

1st Supplement pursuant to Art. 16(1) of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and Art. 13 (1) of the Luxembourg Act (the "**Luxembourg Act**") relating to prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*) dated 24 August 2015 (the "**Supplement**") to the Base Prospectus dated 2 June 2015 (the "**Prospectus**") with respect to



ALLIANZ SE

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

ALLIANZ FINANCE II B.V.

(incorporated with limited liability in Amsterdam, The Netherlands)

ALLIANZ FINANCE III B.V.

(incorporated with limited liability in Amsterdam, The Netherlands)

€ 25,000,000,000 Debt Issuance Programme

guaranteed by

ALLIANZ SE

This Supplement 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 (the "**Competent Authority**") under the Luxembourg Act for the purposes of the Prospectus Directive.

The Issuer may request the CSSF in its capacity as competent authority under the Luxembourg Act to provide competent authorities in host Member States within the European Economic Area with a certificate of approval attesting that the Supplement has been drawn up in accordance with the Luxembourg Act which implements the Prospectus Directive into Luxembourg law ("**Notification**").

Right to withdraw

In accordance with Article 13 paragraph 2 of the Luxembourg Act, investors who have already agreed to purchase or subscribe for the securities before the Supplement is published have the right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances, provided that the new factor arose before the final closing of the offer to the public and the delivery of the securities. The final date for the right of withdrawal will be 26 August 2015.

Copies of this Supplement together with the Prospectus and all documents which are incorporated therein by reference will be available free of charge from the specified offices of the Principal Paying Agent and the Luxembourg Paying Agent.

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

The purpose of this Supplement is primarily to incorporate by reference the relevant parts of the unaudited Interim Report for the Second Quarter and First Half Year of 2015 of Allianz Group, the unaudited Interim Report for the Second Quarter and First Half Year of 2014 of Allianz Group, the unaudited Interim financial statements for the six-months period ended 30 June 2015 of Allianz Finance II B.V. and the unaudited Interim financial statements for the six-months period ended 30 June 2015 of Allianz Finance III B.V. as set out in the below table, to update several sections of the Prospectus.

This Supplement is supplemental to, and should be read in conjunction with the Prospectus.

Terms defined in the Prospectus have the same meaning when used in this Supplement.

Allianz Finance II B.V. in respect of itself only, Allianz Finance III B.V. in respect of itself only and Allianz SE in their capacity as issuers (the "**Issuers**" and each an "**Issuer**") and Allianz SE in its capacity as Guarantor (the "**Guarantor**") accept responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuers and the Guarantor, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect its import.

To the extent that there is any inconsistency between any statement included in this Supplement and any statement included or incorporated by reference in the Prospectus, the statements in this Supplement will prevail.

1. Documents incorporated by reference

The Cross Reference List on pages 168 through 170 of the Prospectus, relating to the documents incorporated by reference into the Prospectus, shall be supplemented by the following rows:

"

Information Incorporated by Reference	Reference
Allianz Group	
<i>Unaudited Consolidated Interim Report for the Second Quarter and First Half Year of 2015</i>	
Consolidated Balance Sheets	Page 51
Consolidated Income Statements	Page 52
Consolidated Statements of Comprehensive Income	Page 53
Consolidated Statements of Changes in Equity	Page 54
Condensed Consolidated Statements of Cash Flows	Pages 55-56
Notes to the Condensed Consolidated Interim Financial Statements	Pages 57-111
Review Report	Page 112

Information Incorporated by Reference	Reference
Allianz Group	
<i>Unaudited Consolidated Interim Report for the Second Quarter and First Half Year of 2014</i>	
Consolidated Balance Sheets	Page 47

Consolidated Income Statements	Page 48
Consolidated Statements of Comprehensive Income	Page 49
Consolidated Statements of Changes in Equity	Page 50
Condensed Consolidated Statements of Cash Flows	Pages 51-52
Notes to the Condensed Consolidated Interim Financial Statements	Pages 53-106
Review Report	Page 107

Allianz Finance II B.V.	
Unaudited Interim financial statements for the six-months period ended 30 June 2015	
Interim statement of financial position as at 30 June 2015	Page 2
Interim statement of comprehensive income for the six-month period ended 30 June 2015	Page 3
Interim statement of changes in equity for the six-month period ended 30 June 2015	Page 4
Interim statement of cash flows for the six-month period ended 30 June 2015	Page 5
Notes to the interim financial statements for the six-month period ended 30 June 2015	Pages 6-18
Review Report	Page 19

Allianz Finance III B.V.	
<i>Unaudited Interim financial statements for the six-month period ended 30 June 2015</i>	
Interim statement of financial position as at 30 June 2015	Page 2
Interim statement of comprehensive income for the six-month period ended 30 June 2015	Page 3
Interim statement of changes in equity for the six-month period ended 30 June 2015	Page 4
Interim statement of cash flows for the six-month period ended 30 June 2015	Page 5
Notes to the interim financial statements for the six-month period ended 30 June 2015	Pages 6-14
Review Report	Page 15

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2. Summary - Section B - Allianz SE - Element B.12

On page 7 of the Prospectus, in Element B.12 of the Summary, the table referring to the financial information as of or for the First Quarter ended 31 March shall be deleted in its entirety and replaced by the following wording:

"

"As of or for the First Half Year ended 30 June ⁽¹⁾	2015	2014
	(amounts in € million)	(amounts in € million)
Income Statement		
Total revenues ⁽²⁾	67,939	63,420
Operating profit ⁽³⁾	5,697	5,494
Net income ⁽³⁾	4,048	3,598
Balance Sheet⁽⁴⁾		
Total assets	841,648	754,330
Shareholders' equity	60,687	54,979
Non-controlling interests.....	2,824	2,833
Total equity	63,511	57,812
Total liabilities	778,137	696,518

⁽¹⁾ All figures as shown in the Allianz Group's Interim Report Second Quarter and First Half Year of 2015 and Allianz Group's Interim Report Second Quarter and First Half Year of 2014.

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

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

⁽⁴⁾ Balance sheet figures as of 2014 are presented as originally published.

"

3. Summary - Section B - Allianz SE - Element B.12

On page 8 of the Prospectus, in Element B.12 of the Summary, the section "Significant change in the financial and trading position" shall be deleted in its entirety and replaced by the following wording:

"Significant change in the financial and trading position"

There has been no significant change in the financial or trading position of Allianz Group since 30 June 2015."

4. Summary - Section B - Allianz SE - Element B.13

On page 8 of the Prospectus, in Element B.13 of the Summary, the section "Recent developments" shall be deleted in its entirety and replaced by the following wording:

"Recent developments"

Since 30 June 2015 there have been no recent developments with regard to Allianz SE."

5. Summary - Section B - Allianz Finance II B.V. - Element B.12

On page 9 of the Prospectus, in Element B. 12 of the Summary, the table in the section "Selected historical key financial information" shall be deleted in its entirety and replaced by the following wording:

"Selected historical key financial information

	As of 31 December	
	2014	2013
	<i>(amounts in € thousand)</i>	<i>(amounts in € thousand)</i>
Non-current assets.....	11,344,098	12,267,130
Current assets.....	1,398,937	417,890
	12,743,035	12,685,020
Shareholders' Equity.....	12,711	9,619
Non-current liabilities.....	11,344,154	12,267,224
Current liabilities.....	1,386,170	408,177
	12,743,035	12,685,020
As of 30 June		
	2015	2014
	<i>(amounts in € thousand)</i>	<i>(amounts in € thousand)</i>
Non-current assets.....	11,440,632	12,308,223
Current assets.....	357,588	408,523
Total assets	11,798,220	12,716,746
Shareholders' Equity.....	14,240	11,230
Non-current liabilities.....	11,440,673	12,308,298
Current liabilities.....	343,307	397,218
Total equity and liabilities	11,798,220	12,716,746

6. Summary - Section B - Allianz Finance II B.V. - Element B.12

On page 10 of the Prospectus, in Element B. 12 of the Summary, the section "Significant change in the financial and trading position" shall be deleted in its entirety and replaced by the following wording:

"Significant change in the financial and trading position"

There has been no significant change in the financial or trading position of Allianz Finance II B.V. since 30 June 2015."

7. Summary - Section B - Allianz Finance III B.V. - Element B.12

On page 11 of the Prospectus, in Element B. 12 of the Summary, the table in the section "Selected historical key financial information" shall be deleted in its entirety and replaced by the following wording:

"Selected historical key financial information

	As of 31 December	
	2014	2013
	<i>(amounts in € thousand)</i>	<i>(amounts in € thousand)</i>
Non-current		
assets	450,000	450,000
Current		
assets	2,785	26,669
	452,785	476,669
Shareholders'		
Equity	2,222	2,032
Non-current		
liabilities	450,000	450,000
Current		
liabilities	563	24,637
	452,785	476,669

	As of 30 June	
	2015	2014
	<i>(amounts in € thousand)</i>	<i>(amounts in € thousand)</i>
Non-current		
assets	450,000	450,000
Current		
assets	8,590	32,654
Total		
assets	458,590	482,654
Shareholders'	2,317	2,133

	As of 30 June	
	2015	2014
	(amounts in € thousand)	(amounts in € thousand)
Equity		
Non-current		
liabilities	450,000	450,000
Current		
liabilities	6,273	30,521
Total equity and liabilities	458,590	482,654

8. Summary - Section B - Allianz Finance III B.V. - Element B.12

On page 11 of the Prospectus, in Element B. 12 of the Summary, the section "Significant change in the financial and trading position" shall be deleted in its entirety and replaced by the following wording:

"Significant change in the financial and trading position"

There has been no significant change in the financial or trading position of Allianz Finance III B.V. since 30 June 2015."

9. Risk Factors - Risk factors relating to Allianz SE /Allianz Group - 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.

On page 21 of the Prospectus, the section "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" shall be deleted in its entirety and replaced by the following wording:

"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 7.4% of the Allianz Group's financial assets as of 30 June 2015 (as of 31 December 2014: 6.7%), excluding financial assets and liabilities carried at fair value through income. Volatility in equity markets affects the market value and liquidity of these holdings. The Allianz Group also has real estate holdings in its investment portfolio, the value of which is likewise exposed to changes in real estate market prices and volatility. Most of the Allianz Group's financial assets and liabilities are recorded at fair value, including trading assets and liabilities, financial assets and liabilities designated at fair value through income, and securities available-for-sale. Changes in the value of securities held for trading purposes and financial assets designated at fair value through income are recorded through the Allianz Group's consolidated income statement. Changes in the market value of securities available-for-sale are recorded directly in the Allianz Group's consolidated shareholders' equity. Available-for-sale equity and fixed income securities, as well as securities classified as held-to-maturity, are reviewed regularly for impairment, with write-downs to fair value charged to income if there is objective evidence that the cost may not be recovered. The Allianz Group holds interests in a number of financial institutions as part of its portfolios, which are particularly exposed to uncertain market conditions affecting the financial services sector generally. In prior years the Allianz Group has incurred significant impairments on the value of the securities and other financial assets that it

holds and there can be no assurance that the Allianz Group will not recognize significant impairments in the future again."

10. Terms and Conditions of the Notes - Substitution

On pages 58 and 91 of the Prospectus, sub-paragraph (a)(iv) of § 10 "Schuldnerersetzung"/"Substitution" of Option I and Option II shall be deleted in its entirety and replaced by the following wording:

"

(iv) die Emittentin unbedingt und 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.

(iv) the Issuer irrevocably and unconditionally 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.

"

11. Description of Allianz Finance II B.V. - Significant Changes

On page 107 of the Prospectus, the section "Significant Changes" shall be deleted in its entirety and replaced by the following wording:

"Significant Changes

There has been no significant change with regard to the financial or trading position of Allianz Finance II B.V. since 30 June 2015."

12. Description of Allianz Finance II B.V. - Selected Financial Information

On page 108 of the Prospectus, the section "Selected Financial Information" shall be deleted in its entirety and replaced by the following wording:

"Selected Financial Information

The financial statements as of 31 December 2014 and 2013 and as of 30 June 2015 and 2014 have been prepared in accordance with IFRS as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code. The financial statements as of 31 December 2014 and 2013 have been audited by KPMG Accountants N.V. who issued unqualified audit opinions with respect thereto. The financial statements as of 30 June 2015 and 2014 have been reviewed by KPMG Accountants N.V. who stated that accompanying interim financial information as of 30 June 2015 and as of 30 June 2014 are prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

The selected financial data for the years ended 31 December 2014 and 2013 set forth below are derived from Allianz Finance II B.V.'s financial statements, which have been audited by KPMG Accountants N.V. The selected financial data for the six-months period ended 30 June 2015 and 2014 set forth below are derived from Allianz Finance II B.V.'s unaudited interim financial statements for the six-months period ended 30 June 2015 and 2014.

As of 31 December	
2014	2013
(amounts in € thousand)	(amounts in € thousand)

	As of 31 December	
	2014	2013
	<i>(amounts in € thousand)</i>	<i>(amounts in € thousand)</i>
Non-current assets.....	11,344,098	12,267,130
Current assets.....	1,398,937	417,890
	12,743,035	12,685,020
Shareholders' Equity.....	12,711	9,619
Non-current liabilities.....	11,344,154	12,267,224
Current liabilities.....	1,386,170	408,177
	12,743,035	12,685,020

	As of 30 June	
	2015	2014
	<i>(amounts in € thousand)</i>	<i>(amounts in € thousand)</i>
Non-current assets.....	11,440,632	12,308,223
Current assets.....	357,588	408,523
Total assets	11,798,220	12,716,746
Shareholders' Equity.....	14,240	11,230
Non-current liabilities.....	11,440,673	12,308,298
Current liabilities.....	343,307	397,218
Total equity and liabilities	11,798,220	12,716,746"

13. Description of Allianz Finance III B.V. -Significant Changes

On page 110 of the Prospectus, the section "Significant Changes" shall be deleted in its entirety and replaced by the following wording:

"Significant Changes

There has been no significant change with regard to the financial or trading position of Allianz Finance III B.V. since 30 June 2015."

14. Description of Allianz Finance III B.V. - Selected Financial Information

On page 111 of the Prospectus, the section "Selected Financial Information" shall be deleted in its entirety and replaced by the following wording:

"Selected Financial Information

The financial statements as of 31 December 2014 and 2013 and as of 30 June 2015 and 2014 have been prepared in accordance with IFRS as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code. The financial statements as of 31 December 2014 and 2013 have been audited by KPMG Accountants N.V. who issued unqualified audit opinions with respect thereto. The financial statements as of 30 June 2015 and 2014 have been reviewed by KPMG Accountants N.V. who stated that accompanying interim financial information as of 30 June 2015 and as of 30 June 2014 are prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

The selected financial data for the years ended 31 December 2014 and 2013 set forth below are derived from Allianz Finance III B.V.'s financial statements, which have been audited by KPMG Accountants N.V. The selected financial data for the six-months period ended 30 June 2015 and 2014 set forth below are derived from Allianz Finance III B.V.'s unaudited interim financial statements for the six-months period ended 30 June 2015 and 2014.

	As of 31 December	
	2014	2013
	<i>(amounts in € thousand)</i>	<i>(amounts in € thousand)</i>
Non-current		
assets	450,000	450,000
Current		
assets	2,785	26,669
	452,785	476,669
Shareholders'		
Equity	2,222	2,032
Non-current		
liabilities	450,000	450,000
Current		
liabilities	563	24,637
	452,785	476,669
	As of 30 June	
	2015	2014
	<i>(amounts in € thousand)</i>	<i>(amounts in € thousand)</i>
Non-current		
assets	450,000	450,000

	As of 30 June	
	2015	2014
	<i>(amounts in € thousand)</i>	<i>(amounts in € thousand)</i>
Current		
assets	8,590	32,654
Total		
assets	458,590	482,654
Shareholders'		
Equity	2,317	2,133
Non-current		
liabilities	450,000	450,000
Current		
liabilities	6,273	30,521
Total equity and liabilities	458,590	482,654"

15. Description of Allianz SE and Allianz Group – Disposal of Personal insurance business of Fireman's Fund Insurance Company Corp., Novato

On page 113 of the Prospectus, the text below the heading "Disposal of Personal insurance business of Fireman's Fund Insurance Company Corp., Novato" shall be deleted in its entirety and replaced by the following wording:

"At the end of the financial year 2014, the Allianz Group announced its decision to realign its Property-Casualty insurance business in the United States. One integral part of the reorganization is the sale of the personal insurance business to ACE which was approved by the California Department of Insurance and which was closed on 1 April 2015. In addition, the realignment comprises the integration of Fireman's Fund Insurance Company's commercial business into Allianz Global Corporate & Specialty North America, as well as the internal transfer of the discontinued run-off business through a reinsurance agreement within the Allianz Group. The reorganization is expected to have a negative impact of approximately USD 0.2 billion on the Allianz Group's financial statements in 2015. Expenses in the context of the restructuring will comprise expenses for HR-related items, office buildings and IT infrastructure."

16. Description of Allianz SE and Allianz Group – Capitalization and Financial Indebtedness as of 31 March 2015

On page 114 of the Prospectus the section "Capitalization and Financial Indebtedness as of 31 March 2015" shall be deleted in its entirety and replaced by the following wording:

"Capitalization and Financial Indebtedness as of 30 June 2015

	As of 30 June 2015
	<i>(amounts in € million)</i>
Total debt:⁽¹⁾	
Subordinated liabilities	
Allianz SE⁽²⁾	
Subordinated bonds	11,923

	As of 30 June 2015
	<i>(amounts in € million)</i>
Total Allianz SE	11,923
Banking subsidiaries	
Subordinated bonds	241
Total banking subsidiaries	241
All other subsidiaries	
Subordinated liabilities	-
Hybrid equity	45
Total all other subsidiaries	45
Subtotal	12,208
Certificated liabilities	
Allianz SE⁽³⁾	
Senior bonds	6,748
Money market securities	1,573
Total Allianz SE	8,321
Banking subsidiaries	
Senior bonds	456
Total banking subsidiaries	456
All other subsidiaries	
Certificated liabilities	-
Total all other subsidiaries	-
Subtotal	8,777
Total debt	20,985
Equity:	
Shareholders' equity	
Issued capital	1,170
Additional paid-in capital	27,758
Retained earnings ⁽⁴⁾	21,196
Foreign currency translation adjustments	(885)
Unrealized gains and losses (net) ⁽⁵⁾	11,447
Subtotal	60,687
Non-controlling interests	2,824
Total equity	63,511
Total debt and equity	84,496

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

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

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

⁽⁴⁾ As of 30 June 2015, includes € (216) mn related to treasury shares.

⁽⁵⁾ As of 30 June 2015, includes € 149 mn related to cash flow hedges.

17. Description of Allianz SE and Allianz Group - Selected Consolidated Financial Information

On page 128 of the Prospectus, in the section "Selected Consolidated Financial Information" the table referring to the financial information as of or for the First Quarter ended 31 March shall be deleted in its entirety and replaced by the following wording:

"As of or for the First Half Year ended 30 June" ⁽¹⁾	2015	2014
	<i>(amounts in € million)</i>	<i>(amounts in € million)</i>
Income Statement		
Total revenues ⁽²⁾	67,939	63,420
Operating profit ⁽³⁾	5,697	5,494
Net income ⁽³⁾	4,048	3,598
Balance Sheet ⁽⁴⁾		
Total assets	841,648	754,330
Shareholders' equity	60,687	54,979
Non-controlling interests.....	2,824	2,833
Total equity	63,511	57,812
Total liabilities	778,137	696,518

⁽¹⁾ All figures as shown in the Allianz Group's Interim Report Second Quarter and First Half Year of 2015 and Allianz Group's Interim Report Second Quarter and First Half Year of 2014.

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

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

⁽⁴⁾ Balance sheet figures as of 2014 are presented as originally published."

18. Description of Allianz SE and Allianz Group - Recent Developments since 31 March 2015

On page 129 of the Prospectus, the section "Recent Developments since 31 March 2015" shall be deleted in its entirety and replaced by the following wording:

"Recent Developments since 30 June 2015

Since 30 June 2015 there have been no recent developments with regard to Allianz SE."

19. Description of Allianz SE and Allianz Group -Significant Changes

On page 129 of the Prospectus the section "Significant Changes" shall be deleted in its entirety and replaced by the following wording:

"Significant Changes

There have been no significant changes with regard to the financial position or the trading position of Allianz SE since 30 June 2015."

20. Description of Allianz SE and Allianz Group -Outlook

On pages 129 through 131 of the Prospectus, the section "Outlook for 2015" shall be deleted in its entirety and replaced by the following wording:

"Outlook for 2015"¹

Economic outlook 2015

As we move into the second half of 2015, the economic picture is somewhat mixed. On the one hand, economic activity in industrialized countries is likely to remain quite solid. In the United States, private consumption is being boosted by the improved labor market situation. In the Eurozone, the economic recovery is likely to continue in 2015, supported by the depreciation of the Euro and lower energy prices. Allianz Group expects growth in most member states to outpace last year's performance. Supported by brighter economic conditions in the Eurozone and a favorable environment for private consumption, the German economy could expand by 2% in 2015. On the other hand, growth prospects for many major emerging market countries remain subdued – in many cases not solely for cyclical, but also for structural reasons. The Brazilian and Russian economies will shrink in real terms in 2015. Overall, global output is likely to grow by about 2.5% in 2015 – as in 2014. Industrialized countries will register GDP growth of close to 2%, while emerging markets will see their lowest economic expansion since the Great Recession of 2009 with a GDP increase of just below 4%. Inflation is likely to remain subdued on a global level, not least due to the still dire unemployment situation in many industrialized countries, which keeps the lid on wages.

For the remainder of 2015, financial markets will primarily be driven by monetary policy, further developments in the Greek debt crisis and geopolitical tensions. Despite lowering the probability of Grexit, the third bailout program is unlikely to draw a line under the Greek crisis as too many pitfalls remain. At the end of the day it is by no means certain that, when the bailout program expires in 2018, Greece will have regained access to the capital market on the scale needed. Risks stemming from the instability of Greek politics are even more serious. Flawed implementation of the reform and consolidation program would once again raise the question of whether Greece can stay in the Euro.

Regarding monetary policy, barring major downside surprises in economic data, the Federal Reserve Bank is likely to start pushing up interest rates later this year. In contrast, the European Central Bank will most likely stick to its very expansionary monetary policy stance, keeping key interest rates at the very low current levels and continuing its bond purchasing program with a monthly volume of € 60 billion. With short-term rates practically at zero and the ECB's bond purchasing program exerting downward pressure on European government benchmark bond yields, there are limited prospects of markedly higher yields on longer-term bonds. In the second half of 2015 a number of factors, including a rate hike by the Fed, will weigh on the Euro. However, with the economic recovery in the Eurozone on a firmer footing, the Euro will gain support. All in all, Allianz Group expects the Euro to move sideways against the U.S. Dollar.

Insurance industry outlook

2015 is on course to be another year of solid growth for the insurance industry. In advanced markets, economic activity is gaining momentum, boosting demand for insurance. And in emerging markets, despite more challenging economic conditions than in the past, pent-up

¹ The Information presented in the sections Economic outlook, Insurance industry outlook and Asset management industry outlook is based on Allianz Group's own estimates.

demand for insurance underpins strong growth. However, the outlook for profitability remains subdued as the headwinds of low investment returns and regulatory changes continue to blow.

In the *property-casualty* sector, 2014 was a solid year. Global premium revenue grew by 4.5% (in nominal terms, adjusted for foreign currency translation effects) with the notable exception of Western Europe where markets barely grew at all. For 2015, Allianz Group expects growth to strengthen in Western Europe, too, as almost all markets will return to positive growth. Allianz Group expects most other markets will continue to expand solidly, with an improved economy as a supporting factor but rate developments as a possible drag. As in previous years, Allianz Group expects very strong performances in emerging Asia where governments' efforts, particularly in China, to raise insurance penetration across the board pay off. Overall, Allianz Group expects global premium revenue to rise by 4-5% in 2015 (in nominal terms, adjusted for foreign currency translation effects). Underwriting profitability should remain more or less stable as reduced pricing power is offset by low claims inflation. However, low investment returns will have a negative impact on overall profitability.

In 2014, the *life* sector registered its highest growth since the outbreak of the financial crisis: Global premium revenue grew by 7.1% (in nominal terms, adjusted for foreign currency translation effects). However, this growth was rather uneven and driven by exceptional momentum in some markets such as Italy and Australia. This year, Allianz Group expects premium growth to be more moderate but also more broad-based. In particular, Allianz Group expects that growth in Eastern Europe will resume – albeit at a low level. However, emerging Asia will see another year of high, double-digit growth with China in the lead: Rising incomes and social security reforms remain strong engines for rising insurance demand. All in all, Allianz Group expects global premium revenue to expand by 4-5% in 2015 (in nominal terms, adjusted for foreign currency translation effects). Looking at profitability, the insurance industry faces some headwinds in 2015. Low yields continue to impact savings behaviors, investment returns remain under pressure and regulatory burdens will increase further. Therefore, companies cannot afford to relax their efforts to adapt their business models to the new environment.

Asset management industry outlook

Markets have shown some volatility in recent months, a trend exacerbated by the ongoing Greek government debt crisis. With investors also anticipating an increase in U.S. interest rates Allianz Group expects this volatility to continue in equity as well as in fixed income markets. However, if the longer-term trend is indeed towards moderately higher interest rates – especially in the United States – coupled with global demographic developments, then bonds should remain attractive. This holds true in particular for liability-driven investors and for the growing number of retirees in the developed world looking for a stable stream of income. Due to continuous inflows, equities reached all-time highs in the first half of 2015 in many countries, making them vulnerable to negative economic developments.

A continuing improvement in economic conditions – in particular in the United States – as well as trends in client demand, still represent a positive environment for further asset management industry growth. Nevertheless, the industry has to deal with several challenges that will also put pressure on profitability: flows into passive products as well as rising distribution or marketing costs will tighten operating margins. Increased regulatory oversight and reporting will also take their toll.

Therefore, several factors are of vital importance for an asset manager's ability to grow – notably above benchmark investment results and innovative client-focused investment

solutions and products. In addition, appropriate responses to clients' needs as well as efficient operations and a sufficient business volume are important.

Outlook for the Allianz Group

Allianz Group expects its business mix and profitability to remain largely unchanged compared to 2014. Its Property-Casualty business will carry on making up the majority of Allianz Group's operating profit. Allianz Group anticipates that the Asset Management business segment will continue to be a significant source of operating profit, even though at a slightly reduced level. This reduction is mainly due to lower average AuM and expenses associated with the Special Performance Award at PIMCO introduced in the fourth quarter of 2014, partially compensated by higher expected performance fees. In the Life/Health business segment, operating profitability will remain under pressure due to low yields. However, Allianz Group expects a stable development compared to the 2014 results, mainly supported by growth in its underlying asset base.

The financial results for the first six months of 2015 are set out in the Interim Report Second Quarter and First Half Year of 2015. Allianz Group is confident about staying on course towards profitable growth during the rest of 2015. However, unfavorable developments in the business environment can have adverse impacts on aspects of Allianz Group's performance. It would therefore be inappropriate to simply annualize the current quarter's operating profit and net income to arrive at an expected result for the full year.

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

21. Description of Allianz SE and Allianz Group – Legal Proceedings

On page 131 of the Prospectus, the section "Legal Proceedings" shall be deleted in its entirety and replaced by the following wording:

"Legal Proceedings

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

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

On 24 May 2002, pursuant to a statutory squeeze-out procedure, the general meeting of Dresdner Bank AG resolved to transfer shares from its minority shareholders to Allianz as principal shareholder in return for payment of a cash settlement amounting to € 51.50 per share. Allianz established the amount of the cash settlement on the basis of an expert opinion,

and its adequacy was confirmed by a court appointed auditor. Some of the former minority shareholders applied for a court review of the appropriate amount of the cash settlement in a mediation procedure ("*Spruchverfahren*"). In September 2013, the district court ("*Landgericht*") of Frankfurt dismissed the minority shareholders' claims in their entirety. This decision has been appealed to the higher regional court ("*Oberlandesgericht*") of Frankfurt. In the event that a final decision were to determine a higher amount as an appropriate cash settlement, this would affect all of the approximately 16 mn shares that were transferred to Allianz.

The U.S. Department of Justice (DOJ) was conducting an investigation into whether certain employees of Fireman's Fund Insurance Company (FFIC), a subsidiary of Allianz SE, engaged in violation 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 agreed to settle this matter. FFIC has made a provision for the cost of the settlement.

Allianz Life Insurance Company of North America (Allianz Life) has been named as a defendant in class action lawsuits in connection with the marketing and sale of deferred annuity products. Two of those lawsuits in California, which have been certified as class actions and have been consolidated, generally alleged that the defendant engaged in, among other practices, deceptive trade practices and misleading advertising in connection with the sale of such products. The parties reached a settlement agreement in the consolidated action in the very low three-digit US-Dollar millions range and the settlement received approval by the court. Allianz Life has made a provision for the estimated cost of the settlement. The last pending case has been dismissed by the court with prejudice in July 2015. There are no pending class actions in this matter."

22. Description of Allianz SE and Allianz Group – Board of Management

On page 133 of the Prospectus, the section "Board of Management" shall be deleted in its entirety and replaced by the following wording:

"Board of Management

The Board of Management (*Vorstand*) of Allianz SE currently consists of ten members (nine as of 1 September 2015), 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
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Name	Area of Responsibility	Principal Outside Board Memberships
Oliver Bäte	Chairman of the Board of Management of Allianz SE (CEO)	None
Dott. Sergio Balbinot	Insurance Western & Southern Europe	None
Manuel Bauer (until August 31, 2015)	Insurance Growth Markets	Member of the supervisory bodies of Bajaj Allianz General Insurance Co. Ltd. and Bajaj Allianz Life Insurance Co. Ltd.
Dr. Helga Jung	Insurance Iberia and Latin America, Legal and Compliance, S.p.A. Mergers & Acquisitions	Member of the supervisory body of Unicredit
Dr. Christof Mascher	Operations (COO)	Member of the supervisory body of Volkswagen Autoversicherung AG
Jay Ralph	Asset Management Worldwide, US Life Insurance	None
Dr. Axel Theis	Global Insurance Lines & Markets, Global Property-Casualty	None
Dr. Dieter Wemmer	Finance, Controlling, Risk (CFO)	None
Dr. Werner Zedelius	Insurance German Speaking Countries, Banking, Human Resources	None
Dr. Maximilian Zimmerer	Investments	None

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

Manuel Bauer (60) is resigning by mutual agreement with effect from August 31, 2015. As of September 1, 2015, his area of responsibility will be split up among the following members of the Board of Management of Allianz SE, in addition to their current duties: Dott. Sergio Balbinot (56) will take over responsibility for the Middle East, North Africa and India. Dr. Axel Theis (57) will be responsible for Australia. Central and Eastern Europe will be assumed by Dr. Werner Zedelius (57), and Dr. Maximilian Zimmerer (57) will become responsible for Asia. At the same time, Oliver Bäte (50), CEO of Allianz SE, will assume responsibility for the group-wide HR function."

23. Description of Allianz SE and Allianz Group – Major Shareholders

On page 135 of the Prospectus, the section "Major Shareholders" shall be deleted in its entirety and replaced by the following wording:

"Major Shareholders

Under the German Securities Trading Act (*Wertpapierhandelsgesetz*), holders of voting securities of a listed German company are required to notify the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, or *BaFin*) and the company of the level of their holding whenever it reaches, exceeds or falls below specified

thresholds. These thresholds are 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% of a company's voting rights. The provisions of the German Securities Trading Act provide several criteria for attribution of voting rights.

On 12 May 2015, Harris Associates L.P., Chicago, USA, notified Allianz SE that on 8 May 2015, the share of the voting rights directly or indirectly held by Harris Associates amounted to 3.05% of the voting rights.

On 26 May 2015, BlackRock, Inc., Wilmington, USA, notified Allianz SE that on 22 May 2015, the share of the voting rights directly or indirectly held by BlackRock amounted to 6.11% of the voting rights."

Registered Offices of the Issuers

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Registered Office of the Guarantor

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KPMG Accountants N.V.

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To Allianz SE

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