

# Annual General Meeting 2015

Allianz Malaysia Berhad (12428-W)

Kuala Lumpur  
09.06.2015



**Allianz** 

# Demand for poll

Article 69 provides that a poll can be demanded by:

- The Chairman of the meeting; or
- At least five (5) members present in person or proxy; or
- A member or members holding or representing by proxy or entitled to vote in respect of at least one-fifth part of the capital represented at the Meeting.

## Shareholders who have appointed Chairman as Proxy

No.	Name of Shareholders	No. of Shares	Vote For	Vote Against	Abstain
1.	DB (Malaysia) Nominee (Tempatan) Sdn Bhd	136,800	OR 1, OR 2, OR7, OR 9, OR10		OR3 to OR6, OR8
2.	AMSEC Nominees (Tempatan) Sdn Bhd Aberdeen Asset Management Sdn Bhd For Tenaga Nasional Berhad Retirement Benefit Trust Fund (FM-Aberdeen)	985,900	All		
3.	DB (Malaysia) Nominee (Asing) Sdn Bhd	231,100	All		
4.	DB (Malaysia) Nominee (Asing) Sdn Bhd	104,100	OR1 to OR9	OR10	

## Shareholders who have appointed Chairman as Proxy

No.	Name of Shareholders	No. of Shares	Vote For	Vote Against	Abstain
5.	HSBC Nominees (Asing) Sdn Bhd	13,400	OR1 – OR9	OR10	
6.	HSBC Nominees (Asing) Sdn Bhd	5,500	OR1, OR2, OR4, OR6 – OR9	OR3, OR5	
7.	HSBC Nominees (Asing) Sdn Bhd	93,200	OR1 – OR9	OR10	
8.	Citigroup Nominees (Asing) Sdn Bhd	59,200	OR1 – OR9	OR10	
9.	Citigroup Nominees (Asing) Sdn Bhd	28,800	OR1 – OR9	OR10	

## Shareholders who have appointed Chairman as Proxy

No.	Name of Shareholders	No. of Shares	Vote For	Vote Against	Abstain
10.	DB (Malaysia) Nominee (Asing) Sdn Bhd	5,600	All		
11.	Cartaban Nominees (Asing) Sdn Bhd	43,500	OR1 – OR9	OR10	

# Agenda 1 (Resolution 1)

**To receive the Audited Financial Statements for the financial year ended 31 December 2014 and the Directors' and Auditors' Reports thereon.**

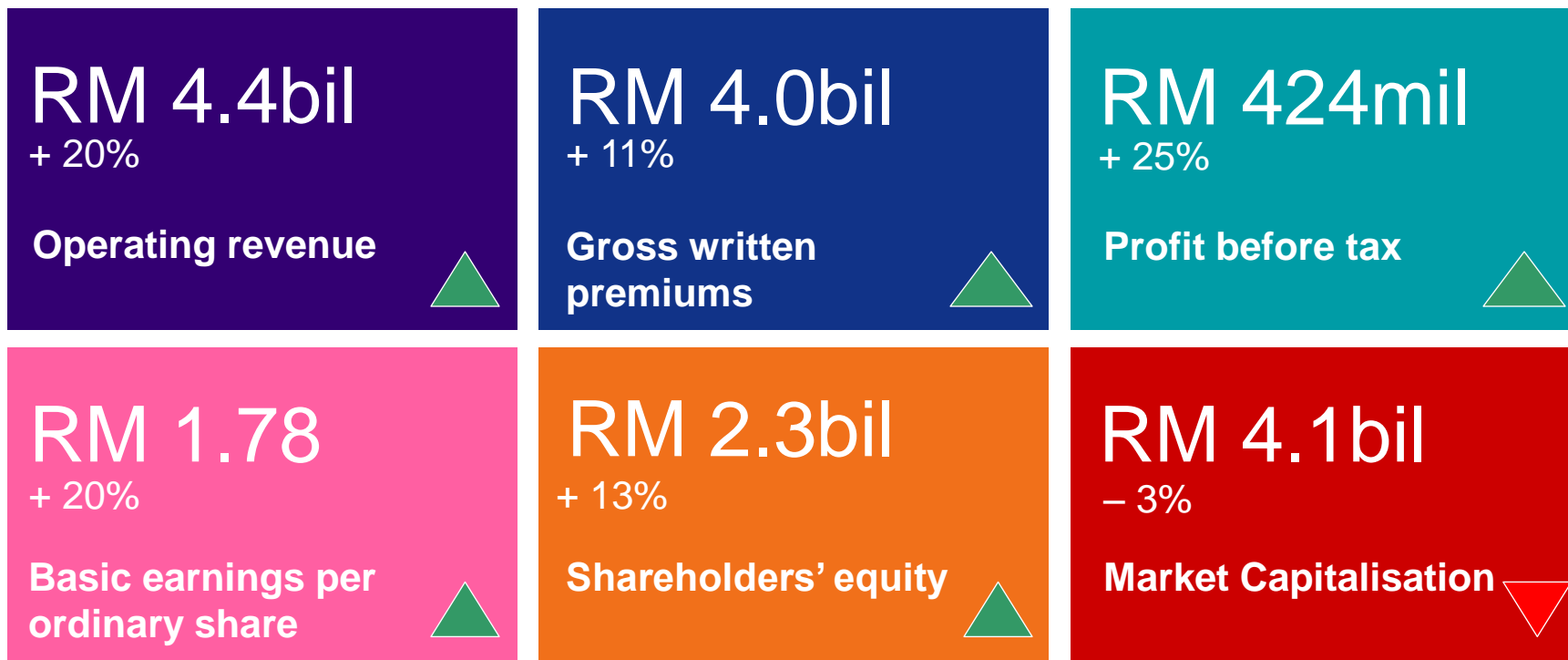


1

Allianz Malaysia  
Berhad Group

## Strong performance in 2014 driven by key business segments

### Full Year 2014



*Note:*

*All figures as per December 31, 2014*

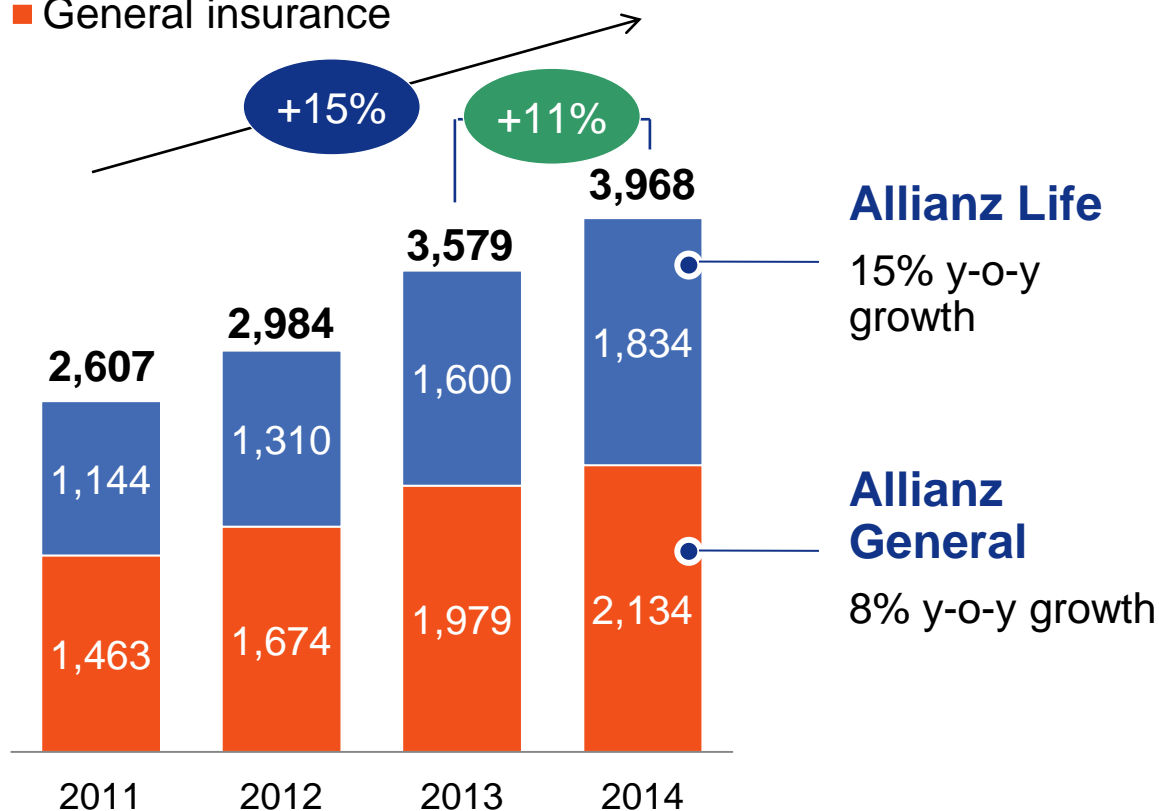
*Percentage increases compare to December 31, 2013*

# Solid sales performance in both general and life insurance businesses

Gross Written Premium (GWP) (RM 'mil)

■ Life insurance

■ General insurance



Allianz Life recorded double digit growth to maintain top 5 position, with 7.4% market share

Allianz General grew stronger than market (7.9% vs. 5.9%) maintaining its market leader position with 12.4% market share<sup>2</sup>

<sup>1</sup> Source: LIAM industry statistics Jan-Dec 2014

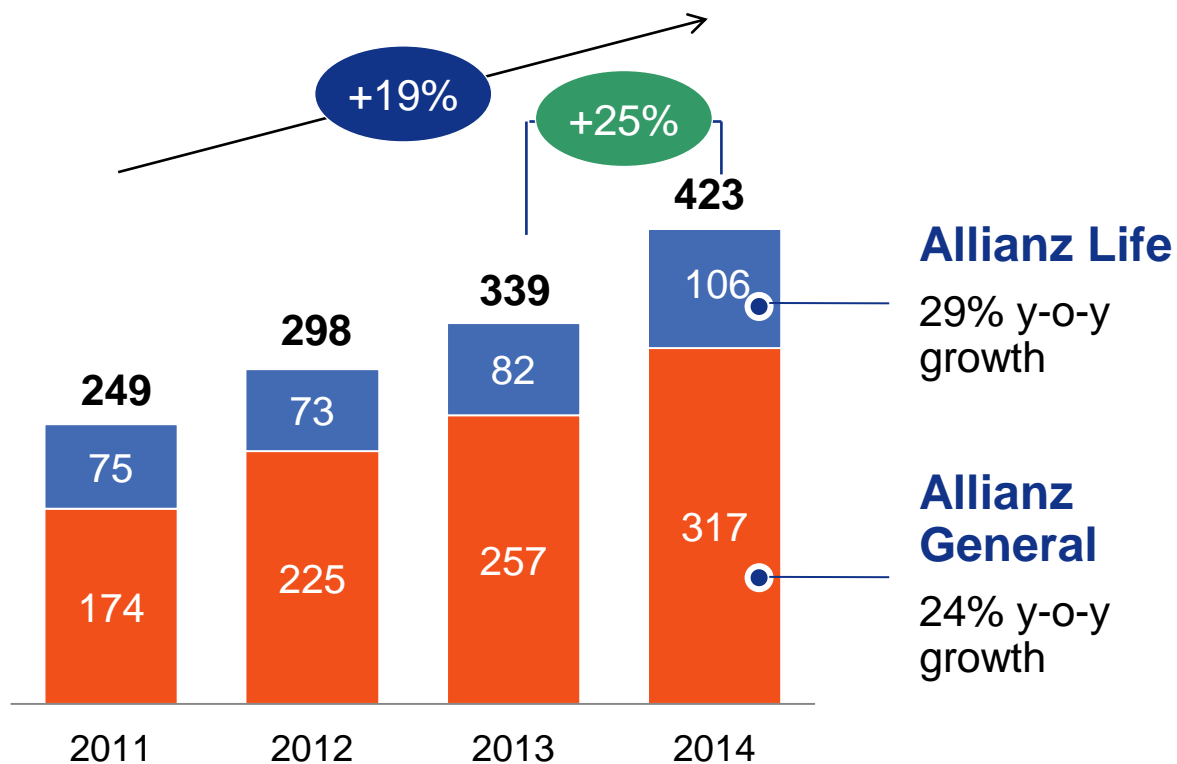
<sup>2</sup> Source: ISM Market Performance Report Jan-Dec 2014

# Record level profitability in line with top-line growth

XX% Y-o-y growth  
XX% 3-yr CAGR

Profit before tax (RM 'mil)

- Life insurance
- General insurance & holding AMB



Allianz Life's profit is driven by managing its product portfolio and sound risk management

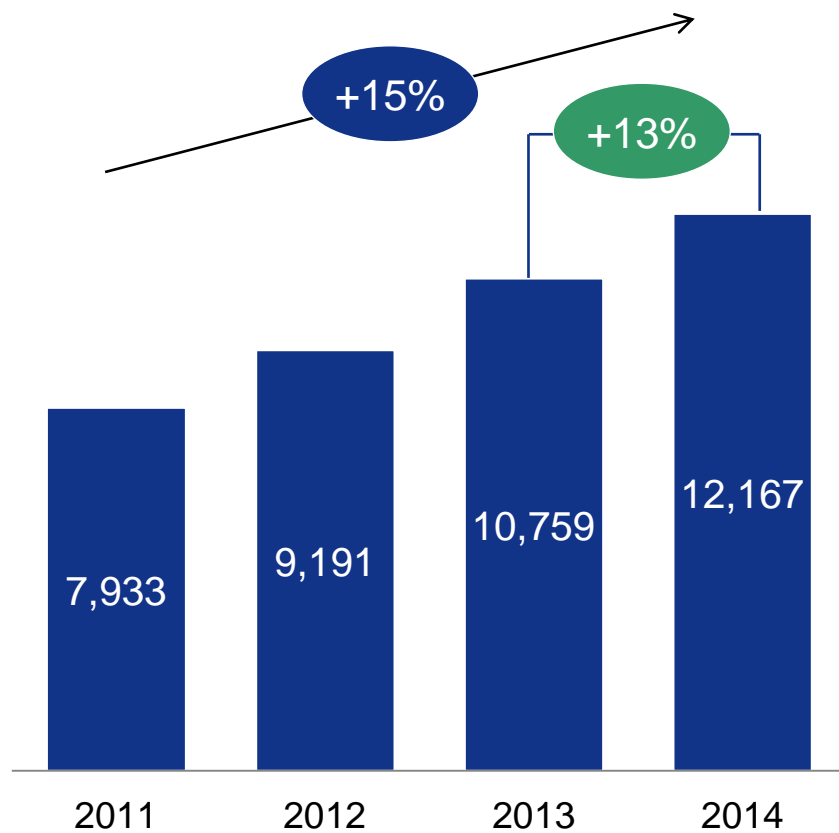
Allianz General's increase in profit is attributed to excellent underwriting results

*Note: The financial results of 2011 has been restated upon transition to Malaysian Financial Reporting Standards framework on 1 January 2012*

# Allianz Malaysia's total assets reach RM 12.2bil

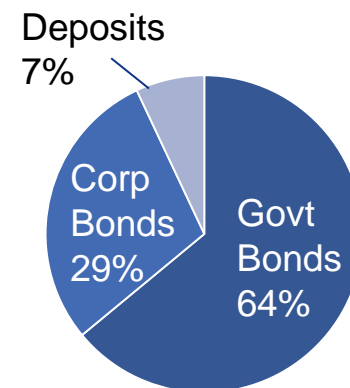
XX% Y-o-y growth  
XX% 3-yr CAGR

## Total assets (RM 'mil)

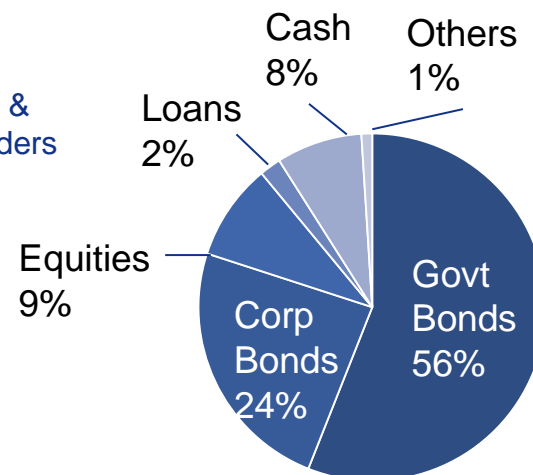


## Investment portfolio mix

### General Fund



### Life Fund & Shareholders Fund






# 2

## Life Business

## Allianz Life...

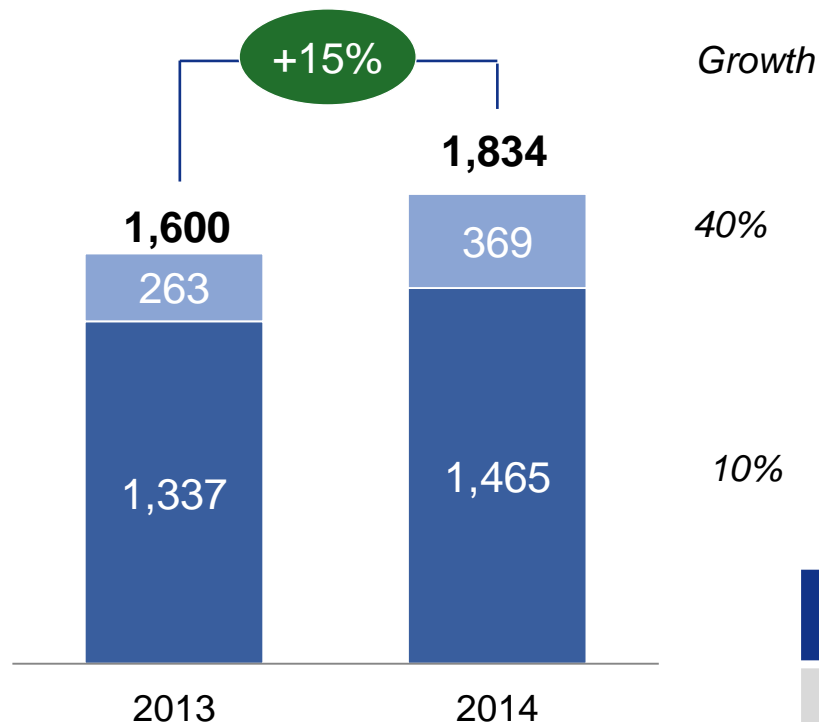
- is among the **top 5 conventional life insurers** based on Annualised New Premiums
- is **ranked 4<sup>th</sup> in investment-linked** sales
- has **over 8,700 agents** nationwide
- has an **exclusive bancassurance distribution** with **HSBC**  and is now ranked 6<sup>th</sup> (from 8<sup>th</sup> place in 2013)
- is a **top 3 player in employee benefits**
- provides **protection, retirement and education solutions** to **480,000 customers**

	Market Share	Growth 2014/2013	5-year CAGR (2009-2014)
Allianz Life	<b>7.4%</b>	<b>3.9%</b>	<b>5.8%</b>
Total market		5.5%	5.2%

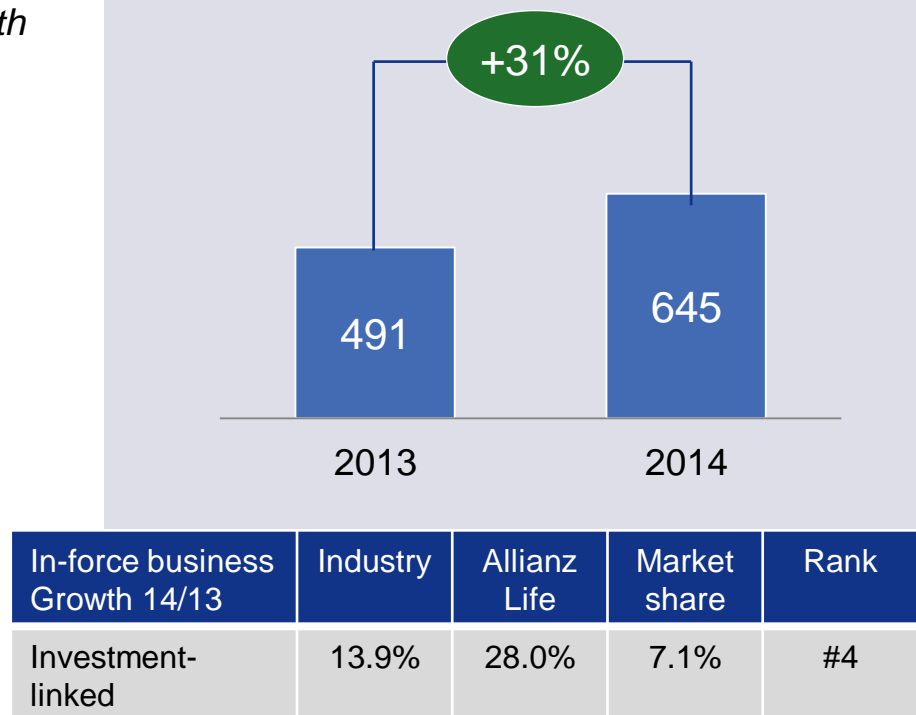
## Strong double digit growth backed by continued focus on investment-linked business

### Gross Written Premium (RM 'mil)

- Single premium
- Regular premium

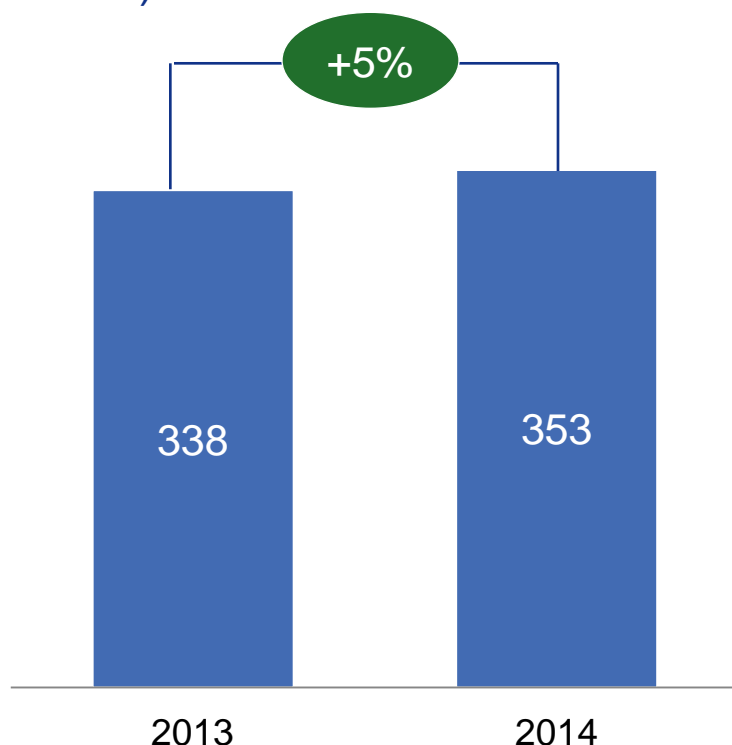


### Gross Written Premium (RM 'mil) Investment-linked business



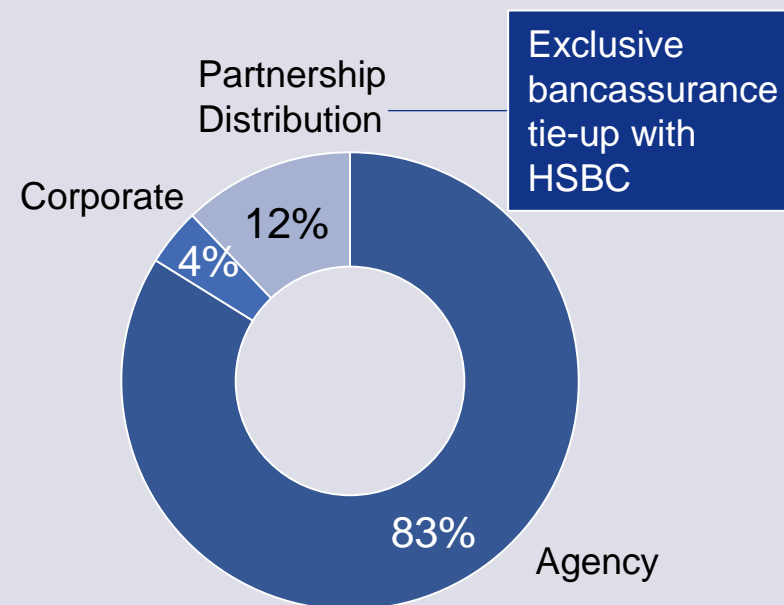
# Strengthen multi-distribution capabilities to deliver growth

## Annualised New Premium (ANP) (RM 'mil)



Note: ANP comprises all recurring premiums and 10% of single premiums

## ANP channel mix 2014

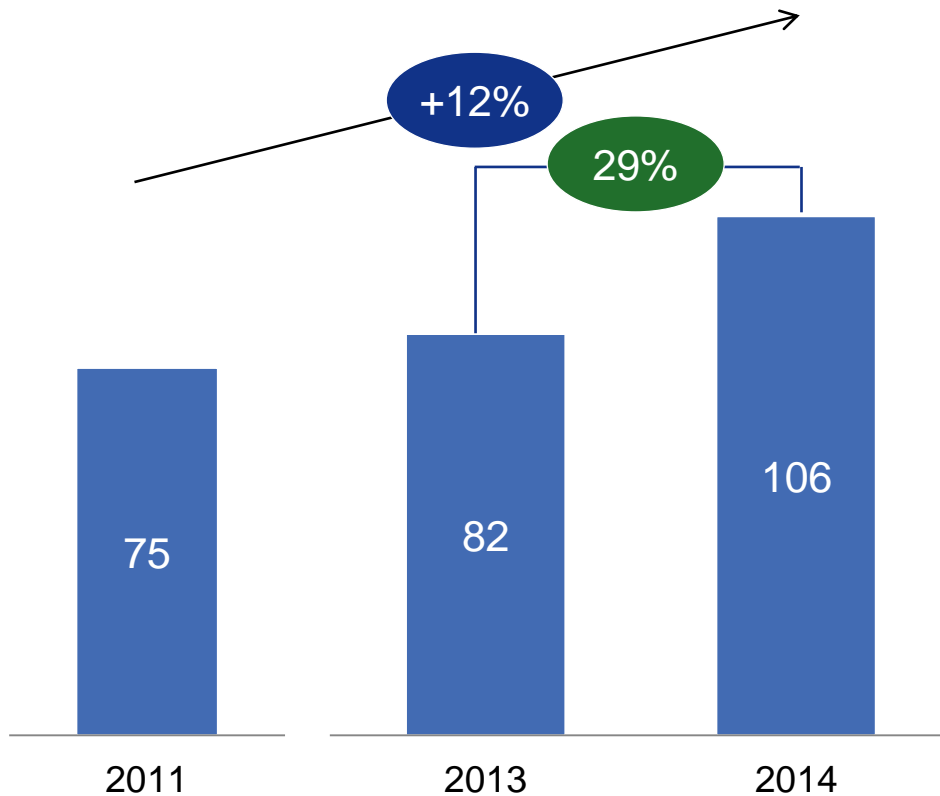


ANP Growth 14/13	Industry	Allianz Life	Market share	Rank
Agency <sup>1</sup>	0.5%	0.5%	8.2%	#5
Bancassurance <sup>2</sup>	19.1%	43.4%	6.2%	#6
Employee Benefits <sup>2</sup>	6.7%	17.3%	9.7%	#3

## Life business generated a 29% growth in Profit Before Tax

Profit before tax (RM 'mil)

XX% Y-o-y growth  
XX% 3-yr CAGR



- Focus on healthy and sustainable margins supported by disciplined pricing methodologies and sound risk management
- Focus on writing more investment-linked protection products



3

General Business

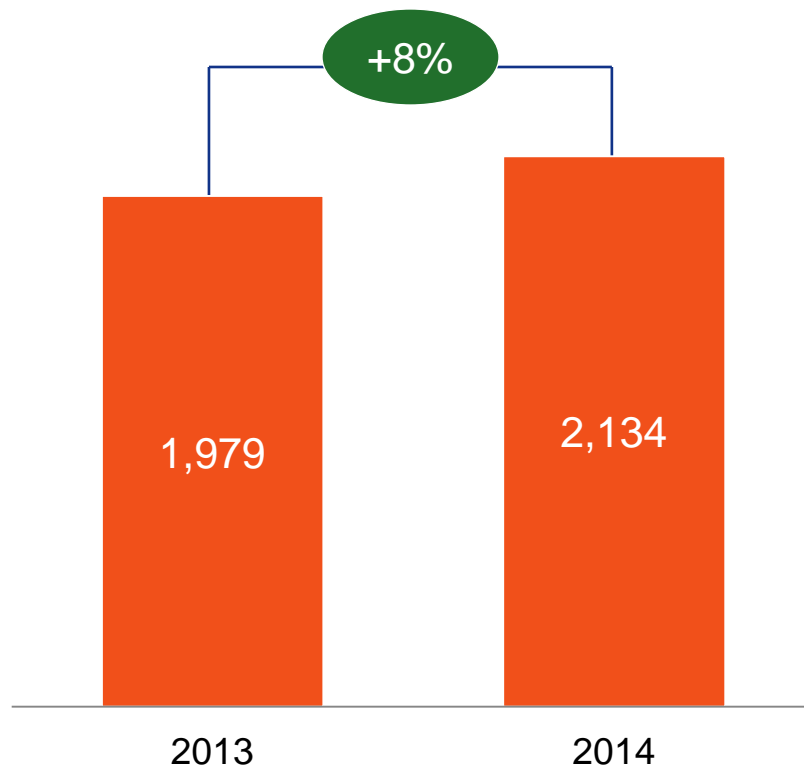
## Allianz General...

- is the **leading conventional general insurer** in Malaysia
- has **around 6,700 agents** nationwide
- has an **exclusive bancassurance distribution** with 
- has **established franchise tie-ups** with leading car manufacturers, car dealers and 
- offers general insurance solutions in motor, fire, health, personal accident, and more to **2.3 million individual and commercial customers**

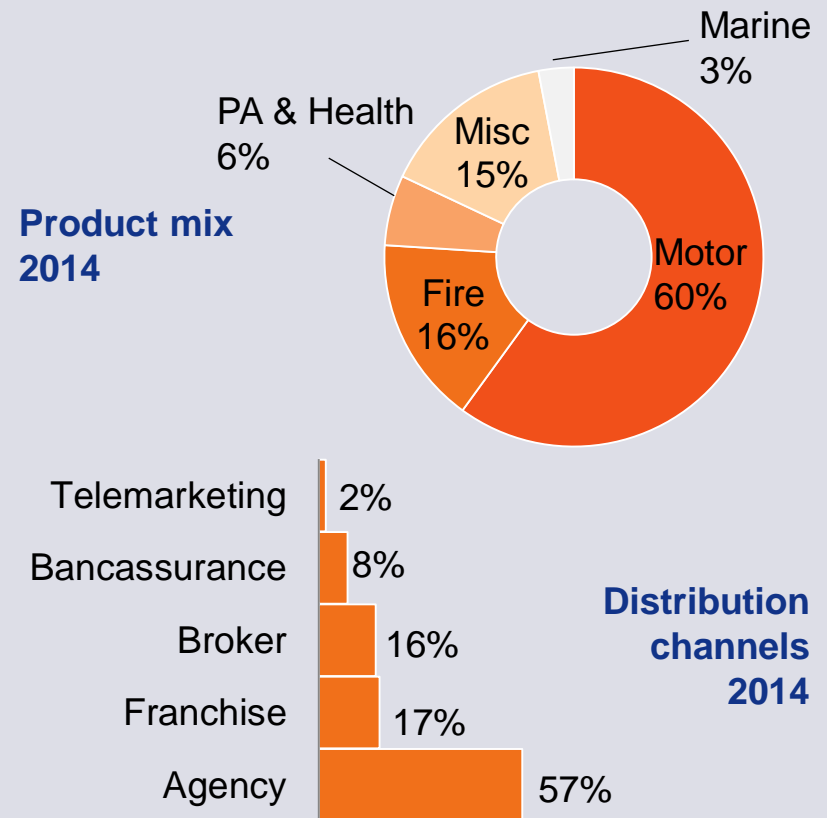
	Market Share	Growth 2014/2013	5-year CAGR (2009-2014)
Allianz General	<b>12.4%</b>	<b>7.9%</b>	<b>12.2%</b>
Total market		5.9%	7.4%

## Strong top-line growth attributed to on-going multi-distribution strategy and balanced portfolio mix

### Gross Written Premium (RM 'mil)

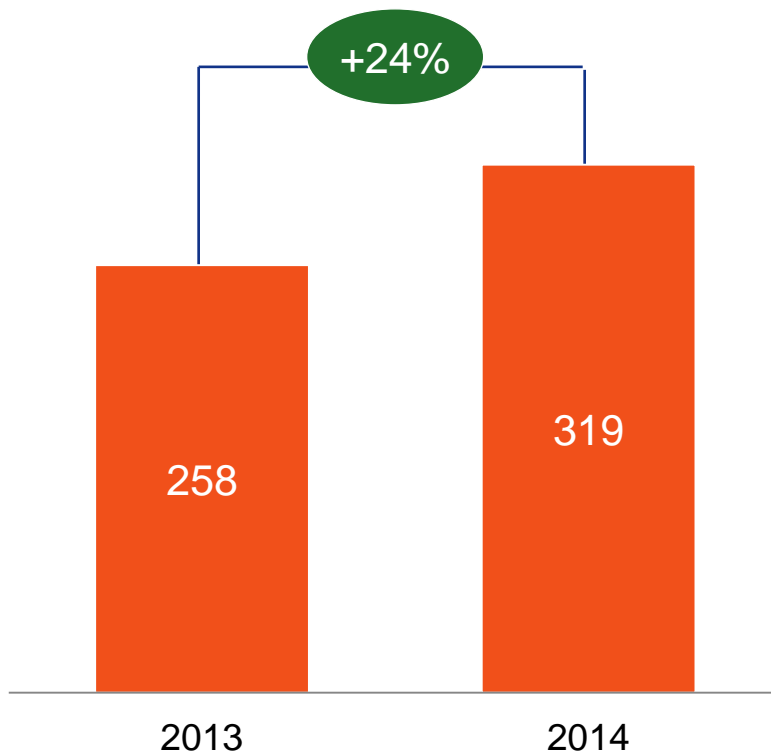


### Distribution channel and product mix

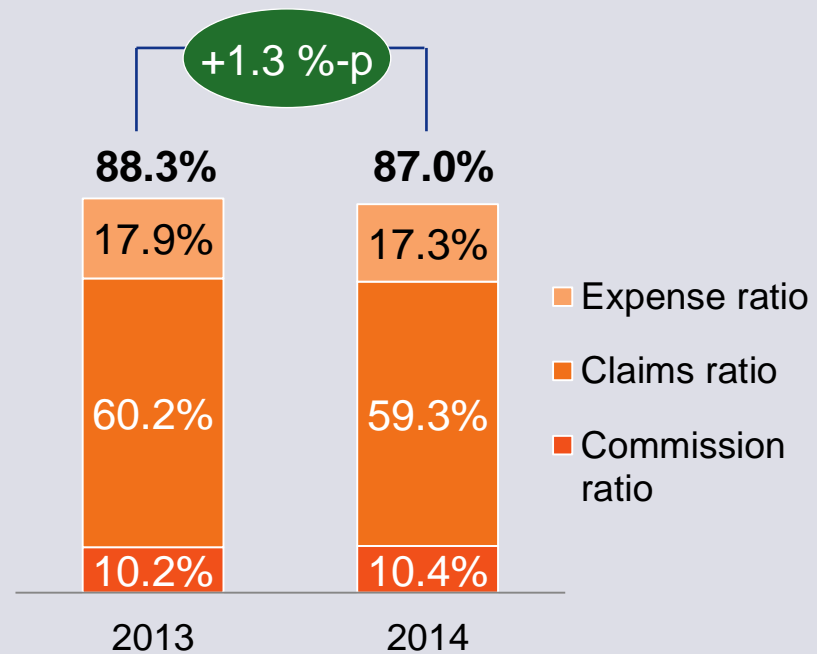


## Strong profitability and healthy combined ratios result of prudent underwriting

Profit before tax (RM 'mil)



Combined ratio (in %)





4

Strategic priorities

# We are much more than just an insurer...

## Our Vision

To be the most reliable partner, always delivering in moments of truth

## Our Mission

Insurance solutions from A-Z

## Our Five Core Values



Customer Focus



Integrity



High Performance Culture



Open Communication



Corporate Responsibility

## Our strategic priorities moving forward

### 1 Strengthen distribution & partnership

- Continue to embark on growth strategies and expand distribution reach
- Enlarge our professional agency force
- Develop and grow strategic partnerships

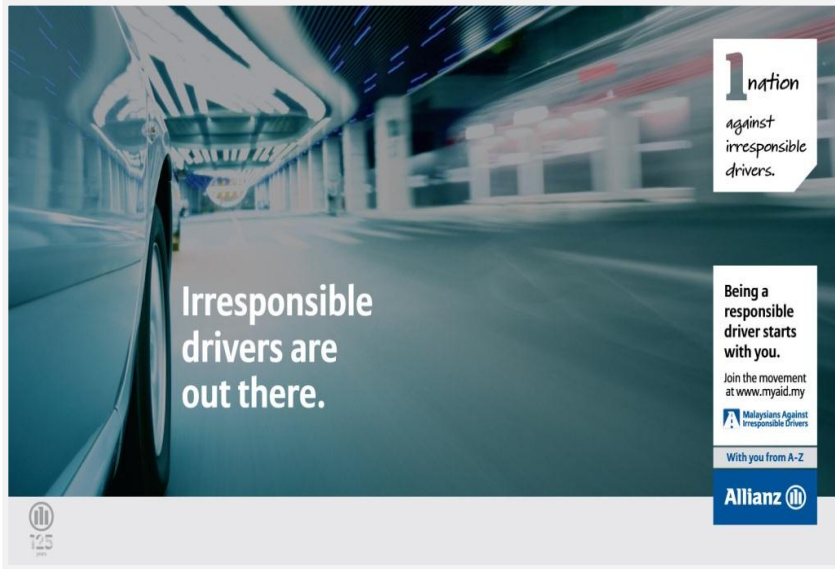
### 2 Deliver service excellence

- Improve our operational capabilities to deliver better customer service and penetrate wider market segment
- Leverage on on-going digitisation trends
- Invest in brand and customer engagement

### 3 Increase and sustain profitability

- Sustain our profit margins through better risk selection and enhanced operational efficiencies

# “Malaysians against irresponsible drivers” campaign





5

Sustainable  
Development

## Economic

Affordable products such as Allianz Booster Care and Kampungku make protection accessible

We have **253** **PANEL REPAIRERS** nationwide to serve our motor policyholders



Top 3  
'Things that Matter'

1  Health

2  Family

3  Quality Time

The Allianz Auto Assist app allows instant requests for breakdown assistance

## Environment

We achieved a **27%** reduction in CO<sub>2</sub> emissions per employee since 2006



Allocation of CO<sub>2</sub> Emissions  
in 2014



The use of digital solutions leads to cost savings, reduced paper consumption and increased efficiency

## Social

We invest in our employees' development through our Allianz Academy

In 2014, over **RM3.8 million** was spent on training and development



**93%**  of employees are proud to say that they work for Allianz

Various opportunities for engagement are open to our staff.

## Governance

Our business decisions are based on ethics and with long-term sustainability in mind

**94%**  of employees feel that Allianz shows commitment to ethical business decision and conduct



Awarded Corporate Responsibility award and Sustainability Reporting award

## Our corporate responsibility activities

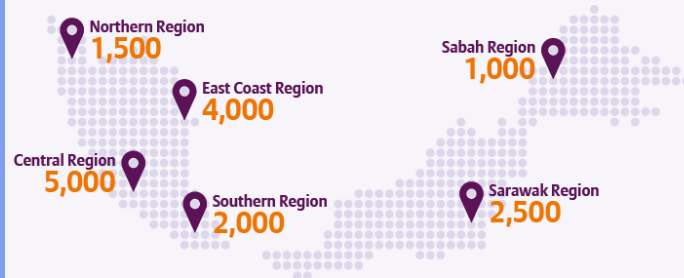


# Our corporate responsibility activities



## Road Safety

### Road Users Reached through Allianz Campaigns and Initiatives



385 Road Safety Ambassadors volunteered a total of 1,732 hours in 2014

**32**  
Initiatives



### Road Safety Items Distributed by Allianz



## Our corporate responsibility activities



### Financial Literacy



239

trained Finance Coaches helped us reach

2,041 students



### myPoket MFC

smartphone application launched to encourage tracking income and expenses

In 2014,

75% of students gave the lesson a Grade A

94% said that the lesson was fun

93% said they learned new things

87% found the materials easy to understand

86% found the materials interesting and varied



744

Volunteering  
Hours



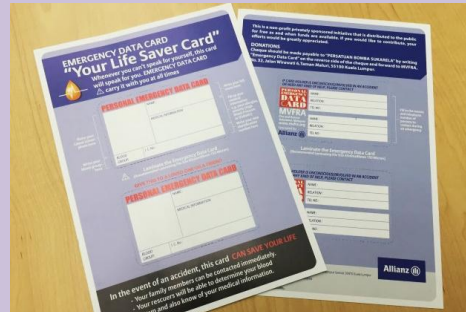
# Our corporate responsibility activities



## Community

**8,500**

Emergency Data Cards distributed in 2014



**30**

signboards displaying emergency contact numbers erected



**492**

pints of blood donated and

**163**

persons pledged their organs in conjunction with Malaysia Day



**10**

crime prevention and survival skills training sessions held for employees, agents, business partners and customers.



**768**

Desktops and

**15**

Laptops donated to schools and non-profit organisations



# East Coast flood relief initiatives

## Cleanup of SK Tebing Tinggi, Tanah Merah



## Before and After Cleanup



## East Coast flood relief initiatives

### Relief Items Donation Drive through MVFRA



### Installation of Solar Panels by Cypark



## East Coast flood relief initiatives

### Relief Item Donation Drive for Orang Asli in Gua Musang



### Relief Operation for Orang Asli Villages in Gua Musang



# Nepal earthquake relief initiatives

## Sponsorship for MVFRA's Search and Rescue Operation in Nepal



## Donation Drive Amongst Allianz Employees from 13<sup>th</sup> – 26<sup>th</sup> May 2015





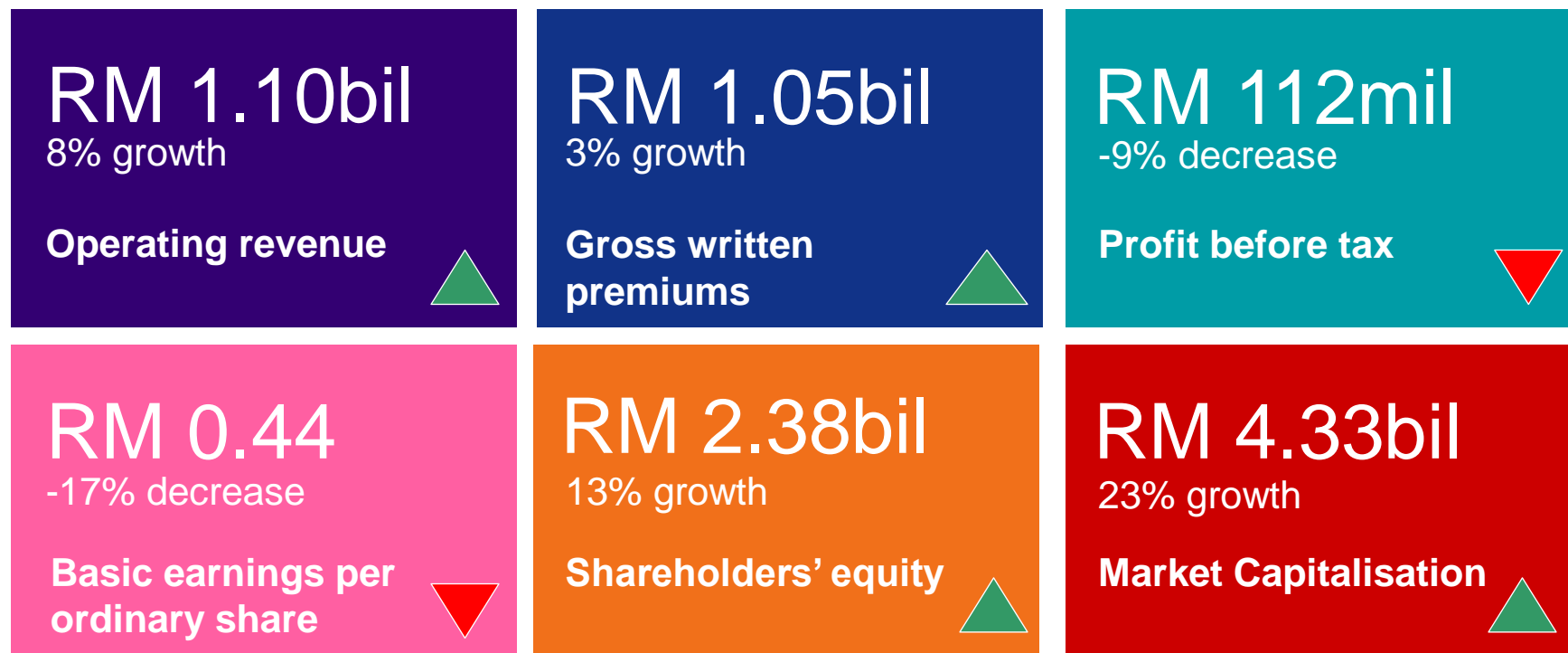
6

First Quarter 2015  
Results

# Momentum of growth affected by weakening consumer sentiment

Focus on market segments with growth opportunities

First Quarter 2015



*Note:*

*All figures as per March 31, 2015*

*Percentage increases compare to March 31, 2014*



# 7

## Dividend & Capital Requirement

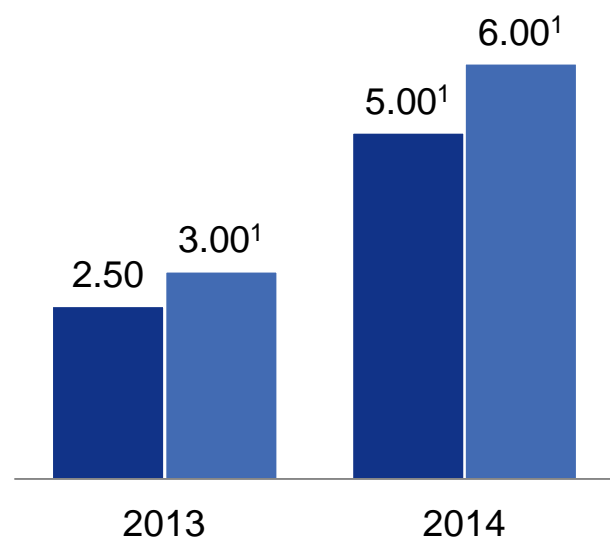
# Managing the capital required to support growth

## Restoring dividend returns to shareholders

### Dividend per share (RM sen)

■ Ordinary shares

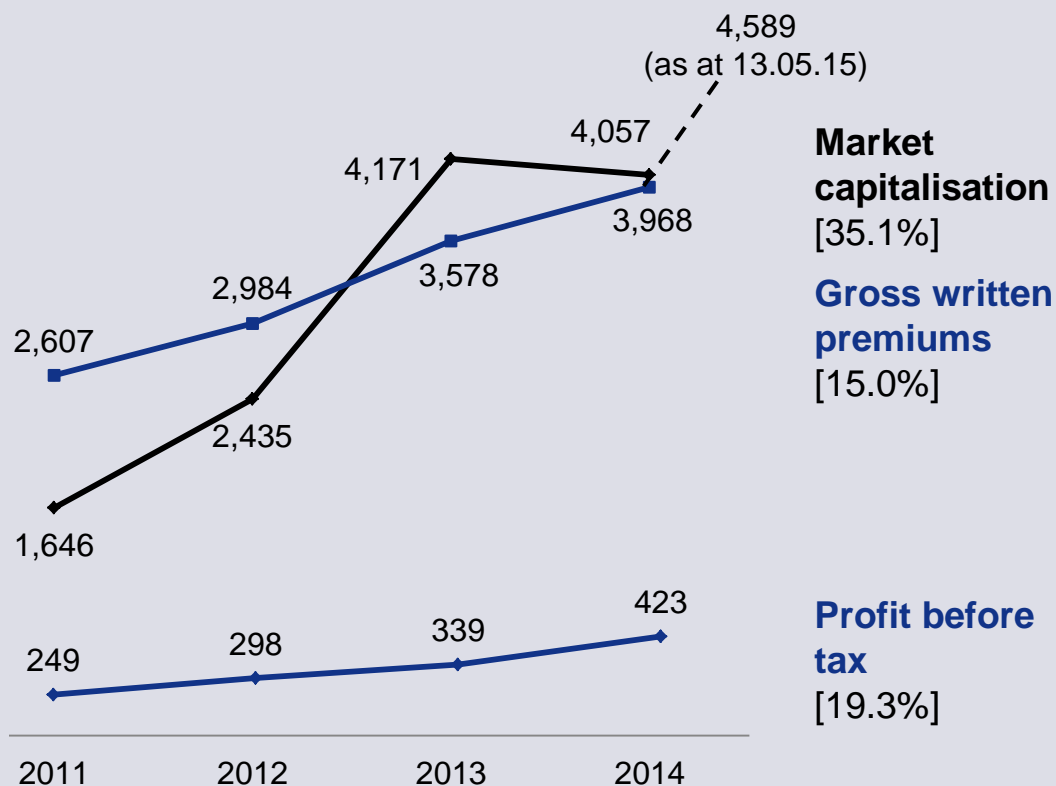
■ ICPS



<sup>1</sup> Single tier dividend

### Group performance 2011 – 2014 (RM 'mil)

[3-year CAGR 2011-2014]



# Capital retained to support new business growth

Group generated RoE of 13.7%. Create value to Group

## Gross Written Premiums

	GWP growth 2014	5-yr CAGR (2009-2014)
Allianz Life	14.6%	16.1%
Allianz General	7.9%	12.2%
Total	10.9%	13.9%

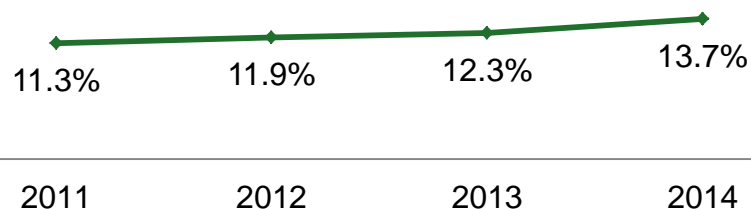
To meet regulatory solvency requirements to protect interest of policy holders

## Profit Before Tax

	PBT growth 2014	5-yr CAGR (2009-2014)
Allianz Life	28.9%	36.4%
Allianz General	23.7%	15.9%
Total	24.9%	19.1%

Regulatory capital requirements increase correspondingly with growth of insurance business

## Return on Equity



3-yr CAGR  
[+2.4%-p]

Insurance subsidiaries need to set aside sufficient capital to finance new business growth

# Annual General Meeting 2015

Allianz Malaysia Berhad (12428-W)  
Queries from the Minority  
Shareholder Watchdog Group  
("MSWG")

Kuala Lumpur  
09.06.2015



**Allianz** 

## Queries from the Minority Shareholder Watchdog Group

	Strategy and Financials
Question 1	<p>The gross general insurance claims liabilities amounted to RM2,036.9 million, an increase of RM880.6 million or 76.2% over financial year ending (“FY”) 2013 (RM1,156.3 million). Please explain the reason for the higher amount and provide breakdown of the amount by the respective class of business for the last two financial years. Despite such a significant increase, the general business segment was still able to register higher segment results (FY 2014: RM319.4 million; FY 2013: RM258.3 million). (See page 239). Please explain for the benefit of shareholders and whether the favourable results are sustainable.</p>
	<p>Answer:</p> <ul style="list-style-type: none"> <li>Amount of RM1,156.3 million was net general insurance claims liabilities for FY 2014 (refer to page 251 of Annual report) instead of FY 2013 gross general insurance claim liabilities. Below is the correct breakdown:</li> </ul>

# Queries from the Minority Shareholder Watchdog Group

## Strategy and Financials

Question 1 Answer (continued):

### General Insurance Claims Liabilities (direct and facultative)

	2014 (RM million)	2013 (RM million)	Y-o-y growth %
Gross basis	2,036.9	1,831.4	11.2%
Net basis	1,156.3	1,084.7	6.6%

- This is in line with the gross written premiums (“GWP”) growth of the general business for FY 2014 of 7.9%.
- The Group announced its first quarterly results on 27 May 2015 and the general insurance business continues to deliver profitable results.

## Queries from the Minority Shareholder Watchdog Group

	Strategy and Financials
Question 2	<p>The Group recorded 10.9% GWP growth in FY 2014 as compared to 19.9% in FY 2013. The life business recorded 14.6% growth rate while the general business recorded 7.9% growth rate. What would be the expected GWP rate and amount in the current financial year with a breakdown for the life and general businesses as well as provide the assumptions used?</p>
	<p>Answer:</p> <ul style="list-style-type: none"> <li>• Consumer sentiments are weaker due to current economic weakness and Goods and Services Tax implementation and we are monitoring the impact of slower economic growth to our top line growth.</li> <li>• The Group posted a marginal increase in GWP growth of 3.4% in the first 3 months against corresponding period of last year.</li> </ul>

## Queries from the Minority Shareholder Watchdog Group

	Strategy and Financials
Question 2	<p>Answer (continued):</p> <ul style="list-style-type: none"><li>• The life insurance subsidiary, Allianz Life Insurance Malaysia Berhad's ("ALIM") GWP grew by 8.3% while the general insurance subsidiary, Allianz General Insurance Company (Malaysia) Berhad's ("AGIC") GWP was marginally lower at 0.3% but premium growth was still above market.</li><li>• We expect the growth in 2015 for both the life insurance and general insurance market to be moderate this year.</li><li>• The Group will still aim for its top line growth to outperform the country's gross domestic product growth for the year, which is projected to grow between 4.5% to 5.5%.</li></ul>

## Queries from the Minority Shareholder Watchdog Group

	Strategy and Financials
Question 3	<p>The Group has substantial investments under the category of Designated Upon Initial Recognition (“DUIR”) amounting to RM1,703 million in FY 2014. Could the Board explain how this investment differs from the Available-for-Sale (“AFS”) and Held-For-Trading investments and how are the gains or losses from DUIR recognised in the financial accounts?</p>
	<p>Answer:</p> <ul style="list-style-type: none"> <li>• The investment under DUIR as at 31 December 2014 was RM2,030 million (page 205 of the Annual Report). These are mainly related to investments in fixed income by the life insurance subsidiary, ALIM.</li> <li>• The classification of financial assets as DUIR is intended for matching of assets and liabilities movement in the Statement of Profit or Loss.</li> </ul>

## Queries from the Minority Shareholder Watchdog Group

	Strategy and Financials
Question 3	<p>Answer (continued):</p> <ul style="list-style-type: none"><li>• For financial assets at fair value through profit or loss category, which include financial assets Held-For-Trading or financial assets that are specifically designated in this category upon initial recognition or DUIR, the investment assets are measured at fair value with the gains or losses recognised in profit or loss.</li><li>• For investments assets categorized as AFS, the investment assets are measured at fair value and gain or loss is recognised in other comprehensive income.</li></ul>

# Queries from the Minority Shareholder Watchdog Group

	Strategy and Financials												
Question 4	<p>The Group recorded a realised loss on the disposal of quoted equity securities of corporations in Malaysia amounting to RM42.5 million in FY 2014 as compared to a loss of RM4.2 million in FY 2013 as disclosed in Note 24 of the Annual Report. Could the Board explain the reason for realising such a huge loss instead of holding the securities for hope of recovery in prices?</p>												
	<p>Answer:</p> <ul style="list-style-type: none"><li>Below is the summary of the gain and loss from the disposal of quoted equity securities (Page 226 and 227 of Annual Report):</li></ul> <table><tr><th>RM million</th><th>2014</th><th>2013</th></tr><tr><td>Gain</td><td>69.1</td><td>57.8</td></tr><tr><td>Loss</td><td>(42.5)</td><td>(4.2)</td></tr><tr><td>Net</td><td>26.6</td><td>53.6</td></tr></table>	RM million	2014	2013	Gain	69.1	57.8	Loss	(42.5)	(4.2)	Net	26.6	53.6
RM million	2014	2013											
Gain	69.1	57.8											
Loss	(42.5)	(4.2)											
Net	26.6	53.6											

## Queries from the Minority Shareholder Watchdog Group

	Strategy and Financials
Question 4	<p>Answer (continued):</p> <ul style="list-style-type: none"><li>• For FY 2014, overall total equity profit still earned a net realised capital gain of RM26.6 million. Total equity return outperformed benchmark.</li><li>• The reason for realisation of loss on equity is due to our prudent risk management policy to reduce loss position and holdings which we deem a risk.</li><li>• The realisation of gains and losses of equities are driven by our view on the underlying holdings and our risk appetite.</li></ul>

## Queries from the Minority Shareholder Watchdog Group

	Strategy and Financials
Question 5	<p>The investment-linked funds recorded a loss of RM6.7 million in FY 2014 as compared to a net profit of RM55.8 million in FY 2013. The reason for the loss was attributed to lower realised gains from investments and higher fair value losses. What are the measures taken to turn around the position? With the loss from the funds, please enlighten shareholders how this would impact the investment-linked insurance?</p>
	<p>Answer:</p> <ul style="list-style-type: none"> <li>• Investment-linked funds have clear investment mandates and funds are invested in accordance to these mandates. Policyholders may opt for the investment-linked funds in accordance to their risk appetites.</li> <li>• For FY 2014, our locally managed investment-linked equity and balanced funds (equity fund, managed fund, dynamic growth fund, dana padu fund, equity income fund) outperformed their respective benchmarks by 1.3% to 3%.</li> </ul>

## Queries from the Minority Shareholder Watchdog Group

	Strategy and Financials
Question 5	<p>Answer (continued):</p> <ul style="list-style-type: none"><li>• The fair value movement was mainly due to unfavourable market conditions. However, for the first 3 months of 2015, there was a reversal in market value movement and investment-linked funds recorded a fair value gain of RM18.1 million. Net profit for the first 3 months was RM20.7 million.</li><li>• The realisation of gains and losses are driven by our view on the underlying holdings and our risk appetite.</li><li>• The Group's investment-linked products are mainly sold as insurance protection products typically with medical riders attached. There is minimum sum assured for the insurance policies if the funds have sufficient value. Policyholders are encouraged to continue payment to keep their policy in-force for insurance protection.</li></ul>

## Queries from the Minority Shareholder Watchdog Group

	Corporate Governance
Question	<p>MSWG is promoting standards of corporate governance best practices in public listed companies. In this regard, MSWG hopes the Board could address the following:-</p> <p>(1) To publish a summary of minutes of the general meetings on the Company's website to be in line with spirit of transparency and good corporate governance practices based on the ASEAN Corporate Governance Scorecard to assess the level of Corporate Governance standards of public listed companies in Malaysia.</p>
	<p>Answer:</p> <p>The minutes of the general meetings will be published on the Company's website.</p>

## Agenda 2 (Resolution 2)

**To approve the payment of Directors' fees of RM325,413 for the financial year ended 31 December 2014 (2013: RM318,212).**

## Agenda 3 (Resolution 3)

**To re-elect Mr. Foo San Kan who retires by rotation in accordance with Article 96 of the Articles of Association of the Company and being eligible, offer himself for re-election.**

## Resolution 3

### Re-election of Mr. Foo San Kan



**Mr. Foo San Kan, aged 66, Malaysian, was appointed to the Board of the Company on 25 November 2005. He is the Chairman of the Audit Committee and a member of the Risk Management Committee, Nominating Committee and Remuneration Committee of the Company.**

**Independent Non-Executive Director**

## Agenda 4 (Resolution 4)

**To re-elect Y.A.M. Tunku Zain Al-Abidin Ibni Tuanku Muhriz, who was appointed to the Board during the year and retires in accordance with Article 102 of the Articles of Association of the Company and being eligible, offers himself for re-election.**

## **Resolution 4**

### **Re-election of Y.A.M Tunku Zain Al-Abidin Ibni Tuanku Muhriz**



**Y.A.M. Tunku Zain Al-Abidin Ibni Tuanku Muhriz, 32, Malaysian, was appointed to the Board of the Company on 28 November 2014. He is a member of the Risk Management Committee and Nominating Committee of the Company.**

**Independent Non-Executive Director**

## **Agenda 5 (Resolutions 5 & 6)**

**To re-appoint the following Directors who retire in accordance with Section 129 (6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting :-**

- (a) Y. Bhg. Tan Sri Razali Bin Ismail; and**
- (b) Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy.**

## Resolution 5

### Re-appointment of Y. Bhg. Tan Sri Razali Bin Ismail



**Y. Bhg. Tan Sri Razali Bin Ismail, aged 76, Malaysian, was appointed to the Board of the Company on 25 September 2001. He is a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company.**

**Chairman – Independent Non-Executive Director**

## **Resolution 6**

### **Re-election of Y. Bhg. Dato' Dr. Thillainathan A/L Ramasamy**



**Y. Bhg. Dato' Dr. Thillainathan a/l Ramasamy, aged 70, Malaysian, was appointed to the Board of the Company on 24 June 2011. He is the Chairman of the Risk Management Committee and a member of the Audit Committee and Nominating Committee of the Company.**

**Independent Non-Executive Director**

## Agenda 6 (Resolution 7)

**To re-appoint Messrs KPMG as Auditors of the Company for the financial year ending 31 December 2015 and to authorise the Directors to fix their remuneration.**

# Agenda 7 (Resolution 8)

## **Continuation in Office as Independent Non-Executive Director**

**“THAT approval be and is hereby given to Mr. Foo San Kan, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company.”**

## **Resolution 8**

### **Mr. Foo San Kan – Continuation in Office as Independent Non-Executive Director**



**Mr. Foo San Kan, aged 66, Malaysian, was appointed to the Board of the Company on 25 November 2005. He is the Chairman of the Audit Committee and a member of the Risk Management Committee, Nominating Committee and Remuneration Committee of the Company.**

**He has served more than nine years as an Independent Non-Executive Director of the Company.**

**Independent Non-Executive Director**

# Agenda 8 (Resolution 9)

**Proposed Shareholders' Mandate for  
Recurrent Related Party Transactions of a  
Revenue or Trading Nature with Allianz SE  
Group**

# Agenda 9 (Resolution 10)

**Proposed Shareholders' Mandate for  
Recurrent Related Party Transactions of a  
Revenue or Trading Nature with Shook Lin  
& Bok**

**Any other business**

**If you have any further question,  
please drop your question into  
the enquiry box at the registration  
counter.**

**We will endeavor to reply you  
within 7 working days.**

# Thank you



# Disclaimer

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

## Cautionary Note Regarding Forward-Looking Statements

The statements contained herein may include 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 that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Allianz Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency

levels, (vi) the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (ix) changing levels of competition, (x) changes in laws and regulations, including monetary convergence and the European Monetary Union, (xi) changes in the policies of central banks and/or foreign governments, (xii) the impact of acquisitions, including related integration issues, (xiii) reorganization measures, and (xiv) 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. The company assumes no obligation to update any forward-looking statement.

### **No duty to update.**

The company assumes no obligation to update any information contained herein.