Speaking Countries	None
Dr. Maximilian Zimmerer	Finance	Member of the Board of Directors of KDV Kapitalbeteiligungsgesellschaft der Deutschen Versicherungswirtschaft AG i.L., member of the advisory boards of Landesbank Baden-Württemberg, Möller & Förster KG, Towers Watson and member of the Board of Administration of Hauck & Aufhäuser Banquiers Luxembourg S.A.

⁽¹⁾, ⁽²⁾ On September 13, 2012, Allianz Group announced that Oliver Bäte and Dr. Dieter Wemmer will exchange their board responsibilities as of January 1, 2013

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 and Bertelsmann AG
Christine Bosse ⁽¹⁾	Former chairwoman of the Executive Management of Tryg A/S	Member of the Supervisory Bodies of Flügger A/S (chairwoman), Aker ASA, Icopal A/S, Nordea Bank A/S, 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.	Allianz France S.A.
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 and Robert Bosch GmbH
Igor Landau ⁽¹⁾	Chairman of the Supervisory Board of adidas AG, Member	Member of the Supervisory Boards of adidas AG (chairman) and

Name	Principal Occupation	Principal Outside Board Memberships
	of the board of directors of Sanofi S.A.	member of the boards of directors of HSBC France and 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

⁽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 and related party transactions

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.

As of the date of this Prospectus, no shareholder holding 10% or more of the share capital was reported to Allianz SE. For reported shareholdings crossing the 3% and 5% threshold reference is made to the publications on www.allianz.com (section "Investor Relations", subsection "Mandatory Announcements/Voting Rights Announcements").

Material contracts

Long-term distribution agreement with Commerzbank AG

Allianz Beratungs- und Vertriebs-AG has entered, on August 31, 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 January 1, 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 July 9, 2010.

The framework agreement was complemented by distribution agreements relating to bankassurance and assurebanking, both also dated August 31, 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 December 23, 2011. The assurebanking distribution agreement was terminated with effect as of May 31, 2009 in connection with the transfer by Dresdner Bank AG of the Allianz Banking business to Oldenburgische Landesbank AG.

For commitments creating contingent liabilities, please refer to Note 47 of the Consolidated Financial Statements 2011 (see pages 296 – 300 of the Annual Report 2011 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 no-par value shares. 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 and subscription rights to 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.

Federal Republic of Germany

The following general summary does not consider all aspects of income taxation in the Federal Republic of Germany ("Germany") that may be relevant to a holder of the Notes in the light of its particular circumstances and income tax situation. It applies to holders of the Notes, who are solely tax resident in Germany. This general summary 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.

German tax residents holding Notes as private assets

Taxation of income from the Notes

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

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

The flat tax is generally collected by way of withholding (see subsequent paragraph – *Withholding tax*) and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Notes. If, however, no or not sufficient tax was withheld (e.g., in case there is no Domestic Paying Agent) the investor will have to include the income received from its investment in the Notes in its income tax return. The flat tax will then be collected by way of tax assessment. The investor may also opt for inclusion of investment income in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor's aggregated flat tax liability on investment income (e.g., because of available losses carried forward or foreign tax credits). If the investor's total income tax liability on all taxable income including the investment income determined by generally applicable individual progressive income tax rates is lower than 25 per cent. the investor may opt to be taxed at individual progressive rates with respect to its investment income.

Capital losses from the 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 annual assessment period may be carried forward into subsequent assessment periods but may not be carried back into preceding assessment periods.

Individual investors are entitled to a saver's lump sum tax allowance (*Sparer-Pauschbetrag*) for investment income of 801 Euro per year (1,602 Euro jointly assessed husband and wife). 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 credit institution (bank) or financial services institution (*Kredit- und Finanzdienstleistungsinstitut*) where the securities deposit account to which the Notes are credited is held. 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 institution (bank) or financial services institution (or by a German branch of a foreign credit or financial services institution), or by a German securities trading business (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (altogether the "**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.

Capital gains from the sale (including the redemption) of the Notes are also subject to the 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, if the Notes are kept or administered by a Domestic Paying Agent effecting the sale or redemption from the time of their acquisition. If the Notes were sold or redeemed after being transferred to another securities deposit account, 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 account bank was able and allowed to prove evidence for the investor's actual acquisition costs to the new Domestic Paying Agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is collected for the individual investor.

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 that 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 graduated rates or corporate income tax (plus a 5.5 per cent. solidarity surcharge thereon) and trade tax. The trade tax liability depends on the applicable trade tax factor 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.

No withholding is generally required on capital gains derived by German resident corporate investors and upon application by individual investors holding the Notes as business assets.

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 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 holders who are not tax resident in Germany is in general not subject to 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, or (ii) the income derived from the Notes does not otherwise constitute German source income (such as income derived from Notes that are secured by German real estate or vessels subject to certain exceptions or 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).

If the income derived from the Notes is subject to German taxation according to (i) to (iii) above, the income is subject to withholding tax similar to that described above under the paragraph *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 and 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 of persons (*Personenvereinigung*) or estate (*Vermögensmasse*), 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 business assets attributable to a permanent establishment or a permanent representative in Germany.

Special regulations apply to certain German expatriates.

Other taxes

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

EU Savings Income Tax

On 3 June 2003 the European Union Council adopted the directive 2003/48/EC 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. Austria, Belgium 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%. However, Belgium has elected to switch to the exchange of information system with effect from 1 January 2010. 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.

On 13 November 2008, the European Commission published a proposal for amendments to the Savings Directive, which included a number of suggested changes 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 advisers.

Hong Kong

Withholding tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a company carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a company (such as a partnership), carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong) and arises through or from the carrying on by the financial institution of its business in Hong Kong.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, from the carrying on of a trade, profession or business in Hong Kong and the sum has a Hong Kong source. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

Stamp duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Note.

SUBSCRIPTION AND SALE

General

Pursuant to a subscription agreement dated 26 November 2012 (the "**Subscription Agreement**") among the Issuer and Citibank International plc, Deutsche Bank AG, London Branch and HSBC Bank plc (together, the "**Joint Lead Managers**" or 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 28 November 2012. 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 or 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.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes may not be circulated or distributed, nor may Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 276(7) of the SFA.

Hong Kong

Each Manager has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange Ltd. or on any other exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd. or any other regulated trading facility in Switzerland, and neither this Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

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" above.
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 9 November 2012.
3. **Legend on Global Notes:** Each Global Note will bear the following legend:

"Neither this note nor any 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 systems:** Payments and transfers of the Notes will be settled through Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium ("**Euroclear**") and Clearstream Banking, société anonyme, 42 Avenue JF Kennedy L-1855 Luxembourg ("**Clearstream Luxembourg**"). The Notes have the following securities codes:

Common Code: 085787250
ISIN: XS0857872500
German Securities Code (WKN): A1R0S6
5. **Expenses of the issue:** The total expenses related to the admission to trading of the Notes are expected to amount to below € 100,000.
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 26 September 2018 is 5.502 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.

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

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

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

HSBC Bank plc
8 Canada Square
Canary Wharf
London E14 5HQ
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