### Allianz (1)

Allianz Trade

# Allianz Pulse 2025: Confused and disappointed – but less pessimistic

25 June 2025

Allianz Research

### Content

Page 3-4 Executive Summary

Page 5 The survey

**Page 6-8** A new beginning?

Page 9-12 No green backlash

Page 13-17 Sovereign Europe?

**Page 18-26** Politics and policies: Every man for himself

**Page 27-33** GenAl takeover: Bracing for impact

Page 34 Appendix

# Executive Summary



Arne Holzhausen Head of Insurance, Wealth & ESG Research arne.holzhausen@allianz.com



Patricia Pelayo-Romero Senior Economist, Insurance & ESG patricia.pelayo-romero@allianz.com



Julieta Molas Research Assistant julieta.molas@allianz.com A faint glimmer of optimism. For the seventh year in a row, we surveyed 6,000 people in some of Europe's largest economies (Germany, France, Italy, Spain, Poland, and Austria) to take the pulse on future prospects, policymaking and the rise of AI. Although pessimists still predominate, their lead has narrowed significantly compared to last year, from -23.0% to -8.3%. In Germany, this figure has fallen by 17pps. Germany is the only country in our survey where assessments of the present and future diverge significantly, with the net percentage falling from -22.6% to -11.9%. This could be seen as a tentative sign of a new beginning.

**The gender sentiment gap.** On average, women are significantly more pessimistic than men about the future, both in general and personally. Overall, the gender gap amounts to 11.8pps. This reflects structural impediments: Despite progress in recent years towards reconciling work and family life, women still face more obstacles than men when it comes to achieving their goals. Coincidentally or not, the average unadjusted gender pay gap in the EU is 12%.

**No green backlash.** Just 23.6% of respondents believe that Europe should follow President Trump's shift in climate policy. Poland had the highest approval rating (30.5%), while Germany had the lowest (19.2%). Conversely, this also means that the overwhelming majority favor continuing – if not intensifying – Europe's current climate policy. Overall, support for EU climate policy is growing as the focus is shifting from emission reductions to promoting energy independence.

A question of moral attitude, not money. The proportion of respondents willing to accept price increases of over 10% for climate-friendly products has risen significantly, from 10.9% in 2024 to 17.5%. As in previous years, this willingness varies greatly by age: 23.4% of Gen Z respondents are willing to accept such price increases, compared to just 10.3% of Baby Boomers. Surprisingly, income hardly seems to matter. Among those who say they manage well on their income, 17.6% accept high price premiums for climate-friendly products, compared to 14.3% of those who say they manage with difficulty.

**Europe's geopolitical role: It's complicated.** 42.6% of respondents favor an independent Europe as a third power, alongside the US and China. However, a similar proportion (39.2%) argue in favor of joining one of the major blocs. Meanwhile, 18.2% of respondents did not have a clear position on this issue. The real surprise, however, is the proportion of respondents in favor of joining the Chinese power bloc: 24.1%, compared to 15.1% who see Europe as part of the US bloc. This majority with a friendly view of China exists in all countries. Last year, before Donald Trump was elected US President, the situation was exactly the opposite, with 20.4% favoring the US bloc and 7.9% favoring the Chinese bloc.

**Divided over defense.** 33.9% of respondents see defense as a priority for the coming years. Last year, this figure was 26.6%. However, reducing dependencies on goods, raw materials and technologies through an active industrial policy is considered an even greater priority, with 39.2% of respondents. Furthermore, opinions on defense vary significantly by nationality and age, ranging from 21.1% of Italian respondents to 48.0% of Polish respondents, and from 27.9% of Gen Z to 44.8% of Baby Boomer respondents.

**Results matter.** Many surveys show that approval ratings for the EU are rising. Our Pulse does not. This year, for the first time, the majority of respondents saw more disadvantages than advantages in EU membership, albeit by a very narrow margin of 0.4%. These significant differences are probably due to differences in methodology. Other surveys focus on soft factors such as image, trust and fundamental attitudes. We ask directly about the advantages and disadvantages of the EU and the euro to uncover the results of European policy and the concrete benefits it can bring.

**Similar policy priorities.** Inflation and the cost of living (27.2%) and jobs and the economy (14.6%) are the main concerns of respondents in all countries. Healthcare (9.6%) is the third biggest concern – ahead of immigration. However, views on immigration differ significantly between countries. It is the second most important issue in Germany and third in France, but barely registers in Italy (eighth) and Poland (seventh). The topic also ranks highly among right-leaning participants, with around 30% of far-right supporters in Spain, Germany and France.

**Inequality drives polarization.** When asked about polarization, the causes most often cited were inequality (33%) and demographic shifts (26%), while misinformation is ranked lowest. The perceived polarization is highest in Poland (22%) and Spain (21%) and lowest in France (11%) and Italy (13%). Zero-sum thinking also dominates the political conversation as younger generations exposed to lower GDP per capita growth (e.g., Germany, Spain) tend to support right-leaning parties, echoing findings from Harvard's Social Economics Lab on generational economic disillusionment.

**Not easy on Al.** Around 50% of our sample has a negative view of Al, albeit with some geographic differences. In Spain, it is 40%; in Poland, 45% and in Italy, 50%. Conversely, 58% of respondents in Germany have negative attitudes towards Al, a figure similar to those in Austria (57%) and France (53%). While many respondents recognize Al's potential to improve healthcare, transportation and productivity, concerns about data misuse, job displacement and increased social inequality are at the forefront of people's minds. Job automation is another key concern: 54% of respondents viewed Al's economic impact negatively, 15% positively and 31% neutrally.

### The survey

As the dust of the elections settles, it is the right moment to check the pulse in the large member countries Germany, France, Italy, Spain and Poland, as well as Austria. For the seventh year in a row<sup>1</sup>, we commissioned Qualtrics, an experience management company, to survey a representative sample of 1,000 people in each country about their views on the most important political and economic challenges, as well as their expectations for the future. We asked more than 30 questions, from their views on the current economic and political situation at the national and EU levels to climate policy, new technologies like AI, political polarization and globalization. The survey was conducted in May via an online questionnaire.

<sup>1</sup> For the previous editions of the Allianz Pulses, see here: <u>Publications</u>.



### A new beginning?

Now is Europe's moment. Amid volatile policy changes in the US, Europe is finally taking control of its own destiny. Excessive bureaucracy is being cut back, billions are being invested in modernizing infrastructure and defense capabilities and new technologies are being heavily promoted. And the world is taking notice. Talent and capital are no longer only flowing to America; they are also finding their way to Europe. But is this narrative too good to be true?

The respondents in this year's Allianz Pulse survey remain skeptical. As in previous years, pessimists predominate: There are significantly more respondents who assess the current and future economic situation in their country as poor than those who assess it as good (Figure 1). The only exception is Poland, where optimists outnumber pessimists. However, this was not reflected in the results of the presidential election. Yet, compared to last year, there has been a clear improvement: In all countries, the pessimists' lead has narrowed significantly, especially with regard to future prospects. In Spain and Germany, for example, it has shrunk by 17pps. Germany has another distinctive feature: It is the only country in our survey where assessments of the present and future diverge significantly: the net percentage falls from -22.6% to -11.9%. This could be seen as a tentative sign of a new beginning. Nevertheless, this does not represent a real vote of confidence in the new government; pessimists still have the upper hand. This was different in pre-pandemic times, when optimists were clearly in the majority at almost 30%.

#### Figure 1: Light at the end of the tunnel?

How do you assess the current situation and the future prospects of your country's economy? Net percentages\* in %



\*Net percentages are defined as the difference between the sum of the percentages of participants responding "very good" and "fairly good" and the sum of the percentages of participants responding "fairly bad" and "bad". Source: Allianz Research

As in previous years, there is a significant generational divide in responses. Gen Z and Millennials are significantly more optimistic than Gen X and Baby Boomers. In fact, the two younger generations have a positive net percentage with regard to the current situation, albeit a very small one at 2.7% (Gen Z) and 3.2% (millennials). Another peculiarity is that while the two older generations are slightly less pessimistic about the future than the present, the opposite is true of the younger generations, who see the future as worse than the present. Among Gen Z, pessimists even predominate, albeit by a narrow margin of -0.8%. Overall, however, these figures are so close together that they should not be interpreted as widespread fear of the future among young people. Rather, they paint a picture of younger generations in which optimists and pessimists are fairly evenly balanced. Among older people, on the other hand, pessimists clearly set the tone.

The mood finally turns positive when participants are asked about their own future. This could reflect the wellknown phenomenon of optimism bias, whereby people are more positive about their own prospects, even in times of crisis, as a kind of self-protection mechanism. Here, the values for all generations are positive, with a clear decline with increasing age: While Gen Z reaches 32.3%, the net percentage for millennials is 23.9%; Gen X (5.5%) and baby boomers (4.4%) are once again significantly lower. A word on France: French respondents stood out for their pronounced pessimism in their assessment of the general economic situation (Figure 1). The same applies to their personal future. While all the other countries achieved double-digit values, with Poland (32.7%) and Spain (21.6%) at the top, France stood at just 0.6%. Although this is a significant improvement on last year's figure of -6.5%, it is unlikely that the French gloom will dissipate anytime soon. Bonjour tristesse.

Gender also plays a significant role alongside generational affiliation in economic and personal sentiment: Women are significantly more pessimistic than men about both the general and personal future outlook. In some cases, the difference between the sexes is more than 20pps: while 11.9% of French men are optimistic about their personal future prospects, the corresponding figure for women is -9.4%. A similarly high discrepancy is seen among Italian participants when assessing the general economic outlook: -4.2% (men) vs. -25.1% (women). This gender gap can be observed in all countries. Only Austria bucks the trend, with men and women being roughly equal, and women being slightly more optimistic. Since this discrepancy is also evident across the four generations - among male Gen Z participants, optimists clearly predominate

(11.6%), while among female participants, pessimists clearly predominate (-9.3%) – it seems likely that there are structural reasons. While public debate tends to portray men as the new weaker sex, unsettled by the evolving concept of masculinity, the individuals themselves appear to have a more realistic view of the current situation: Despite the progress made in recent years in reconciling work and family life, women still face more obstacles than men in achieving their goals. It is difficult to explain why respondents in Austria in particular see things differently. With an unadjusted gender pay gap of 18.3%, Austria has the second highest in the EU, comparable to the situation in Germany (17.6%). The EU average, on the other hand, is 12%.<sup>2</sup>

Figure 2: Felix Austria?

How do you assess the future prospects of your country's economy and your personal prospects? Differences of net percentages\* by gender in %



<sup>\*</sup>Net percentages are defined as the difference between the sum of the percentages of participants responding "very good" and "fairly good" and the sum of the percentages of participants responding "fairly bad" and "bad". Source: Allianz Research

<sup>2</sup> Gender Pay Gap im EU-Vergleich - Statistisches Bundesamt



### No green backlash

One of the concerns surrounding Donald Trump's reelection as US president was the prospect of a green backlash, not just in the US but worldwide. However, our survey offers no evidence of this. Quite the contrary, in fact. When asked directly whether Europe should follow Trump's shift in climate policy, only 23.6% of respondents answered yes. The highest approval rating was in Poland (30.5%) and the lowest was in Germany (19.2%). Conversely, this also means that the overwhelming majority are in favor of continuing – if not intensifying – Europe's current climate policy (Figure 3). There are hardly any differences between the generations.

#### Figure 3: No Trump effect

The US under President Trump is repealing climate policies and increasing the production of oil & gas. Should Europe follow? Share of answers in %



- No. Europe's industry should double down on their climate ambitions. The retreat of the US offers the chance to become innovation leader in clean technologies, safeguarding Europe's competitiveness in the long run
- No. Climate change is real. Mitigation and adaption efforts are key to avoid catastrophic outcomes. But governments must do more to support the transformation
- Yes. The green transformation creates enormous costs, undermining Europe's competitiveness and leading to deindustrialization. Fossil fuel use is necessary

Source: Allianz Research

This attitude is also reflected in the other results of the survey. For instance, 28.7% of respondents consider the EU's CO<sub>2</sub> emission reduction targets - -55% by 2030 and net zero by 2050 - to be exactly right. Last year, this figure was 25.8%, suggesting that support for EU climate policy is increasing rather than decreasing. This is also reflected in the fact that, compared to "only" 22.2% this year, 26.3% of respondents last year considered these targets too ambitious. This trend towards higher approval ratings is evident in all countries. This may reflect the fact that climate policies have been framed differently since the war in Ukraine. Ahonen, Leino and Tiihonen (2025)<sup>3</sup> demonstrate that public support for climate policies increases when they are framed as promoting energy independence rather than focusing solely on reducing emissions. To explore this framing effect in our data, we examined whether individuals who express low support for green initiatives - such as those who view the EU's emissions targets as too ambitious - show greater support for measures aimed at increasing European sovereignty through commodity independence. Our findings confirm this pattern: Even respondents who are skeptical of ambitious climate policies tend to favor reducing Europe's dependency on external resources. This suggests that concerns over energy independence could persuade climate sceptics.

However, there are also results that challenge the idea of a "perfect" European climate policy.  $CO_2$  prices – the instrument that almost all economists consider to be a central element of effective climate policy – continue to be unpopular: only 14.5% of respondents agree with relying on them. This applies to all countries and changes only slightly when broken down by generation: approval among Gen Z respondents is slightly higher at 17.7%. Last year, support for  $CO_2$  pricing was slightly higher, at an overall average of 18.9%.

The low propensity to accept CO<sub>2</sub> pricing may also explain the somewhat surprising attitude towards "climate money" (Klimageld) which pays revenues from CO<sub>2</sub> pricing directly back to all citizens. Once again, many economists consider this instrument to be essential for achieving widespread acceptance of CO<sub>2</sub> pricing. However, the majority of respondents do not share this opinion, precisely because they are skeptical about CO<sub>2</sub> pricing from the outset. In any case, only 25.8% of respondents are in favor of "climate money", whereas significantly more would like to see the revenue from  $CO_2$ pricing go towards infrastructure and research (35.9%). However, there are clear generational differences: Gen Z respondents are significantly more open to the idea of a climate dividend (31.2%) than Baby Boomers (21.4%) (Figure 4).

<sup>3</sup> Framing climate policy around energy independence enhances acceptance and perceived effectiveness: evidence from a Finnish survey experiment Climatic Change

### Figure 4: "Climate money", no thank you

Carbon prices generate revenues for the state. How should these revenues be used? Share of answers in %



They should be used for the general budget

Sources: ECB, Nato, LSEG Datastream, Allianz Research

On a positive note, the proportion of respondents willing to accept price increases of over +10% for climatefriendly products has risen significantly, from 10.9% in 2024 to 17.5%. This sharp increase is likely due in part to the cost-of-living crisis easing. As in previous years, this willingness varies greatly by age: among Gen Z respondents, it is 23.4%, compared to 10.3% among Baby Boomers. The differences between countries are less pronounced, but still significant. Italian participants are the most willing to spend (21.3%), while German participants are the most frugal (15.1%). Surprisingly, however, while age and nationality seem to influence whether people are willing to spend more on climatefriendly products, income hardly seems to matter. Among respondents who say they get by well on their income, 17.6% accept high price premiums for climatefriendly products, compared to 14.3% of those who say

they get by with difficulty. Being climate-friendly or not seems to be less a question of money than of (moral) attitude.

Moreover, environmental attitudes also appear to be largely unaffected by political orientation. We examined whether support for green initiatives, such as the willingness to pay higher prices for climate-friendly products, is better predicted by political orientation or other factors. Our analysis shows that age, perceived personal economic prospects and country of residence are significantly stronger predictors than political ideology; political orientation has only a limited influence on these attitudes. However, the increased acceptance of climate markups does not seem to be leading to rising demand for electric cars. In fact, while 18.2% of respondents said last year that their next car would be an electric vehicle (EV), this year the figure has fallen to 14.6%. The range extends from 19.1% in Germany to 10.4% in Poland. Significantly more respondents (34.3%) are leaning towards a hybrid. Nevertheless, there is no reason to despair: almost a third of respondents are still undecided about the type of engine they want for their next car. With appropriate purchase incentives and the accelerated expansion of charging infrastructure, the proportion of people interested in EVs could certainly double quickly. This is a clear mandate for policymakers.





### Sovereign Europe?

The Trump administration's ambitions are clear: it is establishing a new economic and political order that better reflects the interests of the US – "Make America Great Again". But what will this mean for Europe? Our survey paints a mixed picture.

42.6% of respondents favor an independent Europe as a third power, alongside the US and China. However, a similar proportion (39.2%) argue in favor of joining one of the major blocs. Meanwhile, 18.2% of respondents do not have a clear position on this issue (Figure 5). Therefore, there is only a narrow majority in favor of the idea of a "Sovereign Europe". This is also evident in another question, where we asked respondents directly about their agreement with the concept of a "Sovereign Europe". 38.1% of participants agreed unreservedly. However, the group of sceptics who doubt whether Europe has the means – not least the military means – to assert itself as an independent major power alongside the US and China is almost as large at 36.4%. Once again, it is clear that respondents are divided between the desire for sovereignty and a realistic assessment of Europe's capabilities.

#### Figure 5: Sovereign Europe?

The increasing US-China rivalry might split the world into two blocks. In your opinion, what should be the role for Europe in such a geopolitical environment? Share of answers in %



The LO should be firming in the OS camp, reducing relations with Gima and its ames

- The EU should be firmly in the "China camp", reducing relations with the US and its allies
- The EU should become the third independent power, keeping an equidistance from China and the US

■ No response

Source: Allianz Research

When it comes to Europe's geopolitical role, the real surprise is the proportion of respondents in favor of joining the Chinese power bloc: 24.1%, compared to 15.1% who see Europe as part of the US bloc. This majority of those with a friendly view towards China exists in all countries, including Poland, where the lead is just 1pp. Last year, before Donald Trump was elected US president, the situation was exactly the opposite, with 20.4% of respondents declaring themselves to be in the US bloc, compared to 7.9% in the Chinese bloc. This swing highlights the extent to which the Trump administration has damaged transatlantic relations.

These results clearly show that the uncertainty of the geopolitical situation, with its increasing fragmentation and lack of rules, is leading to growing confusion among our survey respondents. This is hardly surprising. This is also evident in the question about the EU's foreign policy priorities.

Following the political decision to massively strengthen Europe's defense capabilities, one might expect defense to be a key priority for those surveyed. This is indeed the case: 33.9% of respondents see this as a priority for the coming years. Last year, this figure was 26.6%. However, reducing dependencies on goods, raw materials and technologies through an active industrial policy is considered even more important, with 39.2% of respondents viewing it as a top priority for European foreign policy. Furthermore, responses regarding defense vary significantly by nationality and age. For example, only 21.1% of Italian respondents view strengthening defense as an important policy goal, compared to 48% of Polish respondents. Unsurprisingly, defense is seen as the most pressing task in Poland and Germany, ranking second in France, third in Austria and Spain and fifth in Italy. Similarly large differences exist between generations: 27.9% of Gen Z respondents consider defense a priority policy goal, compared to 44.8% of Baby Boomers (Figure 6).

### Figure 6: Divided over defense

In your view, which policies should the EU prioritize to build a stronger Europe in the world? (max three answers possible): Share of "strengthening military capabilities / defense" by countries and generations in %



Source: Allianz Research

In contrast to the disagreements over foreign policy, there is a broad consensus on domestic policy in Europe. In all six countries, growth is the top political goal, far ahead of all others. In four countries, the education system ranks second. France and Italy are the exceptions here: in France, concerns about public debt dominate, while in Italy, it is the green transformation. Finally, reducing inequality ranks third in three countries, with the education system taking this rank in France and Italy, and public debt in Spain. Overall, therefore, the picture is very homogeneous. It is also striking that hotly debated political issues such as reducing bureaucracy (15.2%) and infrastructure development (19.2%) tend to be lower down the list (Figure 7). This consensus is somewhat surprising as it stands in stark contrast to the increasing political polarization.

#### Figure 7: Growth mindset

In your view, which policy areas should the EU prioritize to build an economy that works for the people? (max three answers possible): Top three priorities in %

Austria	France	Germany	Italy	Poland	Spain
Economic Growth	Economic Growth	Economic Growth	Economic Growth	Economic Growth	Economic Growth
41%	37%	45%	45%	56%	47%
Education System	Reduction of public debt	Education System	Green transformation	Education System	Education System
36%	30%	31%	28%	28%	34%
Inequality	Eud cation System	Inequality	Eudcation System	Inequality	Reduction of public debt
26%	28%	27%	28%	28%	26%

Source: Allianz Research

### **Results matter**

Figure 8a: Convergence, sort of

As we do every year, we asked the participants of our survey about their views on the EU and the euro. As ever, the results are quite sobering. This year, for the first time, the majority of respondents see more disadvantages than advantages in EU membership, albeit by a very narrow margin. The net percentage is -0.4% (previous year: 4.5%). The differences between individual countries have not changed, with the spectrum ranging, as in previous years, from strong rejection in France and great skepticism in Italy, to clear approval in Poland and Spain. Austria and Germany have a rather indifferent attitude towards the EU. Overall, however, a certain convergence can be observed: while French respondents are less definitive in their rejection, Polish and Spanish respondents are less enthusiastic in their approval (Figure 8a).

# 2025 2024 -30% -20% -10% 0% 10% 20% 30% Poland Austria Spain Italy Germany France

\*Net percentages are defined as the difference between the percentages of participants responding "more advantages" and the percentages of participants responding "more disadvantages". Source: Allianz Research

The picture is slightly different for the euro. Overall, the euro is viewed with even greater skepticism than EU membership (total net percentage: -6.9%, almost unchanged from last year). However, there are still differences: Spanish (and Austrian) respondents remain in favor, albeit by a rather thin margin. Conversely, respondents in France, Italy and Germany, who were strongly opposed to the euro in 2024, have softened their stance; in Germany, the number of respondents who see more advantages than disadvantages of the euro is almost equal (net percentage of -0.4%) (Figure 8b).

#### Figure 8b: Convergence, sort of

Does your country derive more advantages or more disadvantages from the euro? Net percentages\*



\*Net percentages are defined as the difference between the percentages of participants responding "more advantages" and the percentages of participants responding "more disadvantages".

Source: Allianz Research

Overall, however, the results of our survey differ significantly from those of the Eurobarometer, which reports rising approval ratings for both the EU and the euro. With 83% approval, the euro achieved its highest rating in 21 years among Eurozone countries.<sup>4</sup>

These significant differences are probably due to differences in methodology. The Eurobarometer survey asks about trust in EU institutions and their image. With regard to the euro, participants are asked whether they are in favor of or opposed to it. The survey therefore focuses on fundamental attitudes. In contrast, we ask directly about the advantages and disadvantages of the EU and the euro to look into the ability of politics to solve problems. The question is not whether someone is "for" or "against" education or "for" or "against" public transport. Rather, it is whether public institutions – such as schools and railways – are fulfilling their mandate to provide services that truly satisfy their users. Too often, this is not the case. This is why many of our survey respondents believe that government action – in this case, European action – does not benefit them. In the case of the EU and its excessive regulations, they even believe it is detrimental. This is where politics must start. Public administration must deliver and convince people of the benefits of its services. Progress in this area has been too slow in recent years. This explains why our survey consistently yields negative results in the three core European countries of France, Germany and Italy. This is also consistent with the success of Eurosceptic parties in recent elections.

<sup>4</sup> Standard Eurobarometer 103 - Spring 2025 - Mai 2025 - Eurobarometer survey



### Politics and policies: Every man for himself

Even if the challenges of the coming decades would be better served by a united demos, last year, over half of the world's population went to the polls and reminded us of their growing discontent with the status quo. Although we observed a rightward shift in Europe and the US, in the EU elections, the support for far-right parties was not strong enough to break the hold of the union's mainstream parties. In general, in Europe, the social democrats have been losing ground over the past few years to right-wing and liberal parties (Figure 9).

### Figure 9: Changing patterns

Vote share in European democracies by party family



Sources: The PopuList, Parlgov, Allianz Research

• We asked our respondents to place themselves in the left to right in the political spectrum. Respondents from France, Poland and Austria were significantly more likely to report right-leaning political views compared to respondents from other countries in the sample. In a year-on-year comparison we also observed a shift towards the right in all countries, albeit to different degrees. The largest shift was in Spain with an increase of 20pps and in Germany in which from year-to-year we saw an increase for right-wing support by 16pps, notably at the expense of support to the center. In Austria, Poland and Italy, where support for parties in the political right was already strong, we saw more moderate increases (between 9 and 7pps). Conversely, France remained stable in the balance between the left and right (Figure 10).

### Figure 10: Shift to the right

Self-reported political ideology leaning per country in %



Source: Allianz Research

The shifting preferences towards the right might reveal the way in which the population thinks about pivotal topics such as redistribution and inequality, environmentalism, immigration and the libertarianauthoritarian orientation. In contemporary politics, the traditional left-right divide is becoming increasingly blurred as issues that characterize modern politics do not fit neatly within this framework. In fact, according to Norberto Bobbio<sup>5</sup>, an Italian philosopher and political theorist, the left and the right's main difference lies on their views of equality. The basic distinction still rests on two key axes: equality versus inequality, and liberty versus authority. When it comes to equality, the left traditionally seeks to reduce social and economic disparities, while the right tends to see such differences as natural outcomes of individual abilities and emphasizes personal responsibility.

On the liberty-authoritarianism axis, political positions are organized according to the value placed on personal freedoms versus the need for social order and control. Libertarian views highlight individual autonomy and minimal government interference in private life, while authoritarian positions prioritize stronger regulation to ensure cohesion and stability. The distinction is not only economic or policy-based, but also moral and philosophical.

A more recent addition to the left-right continuum is the environmental dimension. While once outside the traditional left-right divide, environmentalism today intersects with both sides: progressive movements on the left tend to integrate ecological concerns with social justice, while conservative groups on the right may frame environmental protection as part of preserving national

<sup>5</sup> Right and Left: The Significance of a Political Distinction. 1994.

heritage. On the other hand, the opposition might argue that economic growth always ends up harming the environment and that governments should worry more about protecting jobs than protecting the environment. Ultimately, the distinction between left and right remains a meaningful tool to understand political orientations today. With this idea in mind, we asked about which issues matter the most to our respondents and stratified them by country and self-reported ideological leaning.

### Figure 11: The long shadow of inflation

Which of the following issues matter the most to you right now? By country and self-reported political ideology leaning in %

Issues that most to		Jobs and the	Inflation /	Gender	Pensions	Housing	Health care	Climate	Education	Immigration	Terrorism	Geopolitics	Political
curre		economy	cost of living	equality		0		change		0		/ wars	polarization
	FL	51%	21%	3%	3%	0%	8%	0%	5%	3%	3%	3%	3%
	L	11%	28%	4%	10%	2%	10%	13%	6%	3%	3%	6%	3%
	CL	14%	27%	5%	9%	4%	11%	10%	4%	4%	2%	5%	4%
Austria	С	14%	35%	1%	9%	5%	11%	6%	4%	7%	4%	2%	2%
	CR	11%	30%	2%	6%	1%	10%	3%	2%	23%	4%	6%	2%
	R	9%	37%	2%	2%	3%	5%	5%	2%	25%	5%	3%	5%
	FR	33%	33%	0%	10%	0%	0%	0%	0%	14%	5%	0%	5%
	FL	22%	22%	14%	2%	4%	8%	8%	8%	0%	4%	6%	2%
	L	12%	30%	7%	3%	4%	9%	12%	7%	3%	3%	4%	4%
	CL	9%	22%	9%	9%	1%	10%	14%	7%	5%	5%	8%	2%
France	С	16%	25%	4%	4%	1%	10%	8%	6%	6%	6%	7%	3%
	CR	7%	20%	5%	4%	1%	4%	14%	5%	12%	11%	13%	5%
	R	11%	29%	1%	4%	2%	8%	6%	5%	23%	4%	3%	1%
	FR	5%	32%	2%	3%	3%	3%	3%	5%	29%	6%	0%	5%
	FL	23%	18%	7%	2%	5%	18%	2%	0%	2%	2%	11%	9%
	L	11%	26%	6%	9%	1%	7%	15%	7%	2%	2%	6%	6%
	CL	8%	28%	5%	6%	3%	9%	10%	2%	6%	5%	10%	6%
Germany	С	14%	30%	2%	8%	2%	9%	5%	3%	14%	5%	6%	3%
	CR	12%	27%	1%	5%	2%	8%	3%	0%	28%	2%	8%	3%
	R	8%	22%	2%	8%	7%	7%	3%	0%	31%	2%	5%	2%
	FR	14%	10%	5%	0%	0%	19%	0%	5%	29%	0%	0%	5%
	FL	32%	20%	7%	5%	5%	8%	5%	2%	8%	2%	3%	3%
	L	18%	21%	8%	9%	2%	15%	7%	7%	4%	2%	3%	4%
	CL	20%	22%	6%	6%	2%	11%	6%	8%	2%	4%	8%	3%
Italy	С	17%	26%	5%	9%	2%	10%	7%	7%	4%	4%	6%	1%
	CR	21%	22%	3%	9%	1%	11%	8%	4%	10%	1%	9%	0%
	R	14%	25%	2%	6%	1%	8%	15%	6%	7%	7%	9%	1%
	FR	24%	9%	3%	15%	0%	3%	6%	6%	12%	6%	6%	6%
	FL	40%	16%	0%	7%	5%	9%	5%	7%	5%	0%	5%	0%
	L	9%	27%	3%	9%	7%	17%	9%	6%	2%	1%	10%	1%
	CL	10%	29%	5%	8%	5%	17%	4%	2%	4%	3%	10%	2%
Poland	С	13%	24%	3%	9%	7%	13%	4%	6%	6%	2%	10%	2%
	CR	17%	29%	0%	6%	1%	15%	4%	4%	7%	0%	15%	1%
	R	10%	34%	2%	5%	7%	16%	3%	2%	6%	1%	8%	3%
	FR	12%	29%	2%	2%	2%	14%	5%	2%	7%	0%	12%	7%
	FL	29%	22%	6%	6%	2%	8%	4%	6%	6%	2%	6%	0%
	L	16%	33%	3%	9%	7%	5%	9%	7%	2%	1%	6%	2%
	CL	12%	31%	8%	10%	5%	5%	6%	6%	6%	1%	4%	5%
Spain	С	19%	27%	4%	11%	3%	5%	3%	8%	10%	3%	4%	3%
	CR	17%	30%	1%	6%	5%	6%	4%	4%	11%	1%	3%	11%
	R	21%	29%	1%	9%	1%	3%	3%	4%	13%	2%	3%	6%
	FR	15%	22%	0%	4%	4%	0%	0%	4%	30%	7%	7%	4%

\*Note: FL = far-left, L = left, CL = center-left, C = center, CR = center-right, R = right, FR = far-right Source: Allianz Research In Figure 11, we can observe that the most quoted challenge of our respondents is inflation and cost of living, the second is jobs and the economy, while the third priority challenge is health care. The first two are in the same vein, but the third is perhaps a legacy of the coronavirus pandemic or a foreshadowing of the needs of the ageing populations as it is more often quoted in Italy, Germany, Poland and Austria.

However, an issue with a great deal of heterogeneity is the topic of immigration. The further our respondents reported to be on the right, the more likely they were to quote it as one of the three most important issues in their country. In fact, around 30% the far-right supporters in Spain, Germany and France consider it a pivotal issue. Geopolitical tensions and wars are also an interesting case. In Poland, we see above-average rates of respondents quoting it as an issue, unsurprising, due to their history of occupation and proximity to the Russia-Ukraine war. Regrettably and predictably, issues such as affordable housing, gender equality, the environment, education and political polarization take the backseat as we shift rightwards.

Research from Harvard University's Social Economics Lab<sup>6</sup> tried to find evidence for zero-sum thinking and political preferences of individuals. Younger generations seem to have a preconceived notion that the gain of one group means the loss of another. Moreover, political and policy preferences are influenced by their experiences and that of their ancestors. Interestingly, it is endogenous, meaning that there is a strong feedback loop between the extent to which someone is a zero-sum thinker and the economic environment in which they grew up in. Populism, conspiracy theories and nativism are all rooted in the belief that one group gains at the expense of others, and all these have risen of late. Selfidentified Democrats who voted for Donald Trump in 2016 scored very high on zero-sum beliefs.<sup>7</sup>

To find related evidence within our sample, we charted the average ideological preference by age along with the average GDP per capita growth that was experienced by our respondents as young adults (between the ages of 20 and 30) in the six countries where we ran our survey. Generally, we find that generations that grew up under more favorable economic conditions exhibit a higher tendency of supporting left-leaning ideologies. With the younger cohorts, we find an increased likelihood to prefer right-wing parties when compared to their older peers (Millennials and GenX), reflecting not only the current economic challenges but also the pervasiveness of zero-sum thinking in the political narrative. When checking correlations, we find it is generally true for our sample, albeit to different extents depending on the countries. In Italy, France and Austria the impact is smaller based on the correlations when compared to Germany and Spain. In Poland, we find that the support for left-wing partiers is stronger for those that have experienced abundance in their formative years (Figure 12).

<sup>6</sup> Zero-Sum Thinking and the Roots of U.S. Political Differences. Chinoy et al. 2025.)
<sup>7</sup> Are we destined for a zero-sum future? Murdoch, R. Financial Times. 2023.



Average GDP per capita growth experienced as a young adult in % and average ideological leaning, by birth cohort

\*\* 1 = far left to 7 = far right

Figure 12: A question of growth

\*\*\* forecasts for 2024-30 from the IMF's WEO Sources: LSEG Datastream, Allianz Research

23

To round up our results, we asked our respondents to either agree or disagree with a series of contradictory economic statements. This allowed us to understand their preferences regarding state involvement in the private sector, welfare and spending. Half of the statements reflected economically liberal views, meaning a stronger preference for a small state and a freer private sector, while the rest preferred a welfare state based on stronger regulations and institutions. We ran regressions to understand how the demographic traits of our respondents influenced their views. When looking at the economically liberal views, we found that income had a higher relative importance for predicting their responses (Figure 10).

#### Figure 13: A question of money

Share of agreement of state involvement preferences by self-reported perceived income hardship in %



Private ownership of businesses and industry should be increased

Source: Allianz Research

The more they perceived their household income allowed them to live a comfortable life, the more they were likely to agree with economically liberal statements: individuals should carry more responsibility for their wellbeing, the state should provide more freedom to firms and private ownership of businesses and industry should be increased. We controlled for gender and generation as the rest of the demographic variables were not statistically significant. However, for the last economically liberal statement, asking about whether governments should decrease taxation and their revenues, the variable with the highest relative prediction importance in our regression were their country of residence, their political ideology preference and their age. The highest share of respondents that reported a preference for decreased taxation came from Italy, Austria and Poland (Figure 14).

### Figure 14: A question of nationality

Share of net agreement of state involvement preferences by country of residence in %



Source: Allianz Research

As for the four statements that reflected a larger state involvement and a more stringent regulation, the key defining demographic factor was their political ideology leaning preference. There was a higher likelihood of leftleaning respondents to choose a higher degree of state involvement in providing for individuals, to control firms more effectively, to increase state ownership of businesses and industry and to increase level of spending in the economy. We controlled for age, gender and country of residence as well as perceived income hardship (Figure 15).

#### Figure 15: A question of ideology

Share of net agreement of state involvement preferences by self-reported political leaning



In political matters, people talk of "the left" and "the right". How would you place your views on this scale, generally speaking?

- The state should take more responsibility to ensure that everyone is provided for
- The state should control firms more effectively
- Government ownership of businesses and industry should be increased
- Government should increase level of spending in the economy

### Source: Allianz Research

In the current political landscape, divergent policy preferences or ideological polarization is less divisive than affective polarization, meaning the dislike and distrust between opposing political groups. We asked our respondents to rank polarization drivers. Around one-third of them quoted inequality as the most important driver, while shifts in population like migration, low birth rates and generational gaps were the second most quoted reason for polarization. On the other hand, our sample most often considered that misinformation was the least important factor for polarization. In fact, research shows that political polarization is almost entirely the result of power struggles within a political elite that plays up and manufactures divisions<sup>8</sup>.

There are some differences in the perceptions of polarization within our respondents. There is a larger share of the respondents who consider that their country is extremely polarized in Poland (22%) and Spain (21%), while the proportion is markedly lower in France (11%), Italy (13%), Austria (13%) and Germany (14%). Similarly, the share of respondents that considered political polarization to be bad was higher in Spain (21%), Poland (18%) and Germany (18%), and lower in Austria (15%), France (9%) and Italy (9%). When asked about the sources of polarization, 29% of the total sample quoted political parties adopting extreme positions, 26% said citizens were uninformed, and 25% mentioned the quality of education. Interestingly, when asking about the consequences of polarization, 36% of the sample said that misinformation was a result of polarization, while 32% mentioned weakening democracy, and 31% chose decreased community cohesion and increased social unrest.



<sup>8</sup> How to Understand the Global Spread of Political Polarization. Carnegie Endowment. 2019.



### GenAl takeover: Bracing for impact

The economic implications of artificial intelligence technology across economies are undeniable. Robert Solow famously noted the absence of IT in productivity statistics, and similar concerns have arisen with generative AI (GenAI) since the introduction of ChatGPT in 2022. Optimistic projections suggest AI adoption will boost productivity, eventually raising wages and enhancing welfare after the initial disruption of job displacement and automation, which are most likely in the professional services and knowledge industries. Estimates of the potential increase in global GDP range from USD5trn to as much as USD15trn by 2030, although historically technological developments have failed to significantly impact medium-term growth rates . Nonetheless, for all the hopes and fears for the technology awakens in the public, it would be worthwhile to remember what it is currently capable of achieving. In 2023, the latest GenAI models had already surpassed human performance across many tasks with the few exemptions of visual recognition and competition level math. Over the past year, AI systems have now improved on these challenges and surpass humans in these tasks as well. The next frontier is multimodal understanding and reasoning; this is a benchmark for complex multidisciplinary, expert level questions. As of 2024, the best AI model scored 4.4 points below the humans (Figure 16).

#### Figure 16: Super human

Selected AI technical performance benchmarks v. human performance



Sources: Stanford AI Index Report 2025, Allianz Research

While GenAI models are getting exponentially better at understanding human questions, it is interesting to see, in a survey run by Ipsos, that one-third of humans do not consider they have a good understanding of what AI is. And although two-thirds of people consider that products and services using AI will profoundly change their daily life in the next three to six years, around half do not trust AI companies to protect their data or be unbiased. Paradoxically, there is a disconnect as 55% of people consider AI will bring more benefits than drawbacks, but 50% still report that products and services using AI make them nervous (Figure 17). We asked our respondents to rate their overall attitude towards AI and we found evidence that around 50% of our sample feels negatively towards AI, albeit with some geographic differences. In Spain, the share that feels negatively is only 40%, in Poland 45% and Italy 50%. Conversely, in Germany, 58% of our sample showcases negative attitudes. Similarly, in Austria 57% and France 53% of the respondents can be classified as "detractors". (Figure 18). Amongst the comments provided by our respondents we found that those that are optimistic often quoted its efficiency and practicality as well as promise of progress. Those that provided comments of caution and distrust were punctual with their preference for AI regulation and their concern for job destruction.

#### Figure 17: In AI we trust (or not)

Global opinion on products and services using AI in %, 2022-24



Source: Ipsos, 2025 AI Index report

### Figure 18: Who is afraid of AI?

What is your overall attitude towards Generative AI? Share of answers in %



\*NPS (net promoter score) is a market research metric that is based on a single survey question asking respondents to infer satisfaction or product/ service loyalty Source: Allianz Research The picture is rather similar when asking about their opinion on AI impact's in the economy: 54% of respondents perceived AI's economic impact as negative, 15% viewed it positively and 31% were neutral (Figure 19). The reasons they quoted for choosing negative impact had to do with negative impact on human skills, concerns about job loss and unemployment, lack of trust and dependency in these systems and ethical concerns. On the positive camp, they quoted hopes for increased productivity and economic activity, as well as increased efficiency and cost reductions as well as more innovation.

### Figure 19: Empty promises?

In your view, will AI have a positive or negative impact in the economy? Share of answers in %



Source: Allianz Research

### Work, gender and AI: Girls just wanna have jobs

Although women in advanced economies now surpass the educational attainment levels of their male peers, economies have failed to translate this into labor market gains for women. In the EU, employment rate for women is 66% while for men it is 75%. On top of this, 28% of working-age women only engage in part-time employment, compared to 8% of men. When looking at leadership and management positions, women only hold around one-third. When asked about their views on how AI will affect the labor market, women more than men think that the new wave of technological progress will be more of a job killer than a creator across France, Germany, Italy and Spain. The share of detractors in Austria and Poland is quite similar across genders (Figure 20).

Figure 20: AI gender gap I In your opinion, how will AI affect the labor market of your country? Will AI become a job killer or job creator? Share of answers in %



Sources: EU Payment Observatory, Intrum, Allianz Research

Similarly, women are less likely than men to consider that AI will usher in a productivity boom that will lift wages across the board and decrease income inequality. Interestingly, the proportion of men and women that consider that AI will widen the gap between the high-skilled experts and the rest of the workforce is quite balanced across genders. Women, as often happens when you add the "I don't know" option in multiple choice questions, choose this more often than men instead of venturing a guess (Figure 21).



Figure 21: AI gender gap II In your opinion, how will AI affect the wages in your country? Will AI increase or decrease income inequality? Share of answers in %

Sources: EU Payment Observatory, Intrum, Allianz Research

If AI does indeed widen the gap across skill levels, women have reasons to be concerned. LinkedIn publishes data on the talent concentration of AI. A LinkedIn member is considered to have AI talent if they have explicitly added AI skills to their profile, work or have worked in AI. There is a notable gender difference in AI talent concentration: for every country included in the analysis, there was a higher share of men that reported AI skills, except for India and Saudi Arabia. The highest concentration of female AI talent in the countries in our survey was found in Germany (0.7%) while the lowest was in Italy (0.3%). (Figure 22). Bridging the skill gap, or the talent availability perception (as this refers to self-reported skills) will be crucial for women to get ahead in the labor market. But reskilling efforts will of course not be fruitful if we do not improve child and family care services in advanced economies.

#### **Figure 22:** Al gender gap III Al talent concentration by gender and country in %



Source: LinkedIn

33

Given the high proportion of people who see AI critically, it is not surprising that most respondents believe that AI should be regulated. However, their views were influenced by their overall attitude towards the future. We built profiles for our respondents using their responses on how they assessed their own future, that of their country, their overall attitude towards AI and their views on political polarization and climate change. We then categorized their preferences for regulating AI based on whether they were classified as future optimists, neutral or pessimists. 29% of our sample considered strict regulation of AI systems to be indispensable, while 42% believe that some regulation is necessary but that competitive considerations should also be taken into account. 10% are more liberal in their views, considering that the market can regulate itself (Figure 23). There are rather small differences between countries concerning AI regulation. The proportion of respondents in favor of stringent regulations is slightly lower in Austria (26%) and Germany (28%) than in France, Italy, Poland and Spain, where it is 30%.

### Figure 23: Soft regulation

There are risks and opportunities with GenAI as a general purpose technology. Should governments strictly regulate it? Share of answers in %



I don't know

- No, GenAl is a new technology, the market will find out how to use it best regulation would only curtail the development of GenAl, limiting its potential
- Yes, some regulation is necessary but with an eye on Europe's competitiveness in this important field
- Yes, strict regulation is indispensable

Source: Allianz Research

### Appendix

Overall responsibility for methods: Allianz Research, Allianz SE

### Planning and drawing the sample: Qualtrics

### Target groups surveyed:

- Austrian resident population, age 18 and over in Austria
- French resident population, age 18 and over in France
- German resident population, age 18 and over in the Federal Republic of Germany
- Italian resident population, age 18 and over in Italy
- Polish resident population, age 18 and over in Poland
- Spanish resident population, age 18 and over in Spain

### Number of respondents:

6,119 persons (1,017 from Austria, 1,022 from France, 1,013 from Germany, 1,019 from Italy, 1,018 from Poland and 1,030 from Spain)

### Sampling method:

Representative quota sampling

Qualtrics was given quotas for how many people to survey and which criteria to use in selecting respondents. The quotas were distributed in accordance with official statistics among sex, age groups and education.

### **Representativeness:**

A comparison with official statistics shows that the survey data on the whole corresponds to the total population age 18 and over in the three countries.

**Type of survey:** Web-based survey

### Date of survey execution:

7th of May 2025 to 30th of May 2025



Chief Investment Officer & Chief Economist Allianz SE

Head of Economic Research Allianz Trade



Ludovic Subran ludovic.subran@allianz.com

Ana Boata ana.boata@allianz-trade.com



Allianz SE

arne.holzhausen@allianz.com

Head of Insurance, Wealth & ESG Research

### **Macroeconomic Research**



Lluis Dalmau Economist for Africa & Middle East lluis.dalmau@allianz-trade.com



Maxime Darmet Cucchiarini Senior Economist for UK, US & France Senior Economist for Europe maxime.darmet@allianz-trade.com jasmin.groeschl@allianz.com



Jasmin Gröschl



Françoise Huang Senior Economist for Asia Pacific francoise.huang@allianz-trade.com



Maddalena Martini Senior Economist for Italy, Greece & Benelux maddalena.martini@allianz.com



Luca Moneta Senior Economist for Emerging Markets luca.moneta@allianz-trade.com

### **Corporate Research**



Ano Kuhanathan Head of Corporate Research



Guillaume Dejean Senior Sector Advisor  $\underline{ano.kuhanathan@allianz-trade.com} \quad \underline{guillaume.dejean@allianz-trade.com} \quad \underline{maria.latorre}@allianz-trade.com$ 



Maria Latorre Sector Advisor, B2B



Maxime Lemerle Lead Advisor, Insolvency Research maxime.lemerle@allianz-trade.com



Sivagaminathan Sivasubramanian ESG and Data Analyst sivagaminathan.sivasubramanian@ allianz-trade.com

### Capital Markets Research



Jordi Basco Carrera Lead Investment Strategist jordi.basco\_carrera@allianz.com



**Bjoern Griesbach** Senior Investment Strategist & Eurozone Economist bjoern.griesbach@allianz.com

### Insurance, Wealth and ESG Research



Michaela Grimm Senior Economist. Demography & Social Protection michaela.grimm@allianz.com



Patrick Hoffmann

Economist, ESG & AI



Yao Lu

Investment Strategist

yao.lu@allianz.com

Hazem Krichene Senior Economist, Climate patrick.hoffmann@allianz.com hazem.krichene@allianz.com



Patricia Pelavo-Romero Senior Economist, Insurance & ESG



Economist, Insurance & Wealth patricia.pelayo-romero@allianz.com kathrin.stoffel@allianz.com



Markus Zimmer Senior Economist, ESG markus.zimmer@allianz.com





## **Recent Publications**

20/06/2025 | What to watch **18/06/2025** Cash back to shareholders or cash stuck to finance customers? 12/06/2025 | What to watch 11/06/2025 | No country for old robots: how can Europe leap over the robotics tech frontier? 05/06/2025 | What to watch 02/06/2025 Captain Europe: Five ways to forge the region's defense shield 28/05/2025 | What to watch 27/05/2025 | Allianz Global Insurance Report 2025: Rising demand for protection 22/05/2025 | What to watch 20/05/2025 | Allianz Global Trade Survey 2025: Trade war, trade deals and their impacts on companies 15/05/2025 | What to watch 09/05/2025 | What to watch 02/05/2025 | What to watch 29/04/2025 | Eight lessons learned from 20 years of ESG investing 25/04/2025 | What to watch 17/04/2025 | What to watch 15/04/2025 | Rethinking climate adaptation for global resilience 11/04/2025 | What to watch 10/04/2025 | Riders on the storm: Managing uncertainty - updated Outlook 04/04/2025 | What to watch 28/03/2025 | What to watch 26/03/2025 | Invest in your future: How to save your way out of employment vulnerability 20/03/2025 | What to watch 18/03/2025 | The corporate battlefield: Global insolvencies in times of war economics 14/03/2025 | What to watch 11/03/2025 | Plug, baby, plug: Unlocking Europe's electricity market 27/02/2025 | What to watch 25/02/2025 | Climate risk and corporate valuations 20/02/2025 | What to watch 18/02/2025 From hard-to-abate to decarbonized: Strategies for transforming Europe's industrial sector 14/02/2025 | What to watch 13/02/2025 | How Europe can take back the wheel in the global auto sector 06/02/2025 | What to watch 03/02/2025 | Allianz Country Risk Atlas 2025: Repeat and rewind?

Discover all our publications on our websites: <u>Allianz Research</u> and <u>Allianz Trade Economic Research</u>

Director of Publications Ludovic Subran, Chief Investment Officer & Chief Economist Allianz Research Phone +49 89 3800 7859

Allianz Group Economic Research https://www.allianz.com/en/economic\_research http://www.allianz-trade.com/economic-research Königinstraße 28 | 80802 Munich | Germany allianz.research@allianz.com

💥 @allianz

**in** allianz

Allianz Trade Economic Research <u>http://www.allianz-trade.com/economic-research</u> 1 Place des Saisons | 92048 Paris-La-Défense Cedex | France

X@allianz-trade

in allianz-trade

About Allianz Research Allianz Research encompasses Allianz Group Economic Research and the Economic Research department of Allianz Trade.

### Forward looking statements

The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements. Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events), (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends,

(v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the EUR/USD exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures,

and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

### No duty to update

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

Allianz Trade is the trademark used to designate a range of services provided by Euler Hermes.