

Allianz SE

Group Communications and Corporate Responsibility

# Media Release

## Africa poised to become digital insurance leader, says Allianz CEO Oliver Bäte

- “While digital is a transformation process in Europe, Africa is digital by nature”
- “‘Mobile first’ and customer expectations will drive innovation”
- Allianz’s focus in Africa: leveraging global strength and digital insights to grow market share

**Johannesburg, Munich, July 24, 2017:** Oliver Bäte, CEO of Allianz SE, today opened the 44<sup>th</sup> annual Insurance Conference in Sun City, South Africa, with a keynote address on the conference theme "Disrupt, Debate, Deliver". In his speech, Bäte addressed the profound transformation of the insurance industry wrought by digitalization.

“In today’s fast changing world, it’s critical to innovate quickly and to change course rapidly if necessary. The insurance industry, like other customer service industries, is transforming because of the all-encompassing impact of digitalization on our lives. Customers have new expectations, a growing number of disruptors are taking the stage and new megatrends, such as artificial intelligence (AI), voice-based smart assistants (i.e. ‘Alexa’), telematics, wearables and drones are fundamentally changing the traditional insurance model.”

“We are completely rethinking the way we serve our customers, not least because of the competition posed by disruptors from the fin-/insuretech space, who have an impressive facility with mobile technology and analytics. Today’s customers will choose a product primarily because it’s easy to use, transparent in terms of price and quality, and personalized – and because it’s available to them via the digital channels they want it from.”

### “Digital comes naturally to African customers”

“While traditional markets, such as Europe, are struggling with their digital transformation process, Africa is digital by nature. Mobile is the fastest growing sector and innovation enabler on the continent with an expected 1.2 billion African subscribers by 2018.”

“By leveraging the internet and mobile penetration, African countries can leapfrog innovation. African customers will rightfully demand and drive insurance innovation in Africa as they expect offerings and channels to be fully digitalized. This, and the fact that rules and

regulations are favorable for innovation in financial services, puts Africa in a great position to become the digital insurance leader of the future.”

### **A ‘Single Digital Agenda’ to meet disruption**

To transform Allianz into a truly customer-centric, ‘digital by default’ company, the Group established a Single Digital Agenda. Allianz is spending over €700 million (\$800 million) annually on shaping and orchestrating the digitalization of its 127-year-old business.

The ‘Single Digital Agenda’ is a portfolio of change initiatives built on five pillars, the cornerstone being the Allianz ‘Global Digital Factory’, a place where experts from all parts of the company rethink customer journeys from our various business segments and make them globally scalable. The second is ‘Global Digital Partnerships’ to foster collaboration with tech and sharing economy companies. The third is ‘Digital Pure Play’, the conception of 100% digital insurance and assistance offerings. The fourth is ‘Advanced Business Analytics’ with the aim to increase customer satisfaction and the effectiveness of the business. And the fifth is ‘Allianz X’, a fund and incubator, for which the company has set aside €430 million (\$500 million) over the next four years. The fund invests in promising start-ups that are part of ecosystems relevant to the business, such as connected property, connected mobility, health, asset and wealth management.

In Africa, where the Group is already present in 16 countries<sup>1</sup>, Allianz will focus its digital activities on increasing customer reach in key growing markets, where insurance penetration is still low, and efficiency in markets with higher penetration.

“Insurance companies have much to offer to the African economy. Digitalization allows us to gain considerably better insights into our individual and institutional customers and thereby to better serve their needs. We believe deeply in Africa’s huge long-term growth potential and we will leverage our global footprint and extensive expertise to strengthen our market position and to attract African talent,” Bäte said in closing.

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### **About Allianz**

The Allianz Group is one of the world’s leading insurers and asset managers with more than 86 million retail and corporate customers. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world’s largest investors, managing over 650 billion euros on behalf of its insurance customers while our asset managers Allianz Global Investors and PIMCO manage an additional 1.3 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we hold a leading position in the Dow Jones

Sustainability Index. In 2016, over 140,000 employees in more than 70 countries achieved total revenue of 122 billion euros and an operating profit of 11 billion euros for the group.

**In Africa**, Allianz is currently present in 16 countries<sup>1</sup> and accompanies clients in 38 countries. Its 1,500 employees achieved regional revenues of 600 million euros in 2016. Allianz also provides micro-insurance for 500,000 low income families and individuals in Africa.

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

**Cautionary note regarding 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 euro/US-dollar 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.

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<sup>1</sup>Allianz in Africa: Benin, Burkina Faso, Cameroon, Central African Republic, Egypt, Ivory Coast, Ghana, Kenya, Madagascar, Mali, Mauritius, Morocco, Republic of the Congo, Senegal, South Africa, Togo