ECONOMIC RESEARCH & CORPORATE DEVELOPMENT

Forecast Update

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} MACROECONOMICS } FINANCIAL MARKETS } ECONOMIC POLICY } SECTORS

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Forecast Update

USA

- Weak first quarter
- Government spending on the decline
- Considerable uncertainty surrounding fiscal policy

After the economy got back into stride in the closing quarter of 2010 with annualized growth of 3.1%, the indicators for the first three months of 2011 are sending out very mixed signals. Based on a very positive assessment of incoming orders, both the purchasing managers' index for the manufacturing industry and the index for the wider service sector, for example, have rallied to new highs for the current cycle, signaling above-average growth. By contrast, the demand-side indicators available to date suggest that the pace of growth has tapered off to somewhere in the range of 1½% - 2% (annualized). The more subdued consumer economy would appear to be the result of the marked increase in gasoline prices. The oil price hike has more or less canceled out the favorable impact on real private household income from the net tax relief passed in December. What is more, adverse weather conditions have had a negative impact on construction activity. This means that this quarter could see catch-up effects in the construction sector.

All in all, the portents for the rest of the year are mixed. The economic policy debate is focusing increasingly on public spending cuts. Given split majorities in the two houses of Congress, it is generally proving difficult to reach a consensus on draft legislation. The fate of federal budget financing for the rest of the current fiscal year was sealed only recently thanks to the latest budget compromise. The agreement involves spending cuts to the tune of around USD 40bn, a small portion of which will be implemented this year. This, coupled with the ongoing consolidation efforts at state and municipal authority level in particular, suggests that government spending will fall this year.

By contrast, the conditions for solid private demand appear to be positive in general. The manufacturing sector is positive as regards incoming orders from abroad, which have, on average, climbed towards the sort of highs seen in the late 1980s in recent months. This trend will certainly be bolstered by the low real external value of the US dollar, which was recently down by 15% on its long-term average. Given favorable unit sales prospects, the outlook for sustained brisk activity in equipment investment is bright, especially given the need for modernization. What is more, leading indicators are pointing towards an end to the downturn in the commercial construction segment and to sustained job creation. With a financing surplus corresponding to around 5% of their disposable income, private households can now forge ahead with efforts to improve the state of their household balance sheets, laying a more solid foundation for a continued upward trend in consumer spending. In an environment characterized by increased risks and against the backdrop of low inventory levels, improved loan availability and a need for both consumers and corporate investment to catch up, we believe that a continued, albeit moderate, recovery is on the cards for this year. All in all, the US economy is expected to

achieve average growth of 2.6% for the year as a whole.

Among the risks hanging over future economic development is the ongoing uncertainty surrounding future fiscal policy. Following the tug-of-war over the current federal budget, the government and Congress now have to make a decision on raising the ceiling on government debt over the next few weeks. The negotiations are likely to focus on the concepts for a medium-term budget consolidation strategy. One of the main bones of contention between the Democrats and the Republicans is the extent to which revenue increases should help reduce the deficit. According to calculations by the US Treasury Department, the current debt ceiling of around USD 14.3 trillion is likely to have been reached by mid-May, or by the beginning of July at the latest. If no agreement can be reached, the existing budget gap, which corresponds to just shy of 10% of GDP, would have to be closed immediately. There is no doubt that such a move would plunge the US economy back into recession. Although, faced with the above, the parties are likely to be able to broker another compromise, the lengthy debate and "eleventh-hour" agreement that is likely to dominate the next few months could trigger unrest on the financial markets, which would have a negative impact on the economy as a whole. By way of example, the fact that the auctions for government bonds that have been announced may have to be postponed, or even cancelled completely, could push risk premiums on government bonds up, putting the dollar under undue pressure. The decision taken by Standard & Poor's to revise its long-term rating outlook to negative sends out a clear message to policymakers to quickly find common ground regarding a plausible medium-term budget consolidation strategy.

USA: Economic indicators and forecasts*

		2010				2011				2012						
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2010	2011p	2012p
GDP real		3.7	1.7	2.6	3.1	2.0	2.9	2.6	2.5	2.2	2.7	2.6	2.7	2.9	2.6	2.5
Private consumption		1.9	2.2	2.4	4.0	2.2	2.6	1.8	1.9	2.1	2.4	2.5	2.4	1.7	2.6	2.2
Fixed investment		3.4	18.9	1.5	6.8	1.1	9.5	9.1	9.5	5.7	4.9	4.7	4.9	3.9	6.3	6.7
Inventory change	USD bn	44	69	121	16	51	58	64	64	44	49	49	54	62.6	59.3	49.0
Government spending		-1.6	3.9	3.9	-1.7	-1.4	-2.0	-1.0	-0.6	-0.8	-0.8	-0.8	-0.8	1.0	-0.5	-0.9
Gross domestic demand		3.9	5.2	4.1	0.1	2.4	2.8	2.3	2.4	1.5	2.3	2.2	2.3	3.2	2.4	2.1
Exports		11.4	9.1	6.7	8.6	6.3	5.5	7.9	6.2	8.7	7.8	7.4	7.4	11.7	7.0	7.5
Imports		11.2	33.5	16.8	-12.6	8.2	3.9	4.9	4.7	3.0	4.1	4.1	4.1	12.6	4.8	4.0
Net exports	USD bn	-338.4	-449.0	-505.0	-397.7	-413.4	-410.3	-402.6	-400.5	-378.9	-365.9	-354.4	-342.4	-422.5	-406.7	-360.4
Industrial production		8.1	7.1	6.7	3.2	6.0	3.7	3.0	3.0	3.7	3.2	3.5	3.5	5.3	4.6	3.3
Unemployment rate	%	9.7	9.6	9.6	9.6	8.9	8.9	8.8	8.7	8.7	8.6	8.5	8.5	9.6	8.8	8.6
		0.0	0.0	0.0	0.0											
Consumer prices		1.3	-0.5	1.4	2.6	5.2	2.9	1.3	1.8	2.0	2.0	2.1	2.4	1.6	2.8	2.0
Producer prices		7.4	-0.5	0.9	7.2	12.6	4.9	1.3	1.8	2.0	2.0	2.1	2.4	4.1	5.7	2.1
		0.0	0.0	0.0	0.0											
Current account balance	USD bn	-108.7	-122.7	-125.5	-113	-127	-128	-127	-127	-122	-119	-117	-115	-470	-508	-473
	% of GDP	-3.0	-3.4	-3.4	-3.0	-3.4	-3.4	-3.3	-3.3	-3.1	-3.0	-2.9	-2.8	-3.2	-3.3	-3.0
Federal budget	FY, USD bn													-1294	-1425	-1150
	% of GDP													-8.9	-9.4	-7.3
3-month money market rate **)	%	0.3	0.5	0.3	0.3	0.3	0.4	0.7	1.0	1.2	1.5	1.6	1.8	0.3	0.6	1.5
10-year treasury yield **)	%	3.8	2.9	2.5	3.3	3.5	3.5	3.6	3.8	3.8	3.9	4.0	4.0	3.2	3.6	3.9
Exchange rate **)	USD per EUR	1.35	1.23	1.36	1.34	1.42	1.40	1.42	1.45	1.45	1.45	1.45	1.45	1.33	1.41	1.45

*) Percent change over previous period, seasonally adjusted annual rates, except where noted; **) End of quarter, yearly average.

f = forecast.

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EUROZONE

- Solid economic growth in the first quarter of 2011
- Growth differentials in the eurozone are narrowing slightly
- ECB starts a gradual retreat from its ultra-loose interest rate policy

Moderate economic recovery continues in the eurozone

With quarterly growth rates of between 0.3% and 0.4% in the second half of 2010, the eurozone economy remained on the growth path, expanding by a total of 1.7% in 2010 as a whole. Despite the damper placed on the economy by the consolidation requirements exposed by the sovereign debt crisis in a number of member states, the moderate economic recovery is expected to continue in the period covered by our forecast.

The latest economic data and survey results signal solid growth to the tune of 0.5%-0.6% in a quarter-on-quarter comparison in the first three months of 2011. The purchasing managers' index (PMI) for the service industry, for example, climbed to 57.2 points in March (February: 56.8 points), the highest level seen since August 2007. This means that the largest economic sector in the eurozone witnessed unexpectedly strong business expansion. At the same time, however, the purchasing managers' indices reflect varied growth prospects: while German and French service providers led the field yet again, developments in the Italian service sector were less robust, despite a recovery. In Ireland, business activity tapered off considerably, while in Spain, the index even slid below the 50-point expansion threshold.

The structural reforms that have been initiated should help narrow the growth gap in the euro area both this year and, in particular, next year. On balance, we believe that the economic recovery will continue in the euro area. Following real GDP growth of 1.6% this year, we predict growth to the tune of 1.7% next year. Economic growth in the eurozone is expected to rest on several pillars:

Exports will benefit from what is likely to be a continuation of solid global trade. In addition to export demand, private domestic demand is expected to make an increasing contribution to GDP, helped along by ECB monetary policy that will remain accommodative, even if it can no longer be labeled ultra-loose. In February, for example, seasonally adjusted industrial production (excluding the construction sector) was up by 0.4% on the previous month and by 7.3% on a year earlier. In addition, corporate sector surveys for the euro area manufacturing industry show that the shortage of equipment has become an increasingly important factor curbing production growth. A solid increase in equipment investment therefore looks likely. Even though the sales volume in the eurozone's retail sector were weaker than expected in February – retail sales were down by 0.1% on the previous month (having risen by 0.2% in January) – private consumption is expected to be boosted by slight improvements on the labor market. However, private consumption could well come under pressure due to rising inflation and the associated loss of purchasing power. Rising energy and food prices are likely to mean that consumer price inflation will consistently linger above the 2% mark this year. In the first quarter of 2011 alone, the HICP inflation rate was up by 2.5% on the same quarter of the previous year. The price pressure resulting from the increase in commodity prices is also visible upstream in the production process: compared with a

year earlier, producer prices were up by a hefty 6.6%, the highest level seen since September 2008.

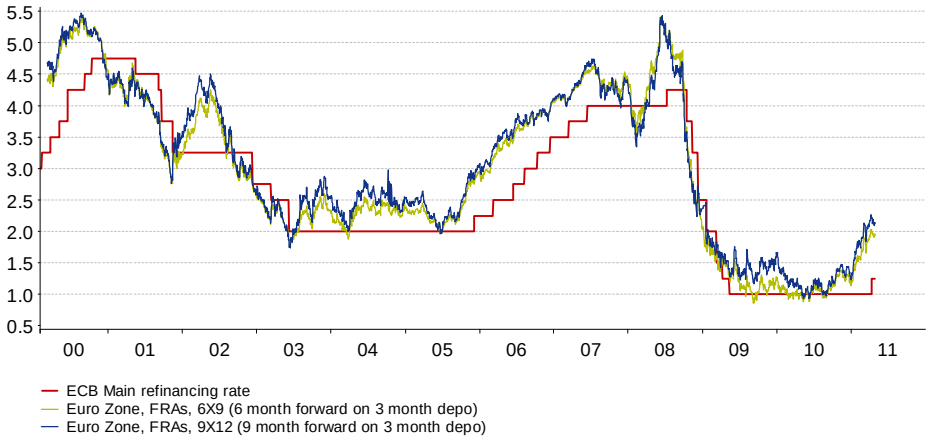
Provided that long-term inflation expectations do not become disanchored, the recent increase in commodity prices is likely to remain a temporary phenomenon. Looking at 2011 as a whole, we expect to see an annual average inflation rate of 2.3%, with inflationary pressure in the euro area easing the following year (1.8%).

ECB launches a gradual rate hike cycle

A sustained rise in inflation expectations can be accompanied by high wage agreements and, as a result, further price increases – a phenomenon known as second-round effects. The implicit inflation expectations in the eurozone recently started to edge up: five and ten-year break-even inflation rates had climbed by 35-65 basis points compared with early January to 2.2%-2.3%.

Money market futures prices reflect expectation of several rate hikes

EMU: ECB key rate and forward rates



Given the mounting risks to medium-term price stability, the ECB's Governing Council decided, at its most recent meeting held on April 7, to lift the interest rate on the deposit facility, the minimum bid rate on the main refinancing operations and the interest rate on the marginal lending facility by 25 basis points in each case. At the press conference, Jean-Claude Trichet also signaled that this first interest rate hike would be followed by further hikes in the course of the year (stance of monetary policy remains "accommodative", inflationary risks will be monitored "very closely"). On the interbank market, three-month forward rates actually reflect expectations of up to four interest rate hikes of 25 basis points in each case.

We expect the ECB to move away from its ultra-loose interest rate policy very gradually and do not predict any further rate hikes in the immediate future. We expect to see key rates of 1.5% in the euro area by the end of 2011 and 2.0% by the end of next year. Even if the ECB does implement two or three further rate hikes as this year progresses, the short-term real interest rate is likely to remain negative – this sort of interest rate level would not put a damper on economic growth.

Concerns that the tightening of the monetary policy reins will exacerbate the crisis facing the eurozone banking system are likely to prove exaggerated. Irish and Portuguese

banks, in particular, rely on the ECB for liquidity. Since the central bank can set its liquidity policy course independently of its interest rate policy by executing corresponding mopping-up operations, the eurozone banking system will continue to enjoy a generous supply of central bank funds for the time being (unlimited allocation for open market operations). It was with this in mind that the ECB had already made its decisions for the second quarter at the last Governing Council meeting in March.

While unconventional monetary policy measures, such as full allocation, played a major role in helping to stabilize the financial sector during the financial market turbulence and cushioning the blow of any negative impact on the real economy, they could come hand-in-hand with side effects that are not to be underestimated in the longer term. A belated departure from the generous liquidity supply system would not only stand in the way of the necessary restructuring of the eurozone banking system, it would also make it more difficult for the ECB to control short-term money market rates. Exceptional measures are not the sort of drugs designed for long-term treatment. Consequently, the central bank is likely to start reining in its unconventional monetary policy at an appropriate pace, as soon as the interbank money markets start to settle down.

Euro area: Economic indicators and forecasts*

		2009				2010				2011				2012							
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2009	2010	2011f	2012f
GDP real		-2.5	-0.2	0.4	0.2	0.4	1.0	0.4	0.3	*0.5*	*0.3*	*0.3*	*0.4*	*0.4*	*0.5*	*0.5*	0.5	-4.1	1.7	*1.6*	*1.7*
Private consumption		-0.1	0.0	-0.2	0.3	0.3	0.2	0.2	0.4	*0.3*	*0.2*	*0.3*	*0.3*	*0.3*	*0.3*	*0.4*	*0.4*	-0.6	0.8	*1.1*	*1.3*
Government spending		1.1	0.6	0.5	0.0	-0.1	0.2	0.4	0.1	*-0.1*	*-0.1*	*0.0*	*0.1*	*0.1*	*0.2*	*0.2*	*0.2*	2.9	0.7	*0.2*	*0.4*
Investment		-4.6	-2.2	-1.3	-1.1	-0.2	2.1	-0.2	-0.5	*0.9*	*0.8*	*0.7*	*0.7*	*0.7*	*0.7*	*0.8*	*0.8*	-10.7	-1.0	*2.0*	*2.9*
Exports		-7.8	-1.0	2.7	2.2	3.0	4.5	2.1	*1.5*	*1.6*	*1.5*	*1.4*	*1.4*	*1.5*	*1.5*	*1.5*	*1.5*	-12.2	10.9	*7.2*	*6.0*
Imports		-5.9	-2.8	1.8	1.1	3.6	4.2	1.5	*1.0*	*1.1*	*1.2*	*1.3*	*1.3*	*1.3*	*1.3*	*1.4*	*1.4*	-10.8	9.0	*5.5*	*5.3*
Industrial production (excl. construction)		-9.2	-1.7	2.8	1.0	2.5	2.4	1.1	1.8	*0.8*	*0.7*	*0.9*	*0.9*	*0.8*	*0.7*	*0.9*	*1.0*	-14.9	7.2	*4.6*	*3.4*
Unemployment rate	%	8.9	9.4	9.7	9.9	10.0	10.0	10.0	10.0	*9.9*	*9.9*	*9.9*	*9.8*	*9.8*	*9.7*	*9.6*	*9.6*	9.5	10.0	*9.9*	*9.7*
Consumer prices	y-o-y	1.0	0.2	-0.4	0.4	1.2	1.6	1.7	2.0	*2.5*	*2.5*	*2.3*	*2.1*	*1.8*	*1.7*	*1.8*	*1.9*	0.3	1.6	*2.3*	*1.8*
Producer prices	y-o-y	-2.0	-5.8	-7.9	-4.6	-0.1	3.0	4.0	4.7	*6.2*	*5.1*	*4.7*	*4.0*	*2.1*	*2.3*	*2.7*	*3.2*	-5.1	2.9	*5.0*	*2.6*
Current account balance	EUR bn, nsa	-19.9	-13.5	-8.6	-9.8	-2.1	-6.8	-14.4	-32.6	*-1.8*	*-0.3*	*1.3*	*3.1*	*3.2*	*3.3*	*3.5*	*3.6*	-51.7	-55.9	*2.4*	*13.5*
	% of GDP																	-0.6	-0.6	*0.0*	*0.1*
Budget balance	% of GDP																	-6.3	-6.3	*-4.6*	*-3.9*
3m money market rate**)	%	1.5	1.1	0.8	0.7	0.6	0.8	0.9	1.0	*1.2*	*1.4*	*1.5*	*1.6*	*1.7*	*1.8*	*1.9*	*2.1*	1.2	0.8	*1.4*	*1.9*
10yr gov. bond yield***)	%	3.0	3.4	3.2	3.4	3.1	2.6	2.3	3.0	*3.4*	*3.4*	*3.5*	*3.7*	*3.6*	*3.7*	*3.8*	*3.9*	3.3	2.8	*3.5*	*3.8*
Exchange rate**)	USD per EUR	1.33	1.41	1.46	1.44	1.35	1.23	1.36	1.34	*1.42*	*1.40*	*1.42*	*1.45*	*1.45*	*1.45*	*1.45*	*1.45*	1.39	1.33	*1.41*	*1.45*

*) quarterly values: percentage change over previous period, seasonally adjusted, except where noted; annual GDP not adjusted; foreign trade incl. intra-trade.
) end of quarter, yearly average. *) Germany as benchmark; end of quarter, yearly average.

f = forecast.

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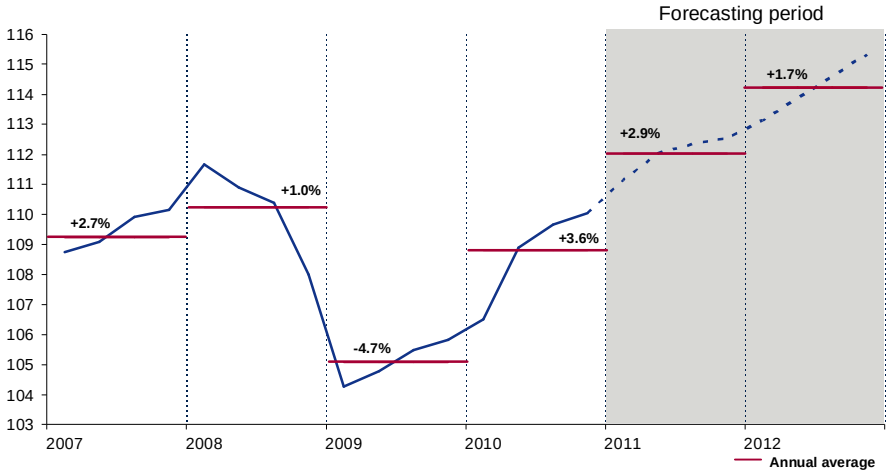
GERMANY

- Strong economic growth in the first quarter of 2011 (+1% q-o-q)
- Less dynamic development as the year progresses
- Marked losses in purchasing power due to higher oil prices

The German economy, which returned growth of only 0.4% quarter-on-quarter in the fourth quarter of last year due to the early onset of a severe winter, gained considerable momentum again in the first three months of this year. GDP is likely to be up by around 1% on the closing quarter of 2010. There was a substantial increase in construction activity thanks to weather conditions that were not quite as unfavorable as in Q4 2010 and both retail sales and car sales picked up sharply in early 2011. There was also good news on the labor market front, with the number of people out of work down by around 130,000 in the space of three months – from December 2010 to March 2011 – in seasonally adjusted terms. Around 500,000 more people are now in work than was the case one year ago.

Gross domestic product growth

Real GDP, index (2000=100)



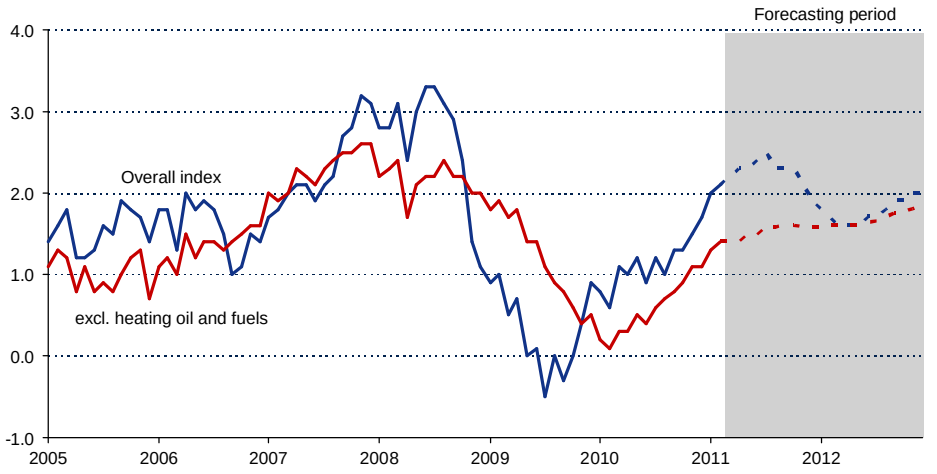
Sources: EcoWin, own forecasts.

Despite all of the good news coming out of the German economy, the outlook is not entirely rosy. The earthquake and nuclear disaster in Japan, the political turmoil in the Arab world and the resulting surge in the oil price, as well as the debt crisis that several eurozone countries are toiling with at the moment, all pose far from insignificant risks. The sharp rise in oil prices is already putting a damper on the economy. We expect oil prices, which averaged around USD 80 a barrel last year, to rise to an average of USD 110 a barrel this year, adding more than EUR 20bn to Germany's oil import bill. The corporate sector and private households will face a loss in real income levels. We believe that it would be realistic to assume that companies will manage to factor around two-thirds of the additional costs into the prices of consumer goods offered within Germany. This means that private households will be hit with a loss in purchasing power of around

EUR 15bn, or just under 1% of disposable income. As a result, the rising oil price is likely to push the inflation rate up by around 1 percentage point in 2011. We put the loss of real GDP growth at around 0.5 percentage points.

Consumer prices

% change on year earlier



Sources: Statistisches Bundesamt, own forecasts.

Despite the external inflationary impetus, we do not expect to see any marked acceleration in inflation in the long term. The economic upswing will bring productivity gains, meaning that the increase in unit wage costs in 2011 will total 1% at the most, following what was actually a decline of around 1% in 2010. Excluding energy, this means that the inflation rate will, in all likelihood, remain under the 2% mark. Provided that the oil price stabilizes at its current level, the inflation rate including energy will not surpass the 2%-mark for any sustained period of time either.

All in all, the outlook for the German economy remains upbeat despite these risks. The government austerity drive and the emerging shift in monetary policy will put only a limited damper on economic momentum. We predict that the German economy will grow by an average of 2.9% in 2011. However, due mainly to the slowdown in world trade and high commodity prices, German economic growth in 2012 is likely to be substantially lower than this year. We still predict real GDP growth to the tune of 1.7% in 2012. The underlying improvement on the labor market could nonetheless continue, with the jobless total likely to fall to around 2.5 million by the end of 2012.

Germany: Economic indicators and forecasts*

		2009				2010				2011				2012							
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2009	2010	2011p	2012p
GDP real		-3.4	0.5	0.7	0.3	0.6	2.2	0.7	0.4	*1.0*	*0.8*	*0.3*	*0.2*	*0.5*	*0.6*	*0.6*	*0.6*	-4.7	3.6	*2.9*	*1.7*
Private consumption		0.2	0.5	-1.2	0.0	0.2	0.4	0.5	0.2	*0.4*	*0.6*	*0.2*	*0.2*	*0.4*	*0.4*	*0.4*	*0.4*	-0.2	0.4	*1.5*	*1.2*
Government spending		1.1	0.6	0.8	-0.3	1.9	-1.0	1.5	0.6	*0.1*	*0.0*	*0.0*	*0.0*	*0.2*	*0.3*	*0.2*	*0.2*	2.9	2.3	*1.0*	*0.6*
Investment in machinery/equipment		-19.3	-2.7	0.8	-1.4	5.2	4.1	5.0	2.6	*2.5*	*2.5*	*1.5*	*1.5*	*1.5*	*1.5*	*1.3*	*1.3*	-22.6	10.9	*11.2*	*5.4*
Construction		0.9	-0.2	0.5	-0.7	-0.8	7.0	-0.8	-3.9	*2.5*	*2.0*	*0.2*	*0.3*	*0.5*	*1.0*	*1.0*	*0.8*	-1.5	2.8	*2.3*	*2.0*
Domestic demand		-1.0	-0.8	0.9	-1.5	1.9	2.1	0.0	-0.4	*0.9*	*0.7*	*0.3*	*0.2*	*0.5*	*0.5*	*0.5*	*0.5*	-1.9	2.5	*1.9*	*1.4*
Exports		-10.2	-1.4	3.2	2.7	2.2	7.6	2.7	2.5	*2.8*	*2.0*	*1.0*	*1.0*	*1.5*	*1.8*	*1.5*	*1.5*	-14.3	14.1	*10.3*	*5.0*
Imports		-5.3	-4.6	4.1	-1.6	5.5	7.9	1.4	0.9	*3.0*	*2.0*	*1.2*	*1.2*	*1.5*	*1.8*	*1.2*	*1.2*	-9.4	12.6	*8.9*	*5.1*
Industrial production (excl. construction)**)		-12.6	-0.3	3.7	1.2	2.3	5.1	1.7	2.7	*1.6*	*1.8*	*1.2*	*1.0*	*1.1*	*0.9*	*0.7*	*0.7*	-16.2	10.9	*8.4*	*4.3*
Unemployment rate (EU def.)	%	7.6	7.8	7.9	7.7	7.5	7.2	6.9	6.7	*6.4*	*6.2*	*6.1*	*6.0*	*5.9*	*5.8*	*5.7*	*5.6*	7.7	7.1	*6.2*	*5.7*
Unemployment rate (nat. def.)	%	7.9	8.3	8.3	8.1	8.0	7.7	7.6	7.4	*7.3*	*7.0*	*6.9*	*6.8*	*6.6*	*6.6*	*6.4*	*6.3*	8.2	7.7	*7.0*	*6.5*
Employed persons (national def.)	y-o-y	0.4	0.0	-0.2	-0.3	-0.2	0.4	0.8	1.1	*1.4*	*1.2*	*1.1*	*0.9*	*0.7*	*0.6*	*0.5*	*0.5*	0.0	0.5	*1.1*	*0.6*
Consumer prices	y-o-y	0.8	0.3	-0.2	0.4	0.8	1.1	1.2	1.5	*2.1*	*2.5*	*2.5*	*2.3*	*2.0*	*1.6*	*1.9*	*2.1*	0.4	1.1	*2.3*	*1.9*
Consumer prices (HICP)	y-o-y	0.8	0.2	-0.4	0.3	0.8	1.0	1.2	1.6	*2.2*	*2.7*	*2.8*	*2.5*	*2.1*	*1.6*	*1.9*	*2.1*	0.2	1.2	*2.5*	*1.9*
Producer prices	y-o-y	0.9	-3.6	-7.4	-6.3	-2.6	1.1	3.6	4.7	*5.7*	*4.7*	*4.3*	*3.7*	*2.3*	*2.4*	*2.4*	*2.4*	-4.1	1.7	*4.6*	*2.4*
Current account balance	EUR bn	24.2	29.3	38.3	43.0	33.4	30.2	37.6	38.3	*35.0*	*31.0*	*29.0*	*31.0*	*32.0*	*32.0*	*33.0*	*33.0*	133.7	141.4	*126.0*	*130.0*
	% of GDP																	5.6	5.6	*4.9*	*4.9*
Budget balance	EUR bn																	-72.7	-82.0	*-50.0*	*-27.0*
(Maastricht-definition)	% of GDP																	-3.0	*-3.3*	*-1.9*	*-1.0*

*) quarterly figures: percentage change over previous period, seasonally and working day adjusted, except where noted, yearly figures: percentage change, not working day adjusted; **) yearly average working day adjusted.

f = forecast.

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

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Allianz SE is member of Transparency International Germany and supports the Principles of the United Nations Global Compact and the OECD Guidelines for Multinationals through its Code of Conduct.
Allianz SE is one of the leaders of the insurance sector in the Dow Jones Sustainability Index, listed in FTSE4GOOD and in the Carbon Disclosure Leadership Index (Carbon Disclosure Project, CDP6).

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