

# 3Q 2018

Giulio Terzariol  
Chief Financial Officer

Analyst conference call  
November 9, 2018





# CONTENT

1

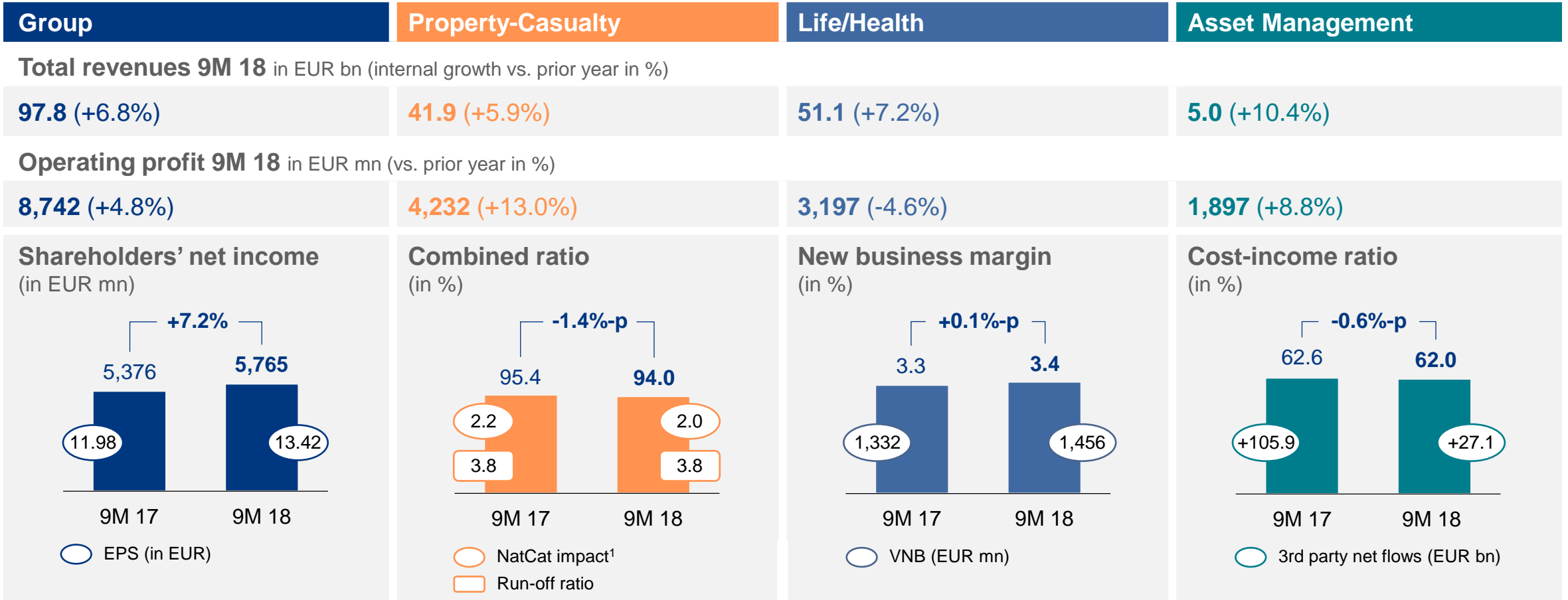
**GROUP FINANCIAL RESULTS**  
3Q 2018

2

**GLOSSARY**  
**DISCLAIMER**



# Group: strong results across the board



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



# Group: strong results across the board



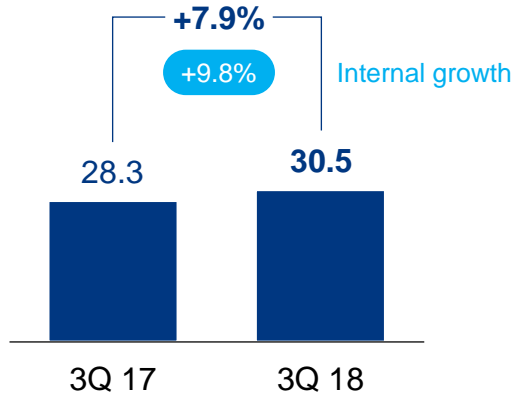
## Comments

- Excellent internal growth**  
 Internal growth accelerates from 3.5% to 6.8%. Adverse impact from F/X (-3.0%) and consolidation (-0.3%) leads to total growth of 3.6%.
- Operating profit at 79% of FY outlook midpoint**  
 All segments better than pro-rata FY outlook midpoint. Adverse F/X impact of EUR -302mn. Operating profit outlook for 2018 confirmed at EUR 11.1bn, plus or minus EUR 500mn.
- Shareholders' net income at 85% of FY 2017**  
 S/h net income up 7% driven by better operating profit and support from lower tax ratio (-2.5%-p). Impact from F/X EUR -220mn.
- EUR 2bn and EUR 1bn share buy-backs finalized**  
 A total of 15.8mn shares were acquired representing 3.6% of outstanding capital.
- EPS up 12%**  
 Number of shares used for EPS is 429.7mn. Number of shares as of Sep 30 stands at 423.2mn (also excluding treasury shares).
- RoE (annualized) up 2.0%-p to 13.8%**  
 All segments with RoE  $\geq$  11%.
- P/C – CR strongly improved and at target level**  
 A strong underlying improvement and a better ER are the main CR drivers. OP at 78% of FY mid-point outlook. Internal growth excellent at 5.9%.
- L/H – good performance**  
 Operating profit at 76% of FY outlook midpoint. NBM of 3.4% remains well above target. VNB up 9%. New business mix at target.
- AM – excellent operating profit**  
 EUR 27bn 3rd party net inflows, higher average AuM and higher 3rd party AuM margins contribute to operating profit increase of 9%. 79% of OP FY outlook midpoint achieved.
- CO – on track**  
 Operating loss of EUR -0.6bn at 65% of FY outlook midpoint of EUR -0.9bn.

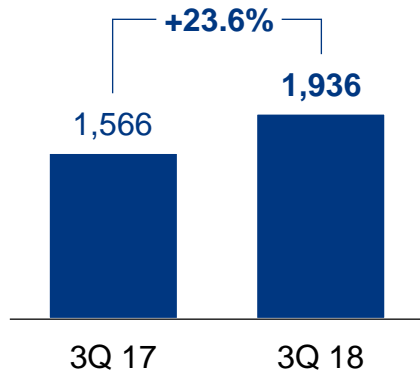


# Group: 3Q operating profit at EUR 3bn

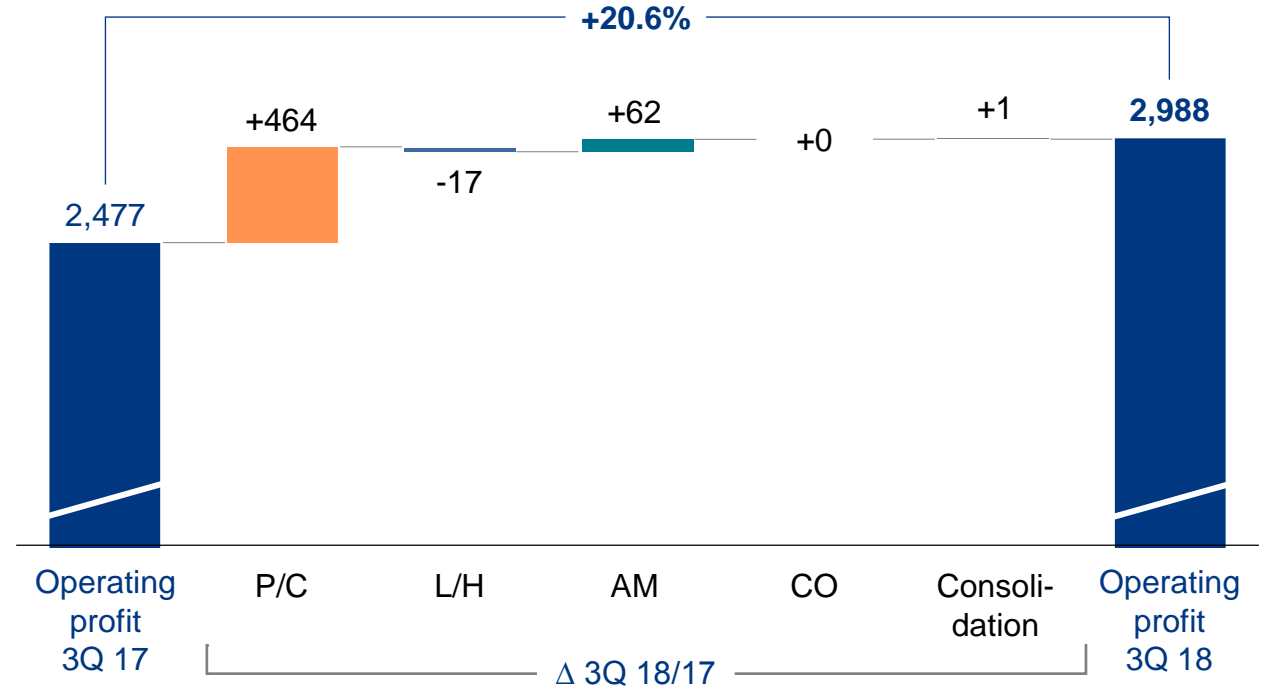
Total revenues (EUR bn)



Shareholders' net income (EUR mn)



Operating profit drivers (EUR mn)



	3Q 18	1,503	1,052	650	-210	-7
3Q 17	1,039	1,069	588	-211	-8	



# Group: 3Q operating profit at EUR 3bn



## Comments

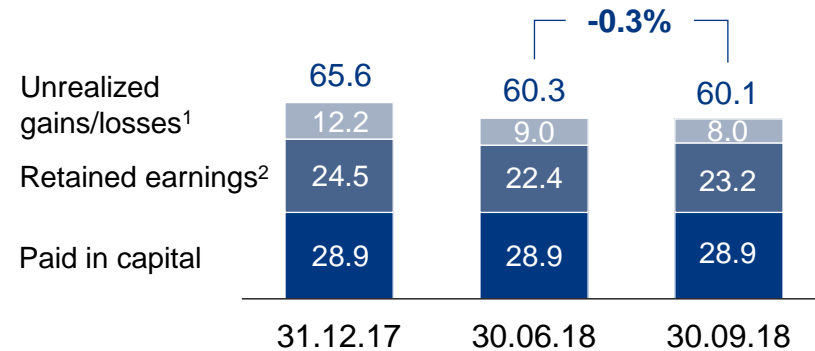
---

- **Internal growth almost doubles to 9.8%**  
Excellent internal growth in L/H with +12.1% and AM +9.9%. Accelerating internal growth in P/C +6.1%. Adverse impact from F/X (-1.3%) and consolidation (-0.6%) leads to total growth of +7.9%.
- **Operating profit up 20.6%**  
Strong performance from all segments. Prior year result impacted by high NatCat load.
- **Shareholders' net income up 23.6%**  
Main driver is better operating profit. In addition support from higher profit share in Euler Hermes. S/h net income at 28% of FY 2017 result.
- **Third share buy-back of EUR 1bn executed**  
A total of 5.4mn shares were acquired representing 1.3% of outstanding capital.
- **P/C – strong performance**  
OP rises strongly driven by a significantly improved underwriting result. Lower NatCat & weather losses, a better ER, underwriting improvements and strong internal growth contribute.
- **L/H – good result in line with expectations**  
Operating profit stable and at 25% of FY outlook midpoint. NBM of 3.5% remains well above target. VNB up 16%.
- **AM – strong operating profit, up by 11%**  
Operating profit up due to higher average 3rd party AuM, improved margin and higher performance fees.
- **CO – stable development in line with expectations**

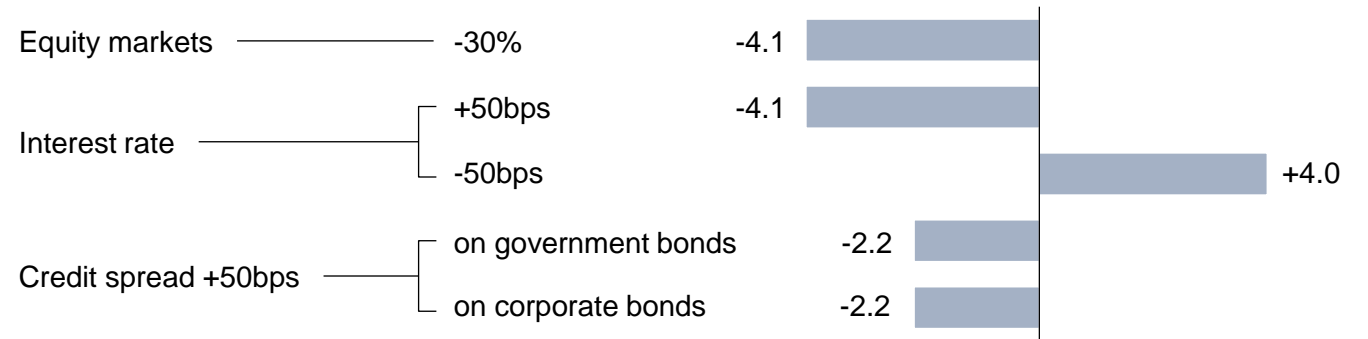


# Group: SII ratio remains on excellent level

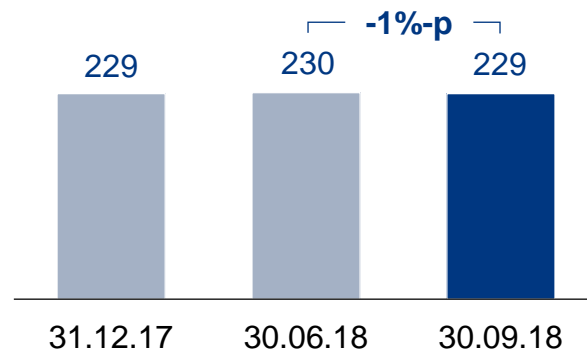
## Shareholders' equity (EUR bn)



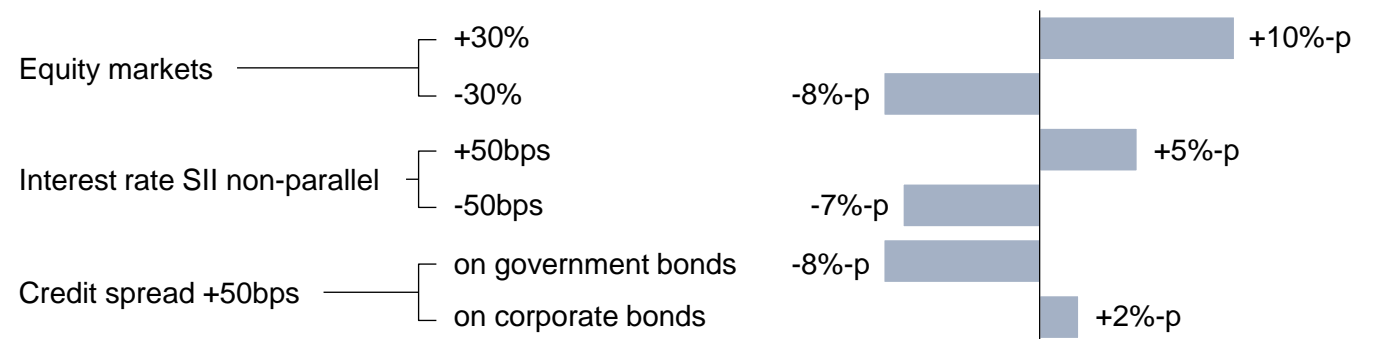
## Key sensitivities (EUR bn)



## 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 3.7bn as of 31.12.17, EUR 3.7bn as of 30.06.18 and EUR 3.9bn as of 30.09.18  
 2) Including F/X  
 3) Management actions not considered in the disclosed sensitivities. Second order effects are not considered



# Group: SII ratio remains on excellent level



## Comments

- **Shareholders' equity – broadly flat, despite EUR 1bn capital return**

In 3Q 2018, shareholders' equity decreases by EUR -0.2bn. The positive impact from net income (EUR +1.9bn) was more than offset by lower net unrealized gains (EUR -1.0bn), negative F/X (EUR -0.2bn) and the EUR 1bn share buy-back program which was executed between Jul 4 and Sep 4.

- **SII sensitivities**

Sensitivities remain largely stable in 3Q 2018.

The IR -50bps sensitivity decreases due to slightly higher positive duration gap in 3Q 2018 accompanied by favorable market movements reducing convexity.

- **SII ratio – remains excellent**

The SII ratio decreases 1%-p in 3Q 2018. While own funds remain flat, the SCR increases by EUR 0.2bn to EUR 32.9bn.

Pre-tax and pre-dividend operating capital generation is good at +9%-p.

Capital management & management actions have a combined effect on our SII ratio of -4%-p. Normal dividend accrual and the EUR 1bn share buy-back are the primary contributors.

Tax/other reduce SII ratio by -5%-p. Taxes are the main drivers.

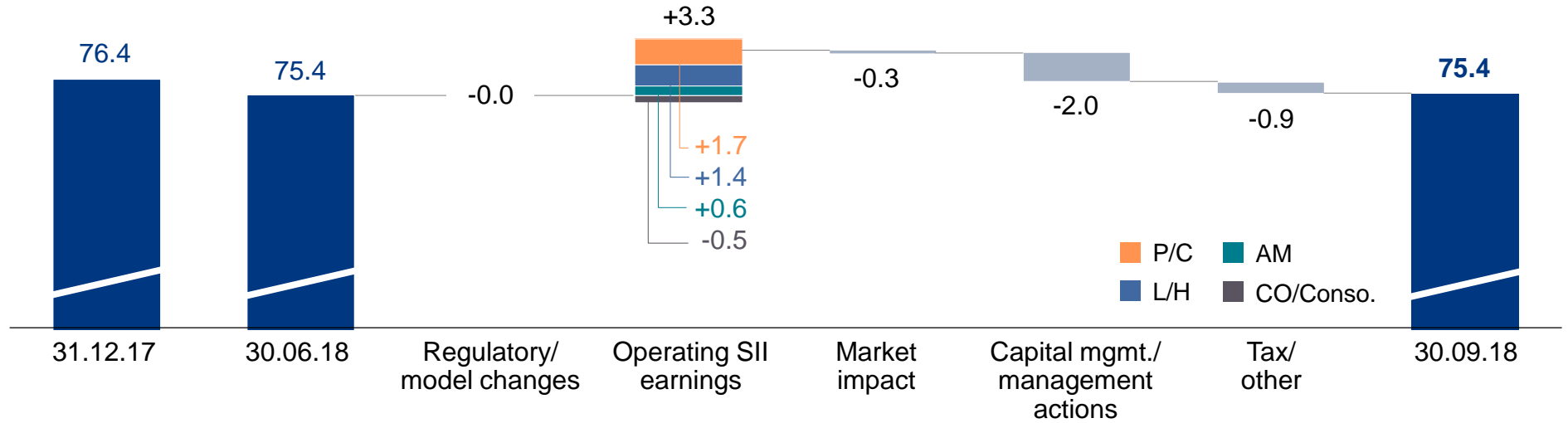
As previously announced, the effects of the US tax reform reduce our SII ratio by 1%-p in 3Q 2018.





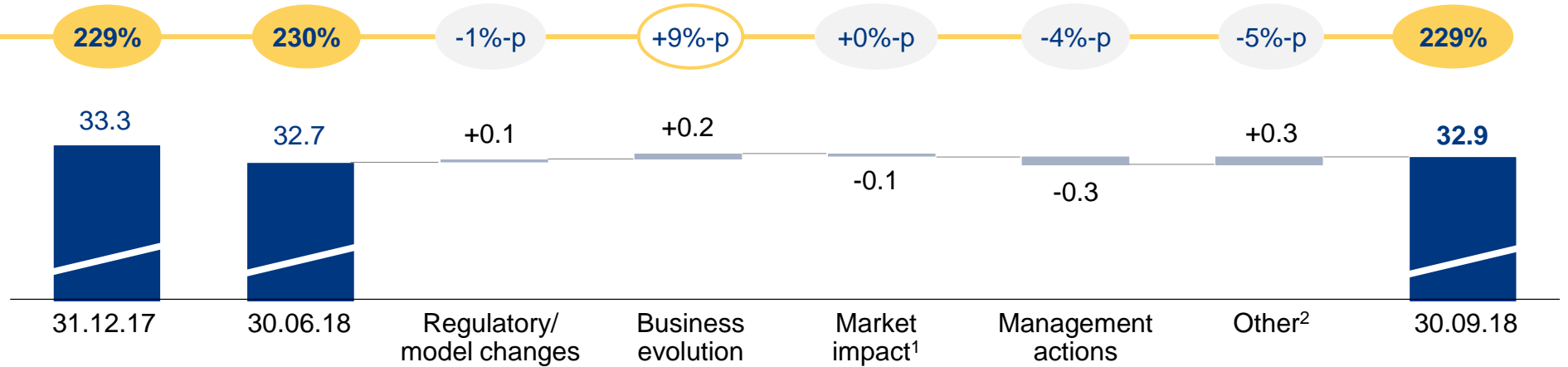
# Group: continued good capital generation

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 and third country equivalence



# Group: continued good capital generation



## Comments

---

- **Good capital generation**  
SII capital generation – net of tax and dividend – amounts to ~3%-p. 9M 2018 capital generation net of tax and dividend is strong at 12%-p and above our FY 2018 guidance of >10%-p.
- **Regulatory/model changes**  
Slight increase in SCR contributed by AZ Life driven by US tax reform.
- **Operating SII earnings**  
SII operating earnings of the L/H segment are above the operating IFRS result, mainly as a result of strong NBV generation.  
Earnings for the other operating segments are close to their respective IFRS results.
- **Business evolution**  
Top-line growth (P/C) and strong growth at AZ Life supported by a successful sales campaign lead to a slight SCR increase.
- **Market impact**  
Immaterial impact on our SII ratio in 3Q 2018. A positive interest rate impact was broadly offset by negative spread movements.
- **Capital management/management actions**  
Combined impact of ~-4%-p. Dividend accrual of 50% of net income (EUR ~-1.0bn) and the EUR 1bn share buy-back are the main drivers in the own funds.
- **Tax/other**  
Largely taxes which amount to EUR ~-0.7bn.



# P/C: another quarter of strong internal growth

EUR mn		Revenues			YTD change on renewals	
		3Q 18	Total growth Δ p.y.	Internal growth Δ p.y.	9M 18	Momentum
<b>Total P/C segment</b>		<b>11,961</b>	<b>+3.6%</b>	<b>+6.1%</b>	<b>+1.2%</b>	<b>n.a.</b>
<b>Selected OEs</b>	Germany	2,092	+4.3%	+4.3%	+2.0%	stable
	France	1,036	+0.6%	+0.6%	+1.5%	positive
	Italy	953	+1.4%	+1.4%	-0.6%	positive
	Australia	851	-3.1%	+3.6%	-2.6%	positive
	CEE <sup>1</sup>	760	+6.3%	+7.3%	n.a.	n.a.
	Spain	537	+6.6%	+6.6%	+3.0%	positive
	United Kingdom	524	-13.3%	-2.2%	+3.2%	stable
	Latin America	416	-19.3%	+1.6%	n.a.	n.a.
	Turkey	182	-26.6%	+18.5%	n.a.	n.a.
	<b>Global lines</b>	AGCS	2,014	+12.5%	+9.6%	+0.8%
Allianz Partners		975	+3.6%	+5.2%	+2.1%	positive
Euler Hermes		621	+18.3%	+10.0%	-1.1%	stable

1) CEE including Austria, Russia & Ukraine as of January 2018. Prior year figures have been adjusted.



# P/C: another quarter of strong internal growth



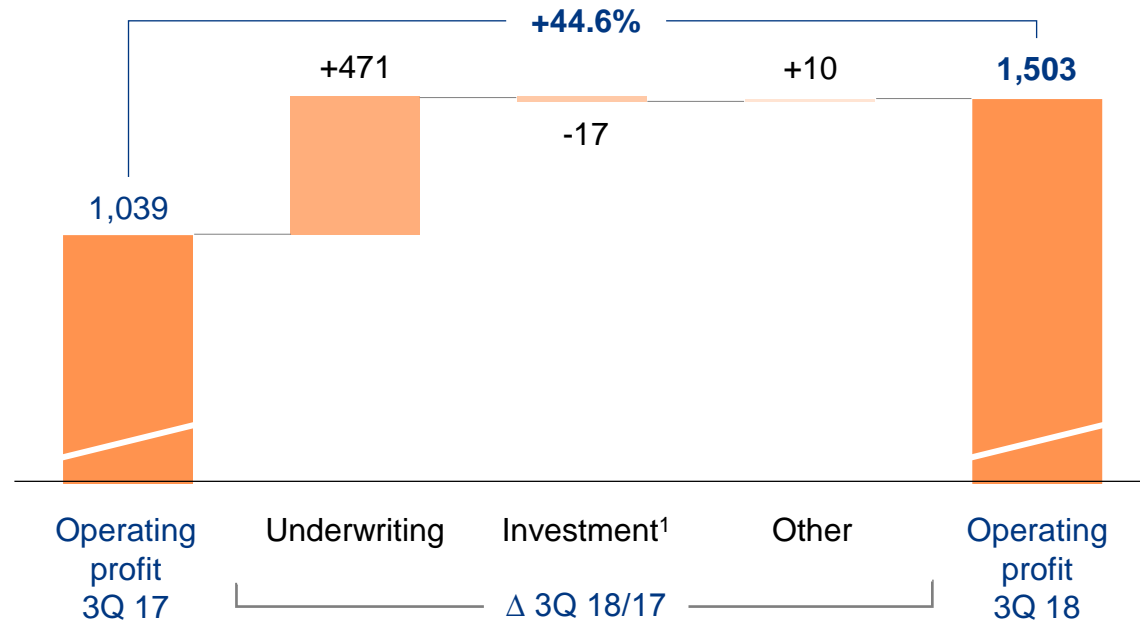
## Comments

- Strong internal growth continues**  
 Strong internal growth of +6.1% (1H: +5.9%; 9M: +5.9%) with volume (+4.3%) and price (+1.8%) positive. Growth drivers AGCS, Germany and CEE. F/X -2.6% and consolidations +0.1% lead to +3.6% total growth. Internal NPE growth very good at +4.0%.
- Germany – volume and price positive**  
 Very good growth continues in both retail and commercial. Motor and property main contributors.
- Italy – growth strengthens further**  
 Momentum accelerates after -0.3% in 1Q and +0.2% in 2Q. Non-motor retail +1.5%, Genialloyd +7.8%.
- Australia – price-driven growth**  
 Property and commercial motor main contributors to internal growth.
- CEE – further growth acceleration**  
 Excellent momentum after +3.3% (1Q) and +6.0% (2Q). IG driven by Poland, Austria and Hungary.
- Spain – very strong growth throughout**  
 Personal lines, commercial lines and motor all contribute with volume- and price-driven growth.
- UK – price effect more than offset by lower volume**  
 Continued growth in commercial motor and Petplan but lower volumes in personal lines. First business transfers to and from LV= in 3Q 2018.
- LatAm – recovery remains on track**  
 In Brazil (IG -11.0%), retail property growth is more than offset by management actions in particular in motor and health. IG Argentina +41.9%, mainly price-driven. Total growth Argentina impacted by -64.3% F/X.
- Turkey – internal growth entirely price-driven**  
 MTPL and health drive internal growth. F/X effect -43.6%.
- AGCS – volume and price positive**  
 ART (4%-p internal growth contribution), midcorp (2%-p) and financial lines (1%-p) main growth drivers.
- Allianz Partners – strong growth continues**  
 Both, AP P/C and L/H, with excellent growth. Internal growth including service revenues +7.0%.
- Euler Hermes – volume-driven growth**  
 Excellent growth spread across most regions.



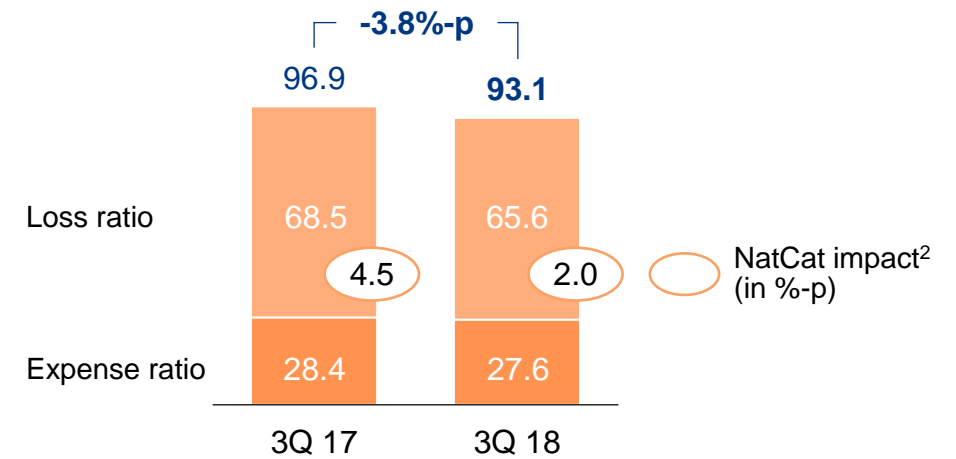
# P/C: operating profit increase driven by underwriting result

Operating profit drivers (EUR mn)

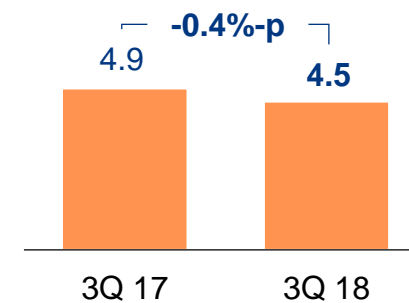


<b>3Q 18</b>	<b>770</b>	<b>698</b>	<b>34</b>
3Q 17	299	716	24

Combined ratio (in %)



Run-off ratio (in %)



1) Including policyholder participation  
 2) NatCat costs (without reinstatement premiums and run-off)



# P/C: operating profit increase driven by underwriting result



## Comments

- Operating profit – excellent**  
 OP rises strongly driven by a significantly improved underwriting result. The underwriting result increases as a result of lower NatCat, a better attritional LR, a lower expense ratio and good top-line growth.
- NatCat & weather – 2.8%-p better than last year**  
 NatCat of EUR 245mn/2.0% down vs. NatCat heavy prior year (EUR 529mn/4.5%) but broadly in line with 10Y FY average of 2.1%. Weather losses (excluding NatCat) of EUR 230mn/1.9% also below 3Q 2017 (EUR 264mn/ 2.2%) but well above FY multi-year average of 1.1%.
- Loss ratio – better weather and improved underlying**  
 Attritional LR improves -0.9%-p to 68.1% due to underlying improvements across the portfolio and lower weather-related claims. Large losses in line with prior year and slightly above FY multi-year average.

- Run-off – lower than prior year**  
 Below prior year but above 10Y FY average of 3.8%.
- Expense ratio – on track for FY target**  
 Widespread improvement in the ER leads to -0.8%-p yoy reduction with contribution from acquisition ( $\Delta$  -0.5%-p) and admin expense ratio ( $\Delta$  -0.3%-p).
- 9M 2018 performance – at 78% of FY outlook mid-point**

	9M 2017	9M 2018	$\Delta$
Attritional LR	68.5%	67.9%	-0.6%-p
NatCat	2.2%	2.0%	-0.2%-p
Run-off	-3.8%	-3.8%	0.0%-p
ER	28.5%	27.9%	-0.6%-p
CR	95.4%	94.0%	-1.4%-p
OP	3,744	4,232	13.0%
% FY outlook mid-point	71%	78%	+8%-p

- Outlook**  
 As previously communicated, we anticipate to reach a FY CR of 94% and an ER of  $\leq$  28.4%.



# P/C: strong combined ratio

EUR mn

		Operating profit		Combined ratio		NatCat impact on CR	
		3Q 18	Δ p.y.	3Q 18	Δ p.y.	3Q 18	Δ p.y.
<b>Total P/C segment</b>		<b>1,503</b>	<b>+44.6%</b>	<b>93.1%</b>	<b>-3.8%-p</b>	<b>+2.0%-p</b>	<b>-2.5%-p</b>
<b>Selected OEs</b>	Germany	335	+58.5%	89.5%	-6.8%-p	+0.9%-p	-0.7%-p
	France	114	+1.0%	96.3%	+0.4%-p	+3.9%-p	+1.3%-p
	Italy	247	-9.9%	82.2%	+1.5%-p	0.0%-p	+0.0%-p
	Australia	88	-8.8%	93.1%	+0.5%-p	0.0%-p	+0.2%-p
	CEE <sup>1</sup>	107	+51.6%	88.4%	-4.4%-p	0.0%-p	-2.8%-p
	Spain	49	+24.6%	92.3%	-2.3%-p	0.0%-p	-0.1%-p
	United Kingdom	23	+67.1%	98.5%	-3.4%-p	+0.9%-p	+0.9%-p
	Latin America	21	+104.5%	102.2%	-4.4%-p	0.0%-p	-0.0%-p
	Turkey	44	+18.2%	102.8%	+3.0%-p	0.0%-p	+0.0%-p
	<b>Global lines</b>	AGCS	41	n.m. <sup>2</sup>	104.0%	-8.9%-p	+10.1%-p
Allianz Partners		59	+44.8%	97.0%	-1.5%-p	+0.1%-p	-0.3%-p
Euler Hermes		113	+11.7%	83.1%	+0.8%-p	—	—

1) CEE including Austria, Russia & Ukraine as of January 2018. Prior year figures have been adjusted.

2) Operating Profit in AGCS increased by 94mn from -53mn in 3Q 2017.



# P/C: strong combined ratio



## Comments

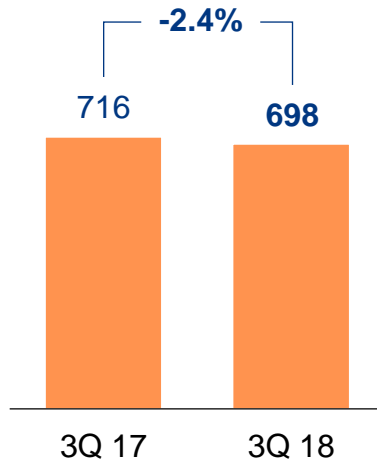
- Germany – strongly improved**  
 Lower weather-related claims (including NatCat) and lower large losses main drivers of CR improvement. Attritional LR (AY LR ex NatCat) improves 4.1%-p.
- France – impacted by large losses**  
 Large losses +3.2%-p above last year. Impact largely mitigated by higher run-off.
- Italy – remains on excellent level**  
 AY LR ( $\Delta$  -2.8%-p) and ER ( $\Delta$  -1.9%-p) improve further. Run-off lower.
- CEE – regional transformation fully on track**  
 Top-line growth and lower CR drive OP. CR improves on better AY LR ( $\Delta$  -3.7%-p) and ER ( $\Delta$  -1.8%-p).
- Spain – strong underlying development**  
 AY LR -1.6%-p. ER 19.9% ( $\Delta$  -0.6%-p).
- UK – improving on lower large losses**  
 AY LR improves on lower large losses.
- LatAm – good CR improvement in Brazil**  
 OP Brazil EUR +8mn ( $\Delta$  EUR +11mn). AY LR drives -7.4%-p CR reduction to 100.8%. Argentina OP EUR +6mn ( $\Delta$  EUR -5mn). CR increases +6.9%-p to 114.4%. Currency devaluation and inflation impact claims costs.
- Turkey – good performance in difficult environment**  
 CR up due to adverse run-off ratio development ( $\Delta$  +2.3%-p). Higher investment income drives OP improvement.
- AGCS – NatCat remains on elevated level**  
 CR improves on lower NatCat, higher run-off and better ER, partly offset by higher large and weather-related losses. NatCat lower than last year but remains on elevated level.
- Allianz Partners – AY LR and ER lower**  
 Strong top-line growth and good CR development drive OP growth.





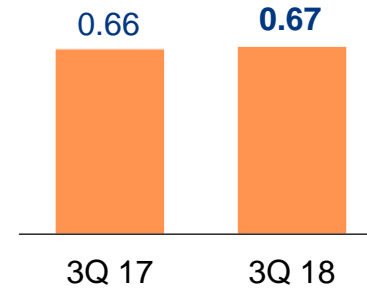
# P/C: resilient investment income

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

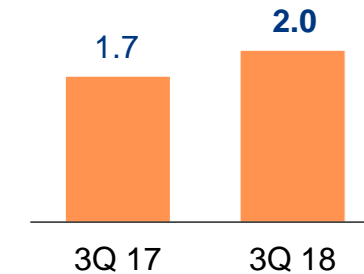


Interest & similar income <sup>2</sup>	833	<b>803</b>	-30
Net harvesting and other <sup>3</sup>	-25	<b>-8</b>	+17
Investment expenses	-93	<b>-97</b>	-4

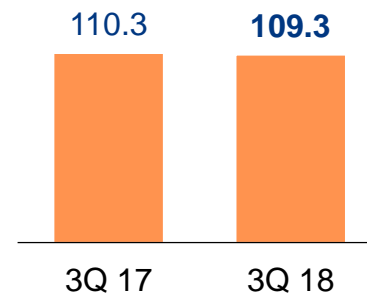
Current yield  
(debt securities; in %)



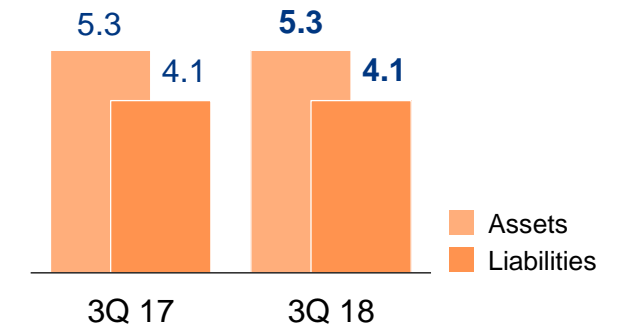
Economic reinvestment yield  
(debt securities; in %)



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: resilient investment income



## Comments

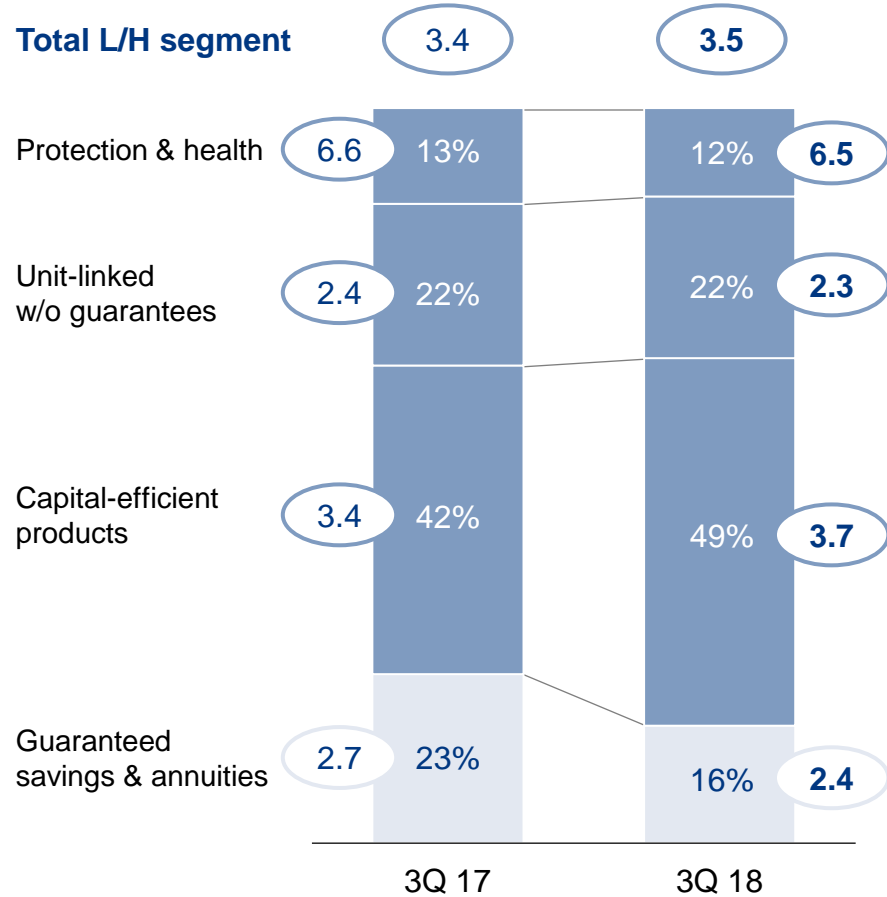
---

- **Interest & similar income**  
Lower income on debt & other. Income from equities broadly flat yoy.
- **Net harvesting & other**  
Mainly higher F/X result net of hedges.
- **Current yield**  
Current yield is flat yoy and compared to 2Q 2018.
- **Economic reinvestment yield**  
The 3Q 2018 reinvestment yield of 2.0% is in line with the 9M average.  
Compared to FY 2017, the YTD reinvestment yield increased 0.4%-p, driven by market movements and emerging market bonds.



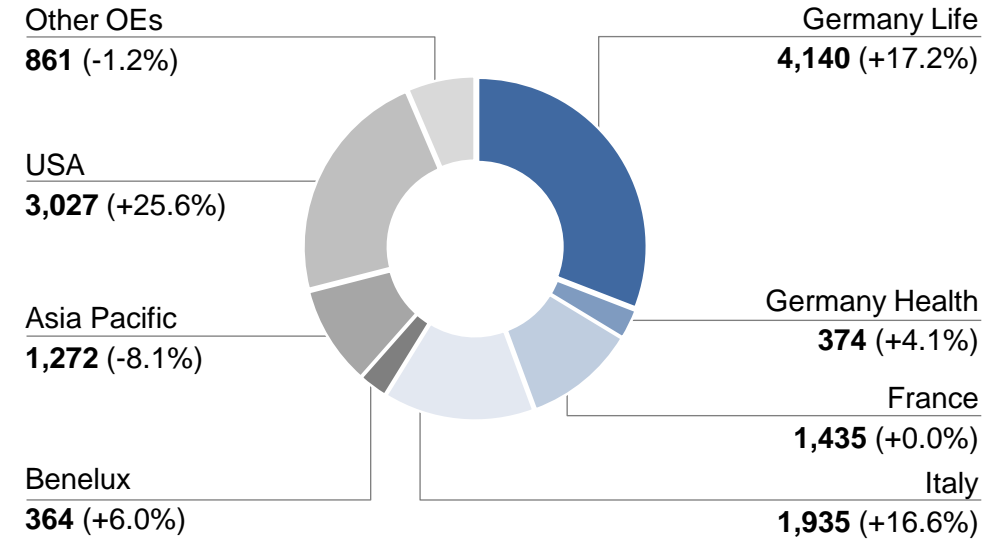
# L/H: double-digit growth with NBM 3.5%

## PVNB share by line



○ NBM (in %)  
■ Preferred LoBs

## PVNB by OE (EUR mn)



EUR mn	3Q 17	3Q 18	Δ p.y.
<b>PVNB</b>	11,993	<b>13,408</b>	+11.8%
Single premium	7,653	9,009	+17.7%
Recurring premium	704	669	-5.0%
<b>APE</b>	1,470	<b>1,570</b>	+6.8%



# L/H: double-digit growth with NBM 3.5%



## Comments

### PVNB by line

- **Preferred lines grow 21% with NBM 3.8%**  
New business with capital-efficient products is up 31%. Large volume increases in Germany (EUR 0.7bn), USA (EUR 0.6bn) and Italy (EUR 0.2bn). Good growth also in UL (+10%) and protection & health (+8%).
- **NBM remains well above target level of 3.0%**
- **Business mix at target**  
Share of preferred lines of business for 9M 2018 at 82%.
- **Net flows keep good momentum**  
Net flows up 12% to EUR 3.1bn. Net flows predominantly into preferred lines of business. 9M 2018 net flows add up to EUR 8.3bn (+12%).

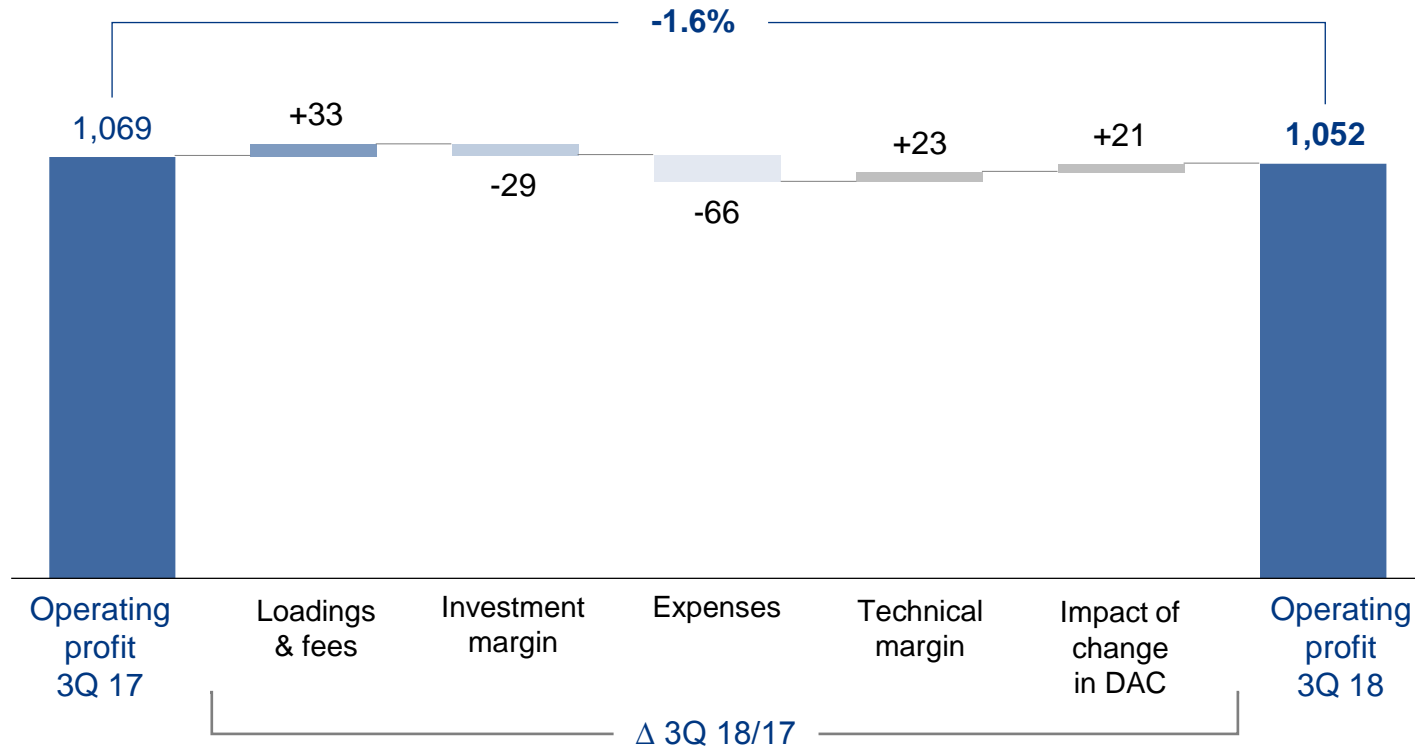
### PVNB by OE

- **Germany Life – preferred lines grow 29%**  
Strong demand for capital-efficient products (+32%).
- **USA – FIA up 45%**  
FIA new business benefits from sales campaign. NBM FIA 3.6%.
- **Italy – sales growth picking up**  
Capital-efficient products more than double (+162%). New business in protection & health up 76%.
- **Asia Pacific – business mix at target**  
Lower volume in China (-22%) due to product alignment with regulatory changes and product mix optimization.  
Improved business mix reflected in 85% share of preferred lines in new business and 4.8% NBM.

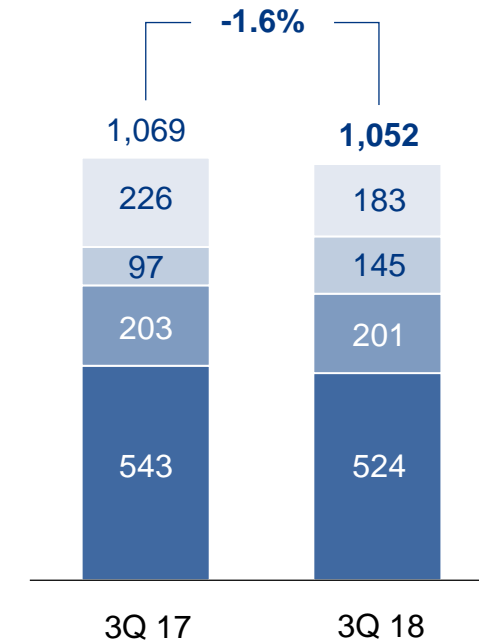


# L/H: operating profit in line with full-year outlook (EUR mn)

Operating profit by source



Operating profit by line



<b>3Q 18</b>	<b>1,474</b>	<b>933</b>	<b>-1,709</b>	<b>302</b>	<b>53</b>
3Q 17	1,440	963	-1,644	278	32

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



# L/H: operating profit in line with full-year outlook

## Comments

- **Operating profit at good level**  
Operating profit in line with full-year expectation.
- **L/H RoE 9M 2018 (annualized) at 11.4%**  
Share of OEs with 9M 2018 RoE (annualized)  $\geq$  10% up 15%-p to 93% (vs. FY 2017). RoE Italy moves above 10% hurdle.
- **Expenses driven by new business growth**  
Increase due to higher acquisition expenses ( $\Delta$  EUR -81mn) as a consequence of new business growth. Rise in acquisition expenses mostly offset by higher loadings and capitalization of DAC ( $\Delta$  EUR +57mn).
- **Investment margin at 21bps**  
Investment margin declines 2bps mainly due to lower result from net harvesting and other.
- **Technical margin up 8%**  
Main driver is higher contribution from France ( $\Delta$  EUR +23mn) due to better combined ratios in protection & health.

## Operating profit by line

- **Protection & health**  
Lower contribution from our US business mainly due to LTC reserve strengthening (EUR -36mn).
- **UL w/o guarantees**  
Increase driven by France due to lower expenses and reclassification of a UL product component from GS&A to UL w/o guarantees.
- **Guaranteed savings & annuities**  
Lower contribution from Germany Life due to lower net harvesting and other. Result from US down due to exceptionally high VA hedging result in the prior year.
- **9M 2018 operating profit at 76% of FY outlook midpoint**

	9M 2017	9M 2018	$\Delta$
PVNB (EUR mn)	40,347	42,441	+5.2%
NBM	3.3%	3.4%	+0.1%-p
VNB (EUR mn)	1,332	1,456	+9.3%
Investment margin	72bps	65bps	-7bps
Operating profit (EUR mn)	3,351	3,197	-4.6%



# L/H: VNB growth accelerates to 16%

EUR mn

	Value of new business		New business margin		Operating profit	
	3Q 18	Δ p.y.	3Q 18	Δ p.y.	3Q 18	Δ p.y.
<b>Total L/H segment</b>	<b>476</b>	<b>+16.0%</b>	<b>3.5%</b>	<b>+0.1%-p</b>	<b>1,052</b>	<b>-1.6%</b>
Germany Life	169	+19.8%	4.1%	+0.1%-p	258	-8.4%
USA	105	+44.7%	3.5%	+0.5%-p	220	-28.1%
Asia-Pacific	61	+5.5%	4.8%	+0.6%-p	72	+62.3%
Italy	44	+13.5%	2.3%	-0.1%-p	78	+55.4%
France	30	+7.2%	2.1%	+0.1%-p	195	+19.3%
Germany Health	13	+1.9%	3.4%	-0.1%-p	25	-22.1%
CEE <sup>1</sup>	11	+3.7%	5.7%	-0.4%-p	55	+4.3%
Spain	10	+1.9%	5.6%	+0.3%-p	40	-19.9%
Benelux	9	-0.2%	2.4%	-0.1%-p	34	+28.3%
Turkey	5	-61.4%	4.0%	-2.4%-p	19	-1.4%
Switzerland	4	+1.5%	2.7%	-0.4%-p	25	+12.7%

1) CEE including Austria, Russia & Ukraine as of January 2018. Prior year figures have been adjusted.



# L/H: VNB growth accelerates to 16%



## Comments

### New business

- **NBM above target level of 3.0%**  
For the 8th consecutive quarter NBM  $\geq$  3.0%.
- **89% of VNB from preferred lines of business**  
VNB of preferred lines grows 26%.
- **Germany Life with 20% VNB growth**  
Almost entirely driven by capital-efficient products (VNB +42%) with NBM of 4.2%.
- **USA – strong VNB growth**  
Mainly a result of higher FIA volume (+45%) and overall improved NBM ( $\Delta$  +0.5%-p).
- **Asia-Pacific #3 contributor to VNB**  
Margin improvement ( $\Delta$  +0.6%-p) more than offsets lower new business volume (-8%).
- **Turkey – F/X and credit life business**  
VNB in local currency down by 36% as a result of lower credit life business with our banking partners.

### Operating profit

- **Germany Life – quarterly volatility**  
9M 2018 operating profit stable at EUR 849mn.
- **France – better CR in protection & health**  
Improved loss ratios ( $\Delta$  -1.9%-p) in protection & health and higher investment margin.
- **USA – LTC reserve review**  
LTC reserve strengthening (EUR -36mn).  
Exceptionally high VA hedging result in the prior year.
- **Italy – better investment margin**  
Increase due to higher UL management fees and better investment margin.
- **Asia-Pacific – higher UL fees**  
Loadings & fees up EUR 18mn driven by higher UL fees in Taiwan and Malaysia.

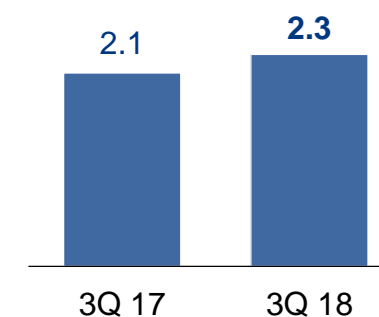




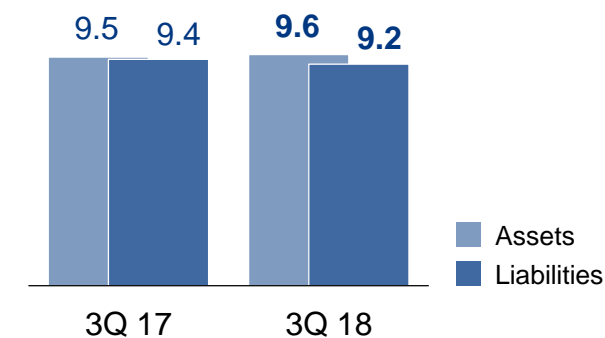
# L/H: investment margin at 21bps

(Yields are pro-rata)	Investment margin	
	3Q 17	3Q 18
<b>Based on Ø book value of assets<sup>1</sup> (EUR bn)</b>	<b>518</b>	<b>535</b>
Current yield	0.83%	0.81%
<b>Based on Ø aggregate policy reserves (EUR bn)</b>	<b>424</b>	<b>446</b>
<b>Current yield</b>	<b>1.02%</b>	<b>0.98%</b>
Net harvesting and other <sup>2</sup>	0.04%	-0.03%
<b>Total yield</b>	<b>1.06%</b>	<b>0.95%</b>
- Ø min. guarantee <sup>3</sup>	0.51%	0.49%
<b>Gross investment margin (in %)</b>	<b>0.54%</b>	<b>0.45%</b>
- Profit sharing under IFRS <sup>4</sup>	0.32%	0.24%
<b>Investment margin (in %)</b>	<b>0.23%</b>	<b>0.21%</b>
Investment margin (EUR mn)	963	933

## 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: investment margin at 21bps



## Comments

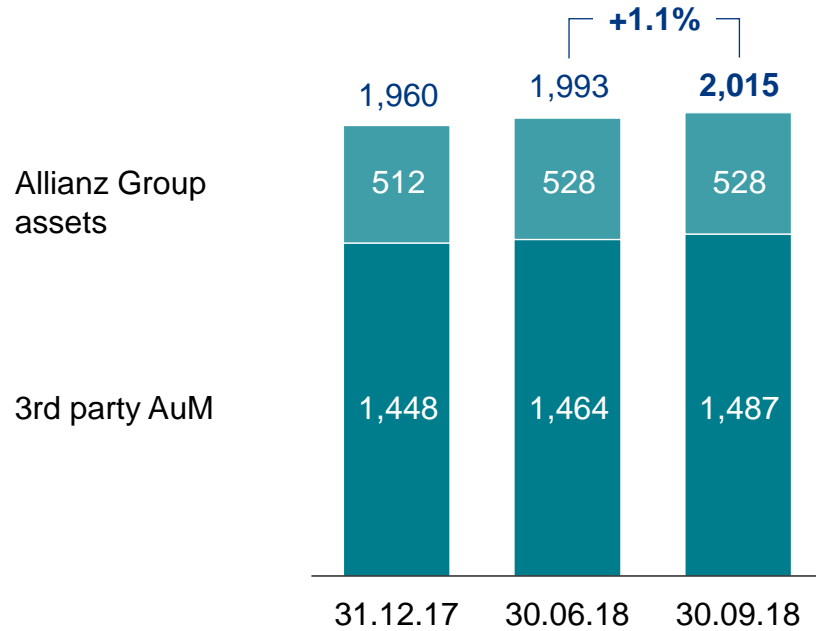
---

- **Investment margin down 3% (EUR mn)**  
Lower investment margin (-2bps) largely compensated by higher reserve base (+5%).
- **Yield decline within expected range**  
Current yield based on aggregate policy reserves down by -4bps. Impact from yield decline partially offset by lower average minimum guarantee (-2bps).
- **Net harvesting and other – hedging costs**  
Increase in F/X hedging costs due to higher interest rate differential (USD vs. EUR).
- **Investment margin down 2bps (in %)**  
Decrease by 2bps to 21bps mainly due lower result from harvesting and other. PHP broadly stable at 77.9%. 9M 2018 investment margin at 65bps. Full-year investment margin expected around 90bps.
- **Economic reinvestment yield up**  
Increase due to higher yields from corporate bonds and covered bonds.
- **Duration**  
Liability duration down mainly as a result of market impacts.

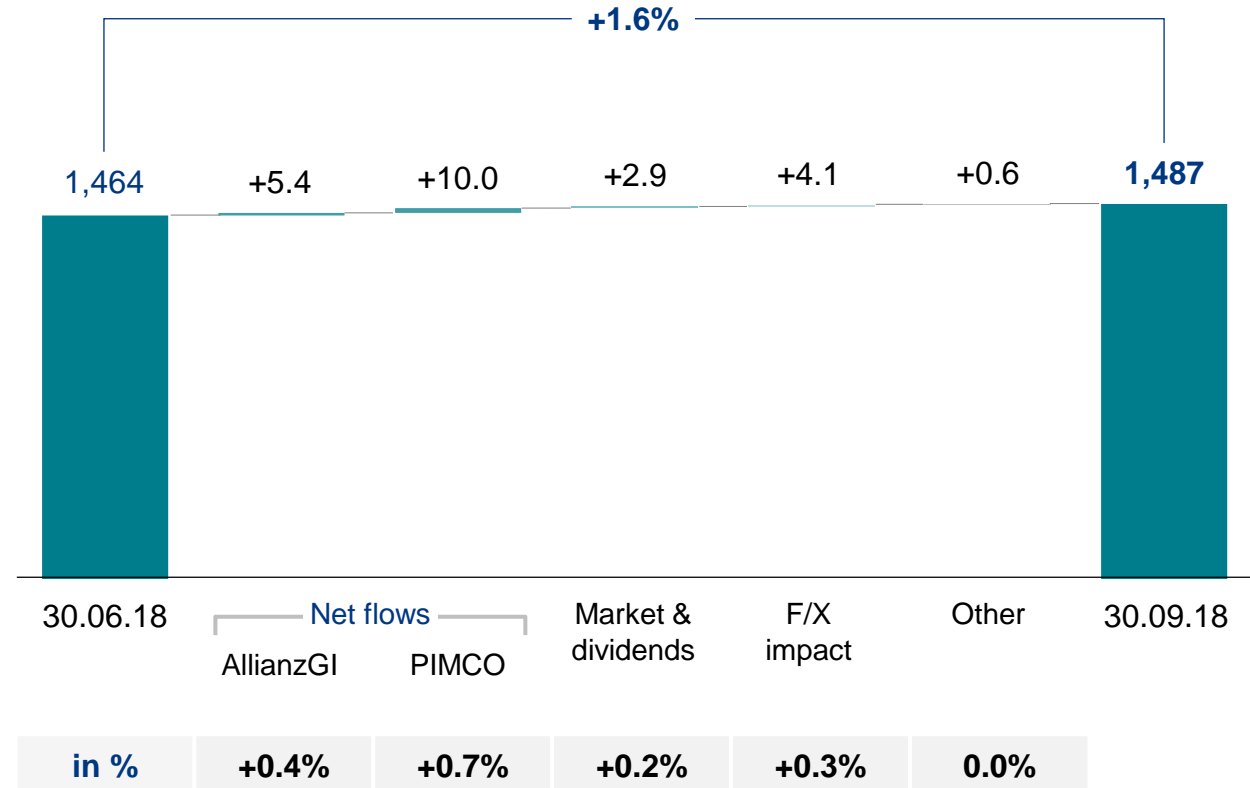


# AM: EUR 2 trillion total AuM (EUR bn)

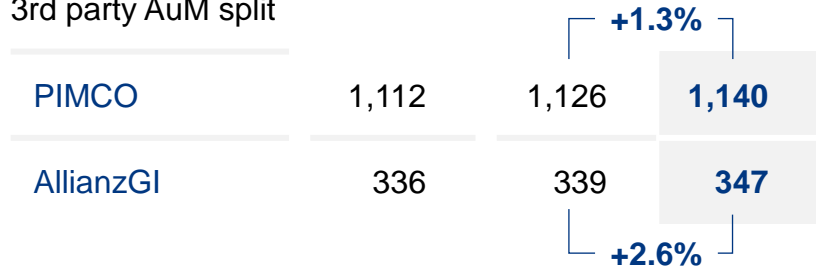
Total assets under management



3rd party assets under management development



3rd party AuM split





# AM: EUR 2 trillion total AuM



## Comments

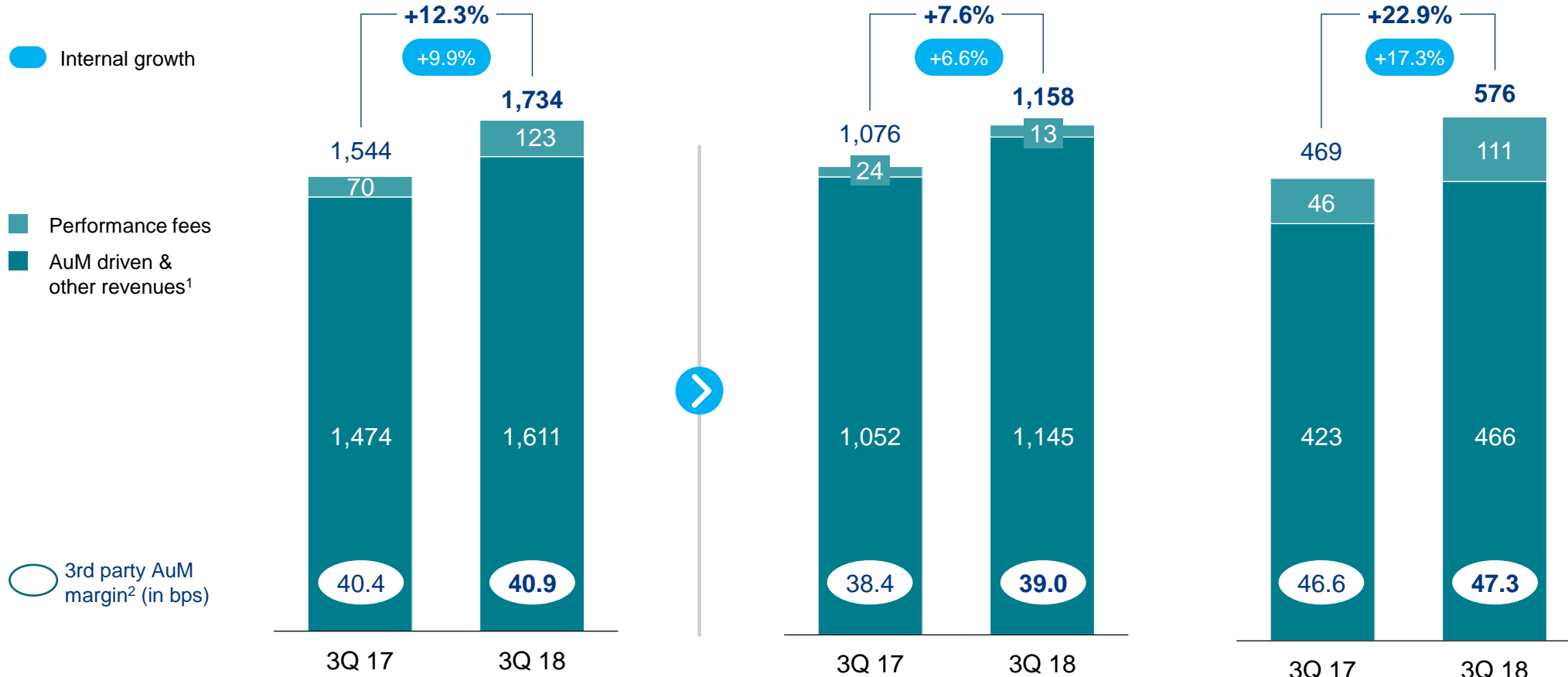
---

- **3rd party AuM segment: +2%**  
Slight increase of 3rd party AuM driven by 3rd party net inflows at PIMCO and AllianzGI.
- **3rd party net flows segment: EUR +15bn**  
Roughly 2/3 of net inflows in mutual funds, 1/3 in separate accounts.
- **3rd party net flows PIMCO: EUR +10bn**  
3rd party net inflows in investment strategies like enhanced cash, high yield and investment grade credit.  
  
Excellent investment performance: 95% of 3rd party AuM outperform benchmarks on a trailing 3-year basis before fees.
- **3rd party net flows AllianzGI: EUR +5bn**  
3rd party net inflows driven by mutual funds distributed in Asia Pacific.
- **3rd party AuM development 9M 2018: +3%**  
EUR 27.1bn net inflows, EUR +35.0bn F/X effect primarily due to USD strengthening and EUR -24.0bn impact from markets & dividends.



# AM: strong revenue growth and increased margins (EUR mn)

## Revenues development



1) Thereof other revenues: AM: 3Q 17: EUR -6mn, 3Q 18: EUR +6mn; PIMCO: 3Q 17: EUR -7mn; 3Q 18: EUR +1mn; AllianzGI: 3Q 17: EUR +1mn; 3Q 18: EUR +5mn  
 2) Excluding performance fees and other income



# AM: strong revenue growth and increased margins



## Comments

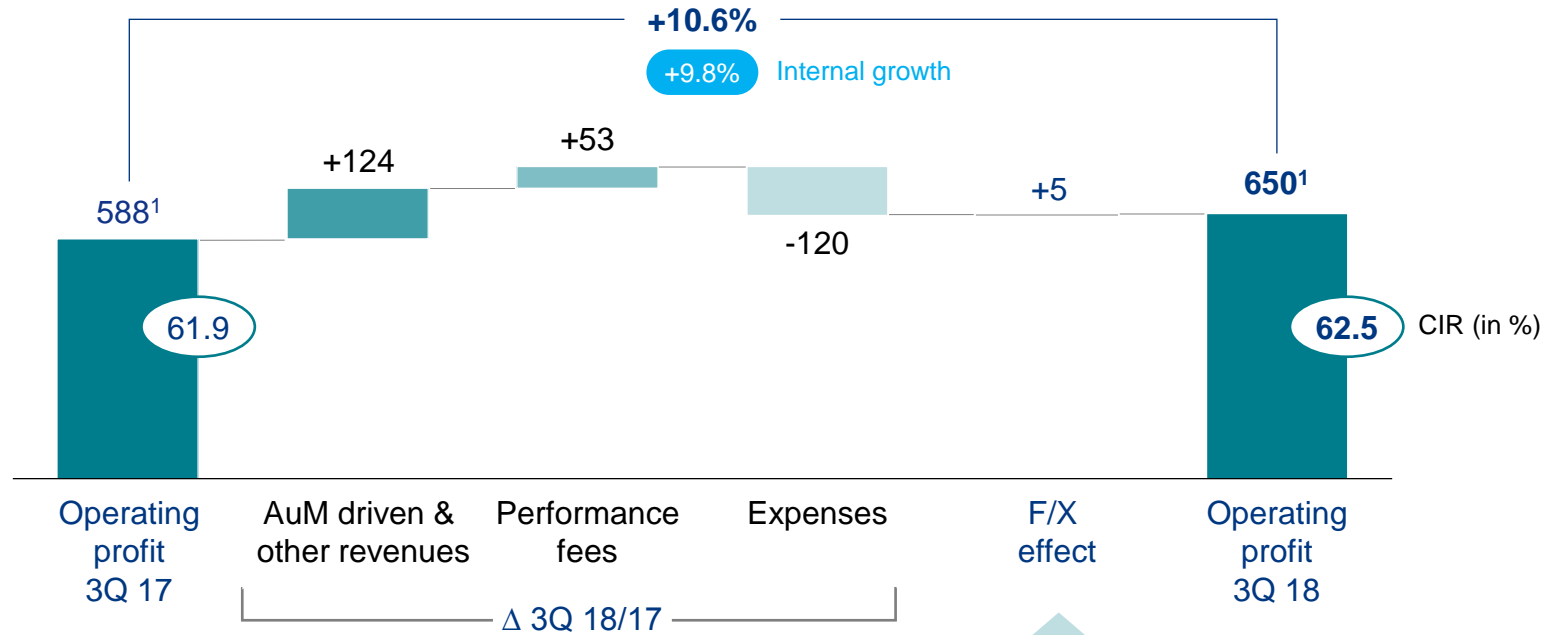
---

- **Segment revenues +12%**  
AuM driven revenues rise by 8% due to higher average 3rd party AuM (+6%) and margin increase. Excluding F/X, segment revenues increase by 11%.  
Very strong performance fees of AllianzGI – thereof EUR 9mn from ACP – drive increase of segment performance fees of 77%.
- **Revenue margins increase**  
3rd party AuM margins of the segment, PIMCO and AllianzGI increase, primarily due to higher shares of mutual fund business and, in case of AllianzGI, due to sale of the subsidiary in Korea end of 3Q 2017.
- **AM segment 9M 2018 – revenues and margin up**  
Revenues increase by 7%, primarily due to higher AuM driven revenues (+6%) and performance fees (+32%). 9M 2018 3rd party AuM margin up by 0.5bps from 40.1bps to 40.7bps.



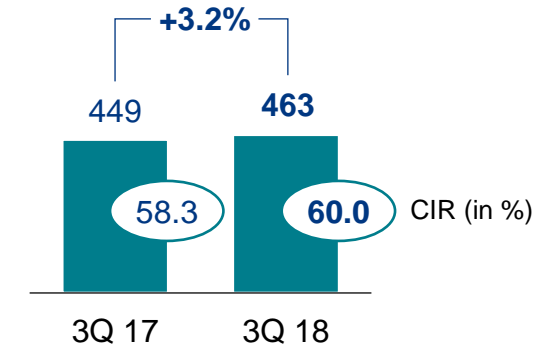
# AM: double-digit profit growth (EUR mn)

## Operating profit drivers

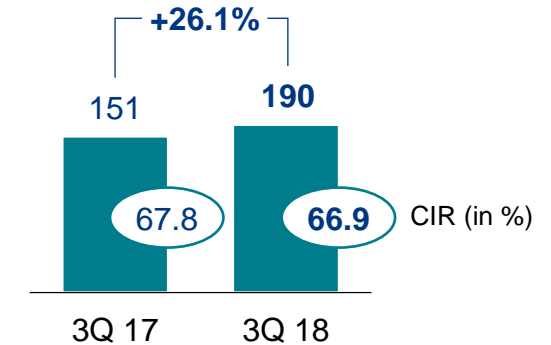


F/X impact	+12	+1	-8
<b>3Q 18</b>	<b>1,611</b>	<b>+123</b>	<b>-1,084</b>
3Q 17	1,474	+70	-956

## PIMCO



## AllianzGI



1) Including operating loss from other entities of EUR -12mn in 3Q 17 and EUR -3mn in 3Q 18



# AM: double-digit profit growth



## Comments

- **Segment – excellent OP**

Operating profit increases by 11% mainly due to AuM and margin growth.

CIR impacted by one-off expenses and investments in business growth (e.g. IT-related and marketing expenses). CIR adjusted for ACP stable in 3Q 2018 (62.0%, +0.0%-p versus 3Q 2017) and improved in 9M 2018 (61.3%, 1.3%-p better than in 9M 2017).

- **PIMCO – strong OP**

Operating profit increases by 3% driven by higher average 3rd party AuM and higher margins, partly offset by lower performance fees and higher expenses.

CIR up by 1.7%-p primarily due to one-off expenses and investments in business growth.

- **AllianzGI – best quarterly OP ever**

Operating profit increases by 26% due to significantly higher performance fees mainly from structured alpha products and higher AuM driven revenues.

CIR improves by 0.8%-p. CIR excluding ACP at 65.4%, down 2.4%-p versus 3Q 2017.

- **9M 2018 performance – profit growth**

79% of OP outlook midpoint for FY 2018 achieved in 9M 2018.

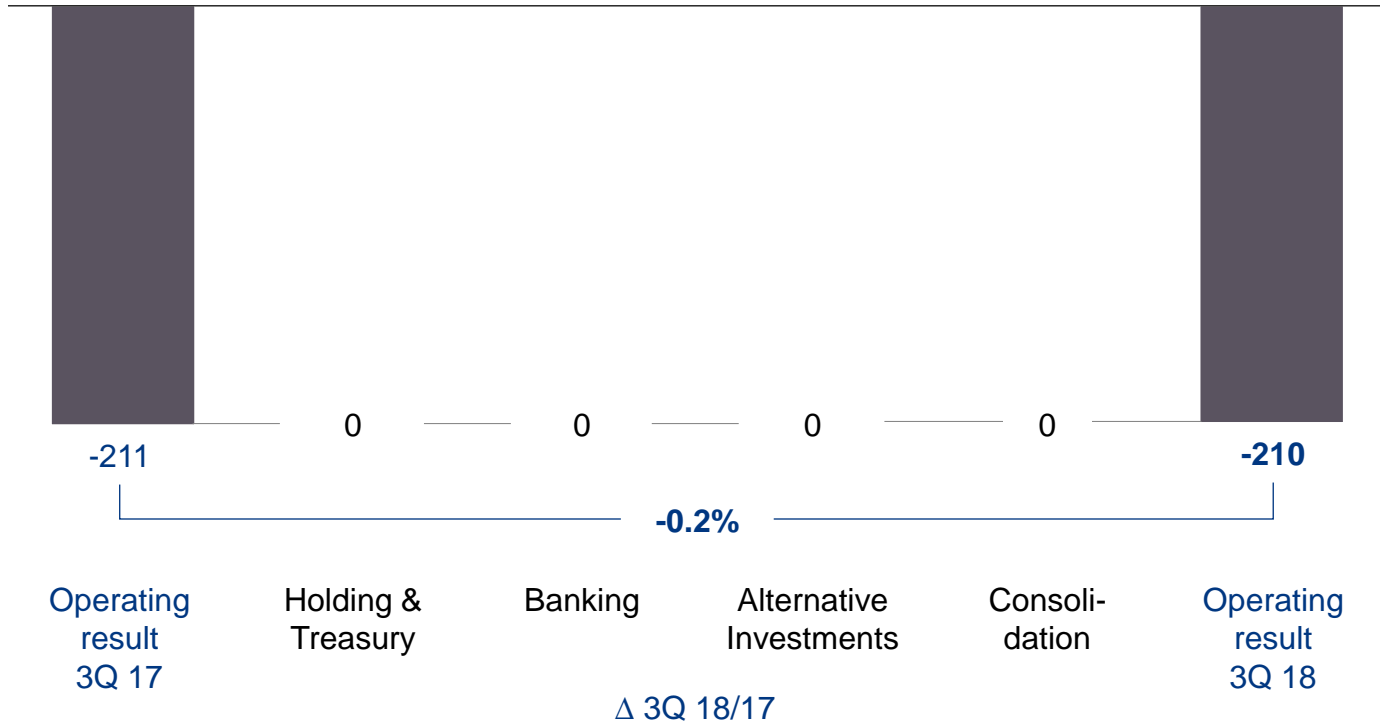
	9M 2017	9M 2018	Δ
Operating revenues (EUR mn)	4,658	4,991	+7%
Operating profit (EUR mn)	1,743	1,897	+9%
3rd party net flows (EUR bn)	+106	+27	-74%
3rd party AuM margin (bps)	40.1	40.7	+0.5bps
CIR (%)	62.6%	62.0%	-0.6%-p





# CO: stable development (EUR mn)

## Operating loss development and components



	3Q 18	3Q 17	Δ 3Q 18/17
Operating result	-235	-235	0
Holding & Treasury	12	11	1
Banking	13	13	0
Alternative Investments	0	0	0
Consolidation	0	0	0



# CO: stable development

## Comments

---

- **Operating loss in line with FY target**  
Operating loss in CO/Consolidation of EUR -0.2bn  
at 24% of FY outlook midpoint of EUR -0.9bn.

9M 2018 operating loss of EUR -0.6bn  
at 65% of FY outlook midpoint.



# Group: s/h net income up 24%

EUR mn	3Q 17	3Q 18	Change
Operating profit	2,477	2,988	+511
<b>Non-operating items</b>	<b>-142</b>	<b>-329</b>	<b>-187</b>
Realized gains/losses (net)	171	145	-26
Impairments (net)	-50	-189	-139
Income from financial assets and liabilities carried at fair value (net)	-3	29	+32
Interest expenses from external debt	-208	-211	-3
Acquisition-related expenses	1	0	-1
Restructuring charges	-40	-71	-31
Amortization of intangible assets	-35	-35	0
Change in reserves for insurance and investment contracts (net)	22	4	-18
<b>Income before taxes</b>	<b>2,335</b>	<b>2,659</b>	<b>+324</b>
Income taxes	-665	-739	-74
<b>Net income</b>	<b>1,670</b>	<b>1,921</b>	<b>+250</b>
Non-controlling interests	-104	15	+119
<b>Shareholders' net income</b>	<b>1,566</b>	<b>1,936</b>	<b>+369</b>
Effective tax rate	28%	28%	-1%-p



# Group: s/h net income up 24%



## Comments

---

- **Operating profit drives s/h net income**  
Higher operating profit ( $\Delta$  EUR +511mn) and a better result from non-controlling interests ( $\Delta$  EUR +119mn) more than offset decline in non-operating result ( $\Delta$  EUR -187mn).
- **Non-OP affected by higher impairments**  
Higher impairments on equities ( $\Delta$  EUR -118mn). Main reason is an impairment on our equity stake in Autostrade per l'Italia (ASPI). Total ASPI net income impact after non-controlling interest and taxes at EUR -17mn.
- **Tax expenses benefit from US tax reform**  
3Q 2018 tax rate at the high end of expectations due to tax free investment losses.  
9M 2018 tax rate at 26%. Allianz Group tax rate for FY 2018 expected at lower end of 26%-28% range.
- **Non-controlling interests**  
Minority share in impairments on Autostrade per l'Italia reflected in non-controlling interests (EUR +97mn). Higher profit share in Euler Hermes ( $\Delta$  EUR +25mn).



# Status quo and ambitions

9M 18	2018			9M 18	2018
7.1% <sup>1</sup>	5% <sup>1</sup>	EPS Growth	Businesses with NPS above market	60% <sup>2</sup>	75%
13.8%	13%	RoE Allianz Group	SII interest rate sensitivity	7%-p	<11%-p
94.0%	94%	P/C CR	PIMCO CIR	58.0%	60%
93%	100%	L/H OEs with RoE ≥10%	IMIX	71%	72%
3.4%	3.0%	L/H NBM	Share of newly launched digital products	96% <sup>3</sup>	~100%

1) CAGR of (annualized) EPS versus EPS for FY 2015. Annualized figures are not a forecast for full-year numbers  
 2) Based on latest available data (FY 2017)  
 3) Average of isolated quarterly figures; based on latest available data



# CONTENT

1

GROUP FINANCIAL RESULTS  
3Q 2018

2

GLOSSARY  
DISCLAIMER



# Glossary (1)

<b>AFS</b>	Available-for-sale: Non-derivative financial assets which have been acquired neither for sale in the near term nor to be held to maturity. Available-for-sale investments 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 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 sum of recurring premiums and 10% of single premiums of the respective period.
<b>APR</b>	Accident insurance with premium refund: Special form of accident insurance where the policyholder, in addition to insurance coverage for accidents, has a guaranteed claim to refund of premiums 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 definition (please refer to “NatCat”) divided by premiums earned (net).
<b>AuM</b>	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. <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. <b>Market &amp; dividends:</b> Market & dividends represents current income earned on and changes in fair value of securities held in client accounts. It also includes dividends from net investment income and from net realized capital gains to investors of open-ended mutual funds and of closed-end funds.
<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 excluding Russia and Ukraine
<b>CIR</b>	Cost-income ratio: Operating expenses divided by operating revenues
<b>CO</b>	(The 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: Expenses of an insurance company which are incurred in connection with the acquisition of new insurance policies or the renewal of existing policies and activated in the balance sheet. They include commissions paid, underwriting expenses and policy issuance costs.
<b>Economic reinvestment yield</b>	The economic reinvestment yields reflects the reinvestment yield including F/X hedging costs for non-domestic hard currency F/X bonds as well as expected F/X losses on non-domestic emerging markets 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: Ratio calculated by dividing the net income for the year attributable to shareholders by the weighted average number of shares outstanding (basic EPS). In order to calculate diluted earnings per share, the number of common shares outstanding and the net income for the year attributable to shareholders are adjusted by the effects of potentially dilutive common shares which could still be exercised. Potentially dilutive common shares arise in connection with 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 whereby the policyholder can elect to be credited based on movements in equity or bond market indices with protection of principal.
<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 be recovered principally through a sale transaction rather than through continuing use. On the date a non-current asset meets the criteria as held for sale, it is measured at the lower of its carrying amount and fair value less costs to sell.
<b>IFRS</b>	International Financial Reporting Standards. Since 2002, the designation IFRS applies to the overall framework of all standards approved by the International Accounting Standards Board. Already approved standards will continue to be cited as International Accounting Standards (IAS).
<b>IMIX</b>	The Inclusive Meritocracy Index (IMIX) measures the progress of the organization on its way towards Inclusive Meritocracy. The internal index is subsuming 10 Allianz Engagement Survey (AES) items around 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>KPI</b>	Key performance indicator



# Glossary (4)

## L/H

(The business segment) Life and Health insurance

## L/H lines of business

**Guaranteed savings & annuities:** Guaranteed savings and annuities are life insurance products that always relate to the length of human life. These products offer life and / or death coverage of the insured in the form of single or multiple payments to a beneficiary and may include financial and non-financial guarantees.

**Capital-efficient products:** Products that use the general account and provide significantly reduced market risk either by full asset-liability matching of the guarantee or by significantly limiting the guarantee. This includes hybrids investing in a separate account (unit-linked) and the general account. Capital-efficient products also have a guaranteed surrender value with limited risk, e.g. due to the implementation of exact asset-liability matching or the inclusion of a market value adjustment.

**Protection & health:** Protection and health insurance covers different risks which are linked to events affecting the physical or mental integrity of a person.

**Unit-linked without guarantees:** Conventional unit-linked products are those where all of the benefits provided by a contract are directly linked to the value of assets contained in an internal or external fund held by the insurance undertakings as a separate account. The investment risk is borne by the policyholder rather than the insurer.

## 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 on a Life/Health business segment consolidated basis.

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

**Investment margin:** Is defined as IFRS investment income net of expenses less interest credited to IFRS reserves and 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 if any.

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



# Glossary (5)

<b>LatAm</b>	Latin America: South America and Mexico
<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 (c.y.) loss ratio includes the results of the prior year(s) reserve development in addition to the accident year (a.y.) 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 market value of assets over market value of liabilities as of valuation date. Therefore, MCEV excludes any item that is 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 of time 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 business segment Life/Health. It is calculated as value of new business divided by present value of new business premiums.
<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. Being set at 2.5% in 2001, the Lord Chancellor decreased the Ogden rate to -0.75% on February 27, 2017 – a much steeper reduction than was predicted by the industry earlier last year.



# Glossary (6)

<b>OP</b>	Operating profit: Earnings from ordinary activities before income taxes and non-controlling interests in earnings, excluding, as applicable for each respective 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 charges and profit/loss of substantial subsidiaries held for sale, but not yet sold.
<b>Own funds</b>	Regulatory solvency capital eligible for covering the regulatory solvency capital requirement
<b>P/C</b>	(The 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>	Represents the movement of SII capitalization attributable to the change in own funds from operating SII earnings and the change in SCR from business evolution after regulatory and model changes, but excluding market impact, dividends, capital management activities, taxes as well as other factors.
<b>Premiums written/earned (IFRS)</b>	Premiums written represent all premium revenues in the respective year. Premiums earned represent that 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 used to cover the risk insured and costs involved is treated as premium income.
<b>PVNB</b>	Present value of new business premiums: The present value of future premiums on new business written during the period discounted at reference rate. It 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.
<b>Reinsurance</b>	An insurance company transfers a part of its assumed insurance risk to a reinsurance company.
<b>Retained earnings</b>	In addition to the reserve required by law in the financial statements of the Group parent company, this item consists mainly of the undistributed profits of Group entities and amounts transferred from consolidated net income.



# Glossary (7)

<b>RfB</b>	Reserves for premium refunds (“Rückstellungen für Beitragsrückerstattung”): Part of the surplus that is to be distributed to policyholders in the future. These reserves are established based on statutory, contractual or company by-law obligations, or at the insurer’s discretion.
<b>RoE</b>	<p><b>Return on equity Group:</b> Represents net income attributable to shareholders divided by the average shareholders’ equity excluding unrealized gains/losses on bonds (net of shadow accounting) at the beginning and the end of the period.</p> <p><b>Return on equity P/C OE:</b> Represents net income divided by 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 the end of the period.</p> <p><b>Return on equity L/H OE:</b> Represents net income divided by the average total equity excluding unrealized gains/losses on bonds (net of shadow accounting) and deducting goodwill at the beginning and the end of the period.</p>
<b>RoRC</b>	Return on risk capital
<b>Run-off ratio</b>	The run-off ratio is calculated as run-off result (result from reserve developments for prior (accident) years in P/C business) in percent of premiums earned (net).
<b>SII</b>	Solvency II
<b>SII capitalization</b>	Ratio indicating the capital adequacy of a company 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
<b>Share of newly launched digital products</b>	Newly launched digital products are conveniently available via digital means at key steps of the customer journey for end-customer or intermediary. A product will be considered digital once four digital features comprising a large part of the customer experience (quote, purchase, policy administration and claims) are implemented. In scope is retail as well as small and medium-sized entities, all channels, for Property-Casualty, Life and Health. The share of products is weighted by revenues.



# Glossary (8)

<b>Statutory premiums</b>	Represents gross premiums written from sales of life and health insurance policies, as well as gross receipts from sales of unit-linked and other investment-oriented products, in accordance with the statutory accounting practices applicable in the insurer's home jurisdiction.
<b>Total equity</b>	Represents the sum of shareholders' equity and non-controlling interests.
<b>Total revenues</b>	Represents the sum of P/C gross premiums written, L/H statutory premiums, operating revenues in AM and total revenues in CO (Banking).
<b>UFR</b>	Ultimate forward rate: The estimate of the ultimate forward rate is defined in line with the EIOPA methodology and guidelines. An extrapolation is needed past last available market data points. The UFR is determined for each currency using macroeconomic methods, the most important factors being long-term expected inflation and real interest rates. Although the UFR is subject to revision, it should be stable and only change when there are fundamental changes to 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 policyholder participation.
<b>URR</b>	Unearned revenue reserves: The unearned revenue reserves contain premium components other than expense charges that refer to future periods, which 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 for shareholders created through the activity of writing new business. It is defined as present value of future profits after acquisition expenses overrun or underrun, minus time value of financial options and guarantees, minus risk margin, all determined at issue date.



# Disclaimer

These assessments are, as always, subject to the disclaimer provided below.

## Forward-looking statements

The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events), (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the

extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the EUR/USD exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

## No duty to update

The company assumes no obligation to update any information or forward-looking statement contained herein, save for any information required to be disclosed by law.