

# Press

Allianz Deutschland AG: 2016 Results

## All Lines Show Revenue Gains

- Property & casualty insurance grows faster than market
- One out of every three euros invested in retirement plans is invested with Allianz Leben
- Strong new business in health insurance

Allianz Deutschland achieved its goals for fiscal 2016. Revenues made gains in all lines, by a total of 4.6 percent, to EUR 32.4 billion (vs. EUR 30.9 billion). At year's end, Allianz Deutschland insured 20.4 million clients, 66,000 more than a year earlier. Disbursements to clients increased from EUR 18.8 billion to EUR 20.6 billion.

Germany's largest insurer also advanced its reconception as a customer-centered organization, as well as the all-inclusive digitalization of its processes. All in all, last fiscal year the company invested EUR 155 million in customer-oriented initiatives and digitalization projects.

At the same time, it also expanded its digital agency and the interactive Allianz consulting process. The effort is paying off. Allianz Beratungs- und Vertriebs-AG increased its overall sales performance by 7.8 percent in 2016, and achieved its highest sales performance per salesperson for the exclusive sales organization.

Manfred Knof, CEO of Allianz Deutschland, emphasized: "2016 was a very successful year. Our stronger focus on our customers and their needs is reaping economic rewards."

One part of the growth initiative last year was that Allianz Deutschland picked up two important strategic partners in bank sales. The cooperative sales arrangement with Santander went into operation on January 1, 2017, and Allianz Deutschland will become a cooperating partner of HypoVereinsbank as of January 1, 2018.

To keep its products and services as transparent as possible for customers, Allianz increased the number of available online computers and service applications to more than 30. Many products, including car insurance, full-coverage health insurance and term life insurance, can be taken out entirely digitally at [www.allianz.de](http://www.allianz.de), and most can also be taken out on a mobile device. At the same

time, customers can get advice from an agent any point in the application process, or make contact with customer service. “We’ve been seeing that in a digital environment especially, a personal conversation is very important to a lot of customers,” says Knof.

That’s why the insurer is continuing to work on improving its customer service. Last year, Allianz increased its phone availability from 85 to nearly 95 percent. Waiting times for callers were cut by about 40 percent.

One of the first tasks of the new Chief Customer Officer position that Allianz Deutschland established in July 2016 was to incorporate customer feedback systematically into product development. “We never put a new product on the market unless customers have extensively tested it first,” Knof says. Many of the new products and services are being developed by interdisciplinary teams at the Agile Training Centers established in Munich and Stuttgart during the year.

### **Market leader in telematic rate plans**

Premium revenues in property and casualty insurance grew 2.8 percent, from EUR 9.6 billion to EUR 9.9 billion. The main contributor here was the corporate business. Here the FirmenKonzept introduced in 2015 proved to be a growth driver. Excluding casualty insurance with premium refunds, growth even came to 3.2 percent, outperforming the market level.

At the end of 2016 Allianz still covered 8.3 million vehicles in Germany, a figure unchanged from the year before. By year’s end, 21,000 young clients had chosen the new BonusDrive telematic rate plan, introduced in May – and the trend was rising sharply. “Starting from zero, we’ve become the market leader in telematic rate plans,” Knof points out. A defensive driving approach helps users lower their insurance rates. “Our initial experience shows that the average scores are increasing considerably – in other words, our insured clients are driving safer by using the app.”

Higher numbers of large claims increased the combined ratio in property insurance to 92.6 percent (vs. 91.9 percent).

### **Large premium gains in life insurance**

Life insurance has employed digital applications to radically simplify many procedures for its clients. In disability insurance, a quick online test makes clear whether a preexisting condition will affect risk coverage or price. The innovative digital risk review capacity makes it easier to take out term life and disability insurance using a graphical “body atlas.” A customer can open the Allianz ParkDepot with a few clicks on a smartphone, using video identification processes.

Premium revenues in life insurance gained 6.4 percent to reach EUR 18.9 billion. New business grew 21.1 percent. The “Perspektive” retirement planning product has taken the place of classic life insurance as a standard product, and has been bought by more than 360,000 clients since it was introduced in 2013. By year’s end, about

34,000 customers had already decided in favor of the new KomfortDynamik planning concept introduced in July 2015. The market share in new business grew to more than 30 percent. In other words, one out of every three euros newly invested in retirement plans is being invested with Allianz Leben.

"No matter what retirement concept our customers chose – thanks to our financial strength they can rely on an unrestricted premium guarantee, if they want it, combined with attractive prospects for a return," Knof adds. In spite of ongoing low interest rates, Allianz Leben earned a net return of 4.4 percent, well above the level from comparably safe investments. Even with interest rates hovering permanently around zero percent, returns from Allianz Leben's capital investments ensure that it can meet all its future obligations.

### **Private health insurance clients benefit from strong premium stability**

Premium revenues in health insurance increased slightly, by 1.0 percent, to EUR 3.3 billion (vs. EUR 3.3 billion). That figure reflects the strong premium stability in health insurance. New business increased 8.4 percent, particularly thanks to stronger demand for both full and supplemental coverage. "We owe that success to our first-class products and services," Knof explains. In addition, several rating agencies have given Allianz Private Health Insurance – APKV – top ratings for its corporate and financial strength.

At the end of 2016, APKV provided health insurance coverage for 2.6 million people, 29,000 more than a year earlier. The successful partnership with the AOK Baden-Württemberg public health insurance fund also contributed here.

### **Investments underscore financial strength**

Amid a difficult market environment, Allianz Deutschland increased its net investment income 7.2 percent, to EUR 13.7 billion (EUR 12.7 billion). Investments under management in the insurance business grew 7.3 percent to EUR 284.1 billion (EUR 264.9 billion). An ESG rating ensures that the sustainability risks and opportunities of individual investments can be detected and taken into account.

Net operating income declined 5.5 percent from the previous year, to EUR 2.6 billion (EUR 2.7 billion), in part because of higher claims expenses and lower interest income in the property and casualty line. The net profit for the year grew 12.4 percent to EUR 2.0 billion (EUR 1.7 billion), but this figure includes non-recurring effects from portfolio reallocations.

### **Outlook**

Allianz Deutschland will continue reconceiving itself as a customer-centered, digital company in 2017, and is pursuing a wide variety of initiatives toward that end. In view of further planned growth initiatives, Allianz Deutschland expects revenue growth to continue in 2017.

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We will be covering the annual press conference at [twitter.com/allianz\\_de](https://twitter.com/allianz_de). The hashtag is: #AllianzJPK

You can find more **press information from Allianz Deutschland AG** at our Internet portal, <https://www.allianzdeutschland.de>

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