

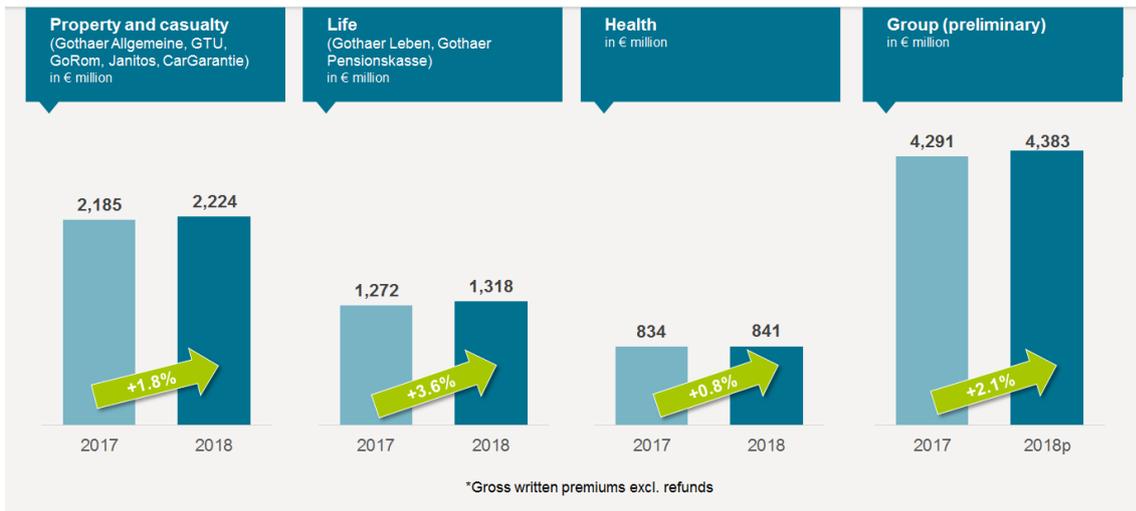
PRESS RELEASE

Gothaer achieves growth in premium revenues and strengthens its capital base in the 2018 fiscal year

- 2.1 percent growth in premium revenues to € 4.38 billion
- Substantial improvement in risk carrier production results
- Group equity climbs to € 1,159 million
- Solid solvency ratios and confirmed rating
- Consistent digitalization of customer touchpoints

Cologne, 12 April 2019 – Group CEO Dr Karsten Eichmann presented robust figures at the balance sheet press conference, commenting, "2018 was another good year for the Gothaer Group. Gross premiums written at Group level rose by 2.1 percent to € 4,383 million, with all segments contributing to the growth. One of the key growth drivers was the property and casualty insurance segment, where written premiums rose by 1.8 percent to € 2,224 million. The life insurance segment also made an important contribution with an increase of 3.6 percent," said Dr Karsten Eichmann, Chief Executive Officer of the Gothaer Group.

The chart shows a segment-specific breakdown of written premiums:



“We were very pleased to have our financial stability reconfirmed again in 2018, despite operating in a challenging environment, with another ‘stable’ Standard & Poor’s rating,” commented Eichmann. A diversified positioning and good profitability are the basis for the Group’s positive performance. The capital base was further strengthened with end-of-year Group equity at € 1,159 million (prior year: € 1,036 million).

Group-level solvency ratios as well as those of Gothaer Lebensversicherung AG and Gothaer Krankenversicherung AG improved again – and the other risk carriers are stable.

Investment results remain good in a historically low interest rate environment

The Gothaer Group delivered good investment results, overall, in a historically low interest rate environment. At the end of 2018 the investment volume was € 28,746 million (according to the German Commercial Code, HGB). “The proportion of investments with investment grade rating remained at the high level of 96.7 percent (prior year: 95.7 percent). In 2019 the Group intends to continue focusing on reducing credit positions and increasing non-listed assets. We are planning to obtain government-backed export credits in a volume of up to € 500 million and collateralized trade financing of up to € 500 million,” said Harald Epple, Chief Financial Officer of the Gothaer Group, at the press conference.

Gothaer Allgemeine: growth through innovative new products

Gross premiums written by Gothaer Allgemeine Versicherung AG were 0.4 percent higher than in 2017 at € 1,810 million. This was particularly due to growth in direct business (plus 1.2 percent) and the positive development of new business, which increased by 38 percent year-on-year to € 45.9 million. “2018 was Gothaer Allgemeine Versicherung’s most successful year to date in terms of sales. Our new products and marketing methods are working and we are very happy with our cyber insurance product, which offers solid all-round cover to commercial and industrial customers. The Franke und Bornberg rating agency gave it a FF+ rating, putting it among the top five cyber insurance products in the market,” commented Dr Christopher Lohmann, Chief Executive Officer of Gothaer Allgemeine Versicherung AG. Market acceptance of the new homeowners insurance with scaled premiums depending on the building’s age and the innovative no claims discount system, which were launched in 2018, was very good. The company was the first insurer in the market to introduce a no claims discount system. Inclusion of this system secures attractive premiums for recent buildings without a loss history. The pipeline for 2019 includes innovative new product launches and existing product renewals. We will be introducing a motor insurance tariff promoting e-mobility in October, as well as a tariff offering a CO₂ neutrality option.

Gothaer Leben: successful turnaround in 2018

Gross premiums written by Gothaer Lebensversicherung AG in 2018 rose by 4.1 percent to € 1,191 million, thereby outperforming the market. A growth turnaround has been successfully achieved after a three-year negative revenue trend as a result of the strategic restructuring of the portfolio. “We’re delighted with the 18 percent growth in new business after the trend reversal in 2018. The primary contributors to that growth have been the new pension products we have launched over the past two years. The new occupational disability and invalidity insurance product has also had a catalyst effect on biometrics business,” said Michael Kurtenbach, Chief Executive Officer of Gothaer Lebensversicherung AG. Gothaer Leben achieved around 10



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percent growth in company pension plan business during 2018. It was particularly successful with direct insurance products (23 percent growth year-on-year). Company pension plan business accounted for 33 percent of total new business in 2018.

Gothaer Kranken: strong growth in new supplementary insurance business

Gross premiums written by Gothaer Krankenversicherung AG of € 841 million are 0.8 per cent above the 2017 level. “Gothaer Krankenversicherung has a very robust position and it has achieved clear growth in new business of 21 percent, particularly in the supplementary insurance segment,” reported Oliver Schoeller, Chief Executive Officer of Gothaer Krankenversicherung AG. These are the foundations for an attractive and sustainable market position. “The integration of telemedicine and the introduction of the vivy electronic patient record, as well as the significant expansion of digital services in company health insurance, will fast-track Gothaer Krankenversicherung’s repositioning as a digital health service provider this year,” said Schoeller.

Consistent digitalization of customer touchpoints

“When we develop new products our key objective is to enhance the customer experience. Our customers and marketing partners are involved in the process to ensure that our customers’ needs are optimally catered to. We use an iterative process, as well as the customer journey and design workshop methods. An important part of this digitalization is the continuous extension of our app portfolio. We also provide added value to customers via digital ecosystems, particularly through collaborations with new partners such as Grohe, Abus, Bosch and OptioPay”, commented Eichmann. At the same time, Gothaer is continuously extending its range of customer self-service offerings. The ‘Meine Gothaer’ (My Gothaer) portal provides Gothaer customers with a transparent overview of their policies, including all the contract details. Important documents and personalized certificates are also provided via the portal.

A recording of the press conference will be available after 2 pm at www.youtube.de/mygothaer.

Your contact

Sabine Essing
Press and Corporate Communications
T: +49 / 221/ 308-34531
F: +49 / 221/ 308-34530
Gothaer Konzern
Gothaer Allee 1, 50969 Köln
E-mail:sabine_essing@gothaer.de

Gothaer on the internet

www.gothaer.de
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