

# 2Q 2019

Giulio Terzariol  
Chief Financial Officer

Analyst conference call  
August 2, 2019





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GROUP FINANCIAL RESULTS  
2Q 2019

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GLOSSARY  
DISCLAIMER



# Group: 6M with strong profitable growth

Group	Property-Casualty	Life/Health	Asset Management
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**Total revenues 6M 19** in EUR bn (internal growth vs. prior year in %)

**73.5 (+5.9%)**

**32.9 (+4.5%)**

**37.4 (+8.0%)**

**3.3 (-3.2%)**

**Operating profit 6M 19** in EUR mn (vs. prior year in %)

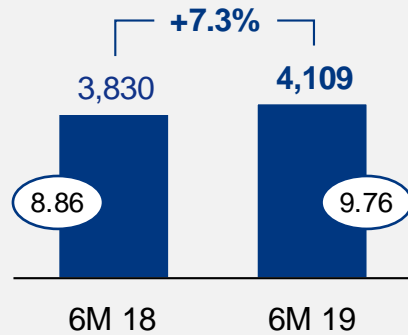
**6,121 (+6.4%)**

**2,838 (+4.0%)**

**2,327 (+8.5%)**

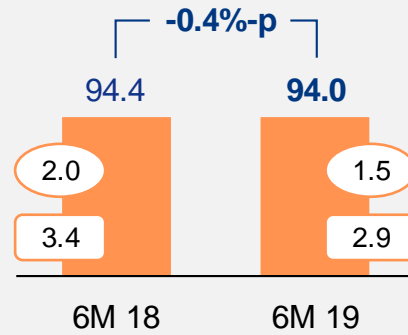
**1,251 (+0.4%)**

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



○ EPS (in EUR)

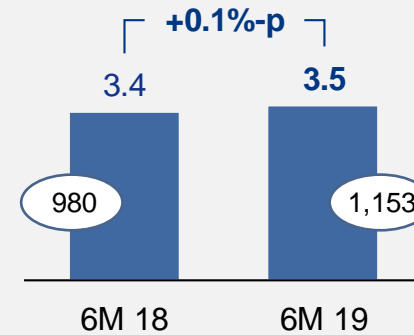
**Combined ratio**  
(in %)



○ NatCat impact<sup>1</sup>

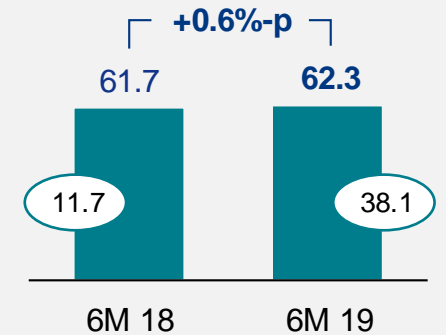
□ Run-off ratio

**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: 6M with strong profitable growth



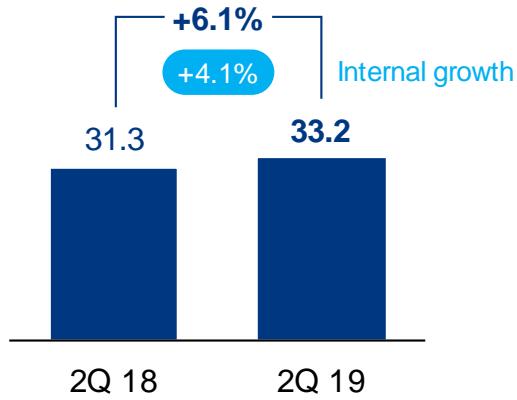
## Comments

- Internal growth strong at 5.9%**  
 Strong internal growth in L/H +8.0% and P/C +4.5%. -3.2% internal growth in AM primarily due to lower AuM driven and performance fees. Favorable impact from consolidation (+1.0%) and F/X (+0.8%) leads to total growth of +7.7%.
- Operating profit at 53% of FY outlook midpoint**  
 All segments at or better than FY outlook midpoint. Operating profit outlook for 2019 confirmed at EUR 11.5bn, plus or minus EUR 500mn.
- S/h net income at 55% of FY 2018**  
 Support from operating profit growth (+6.4%) and lower tax ratio (-1%-p). Last year's results include adverse impact from the disposal of a part of the life insurance portfolio in Taiwan (EUR -218mn).
- Execution of EUR 1.5bn share buy-back on track**  
 6.2mn shares acquired in 6M 2019 representing 1.5% of share capital.
- EPS grow double-digit**  
 Execution of share buy-backs supports EPS growth of 10.2%. Number of shares outstanding at 417.3mn.
- RoE (annualized) improves to 14.7%**
- P/C – fully on track**  
 Improved CR due to better expense ratio and lower accident year LR, partly offset by lower run-off. Operating profit at 50% of FY outlook midpoint.
- L/H – strong performance**  
 Operating profit at 55% of FY outlook midpoint. NBM of 3.5% remains above target. VNB up 17.6%.
- AM – operating profit in line with expectations**  
 Strong 3rd party net inflows of EUR 38bn. OP stable; 50% of OP FY outlook midpoint achieved.
- CO – performance above expectations**  
 OP at 33% of FY outlook midpoint. Better result of Allianz Technology.
- Resolution of Allianz Popular bancassurance partnership for EUR ~0.9bn**  
 Positive net income impact of EUR ~0.5bn from deconsolidation expected at closing in 1Q 2020.

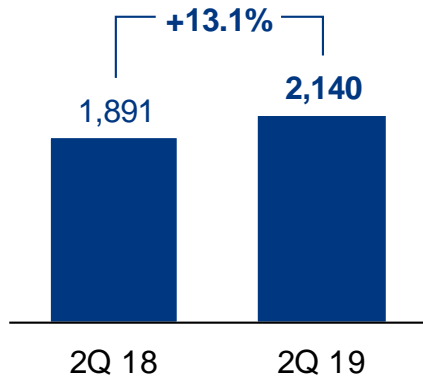


# Group: 2Q operating profit strong at EUR 3.2bn

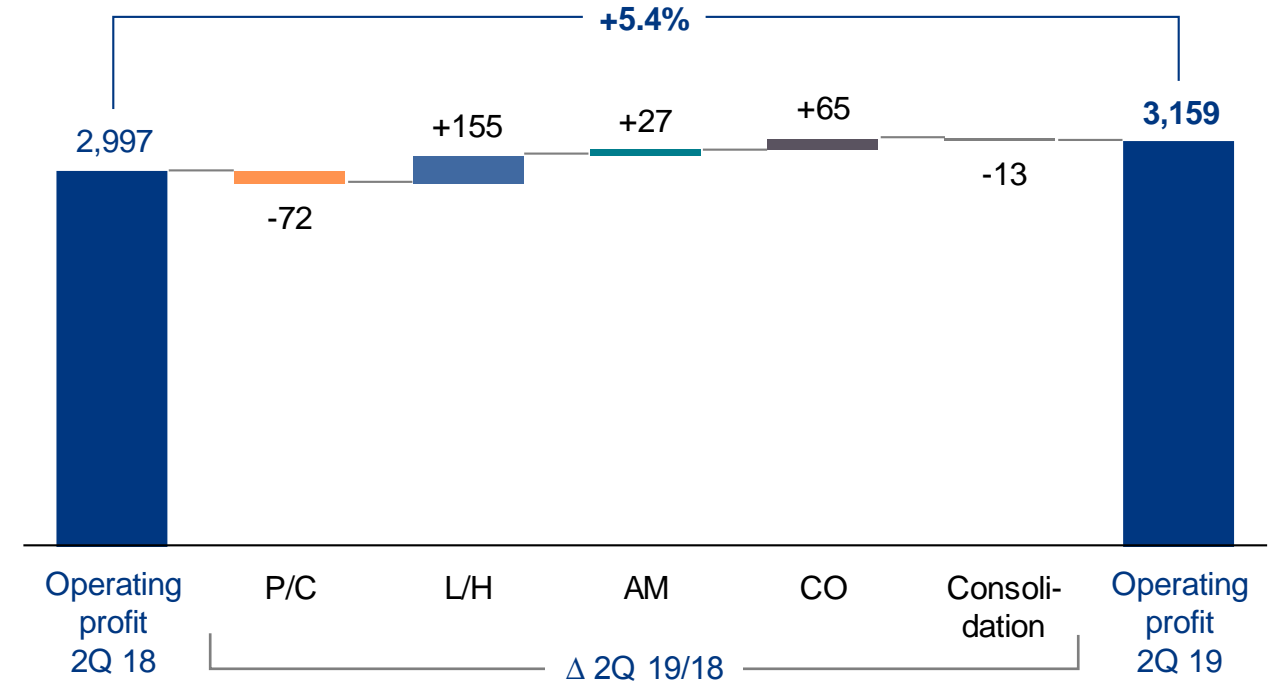
Total revenues (EUR bn)



Shareholders' net income (EUR mn)



Operating profit drivers (EUR mn)



	2Q 19	2Q 18
Operating profit	3,159	2,997
P/C	-72	-
L/H	+155	-
AM	+27	-
CO	+65	-
Consolidation	-13	-



# Group: 2Q operating profit strong at EUR 3.2bn



## Comments

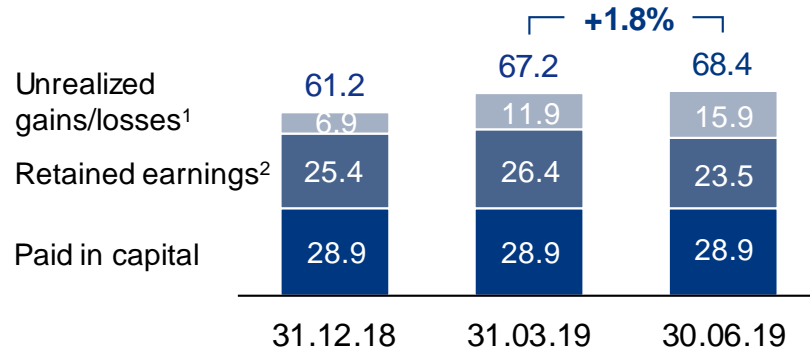
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- **Internal growth good at 4.1%**  
Good internal growth in L/H +4.5% and P/C +4.3%. -1.7% internal growth in AM primarily due to less performance fees. Favorable impact from consolidation (+1.3%) and F/X (+0.7%) leads to total growth of +6.1%.
- **Operating profit at 27% of FY outlook midpoint**  
Main driver are better results from L/H and Corporate.
- **Shareholders' net income grows double-digit**  
Main driver is growth of operating profit (+5.4%). In addition support from non-operating result ( $\Delta$  EUR +87mn) and lower tax ratio (-3%-p). Prior-year non-operating result affected by the sale of a part of the life insurance portfolio in Taiwan (EUR -224mn).
- **EUR 1.5bn share buy-back continued in 2Q 2019**  
6.2mn shares were acquired in 6M 2019 representing 1.5% of share capital. 85% of share buy-back completed.
- **P/C – a good performance**  
Lower investment and 'other' results lead to slight OP decline while the underwriting result is stable.
- **L/H – very good result**  
Favorable change in DAC and volume growth more than offset lower investment margin. New business growth of 8.5% with NBM of 3.6% leads to 10.7% increase in VNB.
- **AM – EUR 20bn 3rd party net inflows**  
EUR 2.2tn total AuM due to net inflows and strong markets. OP up by 4%.
- **CO – performance above expectations**  
Operating loss improves to EUR -131mn. Better result from Allianz Technology and higher investment income.

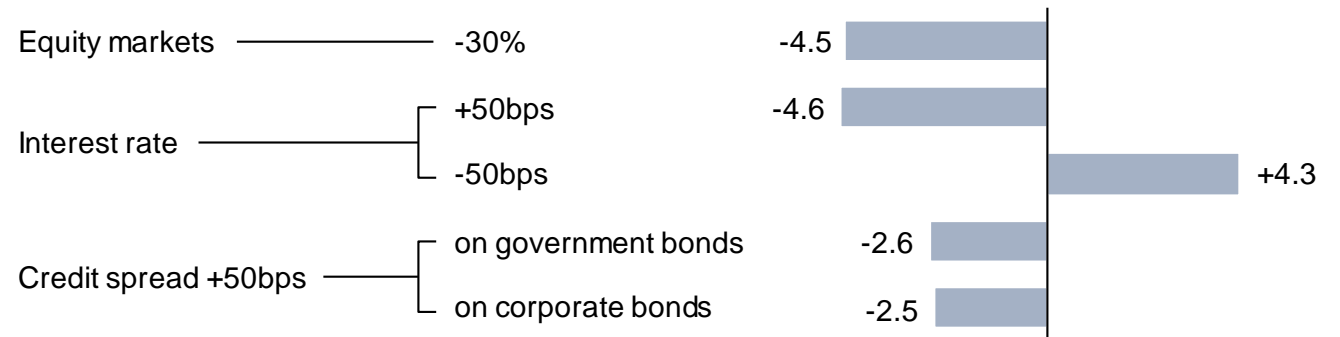


# Group: SII ratio on good level

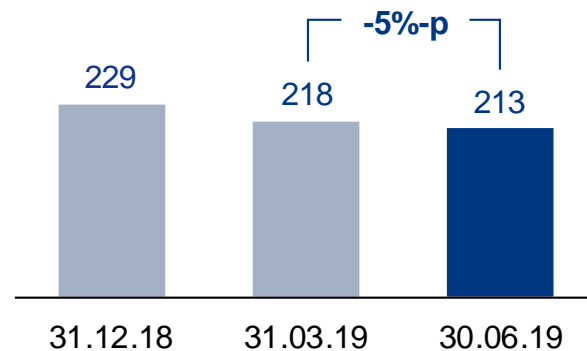
## Shareholders' equity (EUR bn)



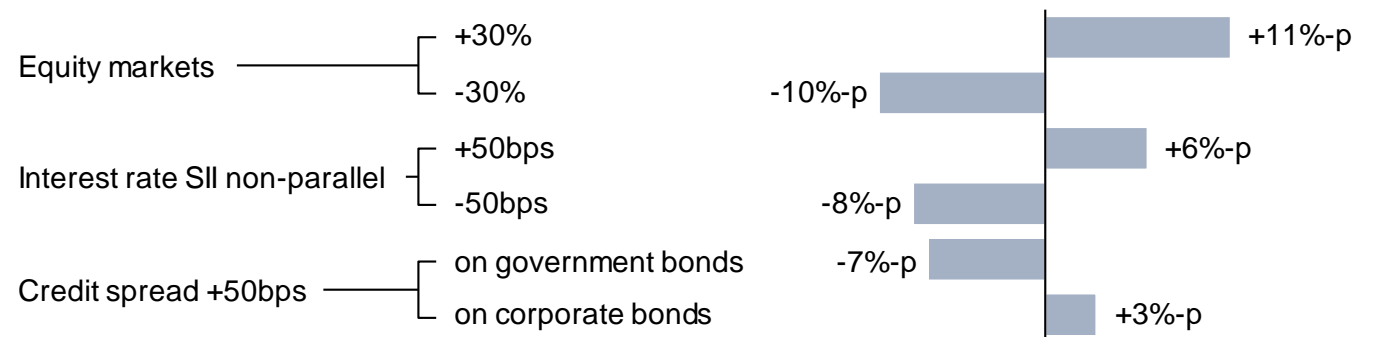
## Key sensitivities (EUR bn)



## SII capitalization (in %)



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



1) Off-balance sheet unrealized gain on real estate, associates and joint ventures attributable to the shareholders amount to EUR 4.1bn as of 31.03.19 and EUR 4.2bn as of 30.06.19

2) Including F/X

3) Management actions not considered in the disclosed sensitivities



# Group: SII ratio on good level



## Comments

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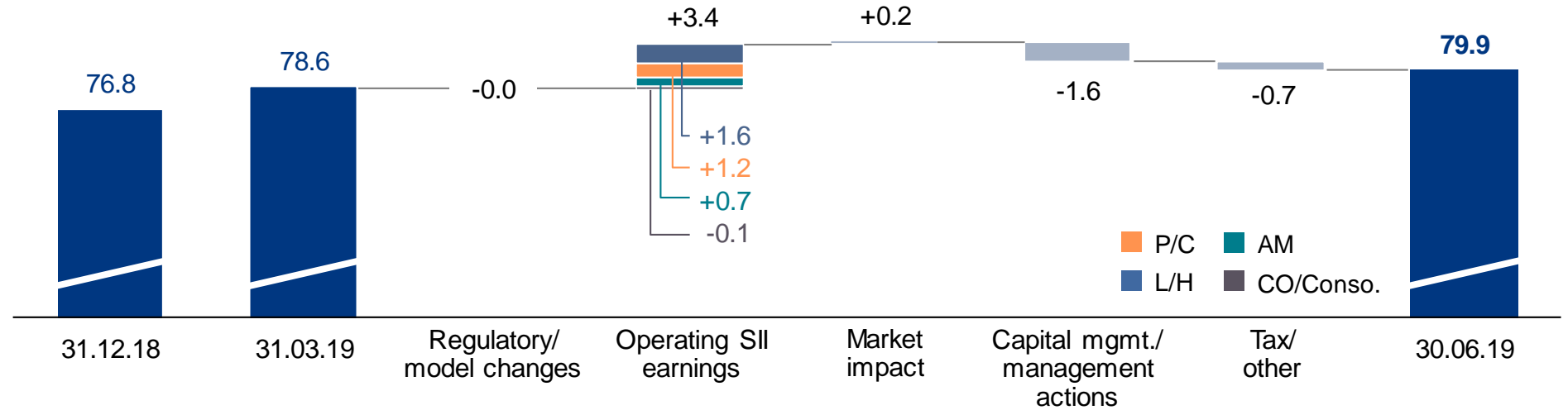
- **Shareholders' equity – EUR 1.2bn increase in 2Q**  
In 2Q 2019, shareholders' equity increased by EUR +1.2bn, despite EUR 3.8bn dividend payment and EUR 0.7bn share buy-backs. These were offset by higher net unrealized gains ( $\Delta$  EUR +4.0bn) and net income (EUR +2.1bn). F/X was EUR -0.4bn.
- **SII sensitivities**  
Overall limited changes compared to 1Q 2019.
- **SII ratio – on good level**  
In 2Q 2019, the SII ratio declined versus 1Q 2019.  
The main drivers were negative market effects ( $\Delta$  -8%-p, -7%-p net of taxes and transferability restrictions), EUR 1.1bn dividend accrual and a CHF 0.5bn (~EUR 0.45bn) bond call ( $\Delta$  -4%-p combined).  
This was partly offset by pre-tax and pre-dividend capital generation of +7%-p (or 3%-p net of taxes and dividend).





# Group: good organic capital generation

Own funds  
(EUR bn)

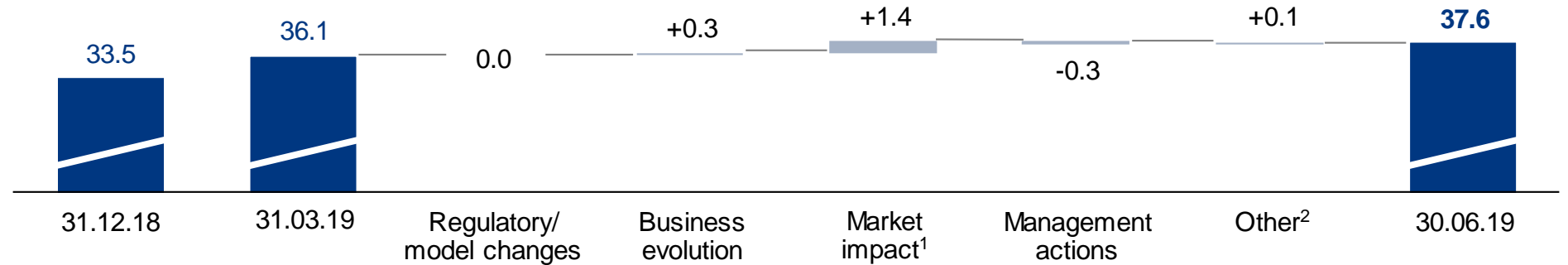


SII capitalization

○ Pre-tax operating capital generation



SCR  
(EUR bn)



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



# Group: good organic capital generation



## Comments

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- **Good capital generation partially reinvested in strong growth**  
SII capital generation – net of tax and dividend – amounts to ~3%-p in 2Q 2019. We anticipate 2019 capital generation net of tax and dividend of around 10%-p.
- **Regulatory/model changes**  
No significant 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).  
The operating SII earnings for the P/C segment are below its IFRS results, largely explained by differences in scope and timing inconsistencies between SII and IFRS.  
For AM, operating SII earnings in line with its IFRS results.
- **Business evolution**  
Very good P/C NPE growth is the main driver. L/H new business growth is largely offset by inforce capital release.
- **Market impact**  
The negative effects of strongly declining interest rates and credit spreads movements were only partially offset by rising equity markets.
- **Capital management/management actions**  
The normal dividend accrual of ~50% of net income (EUR -1.1bn) and a CHF 0.5bn (~ EUR 0.45bn) subordinated debt redemption are the main components.
- **Tax/other**  
Own funds reduction driven by taxes (EUR -0.6bn).



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

EUR mn		Revenues			YTD change on renewals	
		2Q 19	Total growth Δ p.y.	Internal growth Δ p.y.	6M 19	Momentum
<b>Total P/C segment</b>		<b>13,426</b>	<b>+7.3%</b>	<b>+4.3%</b>	<b>+2.1%</b>	<b>n.a.</b>
<b>Selected OEs</b>	Germany <sup>1</sup>	1,968	+2.5%	+3.2%	+2.3%	stable
	Italy <sup>1</sup>	1,019	-11.0%	+4.1%	-0.1%	stable
	France	1,002	+0.9%	+0.9%	+1.7%	stable
	Australia	941	+9.2%	+3.1%	+1.3%	positive
	CEE	802	+2.6%	+3.8%	n.a.	n.a.
	United Kingdom	607	-3.0%	+1.9%	+3.6%	stable
	Spain <sup>1</sup>	574	-5.6%	-2.7%	+2.7%	positive
	Latin America	437	-9.6%	+1.2%	n.a.	n.a.
	Turkey	242	-10.0%	+14.0%	n.a.	n.a.
	<b>Global lines</b>	AGCS	2,001	+4.8%	+5.5%	+4.8%
Allianz Partners		1,498	+5.1%	+0.6%	+1.5%	stable
Euler Hermes		778	+1.0%	+12.4%	-0.5%	positive

1) Prioryear revenues include direct business now transferred to Allianz Direct. Adjusted for this, total growth was +5.2% in Germany, +6.7% in Italy and -2.7% in Spain.



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



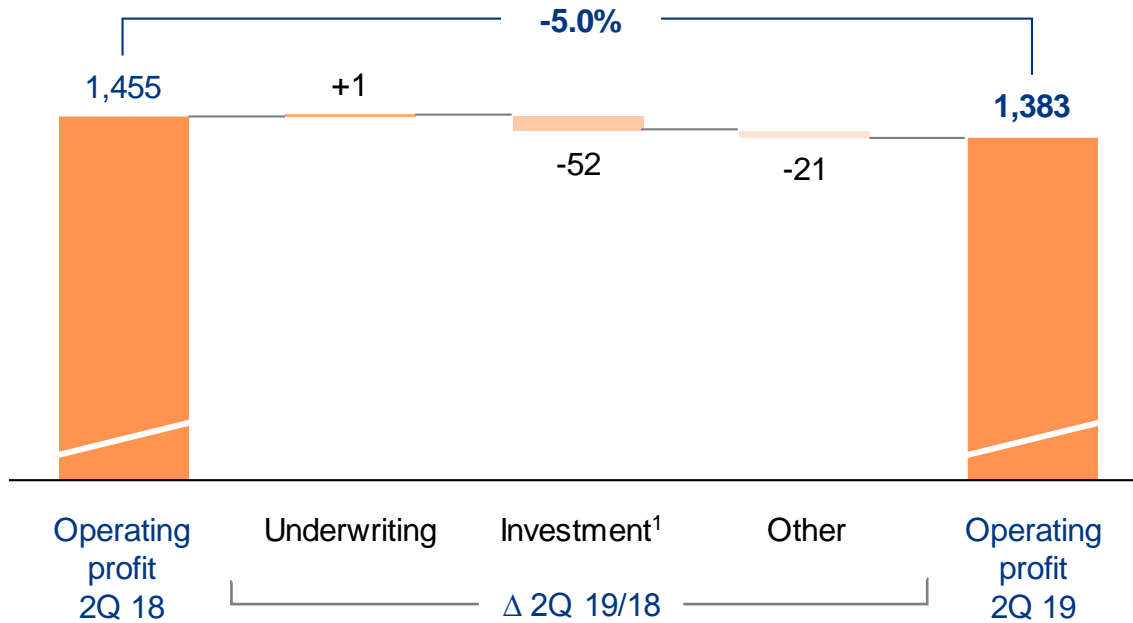
## Comments

- Strong growth continues in 2Q 2019**  
 Strong internal growth of +4.3%, driven by price and volume. Growth drivers AGCS, Credit and Germany. Consolidations (+3.1%) and F/X (-0.1%) lead to +7.3% total growth. Internal NPE growth also strong at +4.1%. 6M 2019 rate change on renewals increase to +2.1% vs. +1.7% at 3M 2019, mainly due to Australia and AGCS.
- Germany – solid internal growth**  
 Retail motor, commercial property and liability main contributors.
- Italy – continued good growth**  
 Motor business main driver but non-motor retail and MidCorp also contribute.
- France – price-effect partly offset by lower volumes**  
 Growth in both commercial and personal lines.
- Australia – price main growth driver**  
 Growth in property and liability.
- CEE – growth largely volume-driven**  
 Czech Republic, Austria and Croatia main growth contributors.
- UK – price-effect partially offset by lower volume**  
 Rate strength positive across all LoBs. Reduced volumes driven mainly by discontinued personal lines.
- Spain – price increases offset by lower volumes**  
 Reduction in personal lines (motor & non-motor) offsets higher commercial GPW (motor & non-motor).
- LatAm – internal growth driven by Argentina**  
 In Brazil, strong personal lines growth (ex motor) is offset by reductions in motor and health, leading to -3.5% internal growth (IG). IG Argentina +24.8% in a high-inflationary environment. F/X impact Argentina -54.3%.
- Turkey – price-effect more than offsets lower volume**  
 Health remains main growth driver. F/X -24.0%.
- AGCS – growth entirely price-driven**  
 In a still challenging environment, strong rate increases in particular in property, aviation, marine and engineering.
- Euler Hermes – excellent growth continues**  
 Strong commercial performance from all regions in particular Asia and Americas.



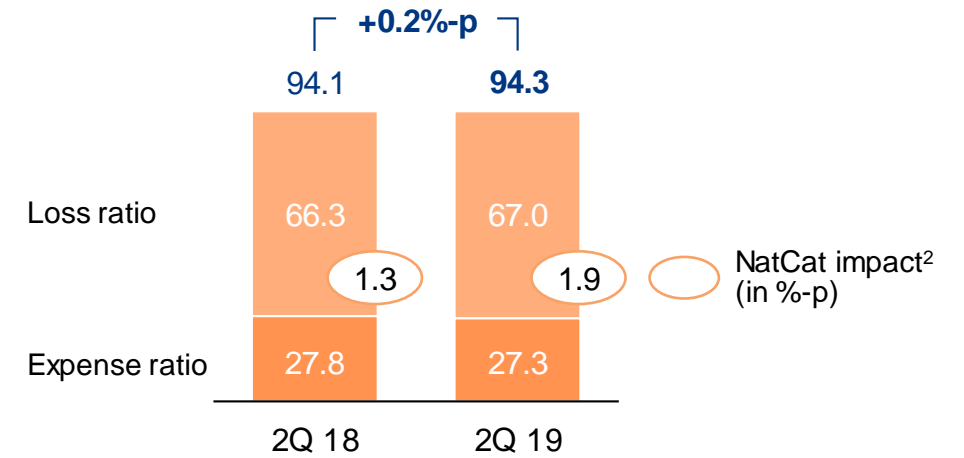
# P/C: stable underwriting, lower investment result

Operating profit drivers (EUR mn)

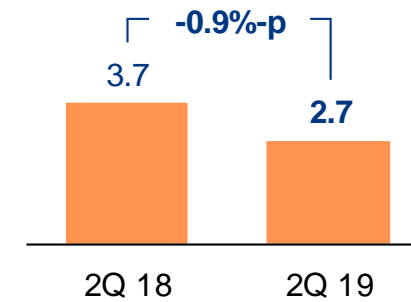


	Underwriting	Investment <sup>1</sup>	Other
2Q 19	648	743	-8
2Q 18	647	795	14

Combined ratio (in %)



Run-off ratio (in %)



1) Including policyholder participation

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



# P/C: stable underwriting, lower investment result



## Comments

- Operating profit – on track**  
 Lower investment and ‘other’ results lead to OP decline while the underwriting result is stable. 2Q OP of EUR 1.4bn at 24% of FY outlook mid-point.
- Loss ratio – AY and attritional LR better**  
 AY LR reduces -0.3%-p to 69.7% driven by underlying improvements, more than offsetting higher large losses. Attritional LR (AY LR ex NatCat) improves -0.9%-p to 67.7%.
- NatCat & weather – on last year’s level**  
 NatCat of EUR 248mn/1.9% above benign prior year’s level of EUR 157mn/1.3% and slightly below 10Y FY average of 2.1%. Weather losses (ex NatCat) of EUR 115mn/0.9% below 2Q 2018 ( $\Delta$  -0.7%-p). Combined NatCat and weather losses of 2.8% in line with last year’s level.
- Run-off – below prior year**  
 Well below 10Y FY average of 3.8%.

- Expense ratio – continued progress**  
 ER improves -0.5%-p yoy broadly equally split between acquisition and administration cost ratio. We are on track to achieve our target of a FY 2019 ER just below 28%.
- 6M 2019 – 6M OP at 50% of FY outlook mid-point**

	6M 2018	6M 2019	$\Delta$
Attritional LR	67.8%	67.8%	$\pm 0.0\%-p$
NatCat	2.0%	1.5%	-0.4%-p
Run-off	-3.4%	-2.9%	+0.5%-p
ER	28.0%	27.6%	-0.5%-p
CR	94.4%	94.0%	-0.4%-p
Underwriting result (EUR mn)	1,185	1,346	+161
Investment result (EUR mn)	1,482	1,454	-28
Other result (EUR mn)	62	37	-25
Operating profit (EUR mn)	2,729	2,838	+109



# P/C: stable combined ratio

EUR mn		Operating profit		Combined ratio		NatCat impact on CR	
		2Q 19	Δ p.y.	2Q 19	Δ p.y.	2Q 19	Δ p.y.
<b>Total P/C segment</b>		<b>1,383</b>	<b>-5.0%</b>	<b>94.3%</b>	<b>+0.2%-p</b>	<b>1.9%-p</b>	<b>+0.6%-p</b>
<b>Selected OEs</b>	Germany <sup>1</sup>	212	-16.8%	95.6%	+1.3%-p	7.7%-p	+4.6%-p
	Italy <sup>1</sup>	201	-17.6%	83.9%	-0.2%-p	0.0%-p	0.0%-p
	France	91	+49.9%	97.9%	-5.1%-p	1.8%-p	-1.5%-p
	Australia	133	-20.7%	84.6%	+5.4%-p	2.6%-p	-3.4%-p
	CEE	108	+19.8%	88.4%	-2.6%-p	-0.2%-p	-0.2%-p
	United Kingdom	29	-26.9%	96.8%	+2.2%-p	0.0%-p	-0.0%-p
	Spain <sup>1</sup>	25	-59.5%	96.7%	+7.2%-p	0.0%-p	0.0%-p
	Latin America	43	+93.3%	100.0%	-4.3%-p	0.0%-p	0.0%-p
	Turkey	32	+16.9%	104.3%	-0.5%-p	0.0%-p	0.0%-p
	<b>Global lines</b>	AGCS	79	-15.8%	101.1%	+0.6%-p	0.0%-p
Allianz Partners		61	+21.4%	95.9%	-1.6%-p	0.0%-p	0.0%-p
Euler Hermes		117	+14.8%	79.8%	-0.5%-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: stable combined ratio



## Comments

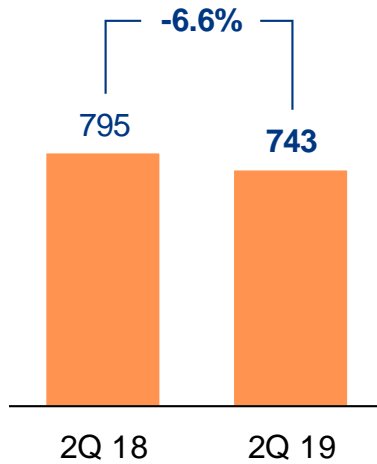
- **Germany – impacted by NatCat**  
Higher NatCat losses main driver of CR increase. Hail storms Jörn / Klaus biggest event with a combined impact of ~ EUR 0.2bn. This more than offsets a lower attritional LR ( $\Delta -2.9\%-p$ ) and a better ER ( $\Delta -0.6\%-p$ ).
- **Italy – CR flat on outstanding level**  
Adjusted for Allianz Direct effect, OP and CR change would be  $\Delta -10.0\%$  and  $\Delta +1.3\%-p$ , respectively.
- **France – AY LR strongly improved**  
Lower weather-related/ NatCat and large losses.
- **Australia – CR remains on excellent level**  
Better AY LR ( $\Delta -4.1\%-p$ ), largely due to lower NatCat, is more than offset by lower run-off.
- **CEE – top-line growth and better CR drive OP**  
CR improves due to higher run-off and better ER.
- **UK – AY LR improvement offset by lower run-off**  
Operating profit also affected by business transfers with LV=. The change in the Ogden rate to  $-0.25\%$  is not going to have a material impact for Allianz.
- **Spain – performance in line with 1Q 2019**  
AY CR in line with prior year. CY CR impacted by adverse run-off development.
- **LatAm – Brazil with good progress**  
CR Brazil improves  $\Delta -6.9\%-p$  to 97.1%.
- **Turkey – strong performance overall**  
In a difficult environment, LR improves  $\Delta -4.1\%-p$ , more than offsetting a higher ER.
- **AGCS – CR broadly stable**  
Higher AY LR partly compensated by better ER.





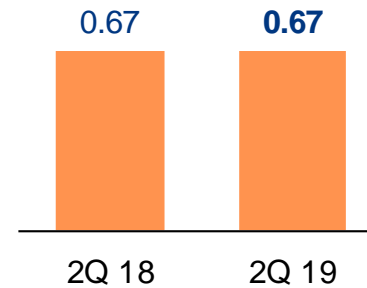
# P/C: resilient current yield

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

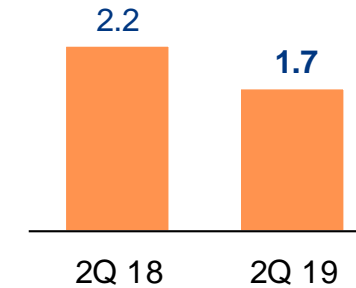


Interest & similar income <sup>2</sup>	895	<b>874</b>	-21
Net harvesting and other <sup>3</sup>	-8	<b>-37</b>	-29
Investment expenses	-92	<b>-94</b>	-2

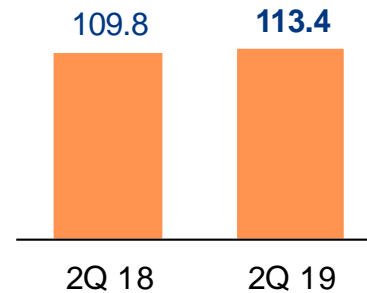
Current yield  
(debt securities; in %)



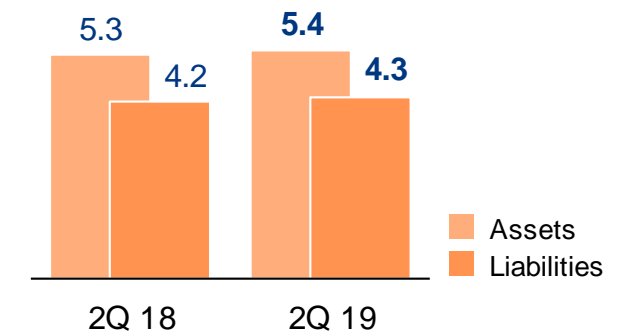
Economic reinvestment yield  
(debt securities; in %)



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 current yield

## Comments

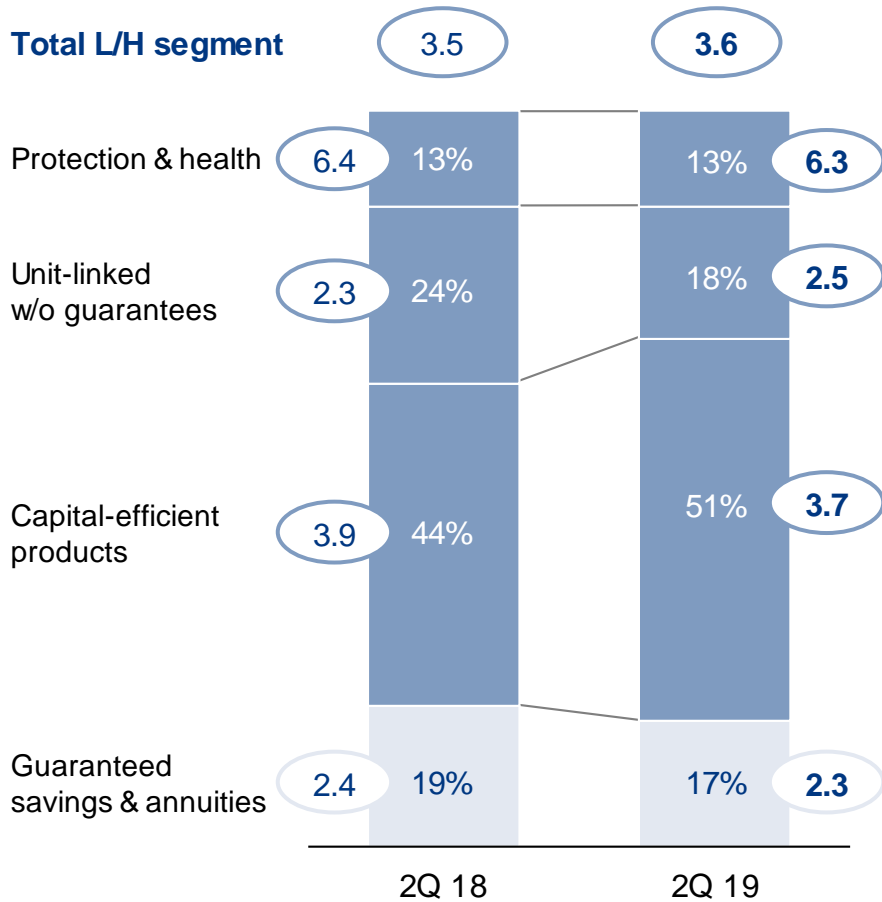
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- **Interest & similar income**  
Net interest result declines due to lower income from equities. Last year's current income on equities was supported by positive one-off of approximately EUR 20mn.
- **Net harvesting & other**  
Impacted by lower F/X result net of hedges.
- **Current yield increases vs. 1Q 2019**  
The current yield on our debt portfolio increases 4bps versus 1Q 2019 driven by inflation-linked bonds.
- **Economic reinvestment yield**  
Unchanged versus 1Q 2019.



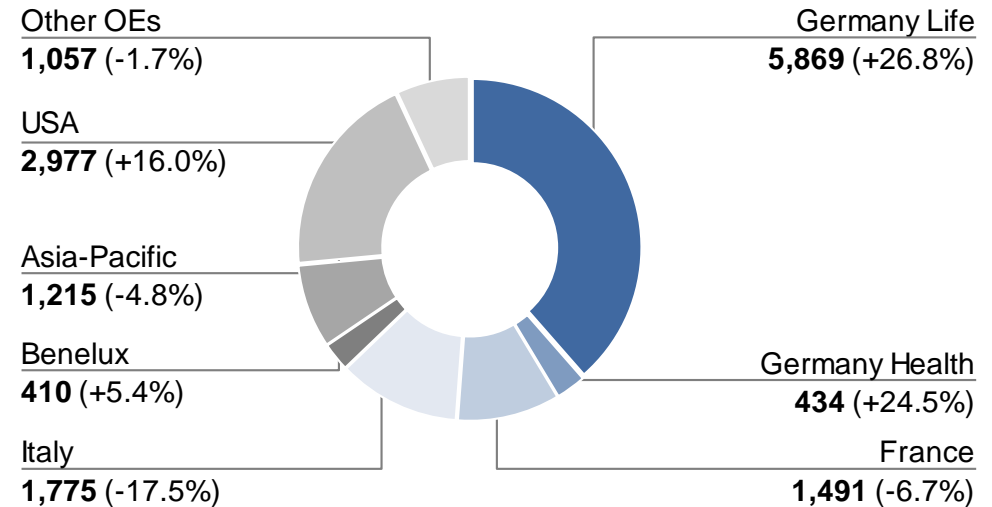
# L/H: 8.5% new business growth with NBM 3.6%

## PVNBP share by line



○ NBM (in %)  
■ Preferred LoBs

## PVNBP by OE (EUR mn)



EUR mn	2Q 18	2Q 19	Δ p.y.
<b>PVNBP</b>	14,035	<b>15,229</b>	+8.5%
Single premium	9,310	9,891	+6.2%
Recurring premium	741	747	+0.9%
<b>APE</b>	1,672	<b>1,736</b>	+3.9%



# L/H: 8.5% new business growth with NBM 3.6%



## Comments

### PVNBP by line

- **New business driven by Germany Life and USA**  
New business with capital-efficient products is up by 27%, respectively EUR 1.7bn, with largest volume expansion in Germany ( $\Delta$  EUR +1.3bn) and USA ( $\Delta$  EUR +0.4bn). Double-digit growth also in protection & health (+12%). UL new business is 19% down due to lower sales in Italy and Asia-Pacific.
- **NBM well above target level of 3.0%**  
Slight increase of NBM due to better business mix (+0.2%-p).
- **Share of preferred lines of business at 83%**  
Corresponding share for 6M 2019 at 80%.
- **Net flows stable at EUR +3.0bn**

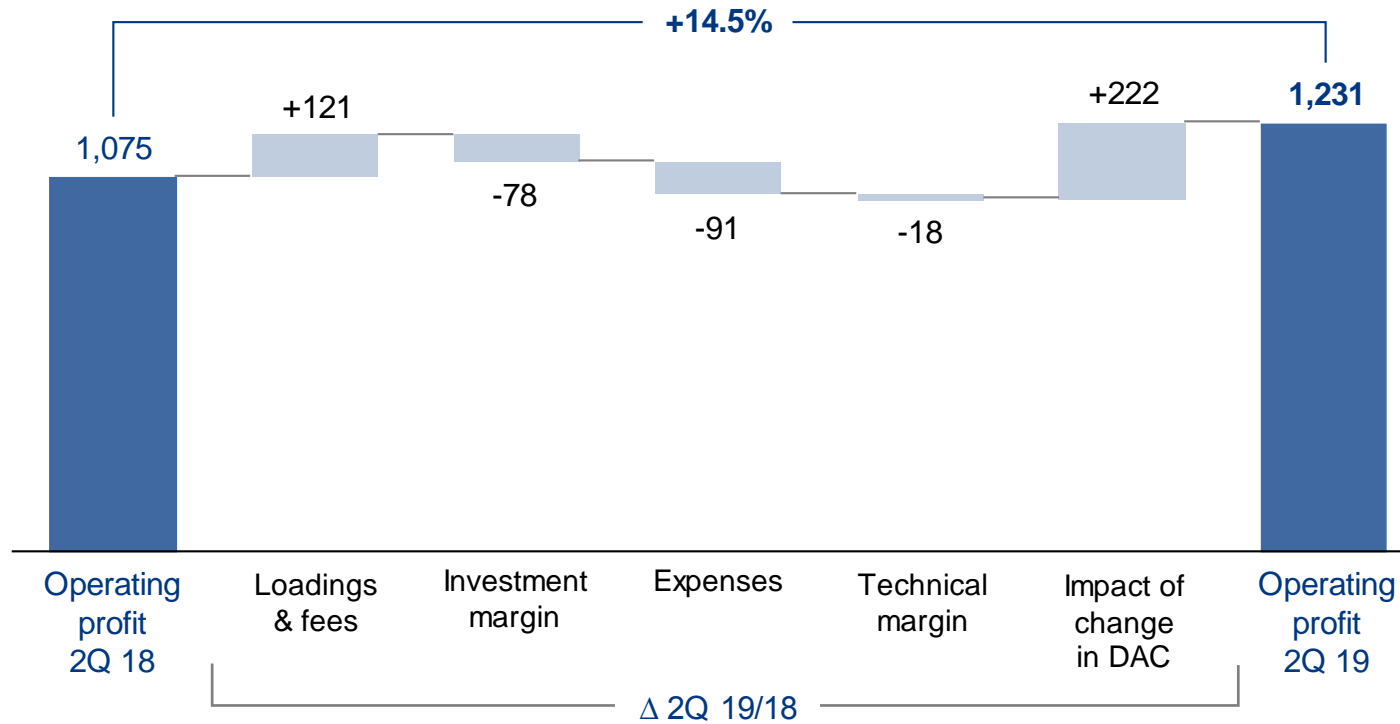
### PVNBP by OE

- **Germany Life – capital-efficient products +42%**  
In addition higher sales in protection & health (+12%). Share of preferred lines at 81%.
- **USA – volume up 13% in local currency**  
In local currency FIA grow +6% and VA business within capital-efficient products +51%. Share of the latter in new business is up to 22%.
- **Italy – share of preferred lines at 90%**  
Changed business mix lifts NBM to 2.4%. UL business down 20% in line with overall market trend. In addition high prior-year base.
- **Asia-Pacific – better distribution and business mix**  
Growth in Thailand, Indonesia and Malaysia largely compensates for decline in Taiwan.
- **France – decline driven by lower UL sales**
- **Germany Health – supplementary insurance grows**  
Supported by a sales campaign.



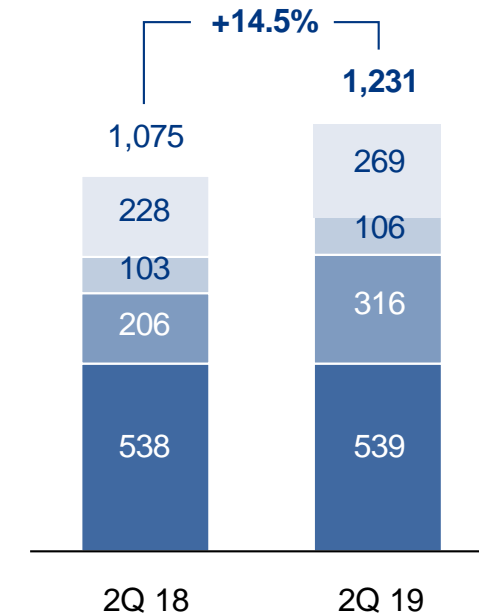
# L/H: operating profit rises to EUR 1.2bn (EUR mn)

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



<b>2Q 19</b>	<b>1,609</b>	<b>870</b>	<b>-1,794</b>	<b>318</b>	<b>227</b>
2Q 18	1,487	949	-1,703	337	5

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 rises to EUR 1.2bn



## Comments

- **OP at 29% of FY target range midpoint**  
Favorable change in DAC and volume growth more than offset lower investment margin.
- **Loadings and fees in line with business growth**  
Increase driven by new business and overall reserve growth (+5.8%).
- **Investment margin at 19bps**  
Decline due to higher PHP (up 2.5%-p to 82.2%).
- **Expenses – new business growth**  
Acquisition related expenses increase in line with new business.
- **Impact of change in DAC**  
Improvement driven by the U.S. business. In line with experience the DAC amortization period for fixed index annuities with lifetime income was extended from 20 to 25 years. Corresponding impact was EUR +156mn.

## Operating profit by line

- **Protection & health**  
Better result from loadings and volume growth.
- **Capital-efficient products**  
Improvement driven by the change in DAC in the U.S. business, partially offset by a reduction of the investment margin.
- **6M operating profit at 55% of FY outlook midpoint**

	6M 2018	6M 2019	Δ
PVNB (EUR mn)	29,033	32,854	+13.2%
NBM	3.4%	3.5%	+0.1%-p
VNB (EUR mn)	980	1,153	+17.6%
Investment margin	44bps	38bps	-7bps
Operating profit (EUR mn)	2,144	2,327	+8.5%



# L/H: continued double-digit VNB growth

EUR mn	Value of new business		New business margin		Operating profit	
	2Q 19	Δ p.y.	2Q 19	Δ p.y.	2Q 19	Δ p.y.
<b>Total L/H segment</b>	<b>544</b>	<b>+10.7%</b>	<b>3.6%</b>	<b>+0.1%-p</b>	<b>1,231</b>	<b>+14.5%</b>
Germany Life	232	+23.9%	4.0%	-0.1%-p	267	+3.9%
USA	95	+3.2%	3.2%	-0.4%-p	374	+72.2%
Asia-Pacific	72	+31.7%	5.9%	+1.6%-p	111	+82.8%
Italy	43	-11.9%	2.4%	+0.2%-p	75	+15.2%
France	22	-22.8%	1.5%	-0.3%-p	130	-18.5%
Germany Health	15	+4.4%	3.4%	-0.7%-p	48	-30.1%
CEE	12	+13.2%	5.8%	-0.2%-p	55	-5.1%
Benelux	12	+12.6%	2.9%	+0.2%-p	46	-8.2%
Spain	8	-39.5%	3.2%	-1.0%-p	59	-19.0%
Turkey	7	-34.6%	4.5%	-1.4%-p	18	-3.2%
Switzerland	4	+2.0%	2.2%	-0.4%-p	26	+7.0%



# L/H: continued double-digit VNB growth



## Comments

### New business

- **NBM well above target level of 3.0%**  
Better business mix (+0.2%-p) offsets impact from change in economic assumptions (-0.1%-p).
- **4<sup>th</sup> consecutive quarter with VNB growth >10%**  
Combination of new business growth (+8.5%) and margin expansion (+0.1%-p) leads to 10.7% higher VNB. 6M 2019 VNB is up 17.6%.
- **Germany Life, CEE – volume-driven VNB growth**
- **Asia-Pacific – margin-driven VNB growth**  
Lower new business volume more than offset by higher NBM. NBM benefits from better business and distribution mix.
- **France – VNB impacted by margin decline**  
Lower NBM mainly due to change in economic assumptions.
- **Turkey – adverse F/X impact**  
New business volume slightly up in local currency. NBM down but still strong.

### Operating profit

- **Germany Life – good level**  
Stable investment margin and higher loadings & fees.
- **USA – improvement driven by change in DAC**  
Positive impact from change in DAC (EUR +156mn), lower investment margin.
- **Asia-Pacific – again triple-digit operating profit**  
Improvement across several countries, i.e. China, Taiwan, Indonesia and Thailand.
- **France – main driver lower technical margin**  
Higher claims in protection & health.
- **Italy – volume driven profit growth**  
Volume growth results in higher UL fees and increased technical margin.
- **Spain – lower technical margin**  
In addition decline of investment margin due to less realized gains.
- **Germany Health – less realized gains**

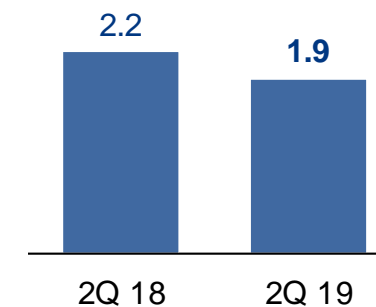




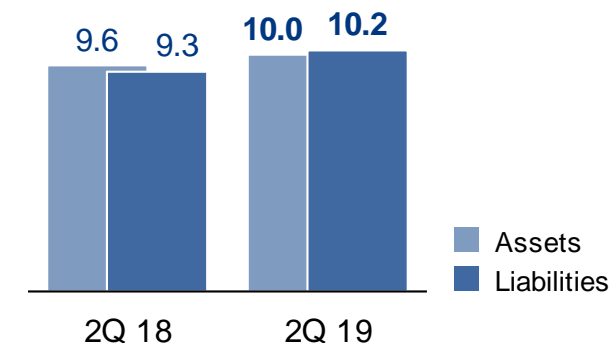
# L/H: gross investment margin stable, profit sharing up

	Investment margin	
	2Q 18	2Q 19
(Yields are pro-rata)		
<b>Based on Ø book value of assets<sup>1</sup> (EUR bn)</b>	<b>529</b>	<b>577</b>
Current yield	0.88%	0.83%
<b>Based on Ø aggregate policy reserves (EUR bn)</b>	<b>437</b>	<b>465</b>
<b>Current yield</b>	<b>1.06%</b>	<b>1.03%</b>
Net harvesting and other <sup>2</sup>	0.01%	0.02%
<b>Total yield</b>	<b>1.07%</b>	<b>1.05%</b>
- Ø min. guarantee <sup>3</sup>	0.51%	0.48%
<b>Gross investment margin (in %)</b>	<b>0.57%</b>	<b>0.58%</b>
- Profit sharing under IFRS <sup>4</sup>	0.35%	0.39%
<b>Investment margin (in %)</b>	<b>0.22%</b>	<b>0.19%</b>
Investment margin (EUR mn)	949	870

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: gross investment margin stable, profit sharing up



## Comments

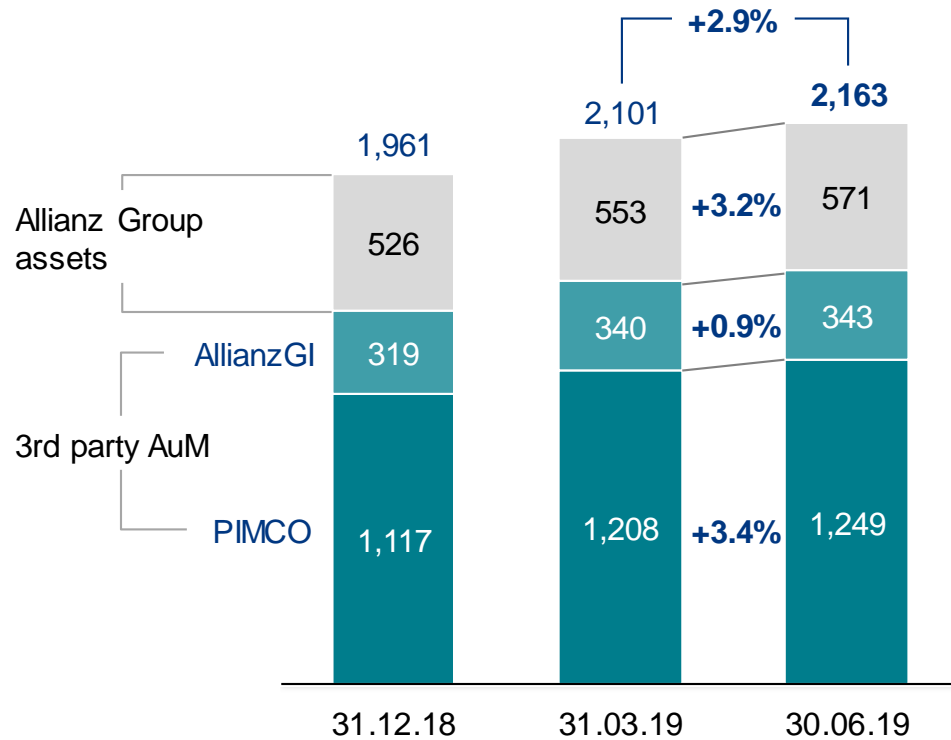
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- **Investment margin down by EUR 78mn**  
Lower investment margin ( $\Delta$  -3bps to 19bps) partially compensated by higher reserve base (+6.4%).  
Decline of investment margin mainly due to increase of PHP.
- **Gross investment margin stable**  
Current yield based on aggregate policy reserves down by -3bps. Impact from yield decline offset by lower average minimum guarantee (-3bps). Result from net harvesting & other stable.
- **PHP up 2.5%-p to 82.2%**  
Main driver is higher PHP in the U.S. business and France, partially offset by lower DAC amortization.
- **6M 2019 investment margin at 38bps**  
12M 2019 investment margin expected at approximately 75-80bps (prior guidance 80-85bps).
- **Lower interest rates main driver for change in durations**
- **Reinvestment yield stable compared to 1Q 2019**

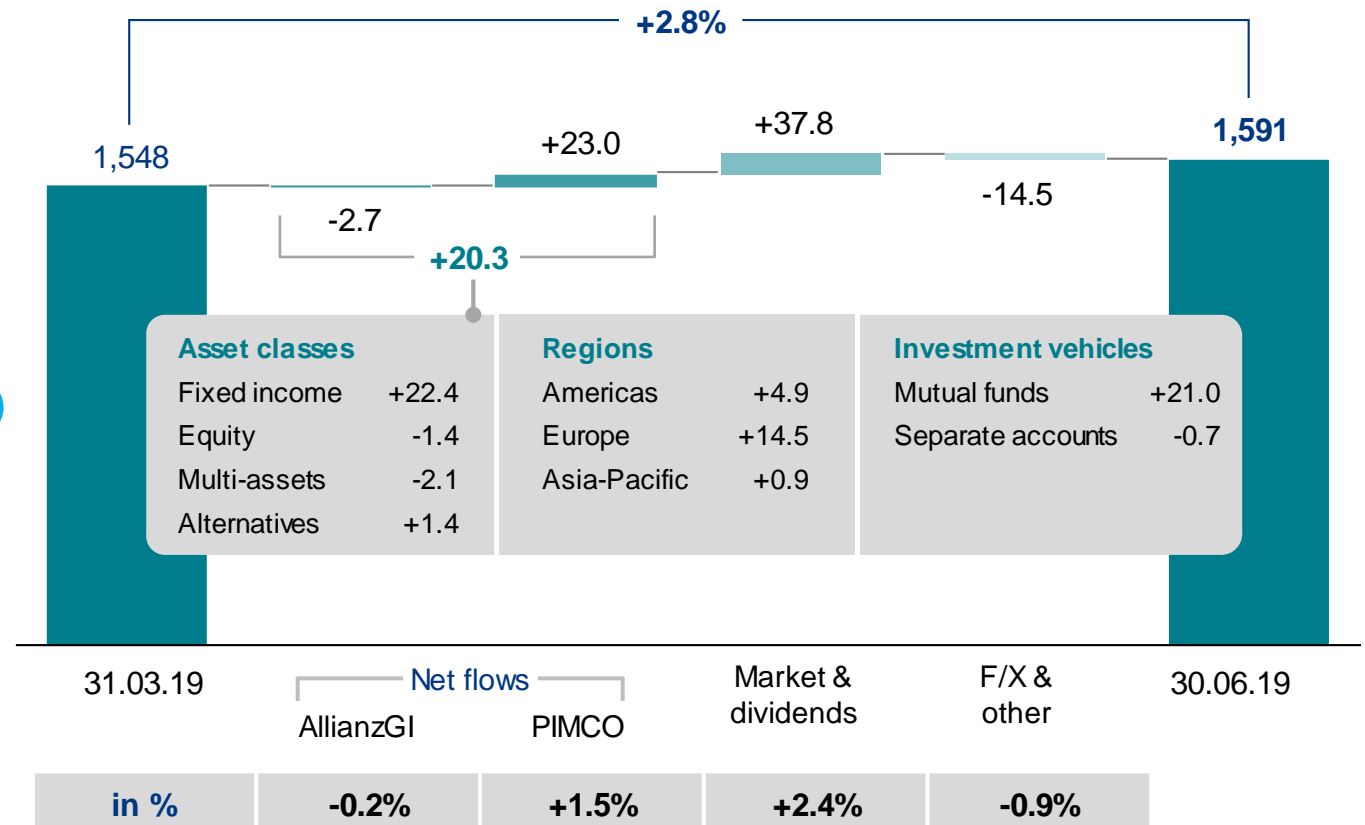


# AM: positive 3rd party net flows of EUR 20bn (EUR bn)

Total assets under management



3rd party assets under management development





# AM: positive 3rd party net flows of EUR 20bn



## Comments

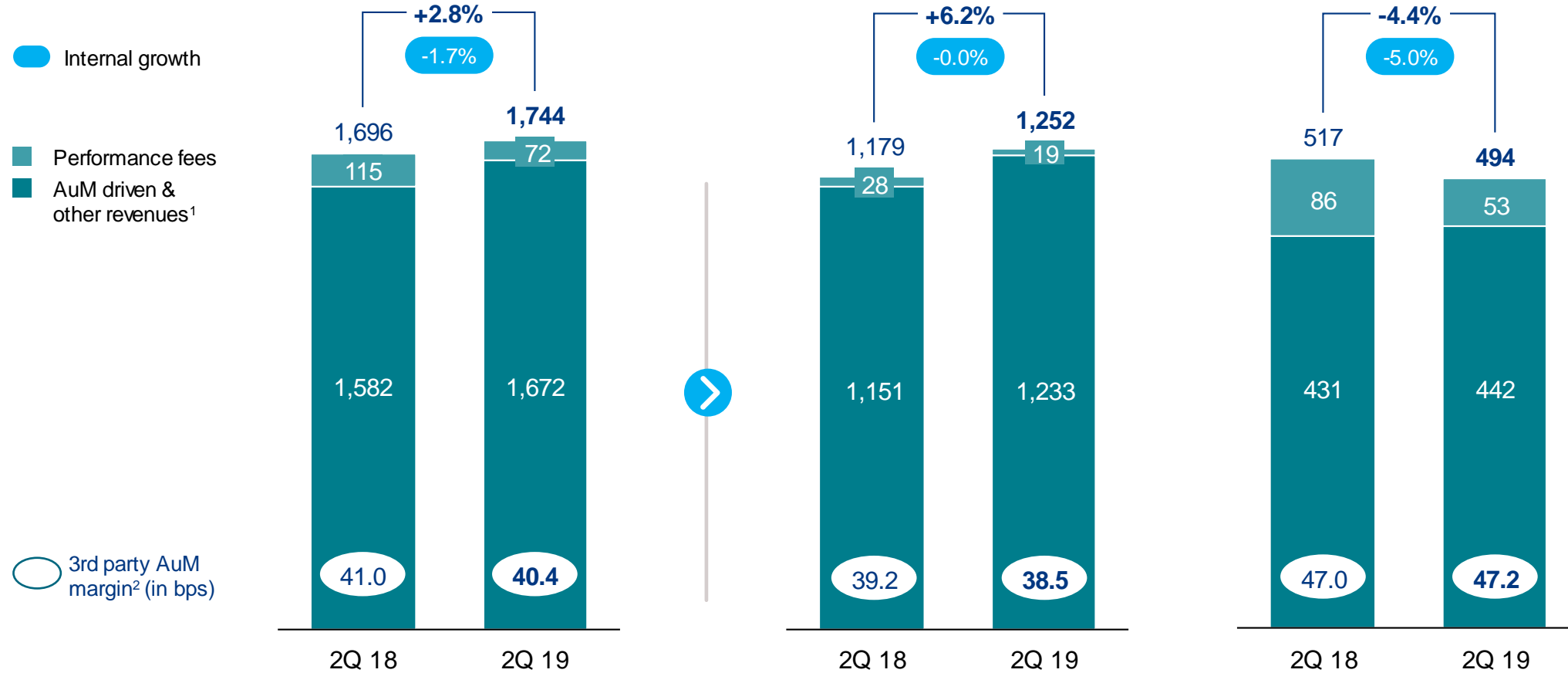
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- **Total AuM: +3%**  
Total AuM further increased to EUR 2.2tn due to rising 3rd party and Allianz Group assets.
- **3rd party AuM: +3%**  
Favorable markets and net inflows result in AuM growth despite adverse F/X (end of 2Q 2019 compared with end of 1Q 2019).  
  
EUR 1,569bn average 3rd party AuM, 8% higher than in 2Q 2018 and 5% above 1Q 2019 level.  
  
90% of 3rd party AuM outperform benchmarks on a trailing 3-year basis before fees.
- **3rd party net flows PIMCO: EUR +23bn**  
3rd party net inflows from investment strategies like income, global, diversified income and investment grade credit.
- **3rd party net flows AllianzGI: EUR -3bn**  
3rd party net inflows in alternative and fixed income products, net outflows from multi-asset and equity products.



# AM: healthy growth of AuM driven revenues (EUR mn)

## Revenues development



1) Thereof other revenues: AM: 2Q 18: EUR 14mn, 2Q 19: EUR 0mn; PIMCO: 2Q 18: EUR 8mn; 2Q 19: EUR 1mn; AllianzGI: 2Q 18: EUR 6mn; 2Q 19: EUR 2mn  
 2) Excluding performance fees and other income



# AM: healthy growth of AuM driven revenues



## Comments

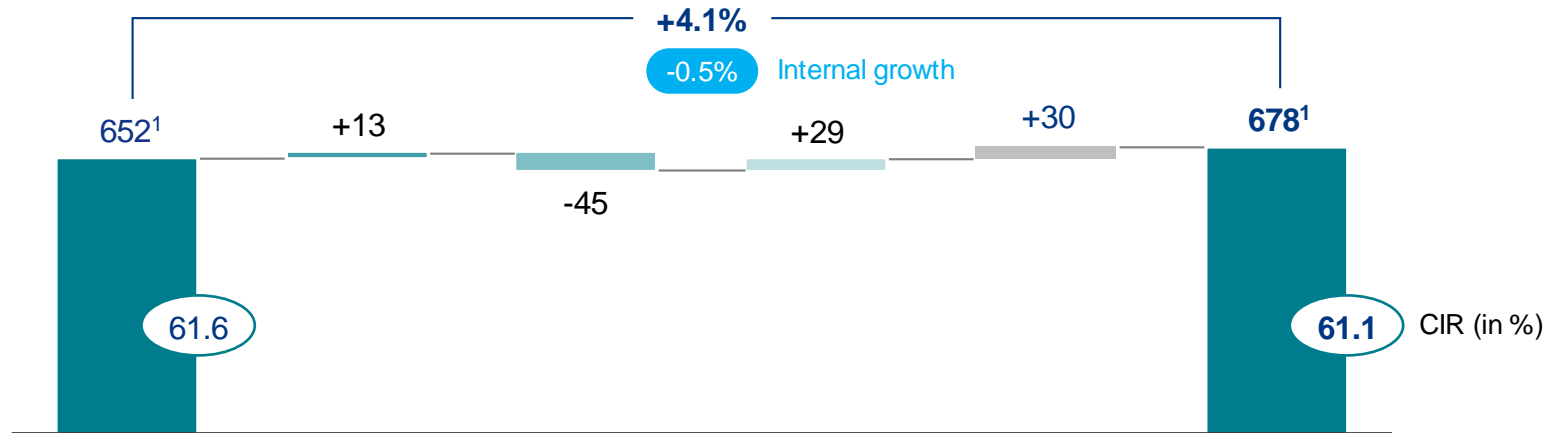
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- **Segment revenues – F/X and more AuM driven fees**  
Revenues increase by 3% supported by 8% higher average 3rd party AuM and positive F/X (2Q 2019 versus 2Q 2018). Adjusted for F/X, revenues decrease primarily due to lower performance fees at AllianzGI and PIMCO. Majority of performance fees usually booked in the second half of the year.
- **PIMCO margin – mix effect and Gurtin**  
Margin of 38.5bps significantly above 1Q 2019 (36.1bps), but slightly below 2Q 2018 (39.2bps) due to business mix and Gurtin acquisition (municipal bond management for high-net-worth individuals; first time consolidation in 1Q 2019, AuM impact EUR 12bn at the end of 2Q 2019).
- **AllianzGI margin – positive mix effect**  
Slight increase (47.2bps,  $\Delta +0.2$ bps), primarily due to a higher share of multi-asset products.



# AM: strong operating profit (EUR mn)

## Operating profit drivers

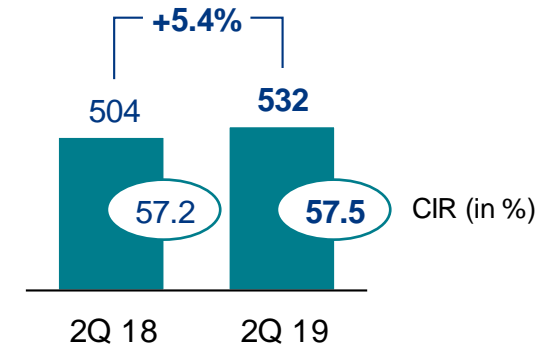


Operating profit 2Q 18    AuM driven & other revenues    Performance fees    Expenses    F/X effect    Operating profit 2Q 19

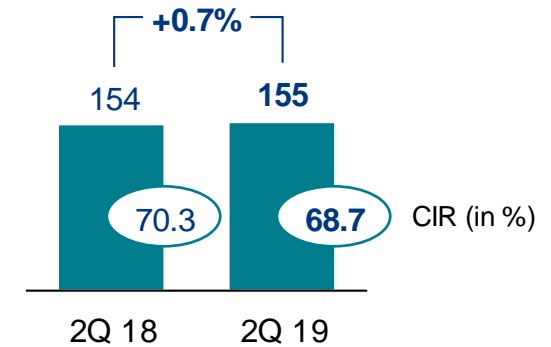
Δ 2Q 19/18

F/X impact	+77	+2	-50
2Q 19	1,672	72	-1,065
2Q 18	1,582	115	-1,045

## PIMCO



## AllianzGI



1) Including operating loss from other entities of EUR -7mn in 2Q 18 and EUR -8mn in 2Q 19



# AM: strong operating profit

## Comments

- Segment – OP up 4%**  
 Higher AuM driven revenues and favorable F/X contribute to OP increase compared with a very good previous year quarter. Adjusted for F/X, OP is nearly unchanged. 27% of FY outlook midpoint achieved in 2Q 2019.  
 CIR at 61.1% improved by 0.5%-p versus 2Q 2018.
- PIMCO – OP up 5%**  
 Increase driven by higher average 3rd party AuM and F/X. Excluding F/X, OP is stable.  
 CIR of 57.5% is nearly unchanged compared to 2Q 2018 (57.2%) despite investments in business growth.

- AllianzGI – OP stable**  
 Lower expenses compensate for lower revenues. CIR of 68.7% is below 2Q 2018 level (70.3%), mainly due to cost discipline.
- 6M 2019 – OP at 50% of FY outlook midpoint**  
 Strong 3rd party net inflows amounting to EUR 38bn. Operating profit on track to reach FY target.

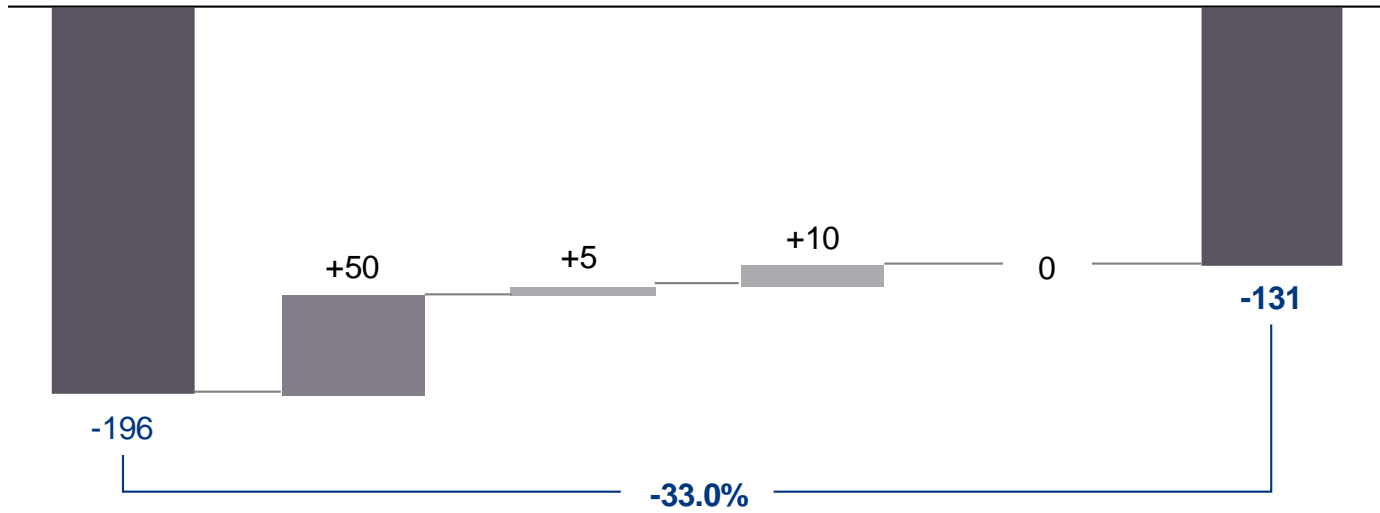
AM segment	6M 2018	6M 2019	Δ
Operating revenues (EUR mn)	3,257	3,320	+1.9%
Operating profit (EUR mn)	1,247	1,251	+0.4%
3rd party net flows (EUR bn)	+11.7	+38.1	+225%
3rd party AuM margin (bps)	40.5	39.3	-1.2bps
CIR (%)	61.7%	62.3%	+0.6%-p





# CO: performance above expectations (EUR mn)

## Operating loss development and components



Operating result 2Q 18    Holding & Treasury    Banking    Alternative Investments    Consolida- tion    Operating result 2Q 19

Δ 2Q 19/18

<b>2Q 19</b>	<b>-180</b>	<b>15</b>	<b>34</b>	<b>0</b>
2Q 18	-230	10	25	0



# CO: performance above expectations

## Comments

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- **Operating loss at 15% of FY outlook midpoint**  
Main reason for improvement is a better result from Allianz Technology and higher investment income.  
6M 2019 operating loss of EUR -0.3bn at 33% of FY outlook midpoint.



# Group: shareholders' net income grows double-digit

EUR mn	2Q 18	2Q 19	Change
Operating profit	2,997	3,159	+162
<b>Non-operating items</b>	<b>-313</b>	<b>-226</b>	<b>+87</b>
Realized gains/losses (net)	377	203	-174
Impairments (net)	-103	-80	+23
Income from financial assets and liabilities carried at fair value (net)	3	7	+5
Interest expenses from external debt	-210	-214	-4
Acquisition-related expenses	0	0	0
Restructuring and integration expenses	-124	-61	+63
Amortization of intangible assets	-258	-52	+206
Change in reserves for insurance and investment contracts (net)	3	-29	-31
<b>Income before taxes</b>	<b>2,684</b>	<b>2,933</b>	<b>+249</b>
Income taxes	-689	-668	+21
<b>Net income</b>	<b>1,995</b>	<b>2,265</b>	<b>+270</b>
Non-controlling interests	-104	-125	-21
<b>Shareholders' net income</b>	<b>1,891</b>	<b>2,140</b>	<b>+248</b>
Effective tax rate	26%	23%	-3%-p



# Group: shareholders' net income grows double-digit



## Comments

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- **Operating profit drives net income growth**  
Operating profit is up by EUR +162mn.  
In addition supported by better non-operating result (Δ EUR +87mn) and lower tax ratio (-3%-p).
- **Change in non-OP result impacted by disposals**  
Prior year result impacted by EUR -224mn from the sale of a part of the life insurance portfolio in Taiwan reflected in line item amortization of intangible assets. Lower contribution from harvesting result (Δ EUR -151mn).
- **Tax rate at good level**  
Tax rate supported by release of tax liabilities and positive impact from DTA-recognition.  
6M 2019 tax rate at 24%. Allianz Group tax rate for FY 2019 expected at the lower end of 25% - 27% range.



# 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>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.
<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.



# 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.