

# 3Q 2019

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Chief Financial Officer

Analyst conference call  
November 8, 2019





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**GROUP FINANCIAL RESULTS**  
3Q 2019

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**GLOSSARY**  
**DISCLAIMER**



# Group: 9M with good profitable growth

Group	Property-Casualty	Life/Health	Asset Management
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**Total revenues 9M 19** in EUR bn (internal growth vs. prior year in %)

**106.9 (+6.0%)**

**46.1 (+4.4%)**

**55.9 (+8.1%)**

**5.2 (-1.8%)**

**Operating profit 9M 19** in EUR mn (vs. prior year in %)

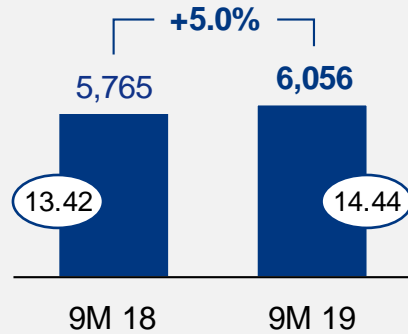
**9,105 (+4.2%)**

**4,184 (-1.1%)**

**3,410 (+6.7%)**

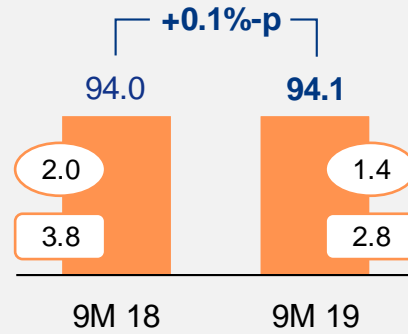
**1,954 (+3.0%)**

**Shareholders' net income**  
(in EUR mn)



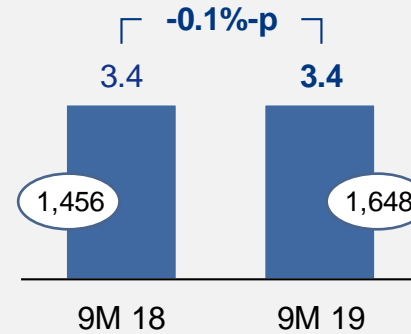
○ EPS (in EUR)

**Combined ratio**  
(in %)



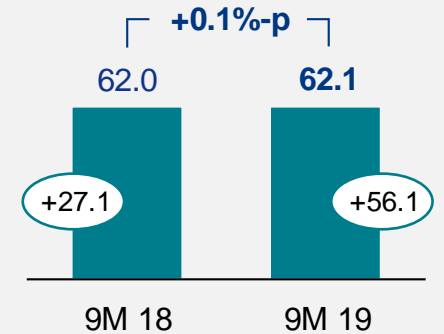
○ NatCat impact<sup>1</sup>  
□ Run-off ratio

**New business margin**  
(in %)



○ VNB (EUR mn)

**Cost-income ratio**  
(in %)



○ 3rd party net flows (EUR bn)

1) NatCat costs (without reinstatement premiums and run-off)



# Group: 9M with good profitable growth



## Comments

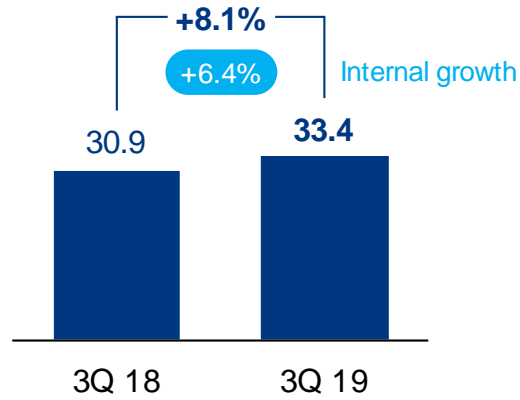
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- **Internal growth strong at 6.0%**  
Strong internal growth in L/H +8.1% and P/C +4.4%. -1.8% internal growth in AM driven by lower performance fees. Favorable impact from consolidation (+0.8%) and F/X (+1.1%) leads to total growth of +7.8%.
- **Operating profit at 79% of FY outlook mid-point**  
Operating profit growth driven by L/H, AM and CO.
- **Outlook 2019: OP in the upper half of target range**  
For the full year, Allianz now expects to arrive in the upper half of its operating profit target range of EUR 11.5bn, plus or minus EUR 500mn, barring unforeseen events, crises or natural catastrophes.
- **S/h net income at 81% of FY 2018**  
Support from operating profit growth (+4.2%) and lower tax rate (-1.5%-p).
- **EUR 1.5bn share buy-back**  
7.3mn shares acquired representing 1.7% of share capital.
- **EPS grow 7.6%**  
Good net income growth and execution of share buy-back support EPS growth. Number of shares outstanding at 416mn.
- **RoE (annualized) improves to 14.1%**
- **P/C – on track**  
Operating profit at 73% of FY outlook mid-point. CR flat as underlying improvements are offset by lower run-off. OP slightly down as a higher underwriting result is offset by lower investment result.
- **L/H – strong performance**  
OP at 81% of FY outlook mid-point. OP in line with business growth. NBM of 3.4%. VNB up 13.2%.
- **AM – very good result**  
OP up by 3% and at 78% of FY outlook mid-point. Strong 3rd party net inflows of EUR 56bn.
- **CO – continuous improvement**  
Operating loss at 49% of FY outlook mid-point. Better result from Allianz Technology.

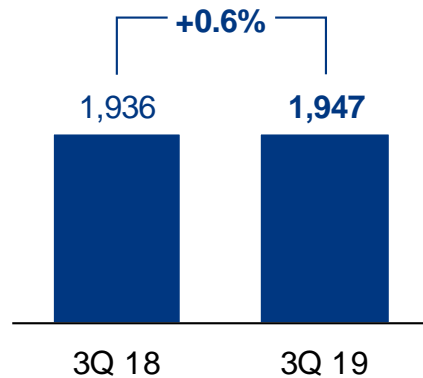


# Group: 3Q operating profit strong at EUR 3.0bn

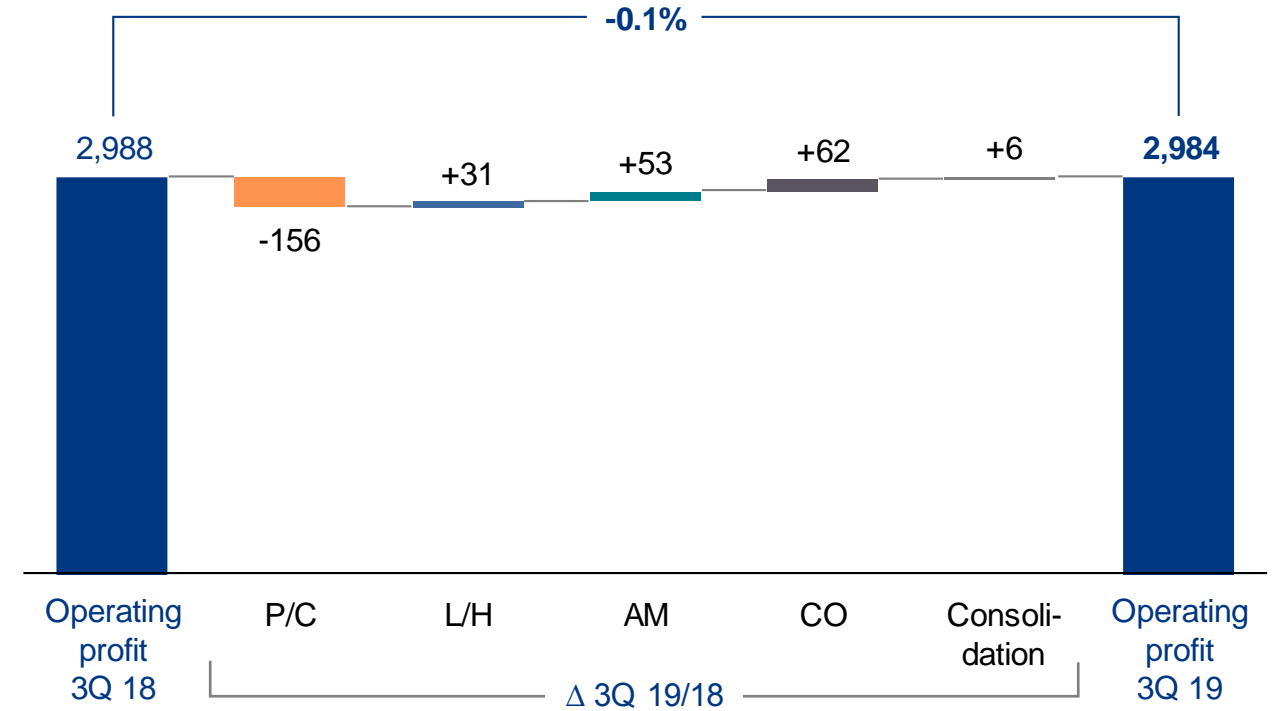
Total revenues (EUR bn)



Shareholders' net income (EUR mn)



Operating profit drivers (EUR mn)



	P/C	L/H	AM	CO	Consolidation
3Q 19	1,347	1,083	703	-148	-1
3Q 18	1,503	1,052	650	-210	-7



# Group: 3Q operating profit strong at EUR 3.0bn



## Comments

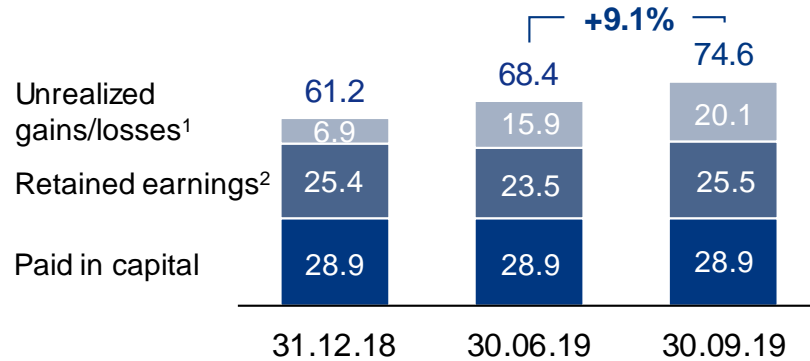
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- **Internal growth excellent at 6.4%**  
Excellent internal growth in L/H +8.4% and P/C +4.8%. +1.8% internal growth in AM driven by higher AuM driven fees. Favorable impact from consolidation (+0.3%) and F/X (+1.4%) leads to total growth of +8.1%.
- **Operating profit at 26% of FY outlook mid-point**  
Better results from L/H, AM and CO compensate for lower contribution from P/C.
- **Shareholders' net income again at good level**  
Stable contribution from operating profit. Benefit from higher non-operating result and lower tax rate offset by normalization of result attributable to non-controlling interests.
- **P/C – good performance**  
OP at 24% of FY outlook mid-point. Less run-off is the main reason for higher CR and lower OP.
- **L/H – strong result**  
Volume growth and better technical margin more than offset lower investment margin. NBM at 3.1%. VNB growth of 3.9%.
- **AM – EUR 18bn 3rd party net inflows**  
EUR 1.7tn 3rd party AuM due to net inflows, strong markets and F/X. Revenues increase 6%, OP up by 8%.
- **CO – continuous improvement**  
Operating loss improves to EUR -148mn. Better result from Allianz Technology.

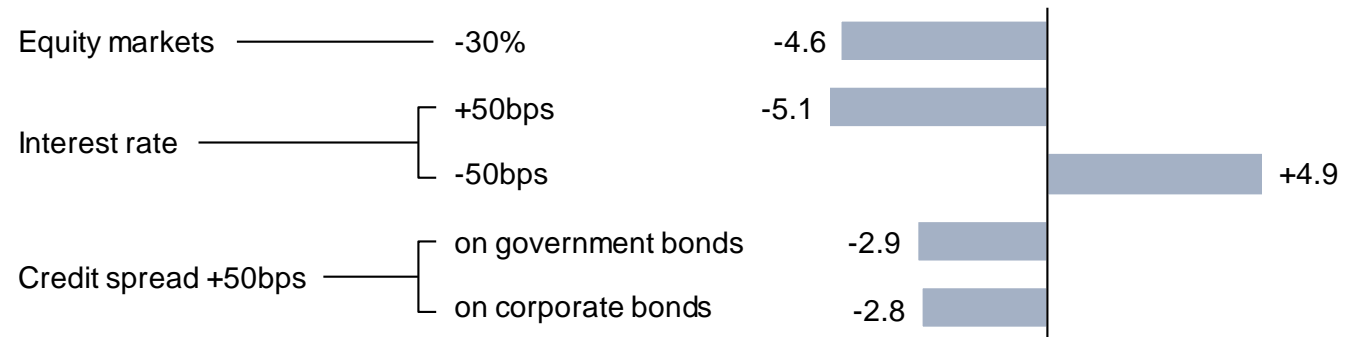


# Group: SII ratio on comfortable level

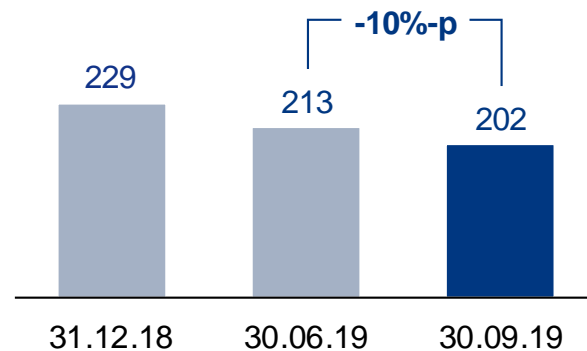
## Shareholders' equity (EUR bn)



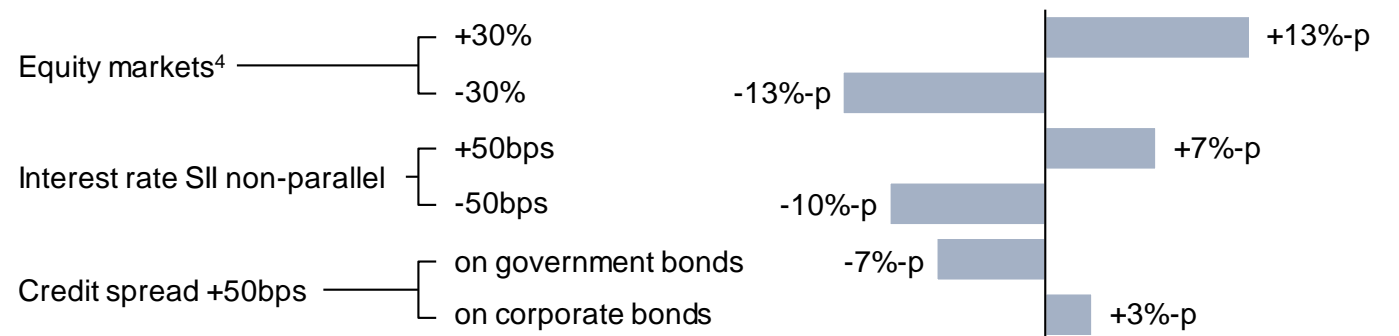
## Key sensitivities (EUR bn)



## SII capitalization (in %)



## Key sensitivities<sup>3</sup>



1) Off-balance sheet unrealized gains on real estate, associates and joint ventures attributable to the shareholders amount to EUR 4.2bn as of 30.06.19 and EUR 4.2bn as of 30.09.19  
 2) Including F/X  
 3) Management actions not considered in the disclosed sensitivities  
 4) If stress applied to traded equities only, sensitivities would be +8%-p/ -5%-p for a +/-30% stress



# Group: SII ratio on comfortable level



## Comments

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- **Shareholders' equity – EUR 6.2bn increase in 3Q**

In 3Q 2019, shareholders' equity increased by EUR +6.2bn. The main drivers were higher net unrealized gains ( $\Delta$  EUR +4.2bn) and net income (EUR +1.9bn).

- **SII sensitivities**

Our sensitivities are largely unchanged versus 2Q 2019.

- **SII ratio – on comfortable level**

In 3Q 2019, the SII ratio declined versus 2Q 2019, driven by an increase in our SCR.

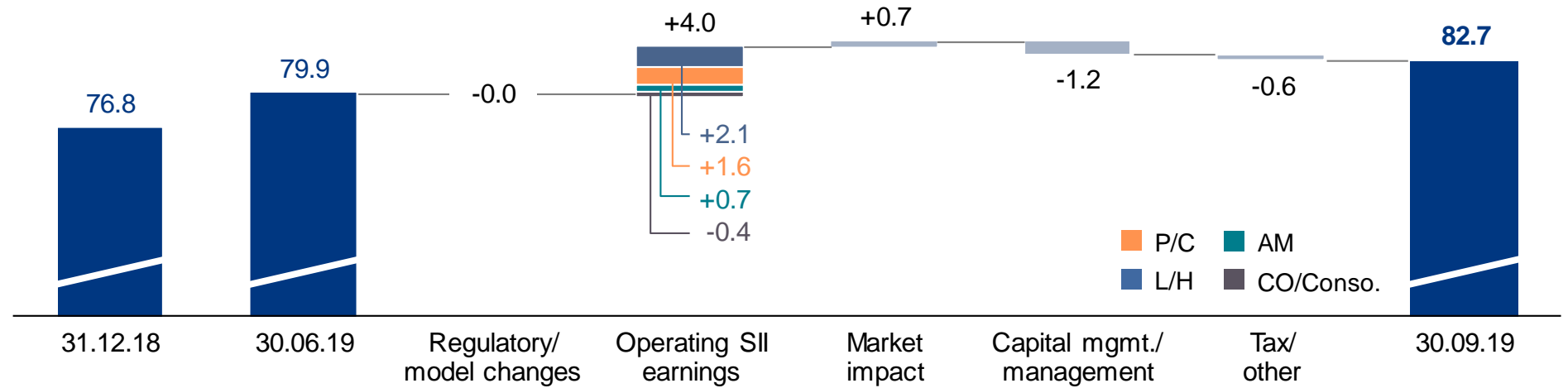
Main drivers: negative market effects (-12%-p pre tax, -11%-p post tax and transferability restrictions), negative impact from lower diversification effect (-2%-p included in 'other'), positive impact from organic capital generation (+9%-p, +3%-p after tax and dividend).





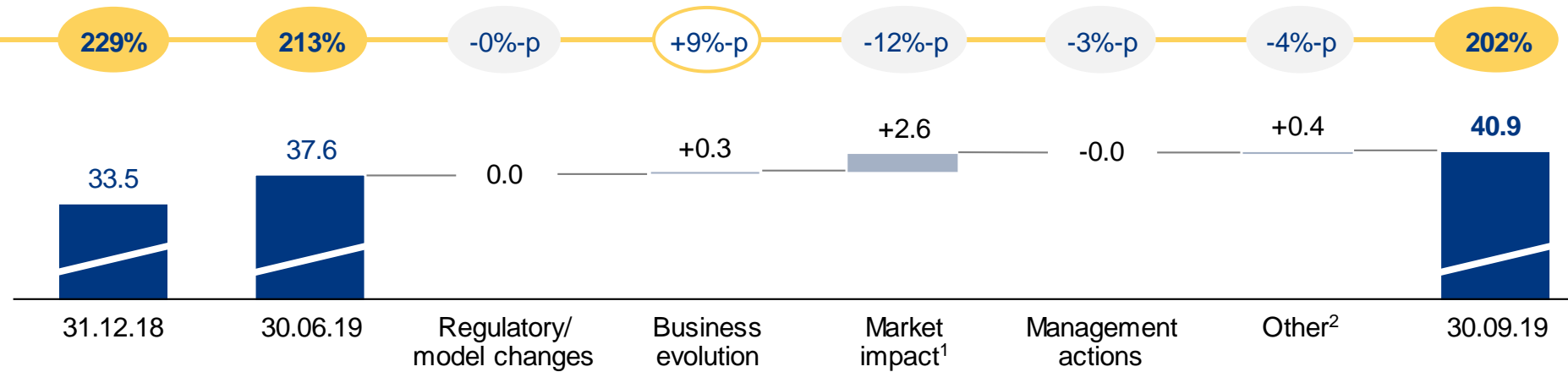
# Group: negative market impact, good organic capital generation

Own funds  
(EUR bn)



SII capitalization

○ Pre-tax operating capital generation



SCR  
(EUR bn)

1) Including cross effects and policyholder participation  
2) Other effects on SCR include diversification effects



# Group: negative market impact, good organic capital generation



## Comments

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- **Good capital generation in 3Q**

SII capital generation – net of tax and dividend – amounts to ~3%-p in 3Q 2019. We anticipate 2019 capital generation net of tax and dividend of ~10%-p.

- **Regulatory/model changes**

No meaningful regulatory/model changes this quarter.

- **Operating SII earnings**

Operating SII earnings of the L/H segment are above the operating IFRS result, mainly as a result of strong VNB generation (EUR +0.5bn) and favorable non-economic assumption changes.

The operating SII earnings for the P/C segment are slightly above while the AM operating SII earnings are broadly in-line with their IFRS results.

- **Business evolution**

Strong growth in P/C is the main driver. L/H new business capital consumption is largely offset by inforce capital release.

- **Market impact**

Market impact is predominantly driven by interest rates, including related increases in credit risk and longevity risk. Slightly positive impacts from equity markets and credit spreads are offset by higher interest rate volatility.

- **Capital management/management actions**

The normal dividend accrual of 50% of net income (EUR 1.0bn) is the main driver. Management actions broadly neutral as the impact of new corporate investments have been offset by risk reduction measures in our life entities.

- **Tax/other**

Mostly driven by semi-annual diversification update (-2%-p), refinement of modelling of technical health provisions and taxes.

- **Outlook 4Q**

The previously announced transactions with LV= and L&G will reduce our SII ratio by ~2%-p in 4Q 2019.



# P/C: strong volume- and price-driven internal growth

EUR mn		Revenues			YTD change on renewals	
		3Q 19	Total growth Δ p.y.	Internal growth Δ p.y.	9M 19	Momentum
<b>Total P/C segment</b>		<b>13,185</b>	<b>+6.3%</b>	<b>+4.8%</b>	<b>+2.7%</b>	<b>n.a.</b>
<b>Selected OEs</b>	Germany <sup>1</sup>	2,116	+0.8%	+1.0%	+2.3%	stable
	France	1,076	+3.7%	+3.7%	+1.7%	stable
	Italy <sup>1</sup>	833	-13.2%	+2.0%	-0.1%	stable
	CEE	794	+3.6%	+4.5%	n.a.	n.a.
	Australia	753	-14.7%	+6.4%	+1.7%	positive
	United Kingdom	572	+4.3%	+2.7%	+3.2%	stable
	Spain <sup>1</sup>	500	-6.9%	-3.8%	+3.4%	positive
	Latin America	419	+0.8%	+7.6%	n.a.	n.a.
	Turkey	230	+25.6%	+20.4%	n.a.	n.a.
	<b>Global lines</b>	AGCS	2,280	+13.0%	+11.2%	+7.8%
Allianz Partners		1,541	+18.9%	+15.1%	+2.0%	stable
Euler Hermes		707	-3.2%	+2.3%	-0.2%	positive

1) Prioryear revenues include direct business now transferred to Allianz Direct. Adjusted for this, total growth was +3.4% in Germany, +3.8% in Italy and -3.8% in Spain.



# P/C: strong volume- and price-driven internal growth



## Comments

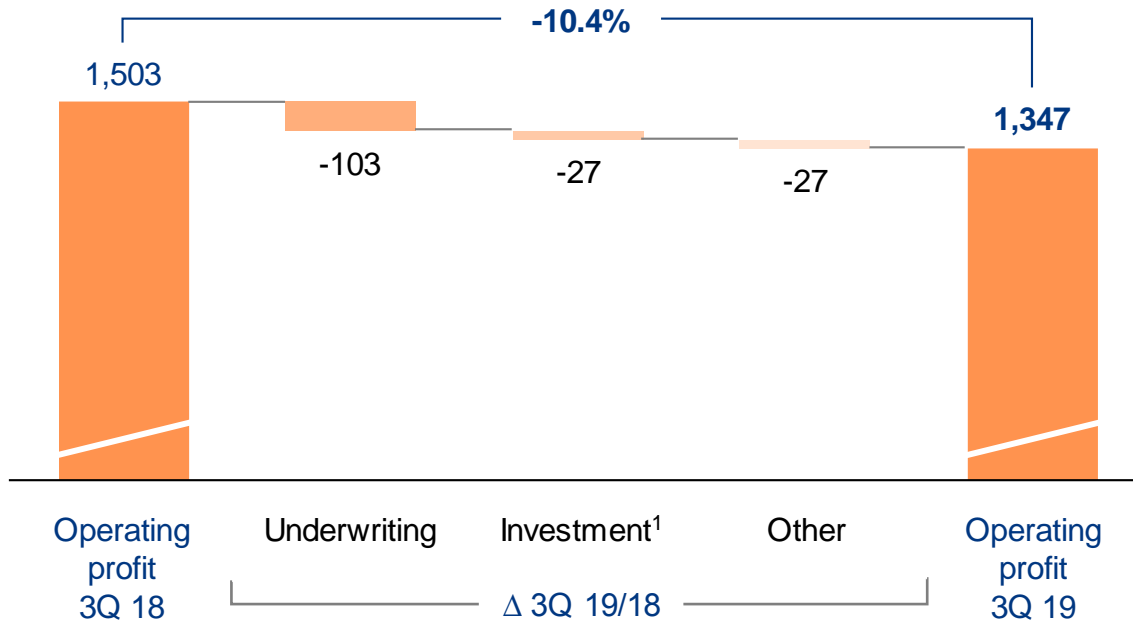
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- **Growth accelerates further in 3Q 2019**  
Strong internal growth of +4.8%, driven by volume and price. AGCS and Allianz Partners are the main growth contributors. Consolidations (e.g. ADAC or Multiasistencia; +0.7%) and F/X (+0.8%) lead to +6.3% total growth. Internal NPE growth also strong at +5.1%. 9M 2019 rate change on renewals increase to +2.7% vs. +2.1% at 6M 2019, mainly due to further improved momentum at AGCS.
- **Germany – price-driven growth**  
Retail motor main driver.
- **France – accelerating top-line growth**  
Growth in both commercial and personal lines.
- **Italy – continued growth**  
Motor and non-motor retail contribute.
- **CEE – good growth continues**  
Austria and Czech Republic main growth contributors.
- **Australia – strong increases in volume and price**  
Higher volume in compulsory third party liability contributes. The difference between total growth and internal growth can be largely explained by a shift in workers' compensation premium recognition between 2Q and 3Q 2019.
- **UK – price-driven growth**  
Commercial motor and property.
- **Spain – price increases offset by lower volumes**  
Higher commercial but lower personal lines following pricing actions.
- **Turkey – strong price and volume effects**  
Health and MOD (motor own damage) with strong growth.
- **AGCS – internal growth largely price-driven**  
Growth supported by strong rate development. Financial lines, marine and property main contributors.
- **Allianz Partners – outstanding growth**  
Travel US and AP L/H main growth drivers.
- **Euler Hermes – continued good growth**  
Good commercial performance from all regions in particular Asia and Americas.



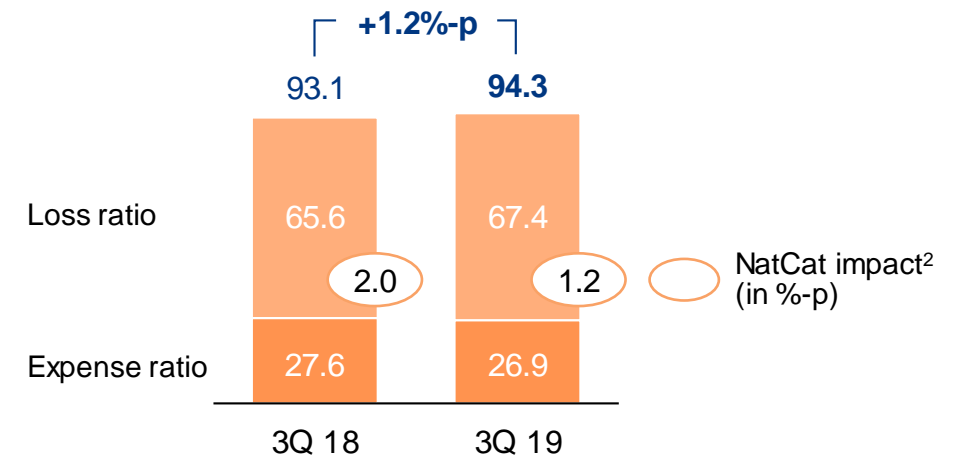
# P/C: accident year loss ratio slightly better, run-off lower

Operating profit drivers (EUR mn)

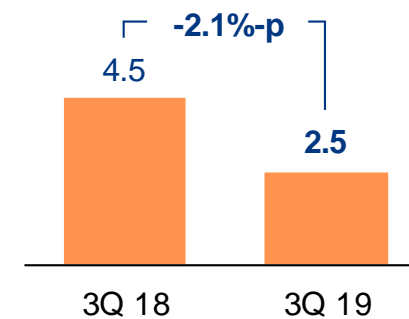


3Q 19	668	671	8
3Q 18	770	698	34

Combined ratio (in %)



Run-off ratio (in %)



1) Including policyholder participation

2) NatCat costs (without reinstatement premiums and run-off)



# P/C: accident year loss ratio slightly better, run-off lower



## Comments

- Operating profit – on track**  
 OP of EUR 1.3bn at 24% of FY outlook mid-point.
- Loss ratio – AY LR slightly better**  
 AY LR slightly better at 69.9% ( $\Delta$  -0.2%-p) as underlying improvements and less NatCat are largely offset by higher large losses. Attritional LR (AY LR ex NatCat) increases +0.6%-p to 68.7%.
- NatCat & weather – below last year**  
 NatCat of EUR 158mn/1.2% below prior year's level of EUR 245mn/2.0% and below 10Y FY average of 2.1%. Weather losses (ex NatCat) of 2.0% broadly in line with last year (3Q 2018: 1.9%). Combined NatCat and weather losses of 3.2% are slightly above expected levels and 0.7%-p below 3Q 2018.
- Run-off – well below prior year**  
 9M run-off at 2.8%. 10Y FY average at 3.8%.
- Expense ratio – continued progress**  
 ER improves -0.7%-p yoy, driven by the administration and acquisition cost ratio. The reduction is also supported by positive one-off effects. We are on track to achieve our target of a FY 2019 ER below 28%.
- 9M 2019 – OP at 73% of FY outlook mid-point**

	9M 2018	9M 2019	$\Delta$
Attritional LR	67.9%	68.1%	+0.2%-p
NatCat	2.0%	1.4%	-0.6%-p
Run-off	-3.8%	-2.8%	+1.0%-p
ER	27.9%	27.3%	-0.5%-p
<b>CR</b>	<b>94.0%</b>	<b>94.1%</b>	<b>+0.1%-p</b>
Underwriting result (EUR mn)	1,955	2,014	+3.0%
Investment result (EUR mn)	2,181	2,125	-2.5%
Other result (EUR mn)	96	45	-53.2%
<b>OP (EUR mn)</b>	<b>4,232</b>	<b>4,184</b>	<b>-1.1%</b>



# P/C: OP on good level

EUR mn		Operating profit		Combined ratio		NatCat impact on CR	
		3Q 19	Δ p.y.	3Q 19	Δ p.y.	3Q 19	Δ p.y.
<b>Total P/C segment</b>		<b>1,347</b>	<b>-10.4%</b>	<b>94.3%</b>	<b>+1.2%-p</b>	<b>1.2%-p</b>	<b>-0.8%-p</b>
<b>Selected OEs</b>	Germany <sup>1</sup>	290	-13.3%	91.9%	+2.4%-p	1.9%-p	+1.0%-p
	France	86	-24.0%	98.4%	+2.1%-p	0.3%-p	-3.6%-p
	Italy <sup>1</sup>	186	-24.8%	84.0%	+1.8%-p	4.7%-p	+4.7%-p
	CEE	98	-8.2%	89.2%	+0.8%-p	0.0%-p	0.0%-p
	Australia	105	+19.1%	89.8%	-3.3%-p	0.3%-p	+0.3%-p
	United Kingdom	9	-62.1%	98.2%	-0.3%-p	0.0%-p	-0.9%-p
	Spain <sup>1</sup>	18	-64.3%	98.6%	+6.3%-p	0.0%-p	0.0%-p
	Latin America	37	+74.7%	102.0%	-0.3%-p	0.0%-p	0.0%-p
	Turkey	45	+2.3%	96.1%	-6.7%-p	0.0%-p	0.0%-p
	<b>Global lines</b>	AGCS	65	+56.9%	102.7%	-1.3%-p	0.0%-p
Allianz Partners		60	+1.5%	96.3%	-0.7%-p	0.0%-p	-0.1%-p
Euler Hermes		113	-0.7%	81.7%	-1.4%-p	–	–

1) The transfer of their direct businesses to Allianz Direct had no significant impact on yoy OP growth or CR change of either Germany or Spain. Please see comment page for impact on Italy.



# P/C: OP on good level



## Comments

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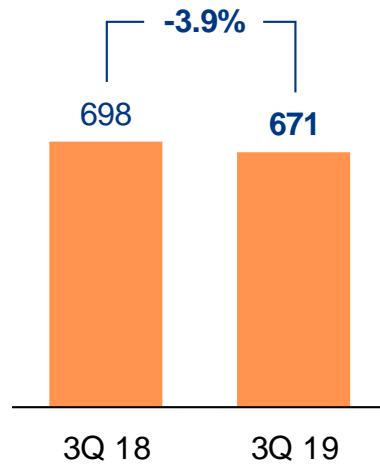
- **Germany – good performance**  
Strong CR. Underlying improvements more than offset by higher weather-related claims (including NatCat).
- **France – run-off lower and higher large losses**  
Only partly mitigated by a better ER.
- **Italy – CR remains on excellent level**  
NatCat main reason for CR development. Attritional LR improves -1.4%-p. Adjusted for Allianz Direct effect, OP and CR change would be  $\Delta$  -18.9% and  $\Delta$  +4.0%-p, respectively.
- **CEE – CR remains below 90%**  
Higher AY LR partly offset by better run-off.
- **Australia – outstanding CR**  
Better ER of 23.8% ( $\Delta$  -2.3%-p) main driver.
- **UK – CR largely stable**  
CR broadly stable as a higher ER is offset by an improved LR. OP affected by a lower investment result.
- **Spain – performance in line with 1H**  
CR mainly impacted by adverse run-off development and higher large losses. ER improves to 18.1% ( $\Delta$  -1.8%-p).
- **LatAm – on track**  
LatAm OP good at EUR 37mn ( $\Delta$  +16mn). CR of 102% broadly stable yoy.
- **Turkey – strong performance**  
In a difficult environment, AY LR improves  $\Delta$  -6.7%-p.
- **AGCS – AY LR better driven by lower NatCat**  
Positive effect from lower NatCat offset by adverse yoy change in run-off which was slightly negative in 3Q 2019 and positive in the prior year quarter.



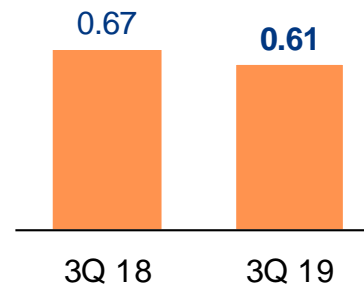


# P/C: interest & similar income resilient

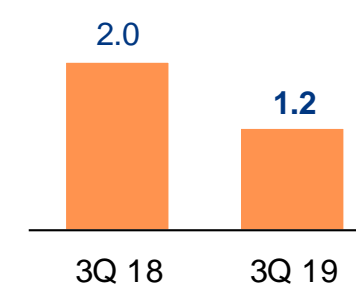
Operating investment result<sup>1</sup>  
(EUR mn)



Current yield  
(debt securities; in %)

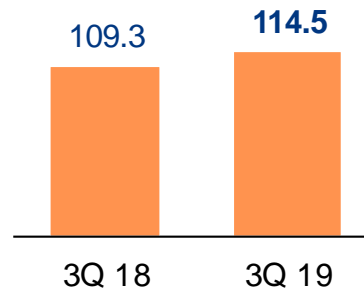


Economic reinvestment yield  
(debt securities; in %)

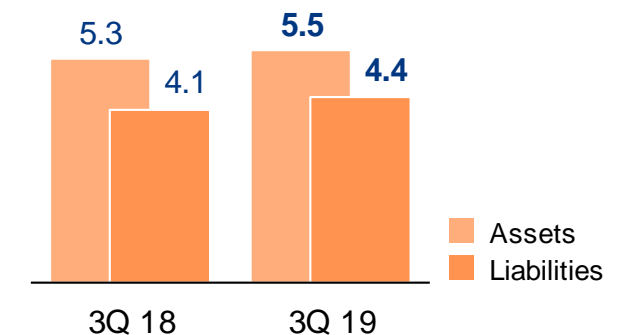


Interest & similar income <sup>2</sup>	803	<b>801</b>	-2
Net harvesting and other <sup>3</sup>	-8	<b>-12</b>	-4
Investment expenses	-97	<b>-118</b>	-21

Total average asset base<sup>4</sup>  
(EUR bn)



Duration<sup>5</sup>



1) Including policyholder participation  
 2) Net of interest expenses  
 3) Other comprises fair value option, trading and F/X gains and losses, as well as policyholder participation

4) Asset base includes health business France, fair value option and trading  
 5) For the duration calculation a non-parallel shift in line with Solvency II yield curves is used. Data excludes internal pensions residing in the P/C segment



## P/C: interest & similar income resilient

### Comments

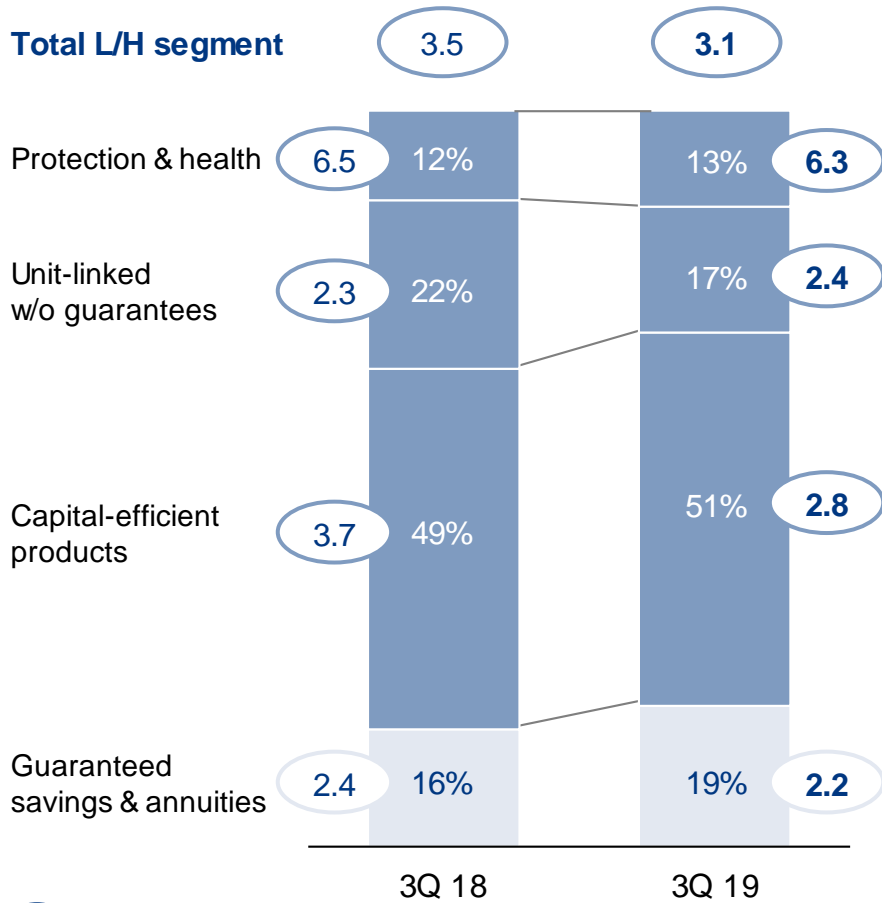
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- **Interest & similar income**  
Broadly unchanged income from equities and debt.
- **Investment expenses**  
Good performance triggers performance fees.
- **Current yield and reinvestment yield**  
Decline versus 2Q 2019 and 3Q 2018 due to declining interest rates.



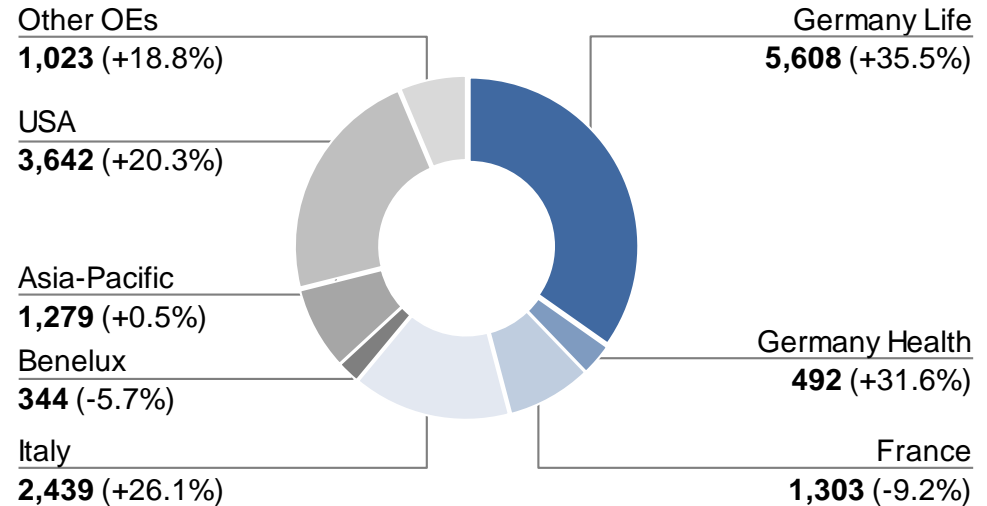
# L/H: NBM good at 3.1%

## PVNBP share by line



○ NBM (in %)  
■ Preferred LoBs

## PVNBP by OE (EUR mn)



EUR mn	3Q 18	3Q 19	Δ p.y.
<b>PVNBP</b>	13,408	<b>16,130</b>	+20.3%
Single premium	9,009	10,147	+12.6%
Recurring premium	669	1,345	+101.0%
<b>APE</b>	1,570	<b>2,359</b>	+50.3%



# L/H: NBM good at 3.1%



## Comments

### PVNBP by line

- **New business driven by Germany Life, USA, Italy**  
New business with capital-efficient products is up by 25%, respectively EUR 1.7bn, with largest volume expansion in Germany ( $\Delta$  EUR +1.2bn) and USA ( $\Delta$  EUR +0.5bn). Strong growth also in protection & health (+25%). Increase of GS&A by EUR 0.9bn driven by Italy. UL new business is 7% down due to lower sales in Asia-Pacific.
- **NBM above target level of 3.0%**  
NBM decline mainly due to unfavorable market movement (-0.8%-p) partially offset by better business mix (+0.4%-p). NBM with end-of-quarter assumptions at ~2.5%. Management actions under way to support NBM.
- **Share of preferred lines of business at 81%**  
Corresponding share for 9M 2019 at 80%.

### PVNBP by OE

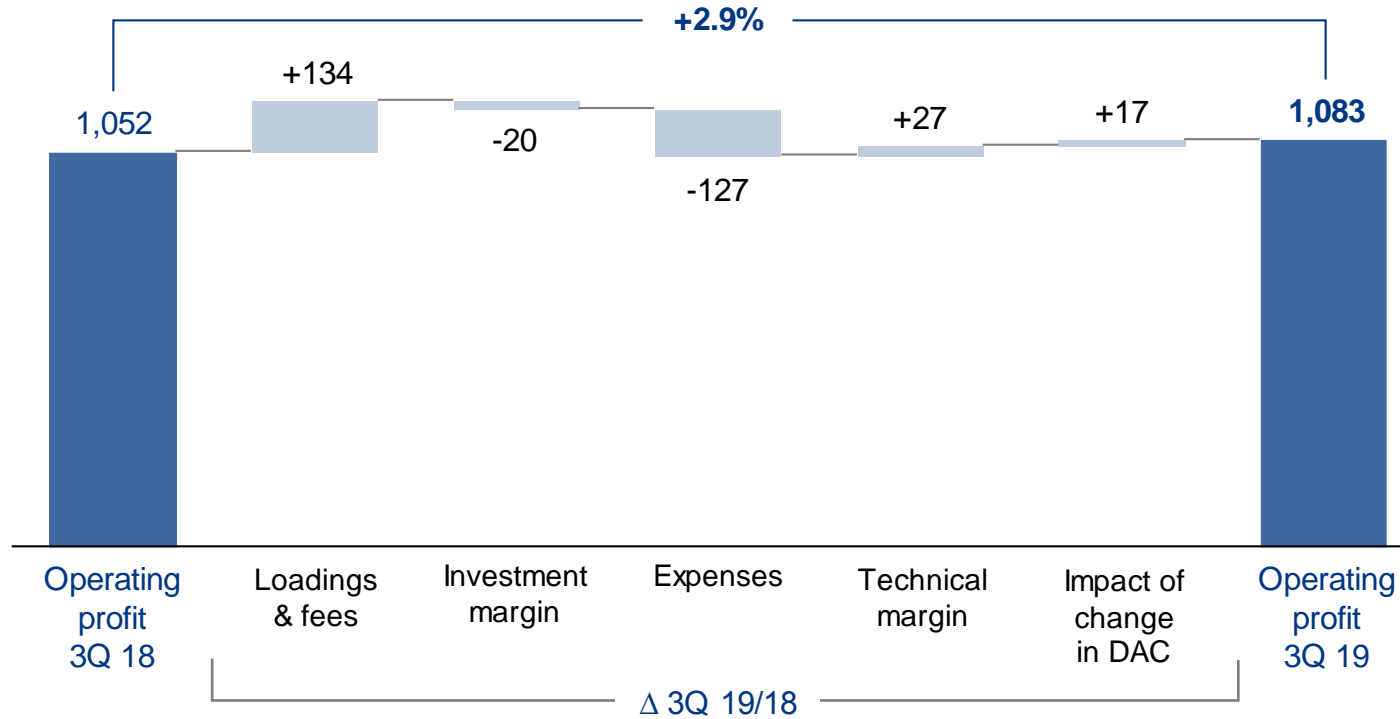
- **Germany Life – capital-efficient products +41%**  
Share of preferred lines at 82%.
- **USA – shift to less interest-sensitive products**  
Capital-efficient VA business grows by EUR +0.7bn at NBM 3.5% supported by a sales campaign.
- **Italy – favorable renegotiation of a large contract**  
GS&A up EUR +0.7bn due to renegotiation of a large contract in corporate business to more favorable terms. NBM GS&A at 2.7%.
- **Asia-Pacific – widespread growth**  
Growth in Indonesia, Thailand, China and Malaysia compensates for decline in Taiwan.
- **France – decline driven by lower GS&A sales**
- **Germany Health – double-digit business growth**  
Growth supported by positive impact from lower discount rates on present value of recurrent premiums.



# L/H: operating profit at EUR 1.1bn

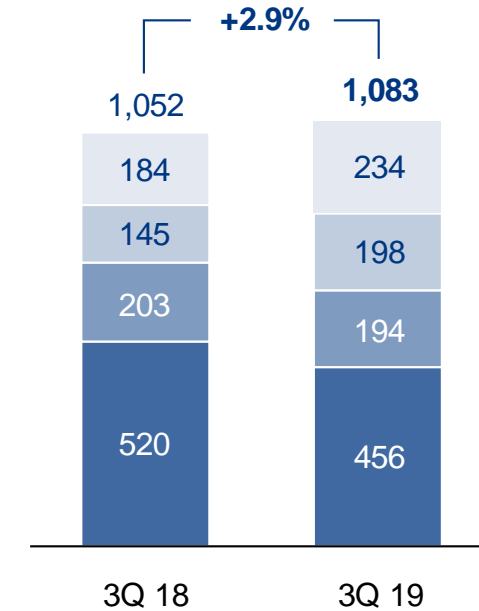
(EUR mn)

## Operating profit by source<sup>1</sup>



<b>3Q 19</b>	<b>1,617</b>	<b>912</b>	<b>-1,847</b>	<b>330</b>	<b>70</b>
3Q 18	1,483	932	-1,719	303	53

## Operating profit by line



- Protection & health
- Unit-linked w/o guarantees
- Capital-efficient products
- Guaranteed savings & annuities

1) Prior year figures changed in order to reflect the roll-out of profit source reporting to Mexico



# L/H: operating profit at EUR 1.1bn



## Comments

- **OP at 26% of FY target range mid-point**  
Volume growth and better technical margin more than offset lower investment margin.
- **Loadings and fees in line with business growth**  
Increase driven by new business and overall reserve growth (+6.0%).
- **Investment margin at 19bps**  
Decline from 21bps to 19bps due to higher PHP (up 2.9%-p to 80.8%).
- **Expenses – new business growth**  
Acquisition related expenses increase in line with new business. Admin expenses slightly down.
- **Technical margin up 8.9%**  
Prior year LTC (long-term care) reserve strengthening in the U.S. business.

## Operating profit by line

- **Protection & health**  
Better technical margin from the U.S. and German Health business.
- **Unit-linked w/o guarantees**  
Widespread improvement with Italy, France, Switzerland and Asia as main contributors.
- **Guaranteed savings & annuities**  
Lower contribution from France and Italy.
- **9M 2019 – OP at 81% of FY outlook mid-point**

	9M 2018	9M 2019	Δ
PVNB (EUR mn)	42,441	48,985	+15.4%
NBM	3.4%	3.4%	-0.1%-p
VNB (EUR mn)	1,456	1,648	+13.2%
Investment margin	65bps	56bps	-9bps
Operating profit (EUR mn)	3,197	3,410	+6.7%



# L/H: healthy VNB growth of 3.9%

EUR mn	Value of new business		New business margin		Operating profit	
	3Q 19	Δ p.y.	3Q 19	Δ p.y.	3Q 19	Δ p.y.
<b>Total L/H segment</b>	<b>494</b>	<b>+3.9%</b>	<b>3.1%</b>	<b>-0.5%-p</b>	<b>1,083</b>	<b>+2.9%</b>
Germany Life	191	+12.9%	3.4%	-0.7%-p	276	+7.2%
USA	79	-24.6%	2.2%	-1.3%-p	221	+0.3%
Asia-Pacific	73	+20.0%	5.7%	+0.9%-p	85	+18.7%
Italy	58	+30.7%	2.4%	+0.1%-p	81	+2.7%
France	18	-38.3%	1.4%	-0.7%-p	182	-6.4%
Germany Health	16	+29.7%	3.3%	-0.0%-p	38	+50.9%
CEE	13	+25.8%	5.9%	+0.2%-p	51	-7.5%
Turkey	9	+90.0%	5.6%	+1.6%-p	19	-1.4%
Benelux	7	-18.9%	2.0%	-0.3%-p	34	-0.8%
Spain	5	-49.0%	2.9%	-2.7%-p	54	+36.4%
Switzerland	3	-20.9%	1.6%	-1.1%-p	27	+8.1%



# L/H: healthy VNB growth of 3.9%



## Comments

### New business

- **NBM above target level of 3.0%**  
NBM decline mainly due to unfavorable market movement (-0.8%-p) partially offset by better business mix (+0.4%-p).
- **VNB growth volume driven**  
Strong new business growth (+20.3%) more than offsets lower NBM (-0.5%-p).
- **Germany Life – VNB volume driven with NBM 3.4%**
- **USA – VNB decline driven by lower NBM in FIA**  
VNB from FIA declines due to lower NBM and sales. This was partly offset by higher VNB from capital-efficient VA business due to better NBM and volume growth. NBM of 2.2% already reflects interest decline in 3Q 2019 (assumptions updated bi-weekly).
- **Italy – higher volume and favorable business mix**
- **Spain – lower VNB due to lower interest rates and less contribution from JV with Banco Popular**

### Operating profit

- **Germany Life – very good level**  
Better investment margin in line with reserve growth.
- **Asia-Pacific – strong improvement in Indonesia**  
Higher contribution from Indonesia due to business growth and improved technical margin.
- **USA and Italy – profitability remains good**
- **Germany Health – better technical result**
- **France – lower technical margin**  
Lower technical margin partially offset by higher investment margin.
- **Spain – better investment margin**  
Investment margin driven by realized gains.

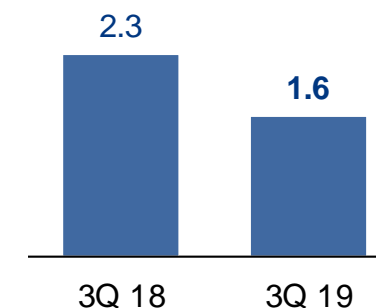




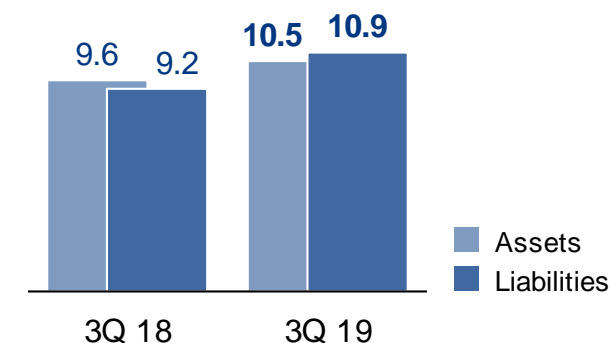
# L/H: guarantees decline in line with current yield

(Yields are pro-rata)	Investment margin	
	3Q 18	3Q 19
<b>Based on Ø book value of assets<sup>1</sup> (EUR bn)</b>	<b>535</b>	<b>605</b>
Current yield	0.81%	0.76%
<b>Based on Ø aggregate policy reserves (EUR bn)</b>	<b>446</b>	<b>475</b>
<b>Current yield</b>	<b>0.98%</b>	<b>0.97%</b>
Net harvesting and other <sup>2</sup>	-0.03%	0.03%
<b>Total yield</b>	<b>0.95%</b>	<b>1.00%</b>
- Ø min. guarantee <sup>3</sup>	0.50%	0.48%
<b>Gross investment margin (in %)</b>	<b>0.45%</b>	<b>0.52%</b>
- Profit sharing under IFRS <sup>4</sup>	0.24%	0.33%
<b>Investment margin (in %)</b>	<b>0.21%</b>	<b>0.19%</b>
Investment margin (EUR mn)	932	912

## Economic reinvestment yield (debt securities; in %)



## Duration<sup>5</sup>



- 1) Asset base under IFRS which excludes unit-linked, FVO and trading
- 2) Other comprises fair value option, trading and F/X gains and losses, as well as investment expenses
- 3) Based on technical interest
- 4) Includes bonus to policyholders under local statutory accounting and deferred premium refund under IFRS
- 5) For the duration calculation a non-parallel shift in line with SII yield curves is used. Data excludes internal pensions residing in the L/H segment



# L/H: guarantees decline in line with current yield



## Comments

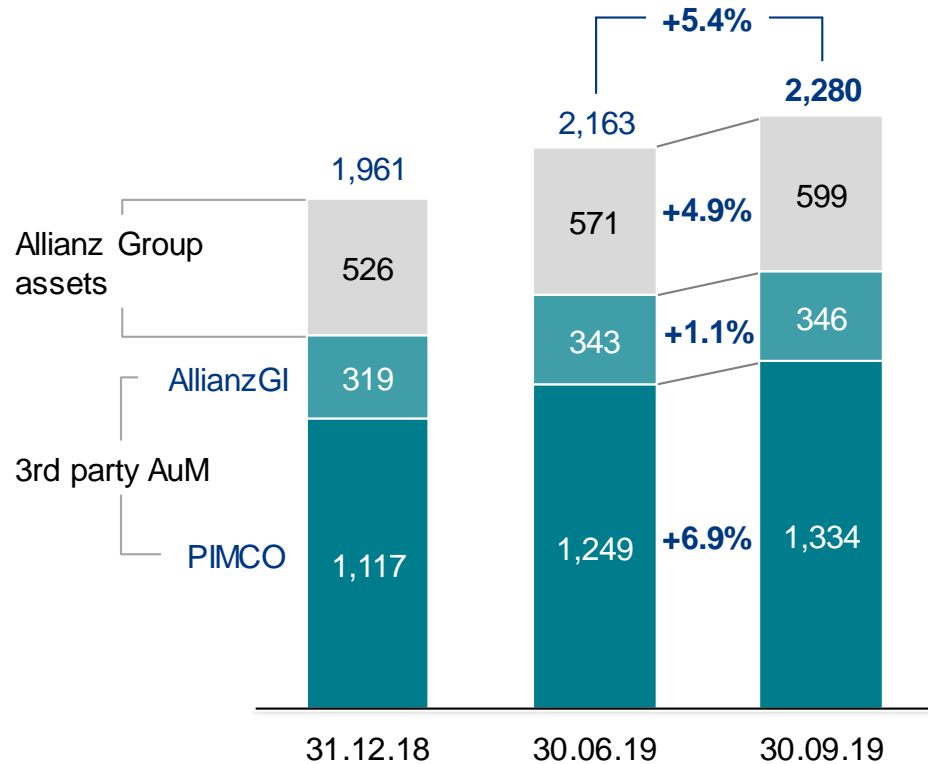
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- **Investment margin down by 2.2% to EUR 912mn**  
Lower investment margin ( $\Delta$  -2bps to 19bps) partially compensated by higher reserve base (+6.5%).  
Decline of investment margin mainly due to increase of PHP. Investment margin of EUR 912mn is up 4.8% vs. 2Q 2019.
- **Guarantees decline more than current yield**  
Current yield based on aggregate policy reserves is almost stable. Impact from yield decline more than offset by lower average minimum guarantee (-2bps).  
Contribution from net harvesting & other is up by 6bps. As a result the gross investment margin improves by 7bps.
- **PHP up 2.9%-p to 80.8%**  
Main driver is higher PHP in Germany Life and France.
- **9M investment margin (annualized) at 75bps**  
12M 2019 investment margin expected at approximately 75-80bps.
- **Change in duration gap**  
Impact from lower interest rates partially mitigated by management action (increased asset duration).
- **Reinvestment yield down by 0.3%-p vs. 2Q 2019**

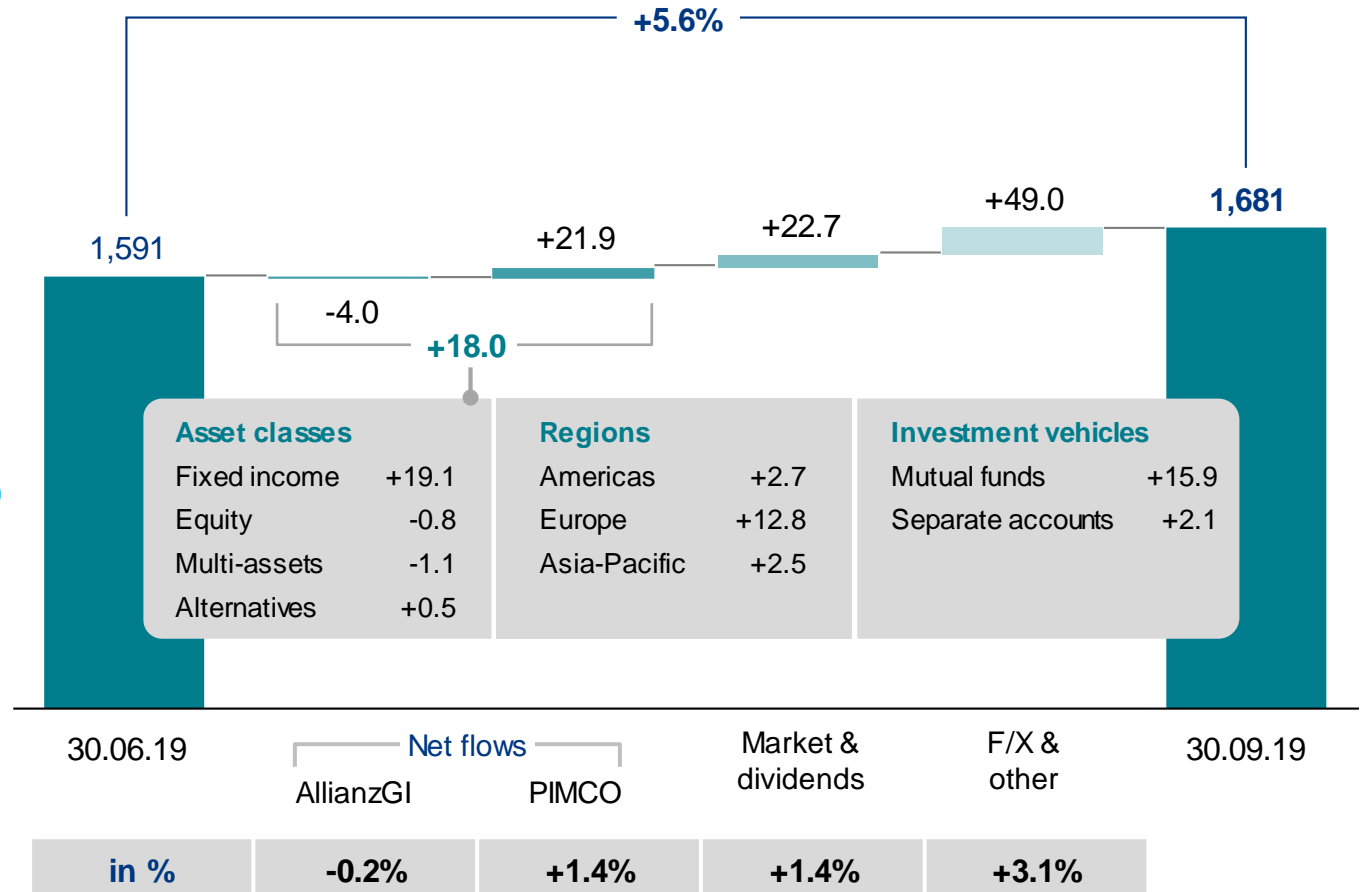


# AM: 3rd party AuM increase to EUR 1.7tn (EUR bn)

Total assets under management



3rd party assets under management development





# AM: 3rd party AuM increase to EUR 1.7tn



## Comments

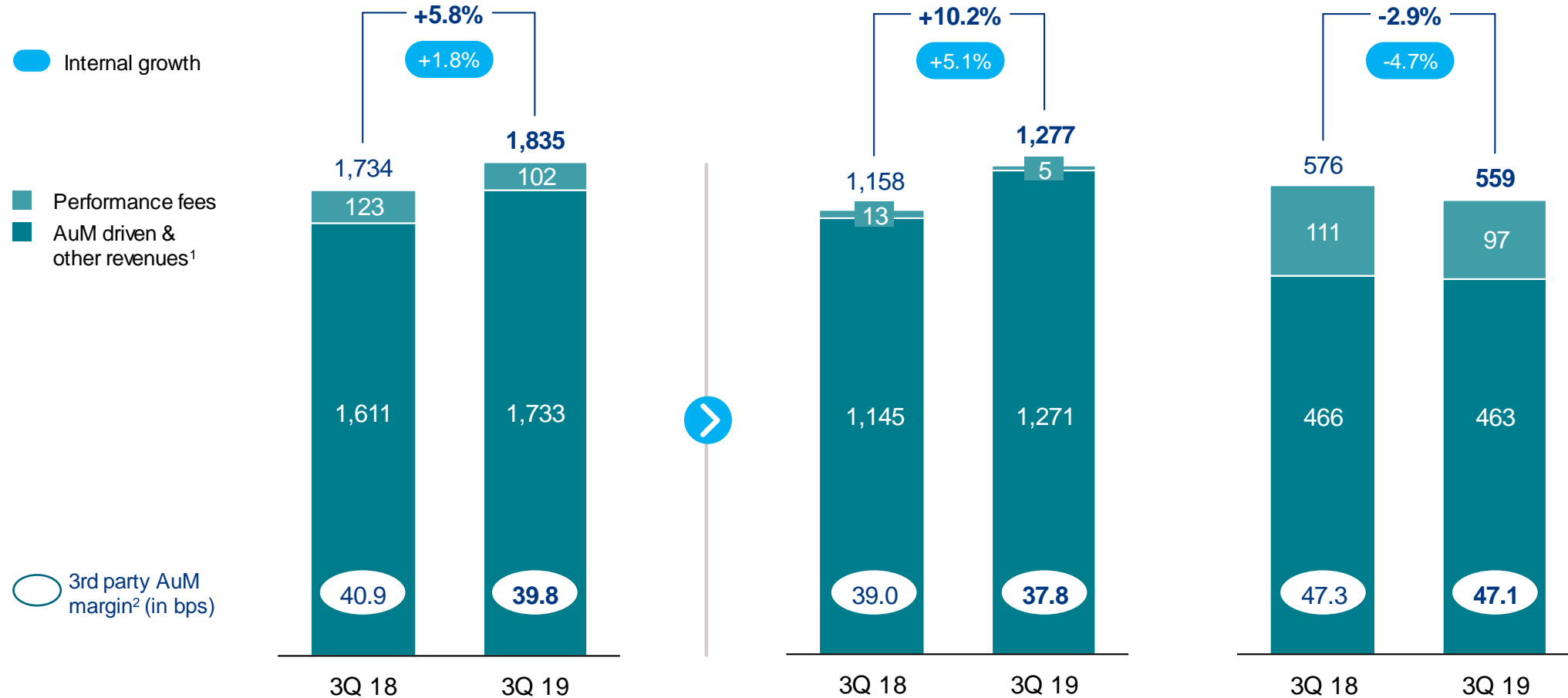
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- **Total AuM: +5%**  
Increase to EUR 2.3tn driven by Group and 3rd party assets.
- **3rd party AuM: +6%**  
Strong F/X development, favorable markets and EUR 18bn 3rd party net inflows result in 6% AuM growth (end of 3Q 2019 compared with end of 2Q 2019).  
  
3Q average 3rd party AuM amount to EUR 1,642bn, 11% above 3Q 2018 level and 5% higher than in 2Q 2019.  
  
89% of 3rd party AuM outperform benchmarks on a trailing 3-year basis before fees.
- **3rd party net flows PIMCO: EUR +22bn**  
3rd party net inflows from investment strategies like income, investment grade credit and diversified income.
- **3rd party net flows AllianzGI: EUR -4bn**  
3rd party net inflows in fixed income products, net outflows from other asset classes. After successful integration of Allianz Capital Partners into AllianzGI, the first fund for 3rd party clients was launched:  
The Allianz European Infrastructure Fund with investment commitments of > EUR 600mn and a target volume of EUR 750mn. First revenues expected in 2020.



# AM: 6% revenue growth (EUR mn)

## Revenues development



1) Thereof other revenues: AM: 3Q 18: EUR 6mn, 3Q 19: EUR 2mn; PIMCO: 3Q 18: EUR 1mn; 3Q 19: EUR 5mn; AllianzGI: 3Q 18: EUR 5mn; 3Q 19: EUR -2mn

2) Excluding performance fees and other income



# AM: 6% revenue growth



## Comments

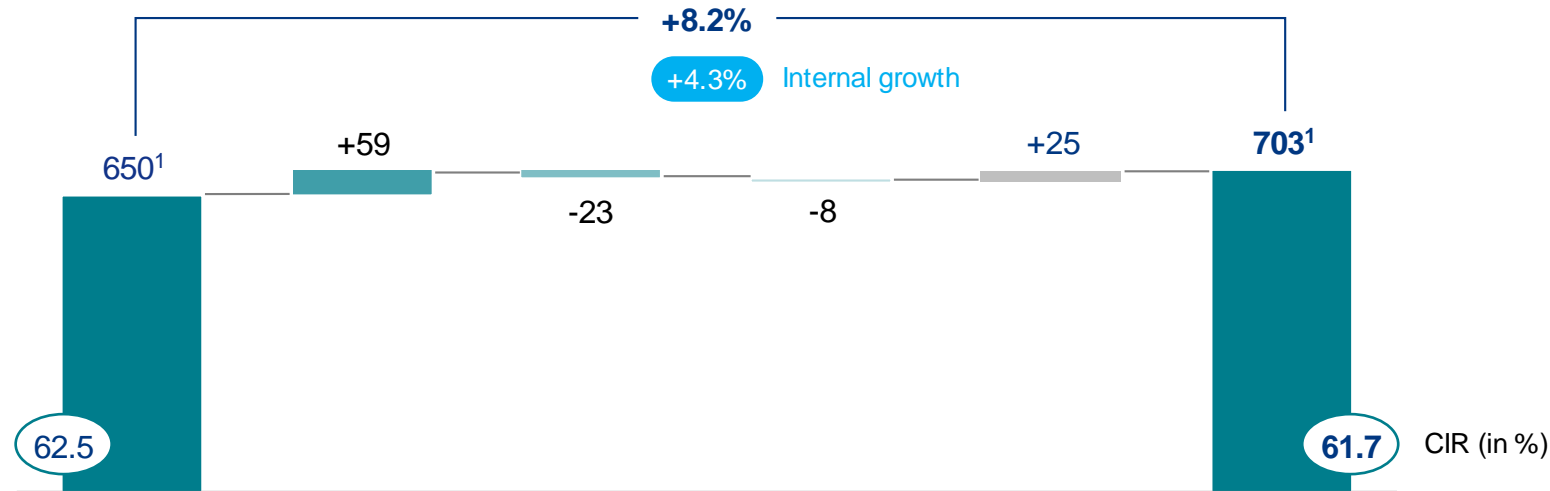
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- **Segment revenues – higher AuM driven fees and F/X**  
Revenues increase by 6% supported by higher average 3rd party AuM and positive F/X (3Q 2019 vs. 3Q 2018).  
  
Performance fees on a good level, although lower than in 3Q 2018.
- **PIMCO margin – mix effect and Gurtin acquisition**  
Margin of 37.8bps is above 6M 2019 (37.3bps), but below 3Q 2018 (39.0bps), driven by a lower share of mutual fund business and by the Gurtin acquisition (municipal bond management for high-net-worth individuals).
- **AllianzGI margin – mix effect**  
Margin of 47.1bps is higher than in 6M 2019 (46.5bps), but 0.3bps below 3Q 2018, primarily driven by a higher share of structured alpha products with low regular fees and by a lower share of equity products.



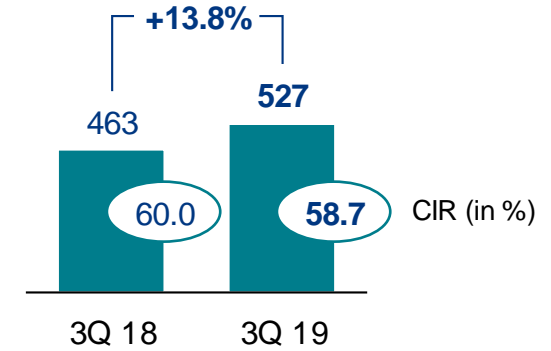
# AM: operating profit up 8% (EUR mn)

## Operating profit drivers

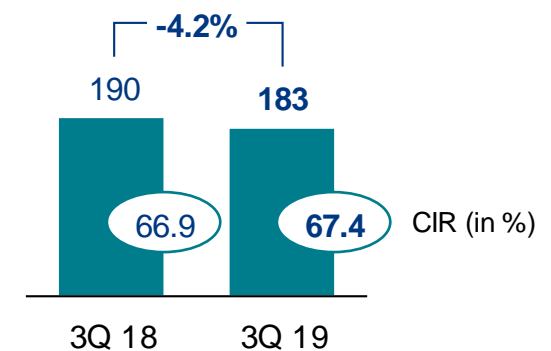


	AuM driven & other revenues	Performance fees	Expenses	F/X effect
<b>Δ 3Q 19/18</b>	+63	+2	-40	
<b>3Q 19</b>	<b>1,733</b>	<b>102</b>	<b>-1,132</b>	
<b>3Q 18</b>	<b>1,611</b>	<b>123</b>	<b>-1,084</b>	

## PIMCO



## AllianzGI



1) Including operating loss from other entities of EUR -3mn in 3Q 18 and EUR -6mn in 3Q 19



# AM: operating profit up 8%

## Comments

- **Segment – strong OP**

Best quarterly OP since 2013. Higher AuM driven revenues and favorable F/X contribute to a strong OP increase of 8%. 28% of FY outlook mid-point achieved in 3Q 2019 / 78% in 9M 2019.

Higher AuM driven revenues and expense discipline drive CIR improvement of 0.8%-p to 61.7%.

- **PIMCO – OP up 14%**

Increase caused by higher average 3rd party AuM and also by F/X.

CIR improvement of 1.3%-p to 58.7% mainly due to higher AuM driven revenues and non-repetition of one-off expenses in 3Q 2018.

- **AllianzGI – OP down 4%**

Decrease of OP driven by lower performance fees.

- **9M 2019 – OP well on track**

Strong 3rd party net inflows amounting to EUR 56bn.

AM segment	9M 2018	9M 2019	Δ
Operating revenues (EUR mn)	4,991	5,155	+3.3%
Operating profit (EUR mn)	1,897	1,954	+3.0%
3rd party net flows (EUR bn)	+27.1	+56.1	+107%
3rd party AuM margin (bps)	40.6	39.5	-1.2bps
CIR (%)	62.0%	62.1%	+0.1%-p

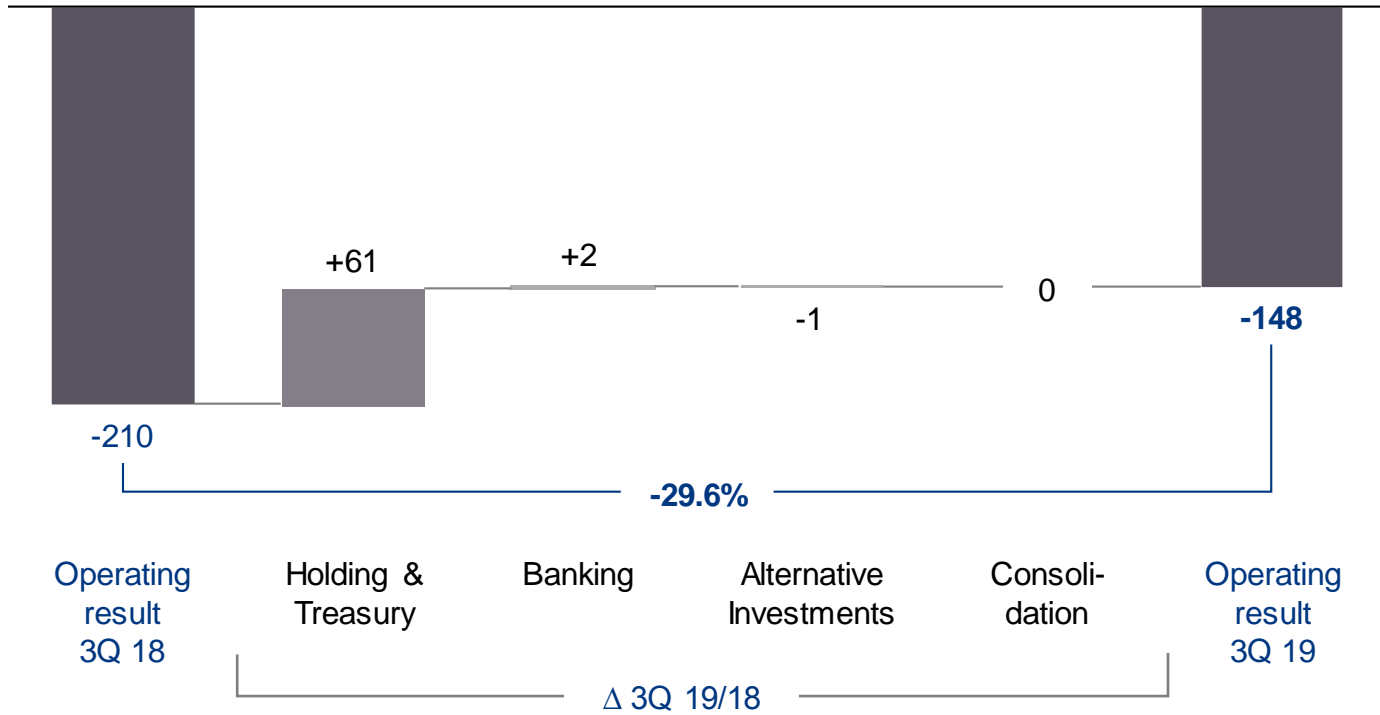




# CO: continuous improvement

(EUR mn)

## Operating loss development and components



<b>3Q 19</b>	<b>-174</b>	<b>13</b>	<b>13</b>	<b>0</b>
3Q 18	-235	12	13	0



# CO: continuous improvement

## Comments

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- **Operating loss at 16% of FY outlook mid-point**  
Main reason for improvement is a better result from Allianz Technology.  
9M 2019 operating loss of EUR -0.4bn at 49% of FY outlook mid-point.



# Group: shareholders' net income strong at EUR 1.9bn

EUR mn	3Q 18	3Q 19	Change
Operating profit	2,988	2,984	-4
<b>Non-operating items</b>	<b>-329</b>	<b>-242</b>	<b>+87</b>
Realized gains/losses (net)	145	309	+165
Impairments (net)	-189	-185	+4
Income from financial assets and liabilities carried at fair value (net)	29	-58	-87
Interest expenses from external debt	-211	-203	+8
Acquisition-related expenses	0	0	0
Restructuring and integration expenses	-71	-67	+4
Amortization of intangible assets	-35	-38	-3
Change in reserves for insurance and investment contracts (net)	4	0	-5
<b>Income before taxes</b>	<b>2,659</b>	<b>2,742</b>	<b>+83</b>
Income taxes	-739	-710	+29
<b>Net income</b>	<b>1,921</b>	<b>2,032</b>	<b>+111</b>
Non-controlling interests	15	-84	-99
<b>Shareholders' net income</b>	<b>1,936</b>	<b>1,947</b>	<b>+12</b>
Effective tax rate	28%	26%	-2%-p



# Group: shareholders' net income strong at EUR 1.9bn



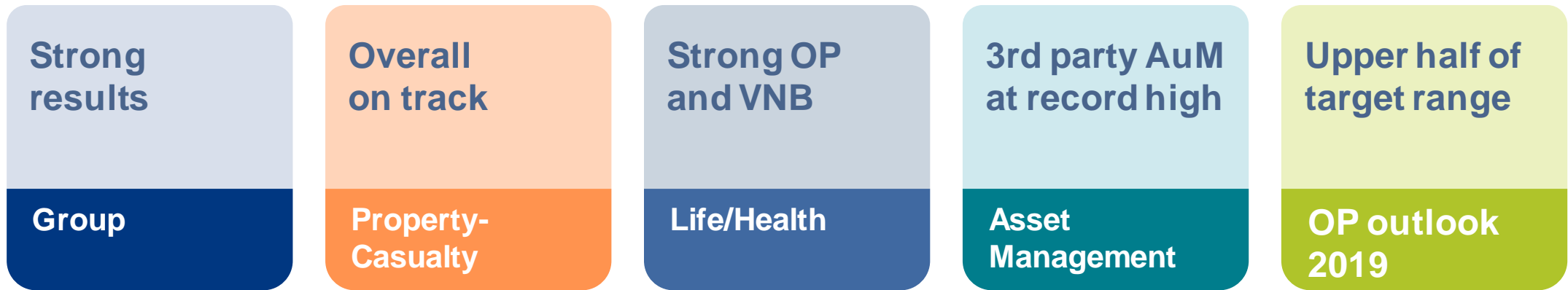
## Comments

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- **Shareholders' net income at 26% of FY 2018**  
Benefits from higher non-operating result and lower tax rate offset by normalization of result attributable to non-controlling interests.
- **Non-OP benefits from harvesting result**  
Better harvesting result (EUR +169mn) includes EUR +166mn gain from disposal of real estate and EUR -96mn loss from partial buyback of subordinated bond.
- **Income from financial assets and liabilities**  
Positive one-off item in prior year quarter.
- **Higher s/h net income impact from impairments**  
Impairments remain on similar level due to impairment on Argentinian bonds (EUR -114mn). Prior year impairment (mainly Autostrade per l'Italia) was largely offset by non-controlling interests (EUR +97mn).
- **Tax rate at good level**  
9M 2019 tax rate at 24.4%. Allianz Group tax rate for FY 2019 expected at the lower end of 25%-27% range.
- **Non-controlling interests – normalization**  
Prior year figure includes minority share in impairments on Autostrade per l'Italia (EUR +97mn).
- **Debt transactions**  
Allianz issued a EUR 1.0bn subordinated bond (coupon 1.3%) and repurchased EUR 0.9bn of a subordinated bond (coupon 5.75%) with a positive impact on interest expenses of EUR ~40mn in 2020.



# To sum it up





# GLOSSARY & DISCLAIMER



# Glossary (1)

<b>AFS</b>	Available for sale: Available-for-sale investments are non-derivative financial assets which have been acquired neither for sale in the near term nor to be held to maturity. They are shown at fair value on the balance sheet.
<b>AGCS</b>	Allianz Global Corporate & Specialty
<b>AllianzGI</b>	Allianz Global Investors
<b>AM</b>	(The Allianz business segment) Asset Management
<b>AP</b>	Allianz Partners
<b>APE</b>	Annual premium equivalent: A measure to normalize single premiums to the recurring premiums. It is calculated as the sum of recurring premiums and 10% of single premiums of the respective period.
<b>APR</b>	Accident insurance with premium refund (“Unfallversicherung mit Beitragsrückzahlung”): Special form of accident insurance where the policyholder, in addition to insurance coverage for accidents, has a guaranteed claim to the refund of premiums, either at the agreed maturity date or in the event of death.
<b>Attritional LR</b>	Accident year losses less claims arising from natural catastrophes as per our group-level definition (please refer to “NatCat”) divided by premiums earned (net).
<b>AuM</b>	<p>Assets under management are assets or securities portfolios, valued at current market value, for which Allianz Asset Management companies provide discretionary investment management decisions and have the portfolio management responsibility. They are managed on behalf of third parties as well as on behalf of the Allianz Group.</p> <p><b>Net flows:</b> Net flows represent the sum of new client assets, additional contributions from existing clients (including dividend reinvestment), withdrawals of assets from and termination of client accounts, and distributions to investors.</p> <p><b>Market &amp; dividends:</b> Represents current income earned on and changes in fair value of securities held in client accounts. This also includes dividends from net investment income and from net realized capital gains to investors of open-ended mutual funds and closed-end funds.</p>
<b>AY LR</b>	Accident year loss ratio: Please refer to “LR” (loss ratio).
<b>AZ</b>	Allianz



# Glossary (2)

<b>Bps</b>	Basis points: 1 Basis point = 0.01%.
<b>CEE</b>	Central and Eastern Europe
<b>CIR</b>	Cost-income ratio: Operating expenses divided by operating revenues
<b>CO</b>	(The Allianz business segment) Corporate and Other
<b>CR</b>	Combined ratio: Represents the total of acquisition and administrative expenses (net), excluding one-off effects from pension revaluation, and claims and insurance benefits incurred (net), divided by premiums earned (net).
<b>Current yield</b>	Represents interest and similar income divided by average asset base at book value.
<b>DAC</b>	Deferred acquisition costs: The expenses of an insurance company which are incurred in the acquisition of new insurance policies, or the renewal of existing policies, and capitalized in the balance sheet. They include commissions paid, underwriting expenses, and policy issuance costs.
<b>Economic reinvestment yield</b>	Reflects the reinvestment yield, including F/X hedging costs on non-domestic hard-currency F/X bonds as well as expected F/X losses on non-domestic emerging-market bonds in local currencies. The yield is presented on an annual basis.
<b>EIOPA</b>	European Insurance and Occupational Pensions Authority
<b>EPS</b>	Earnings per share: A ratio calculated by dividing the respective period's net income attributable to shareholders by the weighted average number of shares outstanding (basic EPS). To calculate diluted earnings per share, the number of common shares outstanding and the net income attributable to shareholders are adjusted to include the effects of potentially dilutive common shares that could still be exercised. Potentially dilutive common shares result from share-based compensation plans (diluted EPS).
<b>ER</b>	Expense ratio: Represents acquisition and administrative expenses (net), excluding one-off effects from pension revaluation, divided by premiums earned (net).
<b>F/X</b>	Foreign exchange rate





# Glossary (3)

<b>FIA</b>	Fixed index annuity: Annuity contract under which the policyholder can elect to be credited based on movements in equity or in bond market indices, with the principal remaining protected.
<b>FV</b>	Fair value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
<b>FVO</b>	Fair-value option: Financial assets and liabilities designated at fair value through income are measured at fair value, with changes in fair value recorded in the consolidated income statement.
<b>Goodwill</b>	Difference between the cost of acquisition and the fair value of the net assets acquired.
<b>Government bonds</b>	Government bonds include government and government agency bonds.
<b>GPW</b>	Gross premiums written: Please refer to “Premiums written/earned” as well as “Gross/net”.
<b>Gross/net</b>	In insurance terminology the terms “gross” and “net” mean before and after consideration of reinsurance ceded, respectively. In investment terminology the term “net” is used where the relevant expenses have already been deducted.
<b>Harvesting</b>	Includes realized gains/losses (net) and impairments of investments (net).
<b>Held for sale</b>	A non-current asset is classified as held for sale if its carrying amount will principally be recovered through a sale transaction rather than continued use. On the date a non-current asset meets the criteria for being considered as held for sale, it is measured at the lower of its carrying amount and its fair value less costs to sell.
<b>IFRS</b>	International Financial Reporting Standards: As of 2002, the term IFRS refers to the total set of standards adopted by the International Accounting Standards Board. Standards approved before 2002 continue to be referred to as International Accounting Standards (IAS).
<b>IMIX</b>	Our Inclusive Meritocracy Index (IMIX) measures the progress of the organization on its way towards inclusive meritocracy. This internal index is based on ten items from the Allianz Engagement Survey (AES) which deal with leadership, performance, and corporate culture.
<b>Internal growth</b>	Total revenue performance excluding the effects of foreign-currency translation as well as of acquisitions and disposals.
<b>JV</b>	Joint venture
<b>KPI</b>	Key performance indicator



# Glossary (4)

## L/H

(The Allianz business segment) Life and Health insurance

### L/H lines of business

**Guaranteed savings & annuities:** Life insurance products linked to life expectancy, offering life and / or death benefits in the form of single or multiple payments to beneficiaries and possibly including financial and non-financial guarantees.

**Capital-efficient products:** Products that are based on the general account but involve a significantly lower market risk, either through comprehensive asset/liability management or through significant limitation of the guarantee. This also includes hybrid products which, in addition to conventional assets, invest in a separate account (unit-linked). Capital-efficient products offer a guaranteed surrender value at limited risk, due to, e.g. precise asset-liability management or market value adjustment.

**Protection & health:** Insurance products covering the risks associated with events that affect an individual's physical or mental integrity.

**Unit-linked [products] without guarantees:** With conventional unit-linked products, all benefits under the contract are directly linked to the value of a set of assets which are pooled in an internal or external fund and held in a separate account by the insurer. In this constellation, it is the policyholder rather than the insurer who bears the risk.

### L/H operating profit sources

The objective of the "Life/Health operating profit sources" analysis is to explain movements in IFRS results by analyzing underlying drivers of performance, consolidated for the Life/Health business segment.

**Loadings & fees:** Includes premium and reserve-based fees, unit-linked management fees, and policyholder participation in expenses (if and as applicable).

**Investment margin:** Is defined as IFRS investment income, net of expenses, less interest credited to IFRS reserves as well as policyholder participation in the investment result.

**Expenses:** Includes commissions, acquisition, and administration expenses.

**Technical margin:** Comprises risk result (risk premiums less benefits in excess of reserves), lapse result (surrender charges and commission clawbacks) and reinsurance result, all net of policyholder participation (as applicable).

**Impact of change in DAC:** Represents the net impact of the deferral and amortization of both acquisition costs and front-end loadings on operating profit. Includes effects of changes in DAC and URR.

## LatAm

Latin America: South America and Mexico



# Glossary (5)

<b>LoB</b>	Line of business
<b>LR</b>	Loss ratio: Represents claims and insurance benefits incurred (net), divided by premiums earned (net). The calendar year (CY) loss ratio includes the results of the prior year's reserve development in addition to the accident year (AY) loss ratio.
<b>MCEV</b>	Market-consistent embedded value: A measure of the consolidated value of shareholders' interests in the covered business. It is defined as the excess of the market value of assets over the market value of liabilities as of the valuation date. As such, the MCEV excludes any item not considered shareholder interest, such as the Going Concern Reserve and Surplus Fund.
<b>NatCat</b>	Accumulation of claims that are all related to the same natural or weather/atmospheric event during a certain period and where the estimated gross loss for the Allianz Group exceeds EUR 20mn.
<b>NBM</b>	New-business margin: Performance indicator to measure the profitability of new business in the Life/Health business segment. It is calculated as the value of new business, divided by the present value of new-business premiums, both based on the same assumptions to ensure a valid and meaningful indicator.
<b>Non-controlling interests</b>	Those parts of the equity of affiliates which are not owned by companies of the Allianz Group.
<b>NPE</b>	Net premiums earned: Please refer to "premiums written/earned" as well as "gross/net".
<b>NPS</b>	Net promoter score: A measurement of customers' willingness to recommend Allianz. Top-down NPS is measured regularly according to global cross-industry standards and allows benchmarking against competitors in the respective markets.
<b>OE</b>	Operating entity
<b>Ogden rate</b>	Discount (Ogden) rate is used by British courts to calculate the discounted values of future losses in bodily injury claims paid out as lump-sum payments. It largely impacts motor, but also liability lines.
<b>OP</b>	Operating profit: Earnings from ordinary activities before income taxes and non-controlling interests in earnings, excluding (if and as applicable for each business segment) all or some of the following items: income from financial assets and liabilities carried at fair value through income (net), realized gains/losses (net), impairments of investments (net), interest expenses from external debt, amortization of intangible assets, acquisition-related expenses, restructuring and integration expenses, and profit/loss of substantial subsidiaries held for sale, but not yet sold.



# Glossary (6)

<b>Operating SII earnings</b>	<p>Operating SII earnings represent the change in own funds, before tax and dividend accrual, that is attributable to the Allianz Group's ongoing core operations. As such, operating SII earnings comprise: expected return from existing business, new business value, operating variances and changes in assumptions, and interest expense on external debt.</p> <p>Operating SII earnings exclude the following effects, which are disclosed separately in our analysis of own-funds movements: regulatory / model changes, economic variances driven by changes in capital market parameters, including F/X rates, taxes, non-operating restructuring charges, capital management (e.g. issuance or redemption of subordinated debt, dividend accruals and payments, share buyback programs), one-off impacts from, e.g., the acquisition and disposal of subsidiaries, changes in transferability restrictions, and tier limits.</p>
<b>Own funds</b>	The capital eligible to cover the regulatory solvency capital requirement.
<b>P/C</b>	(The Allianz business segment) Property and Casualty [insurance]
<b>PHP</b>	Policyholder participation
<b>PIMCO</b>	Pacific Investment Management Company Group
<b>Pre-tax operating capital generation</b>	<p>Represents the change in SII capitalization following regulatory and model changes and which is attributable to</p> <p>a) changes in own funds as a consequence of operating SII earnings and</p> <p>b) changes in SCR as a consequence of business evolution.</p> <p>Factors such as market developments, dividends, capital management activities, taxes, etc. are not taken into account.</p>
<b>Premiums written/earned (IFRS)</b>	<p>“Premiums written” refers to all premium revenues recorded in the respective year.</p> <p>“Premiums earned” refers to the part of the premiums written used to provide insurance coverage in that year. In the case of life insurance products that are interest-sensitive (e.g. universal life products) or where the policyholder carries the investment risk (e.g. variable annuities), only the part of the premiums that is used to cover the risk insured and the costs involved is treated as premium income.</p>
<b>PVNB</b>	Present value of new business premiums: I.e. the present value of future premiums on new business written during the period in question, discounted at a reference rate. This includes the present value of projected new regular premiums plus the total amount of single premiums received. PVNB is shown after non-controlling interests, unless otherwise stated.



# Glossary (7)

<b>Reinsurance</b>	Insurance companies transfer parts of the insurance risk they have assumed to reinsurance companies.
<b>Retained earnings</b>	In addition to the reserve legally required in the group parent company's financial statements, this item mainly comprises the undistributed profits of group entities as well as the amounts transferred from consolidated net income.
<b>RfB</b>	Reserves for premium refunds ("Rückstellungen für Beitragsrückerstattung"): The portion of the surplus that is to be distributed to policyholders in the future – either by virtue of statutory or contractual obligations or obligations under the company bylaws, or at the insurer's discretion.
<b>RoE</b>	<p><b>Return on equity – Group:</b> Represents the ratio of net income attributable to shareholders to the average shareholders' equity excluding unrealized gains/losses on bonds, net of shadow accounting, at the beginning and at the end of the period.</p> <p><b>Return on equity P/C OE:</b> Represents the ratio of net income to the average total equity excluding unrealized gains/losses on bonds, net of shadow accounting, deducting goodwill and deducting participations in affiliates not already consolidated in this OE, at the beginning and at the end of the period.</p> <p><b>Return on equity L/H OE:</b> Represents the ratio of net income to the average total equity excluding unrealized gains/losses on bonds, net of shadow accounting, and deducting goodwill at the beginning and at the end of the period.</p>
<b>RoRC</b>	Return on risk capital
<b>Run-off ratio</b>	The run-off result (result from reserve developments for prior (accident) years in P/C business) as a percentage of premiums earned (net).
<b>SII</b>	Solvency II
<b>SII capitalization</b>	Ratio that expresses the capital adequacy of a company by comparing own funds to SCR.
<b>SCR</b>	Solvency capital requirement
<b>SE</b>	Societas Europaea: European stock company
<b>SFCR</b>	Solvency and Financial Condition Report



# Glossary (8)

<b>Statutory premiums</b>	Gross premiums written from the sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-related products, in accordance with the statutory accounting principles applicable in the insurer's home jurisdiction.
<b>Total equity</b>	The sum of shareholders' equity and non-controlling interests.
<b>Total revenues</b>	The sum of P/C total revenues (gross premiums written & fee and commission income), L/H statutory premiums, operating revenues in AM and total revenues in CO (Banking).
<b>UFR</b>	Ultimate forward rate: The UFR is determined using the EIOPA methodology and guidelines, and is used for extrapolation of periods after the last liquid point defined by the SII regulation. The UFR is calculated for each currency based on expected real rates and inflation for the respective region. The UFR is subject to revision in order to reflect fundamental changes in long term expectations.
<b>UL</b>	Unit-linked: Please refer to "L/H lines of business".
<b>Unrealized gains/losses (net)</b> (as part of shareholders' equity)	Include unrealized gains and losses primarily from available-for-sale investments, net of taxes and of policyholder participation.
<b>URR</b>	Unearned revenue reserves: These comprise premium components (other than expense loadings) that refer to future periods. They are reserved and released over the lifetime of the corresponding contracts.
<b>VA</b>	Variable annuities: The benefits payable under this type of life insurance depend primarily on the performance of the investments in a mutual fund. The policyholder shares equally in the profits or losses of the underlying investments. In addition, the contracts can include separate guarantees, such as guaranteed death, withdrawal, accumulation or income benefits.
<b>VNB</b>	Value of new business: The additional value to shareholders that results from the writing of new business. The VNB is determined as present value of future profits, adjusted for acquisition expenses overrun or underrun, minus the time value of financial options and guarantees, minus a risk margin, all determined at issue date. Value of new business is calculated at point of sale, interpreted as at beginning of each quarter assumptions. In the case of the USA a more frequent valuation, using updated assumptions, is performed (bi-weekly).



# Disclaimer

This document includes forward-looking statements, such as prospects or expectations, that are based on management's current views and assumptions and subject to known and unknown risks and uncertainties. Actual results, performance figures, or events may differ significantly from those expressed or implied in such forward-looking statements.

Deviations may arise due to changes in factors including, but not limited to, the following: (i) the general economic and competitive situation in the Allianz Group's core business and core markets, (ii) the performance of financial markets (in particular market volatility, liquidity, and credit events), (iii) the frequency and severity of insured loss events, including those resulting from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels,

(viii) currency exchange rates, most notably the EUR/USD exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions including and related integration issues and reorganization measures, and (xi) the general competitive conditions that, in each individual case, apply at a local, regional, national, and/or global level. Many of these changes can be exacerbated by terrorist activities.

## **No duty to update**

The Allianz Group assumes no obligation to update any information or forward-looking statement contained herein, save for any information we are required to disclose by law.