



| Fixed Rate Energy Investment Bond

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Introduction to our fixed rate Energy investment bond

Allianz's pledges to sustainable finance have continually evolved since the bank was among the founding signatories of the Equator Principles in 2003, which established an environmental risk management framework for banks.

In November 2017, Allianz pledged to provide \$100bn in sustainable financing and investing by 2025, cementing our wider commitment to supporting these developments. Our non-indexed linked fixed rate Energy investment bond will support these efforts for clean energy and lower-carbon technology, through securing investment from both the retail and private sector as the world transitions to a climate-friendly future.

As a new generation of investors becomes more socially aware and eager to make a difference in the world, Energy bonds have the potential to become the investment vehicle of choice. Working together, we can make sure that the financing needed for a low-carbon, resilient future is within reach.

The Allianz Fixed rate Energy investment bond was created to enable people to invest in a more sustainable and ethical way, creating positive environmental and social change without compromising on returns.

This approach represents a further step in supporting investors to meet their objectives while supporting clients to realize opportunities in the low-carbon economy. Allianz has already made a remarkable difference to the global carbon footprint with the help of our client's support



Why choose our fixed rate Energy investment bond

Investors buy fixed income bonds because they provide a predictable income stream. When these bonds are held to maturity, bondholders get back their entire principal, so they are a great way to preserve capital whilst investing.

Fixed rate bonds are a much safer option for investors that find investing in stocks and shares too much risk or too complex yet want to earn a higher interest rate than a regular savings account.

Allianz are one of few institutions that provide 100% certified Energy products. There are lots of products that fall under the “Energy” umbrella yet only allocate a piece of the total capital raised to Energy projects.

The Allianz fixed rate Energy investment bond is different, as we allocate 100% of the capital raised to Energy projects in the chosen geographical regions. This ensures that the UBS fixed rate Energy investment bond is income and capital gains tax-free. If the world doesn’t act quickly, 100m people could be pushed into poverty over the next decade as a result of climate change. Energy bonds offer an opportunity to investors, countries and companies working to battle the impact of the warming planet. They are the definition of impact investing — using invested monies not just for financial return but also to achieve social good.

A decade ago, Energy bonds were virtually non-existent. Today, they are a rapidly growing asset class, bringing much-needed new capital not just to the clean energy sector but to energy-efficient buildings, sustainable land use, wastewater and clean transport.

According to the Climate Bonds Initiative, global Energy finance needs to reach \$1tn by the end of 2020 and continue to grow each year thereafter.

That’s a daunting sum, far beyond the reach of governments alone. However, it is also a vast opportunity for sustainable global development, with investment potential in the trillions of dollars and the ability to drive innovation and create Energy industries and new jobs. Energy bonds can and should play a greater role in mobilizing a good portion of that funding.

1 Year Term with a fixed rate
of **3.89%**

2 Year Term with a fixed rate
of **4.23%**

3 Year Term with a fixed rate
of **5.12%**

5 Year Term with a fixed rate
of **5.95%**

- * Interest paid quarterly, annually or upon maturity.
- * AA1 rated investment grade
- * Tax-free interest due to all funds raised being 100% Energy Projects
- * £5k min. Capital 100% secure
- * Eligible deposit. Protected up to £85k by the FSCS

Advice and guidance when you need it

Fixed rate Energy investment bond information

Along with this core brochure, you can be provided with our current ESG report, which will provide more details on Allianz in the Energy bond market, as well as how we assess whether or not an investment fits the criteria of being Energy as well our client's needs.

Advice and guidance when you need it

Should you need advice, or are unsure of the suitability of an investment, your Relationship Manager will be able to give you any guidance and support you need to ensure that the investment you select is the right choice for you.

Your Relationship Manager will be assigned to you from day one and they will be with you every step of the way.

Working closely with our Investor Relations Teams and Premier Wealth Managers they will make the whole process from start to finish an enjoyable experience.

With thousands of investments and providers in the market, it's hard to know where to put your money. Even experienced investors can be unsure about how and where to invest.

Our relationship managers and investor relations teams will help to increase your confidence and to help you feel supported. Their experience could help you to save time, reduce complexity and – perhaps most significantly – take action.

AT ALLIANZ WE'LL TAKE THE TIME FIND OUT ABOUT YOUR CURRENT SITUATION AND ATTITUDE TO RISK SO WE CAN ANSWER THESE KEY QUESTIONS

SHOULD YOU INVEST?

We'll help you work out if you've enough money saved in case of emergencies before you start to invest.

HOW MUCH SHOULD YOU INVEST?

We'll take a closer look at your finances to help you work out how much you can comfortably invest.

Reporting criteria for this bond



Investment Sectors

Solar Energy	19.17%	Sustainable Land use	9.20%
Sustainable Waste Management	17.18%	Climate Change Adaption	5.74%
Efficient Buildings	12.04%	Energy Efficiency	5.66%
Clean Transportation	9.71%	Second Generation Biofuels	3.99%
Sustainable Water Management	9.30%		

Reporting criteria for this bond

Use of proceeds

- * Renewable energy
- * Energy efficiency
- * Sustainable waste management
- * Sustainable land use
- * Efficient buildings
- * Clean transportation
- * Sustainable water management
- * Climate change adaptation

Evaluation

- * Agreed criteria for selecting use of proceeds and confirming eligibility
- * Relationship Managers propose the use of proceeds
- * Group Sustainability review for ESG factors and compliance with Energy Bond Framework
- * Energy Bond Committee confirms eligibility

Funds tracking

- * Use of proceeds tracked via register, ultimately will be tracked via internal loan management system

Reporting

- * The issuing entity will provide a Energy Progress Report, annually until full allocation. Thereafter, the issuing entity will provide a Energy Progress Report if there have been material updates made to the project allocation
- * The Energy Bond Committee review and approve each Energy Progress Report, which includes:
- * Aggregate amounts of funds allocated to each of the eligible sectors, followed by more detailed descriptions of the types of business and projects financed



Protection for your Investment

Bond Ratings Explained

Bond ratings are grades given to bonds that indicate their credit quality.

Private independent rating services such as Standard & Poor's, Moody's Investor Services and Fitch Ratings Inc. provided these evaluations of a bond issuer's financial strength, or its ability to pay a bond's principal and interest in a timely fashion.

The Allianz fixed rate Energy investment bond is a "full recourse" bond backed by the issuer Allianz Holdings plc reg 1429 part of Allianz SE. Interest earnings do not rely on the success of the funded projects and 100% of raised capital is used to fund both existing and new projects.

Allianz's Energy Bond Framework is consistent with the current Energy Bond Principles, as held by ICMA, and reflects recent guidance by investor groups. Allianz has obtained a second party review from CICERO on the Allianz Energy Bond Framework and been certified as 'Dark Green'.

The Allianz fixed rate Energy investment bond has an unenhanced credit rating of AA1 and is fully insured by the society of Lloyd's. All principal capital and interest payments owed and going forward are covered to the value of 125%. Bond insurance is a type of insurance purchased by a bond issuer to guarantee the repayment of the principal and all associated scheduled interest payments to the bondholders in the event of default.

The Allianz fixed rate Energy investment bond is covered by the FSCS statutory deposit guarantee scheme.

Should Allianz Holdings plc or Allianz Bank plc be unable to meet its financial obligations, depositors will be repaid by the FSCS deposit guarantee scheme.

This repayment covers a maximum of £85,000 per single depositor. In case of joint accounts, the limit of £85,000 applies to each depositor.

...	Aaa		AAA	...	Prime Investment Grade
	Aa1		AA+		
	Aa2		AA		
	Aa3		AA-		
	A1		A+		
	A2		A		
	A3		A-		
	Baa1		BBB+		
	Baa2		BBB		
	Baa3		BBB-		
...	Ba1		BB+	...	High Yield
	Ba2		BB		
	Ba3		BB-		
	B1		B+		
	B2		B		
	B3		B-		
	Caa1		CCC+		
	Caa2		CCC		
	Caa3		CCC-		
	Ca		CC		
...	C		C	...	Default
	MOODY'S		STANDARD & POOR'S		
	RATING SCALE		RATING SCALE		



What happens once you've invested?

Bond Ratings Explained

Once funds have been invested you will receive your electronic bond certificate within 14 days, and you will receive your hard copy bond certificate by recorded delivery within 28 days from the date of purchase.

Your relationship manager will also maintain contact with you should you have any follow up questions, or should you wish to invest in to any of our other products.

You will also receive the following:

- * A report of your investment's performance will be sent to you twice a year
- * Annual and half-yearly reports containing financial information for the investment projects will be available on request through your relationship manager.

Cancellation rights

You should be aware that there are no cancellation rights when you invest in any of this particular investment offered via Global Banking and Markets

- * Partial or regular withdrawals are not permitted on this investment
- * Your capital is tied up for the full term of investment.

Early termination is not allowed except in the case of terminal illness or at the Allianz plc's discretion. In cases where full termination of the investment is permitted a 12% fee will apply unless otherwise stated.

Further information and how to apply

You can apply directly through your Relationship Manager.

They will email you all the information required and guide you through the application process.

We will communicate with you via email and phone during the application and purchase process of your chosen investment.

All documentation relating to your investment will only be sent through secure encrypted email platforms and you may be asked to electronically sign documents through a third party approved affiliates and organizations.

Using electronic signature software ensures a complete audit trail is maintained.

A generation ago, paperless simply wasn't an option. But modern technology now allows us to reduce — if not eliminate — our reliance on paper-based solutions.

Not all applicants are guaranteed to be excepted. To help us continually improve our services and in the interests of security we may monitor and/or record your communications with

- i Climate Policy Initiative, Global Climate Finance: An Updated View 2018, November 2018
- ii IPCC, Global Warming of 1.5°C, Summary for Policymakers 2018.
- iii NFGS, A Call for action: Climate change as a source of financial risk, April 2019
- iv European Commission, Commission action plan on financing sustainable growth, 8 March 2018
- v EU Technical Expert Group on Sustainable Finance: Report on EU Green Bond Standard: Proposal for an EU Green Bond Standard
- vi Climate Bonds Initiative, 2018 Green Bond Market Summary, January 2019
- vii Climate Bonds Initiative, Media Release: Green issuance surpasses \$100 billion mark for 2019, 25 June 2019
- viii S&P Global Market Intelligence, S&P Ratings forecasts moderate green bond market growth in 2019, 29 January 2019
- ix Climate Bonds Initiative, Homepage (accessed August 2019)
- x Climate Bonds Initiative, Green bonds market summary - H1 2019, 24 July 2019